



DATE: August 4, 2020
TO: Larry Davis, Assistant City Manager
FROM: Internal Audit Division
SUBJECT: New Garden Associates Limited Partnership 2017-2018
(No Response Required)

The Internal Audit Division has completed our review of New Garden Associates Limited Partnership for the 2017-2018 fiscal year along with a Programmatic Review by the Neighborhood Development Department. Attached you will find our review report; the departmental response and our replies to their responses. We feel that sufficient corrective actions have been implemented to our recommendations as we move forward. If you have any questions or need additional information, please let us know. Thanks.

Len Lucas
Internal Audit Director

Cc Chris Wilson, Assistant City Manager
Stan Wilson, Director of Neighborhood Development
Cyndi Blue, Manager of Housing Services, Neighborhood Development
Lamont Taylor, Administrative Services Manager for Neighborhood Development
Caitlin Warren Bowers, Grant Administrator for Neighborhood Development
Charla Gaskins, Federal Compliance Coordinator
Von Patrick, Neighborhood Outreach Specialist for the Planning Department



DATE: October 11, 2019

TO: Stan Wilson, Director of Neighborhood Development

FROM: Internal Audit Division

SUBJECT: New Garden Associates Limited Partnership 2017-2018
(Written Response Required by October 25, 2019)

The Internal Audit Division has performed our compliance review for the year ended December 31, 2018 of the New Garden Associates Limited Partnership (“Partnership”), which consists of 76 units for low-income individuals or families located at 1622 McPherson Street. The Partnership received a loan in December 1992 for \$1,299,220 from the City of Greensboro (“City”) to help in the rehabilitation of the apartment units. These units provide housing for qualified individuals and families in the Greensboro area. The units are called New Garden Place Apartments (“Project” or “Property”) and are managed by Wynnefield Properties, Incorporated.

Principal payments on the loan were to begin September 1, 1994 and continuing on each June 1 thereafter at 75% of gross receipts after deducting all normal and reasonable operating and capital expenses actually incurred and payments into the Capital Replacement Reserve Account (limited to \$175,000). There was no principal loan payment due from the Partnership for the year ended December 31, 2018. The City’s principal loan balance as of December 31, 2018 was \$1,295,915. The City loan is due in full November 1, 2022.

Ms. Von Patrick, Neighborhood Outreach Specialist for the Planning Department, inspected approximately 14 percent of the 76 total units and there were no repairs suggested for any units at the time. The exterior buildings and grounds were noted to be excellent condition.

Based on the year ended December 31, 2018 audited financial statements, **negative** net assets increased to (\$1,651,899) from (\$1,480,056) in the prior year. **Negative** working capital was (\$483,706) at December 31, 2018, as a result of the current maturity of a Wells Fargo Bank loan with an outstanding balance of \$441,057. Note 2 to the audited financial statements for the year ended December 31, 2018 states: “The Partnership has entered into three different loan modification agreements with Wells Fargo Bank extending the maturity date, the most recent of which extends the maturity date to April 30, 2019. The required monthly payment and interest rate have remained unchanged from the original loan agreement. Management plans to seek additional extensions in the event the loan is not refinanced by the new maturity date.”

Note 7 of the audited financial statements for the year ended December 31, 2018 states: “As described in Note 2, the Partnership’s first mortgage has a maturity date of April 30, 2019. Management plans

to seek an additional modification agreement to extend the maturity date or refinance the existing loan. If the loan becomes due, an advance from the Partners would be required to satisfy the obligation.”

Also, Note 7 to the audited financial statements for the year ended December 31, 2018 states: “The Property has required the deferment of the collection of payroll costs and other management expenses by management in order to meet its financial obligations. It is likely that this deferral along with advances from the Partners will be required in the future for the Property to continue to meet its obligations.”

Note 6 to the audited financial statements for the year ended December 31, 2018 states: “During the year ended December 31, 2018, the Partnership was successful in an appeal to the Guilford County Tax Department to lower the assessed value of the Property’s real property [for tax year 2017] from \$1,749,400 to \$1,333,100. The reduction in expense was recognized in taxes and insurance on the statements of operations. The Partnership incurred fees from service providers in the course of the appeal totaling \$2,000, which are also included in taxes and insurance on the statement of operations.”

Regarding the Project’s real property taxes assessment for 2018, Guilford County’s Tax Department assessed the Project at a value of \$1,333,100; based on the 2017 general reappraisal year. The Partnership appealed the assessment; and a hearing was scheduled before the Guilford County Board of Equalization and Review (“County Board”) on August 15, 2018. Based on the County Board’s review of evidence and testimony heard, the Property’s tax value remained at \$1,333,100.

The Partnership has filed a Notice of Appeal and Application for Hearing with the North Carolina Property Tax Commission based on the County Board’s decision as to the true value of the property. The Partnership estimates the property value at \$740,518. In addition, reasons for the appeal include the following:

1. Guilford County employed an arbitrary and/or illegal method of appraisal in reaching the assessed value that the County assigned for 2018;
2. Guilford County assigned a value that substantially exceeded its true value in money as of January 1 for 2018; and
3. Guilford County erred in its assessment of the property in that the level of assessment is significantly greater than that of other locally assessed property.

Although the Partnership is awaiting notice of a hearing from the North Carolina Property Tax Commission, the 2018 property taxes were paid in full on December 19, 2018. Also, the 2019 property taxes (assessed on a property value of \$1,333,100) are currently under appeal with the North Carolina Property Tax Commission following the County Board’s June 18, 2019 decision for the assessment to remain at \$1,333,100.

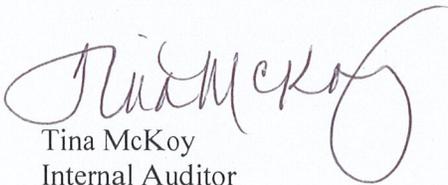
We examined selected program documentation maintained by the Partnership for compliance with the loan agreement. Based on our review, it appears that the terms of the loan agreement have been met with exception to the following:

FINDING: As discussed above, the most recent loan modification with Wells Fargo, which extended the maturity date of the loan to April 30, 2019, has expired.

RECOMMENDATION: Please explain any actions Management has taken to satisfy the current loan obligation; as well as the status of the actions taken.

We request a written and signed response from the Neighborhood Development Department and Wynnefield Properties, Incorporated by October 25, 2019; and mailed to: City of Greensboro, Internal Audit Division, P. O. Box 3136, Greensboro, NC 27402.

We would like to thank Ms. Joanie Duley, Corporate Management; Mr. Justin Wood, Regional Manager; Ms. Janet Brown, On-Site Manager; and the staff of Wynnefield Properties, Incorporated for their courtesy and cooperation shown to us during this visit. If there are any questions or comments concerning the details of this visit, we can be reached at 373-4528.



Tina McKoy
Internal Auditor



Len Lucas
Internal Audit Director

Cc: Larry Davis, Assistant City Manager
Chris Wilson, Assistant City Manager
Cyndi Blue, Manager of Housing Services, Neighborhood Development
Lamont Taylor, Administrative Services Manager, Neighborhood Development
Caitlin Bowers, Grant Administrator, Neighborhood Development
Bill Cashatt, CFO, Wynnefield Properties, Incorporated.
Joanie Duley, Controller, Wynnefield Properties, Incorporated
George Carr, President, Beacon Management Corporation



NEIGHBORHOOD DEVELOPMENT

October 3, 2019

New Garden Place Apartments
Norwood Stone, Wynnefield Properties
PO Box 395
Jamestown, NC 27282

Dear Mr. Stone:

Enclosed is a copy of the City of Greensboro's Fiscal Year 2017-2018 programmatic review of the contract between the City of Greensboro and New Garden Associates Limited Partnership for a loan for the rehabilitation of 76 apartments located at 1509, 1511, and 1515 Woodmere Drive and 1912, 1914, and 1916 Phillips Avenue.

There were no concerns or findings resulting from this monitoring review. Neighborhood Development staff appreciates the assistance and documentation provided by Ms. Joanie Duley, Corporate Management; Ms. Janet Brown, On-Site Manager; and the staff of Wynnefield Properties, Incorporated during the August 15, 2019 monitoring visit.

Sincerely,

Charla Gaskins

Charla Gaskins
Federal Compliance Coordinator

Lamont Taylor

Lamont Taylor
Grants, Finance, & Administration Manager

cc: Stan Wilson, Director

FY 2017-2018 Programmatic Review of New Garden Place Apartments

Monitoring Visit Attendees

Charla Gaskins, Federal Compliance Coordinator, City of Greensboro

Tina McKoy, Internal Auditor, City of Greensboro

Von Patrick, Neighborhood Outreach Specialist, City of Greensboro

Joanie Duley, Corporate Management, Wynnefield Properties, Incorporated

Janet Brown, On-Site Manager, Wynnefield Properties, Incorporated

Justin Wood, Regional Manager, Wynnefield Properties, Incorporated

Overview

New Garden Associates Limited Partnership entered into a rehabilitation loan agreement with the City for a period beginning December 30, 1992 and ending November 1, 2022. The non-interest bearing loan, funded with \$1,299,220 of housing bond funds from the City of Greensboro, helped finance the rehabilitation of 76 apartment units. The units are called New Garden Place Apartments and are managed by Wynnefield Properties, Incorporated.

Principal payments on the loan were to begin September 1, 1994 and continue on each June 1 thereafter. Repayment of the loan is based upon a percentage of positive cash flow on an annual basis, with the loan balance due in full at the end of the loan agreement. As of December 31, 2018, the loan balance was \$1,295,915. No principal loan payment was due because of the Partnership's cash flow for the year ended December 31, 2018.

The purpose of this programmatic review is to determine whether New Garden Associates Limited Partnership met agreement requirements during fiscal year 2017-2018. Wynnefield Properties, Incorporated provided tenant files and financial documentation for the City of Greensboro's Neighborhood Development staff and Internal Audit staff to review.

Process

City of Greensboro staff conducted an on-site monitoring visit of the New Garden Place Apartments, located at 1622 McPherson Street, on August 15, 2019. Prior to the visit, the City provided a letter to Wynnefield Properties, Incorporated to schedule the visit and to request documentation needed to conduct the review. In response to the letter, Wynnefield Properties, Incorporated confirmed scheduling and provided copies of requested documentation. During the visit, Internal Audit conducted a financial review and Neighborhood Development conducted a programmatic review. Staff of Wynnefield Properties, Incorporated was available to answer any questions.

Review of Certification of Tenant Incomes

The purpose of this review is to determine compliance with agreement requirements and eligibility documentation that was maintained for each tenant. A sampling of twelve tenant files was chosen for review. Each file reviewed included tenant income certifications and supporting income documentation. All files reviewed met the initial income threshold of 60% median income for low and moderate income households. Tenant incomes were in compliance with the agreement.

Review of Lead Based Paint Disclosure

The purpose of this review is to determine whether agreement requirements are being met. All twelve files reviewed had documentation that disclosed lead based paint/hazards. No findings or concerns were noted.

Review of Residential Lease

The purpose of this review is to determine compliance with agreement requirements. Of the files reviewed, documentation showed that all tenants signed a one-year lease. Residential leases appear to comply with the agreement.

A review of program documentation identified conflicting lease terms for unit 1916K. The Rental Compliance Reporting System (RCRS) Property Activity Report showed a move-in date of 3/21/2017 and the waiting list showed an application date and move-in date of 3/28/17. Management should review documentation for accuracy.

Review of Rents

The purpose of this review is to determine compliance with the agreement. The property consists of 76 units and 100% of the units are to be affordable to households with incomes at or below 42% of the adjusted area median income.

For 2019, LIHTC rent and utility limits are as seen in the chart below.

Bedrooms (People)	Current New Garden Place Max Rent	LIHTC (42%)
1 Bedroom (1.5)	\$463	\$485
2 Bedrooms (3.0)	\$549	\$582
3 Bedrooms (4.5)	\$635	\$673

The RCRS Property Activity Report showed that all units complied with the agreement.

Review of Property Standards

The purpose of this review is to determine compliance with agreement requirements for improvements, maintenance and repairs to the property. A sampling of twelve tenant files was chosen for review. The composition included one 1-bedroom unit, nine 2-bedroom units, and two 3-bedroom units. All files had documentation of property management inspections.

Ms. Von Patrick, Neighborhood Outreach Specialist for the Planning Department, inspected eleven units and the property’s exterior and grounds during the on-site monitoring visit. The exterior buildings and grounds were in excellent condition. There were no repairs suggested for any of the units. Ms. Patrick gave a copy of the report to management.

Review of Contractual Compliance

New Garden Place Associates Limited Partnership has maintained insurance coverage and has named the City of Greensboro as the insured on the policy. Internal Audit examined selected financial transactions and program documentation for compliance with the loan agreement. Based on their review, it appears that the terms of the loan have been met with the exception of the most recent loan modification with Wells Fargo, which extended the maturity date of the loan

to April 30, 2019, has expired. Based on Neighborhood Development's review of files and program documentation, it appears that agreement requirements have been met.

Base Property Indicators

Red Flag Indicators	Threshold	Property results	Red Flag
Physical Occupancy FY18/19	>85%	73.1%	■
Average Vacant Unit Offline Time	<45 Days	213.3 Days	■
Adhering to Agreement	Adherence	Yes	-
Affirmative Marketing Policy	Adherence	Yes	-

Summary

The physical occupancy at New Garden Place Apartments is 73.1% and the average vacant unit offline time is 213.3 days. Both indicators failed to meet threshold values and resulted in two red flags. Nine units, which were vacant throughout the entire fiscal year, contributed to the property performance. Management should continue to seek ways to improve the occupancy at this property. Neighborhood Development does not require a response.



NEIGHBORHOOD DEVELOPMENT

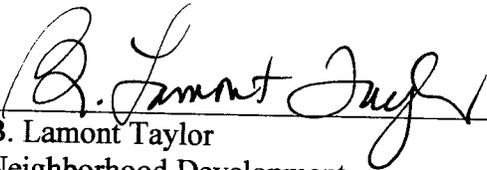
Date: October 3, 2019
TO: Len Lucas, Internal Audit Director
FROM: Charla Gaskins, Federal Compliance Coordinator
SUBJECT: FY17-18 Review of New Garden Place Apartments Report

In the 2017-2018 review, Internal Audit issued a finding due to the expiration of New Garden Associates Limited Partnership's most recent loan modification with Wells Fargo. Neighborhood Development concurs with Internal Audit's finding and recommendation to explain actions taken to satisfy the loan obligation.

Thank you.

CG

Approved by:


B. Lamont Taylor
Neighborhood Development



DATE: October 11, 2019
TO: Stan Wilson, Director of Neighborhood Development
FROM: Internal Audit Division
SUBJECT: New Garden Apartments – FY 2017-2018

Thank you for your reply dated October 3, 2019. Internal Audit agrees with the Neighborhood Development Department's response to Internal Audit's subject report dated October 11, 2019.



Tina McKoy
Internal Auditor



Len Lucas
Internal Audit Director

Cc: Larry Davis, Assistant City Manager
Chris Wilson, Assistant City Manager
Cyndi Blue, Manager of Housing Services, Neighborhood Development
Lamont Taylor, Administrative Services Manager, Neighborhood Development
Caitlin Bowers, Grant Administrator, Neighborhood Development
Charla Gaskins, Federal Compliance Coordinator, Neighborhood Development

Attachment



December 11, 2019

Mr. Bill Cashatt, CFO
Wynnefield Properties, Incorporated
P O Box 395
Jamestown, NC 27282

RE: New Garden Limited Partnership – FY 2017-2018

Dear Mr. Cashatt:

We are awaiting your response to our report letter for New Garden Apartments dated October 11, 2019 for which a written response was requested by October 25, 2019. A copy of the report has been provided for your reference.

Please forward your response to City of Greensboro, Internal Audit Division, P. O. Box 3136, Greensboro, NC 27403-3136 as soon as possible.

Thank you.

Sincerely,

Tina McKoy
Internal Auditor

Len Lucas
Internal Audit Director

Cc: Larry Davis, Assistant City Manager
Chris Wilson, Assistant City Manager
Stan Wilson, Director of Neighborhood Development
Cyndi Blue, Manager of Housing Services, Neighborhood Development
Lamont Taylor, Administrative Services Manager, Neighborhood Development
Caitlin Bowers, Grant Administrator, Neighborhood Development
Charla Gaskins, Federal Compliance Coordinator, Neighborhood Development
Joanie Duley, Controller, Wynnefield Properties, Incorporated
George Carr, President, Beacon Management, Incorporated

Enclosure



DATE: October 11, 2019

TO: Stan Wilson, Director of Neighborhood Development

FROM: Internal Audit Division

SUBJECT: New Garden Associates Limited Partnership 2017-2018
(Written Response Required by October 25, 2019)

The Internal Audit Division has performed our compliance review for the year ended December 31, 2018 of the New Garden Associates Limited Partnership ("Partnership"), which consists of 76 units for low-income individuals or families located at 1622 McPherson Street. The Partnership received a loan in December 1992 for \$1,299,220 from the City of Greensboro ("City") to help in the rehabilitation of the apartment units. These units provide housing for qualified individuals and families in the Greensboro area. The units are called New Garden Place Apartments ("Project" or "Property") and are managed by Wynnefield Properties, Incorporated.

Principal payments on the loan were to begin September 1, 1994 and continuing on each June 1 thereafter at 75% of gross receipts after deducting all normal and reasonable operating and capital expenses actually incurred and payments into the Capital Replacement Reserve Account (limited to \$175,000). There was no principal loan payment due from the Partnership for the year ended December 31, 2018. The City's principal loan balance as of December 31, 2018 was \$1,295,915. The City loan is due in full November 1, 2022.

Ms. Von Patrick, Neighborhood Outreach Specialist for the Planning Department, inspected approximately 14 percent of the 76 total units and there were no repairs suggested for any units at the time. The exterior buildings and grounds were noted to be excellent condition.

Based on the year ended December 31, 2018 audited financial statements, **negative** net assets increased to (\$1,651,899) from (\$1,480,056) in the prior year. **Negative** working capital was (\$483,706) at December 31, 2018, as a result of the current maturity of a Wells Fargo Bank loan with an outstanding balance of \$441,057. Note 2 to the audited financial statements for the year ended December 31, 2018 states: "The Partnership has entered into three different loan modification agreements with Wells Fargo Bank extending the maturity date, the most recent of which extends the maturity date to April 30, 2019. The required monthly payment and interest rate have remained unchanged from the original loan agreement. Management plans to seek additional extensions in the event the loan is not refinanced by the new maturity date."

Note 7 of the audited financial statements for the year ended December 31, 2018 states: "As described in Note 2, the Partnership's first mortgage has a maturity date of April 30, 2019. Management plans

to seek an additional modification agreement to extend the maturity date or refinance the existing loan. If the loan becomes due, an advance from the Partners would be required to satisfy the obligation."

Also, Note 7 to the audited financial statements for the year ended December 31, 2018 states: "The Property has required the deferment of the collection of payroll costs and other management expenses by management in order to meet its financial obligations. It is likely that this deferral along with advances from the Partners will be required in the future for the Property to continue to meet its obligations."

Note 6 to the audited financial statements for the year ended December 31, 2018 states: "During the year ended December 31, 2018, the Partnership was successful in an appeal to the Guilford County Tax Department to lower the assessed value of the Property's real property [for tax year 2017] from \$1,749,400 to \$1,333,100. The reduction in expense was recognized in taxes and insurance on the statements of operations. The Partnership incurred fees from service providers in the course of the appeal totaling \$2,000, which are also included in taxes and insurance on the statement of operations."

Regarding the Project's real property taxes assessment for 2018, Guilford County's Tax Department assessed the Project at a value of \$1,333,100; based on the 2017 general reappraisal year. The Partnership appealed the assessment; and a hearing was scheduled before the Guilford County Board of Equalization and Review ("County Board") on August 15, 2018. Based on the County Board's review of evidence and testimony heard, the Property's tax value remained at \$1,333,100.

The Partnership has filed a Notice of Appeal and Application for Hearing with the North Carolina Property Tax Commission based on the County Board's decision as to the true value of the property. The Partnership estimates the property value at \$740,518. In addition, reasons for the appeal include the following:

1. Guilford County employed an arbitrary and/or illegal method of appraisal in reaching the assessed value that the County assigned for 2018;
2. Guilford County assigned a value that substantially exceeded its true value in money as of January 1 for 2018; and
3. Guilford County erred in its assessment of the property in that the level of assessment is significantly greater than that of other locally assessed property.

Although the Partnership is awaiting notice of a hearing from the North Carolina Property Tax Commission, the 2018 property taxes were paid in full on December 19, 2018. Also, the 2019 property taxes (assessed on a property value of \$1,333,100) are currently under appeal with the North Carolina Property Tax Commission following the County Board's June 18, 2019 decision for the assessment to remain at \$1,333,100.

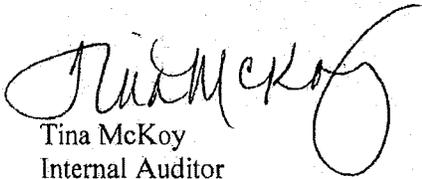
We examined selected program documentation maintained by the Partnership for compliance with the loan agreement. Based on our review, it appears that the terms of the loan agreement have been met with exception to the following:

FINDING: As discussed above, the most recent loan modification with Wells Fargo, which extended the maturity date of the loan to April 30, 2019, has expired.

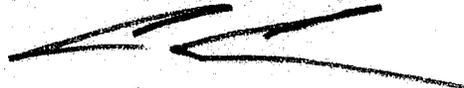
RECOMMENDATION: Please explain any actions Management has taken to satisfy the current loan obligation; as well as the status of the actions taken.

We request a written and signed response from the Neighborhood Development Department and Wynnefield Properties, Incorporated by October 25, 2019; and mailed to: City of Greensboro, Internal Audit Division, P. O. Box 3136, Greensboro, NC 27402.

We would like to thank Ms. Joanie Duley, Corporate Management; Mr. Justin Wood, Regional Manager; Ms. Janet Brown, On-Site Manager; and the staff of Wynnefield Properties, Incorporated for their courtesy and cooperation shown to us during this visit. If there are any questions or comments concerning the details of this visit, we can be reached at 373-4528.



Tina McKoy
Internal Auditor



Len Lucas
Internal Audit Director

Cc: Larry Davis, Assistant City Manager
Chris Wilson, Assistant City Manager
Cyndi Blue, Manager of Housing Services, Neighborhood Development
Lamont Taylor, Administrative Services Manager, Neighborhood Development
Caitlin Bowers, Grant Administrator, Neighborhood Development
Bill Cashatt, CFO, Wynnefield Properties, Incorporated.
Joanie Duley, Controller, Wynnefield Properties, Incorporated
George Carr, President, Beacon Management Corporation



NEIGHBORHOOD DEVELOPMENT

October 3, 2019

New Garden Place Apartments
Norwood Stone, Wynnefield Properties
PO Box 395
Jamestown, NC 27282

Dear Mr. Stone:

Enclosed is a copy of the City of Greensboro's Fiscal Year 2017-2018 programmatic review of the contract between the City of Greensboro and New Garden Associates Limited Partnership for a loan for the rehabilitation of 76 apartments located at 1509, 1511, and 1515 Woodmere Drive and 1912, 1914, and 1916 Phillips Avenue.

There were no concerns or findings resulting from this monitoring review. Neighborhood Development staff appreciates the assistance and documentation provided by Ms. Joanie Duley, Corporate Management; Ms. Janet Brown, On-Site Manager; and the staff of Wynnefield Properties, Incorporated during the August 15, 2019 monitoring visit.

Sincerely,

Charla Gaskins

Charla Gaskins
Federal Compliance Coordinator

Lamont Taylor

Lamont Taylor
Grants, Finance, & Administration Manager

cc: Stan Wilson, Director

FY 2017-2018 Programmatic Review of New Garden Place Apartments

Monitoring Visit Attendees

Charla Gaskins, Federal Compliance Coordinator, City of Greensboro
Tina McKoy, Internal Auditor, City of Greensboro
Von Patrick, Neighborhood Outreach Specialist, City of Greensboro
Joanie Duley, Corporate Management, Wynnefield Properties, Incorporated
Janet Brown, On-Site Manager, Wynnefield Properties, Incorporated
Justin Wood, Regional Manager, Wynnefield Properties, Incorporated

Overview

New Garden Associates Limited Partnership entered into a rehabilitation loan agreement with the City for a period beginning December 30, 1992 and ending November 1, 2022. The non-interest bearing loan, funded with \$1,299,220 of housing bond funds from the City of Greensboro, helped finance the rehabilitation of 76 apartment units. The units are called New Garden Place Apartments and are managed by Wynnefield Properties, Incorporated.

Principal payments on the loan were to begin September 1, 1994 and continue on each June 1 thereafter. Repayment of the loan is based upon a percentage of positive cash flow on an annual basis, with the loan balance due in full at the end of the loan agreement. As of December 31, 2018, the loan balance was \$1,295,915. No principal loan payment was due because of the Partnership's cash flow for the year ended December 31, 2018.

The purpose of this programmatic review is to determine whether New Garden Associates Limited Partnership met agreement requirements during fiscal year 2017-2018. Wynnefield Properties, Incorporated provided tenant files and financial documentation for the City of Greensboro's Neighborhood Development staff and Internal Audit staff to review.

Process

City of Greensboro staff conducted an on-site monitoring visit of the New Garden Place Apartments, located at 1622 McPherson Street, on August 15, 2019. Prior to the visit, the City provided a letter to Wynnefield Properties, Incorporated to schedule the visit and to request documentation needed to conduct the review. In response to the letter, Wynnefield Properties, Incorporated confirmed scheduling and provided copies of requested documentation. During the visit, Internal Audit conducted a financial review and Neighborhood Development conducted a programmatic review. Staff of Wynnefield Properties, Incorporated was available to answer any questions.

Review of Certification of Tenant Incomes

The purpose of this review is to determine compliance with agreement requirements and eligibility documentation that was maintained for each tenant. A sampling of twelve tenant files was chosen for review. Each file reviewed included tenant income certifications and supporting income documentation. All files reviewed met the initial income threshold of 60% median income for low and moderate income households. Tenant incomes were in compliance with the agreement.

Review of Lead Based Paint Disclosure

The purpose of this review is to determine whether agreement requirements are being met. All twelve files reviewed had documentation that disclosed lead based paint/hazards. No findings or concerns were noted.

Review of Residential Lease

The purpose of this review is to determine compliance with agreement requirements. Of the files reviewed, documentation showed that all tenants signed a one-year lease. Residential leases appear to comply with the agreement.

A review of program documentation identified conflicting lease terms for unit 1916K. The Rental Compliance Reporting System (RCRS) Property Activity Report showed a move-in date of 3/21/2017 and the waiting list showed an application date and move-in date of 3/28/17. Management should review documentation for accuracy.

Review of Rents

The purpose of this review is to determine compliance with the agreement. The property consists of 76 units and 100% of the units are to be affordable to households with incomes at or below 42% of the adjusted area median income.

For 2019, LIHTC rent and utility limits are as seen in the chart below.

Bedrooms (People)	Current New Garden Place Max Rent	LIHTC (42%)
1 Bedroom (1.5)	\$463	\$485
2 Bedrooms (3.0)	\$549	\$582
3 Bedrooms (4.5)	\$635	\$673

The RCRS Property Activity Report showed that all units complied with the agreement.

Review of Property Standards

The purpose of this review is to determine compliance with agreement requirements for improvements, maintenance and repairs to the property. A sampling of twelve tenant files was chosen for review. The composition included one 1-bedroom unit, nine 2-bedroom units, and two 3-bedroom units. All files had documentation of property management inspections.

Ms. Von Patrick, Neighborhood Outreach Specialist for the Planning Department, inspected eleven units and the property’s exterior and grounds during the on-site monitoring visit. The exterior buildings and grounds were in excellent condition. There were no repairs suggested for any of the units. Ms. Patrick gave a copy of the report to management.

Review of Contractual Compliance

New Garden Place Associates Limited Partnership has maintained insurance coverage and has named the City of Greensboro as the insured on the policy. Internal Audit examined selected financial transactions and program documentation for compliance with the loan agreement. Based on their review, it appears that the terms of the loan have been met with the exception of the most recent loan modification with Wells Fargo, which extended the maturity date of the loan

to April 30, 2019, has expired. Based on Neighborhood Development's review of files and program documentation, it appears that agreement requirements have been met.

Base Property Indicators

Red Flag Indicators	Threshold	Property results	Red Flag
Physical Occupancy FY18/19	>85%	73.1%	■
Average Vacant Unit Offline Time	<45 Days	213.3 Days	■
Adhering to Agreement	Adherence	Yes	-
Affirmative Marketing Policy	Adherence	Yes	-

Summary

The physical occupancy at New Garden Place Apartments is 73.1% and the average vacant unit offline time is 213.3 days. Both indicators failed to meet threshold values and resulted in two red flags. Nine units, which were vacant throughout the entire fiscal year, contributed to the property performance. Management should continue to seek ways to improve the occupancy at this property. Neighborhood Development does not require a response.



February 17, 2020

2nd Request

Mr. Bill Cashatt, CFO
Wynnefield Properties, Incorporated
P O Box 395
Jamestown, NC 27282

RE: New Garden Limited Partnership – FY 2017-2018

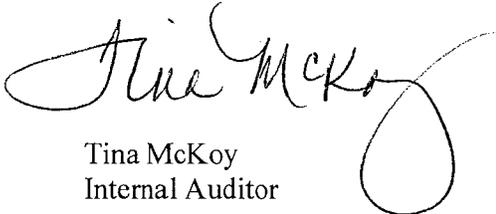
Dear Mr. Cashatt:

We are awaiting your response to our report letter for New Garden Apartments dated October 11, 2019 for which a written response was requested by October 25, 2019. A copy of the report has been provided for your reference.

Please forward your response to City of Greensboro, Internal Audit Division, P. O. Box 3136, Greensboro, NC 27403-3136 as soon as possible.

Thank you.

Sincerely,



Tina McKoy
Internal Auditor



Len Lucas
Internal Audit Director

Cc: Larry Davis, Assistant City Manager
Chris Wilson, Assistant City Manager
Stan Wilson, Director of Neighborhood Development
Cyndi Blue, Manager of Housing Services, Neighborhood Development
Lamont Taylor, Administrative Services Manager, Neighborhood Development
Caitlin Bowers, Grant Administrator, Neighborhood Development
Charla Gaskins, Federal Compliance Coordinator, Neighborhood Development
Joanie Duley, Controller, Wynnefield Propertie, Incorporated
George Carr, President, Beacon Management, Incorporated

Enclosure



DATE: October 11, 2019

TO: Stan Wilson, Director of Neighborhood Development

FROM: Internal Audit Division

SUBJECT: New Garden Associates Limited Partnership 2017-2018
(Written Response Required by October 25, 2019)

The Internal Audit Division has performed our compliance review for the year ended December 31, 2018 of the New Garden Associates Limited Partnership ("Partnership"), which consists of 76 units for low-income individuals or families located at 1622 McPherson Street. The Partnership received a loan in December 1992 for \$1,299,220 from the City of Greensboro ("City") to help in the rehabilitation of the apartment units. These units provide housing for qualified individuals and families in the Greensboro area. The units are called New Garden Place Apartments ("Project" or "Property") and are managed by Wynnefield Properties, Incorporated.

Principal payments on the loan were to begin September 1, 1994 and continuing on each June 1 thereafter at 75% of gross receipts after deducting all normal and reasonable operating and capital expenses actually incurred and payments into the Capital Replacement Reserve Account (limited to \$175,000). There was no principal loan payment due from the Partnership for the year ended December 31, 2018. The City's principal loan balance as of December 31, 2018 was \$1,295,915. The City loan is due in full November 1, 2022.

Ms. Von Patrick, Neighborhood Outreach Specialist for the Planning Department, inspected approximately 14 percent of the 76 total units and there were no repairs suggested for any units at the time. The exterior buildings and grounds were noted to be excellent condition.

Based on the year ended December 31, 2018 audited financial statements, **negative** net assets increased to (\$1,651,899) from (\$1,480,056) in the prior year. **Negative** working capital was (\$483,706) at December 31, 2018, as a result of the current maturity of a Wells Fargo Bank loan with an outstanding balance of \$441,057. Note 2 to the audited financial statements for the year ended December 31, 2018 states: "The Partnership has entered into three different loan modification agreements with Wells Fargo Bank extending the maturity date, the most recent of which extends the maturity date to April 30, 2019. The required monthly payment and interest rate have remained unchanged from the original loan agreement. Management plans to seek additional extensions in the event the loan is not refinanced by the new maturity date."

Note 7 of the audited financial statements for the year ended December 31, 2018 states: "As described in Note 2, the Partnership's first mortgage has a maturity date of April 30, 2019. Management plans

to seek an additional modification agreement to extend the maturity date or refinance the existing loan. If the loan becomes due, an advance from the Partners would be required to satisfy the obligation."

Also, Note 7 to the audited financial statements for the year ended December 31, 2018 states: "The Property has required the deferment of the collection of payroll costs and other management expenses by management in order to meet its financial obligations. It is likely that this deferral along with advances from the Partners will be required in the future for the Property to continue to meet its obligations."

Note 6 to the audited financial statements for the year ended December 31, 2018 states: "During the year ended December 31, 2018, the Partnership was successful in an appeal to the Guilford County Tax Department to lower the assessed value of the Property's real property [for tax year 2017] from \$1,749,400 to \$1,333,100. The reduction in expense was recognized in taxes and insurance on the statements of operations. The Partnership incurred fees from service providers in the course of the appeal totaling \$2,000, which are also included in taxes and insurance on the statement of operations."

Regarding the Project's real property taxes assessment for 2018, Guilford County's Tax Department assessed the Project at a value of \$1,333,100; based on the 2017 general reappraisal year. The Partnership appealed the assessment; and a hearing was scheduled before the Guilford County Board of Equalization and Review ("County Board") on August 15, 2018. Based on the County Board's review of evidence and testimony heard, the Property's tax value remained at \$1,333,100.

The Partnership has filed a Notice of Appeal and Application for Hearing with the North Carolina Property Tax Commission based on the County Board's decision as to the true value of the property. The Partnership estimates the property value at \$740,518. In addition, reasons for the appeal include the following:

1. Guilford County employed an arbitrary and/or illegal method of appraisal in reaching the assessed value that the County assigned for 2018;
2. Guilford County assigned a value that substantially exceeded its true value in money as of January 1 for 2018; and
3. Guilford County erred in its assessment of the property in that the level of assessment is significantly greater than that of other locally assessed property.

Although the Partnership is awaiting notice of a hearing from the North Carolina Property Tax Commission, the 2018 property taxes were paid in full on December 19, 2018. Also, the 2019 property taxes (assessed on a property value of \$1,333,100) are currently under appeal with the North Carolina Property Tax Commission following the County Board's June 18, 2019 decision for the assessment to remain at \$1,333,100.

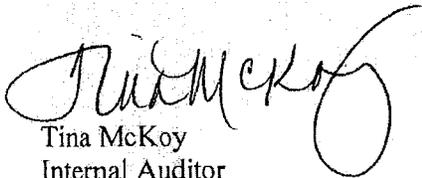
We examined selected program documentation maintained by the Partnership for compliance with the loan agreement. Based on our review, it appears that the terms of the loan agreement have been met with exception to the following:

FINDING: As discussed above, the most recent loan modification with Wells Fargo, which extended the maturity date of the loan to April 30, 2019, has expired.

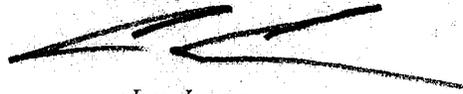
RECOMMENDATION: Please explain any actions Management has taken to satisfy the current loan obligation; as well as the status of the actions taken.

We request a written and signed response from the Neighborhood Development Department and Wynnefield Properties, Incorporated by October 25, 2019; and mailed to: City of Greensboro, Internal Audit Division, P. O. Box 3136, Greensboro, NC 27402.

We would like to thank Ms. Joanie Duley, Corporate Management; Mr. Justin Wood, Regional Manager; Ms. Janet Brown, On-Site Manager; and the staff of Wynnefield Properties, Incorporated for their courtesy and cooperation shown to us during this visit. If there are any questions or comments concerning the details of this visit, we can be reached at 373-4528.



Tina McKoy
Internal Auditor



Len Lucas
Internal Audit Director

- Cc: Larry Davis, Assistant City Manager
Chris Wilson, Assistant City Manager
Cyndi Blue, Manager of Housing Services, Neighborhood Development
Lamont Taylor, Administrative Services Manager, Neighborhood Development
Caitlin Bowers, Grant Administrator, Neighborhood Development
Bill Cashatt, CFO, Wynnefield Properties, Incorporated.
Joanie Duley, Controller, Wynnefield Properties, Incorporated
George Carr, President, Beacon Management Corporation



NEIGHBORHOOD DEVELOPMENT

October 3, 2019

New Garden Place Apartments
Norwood Stone, Wynnefield Properties
PO Box 395
Jamestown, NC 27282

Dear Mr. Stone:

Enclosed is a copy of the City of Greensboro's Fiscal Year 2017-2018 programmatic review of the contract between the City of Greensboro and New Garden Associates Limited Partnership for a loan for the rehabilitation of 76 apartments located at 1509, 1511, and 1515 Woodmere Drive and 1912, 1914, and 1916 Phillips Avenue.

There were no concerns or findings resulting from this monitoring review. Neighborhood Development staff appreciates the assistance and documentation provided by Ms. Joanie Duley, Corporate Management; Ms. Janet Brown, On-Site Manager; and the staff of Wynnefield Properties, Incorporated during the August 15, 2019 monitoring visit.

Sincerely,

Charla Gaskins
Federal Compliance Coordinator

Lamont Taylor
Grants, Finance, & Administration Manager

cc: Stan Wilson, Director

FY 2017-2018 Programmatic Review of New Garden Place Apartments

Monitoring Visit Attendees

Charla Gaskins, Federal Compliance Coordinator, City of Greensboro
Tina McKoy, Internal Auditor, City of Greensboro
Von Patrick, Neighborhood Outreach Specialist, City of Greensboro
Joanie Duley, Corporate Management, Wynnefield Properties, Incorporated
Janet Brown, On-Site Manager, Wynnefield Properties, Incorporated
Justin Wood, Regional Manager, Wynnefield Properties, Incorporated

Overview

New Garden Associates Limited Partnership entered into a rehabilitation loan agreement with the City for a period beginning December 30, 1992 and ending November 1, 2022. The non-interest bearing loan, funded with \$1,299,220 of housing bond funds from the City of Greensboro, helped finance the rehabilitation of 76 apartment units. The units are called New Garden Place Apartments and are managed by Wynnefield Properties, Incorporated.

Principal payments on the loan were to begin September 1, 1994 and continue on each June 1 thereafter. Repayment of the loan is based upon a percentage of positive cash flow on an annual basis, with the loan balance due in full at the end of the loan agreement. As of December 31, 2018, the loan balance was \$1,295,915. No principal loan payment was due because of the Partnership's cash flow for the year ended December 31, 2018.

The purpose of this programmatic review is to determine whether New Garden Associates Limited Partnership met agreement requirements during fiscal year 2017-2018. Wynnefield Properties, Incorporated provided tenant files and financial documentation for the City of Greensboro's Neighborhood Development staff and Internal Audit staff to review.

Process

City of Greensboro staff conducted an on-site monitoring visit of the New Garden Place Apartments, located at 1622 McPherson Street, on August 15, 2019. Prior to the visit, the City provided a letter to Wynnefield Properties, Incorporated to schedule the visit and to request documentation needed to conduct the review. In response to the letter, Wynnefield Properties, Incorporated confirmed scheduling and provided copies of requested documentation. During the visit, Internal Audit conducted a financial review and Neighborhood Development conducted a programmatic review. Staff of Wynnefield Properties, Incorporated was available to answer any questions.

Review of Certification of Tenant Incomes

The purpose of this review is to determine compliance with agreement requirements and eligibility documentation that was maintained for each tenant. A sampling of twelve tenant files was chosen for review. Each file reviewed included tenant income certifications and supporting income documentation. All files reviewed met the initial income threshold of 60% median income for low and moderate income households. Tenant incomes were in compliance with the agreement.

Review of Lead Based Paint Disclosure

The purpose of this review is to determine whether agreement requirements are being met. All twelve files reviewed had documentation that disclosed lead based paint/hazards. No findings or concerns were noted.

Review of Residential Lease

The purpose of this review is to determine compliance with agreement requirements. Of the files reviewed, documentation showed that all tenants signed a one-year lease. Residential leases appear to comply with the agreement.

A review of program documentation identified conflicting lease terms for unit 1916K. The Rental Compliance Reporting System (RCRS) Property Activity Report showed a move-in date of 3/21/2017 and the waiting list showed an application date and move-in date of 3/28/17. Management should review documentation for accuracy.

Review of Rents

The purpose of this review is to determine compliance with the agreement. The property consists of 76 units and 100% of the units are to be affordable to households with incomes at or below 42% of the adjusted area median income.

For 2019, LIHTC rent and utility limits are as seen in the chart below.

Bedrooms (People)	Current New Garden Place Max Rent	LIHTC (42%)
1 Bedroom (1.5)	\$463	\$485
2 Bedrooms (3.0)	\$549	\$582
3 Bedrooms (4.5)	\$635	\$673

The RCRS Property Activity Report showed that all units complied with the agreement.

Review of Property Standards

The purpose of this review is to determine compliance with agreement requirements for improvements, maintenance and repairs to the property. A sampling of twelve tenant files was chosen for review. The composition included one 1-bedroom unit, nine 2-bedroom units, and two 3-bedroom units. All files had documentation of property management inspections.

Ms. Von Patrick, Neighborhood Outreach Specialist for the Planning Department, inspected eleven units and the property's exterior and grounds during the on-site monitoring visit. The exterior buildings and grounds were in excellent condition. There were no repairs suggested for any of the units. Ms. Patrick gave a copy of the report to management.

Review of Contractual Compliance

New Garden Place Associates Limited Partnership has maintained insurance coverage and has named the City of Greensboro as the insured on the policy. Internal Audit examined selected financial transactions and program documentation for compliance with the loan agreement. Based on their review, it appears that the terms of the loan have been met with the exception of the most recent loan modification with Wells Fargo, which extended the maturity date of the loan

to April 30, 2019, has expired. Based on Neighborhood Development's review of files and program documentation, it appears that agreement requirements have been met.

Base Property Indicators

Red Flag Indicators	Threshold	Property results	Red Flag
Physical Occupancy FY18/19	>85%	73.1%	
Average Vacant Unit Offline Time	<45 Days	213.3 Days	
Adhering to Agreement	Adherence	Yes	-
Affirmative Marketing Policy	Adherence	Yes	-

Summary

The physical occupancy at New Garden Place Apartments is 73.1% and the average vacant unit offline time is 213.3 days. Both indicators failed to meet threshold values and resulted in two red flags. Nine units, which were vacant throughout the entire fiscal year, contributed to the property performance. Management should continue to seek ways to improve the occupancy at this property. Neighborhood Development does not require a response.



April 27, 2020

3rd Request

Mr. Bill Cashatt, CFO
Wynnefield Properties, Incorporated
P O Box 395
Jamestown, NC 27282

RE: New Garden Limited Partnership – FY 2017-2018

Dear Mr. Cashatt:

We are awaiting your response to our report letter for New Garden Apartments dated October 11, 2019 for which a written response was requested by October 25, 2019. A copy of the report has been provided for your reference.

Please forward your response to City of Greensboro, Internal Audit Division, P. O. Box 3136, Greensboro, NC 27403-3136 or via email to Tina.McKoy@greensboro-nc.gov as soon as possible.

Thank you.

Sincerely,

Tina McKoy
Internal Auditor

Len Lucas
Internal Audit Director

Cc: Larry Davis, Assistant City Manager
Chris Wilson, Assistant City Manager
Stan Wilson, Director of Neighborhood Development
Cyndi Blue, Manager of Housing Services, Neighborhood Development
Lamont Taylor, Administrative Services Manager, Neighborhood Development
Caitlin Bowers, Community Development Analyst, Neighborhood Development
Charla Gaskins, Federal Compliance Coordinator, Neighborhood Development
Joanie Duley, Controller, Wynnefield Properties, Incorporated
George Carr, President, Beacon Management, Incorporated

Enclosure



DATE: October 11, 2019

TO: Stan Wilson, Director of Neighborhood Development

FROM: Internal Audit Division

SUBJECT: New Garden Associates Limited Partnership 2017-2018
(Written Response Required by October 25, 2019)

The Internal Audit Division has performed our compliance review for the year ended December 31, 2018 of the New Garden Associates Limited Partnership ("Partnership"), which consists of 76 units for low-income individuals or families located at 1622 McPherson Street. The Partnership received a loan in December 1992 for \$1,299,220 from the City of Greensboro ("City") to help in the rehabilitation of the apartment units. These units provide housing for qualified individuals and families in the Greensboro area. The units are called New Garden Place Apartments ("Project" or "Property") and are managed by Wynnefield Properties, Incorporated.

Principal payments on the loan were to begin September 1, 1994 and continuing on each June 1 thereafter at 75% of gross receipts after deducting all normal and reasonable operating and capital expenses actually incurred and payments into the Capital Replacement Reserve Account (limited to \$175,000). There was no principal loan payment due from the Partnership for the year ended December 31, 2018. The City's principal loan balance as of December 31, 2018 was \$1,295,915. The City loan is due in full November 1, 2022.

Ms. Von Patrick, Neighborhood Outreach Specialist for the Planning Department, inspected approximately 14 percent of the 76 total units and there were no repairs suggested for any units at the time. The exterior buildings and grounds were noted to be excellent condition.

Based on the year ended December 31, 2018 audited financial statements, **negative** net assets increased to (\$1,651,899) from (\$1,480,056) in the prior year. **Negative** working capital was (\$483,706) at December 31, 2018, as a result of the current maturity of a Wells Fargo Bank loan with an outstanding balance of \$441,057. Note 2 to the audited financial statements for the year ended December 31, 2018 states: "The Partnership has entered into three different loan modification agreements with Wells Fargo Bank extending the maturity date, the most recent of which extends the maturity date to April 30, 2019. The required monthly payment and interest rate have remained unchanged from the original loan agreement. Management plans to seek additional extensions in the event the loan is not refinanced by the new maturity date."

Note 7 of the audited financial statements for the year ended December 31, 2018 states: "As described in Note 2, the Partnership's first mortgage has a maturity date of April 30, 2019. Management plans

to seek an additional modification agreement to extend the maturity date or refinance the existing loan. If the loan becomes due, an advance from the Partners would be required to satisfy the obligation."

Also, Note 7 to the audited financial statements for the year ended December 31, 2018 states: "The Property has required the deferment of the collection of payroll costs and other management expenses by management in order to meet its financial obligations. It is likely that this deferral along with advances from the Partners will be required in the future for the Property to continue to meet its obligations."

Note 6 to the audited financial statements for the year ended December 31, 2018 states: "During the year ended December 31, 2018, the Partnership was successful in an appeal to the Guilford County Tax Department to lower the assessed value of the Property's real property [for tax year 2017] from \$1,749,400 to \$1,333,100. The reduction in expense was recognized in taxes and insurance on the statements of operations. The Partnership incurred fees from service providers in the course of the appeal totaling \$2,000, which are also included in taxes and insurance on the statement of operations."

Regarding the Project's real property taxes assessment for 2018, Guilford County's Tax Department assessed the Project at a value of \$1,333,100; based on the 2017 general reappraisal year. The Partnership appealed the assessment; and a hearing was scheduled before the Guilford County Board of Equalization and Review ("County Board") on August 15, 2018. Based on the County Board's review of evidence and testimony heard, the Property's tax value remained at \$1,333,100.

The Partnership has filed a Notice of Appeal and Application for Hearing with the North Carolina Property Tax Commission based on the County Board's decision as to the true value of the property. The Partnership estimates the property value at \$740,518. In addition, reasons for the appeal include the following:

1. Guilford County employed an arbitrary and/or illegal method of appraisal in reaching the assessed value that the County assigned for 2018;
2. Guilford County assigned a value that substantially exceeded its true value in money as of January 1 for 2018; and
3. Guilford County erred in its assessment of the property in that the level of assessment is significantly greater than that of other locally assessed property.

Although the Partnership is awaiting notice of a hearing from the North Carolina Property Tax Commission, the 2018 property taxes were paid in full on December 19, 2018. Also, the 2019 property taxes (assessed on a property value of \$1,333,100) are currently under appeal with the North Carolina Property Tax Commission following the County Board's June 18, 2019 decision for the assessment to remain at \$1,333,100.

We examined selected program documentation maintained by the Partnership for compliance with the loan agreement. Based on our review, it appears that the terms of the loan agreement have been met with exception to the following:

FINDING: As discussed above, the most recent loan modification with Wells Fargo, which extended the maturity date of the loan to April 30, 2019, has expired.

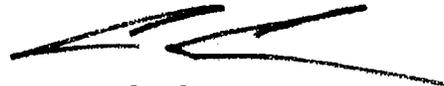
RECOMMENDATION: Please explain any actions Management has taken to satisfy the current loan obligation; as well as the status of the actions taken.

We request a written and signed response from the Neighborhood Development Department and Wynnefield Properties, Incorporated by October 25, 2019; and mailed to: City of Greensboro, Internal Audit Division, P. O. Box 3136, Greensboro, NC 27402.

We would like to thank Ms. Joanie Duley, Corporate Management; Mr. Justin Wood, Regional Manager; Ms. Janet Brown, On-Site Manager; and the staff of Wynnefield Properties, Incorporated for their courtesy and cooperation shown to us during this visit. If there are any questions or comments concerning the details of this visit, we can be reached at 373-4528.



Tina McKoy
Internal Auditor



Len Lucas
Internal Audit Director

Cc: Larry Davis, Assistant City Manager
Chris Wilson, Assistant City Manager
Cyndi Blue, Manager of Housing Services, Neighborhood Development
Lamont Taylor, Administrative Services Manager, Neighborhood Development
Caitlin Bowers, Grant Administrator, Neighborhood Development
Bill Cashatt, CFO, Wynnefield Properties, Incorporated.
Joanie Duley, Controller, Wynnefield Properties, Incorporated
George Carr, President, Beacon Management Corporation



NEIGHBORHOOD DEVELOPMENT

October 3, 2019

New Garden Place Apartments
Norwood Stone, Wynnefield Properties
PO Box 395
Jamestown, NC 27282

Dear Mr. Stone:

Enclosed is a copy of the City of Greensboro's Fiscal Year 2017-2018 programmatic review of the contract between the City of Greensboro and New Garden Associates Limited Partnership for a loan for the rehabilitation of 76 apartments located at 1509, 1511, and 1515 Woodmere Drive and 1912, 1914, and 1916 Phillips Avenue.

There were no concerns or findings resulting from this monitoring review. Neighborhood Development staff appreciates the assistance and documentation provided by Ms. Joanie Duley, Corporate Management; Ms. Janet Brown, On-Site Manager; and the staff of Wynnefield Properties, Incorporated during the August 15, 2019 monitoring visit.

Sincerely,

Charla Gaskins
Federal Compliance Coordinator

Lamont Taylor
Grants, Finance, & Administration Manager

cc: Stan Wilson, Director

FY 2017-2018 Programmatic Review of New Garden Place Apartments

Monitoring Visit Attendees

Charla Gaskins, Federal Compliance Coordinator, City of Greensboro
Tina McKoy, Internal Auditor, City of Greensboro
Von Patrick, Neighborhood Outreach Specialist, City of Greensboro
Joanie Duley, Corporate Management, Wynnefield Properties, Incorporated
Janet Brown, On-Site Manager, Wynnefield Properties, Incorporated
Justin Wood, Regional Manager, Wynnefield Properties, Incorporated

Overview

New Garden Associates Limited Partnership entered into a rehabilitation loan agreement with the City for a period beginning December 30, 1992 and ending November 1, 2022. The non-interest bearing loan, funded with \$1,299,220 of housing bond funds from the City of Greensboro, helped finance the rehabilitation of 76 apartment units. The units are called New Garden Place Apartments and are managed by Wynnefield Properties, Incorporated.

Principal payments on the loan were to begin September 1, 1994 and continue on each June 1 thereafter. Repayment of the loan is based upon a percentage of positive cash flow on an annual basis, with the loan balance due in full at the end of the loan agreement. As of December 31, 2018, the loan balance was \$1,295,915. No principal loan payment was due because of the Partnership's cash flow for the year ended December 31, 2018.

The purpose of this programmatic review is to determine whether New Garden Associates Limited Partnership met agreement requirements during fiscal year 2017-2018. Wynnefield Properties, Incorporated provided tenant files and financial documentation for the City of Greensboro's Neighborhood Development staff and Internal Audit staff to review.

Process

City of Greensboro staff conducted an on-site monitoring visit of the New Garden Place Apartments, located at 1622 McPherson Street, on August 15, 2019. Prior to the visit, the City provided a letter to Wynnefield Properties, Incorporated to schedule the visit and to request documentation needed to conduct the review. In response to the letter, Wynnefield Properties, Incorporated confirmed scheduling and provided copies of requested documentation. During the visit, Internal Audit conducted a financial review and Neighborhood Development conducted a programmatic review. Staff of Wynnefield Properties, Incorporated was available to answer any questions.

Review of Certification of Tenant Incomes

The purpose of this review is to determine compliance with agreement requirements and eligibility documentation that was maintained for each tenant. A sampling of twelve tenant files was chosen for review. Each file reviewed included tenant income certifications and supporting income documentation. All files reviewed met the initial income threshold of 60% median income for low and moderate income households. Tenant incomes were in compliance with the agreement.

Review of Lead Based Paint Disclosure

The purpose of this review is to determine whether agreement requirements are being met. All twelve files reviewed had documentation that disclosed lead based paint/hazards. No findings or concerns were noted.

Review of Residential Lease

The purpose of this review is to determine compliance with agreement requirements. Of the files reviewed, documentation showed that all tenants signed a one-year lease. Residential leases appear to comply with the agreement.

A review of program documentation identified conflicting lease terms for unit 1916K. The Rental Compliance Reporting System (RCRS) Property Activity Report showed a move-in date of 3/21/2017 and the waiting list showed an application date and move-in date of 3/28/17. Management should review documentation for accuracy.

Review of Rents

The purpose of this review is to determine compliance with the agreement. The property consists of 76 units and 100% of the units are to be affordable to households with incomes at or below 42% of the adjusted area median income.

For 2019, LIHTC rent and utility limits are as seen in the chart below.

Bedrooms (People)	Current New Garden Place Max Rent	LIHTC (42%)
1 Bedroom (1.5)	\$463	\$485
2 Bedrooms (3.0)	\$549	\$582
3 Bedrooms (4.5)	\$635	\$673

The RCRS Property Activity Report showed that all units complied with the agreement.

Review of Property Standards

The purpose of this review is to determine compliance with agreement requirements for improvements, maintenance and repairs to the property. A sampling of twelve tenant files was chosen for review. The composition included one 1-bedroom unit, nine 2-bedroom units, and two 3-bedroom units. All files had documentation of property management inspections.

Ms. Von Patrick, Neighborhood Outreach Specialist for the Planning Department, inspected eleven units and the property's exterior and grounds during the on-site monitoring visit. The exterior buildings and grounds were in excellent condition. There were no repairs suggested for any of the units. Ms. Patrick gave a copy of the report to management.

Review of Contractual Compliance

New Garden Place Associates Limited Partnership has maintained insurance coverage and has named the City of Greensboro as the insured on the policy. Internal Audit examined selected financial transactions and program documentation for compliance with the loan agreement. Based on their review, it appears that the terms of the loan have been met with the exception of the most recent loan modification with Wells Fargo, which extended the maturity date of the loan

to April 30, 2019, has expired. Based on Neighborhood Development's review of files and program documentation, it appears that agreement requirements have been met.

Base Property Indicators

Red Flag Indicators	Threshold	Property results	Red Flag
Physical Occupancy FY18/19	>85%	73.1%	Yes
Average Vacant Unit Offline Time	<45 Days	213.3 Days	Yes
Adhering to Agreement	Adherence	Yes	-
Affirmative Marketing Policy	Adherence	Yes	-

Summary

The physical occupancy at New Garden Place Apartments is 73.1% and the average vacant unit offline time is 213.3 days. Both indicators failed to meet threshold values and resulted in two red flags. Nine units, which were vacant throughout the entire fiscal year, contributed to the property performance. Management should continue to seek ways to improve the occupancy at this property. Neighborhood Development does not require a response.



July 16, 2020

4th Request

Mr. Bill Cashatt, CFO
Wynnefield Properties, Incorporated
P O Box 395
Jamestown, NC 27282

RE: New Garden Limited Partnership – FY 2017-2018

Dear Mr. Cashatt:

We are awaiting your response to our report letter for New Garden Apartments dated October 11, 2019 for which a written response was requested by October 25, 2019. A copy of the report has been provided for your reference.

Please forward your response to City of Greensboro, Internal Audit Division, P. O. Box 3136, Greensboro, NC 27403-3136 or via email to Tina.McKoy@greensboro-nc.gov as soon as possible.

Thank you.

Sincerely,



Tina McKoy
Internal Auditor



Len Lucas
Internal Audit Director

Cc: Larry Davis, Assistant City Manager
Chris Wilson, Assistant City Manager
Stan Wilson, Director of Neighborhood Development
Cyndi Blue, Manager of Housing Services, Neighborhood Development
Lamont Taylor, Administrative Services Manager, Neighborhood Development
Caitlin Bowers, Community Development Analyst, Neighborhood Development
Charla Gaskins, Federal Compliance Coordinator, Neighborhood Development
Joanie Duley, Controller, Wynnefield Propertie, Incorporated
George Carr, President, Beacon Management, Incorporated

Enclosure



DATE: October 11, 2019

TO: Stan Wilson, Director of Neighborhood Development

FROM: Internal Audit Division

SUBJECT: New Garden Associates Limited Partnership 2017-2018
(Written Response Required by October 25, 2019)

The Internal Audit Division has performed our compliance review for the year ended December 31, 2018 of the New Garden Associates Limited Partnership ("Partnership"), which consists of 76 units for low-income individuals or families located at 1622 McPherson Street. The Partnership received a loan in December 1992 for \$1,299,220 from the City of Greensboro ("City") to help in the rehabilitation of the apartment units. These units provide housing for qualified individuals and families in the Greensboro area. The units are called New Garden Place Apartments ("Project" or "Property") and are managed by Wynnefield Properties, Incorporated.

Principal payments on the loan were to begin September 1, 1994 and continuing on each June 1 thereafter at 75% of gross receipts after deducting all normal and reasonable operating and capital expenses actually incurred and payments into the Capital Replacement Reserve Account (limited to \$175,000). There was no principal loan payment due from the Partnership for the year ended December 31, 2018. The City's principal loan balance as of December 31, 2018 was \$1,295,915. The City loan is due in full November 1, 2022.

Ms. Von Patrick, Neighborhood Outreach Specialist for the Planning Department, inspected approximately 14 percent of the 76 total units and there were no repairs suggested for any units at the time. The exterior buildings and grounds were noted to be excellent condition.

Based on the year ended December 31, 2018 audited financial statements, **negative** net assets increased to (\$1,651,899) from (\$1,480,056) in the prior year. **Negative** working capital was (\$483,706) at December 31, 2018, as a result of the current maturity of a Wells Fargo Bank loan with an outstanding balance of \$441,057. Note 2 to the audited financial statements for the year ended December 31, 2018 states: "The Partnership has entered into three different loan modification agreements with Wells Fargo Bank extending the maturity date, the most recent of which extends the maturity date to April 30, 2019. The required monthly payment and interest rate have remained unchanged from the original loan agreement. Management plans to seek additional extensions in the event the loan is not refinanced by the new maturity date."

Note 7 of the audited financial statements for the year ended December 31, 2018 states: "As described in Note 2, the Partnership's first mortgage has a maturity date of April 30, 2019. Management plans

to seek an additional modification agreement to extend the maturity date or refinance the existing loan. If the loan becomes due, an advance from the Partners would be required to satisfy the obligation."

Also, Note 7 to the audited financial statements for the year ended December 31, 2018 states: "The Property has required the deferment of the collection of payroll costs and other management expenses by management in order to meet its financial obligations. It is likely that this deferral along with advances from the Partners will be required in the future for the Property to continue to meet its obligations."

Note 6 to the audited financial statements for the year ended December 31, 2018 states: "During the year ended December 31, 2018, the Partnership was successful in an appeal to the Guilford County Tax Department to lower the assessed value of the Property's real property [for tax year 2017] from \$1,749,400 to \$1,333,100. The reduction in expense was recognized in taxes and insurance on the statements of operations. The Partnership incurred fees from service providers in the course of the appeal totaling \$2,000, which are also included in taxes and insurance on the statement of operations."

Regarding the Project's real property taxes assessment for 2018, Guilford County's Tax Department assessed the Project at a value of \$1,333,100; based on the 2017 general reappraisal year. The Partnership appealed the assessment; and a hearing was scheduled before the Guilford County Board of Equalization and Review ("County Board") on August 15, 2018. Based on the County Board's review of evidence and testimony heard, the Property's tax value remained at \$1,333,100.

The Partnership has filed a Notice of Appeal and Application for Hearing with the North Carolina Property Tax Commission based on the County Board's decision as to the true value of the property. The Partnership estimates the property value at \$740,518. In addition, reasons for the appeal include the following:

1. Guilford County employed an arbitrary and/or illegal method of appraisal in reaching the assessed value that the County assigned for 2018;
2. Guilford County assigned a value that substantially exceeded its true value in money as of January 1 for 2018; and
3. Guilford County erred in its assessment of the property in that the level of assessment is significantly greater than that of other locally assessed property.

Although the Partnership is awaiting notice of a hearing from the North Carolina Property Tax Commission, the 2018 property taxes were paid in full on December 19, 2018. Also, the 2019 property taxes (assessed on a property value of \$1,333,100) are currently under appeal with the North Carolina Property Tax Commission following the County Board's June 18, 2019 decision for the assessment to remain at \$1,333,100.

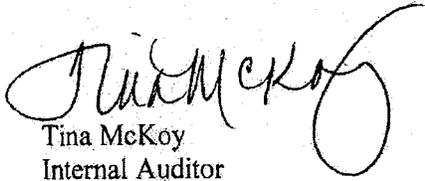
We examined selected program documentation maintained by the Partnership for compliance with the loan agreement. Based on our review, it appears that the terms of the loan agreement have been met with exception to the following:

FINDING: As discussed above, the most recent loan modification with Wells Fargo, which extended the maturity date of the loan to April 30, 2019, has expired.

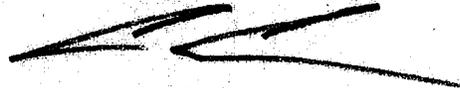
RECOMMENDATION: Please explain any actions Management has taken to satisfy the current loan obligation; as well as the status of the actions taken.

We request a written and signed response from the Neighborhood Development Department and Wynnefield Properties, Incorporated by October 25, 2019; and mailed to: City of Greensboro, Internal Audit Division, P. O. Box 3136, Greensboro, NC 27402.

We would like to thank Ms. Joanie Duley, Corporate Management; Mr. Justin Wood, Regional Manager; Ms. Janet Brown, On-Site Manager; and the staff of Wynnefield Properties, Incorporated for their courtesy and cooperation shown to us during this visit. If there are any questions or comments concerning the details of this visit, we can be reached at 373-4528.



Tina McKoy
Internal Auditor



Len Lucas
Internal Audit Director

Cc: Larry Davis, Assistant City Manager
Chris Wilson, Assistant City Manager
Cyndi Blue, Manager of Housing Services, Neighborhood Development
Lamont Taylor, Administrative Services Manager, Neighborhood Development
Caitlin Bowers, Grant Administrator, Neighborhood Development
Bill Cashatt, CFO, Wynnefield Properties, Incorporated.
Joanie Duley, Controller, Wynnefield Properties, Incorporated
George Carr, President, Beacon Management Corporation



NEIGHBORHOOD DEVELOPMENT

October 3, 2019

New Garden Place Apartments
Norwood Stone, Wynnefield Properties
PO Box 395
Jamestown, NC 27282

Dear Mr. Stone:

Enclosed is a copy of the City of Greensboro's Fiscal Year 2017-2018 programmatic review of the contract between the City of Greensboro and New Garden Associates Limited Partnership for a loan for the rehabilitation of 76 apartments located at 1509, 1511, and 1515 Woodmere Drive and 1912, 1914, and 1916 Phillips Avenue.

There were no concerns or findings resulting from this monitoring review. Neighborhood Development staff appreciates the assistance and documentation provided by Ms. Joanie Duley, Corporate Management; Ms. Janet Brown, On-Site Manager; and the staff of Wynnefield Properties, Incorporated during the August 15, 2019 monitoring visit.

Sincerely,

Charla Gaskins
Federal Compliance Coordinator

Lamont Taylor
Grants, Finance, & Administration Manager

cc: Stan Wilson, Director

FY 2017-2018 Programmatic Review of New Garden Place Apartments

Monitoring Visit Attendees

Charla Gaskins, Federal Compliance Coordinator, City of Greensboro
Tina McKoy, Internal Auditor, City of Greensboro
Von Patrick, Neighborhood Outreach Specialist, City of Greensboro
Joanie Duley, Corporate Management, Wynnefield Properties, Incorporated
Janet Brown, On-Site Manager, Wynnefield Properties, Incorporated
Justin Wood, Regional Manager, Wynnefield Properties, Incorporated

Overview

New Garden Associates Limited Partnership entered into a rehabilitation loan agreement with the City for a period beginning December 30, 1992 and ending November 1, 2022. The non-interest bearing loan, funded with \$1,299,220 of housing bond funds from the City of Greensboro, helped finance the rehabilitation of 76 apartment units. The units are called New Garden Place Apartments and are managed by Wynnefield Properties, Incorporated.

Principal payments on the loan were to begin September 1, 1994 and continue on each June 1 thereafter. Repayment of the loan is based upon a percentage of positive cash flow on an annual basis, with the loan balance due in full at the end of the loan agreement. As of December 31, 2018, the loan balance was \$1,295,915. No principal loan payment was due because of the Partnership's cash flow for the year ended December 31, 2018.

The purpose of this programmatic review is to determine whether New Garden Associates Limited Partnership met agreement requirements during fiscal year 2017-2018. Wynnefield Properties, Incorporated provided tenant files and financial documentation for the City of Greensboro's Neighborhood Development staff and Internal Audit staff to review.

Process

City of Greensboro staff conducted an on-site monitoring visit of the New Garden Place Apartments, located at 1622 McPherson Street, on August 15, 2019. Prior to the visit, the City provided a letter to Wynnefield Properties, Incorporated to schedule the visit and to request documentation needed to conduct the review. In response to the letter, Wynnefield Properties, Incorporated confirmed scheduling and provided copies of requested documentation. During the visit, Internal Audit conducted a financial review and Neighborhood Development conducted a programmatic review. Staff of Wynnefield Properties, Incorporated was available to answer any questions.

Review of Certification of Tenant Incomes

The purpose of this review is to determine compliance with agreement requirements and eligibility documentation that was maintained for each tenant. A sampling of twelve tenant files was chosen for review. Each file reviewed included tenant income certifications and supporting income documentation. All files reviewed met the initial income threshold of 60% median income for low and moderate income households. Tenant incomes were in compliance with the agreement.

Review of Lead Based Paint Disclosure

The purpose of this review is to determine whether agreement requirements are being met. All twelve files reviewed had documentation that disclosed lead based paint/hazards. No findings or concerns were noted.

Review of Residential Lease

The purpose of this review is to determine compliance with agreement requirements. Of the files reviewed, documentation showed that all tenants signed a one-year lease. Residential leases appear to comply with the agreement.

A review of program documentation identified conflicting lease terms for unit 1916K. The Rental Compliance Reporting System (RCRS) Property Activity Report showed a move-in date of 3/21/2017 and the waiting list showed an application date and move-in date of 3/28/17. Management should review documentation for accuracy.

Review of Rents

The purpose of this review is to determine compliance with the agreement. The property consists of 76 units and 100% of the units are to be affordable to households with incomes at or below 42% of the adjusted area median income.

For 2019, LIHTC rent and utility limits are as seen in the chart below.

Bedrooms (People)	Current New Garden Place Max Rent	LIHTC (42%)
1 Bedroom (1.5)	\$463	\$485
2 Bedrooms (3.0)	\$549	\$582
3 Bedrooms (4.5)	\$635	\$673

The RCRS Property Activity Report showed that all units complied with the agreement.

Review of Property Standards

The purpose of this review is to determine compliance with agreement requirements for improvements, maintenance and repairs to the property. A sampling of twelve tenant files was chosen for review. The composition included one 1-bedroom unit, nine 2-bedroom units, and two 3-bedroom units. All files had documentation of property management inspections.

Ms. Von Patrick, Neighborhood Outreach Specialist for the Planning Department, inspected eleven units and the property’s exterior and grounds during the on-site monitoring visit. The exterior buildings and grounds were in excellent condition. There were no repairs suggested for any of the units. Ms. Patrick gave a copy of the report to management.

Review of Contractual Compliance

New Garden Place Associates Limited Partnership has maintained insurance coverage and has named the City of Greensboro as the insured on the policy. Internal Audit examined selected financial transactions and program documentation for compliance with the loan agreement. Based on their review, it appears that the terms of the loan have been met with the exception of the most recent loan modification with Wells Fargo, which extended the maturity date of the loan

to April 30, 2019, has expired. Based on Neighborhood Development's review of files and program documentation, it appears that agreement requirements have been met.

Base Property Indicators

Red Flag Indicators	Threshold	Property results	Red Flag
Physical Occupancy FY18/19	>85%	73.1%	Yes
Average Vacant Unit Offline Time	<45 Days	213.3 Days	Yes
Adhering to Agreement	Adherence	Yes	-
Affirmative Marketing Policy	Adherence	Yes	-

Summary

The physical occupancy at New Garden Place Apartments is 73.1% and the average vacant unit offline time is 213.3 days. Both indicators failed to meet threshold values and resulted in two red flags. Nine units, which were vacant throughout the entire fiscal year, contributed to the property performance. Management should continue to seek ways to improve the occupancy at this property. Neighborhood Development does not require a response.



July 29, 2020

Ms. Joanie Duley
Wynnefield Properties
P.O. Box 395
Jamestown, NC 27282

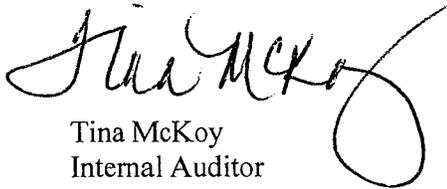
Re: New Garden Associates Limited Partnership 2017-2018

Dear Ms. Duley:

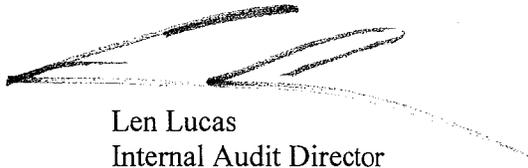
Thank you so much for providing us a copy of the refinancing of your Wells Fargo loan dated March 28, 2019 for \$437,539.65, which matures on April 6, 2029. This loan agreement sufficiently addresses the finding in our report dated October 11, 2019; therefore, no further responses are required.

As always, it is a pleasure working with you.

Sincerely,



Tina McKoy
Internal Auditor



Len Lucas
Internal Audit Director

Cc: Larry Davis, Assistant City Manager
Chris Wilson, Assistant City Manager
Stan Wilson, Director of Neighborhood Development
Cyndi Blue, Manager of Housing Services, Neighborhood Development
Lamont Taylor, Administrative Services Manager, Neighborhood Development
Caitlin Bowers, Community Development Analyst, Neighborhood Development
Charla Gaskins, Federal Compliance Coordinator, Neighborhood Development
George Carr, President, Beacon Management Corporation

Loan Ops MFP Scanning Coversheet

Please use this coversheet for all transactions. If this is a New Loan or Renewal package for BB RES, please use the 'BB RES Loan' coversheet sent to you by your BB RES Agent to submit your package.



JOB DETAIL

Blast Job ID: 1744758337

Obligor: _____

Obligation: _____

Customer Name: New Garden Associates

Loan Amount: \$ 437,539.65

BBG Scanning Folder Selection [purpose of scan] (CHECK ONE)

Loan Ops Booking [Booking Funding Packages No Wire Funding required | Supplemental Docs to complete booking process]

Loan Ops WIRE Booking [Booking Funding Packages Wire Funding required | Supplemental Docs to complete booking process]

Loan Ops NON Booking [Prelim documents for BB Res/Doc Prep | Trailing docs to clear Technical Exception | Entity Documents post booking event | Reg U]

Boise Letters of Credit [Original documents to clear TE –still follow fax process, scan to this folder and then courier next day via the ZLB process/if folder not on your MFP call 877-932-1852 opt 2,3,3,1]

Loan Ops AFS Payment or Advance Please [click here](#) to retrieve the MFP payment cover sheet or [click here](#) for advance cover sheet for remittance processing.

Please indicate who will be facilitating the recording of lien instruments if applicable to your booking loan package being scanned.

Loan Operations Title Company Banker

Your name: Edgar A. Cross Jr

Date Scanned: 3-27-2019

LOAN DOCUMENTATION CHECKLIST

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$437,539.65	03-28-2019	04-06-2029	0264437590	POB 21	1744758337	CJ070	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.							

Borrower: NEW GARDEN ASSOCIATES, A LIMITED
 PARTNERSHIP
 408 BATTLEGROUND AVENUE
 GREENSBORO, NC 27401

Lender: Wells Fargo Bank, National Association
 Eastern Region Business Banking-High Point
 200 N Main St
 High Point, NC 27260

NOTICE TO BANKER:

- * The Doc Receipt Date and Fee Instruction sections must be fully completed.
- * Scan the checklist and loan documents to your BBOCS Business Lending Loan Operations Center to facilitate booking/funding request, and return the entire checklist along with the loan docs to BBOCS Business Lending Loan Operations LDI, P.O. Box 85119, San Antonio, TX 78265 in the courier bag.
- * If Loan Operations will not be facilitating the recording of lien instruments, you should send a COPY of the executed recordation documents with the post closing package to your BBOCS Business Lending Loan Operations Center. The person handling the recordation will be responsible for forwarding the recorded documents to BBOCS Business Lending Loan Operations LDI, P.O. Box 65119, San Antonio, TX 78265 immediately after recordation.
- * **PRINTER WARNING - RECORDED DOCUMENTS: ALL DOCUMENTS THAT WILL BE SUBMITTED FOR RECORDING IN THE REAL ESTATE RECORDS MUST BE PRINTED AND EXECUTED AS A SINGLE SIDED DOCUMENT (print on one side of the paper only).**

FEES:

Appraisal Review Fee- Internal

Borrower to pay by Check
 Attached Deposited into GL

Appraisal Fee

Borrower to pay by Check
 Attached Deposited into GL

Flood Zone Rating/Determination Fee

Borrower to pay by Check
 Attached Deposited into GL

Title Fee

Borrower to pay by Check
 Attached Deposited into GL

Recording/Filing Fee

Borrower to pay by Check
 Attached Deposited into GL

FEE CHANGES/INSTRUCTIONS:

RATE LOCK FEE: \$ _____ (Banker must insert dollar amount) Enter the fee collected if a rate lock fee was paid by the borrower or enter N/A if not applicable.

The loan is future dated and cannot be booked or funded prior to the note date.

DOC RECEIPT DATE: 3-27-2019 * (Banker must insert appropriate date)

* Enter the EARLIER of (i) the DOC RECEIPT DATE or (ii) the FUNDING DATE. The DOC RECEIPT DATE is the date on which the Banker determines that all loan docs have been properly completed, and any other basic closing conditions have been met. The loan documents may be subject to subsequent review, and the cure of any closing deficiencies may be required before booking or funding.

1. DOC PREP PREPARED/INCLUDED. The documents listed are being sent by Loan Ops:

- Partnership Authorization
- Resolution of Limited Liability Company Partner X 2
- Promissory Note
- Commercial Guaranty X3
- Loan Documentation Checklist
- Wells Fargo Privacy Notice (provide to customer, does not have to be returned)
- Agreement to Provide Insurance
- Notice of Insurance Requirements (to be used for requesting binder/policy from Agent, does not have to be returned)
- Disbursement Request and Authorization

Special Notice for UCC Filings: For all transactions involving a UCC financing statement where the owner/grantor is an individual or sole proprietor - Please confirm that the name styling of the UCC Collateral Owner/Grantor **exactly matches** the owner's/grantor's name as shown on the current, unexpired driver's license or identification card issued by the state of the individual's principal residence for each owner/grantor prior to signing. For state specific requirements and additional guidance, refer to the Profile Naming section of the Documentation Standards Guide. Correct the BLAST Job Profile as needed for the owner/grantor so that it uses the name on the driver's license or identification license, and contact Loan Operations for any name variations. The name on the UCC must exactly match the driver's license/identification card, or the UCC filing will likely be invalid.

Notice: Any UCC filings that may be required for perfection of the collateral, upon receipt of the booking package will be electronically filed by the Loan Operations Center. Copies of the UCC-1 are not included with the documents for this loan. If you or the customer require a copy, please call the customer care line and request one.

SPECIAL WARNING FOR FLORIDA

**LOAN DOCUMENTATION CHECKLIST
(Continued)**

Loan No: 0264437590

Page 2

For loans not booked to a Florida AU, is any party (Borrower or signer on behalf of the Borrower) signing in Florida?

If a Florida State Tax Review has not already been completed by the BBOCS Business Lending Loan Operations Center, please contact your BBOCS Business Lending Loan Operations Center Doc Prep or request on CF Pre-Doc Review tab a Courtesy Review by Loan Ops for a consultation review **PRIOR TO EXECUTION and/or DELIVERY** to your customer.

Violation for not complying with this review could result in potential tax liability risk.

Florida Department of Revenue ("DOR") Tax Remittance Warning. All original executed loan documents arising in loans where documentary stamp tax is payable directly to the DOR **MUST BE** returned to the BBOCS Business Lending Loan Operations center for booking by the 10th day of the month following the date of the documents. If the documents are not returned by the 10th day of the following month, the resulting 5% penalty and interest payable to the DOR will be expensed back to the appropriate booking AU. Loans requiring direct payment to the DOR are loans not secured by Florida real property, and that are either booked to a Florida AU or include a promissory note that is executed in the State of Florida (except for out-of-state or international water maritime closings in accordance with approved procedures).

2. THE FOLLOWING DOCUMENTS ARE IMAGED AND IN FORCE FOR THIS TRANSACTION OR HAVE BEEN PREPARED WITH SMP/BLAST #1744758337.

3. BANKER TO PROVIDE. The following documents to be Prepared/Obtained by the Banker and returned to Loan Ops with booking package - Additional Instructions:

a. **THIRD PARTY PAYOFFS** - if this transaction has a payoff to a third party, where at funding the payoff will be adjusted from what is shown in Credit Fulfillment (Disbursements) tab, **PROVIDE PROOF** of the payoff letter, HUD Settlement Statement, or other supporting documentation with your final closing documents. **BE SURE** to notate any adjustments above on this Checklist which would revise the payoff amounts and validate the Banker and Borrower have initialed changes on the Disbursement Request and Authorization form.

- b.
- c.
- d.

4. DESCRIPTION OF DOCUMENTS NOT RETURNED AND REASON:

- a.
- b.
- c.
- d.
- e.

5. SPECIAL INSTRUCTIONS

IF THERE ARE ANY QUESTIONS OR CHANGES TO THIS LOAN PACKAGE, PLEASE CONTACT:

For Pod transactions contact your RES, LOPS, or Pod lead.

For non-pod transactions please call 1-866-727-5363

Option 2, 1, 2 for Boise Doc Prep

Option 2, 1, 3 for Boise Letters of Credit

Option 2, 3, 2, 2 for San Antonio Doc Prep

Option 2, 5, 2 for Winston-Salem Doc Prep.



200235584973300700

RESOLUTION OF LIMITED LIABILITY COMPANY PARTNER

Principal	Loan Date	Maturity	Loan No.	Call / Coll	Account	Officer	Initials
\$437,539.65	03-28-2019	04-06-2029	0264437690	POD 21	1744758337	CJ070	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.

Borrower: NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP
408 BATTLEGROUND AVENUE
GREENSBORO, NC 27401

Lender: Wells Fargo Bank, National Association
Eastern Region Business Banking-High Point
200 N Main St
High Point, NC 27260

Company: New Garden II, LLC, a North Carolina limited liability company
408 BATTLEGROUND AVENUE
GREENSBORO, NC 27401

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT:

THE COMPANY'S EXISTENCE. The complete and correct name of the Company is New Garden II, LLC, a North Carolina limited liability company ("Company"). The Company is a limited liability company which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the Company's state of organization. The Company is duly authorized to transact business in the State of North Carolina and all other states in which the Company is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which the Company is doing business. Specifically, the Company is, and at all times shall be, duly qualified as a foreign limited liability company in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. The Company has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. The Company maintains an office at 408 BATTLEGROUND AVENUE, GREENSBORO, NC 27401. Unless the Company has designated otherwise in writing, the principal office is the office at which the Company keeps its books and records including its records concerning the Collateral. The Company will notify Lender prior to any change in the location of the Company's state of organization or any change in the Company's name. The Company shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to the Company and the Company's business activities.

RELATIONSHIP TO BORROWER AND GRANTOR. The Company is a Partner in NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP. NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP has applied or will be applying to Wells Fargo Bank, National Association ("Lender") for a loan or loans and other financial accommodations from Lender and has agreed to grant collateral for a loan or loans and other financial accommodations from Lender to NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP, including those which may be described on any exhibit or schedule attached to this Resolution. The Company has considered the value of NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP obtaining the financial accommodations described above and granting the collateral.

AUTHORIZATION TO BE A PARTNER. The Company is authorized to be and become a Partner in the Partnership named NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP, whose office is at 408 BATTLEGROUND AVENUE, GREENSBORO, NC 27401.

RESOLUTIONS ADOPTED. At a meeting of the members of the Company, duly called and held on 3-26-2019, at which a quorum was present and voting, or by other duly authorized action in lieu of a meeting, the resolutions set forth in this Resolution were adopted.

MANAGER. The following named person is a manager of New Garden II, LLC, a North Carolina limited liability company:

NAMES	TITLES	AUTHORIZED	ACTUAL SIGNATURES
Irving Norwood Stone	Manager	Y X	<u>Irving Norwood Stone</u> (Seal)

ACTIONS AUTHORIZED. The authorized person listed above may enter into any agreements of any nature with Lender, and those agreements will bind the Company. Specifically, but without limitation, the authorized person is authorized, empowered, and directed to do the following for and on behalf of the Company:

Execute Documents. As Partner of NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP, to execute and deliver to Lender the form of Partnership Authorization and other loan documents submitted by Lender, confirming the nature and existence of NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP, including the Company's participation in NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP as a Partner, and evidencing the terms of the loan from Lender to NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP.

Authorize Managers. To authorize other managers or employees of the Company, from time to time, to act in his or her stead or as his or her successors on behalf of the Company as Partner in NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP.

Further Acts. In the case of lines of credit, to designate additional or alternate individuals as being authorized to request advances under such lines, and in all cases, to do and perform such other acts and things, to pay any and all fees and costs, and to execute and deliver such other documents and agreements as the manager may in his or her discretion deem reasonably necessary or proper in order to carry into effect the provisions of this Resolution.

NOTICES TO LENDER. The Company will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (A) change in the Company's name; (B) change in the Company's assumed business name(s); (C) change in the management or in the Managers of the Company; (D) change in the authorized signer(s); (E) change in the Company's principal office address; (F) change in the Company's state of organization; (G) conversion of the Company to a new or different type of business entity; or (H) change in any other aspect of the Company that directly or indirectly relates to any agreements between the Company and Lender. No change in the Company's name or state of organization will take effect until after Lender has received notice.

PARTICIPATION AUTHORIZED. The Company's participation in NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP as a Partner and the execution, delivery, and performance of the documents described herein have been duly authorized by all necessary action by the Company and do not conflict with, result in a violation of, or constitute a default under (A) any provision of its articles of organization, or any agreement or other instrument binding upon the Company or (B) any law, governmental regulation, court decree, or order applicable to the Company.

**RESOLUTION OF LIMITED LIABILITY COMPANY PARTNER
(Continued)**

CERTIFICATION CONCERNING MANAGERS AND RESOLUTIONS. The manager named above is duly elected, appointed, or employed by or for the Company, as the case may be, and occupies the position set opposite his or her respective name. This Resolution now stands of record on the books of the Company, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

CONTINUING VALIDITY. Any and all acts authorized pursuant to this Resolution and performed prior to the passage of this Resolution are hereby ratified and approved. This Resolution shall be continuing, shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to and received by Lender at Lender's address shown above (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of the Company's agreements or commitments in effect at the time notice is given.

IN TESTIMONY WHEREOF, I have hereunto set my hand and attest that the signature set opposite the name listed above is his or her genuine signature.

I have read all the provisions of this Resolution, and I personally and on behalf of the Company certify that all statements and representations made in this Resolution are true and correct. This Resolution of Limited Liability Company Partner is dated March 28, 2019.

THIS RESOLUTION IS GIVEN UNDER SEAL AND IT IS INTENDED THAT THIS RESOLUTION IS AND SHALL CONSTITUTE AND HAVE THE EFFECT OF A SEALED INSTRUMENT ACCORDING TO LAW.

CERTIFIED TO AND ATTESTED BY:

x Irving Norwood Stone (Seal)
Irving Norwood Stone, Manager of New Garden II,
LLC, a North Carolina limited liability company



200235584973300700

RESOLUTION OF LIMITED LIABILITY COMPANY PARTNER

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$437,539.65	03-28-2019	04-06-2029	0264437690	POD Z1	1744758337	GJ070	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.

Borrower: NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP
408 BATTLEGROUND AVENUE
GREENSBORO, NC 27401

Company: Carr-Theismann, LLC, a North Carolina limited liability company
408 BATTLEGROUND AVENUE
GREENSBORO, NC 27401

Lender: Wells Fargo Bank, National Association
Eastern Region Business Banking-High Point
200 N Main St
High Point, NC 27260

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT:

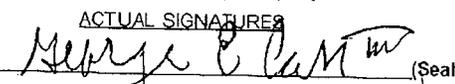
THE COMPANY'S EXISTENCE. The complete and correct name of the Company is Carr-Theismann, LLC, a North Carolina limited liability company ("Company"). The Company is a limited liability company which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the Company's state of organization. The Company is duly authorized to transact business in the State of North Carolina and all other states in which the Company is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which the Company is doing business. Specifically, the Company is, and at all times shall be, duly qualified as a foreign limited liability company in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. The Company has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. The Company maintains an office at 408 BATTLEGROUND AVENUE, GREENSBORO, NC 27401. Unless the Company has designated otherwise in writing, the principal office is the office at which the Company keeps its books and records including its records concerning the Collateral. The Company will notify Lender prior to any change in the location of the Company's state of organization or any change in the Company's name. The Company shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to the Company and the Company's business activities.

RELATIONSHIP TO BORROWER AND GRANTOR. The Company is a Partner in NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP. NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP has applied or will be applying to Wells Fargo Bank, National Association ("Lender") for a loan or loans and other financial accommodations from Lender and has agreed to grant collateral for a loan or loans and other financial accommodations from Lender to NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP, including those which may be described on any exhibit or schedule attached to this Resolution. The Company has considered the value of NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP obtaining the financial accommodations described above and granting the collateral.

AUTHORIZATION TO BE A PARTNER. The Company is authorized to be and become a Partner in the Partnership named NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP, whose office is at 408 BATTLEGROUND AVENUE, GREENSBORO, NC 27401.

RESOLUTIONS ADOPTED. At a meeting of the members of the Company, duly called and held on 3-27-2019, at which a quorum was present and voting, or by other duly authorized action in lieu of a meeting, the resolutions set forth in this Resolution were adopted.

MANAGER. The following named person is a manager of Carr-Theismann, LLC, a North Carolina limited liability company:

NAMES	TITLES	AUTHORIZED	ACTUAL SIGNATURES
George E. Carr III	Managing Member	Y X	 (Seal)

ACTIONS AUTHORIZED. The authorized person listed above may enter into any agreements of any nature with Lender, and those agreements will bind the Company. Specifically, but without limitation, the authorized person is authorized, empowered, and directed to do the following for and on behalf of the Company:

Execute Documents. As Partner of NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP, to execute and deliver to Lender the form of Partnership Authorization and other loan documents submitted by Lender, confirming the nature and existence of NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP, including the Company's participation in NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP as a Partner, and evidencing the terms of the loan from Lender to NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP.

Authorize Managers. To authorize other managers or employees of the Company, from time to time, to act in his or her stead or as his or her successors on behalf of the Company as Partner in NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP.

Further Acts. In the case of lines of credit, to designate additional or alternate individuals as being authorized to request advances under such lines, and in all cases, to do and perform such other acts and things, to pay any and all fees and costs, and to execute and deliver such other documents and agreements as the manager may in his or her discretion deem reasonably necessary or proper in order to carry into effect the provisions of this Resolution.

NOTICES TO LENDER. The Company will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (A) change in the Company's name; (B) change in the Company's assumed business name(s); (C) change in the management or in the Managers of the Company; (D) change in the authorized signer(s); (E) change in the Company's principal office address; (F) change in the Company's state of organization; (G) conversion of the Company to a new or different type of business entity; or (H) change in any other aspect of the Company that directly or indirectly relates to any agreements between the Company and Lender. No change in the Company's name or state of organization will take effect until after Lender has received notice.

PARTICIPATION AUTHORIZED. The Company's participation in NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP as a Partner and the execution, delivery, and performance of the documents described herein have been duly authorized by all necessary action by the Company and do not conflict with, result in a violation of, or constitute a default under (A) any provision of its articles of organization, or any agreement or other instrument binding upon the Company or (B) any law, governmental regulation, court decree, or order applicable to the Company.

**RESOLUTION OF LIMITED LIABILITY COMPANY PARTNER
(Continued)**

CERTIFICATION CONCERNING MANAGERS AND RESOLUTIONS. The manager named above is duly elected, appointed, or employed by or for the Company, as the case may be, and occupies the position set opposite his or her respective name. This Resolution now stands of record on the books of the Company, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

CONTINUING VALIDITY. Any and all acts authorized pursuant to this Resolution and performed prior to the passage of this Resolution are hereby ratified and approved. This Resolution shall be continuing, shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to and received by Lender at Lender's address shown above (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of the Company's agreements or commitments in effect at the time notice is given.

IN TESTIMONY WHEREOF, I have hereunto set my hand and attest that the signature set opposite the name listed above is his or her genuine signature.

I have read all the provisions of this Resolution, and I personally and on behalf of the Company certify that all statements and representations made in this Resolution are true and correct. This Resolution of Limited Liability Company Partner is dated March 28, 2019.

THIS RESOLUTION IS GIVEN UNDER SEAL AND IT IS INTENDED THAT THIS RESOLUTION IS AND SHALL CONSTITUTE AND HAVE THE EFFECT OF A SEALED INSTRUMENT ACCORDING TO LAW.

CERTIFIED TO AND ATTESTED BY:

x  (Seal)
George E. Carr III, Managing Member of
Carr-Theismann LLC, a North Carolina limited
liability company



200235584973300625

PARTNERSHIP AUTHORIZATION

Principal	Loan Date	Maturity	Loan No	Coll / Coll PGD #	Account	Officer	Initials
\$437,539.65	03-28-2019	04-06-2029	0264437590		1744758337	CJ070	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.

Partnership: NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP
408 BATTLEGROUND AVENUE
GREENSBORO, NC 27401

Lender: Wells Fargo Bank, National Association
Eastern Region Business Banking-High Point
200 N Main St
High Point, NC 27260

IN CONSIDERATION OF the existing or proposed lending or banking relationship between NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP ("the Partnership") and Wells Fargo Bank, National Association ("Lender"), the persons signing below jointly and severally and on behalf of the Partnership represent and certify to Lender that:

THE PARTNERSHIP'S EXISTENCE. The complete and correct name of the Partnership is NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP ("Partnership"). The Partnership is a limited partnership which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of North Carolina. The Partnership is duly authorized to transact business in all other states in which the Partnership is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which the Partnership is doing business. Specifically, the Partnership is, and at all times shall be, duly qualified as a foreign limited partnership in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. The Partnership has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. The Partnership maintains an office at 408 BATTLEGROUND AVENUE, GREENSBORO, NC 27401. Unless the Partnership has designated otherwise in writing, the principal office is the office at which the Partnership keeps its books and records. The Partnership will notify Lender prior to any change in the location of the Partnership's principal office address or any change in the Partnership's name. The Partnership shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to the Partnership and the Partnership's business activities.

AUTHORIZATIONS ADOPTED. At a meeting of the partners of the Partnership, duly called and held on 3-26-2019, or by other duly authorized action in lieu of a meeting, the agreements and authorizations set forth in this Authorization were adopted.

PARTNERS. The following named entities are partners of NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP:

NAMES	TITLES	AUTHORIZED	ACTUAL SIGNATURES
Carr-Theismann, LLC, a North Carolina limited liability company	General Partner	Y	
New Garden II, LLC, a North Carolina limited liability company	General Partner	Y	

ACTIONS AUTHORIZED. Any two (2) of the authorized entities listed above may enter into any agreements of any nature with Lender, and those agreements will bind the Partnership. Specifically, but without limitation, any two (2) of such authorized entities are authorized, empowered, and directed to do the following for and on behalf of the Partnership:

Borrow Money. To borrow, as a cosigner or otherwise, from time to time from Lender, on such terms as may be agreed upon between the Partnership and Lender, such sum or sums of money as in their judgment should be borrowed, without limitation.

Execute Notes. To execute and deliver to Lender the promissory note or notes, or other evidence of the Partnership's credit accommodations, on Lender's forms, at such rates of interest and on such terms as may be agreed upon, evidencing the sums of money so borrowed or any of the Partnership's indebtedness to Lender, and also to execute and deliver to Lender one or more renewals, extensions, modifications, refinancings, consolidations, or substitutions for one or more of the notes, any portion of the notes, or any other evidence of credit accommodations.

Grant Security. To mortgage, pledge, transfer, endorse, hypothecate, or otherwise encumber and deliver to Lender any property now or hereafter belonging to the Partnership or in which the Partnership now or hereafter may have an interest, including without limitation all of the Partnership's real property and all of the Partnership's personal property (tangible or intangible), as security for the payment of any loans or credit accommodations so obtained, any promissory notes so executed (including any amendments to or modifications, renewals, and extensions of such promissory notes), or any other or further indebtedness of the Partnership to Lender at any time owing, however the same may be evidenced. Such property may be mortgaged, pledged, transferred, endorsed, hypothecated or encumbered at the time such loans are obtained or such indebtedness is incurred, or at any other time or times, and may be either in addition to or in lieu of any property theretofore mortgaged, pledged, transferred, endorsed, hypothecated or encumbered.

Execute Security Documents. To execute and deliver to Lender the forms of mortgage, deed of trust, pledge agreement, hypothecation agreement, and other security agreements and financing statements which Lender may require and which shall evidence the terms and conditions under and pursuant to which such liens and encumbrances, or any of them, are given; and also to execute and deliver to Lender any other written instruments, any chattel paper, or any other collateral, of any kind or nature, which Lender may deem necessary or proper in connection with or pertaining to the giving of the liens and encumbrances. Notwithstanding the foregoing, any one of the above authorized persons may execute, deliver, or record financing statements.

Negotiate Items. To draw, endorse, and discount with Lender all drafts, trade acceptances, promissory notes, or other evidences of indebtedness payable to or belonging to the Partnership or in which the Partnership may have an interest, and either to receive cash for the same or to cause such proceeds to be credited to the Partnership's account with Lender, or to cause such other disposition of the proceeds

**PARTNERSHIP AUTHORIZATION
(Continued)**

Loan No: 0264437590

Page 2

derived therefrom as they may deem advisable.

Further Acts. In the case of lines of credit, to designate additional or alternate individuals as being authorized to request advances under such lines, and in all cases, to do and perform such other acts and things, to pay any and all fees and costs, and to execute and deliver such other documents and agreements as the partners may in their discretion deem reasonably necessary or proper in order to carry into effect the provisions of this Authorization.

ASSUMED BUSINESS NAMES. The Partnership has filed or recorded all documents or filings required by law relating to all assumed business names used by the Partnership. Excluding the name of the Partnership, the following is a complete list of all assumed business names under which the Partnership does business: **None.**

JOINT AND SEVERAL LIABILITY. Each partner agrees to be jointly and severally liable for all of the Partnership's present and future obligations to Lender; however, any limited partners listed above and identified as such will not be liable individually beyond their interest in the Partnership plus any liability created under applicable law or under any other agreements with Lender (such as a guaranty). We represent and warrant to Lender that the Partnership's agreements with Lender, including the borrowing of monies, do not conflict with, result in a violation of, or constitute a default under any agreement or other instrument with any limited partner of the Partnership; and we agree to indemnify, defend, and hold Lender harmless from all claims, costs and expenses relating in any way to any such conflict, violation or default.

NOTICES TO LENDER. The Partnership will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (A) change in the Partnership's name; (B) change in the Partnership's assumed business name(s); (C) change in the partners of the Partnership, including the addition of new partners or the departure of current partners from the Partnership; (D) change in the authorized signer(s); (E) change in the Partnership's principal office address; (F) change in the Partnership's state of organization; (G) conversion of the Partnership to a new or different type of business entity; or (H) change in any other aspect of the Partnership that directly or indirectly relates to any agreements between the Partnership and Lender. No change in the Partnership's name, state or organization, or principal office address will take effect until after Lender has received notice.

FACSIMILE AND COUNTERPART. This document may be signed in any number of separate copies, each of which shall be effective as an original, but all of which taken together shall constitute a single document. An electronic transmission or other facsimile of this document or any related document shall be deemed an original and shall be admissible as evidence of the document and the signer's execution.

OTHER ACTIONS (RESOLUTIONS/AUTHORIZATIONS). In addition to the actions authorized above, the authorized person listed above is also authorized, empowered and directed to contract for the issuance by Lender of letters of credit, and to enter into any "swap agreement" (as defined in 11 U.S.C. Section 101) with Lender.

CERTIFICATION CONCERNING PARTNERS AND AUTHORIZATIONS. The partners named above are duly elected, appointed, or employed by or for the Partnership, as the case may be, and occupy the positions set opposite their respective names. This Authorization now stands of record on the books of the Partnership, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

CONTINUING VALIDITY. Any and all acts authorized pursuant to this Authorization and performed prior to the passage of this Authorization are hereby ratified and approved. This Authorization shall be continuing, shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to and received by Lender at Lender's address shown above (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of the Partnership's agreements or commitments in effect at the time notice is given.

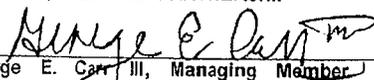
IN TESTIMONY WHEREOF, we have hereunto set our hand and attest that the signatures set opposite the names listed above are their genuine signatures.

We each have read all the provisions of this Authorization, and we each jointly and severally and on behalf of the Partnership certify that all statements and representations made in this Authorization are true and correct. This Partnership Authorization is dated March 28, 2019.

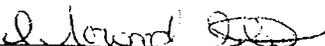
THIS AUTHORIZATION IS GIVEN UNDER SEAL AND IT IS INTENDED THAT THIS AUTHORIZATION IS AND SHALL CONSTITUTE AND HAVE THE EFFECT OF A SEALED INSTRUMENT ACCORDING TO LAW.

CERTIFIED TO AND ATTESTED BY:

CARR-THEISMANN, LLC, A NORTH CAROLINA LIMITED LIABILITY COMPANY, General Partner of NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP

By:  (Seal)
George E. Carr III, Managing Member of Carr-Theismann, LLC, a North Carolina limited liability company

NEW GARDEN II, LLC, A NORTH CAROLINA LIMITED LIABILITY COMPANY, General Partner of NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP

By:  (Seal)
Irving Norwood Stone, Manager of New Garden II, LLC, a North Carolina limited liability company

NOTE: If the partners signing this Authorization are designated by the foregoing document as one of the partners authorized to act on the Partnership's behalf, it is advisable to have this Authorization signed by at least one non-authorized partner of the Partnership.



200235584973300650

PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$437,539.65	03-28-2019	04-06-2029	0264437590	ROD 21	1744758337	CJ070	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.

Borrower: NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP
408 BATTLEGROUND AVENUE
GREENSBORO, NC 27401

Lender: Wells Fargo Bank, National Association
Eastern Region Business Banking-High Point
200 N Main St
High Point, NC 27260

Principal Amount: \$437,539.65

Date of Note: March 28, 2019

PROMISE TO PAY. NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP ("Borrower") promises to pay to Wells Fargo Bank, National Association ("Lender"), or order, in lawful money of the United States of America, the principal amount of Four Hundred Thirty-seven Thousand Five Hundred Thirty-nine & 65/100 Dollars (\$437,539.65), together with interest on the unpaid principal balance from March 28, 2019, calculated as described in the "INTEREST CALCULATION METHOD" paragraph using an interest rate of 4.750%, until paid in full. The interest rate may change under the terms and conditions of the "INTEREST AFTER DEFAULT" section.

PAYMENT. Borrower will pay this loan in 119 regular payments of \$3,423.36 each and one irregular last payment estimated at \$185,622.17. Borrower's first payment is due May 6, 2019, and all subsequent payments are due on the same day of each month after that. Borrower's final payment will be due on April 6, 2029, and will be for all principal and all accrued interest not yet paid. Payments include principal and interest. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; and then to any late charges. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

INTEREST CALCULATION METHOD. Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

PREPAYMENT PENALTY. Upon prepayment of this Note, Lender is entitled to the following prepayment penalty: Borrower may prepay principal on this loan in any amount at any time. In consideration of Lender providing this prepayment option to Borrower, if this loan is Prepaid (defined below) in whole or in part, or if this loan shall become due and payable at any time prior to the maturity date hereof by acceleration or otherwise, Borrower shall pay to Lender at the time of such prepayment a fee which is the sum of the discounted monthly differences for each month from the month of prepayment through the month in which the Rate End Date (defined below) occurs, calculated as follows for each such month:

- (i) Determine the amount of interest which would have accrued each month on the amount Prepaid at the Treasury Ask Yield on the Rate Begin Date applicable to such amount had it remained outstanding until the Rate End Date.
- (ii) Subtract from the amount determined in (i) above the amount of interest which would have accrued for the same month on the amount Prepaid for the remaining term through the Rate End Date at the Treasury Ask Yield for such term in effect on the date of prepayment.
- (iii) If the result obtained in (ii) for any month is greater than zero, discount that difference by the Treasury Rate used in (ii) above.
- (iv) For purposes of this prepayment provision, the following terms have the following meanings, determined at the time the Fee is calculated:

"Rate Begin Date" means the date of this agreement for any prepayment made during any fixed rate of interest period specified by the initial terms of this agreement, or the most recent Adjustment Date, if applicable. "Adjustment Date" is not applicable to prepayments made during a period of time in which the rate of interest is a particular stated fixed value (a "fixed rate") specified in the terms of this agreement. When the prepayment occurs while the interest rate is a fixed rate specified in the terms of this agreement (or a default rate derived from a fixed rate), the Rate Begin Date will be the date of this agreement.

"Adjustment Date" applies only with respect to interest rates which are set or adjust based upon a margin multiplied by or added to the value of a variable or adjustable interest rate index such as the Wells Fargo prime rate, LIBOR, or the treasury constant maturity rate index, which governs or may govern the interest rate of this loan pursuant to the terms of this agreement, and "Adjustment Date" means the date upon which each such adjustable interest rate initially becomes applicable and each date it may adjust. "Adjustment Date" does not include (1) the date the rate of interest is set to a fixed rate, (2) the date of interest rate changes based upon variable or adjustable rates established pursuant to the terms of any subsequent renewal note or modification agreement, or (3) the date the interest rate changes due to imposition of a default rate.

"Rate End Date" means the next Adjustment Date, or if none, then the scheduled maturity date of this loan, as previously renewed, extended or modified if applicable.

"Treasury Ask Yield" is the Ask Yield for Treasury Securities maturing closest to the Rate End Date (excluding "inflation indexed" Treasury Securities and Treasury Securities listed in one entry as maturing in more than one year), as published in the Wall Street Journal (Western Edition). If more than one Ask Yield is published for a particular maturity, Lender will use the Ask Yield closest to the Ask Yield at the date of this agreement. If for any reason, the Ask Yield is no longer published in the Wall Street Journal or otherwise becomes unavailable, Lender will select as its successor any other index not prohibited by law.

"Prepaid" means all or a portion of the unpaid principal balance of the loan is paid or satisfied more than 30 days before it is due, and includes (1) payment by cash, check or other method of payment in good funds, (2) satisfaction by refinancing such amount with another loan extended by Lender or any other provider of financing, and (3) modification of the loan in any manner which includes (a) a change in the interest rate or index of the loan, other than changing a fixed rate or changing the margin of an adjustable rate, or (b) a reduction in the term of the loan.

"This agreement" as used in this prepayment provision means and refers only to this document and not to any subsequent renewal note, extension, or modification agreement.

For administrative convenience Lender may, in its sole discretion, lock in the Fee for 30 days from the date it provides a written quotation of the Fee.

Each Borrower acknowledges that prepayment of such amount may result in Lender incurring additional costs, expenses and/or liabilities, and that it is difficult to ascertain the full extent of such costs, expenses and/or liabilities. Each Borrower, therefore, agrees to pay the above-described prepayment fee and agrees that said amount represents a reasonable estimate of the prepayment costs, expenses and/or liabilities of Lender. If Borrower fails to pay any prepayment fee when due, the amount of such prepayment fee shall thereafter bear interest until paid at the Default Rate or, at Lender's option, the rate of interest applicable to the unpaid principal of this loan (even if no principal remains owing).

Any prepayment shall be without prejudice to Borrower's obligations under any swap agreement (as defined in 11 U.S.C. Section 101), which shall remain in full force and effect subject to the terms of such swap agreement (including provisions that may require a reduction, modification or early termination of a swap transaction, in whole or in part, in the event of such prepayment, and may require Borrower to pay any fees or other amounts for such reduction, modification or early termination), and no such fees or amounts shall be deemed a penalty hereunder or otherwise. All prepayments of principal shall be applied on the most remote principal installment or installments then unpaid. Except for the foregoing, Borrower may pay all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: Wells Fargo Bank, National Association, BBOCS Winston Salem Loan Operations Center, 401 N. Research Parkway, 3rd Floor, MAC #D4004-035 Winston Salem, NC 27101-4157.

LATE CHARGE. If a payment is 15 days or more late, Borrower will be charged 4.000% of the unpaid portion of the regularly scheduled payment. This late charge shall be paid to Lender by Borrower to compensate Lender for Lender's extra costs and expenses caused by the late payment.

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, the interest rate on this Note shall be increased by 4.000 percentage points. If judgment is entered in connection with this Note, interest will continue to accrue after the date of judgment at the rate in effect at the time judgment is entered. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

Default in Favor of Third Parties. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Death or Insolvency. The dissolution or termination of Borrower's existence as a going business or the death of any partner, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

Events Affecting General Partner of Borrower. Any of the preceding events occurs with respect to any general partner of Borrower or any general partner dies or becomes incompetent.

Change in Ownership. The resignation or expulsion of any general partner with an ownership interest of twenty-five percent (25%) or more in Borrower.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Insecurity. Lender in good faith believes itself insecure.

EVENT OF DEFAULT; DEATH OR INCAPACITY OF GUARANTOR. Notwithstanding anything to the contrary in the Note or the Related Documents, the death or incapacity of any individual guarantor shall not constitute an Event of Default until (1) in the case of death, the earlier of (a) the elapse of 90 days following the death of such guarantor, or (b) the 45th day before the earliest deadline for filing a claim in the estate of such deceased guarantor, unless prior to such date, either (i) any contingent claim of Lender under that individual's guarantee shall have been accepted and approved by the court administering that estate, and a pledge of assets or other plan satisfactory to Lender shall have been approved by that court and consummated to assure that sufficient assets will be preserved and available to pay that claim if and when it should mature, or (ii) substitute guarantees, in form and substance satisfactory to Lender, and from guarantors satisfactory to Lender, have been received and accepted by Lender; and (2) in the case of incapacity of such guarantor, the elapse of 30 days, unless within such period, a conservator or similar agent is duly appointed to represent such guarantor and satisfactory evidence thereof is submitted to Lender, with an affirmation of such guarantor's guaranty in form and substance satisfactory to Lender. Until satisfaction of all conditions with respect to death or incapacity as set forth herein, Lender shall not be obligated to make any advances or extend credit requested by Borrower to which Borrower would otherwise be entitled, but may make such advances in its discretion.

**PROMISSORY NOTE
(Continued)**

Loan No: 0264437590

Page 3

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including reasonable attorneys' fees, expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of North Carolina without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of North Carolina.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

PAYMENT DUE DATE DEFERRAL. Payment invoices will be sent on a date (the "billing date") which is prior to each payment due date. If this Note is booked near or after the billing date for the first scheduled payment, Lender may, in its sole discretion, defer each scheduled payment date and/or the maturity date by one or more months.

FINANCIAL INFORMATION. All information furnished by Borrower to Lender in connection with the application for credit was true and accurate in every material respect as of the date the information was furnished, and no material facts were omitted so as to make the information incomplete or misleading. There has been no material adverse change to Borrower's financial condition since the date of the most recent submitted statement. Borrower agrees to provide to Lender, upon request, financial statements prepared in a manner and form acceptable to Lender, and copies of such tax returns and other financial information and statements as may be requested by Lender. Financial statements and tax returns submitted to Lender shall be signed and dated by Borrower and any other party preparing such financial statements or tax returns, or otherwise authenticated to Lender's satisfaction. Each financial statement shall give an accurate and complete picture of Borrower's financial condition as of the statement's date, with ownership accurately reflected. Borrower shall also furnish such other information regarding Borrower (and Borrower's general partners or members, if any), Borrower's business operations, the Collateral, and the use of loan proceeds as may be requested by Lender. Borrower warrants that all financial statements and information provided to Lender are and will be accurate, correct and complete. Borrower will permit Lender and Lender's agents and contractors to examine, audit and copy Borrower's books, accounts, records (including electronic records), and computer software programs used to generate the records, including any records in the possession of a third party, at any reasonable time upon request, and will provide to Lender copies of any records Lender requests, all at no cost to Lender.

PRIMARY DEPOSIT ACCOUNT. Borrower agrees to maintain Borrower's primary deposit account with Lender or any banking affiliate of Lender and keep such account at all times in good standing. If Borrower does not maintain a separate deposit account for its operations, but rather its operations are primarily administered through a deposit account of Borrower's parent or affiliate, then Borrower agrees to cause such parent or affiliate to maintain its primary deposit account with Lender or any banking affiliate of Lender. As used herein, "primary deposit account" means the deposit account into which substantially all of the receipts from the operations of Borrower, or of Borrower's parent or affiliate if applicable, are deposited and from which substantially all of its disbursements for its operations are made.

EXTENSION AND RENEWAL. Lender may, at Lender's discretion, renew or extend this Note by written notice to Borrower. Such renewal or extension will be effective as of the maturity date of this Note, and may be conditioned among other things on modification of Borrower's obligations hereunder, including but not limited to a decrease in the amount available under this Note, an increase in the interest rate applicable to this Note and/or payment of a fee for such renewal or extension. Borrower will be deemed to have accepted the terms of such extensions and renewals if Borrower does not deliver to Lender written rejection of such renewal or extension within 10 days following the date of the written notice of such changes, or if Borrower draws additional funds following receipt of such notice. After any renewal or extension of Borrower's obligations under this Note, the term "maturity date" as used in this Note will mean the new maturity date set forth in the written notice of extension or renewal of this Note. The Note may be modified, extended and renewed repeatedly in this manner.

CREDIT BUREAU INQUIRIES. The parties hereto, and each individual signing below in a representative capacity, agree that Lender may obtain business and/or personal credit reports and tax returns on each of them in their individual capacities.

APPLICATION OF PAYMENTS. Notwithstanding the application of payment provided in the Payment section of this Note, unless otherwise agreed, all sums received from Borrower may be applied to interest, fees, principal, or any other amounts due to Lender in any order at Lender's sole discretion. If a final payment amount is set out in the Payment section of this Note, Borrower understands that it is an estimate, and that the actual final payment amount will depend upon when payments are received and other factors.

DEFAULT RATE. At Lender's option and without prior notice, upon default or at any time during the pendency of any event of default under the Note or any related loan documents, Lender may impose a default rate of interest (the "Default Rate") equal to the pre-default interest rate plus four percent per annum, not to exceed the maximum lawful rate. If the pre-default rate is a floating or adjustable rate based upon an Index, it will continue to float or adjust on the same periodic schedule, and the Default Rate will be a variable rate per annum equal to the applicable Index plus the pre-default margin plus four percent, not to exceed the maximum lawful rate. The Default Rate shall remain in effect until the default has been cured and that fact has been communicated to and confirmed by Lender. Lender may, from time to time in its discretion, adjust or reamortize payments to take into account changes in the interest rate. Lender shall give written notice to Borrower of Lender's imposition of the Default Rate, except that if the Note is not paid at maturity, Lender may impose the Default Rate from the maturity date to the date paid in full without notice. Lender's imposition of the Default Rate shall not constitute an election of remedies or otherwise limit Lender's rights concerning other remedies available to Lender as a result of the occurrence of an event of default. In the event of a conflict between the provisions of this paragraph and any other provision of the Note or any related agreement, the provisions of this paragraph shall control. If a default rate is prohibited by applicable law, then the pre-default rate (including periodic rate adjustments for floating or adjustable rates) shall continue to apply after default or maturity.

FURTHER ASSURANCES. The undersigned agrees to (i) do all things deemed necessary by Lender in order to fully document the loan evidenced by the Note and any related agreements, and will fully cooperate concerning the execution and delivery of security agreements, stock powers, instructions and/or other documents pertaining to any collateral intended to secure the Indebtedness, (ii) assist in the cure of any defects in the execution, delivery or substance of the Note and related agreements, and in the creation and perfection of any liens, security interests or other collateral rights securing the Note, and (iii) pay Lender immediately upon demand the full amount of all charges, costs and expenses (to include fees paid to third parties) expended or incurred by Lender to monitor Lender's interest in any real or personal property pledged as collateral for the Note, including without limitation all costs of appraisals.

**PROMISSORY NOTE
(Continued)**

Loan No: 0264437590

Page 4

CONSENT TO SELL LOAN. The parties hereto agree: (a) Lender may sell or transfer all or part of this loan to one or more purchasers, whether related or unrelated to Lender, without notice and without the consent of the parties; (b) Lender may provide to any purchaser, or potential purchaser, any information or knowledge Lender may have about the parties or about any other matter relating to this loan obligation, without notice, and the parties waive any rights to privacy it may have with respect to such matters; (c) the purchaser of a loan will be considered its absolute owner and will have all the rights granted under the loan documents or agreements governing the sale of the loan; (d) the purchaser of a loan may enforce its interests irrespective of any claims or defenses that the parties may have against Lender, and (e) to waive all notices of sale of the loan, as well as all notices of any repurchase, and all rights of offset or counterclaim that the parties have now or later against Lender or against any purchaser of the loan.

FACSIMILE AND COUNTERPART. This document may be signed in any number of separate copies, each of which shall be effective as an original, but all of which taken together shall constitute a single document. An electronic transmission or other facsimile of this document or any related document shall be deemed an original and shall be admissible as evidence of the document and the signer's execution.

DOCUMENT DELIVERY AND ELECTRONIC TRANSMISSION OF DOCUMENTS. Each party or person signing this agreement (referred to in this paragraph as "you") agrees that Lender may, in its sole discretion, rely upon any document, report, financial statement, tax return, agreement or other communication ("Document") physically delivered to Lender by mail, hand delivery or delivery service which Lender in good faith believed was sent by you or any of your representatives or employees. Similarly, Lender may, in its sole discretion, rely upon any Document sent by email, facsimile or other electronic means to Lender which Lender in good faith believed was sent by you or any of your representatives or employees. Lender may treat the Document as genuine and authorized to the same extent as if it was an original document validly executed or authenticated as genuine by you. Lender may from time to time in its sole discretion reject any such Document and require a signed original, or require you to provide acceptable authentication of any such Document before accepting or relying on same. You understand and acknowledge that there is a risk that Documents sent by electronic means may be viewed or received by unauthorized persons, and you agree that by sending Documents by electronic means, you shall be deemed to have accepted this risk and the consequences of any such unauthorized disclosure.

COMMUNITY AND OTHER PROPERTY. In addition to the rights of Lender under any applicable community property laws, Borrower, Guarantor or Grantor who is a Married Person and who has an interest in marital or community property under applicable law acknowledges and agrees that his/her obligation as a Borrower, Guarantor or Grantor is incurred in the interest of and to benefit the marital community (or domestic partnership, if applicable), and expressly agrees that recourse may be had against his or her separate property and his or her rights in community property and community assets for all of his or her obligations to Lender, in addition to any other property that may be subject to rights of Lender. Borrower and Guarantor also agree not to, without Lender's prior written consent, enter into any community property agreement which alters the separate or community property character of any of such party's property. For the purpose of this provision, "Married Person" means a person in a spousal relationship and shall include parties to a duly registered and/or legally recognized same-sex civil union, domestic partnership, and other terms, whether or not gender-specific in a spousal relationship, that denote spousal relationship, as those terms are used throughout the laws, codes and regulations of states and/or jurisdictions that recognize legally married same-sex couples, civil unions and/or domestic partnerships, and any references herein to a married person or marital status shall be deemed to also include the applicable corresponding term, or other reference relating to a party to a civil union or domestic partnership. With respect to the Guaranty only, to the extent this provision may conflict with another provision contained in the Guaranty, that other provision of the Guaranty shall control.

MONEY LAUNDERING, SANCTIONS, CORRUPT PRACTICES, AND COMPLIANCE WITH ALL LAWS. Borrower represents and agrees that Borrower (1) is not now and will not become the target of any trade or economic sanctions promulgated by the United Nations or the governments of the United States, the United Kingdom, the European Union, or any other jurisdiction in which Borrower is located or operates (collectively, "Sanctions"), (2) complies now and will at all times comply with the requirements of all laws, rules, regulations and orders of any jurisdiction in which Borrower is located or doing business, or otherwise is applicable to Borrower, including, without limitation, (a) all Sanctions, (b) all laws and regulations that relate to money laundering, any predicate crime to money laundering, or any financial record keeping and reporting requirements related thereto, (c) the U.S. Foreign Corrupt Practices Act of 1977, as amended, (d) the U.K. Bribery Act of 2010, as amended, and (e) any other anti-bribery or anti-corruption laws and regulations, and (3) will not at any time directly or indirectly use any proceeds of any credit extended by Lender for the purpose of (a) providing financing or otherwise funding any targets of Sanctions; or (b) providing financing or otherwise funding any transaction which would be prohibited by Sanctions or would otherwise cause Lender or any of Lender's affiliates to be in breach of any Sanctions.

SECURITY INTEREST AND RIGHT OF SETOFF. In addition to all liens upon and rights of setoff arising by law, Borrower pledges and grants to Lender as security for Borrower's indebtedness and obligations under the Note (excluding any consumer obligations subject to the Federal Truth in Lending Act) a security interest and lien upon all monies, securities, securities accounts, brokerage accounts, deposit accounts and other property of Borrower now or hereafter in the possession of or on deposit with Lender or any Wells Fargo affiliate, whether held in a general or special account or for safekeeping or otherwise, excluding however all IRA and Keogh accounts. No security interest, lien or right of setoff will be deemed to have been waived by any act or conduct on the part of Lender, or by any neglect to exercise such right, or by any delay in so doing, and every right of setoff, lien and security interest will continue in full force and effect until specifically waived or released by Lender in writing.

LOAN FEE AUTHORIZATION. Borrower shall pay to Lender any and all fees as specified in the "Disbursement Request and Authorization" executed by Borrower in connection with this Note. Such fees are non-refundable and shall be due and payable in full immediately upon Borrower's execution of this Note.

ADDITIONAL EVENTS OF DEFAULT. In addition to the Events of Default described herein, the following shall be an Event of Default if applicable: (i) Borrower, any Guarantor or any grantor of collateral securing the Note fails to comply with any terms or conditions of any agreement with Lender or any Wells Fargo Affiliate or makes a representation or statement to Lender or any Wells Fargo Affiliate that is false in any material respect; (ii) Borrower or any Guarantor revokes or disputes the validity of any of its liabilities or obligations under any Note, related agreement, or any other agreement with Lender or any Wells Fargo Affiliate; (iii) any change in ownership of an aggregate of twenty-five percent (25%) or more of the common stock, members' equity or other ownership interest in Borrower or any general partner of Borrower or any Guarantor, (iv) the withdrawal, resignation or expulsion of any one or more of the general partners in Borrower or any Guarantor with an aggregate ownership interest in Borrower or such Guarantor of twenty-five percent (25%) or more; or (v) Borrower or any Guarantor or any chairman, CEO, CFO, president, manager or general partner of Borrower or any Guarantor, nor any officer, member, or shareholder with an ownership interest of 25% or more of Borrower or any Guarantor, has been or is convicted of a felony. For purposes of this provision Wells Fargo Affiliate shall mean Wells Fargo & Company and any present or future subsidiary of Wells Fargo & Company.

EXECUTION OF DOCUMENTS, CONSULTATION WITH COUNSEL. Each party hereto acknowledges and agrees that he/she/it has had an opportunity to review and consider the terms and provisions of this agreement and each related loan document, to consult with counsel of his/her/its choice, if desired, and to suggest changes to the structure and terms of the agreements. Each party hereto warrants and agrees that his/her/its execution of this agreement and any related loan documents is made voluntarily and with full knowledge of the significance and effect of such agreements.

ARBITRATION AGREEMENT. Arbitration - Binding Arbitration. Lender and each party to this agreement hereby agree, upon demand by any party, to submit any Dispute to binding arbitration in accordance with the terms of this Arbitration Program. Arbitration may be demanded before

the institution of a judicial proceeding, or during a judicial proceeding, but not more than 60 days after service of a complaint, third party complaint, cross-claim, or any answer thereto, or any amendment to any of such pleadings. A "Dispute" shall include any dispute, claim or controversy of any kind, whether in contract or in tort, legal or equitable, now existing or hereafter arising, relating in any way to any aspect of this agreement, and any related note, instrument or agreement incorporating this Arbitration Program (the "Documents"), and any renewal, extension, modification or refinancing of any indebtedness or obligation relating thereto, including without limitation, their negotiation, execution, collateralization, administration, repayment, modification, extension, substitution, formation, inducement, enforcement, default or termination, and any request for additional credit; provided, however, that "Dispute" shall not include any dispute, claim or controversy with respect to a "consumer financial product or service" (as defined in 12 U.S. Code Section 5481 (5)) within the coverage of 12 CFR Part 1040.3. This provision is a material inducement for the parties entering into the transactions relating to this Agreement. In the event of a court ordered arbitration, the party requesting arbitration shall be responsible for timely filing the demand for arbitration and paying the appropriate filing fee within 30 days of the abatement order or the time specified by the court; the party's failure to do so shall result in that party's right to demand arbitration being automatically terminated with respect to such Dispute. DISPUTES SUBMITTED TO ARBITRATION ARE NOT RESOLVED IN COURT BY A JUDGE OR JURY. TO THE EXTENT ALLOWED BY APPLICABLE LAW, THE PARTIES IRREVOCABLY AND VOLUNTARILY WAIVE ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY DISPUTE ARBITRATED PURSUANT TO THIS ARBITRATION PROGRAM.

A. Governing Rules. Any arbitration proceeding will (i) be governed by the Federal Arbitration Act (Title 9 of the United States Code), notwithstanding any conflicting choice of law provision in any of the documents between the parties; and (ii) be conducted by the American Arbitration Association ("AAA"), or such other administrator as the parties shall mutually agree upon, in accordance with the AAA's commercial dispute resolution procedures, unless the claim or counterclaim is at least \$1,000,000.00 exclusive of claimed interest, arbitration fees and costs, in which case the arbitration shall be conducted in accordance with the AAA's optional procedures for large, complex commercial disputes (the commercial dispute resolution procedures or the optional procedures for large, complex commercial disputes are referred to herein, as applicable, as the "Rules"). If there is any inconsistency between the terms hereof and the Rules, the terms and procedures set forth herein shall control. Arbitration proceedings hereunder shall be conducted at a location mutually agreeable to the parties, or if they cannot agree, then at a location selected by the AAA in the state of the applicable substantive law primarily governing the Note. Any party who fails or refuses to submit to arbitration following a demand by any other party shall bear all costs and expenses incurred by such other party in compelling arbitration of any Dispute. The arbitrator shall award all costs and expenses of the arbitration proceeding.

B. No Waiver of Provisional Remedies, Self-Help and Foreclosure. The arbitration requirement does not limit the right of any party to (i) foreclose against real or personal property collateral; (ii) exercise self-help remedies relating to collateral or proceeds of collateral such as setoff or repossession; or (iii) obtain provisional or ancillary remedies such as replevin, injunctive relief, attachment or the appointment of a receiver, before during or after the pendency of any arbitration proceeding. This exclusion does not constitute a waiver of the right or obligation of any party to submit any Dispute to arbitration or reference hereunder, including those arising from the exercise of the actions detailed in sections (i), (ii) and (iii) of this paragraph.

C. Arbitrator Qualifications and Powers. Any arbitration proceeding in which the amount in controversy is \$5,000,000.00 or less will be decided by a single arbitrator selected according to the Rules, and who shall not render an award of greater than \$5,000,000.00. Any Dispute in which the amount in controversy exceeds \$5,000,000.00 shall be decided by majority vote of a panel of three arbitrators; provided however, that all three arbitrators must actively participate in all hearings and deliberations. Every arbitrator shall be a neutral practicing attorney or a retired member of the state or federal judiciary, in either case with a minimum of ten years experience in the substantive law applicable to the subject matter of the Dispute. The arbitrator will determine whether or not an issue is arbitrable and will give effect to the statutes of limitation in determining any claim. In any arbitration proceeding the arbitrator will decide (by documents only or with a hearing at the arbitrator's discretion) any pre-hearing motions which are similar to motions to dismiss for failure to state a claim or motions for summary judgment. The arbitrator shall resolve all Disputes in accordance with the applicable substantive law and may grant any remedy or relief that a court of such state could order or grant within the scope hereof and such ancillary relief as is necessary to make effective any award. The arbitrator shall also have the power to award recovery of all costs and fees, to impose sanctions and to take such other action as the arbitrator deems necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure, the applicable state rules of civil procedure, or other applicable law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction. The institution and maintenance of an action for judicial relief or pursuit of a provisional or ancillary remedy shall not constitute a waiver of the right of any party, including the plaintiff, to submit the controversy or claim to arbitration if any other party contests such action for judicial relief.

D. Discovery. In any arbitration proceeding discovery will be permitted in accordance with the Rules. All discovery shall be expressly limited to matters directly relevant to the Dispute being arbitrated and must be completed no later than 20 days before the hearing date. Any requests for an extension of the discovery periods, or any discovery disputes, will be subject to final determination by the arbitrator upon a showing that the request for discovery is essential for the party's presentation and that no alternative means for obtaining information is available.

E. Class Proceedings and Consolidations. No party hereto shall be entitled to join or consolidate disputes by or against others in any arbitration, or to include in any arbitration any dispute as a representative or member of a class, or to act in any arbitration in the interest of the general public or in a private attorney general capacity.

F. Small Claims Court. Any party may require that a Dispute be resolved in Small Claims Court if the Dispute and related claims are fully within that court's jurisdiction.

G. Real Property Collateral. Notwithstanding anything herein to the contrary, no Dispute shall be submitted to arbitration if the Dispute concerns indebtedness secured directly or indirectly, in whole or in part, by any real property and the Dispute is governed by the laws of California, Connecticut, Idaho, Kansas, Montana, Nevada, South Dakota, Virginia or Utah, unless any conditions for arbitration that may be set forth in the mortgage or deed of trust are satisfied; if any such Disputes are not referred to arbitration, then any provision in such mortgage or deed of trust providing for referral of Disputes to a referee or master under the laws of California, Connecticut, Idaho, Kansas, Montana, Nevada, South Dakota, Virginia or Utah shall be applicable to such Disputes.

H. State Specific Provisions:

If Delaware, Pennsylvania or Virginia law governs the Dispute, the following provision is applicable. If there is a Confession of Judgment in any note, guaranty or other Documents subject to this Arbitration Program: Confession of Judgment. Notwithstanding anything herein to the contrary, the arbitration requirement does not limit or preclude the right of Lender to confess judgment pursuant to a warrant of attorney provision set forth in any note, guaranty or other Documents. No party shall have the right to demand binding arbitration of any claim, dispute or controversy seeking to (i) strike-off or open a judgment obtained by confession pursuant to a warrant of attorney contained in any note, guaranty or other Documents, or (ii) challenge the waiver of a right to prior notice and a hearing before judgment is entered, or after judgment is entered, but before execution upon the judgment. Any claims, disputes or controversies challenging the confession of judgment shall be commenced and prosecuted in accordance with the procedures set forth, and in the forum specified by the applicable state rules of civil procedure or other applicable law.

If Maryland law governs the Dispute, the following provision is applicable if there is a Confession of Judgment in any note, guaranty or

other Documents subject to this Arbitration Program: Confession of Judgment. Notwithstanding anything herein to the contrary, the arbitration requirement does not limit or preclude the right of Lender to confess judgment, and no party shall have the right to demand binding arbitration of any claim, dispute or controversy seeking to open a judgment obtained by confession. Nothing herein, including the arbitration requirement, shall limit the right of any party to foreclose judicially or non-judicially against any real or personal property collateral, or exercise judicial or non-judicial power of sale rights. No provision regarding submission to a jurisdiction and/or venue in any court or the waiver of any right to trial by jury is intended or shall be construed to be in derogation of the provisions for arbitration of any dispute. Any claim or counterclaim or defense raised in connection with Lender's exercise of any rights set forth in any note, guaranty or other Documents subject to this Arbitration Program shall be subject to the arbitration requirement.

If South Carolina law governs the Dispute, the following provision is included: WAIVER OF JURY TRIAL. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, WITHOUT INTENDING IN ANY WAY TO LIMIT THE PARTIES' AGREEMENT TO ARBITRATE ANY DISPUTE AS SET FORTH IN THIS AGREEMENT, TO THE EXTENT ANY DISPUTE IS NOT SUBMITTED TO ARBITRATION OR IS DEEMED BY THE ARBITRATOR OR BY ANY COURT WITH JURISDICTION TO BE NOT ARBITRABLE OR NOT REQUIRED TO BE ARBITRATED, LENDER AND EACH PARTY TO THIS AGREEMENT WAIVE TRIAL BY JURY IN RESPECT OF ANY SUCH DISPUTE AND ANY ACTION ON SUCH DISPUTE. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY LENDER AND EACH PARTY, AND LENDER AND EACH PARTY HEREBY REPRESENT THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY PERSON OR ENTITY TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES ENTERING INTO THE LOAN DOCUMENTS. LENDER AND EACH PARTY TO THIS AGREEMENT ARE EACH HEREBY AUTHORIZED TO FILE A COPY OF THIS SECTION IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER OF JURY TRIAL. EACH PARTY FURTHER REPRESENTS AND WARRANTS THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, OR HAS HAD THE OPPORTUNITY TO BE REPRESENTED BY INDEPENDENT LEGAL COUNSEL SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

I. Miscellaneous. To the maximum extent practicable, the AAA, the arbitrators and the parties shall take all action required to conclude any arbitration proceeding within 180 days of the filing of the Dispute with the AAA. No arbitrator or other party to an arbitration proceeding may disclose the existence, content or results thereof, except for disclosures of information by a party required in the ordinary course of its business or by applicable law or regulation. If more than one agreement for arbitration by or between the parties potentially applies to a Dispute, the arbitration provision most directly related to the documents between the parties or the subject matter of the Dispute shall control. This arbitration provision shall survive the repayment of the Note and the termination, amendment or expiration of any of the Documents or any relationship between the parties.

COLLATERAL EXCLUSIONS. No deed of trust, mortgage, security deed, or similar real estate collateral agreement ("Lien Document"), nor any personal property security agreement ("Security Agreement"), shall secure this Note unless such Lien Document or Security Agreement specifically describes this Note as a part of the indebtedness secured thereby. As used in this paragraph, this "Note" means either (i) this Promissory Note or Change In Terms Agreement, or (ii) a promissory note, Confirmation Letter or other evidence of indebtedness which has been modified, renewed or extended in whole or in part by this Promissory Note or Change In Terms Agreement. This exclusion shall apply notwithstanding the fact that such Lien Document or Security Agreement may appear to secure this Note by virtue of a cross-collateralization provision or other provisions expanding the scope of the secured obligations.

PRIOR NOTE. This note is given in renewal, extension and/or modification of , and not in satisfaction of that certain Promissory Note dated April 6, 2004 by Borrower to Lender, successor by merger to Wachovia Bank, National Association, successor in interest to SouthTrust Bank in the original amount of \$793,119.00 (the "2004 Note"), as renewed, extended or modified by that certain Confirmation Letter dated March 19, 2013 in the original amount of \$602,239.70 (the "Confirmation Letter") and it is not a novation of the obligations of the 2004 Note as renewed, extended or modified by the Confirmation Letter.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

GENERAL PROVISIONS. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party, partner, or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

PROMISSORY NOTE
(Continued)

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

THIS NOTE IS GIVEN UNDER SEAL AND IT IS INTENDED THAT THIS NOTE IS AND SHALL CONSTITUTE AND HAVE THE EFFECT OF A SEALED INSTRUMENT ACCORDING TO LAW.

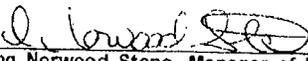
BORROWER:

NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP

CARR-THEISMANN, LLC, A NORTH CAROLINA LIMITED LIABILITY COMPANY, General Partner of NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP

By:  (Seal)
George E. Carr III, Managing Member of Carr-Theismann, LLC, a North Carolina limited liability company

NEW GARDEN II, LLC, A NORTH CAROLINA LIMITED LIABILITY COMPANY, General Partner of NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP

By:  (Seal)
Irving Norwood Stone, Manager of New Garden II, LLC, a North Carolina limited liability company



200235584973300155

COMMERCIAL GUARANTY

Borrower: NEW GARDEN ASSOCIATES, A LIMITED
PARTNERSHIP
408 BATTLEGROUND AVENUE
GREENSBORO, NC 27401

Lender: Wells Fargo Bank, National Association
Eastern Region Business Banking-High Point
200 N Main St
High Point, NC 27260

Guarantor: Christopher Craig Stone
506 S Elam Ave
Greensboro, NC 27403

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unexpired guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 31.250% of the principal amount of the Indebtedness that is outstanding from time to time and at any one or more times, not to exceed Four Hundred Thirty-seven Thousand Five Hundred Thirty-nine & 65/100 Dollars (\$437,539.65). "Guarantor's Share of the Indebtedness" also includes all accrued unpaid interest on the Indebtedness and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals paid or incurred by Lender for the collection of the Indebtedness, the realization on any collateral securing the Indebtedness or any guaranty of the Indebtedness (including this Guaranty), or the enforcement of this Guaranty.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guaranty or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, **without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time:** (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this

Guaranty, and Guarantor further agrees that, absent a request for information, Lender shall have no obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Borrower.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to give notice of the terms, time, and place of any public or private sale of personal property security held by Lender from Borrower or to comply with any other applicable provisions of the Uniform Commercial Code; (F) to pursue any other remedy within Lender's power; or (G) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty. In addition to the waivers set forth above, Guarantor expressly waives, to the extent permitted by North Carolina law, all of Guarantor's rights under (1) North Carolina General Statutes Sections 26-7 through Section 26-9, or any similar or subsequent laws and (2) North Carolina General Statutes Section 25-3-605 relating to impairment of collateral, or any similar or subsequent law.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of North Carolina without regard to its conflicts of law provisions.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors,

assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of the Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

FURTHER ASSURANCES. The undersigned agrees to (i) do all things deemed necessary by Lender in order to fully document the loan evidenced by the Note and any related agreements, and will fully cooperate concerning the execution and delivery of security agreements, stock powers, instructions and/or other documents pertaining to any collateral intended to secure the Indebtedness, (ii) assist in the cure of any defects in the execution, delivery or substance of the Note and related agreements, and in the creation and perfection of any liens, security interests or other collateral rights securing the Note, and (iii) pay Lender immediately upon demand the full amount of all charges, costs and expenses (to include fees paid to third parties) expended or incurred by Lender to monitor Lender's interest in any real or personal property pledged as collateral for the Note, including without limitation all costs of appraisals.

CONSENT TO SELL LOAN. The parties hereto agree: (a) Lender may sell or transfer all or part of this loan to one or more purchasers, whether related or unrelated to Lender, without notice and without the consent of the parties; (b) Lender may provide to any purchaser, or potential purchaser, any information or knowledge Lender may have about the parties or about any other matter relating to this loan obligation, without notice, and the parties waive any rights to privacy it may have with respect to such matters; (c) the purchaser of a loan will be considered its absolute owner and will have all the rights granted under the loan documents or agreements governing the sale of the loan; (d) the purchaser of a loan may enforce its interests irrespective of any claims or defenses that the parties may have against Lender; and (e) to waive all notices of sale of the loan, as well as all notices of any repurchase, and all rights of offset or counterclaim that the parties have now or later against Lender or against any purchaser of the loan.

SECURITY INTEREST AND RIGHT OF SETOFF. In addition to all liens upon and rights of setoff arising by law, Guarantor pledges and grants to Lender as security for Guarantor's obligations to Lender (excluding any consumer obligations subject to the Federal Truth In Lending Act), a security interest and lien upon all monies, securities, securities accounts, brokerage accounts, deposit accounts and other property of Guarantor now or hereafter in the possession of or on deposit with Lender or any Wells Fargo affiliate, whether held in a general or special account or deposit or for safekeeping or otherwise, excluding however all IRA and Keogh accounts. No security interest, lien or right of setoff will be deemed to have been waived by any act or conduct on the part of Lender, or by any neglect to exercise such right, or by any delay in so doing, and every right of setoff, lien and security interest will continue in full force and effect until specifically waived or released by Lender in writing. Guarantor agrees to sign additional documentation at any time at Lender's request to perfect and enforce Lender's security interests.

FACSIMILE AND COUNTERPART. This document may be signed in any number of separate copies, each of which shall be effective as an original, but all of which taken together shall constitute a single document. An electronic transmission or other facsimile of this document or any related document shall be deemed an original and shall be admissible as evidence of the document and the signer's execution.

DOCUMENT DELIVERY AND ELECTRONIC TRANSMISSION OF DOCUMENTS. Each party or person signing this agreement (referred to in this paragraph as "you") agrees that Lender may, in its sole discretion, rely upon any document, report, financial statement, tax return, agreement or other communication ("Document") physically delivered to Lender by mail, hand delivery or delivery service which Lender in good faith believed was sent by you or any of your representatives or employees. Similarly, Lender may, in its sole discretion, rely upon any Document sent by email, facsimile or other electronic means to Lender which Lender in good faith believed was sent by you or any of your representatives or employees. Lender may treat the Document as genuine and authorized to the same extent as if it was an original document validly executed or authenticated as genuine by you. Lender may from time to time in its sole discretion reject any such Document and require a signed original, or require you to provide acceptable authentication of any such Document before accepting or relying on same. You understand and acknowledge that there is a risk that Documents sent by electronic means may be viewed or received by unauthorized persons, and you agree that by sending Documents by electronic means, you shall be deemed to have accepted this risk and the consequences of any such unauthorized disclosure.

COMMUNITY AND OTHER PROPERTY. In addition to the rights of Lender under any applicable community property laws, Borrower, Guarantor or Grantor who is a Married Person and who has an interest in marital or community property under applicable law acknowledges and agrees that his/her obligation as a Borrower, Guarantor or Grantor is incurred in the interest of and to benefit the marital community (or domestic partnership, if applicable), and expressly agrees that recourse may be had against his or her separate property and his or her rights in community property and community assets for all of his or her obligations to Lender, in addition to any other property that may be subject to rights of Lender. Borrower and Guarantor also agree not to, without Lender's prior written consent, enter into any community property agreement which alters the separate or community property character of any of such party's property. For the purpose of this provision, "Married Person" means a person in a spousal relationship and shall include parties to a duly registered and/or legally recognized same-sex civil union, domestic partnership, and other terms, whether or not gender-specific in a spousal relationship, that denote spousal relationship, as those terms are used throughout the laws, codes and regulations of states and/or jurisdictions that recognize legally married same-sex couples, civil unions and/or domestic partnerships, and any references herein to a married person or marital status shall be deemed to also include the applicable corresponding term, or other reference relating to a party to a civil union or domestic partnership.

With respect to the Guaranty only, to the extent this provision may conflict with another provision contained in the Guaranty, that other provision of the Guaranty shall control.

Multiple Guaranties. Notwithstanding anything herein to the contrary, if Lender presently holds multiple guaranties or hereafter receives additional guaranties from Guarantor, the rights of Lender under all such guaranties will be cumulative, and this provision shall apply with respect to all such guaranties to the extent such guaranties are applicable to indebtedness originating as Wells Fargo Business Banking indebtedness or held or serviced by Wells Fargo Business Banking or any successor line of business. This Guaranty will not (unless specifically provided to the contrary) affect or invalidate any such other guaranties. In certain cases, multiple guaranties may appear to apply to the same loan or extension of credit. The following rules shall control with respect to determining the indebtedness and obligations to which various guaranties are applicable. As used herein, a "continuing guaranty" is a guaranty of all indebtedness of a borrower or other obligor owing indebtedness or obligations to Lender (an "Obligor"), and a "credit-specific" guaranty is a guaranty that applies only to a specifically identified loan or extension of credit. A continuing guaranty can be unlimited, or it can be limited to a certain amount of the indebtedness. A credit-specific guaranty can be unlimited, meaning it is a guaranty of all indebtedness and obligations of a particular loan or extension of credit, or it can be limited by its terms to a portion of such loan or extension of credit. If a guaranty is applicable only to a particular loan or extension of credit, such credit-specific guaranty shall apply to such loan or extension of credit and any prior guaranties shall not apply to that loan or extension of credit. If a Guarantor executes an unlimited continuing guaranty subsequent to executing a credit-specific guaranty, then the unlimited continuing guaranty shall apply to all indebtedness of Obligor so long as the unlimited continuing guaranty remains in effect; if said unlimited continuing guaranty is released or revoked, then the credit-specific guaranty shall be fully effective and applicable pursuant to its terms unless or until it has been released or revoked. If a Guarantor executes a limited continuing guaranty and later executes an unlimited continuing guaranty of indebtedness of an Obligor, the unlimited continuing guaranty shall apply to all indebtedness of Obligor so long as the unlimited continuing guaranty remains in effect; if said unlimited continuing guaranty is released or revoked, then the limited continuing guaranty shall be fully effective and applicable pursuant to its terms unless or until it has been released or revoked. If a Guarantor executes an unlimited continuing guaranty and later executes a limited continuing guaranty of indebtedness of an Obligor, the limited continuing guaranty shall apply only to the loan or extension of credit regarding which it was executed, and the unlimited continuing guaranty shall apply to all other indebtedness of Obligor until it is released or revoked. If a Guarantor executes a limited continuing guaranty and later executes a limited continuing guaranty that is limited to a lesser degree than the first, the less limited guaranty shall apply to all indebtedness of Obligor so long as the less limited guaranty remains in effect; if said less limited guaranty is released or revoked, then the more limited guaranty shall be fully effective and applicable pursuant to its terms unless or until it has been released or revoked. If a Guarantor executes a limited continuing guaranty and later executes a more limited continuing guaranty, the more limited guaranty shall apply only to the loan or extension of credit regarding which it was executed, and the less limited continuing guaranty shall apply to all other indebtedness of Obligor until it is released or revoked. In addition to the above, in all cases a guaranty that has been revoked continues to be applicable in accordance with its provisions regarding revocation.

EXECUTION OF DOCUMENTS, CONSULTATION WITH COUNSEL. Each party hereto acknowledges and agrees that he/she/it has had an opportunity to review and consider the terms and provisions of this agreement and each related loan document, to consult with counsel of his/her/its choice, if desired, and to suggest changes to the structure and terms of the agreements. Each party hereto warrants and agrees that his/her/its execution of this agreement and any related loan documents is made voluntarily and with full knowledge of the significance and effect of such agreements.

SUPPLEMENTAL DEFINITION OF INDEBTEDNESS. The definition of "Indebtedness" herein additionally includes, without limitation, all liability and obligations arising under or in connection with any "swap agreement" (as defined in 11 U.S.C. Section 101) between Borrower, or any of them, and Lender.

ARBITRATION AGREEMENT. Arbitration - Binding Arbitration. Lender and each party to this agreement hereby agree, upon demand by any party, to submit any Dispute to binding arbitration in accordance with the terms of this Arbitration Program. Arbitration may be demanded before the institution of a judicial proceeding, or during a judicial proceeding, but not more than 60 days after service of a complaint, third party complaint, cross-claim, or any answer thereto, or any amendment to any of such pleadings. A "Dispute" shall include any dispute, claim or controversy of any kind, whether in contract or in tort, legal or equitable, now existing or hereafter arising, relating in any way to any aspect of this agreement, and any related note, instrument or agreement incorporating this Arbitration Program (the "Documents"), and any renewal, extension, modification or refinancing of any indebtedness or obligation relating thereto, including without limitation, their negotiation, execution, collateralization, administration, repayment, modification, extension, substitution, formation, inducement, enforcement, default or termination, and any request for additional credit; provided, however, that "Dispute" shall not include any dispute, claim or controversy with respect to a "consumer financial product or service" (as defined in 12 U.S. Code Section 5481 (5)) within the coverage of 12 CFR Part 1040.3. This provision is a material inducement for the parties entering into the transactions relating to this Agreement. In the event of a court ordered arbitration, the party requesting arbitration shall be responsible for timely filing the demand for arbitration and paying the appropriate filing fee within 30 days of the abatement order or the time specified by the court; the party's failure to do so shall result in that party's right to demand arbitration being automatically terminated with respect to such Dispute. DISPUTES SUBMITTED TO ARBITRATION ARE NOT RESOLVED IN COURT BY A JUDGE OR JURY. TO THE EXTENT ALLOWED BY APPLICABLE LAW, THE PARTIES IRREVOCABLY AND VOLUNTARILY WAIVE ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY DISPUTE ARBITRATED PURSUANT TO THIS ARBITRATION PROGRAM.

A. Governing Rules. Any arbitration proceeding will (i) be governed by the Federal Arbitration Act (Title 9 of the United States Code), notwithstanding any conflicting choice of law provision in any of the documents between the parties; and (ii) be conducted by the American Arbitration Association ("AAA"), or such other administrator as the parties shall mutually agree upon, in accordance with the AAA's commercial dispute resolution procedures, unless the claim or counterclaim is at least \$1,000,000.00 exclusive of claimed interest, arbitration fees and costs, in which case the arbitration shall be conducted in accordance with the AAA's optional procedures for large, complex commercial disputes (the commercial dispute resolution procedures or the optional procedures for large, complex commercial disputes are referred to herein, as applicable, as the "Rules"). If there is any inconsistency between the terms hereof and the Rules, the terms and procedures set forth herein shall control. Arbitration proceedings hereunder shall be conducted at a location mutually agreeable to the parties, or if they cannot agree, then at a location selected by the AAA in the state of the applicable substantive law primarily governing the Note. Any party who fails or refuses to submit to arbitration following a demand by any other party shall bear all costs and expenses incurred by such other party in compelling arbitration of any Dispute. The arbitrator shall award all costs and expenses of the arbitration proceeding.

B. No Waiver of Provisional Remedies, Self-Help and Foreclosure. The arbitration requirement does not limit the right of any party to (i) foreclose against real or personal property collateral; (ii) exercise self-help remedies relating to collateral or proceeds of collateral such as setoff or repossession; or (iii) obtain provisional or ancillary remedies such as replevin, injunctive relief, attachment or the appointment of a receiver, before during or after the pendency of any arbitration proceeding. This exclusion does not constitute a waiver of the right or obligation of any party to submit any Dispute to arbitration or reference hereunder, including those arising from the exercise of the actions detailed in sections (i), (ii) and (iii) of this paragraph.

C. Arbitrator Qualifications and Powers. Any arbitration proceeding in which the amount in controversy is \$5,000,000.00 or less will be

decided by a single arbitrator selected according to the Rules, and who shall not render an award of greater than \$5,000,000.00. Any Dispute in which the amount in controversy exceeds \$5,000,000.00 shall be decided by majority vote of a panel of three arbitrators; provided however, that all three arbitrators must actively participate in all hearings and deliberations. Every arbitrator shall be a neutral practicing attorney or a retired member of the state or federal judiciary, in either case with a minimum of ten years experience in the substantive law applicable to the subject matter of the Dispute. The arbitrator will determine whether or not an issue is arbitratable and will give effect to the statutes of limitation in determining any claim. In any arbitration proceeding the arbitrator will decide (by documents claim or motions for summary adjudication. The arbitrator shall resolve all Disputes in accordance with the applicable substantive law and may grant any remedy or relief that a court of such state could order or grant within the scope hereof and such ancillary relief as is necessary to make effective any award. The arbitrator shall also have the power to award recovery of all costs and fees, to impose sanctions and to take such other action as the arbitrator deems necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure, the applicable state rules of civil procedure, or other applicable law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction. The institution and maintenance of an action for judicial relief or pursuit of a provisional or ancillary remedy shall not constitute a waiver of the right of any party, including the plaintiff, to submit the controversy or claim to arbitration if any other party contests such action for judicial relief.

D. Discovery. In any arbitration proceeding discovery will be permitted in accordance with the Rules. All discovery shall be expressly limited to matters directly relevant to the Dispute being arbitrated and must be completed no later than 20 days before the hearing date. Any requests for an extension of the discovery periods, or any discovery disputes, will be subject to final determination by the arbitrator upon a showing that the request for discovery is essential for the party's presentation and that no alternative means for obtaining information is available.

E. Class Proceedings and Consolidations. No party hereto shall be entitled to join or consolidate disputes by or against others in any arbitration, or to include in any arbitration any dispute as a representative or member of a class, or to act in any arbitration in the interest of the general public or in a private attorney general capacity.

F. Small Claims Court. Any party may require that a Dispute be resolved in Small Claims Court if the Dispute and related claims are fully within that court's jurisdiction.

G. Real Property Collateral. Notwithstanding anything herein to the contrary, no Dispute shall be submitted to arbitration if the Dispute concerns indebtedness secured directly or indirectly, in whole or in part, by any real property and the Dispute is governed by the laws of California, Connecticut, Idaho, Kansas, Montana, Nevada, South Dakota, Virginia or Utah, unless any conditions for arbitration that may be set forth in the mortgage or deed of trust are satisfied; if any such Disputes are not referred to arbitration, then any provision in such mortgage or deed of trust providing for referral of Disputes to a referee or master under the laws of California, Connecticut, Idaho, Kansas, Montana, Nevada, South Dakota, Virginia or Utah shall be applicable to such Disputes.

H. State Specific Provisions:

If Delaware, Pennsylvania or Virginia law governs the Dispute, the following provision is applicable if there is a Confession of Judgment in any note, guaranty or other Documents subject to this Arbitration Program: Confession of Judgment. Notwithstanding anything herein to the contrary, the arbitration requirement does not limit or preclude the right of Lender to confess judgment pursuant to a warrant of attorney provision set forth in any note, guaranty or other Documents. No party shall have the right to demand binding arbitration of any claim, dispute or controversy seeking to (i) strike-off or open a judgment obtained by confession pursuant to a warrant of attorney contained in any note, guaranty or other Documents, or (ii) challenge the waiver of a right to prior notice and a hearing before judgment is entered, or after judgment is entered, but before execution upon the judgment. Any claims, disputes or controversies challenging the confession of judgment shall be commenced and prosecuted in accordance with the procedures set forth, and in the forum specified by the applicable state rules of civil procedure or other applicable law.

If Maryland law governs the Dispute, the following provision is applicable if there is a Confession of Judgment in any note, guaranty or other Documents subject to this Arbitration Program: Confession of Judgment. Notwithstanding anything herein to the contrary, the arbitration requirement does not limit or preclude the right of Lender to confess judgment, and no party shall have the right to demand binding arbitration of any claim, dispute or controversy seeking to open a judgment obtained by confession. Nothing herein, including the arbitration requirement, shall limit the right of any party to foreclose judicially or non-judicially against any real or personal property collateral, or exercise judicial or non-judicial power of sale rights. No provision regarding submission to a jurisdiction and/or venue in any court or the waiver of any right to trial by jury is intended or shall be construed to be in derogation of the provisions for arbitration of any dispute. Any claim or counterclaim or defense raised in connection with Lender's exercise of any rights set forth in any note, guaranty or other Documents subject to this Arbitration Program shall be subject to the arbitration requirement.

If South Carolina law governs the Dispute, the following provision is included: WAIVER OF JURY TRIAL. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, WITHOUT INTENDING IN ANY WAY TO LIMIT THE PARTIES' AGREEMENT TO ARBITRATE ANY DISPUTE AS SET FORTH IN THIS AGREEMENT, TO THE EXTENT ANY DISPUTE IS NOT SUBMITTED TO ARBITRATION OR IS DEEMED BY THE ARBITRATOR OR BY ANY COURT WITH JURISDICTION TO BE NOT ARBITRABLE OR NOT REQUIRED TO BE ARBITRATED, LENDER AND EACH PARTY TO THIS AGREEMENT WAIVE TRIAL BY JURY IN RESPECT OF ANY SUCH DISPUTE AND ANY ACTION ON SUCH DISPUTE. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY LENDER AND EACH PARTY, AND LENDER AND EACH PARTY HEREBY REPRESENT THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY PERSON OR ENTITY TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES ENTERING INTO THE LOAN DOCUMENTS. LENDER AND EACH PARTY TO THIS AGREEMENT ARE EACH HEREBY AUTHORIZED TO FILE A COPY OF THIS SECTION IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER OF JURY TRIAL. EACH PARTY FURTHER REPRESENTS AND WARRANTS THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, OR HAS HAD THE OPPORTUNITY TO BE REPRESENTED BY INDEPENDENT LEGAL COUNSEL SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

I. Miscellaneous. To the maximum extent practicable, the AAA, the arbitrators and the parties shall take all action required to conclude any arbitration proceeding within 180 days of the filing of the Dispute with the AAA. No arbitrator or other party to an arbitration proceeding may disclose the existence, content or results thereof, except for disclosures of information by a party required in the ordinary course of its business or by applicable law or regulation. If more than one agreement for arbitration by or between the parties potentially applies to a Dispute, the arbitration provision most directly related to the documents between the parties or the subject matter of the Dispute shall control. This arbitration provision shall survive the repayment of the Note and the termination, amendment or expiration of any of the Documents or any relationship between the parties.

MONEY LAUNDERING, SANCTIONS, CORRUPT PRACTICES, AND COMPLIANCE WITH ALL LAWS. Guarantor represents, warrants and agrees that Guarantor (1) is not now and will not become the target of any trade or economic sanctions promulgated by the United Nations

or the governments of the United States, the United Kingdom, the European Union, or any other jurisdiction in which Guarantor is located or operates (collectively, "Sanctions"), (2) complies now and will at all times comply with the requirements of all laws, rules, regulations and orders of any jurisdiction in which Guarantor is located or doing business, or otherwise is applicable to Guarantor, including, without limitation, (a) all Sanctions, (b) all laws and regulations that relate to money laundering, any predicate crime to money laundering, or any financial record keeping and reporting requirements related thereto, (c) the U.S. Foreign Corrupt Practices Act of 1977, as amended, (d) the U.K. Bribery Act of 2010, as amended, and (e) any other anti-bribery or anti-corruption laws and regulations, and (3) will not at any time directly or indirectly use any proceeds of any credit extended by Lender for the purpose of (a) providing financing or otherwise funding any targets of Sanctions; or (b) providing financing or otherwise funding any transaction which would be prohibited by Sanctions or would otherwise cause Lender or any of Lender's affiliates to be in breach of any Sanctions.

GUARANTOR CONSENT. GUARANTOR CONSENTS, BY EXECUTING THIS GUARANTY, TO ANY SALE OF THE COLLATERAL, THE APPLICATION OF PROCEEDS FROM THE SALE OF THE COLLATERAL AND THE RELEASE OF ANY PROCEEDS OR COLLATERAL TO THE BORROWER WITHOUT FURTHER WRITTEN CONSENT OF THE GUARANTOR.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Christopher Craig Stone, and in each case, any signer's successors and assigns.

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Wells Fargo Bank, National Association, its successors and assigns.

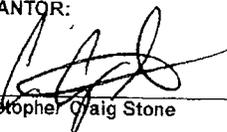
Note. The word "Note" means the promissory note dated March 28, 2019, in the original principal amount of \$437,539.65 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED MARCH 28, 2019.

THIS GUARANTY IS GIVEN UNDER SEAL AND IT IS INTENDED THAT THIS GUARANTY IS AND SHALL CONSTITUTE AND HAVE THE EFFECT OF A SEALED INSTRUMENT ACCORDING TO LAW.

GUARANTOR:

X  _____ (Seal)
Christopher Craig Stone



200235584973300155

COMMERCIAL GUARANTY

Borrower: NEW GARDEN ASSOCIATES, A LIMITED
PARTNERSHIP
408 BATTLEGROUND AVENUE
GREENSBORO, NC 27401

Lender: Wells Fargo Bank, National Association
Eastern Region Business Banking-High Point
200 N Main St
High Point, NC 27260

Guarantor: George Edward Carr III
2310 Princess Ann Street
GREENSBORO, NC 27408

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unperfected guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 62.500% of the principal amount of the Indebtedness that is outstanding from time to time and at any one or more times, not to exceed Four Hundred Thirty-seven Thousand Five Hundred Thirty-nine & 65/100 Dollars (\$437,539.65). "Guarantor's Share of the Indebtedness" also includes all accrued unpaid interest on the Indebtedness and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals paid or incurred by Lender for the collection of the Indebtedness, the realization on any collateral securing the Indebtedness or any guaranty of the Indebtedness (including this Guaranty), or the enforcement of this Guaranty.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guaranty or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this

Guaranty, and Guarantor further agrees that, absent a request for information, Lender shall have no obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Borrower.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to give notice of the terms, time, and place of any public or private sale of personal property security held by Lender from Borrower or to comply with any other applicable provisions of the Uniform Commercial Code; (F) to pursue any other remedy within Lender's power; or (G) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty. In addition to the waivers set forth above, Guarantor expressly waives, to the extent permitted by North Carolina law, all of Guarantor's rights under (1) North Carolina General Statutes Sections 26-7 through Section 26-9, or any similar or subsequent laws and (2) North Carolina General Statutes Section 25-3-605 relating to impairment of collateral, or any similar or subsequent law.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of North Carolina without regard to its conflicts of law provisions.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors,

assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

FURTHER ASSURANCES. The undersigned agrees to (i) do all things deemed necessary by Lender in order to fully document the loan evidenced by the Note and any related agreements, and will fully cooperate concerning the execution and delivery of security agreements, stock powers, instructions and/or other documents pertaining to any collateral intended to secure the Indebtedness, (ii) assist in the cure of any defects in the execution, delivery or substance of the Note and related agreements, and in the creation and perfection of any liens, security interests or other collateral rights securing the Note, and (iii) pay Lender immediately upon demand the full amount of all charges, costs and expenses (to include fees paid to third parties) expended or incurred by Lender to monitor Lender's interest in any real or personal property pledged as collateral for the Note, including without limitation all costs of appraisals.

CONSENT TO SELL LOAN. The parties hereto agree: (a) Lender may sell or transfer all or part of this loan to one or more purchasers, whether related or unrelated to Lender, without notice and without the consent of the parties; (b) Lender may provide to any purchaser, or potential purchaser, any information or knowledge Lender may have about the parties or about any other matter relating to this loan obligation, without notice, and the parties waive any rights to privacy it may have with respect to such matters; (c) the purchaser of a loan will be considered its absolute owner and will have all the rights granted under the loan documents or agreements governing the sale of the loan; (d) the purchaser of a loan may enforce its interests irrespective of any claims or defenses that the parties may have against Lender; and (e) to waive all notices of sale of the loan, as well as all notices of any repurchase, and all rights of offset or counterclaim that the parties have now or later against Lender or against any purchaser of the loan.

SECURITY INTEREST AND RIGHT OF SETOFF. In addition to all liens upon and rights of setoff arising by law, Guarantor pledges and grants to Lender as security for Guarantor's obligations to Lender (excluding any consumer obligations subject to the Federal Truth in Lending Act), a security interest and lien upon all monies, securities, securities accounts, brokerage accounts, deposit accounts and other property of Guarantor now or hereafter in the possession of or on deposit with Lender or any Wells Fargo affiliate, whether held in a general or special account or deposit or for safekeeping or otherwise, excluding however all IRA and Keogh accounts. No security interest, lien or right of setoff will be deemed to have been waived by any act or conduct on the part of Lender, or by any neglect to exercise such right, or by any delay in so doing, and every right of setoff, lien and security interest will continue in full force and effect until specifically waived or released by Lender in writing. Guarantor agrees to sign additional documentation at any time at Lender's request to perfect and enforce Lender's security interests.

FACSIMILE AND COUNTERPART. This document may be signed in any number of separate copies, each of which shall be effective as an original, but all of which taken together shall constitute a single document. An electronic transmission or other facsimile of this document or any related document shall be deemed an original and shall be admissible as evidence of the document and the signer's execution.

DOCUMENT DELIVERY AND ELECTRONIC TRANSMISSION OF DOCUMENTS. Each party or person signing this agreement (referred to in this paragraph as "you") agrees that Lender may, in its sole discretion, rely upon any document, report, financial statement, tax return, agreement or other communication ("Document") physically delivered to Lender by mail, hand delivery or delivery service which Lender in good faith believed was sent by you or any of your representatives or employees. Similarly, Lender may, in its sole discretion, rely upon any Document sent by email, facsimile or other electronic means to Lender which Lender in good faith believed was sent by you or any of your representatives or employees. Lender may treat the Document as genuine and authorized to the same extent as if it was an original document validly executed or authenticated as genuine by you. Lender may from time to time in its sole discretion reject any such Document and require a signed original, or require you to provide acceptable authentication of any such Document before accepting or relying on same. You understand and acknowledge that there is a risk that Documents sent by electronic means may be viewed or received by unauthorized persons, and you agree that by sending Documents by electronic means, you shall be deemed to have accepted this risk and the consequences of any such unauthorized disclosure.

COMMUNITY AND OTHER PROPERTY. In addition to the rights of Lender under any applicable community property laws, Borrower, Guarantor or Grantor who is a Married Person and who has an interest in marital or community property under applicable law acknowledges and agrees that his/her obligation as a Borrower, Guarantor or Grantor is incurred in the interest of and to benefit the marital community (or domestic partnership, if applicable), and expressly agrees that recourse may be had against his or her separate property and his or her rights in community property and community assets for all of his or her obligations to Lender, in addition to any other property that may be subject to rights of Lender. Borrower and Guarantor also agree not to, without Lender's prior written consent, enter into any community property agreement which alters the separate or community property character of any of such party's property. For the purpose of this provision, "Married Person" means a person in a spousal relationship and shall include parties to a duly registered and/or legally recognized same-sex civil union, domestic partnership, and other terms, whether or not gender-specific in a spousal relationship, that denote spousal relationship, as those terms are used throughout the laws, codes and regulations of states and/or jurisdictions that recognize legally married same-sex couples, civil unions and/or domestic partnerships, and any references herein to a married person or marital status shall be deemed to also include the applicable corresponding term, or other reference relating to a party to a civil union or domestic partnership.

With respect to the Guaranty only, to the extent this provision may conflict with another provision contained in the Guaranty, that other provision of the Guaranty shall control.

Multiple Guaranties. Notwithstanding anything herein to the contrary, if Lender presently holds multiple guaranties or hereafter receives additional guaranties from Guarantor, the rights of Lender under all such guaranties will be cumulative, and this provision shall apply with respect to all such guaranties to the extent such guaranties are applicable to indebtedness originating as Wells Fargo Business Banking indebtedness or held or serviced by Wells Fargo Business Banking as Wells Fargo Business Banking specifically provided to the contrary) affect or invalidate any such other guaranties. In certain cases, multiple guaranties may appear to apply to the same loan or extension of credit. The following rules shall control with respect to determining the indebtedness and obligations to which various guaranties are applicable. As used herein, a "continuing guaranty" is a guaranty of all indebtedness of a borrower or other obligor owing indebtedness or obligations to Lender (an "Obligor"), and a "credit-specific" guaranty is a guaranty that applies only to a specifically identified loan or extension of credit. A continuing guaranty can be unlimited, or it can be limited to a certain amount of the indebtedness. A credit-specific guaranty can be unlimited, meaning it is a guaranty of all indebtedness and obligations of a particular loan or extension of credit, or it can be limited by its terms to a portion of such loan or extension of credit. If a guaranty is applicable only to a particular loan or extension of credit, such credit-specific guaranty shall apply to such loan or extension of credit and any prior guaranties shall not apply to that loan or extension of credit. If a Guarantor executes an unlimited continuing guaranty subsequent to executing a credit-specific guaranty, then the unlimited continuing guaranty shall apply to all indebtedness of Obligor so long as the unlimited continuing guaranty remains in effect; if said unlimited continuing guaranty is released or revoked, then the credit-specific guaranty shall be fully effective and applicable pursuant to its terms unless or until it has been released or revoked. If a Guarantor executes a limited continuing guaranty and later executes an unlimited continuing guaranty of indebtedness of an Obligor, the unlimited continuing guaranty shall apply to all indebtedness of Obligor so long as the unlimited continuing guaranty remains in effect; if said unlimited continuing guaranty is released or revoked, then the limited continuing guaranty shall be fully effective and applicable pursuant to its terms unless or until it has been released or revoked. If a Guarantor executes an unlimited continuing guaranty and later executes a limited continuing guaranty of indebtedness of an Obligor, the limited continuing guaranty shall apply only to the loan or extension of credit regarding which it was executed, and the unlimited continuing guaranty shall apply to all other indebtedness of Obligor until it is released or revoked. If a Guarantor executes a limited continuing guaranty and later executes a more limited continuing guaranty that is limited to a lesser degree than the first, the less limited guaranty shall apply to all indebtedness of Obligor so long as the less limited guaranty remains in effect; if said less limited guaranty is released or revoked, then the more limited guaranty shall be fully effective and applicable pursuant to its terms unless or until it has been released or revoked. If a Guarantor executes a limited continuing guaranty and later executes a more limited continuing guaranty, the more limited guaranty shall apply only to the loan or extension of credit regarding which it was executed, and the less limited continuing guaranty shall apply to all other indebtedness of Obligor until it is released or revoked. In addition to the above, in all cases a guaranty that has been revoked continues to be applicable in accordance with its provisions regarding revocation.

EXECUTION OF DOCUMENTS, CONSULTATION WITH COUNSEL. Each party hereto acknowledges and agrees that he/she/it has had an opportunity to review and consider the terms and provisions of this agreement and each related loan document, to consult with counsel of his/her/its choice, if desired, and to suggest changes to the structure and terms of the agreements. Each party hereto warrants and agrees that his/her/its execution of this agreement and any related loan documents is made voluntarily and with full knowledge of the significance and effect of such agreements.

SUPPLEMENTAL DEFINITION OF INDEBTEDNESS. The definition of "Indebtedness" herein additionally includes, without limitation, all liability and obligations arising under or in connection with any "swap agreement" (as defined in 11 U.S.C. Section 101) between Borrower, or any of them, and Lender.

ARBITRATION AGREEMENT. Arbitration - Binding Arbitration. Lender and each party to this agreement hereby agree, upon demand by any party, to submit any Dispute to binding arbitration in accordance with the terms of this Arbitration Program. Arbitration may be demanded before the institution of a judicial proceeding, or during a judicial proceeding, but not more than 60 days after service of a complaint, third party complaint, cross-claim, or any answer thereto, or any amendment to any of such pleadings. A "Dispute" shall include any dispute, claim or controversy of any kind, whether in contract or in tort, legal or equitable, now existing or hereafter arising, relating in any way to any aspect of this agreement, and any related note, instrument or agreement incorporating this Arbitration Program (the "Documents"), and any renewal, extension, modification or refinancing of any indebtedness or obligation relating thereto, including without limitation, their negotiation, execution, collateralization, administration, repayment, modification, extension, substitution, formation, inducement, enforcement, default or termination, and any request for additional credit; provided, however, that "Dispute" shall not include any dispute, claim or controversy with respect to a "consumer financial product or service" (as defined in 12 U.S. Code Section 5481 (5)) within the coverage of 12 CFR Part 1040.3. This provision is a material inducement for the parties entering into the transactions relating to this Agreement. In the event of a court ordered arbitration, the party requesting arbitration shall be responsible for timely filing the demand for arbitration and paying the appropriate filing fee within 30 days of the abatement order or the time specified by the court; the party's failure to do so shall result in that party's right to demand arbitration being automatically terminated with respect to such Dispute. DISPUTES SUBMITTED TO ARBITRATION ARE NOT RESOLVED IN COURT BY A JUDGE OR JURY. TO THE EXTENT ALLOWED BY APPLICABLE LAW, THE PARTIES IRREVOCABLY AND VOLUNTARILY WAIVE ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY DISPUTE ARBITRATED PURSUANT TO THIS ARBITRATION PROGRAM.

A. Governing Rules. Any arbitration proceeding will (i) be governed by the Federal Arbitration Act (Title 9 of the United States Code), notwithstanding any conflicting choice of law provision in any of the documents between the parties; and (ii) be conducted by the American Arbitration Association ("AAA"), or such other administrator as the parties shall mutually agree upon, in accordance with the AAA's commercial dispute resolution procedures, unless the claim or counterclaim is at least \$1,000,000.00 exclusive of claimed interest, arbitration fees and costs, in which case the arbitration shall be conducted in accordance with the AAA's optional procedures for large, complex commercial disputes (the commercial dispute resolution procedures or the optional procedures for large, complex commercial disputes are referred to herein, as applicable, as the "Rules"). If there is any inconsistency between the terms hereof and the Rules, the terms and procedures set forth herein shall control. Arbitration proceedings hereunder shall be conducted at a location mutually agreeable to the parties, or if they cannot agree, then at a location selected by the AAA in the state of the applicable substantive law primarily governing the Note. Any party who fails or refuses to submit to arbitration following a demand by any other party shall bear all costs and expenses incurred by such other party in compelling arbitration of any Dispute. The arbitrator shall award all costs and expenses of the arbitration proceeding.

B. No Waiver of Provisional Remedies. Self-Help and Foreclosure. The arbitration requirement does not limit the right of any party to (i) foreclose against real or personal property collateral; (ii) exercise self-help remedies relating to collateral or proceeds of collateral such as setoff or repossession; or (iii) obtain provisional or ancillary remedies such as replevin, injunctive relief, attachment or the appointment of a receiver, before during or after the pendency of any arbitration proceeding. This exclusion does not constitute a waiver of the right or obligation of any party to submit any Dispute to arbitration or reference hereunder, including those arising from the exercise of the actions detailed in sections (i), (ii) and (iii) of this paragraph.

C. Arbitrator Qualifications and Powers. Any arbitration proceeding in which the amount in controversy is \$5,000,000.00 or less will be

decided by a single arbitrator selected according to the Rules, and who shall not render an award of greater than \$5,000,000.00. Any Dispute in which the amount in controversy exceeds \$5,000,000.00 shall be decided by majority vote of a panel of three arbitrators; provided however, that all three arbitrators must actively participate in all hearings and deliberations. Every arbitrator shall be a neutral practicing attorney or a retired member of the state or federal judiciary, in either case with a minimum of ten years experience in the substantive law applicable to the subject matter of the Dispute. The arbitrator will determine whether or not an issue is arbitratable and will give effect to the statutes of limitation in determining any claim. In any arbitration proceeding the arbitrator will decide (by documents only or with a hearing at the arbitrator's discretion) any pre-hearing motions which are similar to motions to dismiss for failure to state a claim or motions for summary adjudication. The arbitrator shall resolve all Disputes in accordance with the applicable substantive law and may grant any remedy or relief that a court of such state could order or grant within the scope hereof and such ancillary relief as is necessary to make effective any award. The arbitrator shall also have the power to award recovery of all costs and fees, to impose sanctions and to take such other action as the arbitrator deems necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure, the applicable state rules of civil procedure, or other applicable law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction. The institution and maintenance of an action for judicial relief or pursuit of a provisional or ancillary remedy shall not constitute a waiver of the right of any party, including the plaintiff, to submit the controversy or claim to arbitration if any other party contests such action for judicial relief.

D. Discovery. In any arbitration proceeding discovery will be permitted in accordance with the Rules. All discovery shall be expressly limited to matters directly relevant to the Dispute being arbitrated and must be completed no later than 20 days before the hearing date. Any requests for an extension of the discovery periods, or any discovery disputes, will be subject to final determination by the arbitrator upon a showing that the request for discovery is essential for the party's presentation and that no alternative means for obtaining information is available.

E. Class Proceedings and Consolidations. No party hereto shall be entitled to join or consolidate disputes by or against others in any arbitration, or to include in any arbitration any dispute as a representative or member of a class, or to act in any arbitration in the interest of the general public or in a private attorney general capacity.

F. Small Claims Court. Any party may require that a Dispute be resolved in Small Claims Court if the Dispute and related claims are fully within that court's jurisdiction.

G. Real Property Collateral. Notwithstanding anything herein to the contrary, no Dispute shall be submitted to arbitration if the Dispute concerns indebtedness secured directly or indirectly, in whole or in part, by any real property and the Dispute is governed by the laws of California, Connecticut, Idaho, Kansas, Montana, Nevada, South Dakota, Virginia or Utah, unless any conditions for arbitration that may be set forth in the mortgage or deed of trust are satisfied; if any such Disputes are not referred to arbitration, then any provision in such mortgage or deed of trust providing for referral of Disputes to a referee or master under the laws of California, Connecticut, Idaho, Kansas, Montana, Nevada, South Dakota, Virginia or Utah shall be applicable to such Disputes.

H. State Specific Provisions:

If Delaware, Pennsylvania or Virginia law governs the Dispute, the following provision is applicable if there is a Confession of Judgment in any note, guaranty or other Documents subject to this Arbitration Program: Confession of Judgment. Notwithstanding anything herein to the contrary, the arbitration requirement does not limit or preclude the right of Lender to confess judgment pursuant to a warrant of attorney provision set forth in any note, guaranty or other Documents. No party shall have the right to demand binding arbitration of any claim, dispute or controversy seeking to (i) strike-off or open a judgment obtained by confession pursuant to a warrant of attorney contained in any note, guaranty or other Documents, or (ii) challenge the waiver of a right to prior notice and a hearing before judgment is entered, or after judgment is entered, but before execution upon the judgment. Any claims, disputes or controversies challenging the confession of judgment shall be commenced and prosecuted in accordance with the procedures set forth, and in the forum specified by the applicable state rules of civil procedure or other applicable law.

If Maryland law governs the Dispute, the following provision is applicable if there is a Confession of Judgment in any note, guaranty or other Documents subject to this Arbitration Program: Confession of Judgment. Notwithstanding anything herein to the contrary, the arbitration requirement does not limit or preclude the right of Lender to confess judgment, and no party shall have the right to demand binding arbitration of any claim, dispute or controversy seeking to open a judgment obtained by confession. Nothing herein, including the arbitration requirement, shall limit the right of any party to foreclose judicially or non-judicially against any real or personal property collateral, or exercise judicial or non-judicial power of sale rights. No provision regarding submission to a jurisdiction and/or venue in any court or the waiver of any right to trial by jury is intended or shall be construed to be in derogation of the provisions for arbitration of any dispute. Any claim or counterclaim or defense raised in connection with Lender's exercise of any rights set forth in any note, guaranty or other Documents subject to this Arbitration Program shall be subject to the arbitration requirement.

If South Carolina law governs the Dispute, the following provision is included: WAIVER OF JURY TRIAL. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, WITHOUT INTENDING IN ANY WAY TO LIMIT THE PARTIES' AGREEMENT TO ARBITRATE ANY DISPUTE AS SET FORTH IN THIS AGREEMENT, TO THE EXTENT ANY DISPUTE IS NOT SUBMITTED TO ARBITRATION OR IS DEEMED BY THE ARBITRATOR OR BY ANY COURT WITH JURISDICTION TO BE NOT ARBITRABLE OR NOT REQUIRED TO BE ARBITRATED, LENDER AND EACH PARTY TO THIS AGREEMENT WAIVE TRIAL BY JURY IN RESPECT OF ANY SUCH DISPUTE AND ANY ACTION ON SUCH DISPUTE. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY LENDER AND EACH PARTY, AND LENDER AND EACH PARTY HEREBY REPRESENT THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY PERSON OR ENTITY TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES ENTERING INTO THE LOAN DOCUMENTS. LENDER AND EACH PARTY TO THIS AGREEMENT ARE EACH HEREBY AUTHORIZED TO FILE A COPY OF THIS SECTION IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER OF JURY TRIAL. EACH PARTY FURTHER REPRESENTS AND WARRANTS THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, OR HAS HAD THE OPPORTUNITY TO BE REPRESENTED BY INDEPENDENT LEGAL COUNSEL SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

I. Miscellaneous. To the maximum extent practicable, the AAA, the arbitrators and the parties shall take all action required to conclude any arbitration proceeding within 180 days of the filing of the Dispute with the AAA. No arbitrator or other party to an arbitration proceeding may disclose the existence, content or results thereof, except for disclosures of information by a party required in the ordinary course of its business or by applicable law or regulation. If more than one agreement for arbitration by or between the parties potentially applies to a Dispute, the arbitration provision most directly related to the documents between the parties or the subject matter of the Dispute shall control. This arbitration provision shall survive the repayment of the Note and the termination, amendment or expiration of any of the Documents or any relationship between the parties.

MONEY LAUNDERING, SANCTIONS, CORRUPT PRACTICES, AND COMPLIANCE WITH ALL LAWS. Guarantor represents, warrants and agrees that Guarantor (1) is not now and will not become the target of any trade or economic sanctions promulgated by the United Nations

COMMERCIAL GUARANTY
(Continued)

or the governments of the United States, the United Kingdom, the European Union, or any other jurisdiction in which Guarantor is located or operates (collectively, "Sanctions"), (2) complies now and will at all times comply with the requirements of all laws, rules, regulations and orders of any jurisdiction in which Guarantor is located or doing business, or otherwise is applicable to Guarantor, including, without limitation, (a) all Sanctions, (b) all laws and regulations that relate to money laundering, any predicate crime to money laundering, or any financial record keeping and reporting requirements related thereto, (c) the U.S. Foreign Corrupt Practices Act of 1977, as amended, (d) the U.K. Bribery Act of 2010, as amended, and (e) any other anti-bribery or anti-corruption laws and regulations, and (3) will not at any time directly or indirectly use any proceeds of any credit extended by Lender for the purpose of (a) providing financing or otherwise funding any targets of Sanctions; or (b) providing financing or otherwise funding any transaction which would be prohibited by Sanctions or would otherwise cause Lender or any of Lender's affiliates to be in breach of any Sanctions.

GUARANTOR CONSENT. GUARANTOR CONSENTS, BY EXECUTING THIS GUARANTY, TO ANY SALE OF THE COLLATERAL, THE APPLICATION OF PROCEEDS FROM THE SALE OF THE COLLATERAL AND THE RELEASE OF ANY PROCEEDS OR COLLATERAL TO THE BORROWER WITHOUT FURTHER WRITTEN CONSENT OF THE GUARANTOR.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation George Edward Carr III, and in each case, any signer's successors and assigns.

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Wells Fargo Bank, National Association, its successors and assigns.

Note. The word "Note" means the promissory note dated March 28, 2019, in the original principal amount of \$437,539.65 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED MARCH 28, 2019.

THIS GUARANTY IS GIVEN UNDER SEAL AND IT IS INTENDED THAT THIS GUARANTY IS AND SHALL CONSTITUTE AND HAVE THE EFFECT OF A SEALED INSTRUMENT ACCORDING TO LAW.

GUARANTOR:

x  (Seal)
George Edward Carr III



200235584973300155

COMMERCIAL GUARANTY

Borrower: NEW GARDEN ASSOCIATES, A LIMITED
PARTNERSHIP
408 BATTLEGROUND AVENUE
GREENSBORO, NC 27401

Lender: Wells Fargo Bank, National Association
Eastern Region Business Banking-High Point
200 N Main St
High Point, NC 27260

Guarantor: Irving Norwood Stone
1610 DEERCROFT CT
GREENSBORO, NC 27407

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unexpired guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 31.250% of the principal amount of the Indebtedness that is outstanding from time to time and at any one or more times, not to exceed Four Hundred Thirty-seven Thousand Five Hundred Thirty-nine & 65/100 Dollars (\$437,539.65). "Guarantor's Share of the Indebtedness" also includes all accrued unpaid interest on the Indebtedness and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals paid or incurred by Lender for the collection of the Indebtedness, the realization on any collateral securing the Indebtedness or any guaranty of the Indebtedness (including this Guaranty), or the enforcement of this Guaranty.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guaranty or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this

Guaranty, and Guarantor further agrees that, absent a request for information, Lender shall have no obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Borrower.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to give notice of the terms, time, and place of any public or private sale of personal property security held by Lender from Borrower or to comply with any other applicable provisions of the Uniform Commercial Code; (F) to pursue any other remedy within Lender's power; or (G) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty. In addition to the waivers set forth above, Guarantor expressly waives, to the extent permitted by North Carolina law, all of Guarantor's rights under (1) North Carolina General Statutes Sections 26-7 through Section 26-9, or any similar or subsequent laws and (2) North Carolina General Statutes Section 25-3-605 relating to impairment of collateral, or any similar or subsequent law.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of North Carolina without regard to its conflicts of law provisions.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors,

assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

FURTHER ASSURANCES. The undersigned agrees to (i) do all things deemed necessary by Lender in order to fully document the loan evidenced by the Note and any related agreements, and will fully cooperate concerning the execution and delivery of security agreements, stock powers, instructions and/or other documents pertaining to any collateral intended to secure the Indebtedness, (ii) assist in the cure of any defects in the execution, delivery or substance of the Note and related agreements, and in the creation and perfection of any liens, security interests or other collateral rights securing the Note, and (iii) pay Lender immediately upon demand the full amount of all charges, costs and expenses (to include fees paid to third parties) expended or incurred by Lender to monitor Lender's interest in any real or personal property pledged as collateral for the Note, including without limitation all costs of appraisals.

CONSENT TO SELL LOAN. The parties hereto agree: (a) Lender may sell or transfer all or part of this loan to one or more purchasers, whether related or unrelated to Lender, without notice and without the consent of the parties; (b) Lender may provide to any purchaser, or potential purchaser, any information or knowledge Lender may have about the parties or about any other matter relating to this loan obligation, without notice, and the parties waive any rights to privacy it may have with respect to such matters; (c) the purchaser of a loan will be considered its absolute owner and will have all the rights granted under the loan documents or agreements governing the sale of the loan; (d) the purchaser of a loan may enforce its interests irrespective of any claims or defenses that the parties may have against Lender; and (e) to waive all notices of sale of the loan, as well as all notices of any repurchase, and all rights of offset or counterclaim that the parties have now or later against Lender or against any purchaser of the loan.

SECURITY INTEREST AND RIGHT OF SETOFF. In addition to all liens upon and rights of setoff arising by law, Guarantor pledges and grants to Lender as security for Guarantor's obligations to Lender (excluding any consumer obligations subject to the Federal Truth In Lending Act), a security interest and lien upon all monies, securities, securities accounts, brokerage accounts, deposit accounts and other property of Guarantor now or hereafter in the possession of or on deposit with Lender or any Wells Fargo affiliate, whether held in a general or special account or deposit or for safekeeping or otherwise, excluding however all IRA and Keogh accounts. No security interest, lien or right of setoff will be deemed to have been waived by any act or conduct on the part of Lender, or by any neglect to exercise such right, or by any delay in so doing, and every right of setoff, lien and security interest will continue in full force and effect until specifically waived or released by Lender in writing. Guarantor agrees to sign additional documentation at any time at Lender's request to perfect and enforce Lender's security interests.

FACSIMILE AND COUNTERPART. This document may be signed in any number of separate copies, each of which shall be effective as an original, but all of which taken together shall constitute a single document. An electronic transmission or other facsimile of this document or any related document shall be deemed an original and shall be admissible as evidence of the document and the signer's execution.

DOCUMENT DELIVERY AND ELECTRONIC TRANSMISSION OF DOCUMENTS. Each party or person signing this agreement (referred to in this paragraph as "you") agrees that Lender may, in its sole discretion, rely upon any document, report, financial statement, tax return, agreement or other communication ("Document") physically delivered to Lender by mail, hand delivery or delivery service which Lender in good faith believed was sent by you or any of your representatives or employees. Similarly, Lender may, in its sole discretion, rely upon any Document sent by email, facsimile or other electronic means to Lender which Lender in good faith believed was sent by you or any of your representatives or employees. Lender may treat the Document as genuine and authorized to the same extent as if it was an original document validly executed or authenticated as genuine by you. Lender may from time to time in its sole discretion reject any such Document and require a signed original, or require you to provide acceptable authentication of any such Document before accepting or relying on same. You understand and acknowledge that there is a risk that Documents sent by electronic means may be viewed or received by unauthorized persons, and you agree that by sending Documents by electronic means, you shall be deemed to have accepted this risk and the consequences of any such unauthorized disclosure.

COMMUNITY AND OTHER PROPERTY. In addition to the rights of Lender under any applicable community property laws, Borrower, Guarantor or Grantor who is a Married Person and who has an interest in marital or community property under applicable law acknowledges and agrees that his/her obligation as a Borrower, Guarantor or Grantor is incurred in the interest of and to benefit the marital community (or domestic partnership, if applicable), and expressly agrees that recourse may be had against his or her separate property and his or her rights in community property and community assets for all of his or her obligations to Lender, in addition to any other property that may be subject to rights of Lender. Borrower and Guarantor also agree not to, without Lender's prior written consent, enter into any community property agreement which alters the separate or community property character of any of such party's property. For the purpose of this provision, "Married Person" means a person in a spousal relationship and shall include parties to a duly registered and/or legally recognized same-sex civil union, domestic partnership, and other terms, whether or not gender-specific in a spousal relationship, that denote spousal relationship, as those terms are used throughout the laws, codes and regulations of states and/or jurisdictions that recognize legally married same-sex couples, civil unions and/or domestic partnerships, and any references herein to a married person or marital status shall be deemed to also include the applicable corresponding term, or other reference relating to a party to a civil union or domestic partnership.

With respect to the Guaranty only, to the extent this provision may conflict with another provision contained in the Guaranty, that other provision of the Guaranty shall control.

Multiple Guaranties. Notwithstanding anything herein to the contrary, if Lender presently holds multiple guaranties or hereafter receives additional guaranties from Guarantor, the rights of Lender under all such guaranties will be cumulative, and this provision shall apply with respect to all such guaranties to the extent such guaranties are applicable to indebtedness originating as Wells Fargo Business Banking indebtedness or held or serviced by Wells Fargo Business Banking or any successor line of business. This Guaranty will not (unless specifically provided to the contrary) affect or invalidate any such other guaranties. In certain cases, multiple guaranties may appear to apply to the same loan or extension of credit. The following rules shall control with respect to determining the indebtedness and obligations to which various guaranties are applicable. As used herein, a "continuing guaranty" is a guaranty of all indebtedness of a borrower or other obligor owing indebtedness or obligations to Lender (an "Obligor"), and a "credit-specific" guaranty is a guaranty that applies only to a specifically identified loan or extension of credit. A continuing guaranty can be unlimited, or it can be limited to a certain amount of the indebtedness. A credit-specific guaranty can be unlimited, meaning it is a guaranty of all indebtedness and obligations of a particular loan or extension of credit, or it can be limited by its terms to a portion of such loan or extension of credit. If a guaranty is applicable only to a particular loan or extension of credit, such credit-specific guaranty shall apply to such loan or extension of credit and any prior guaranties shall not apply to that loan or extension of credit. If a Guarantor executes an unlimited continuing guaranty subsequent to executing a credit-specific guaranty, then the unlimited continuing guaranty shall apply to all indebtedness of Obligor so long as the unlimited continuing guaranty remains in effect; if said unlimited continuing guaranty is released or revoked, then the credit-specific guaranty shall be fully effective and applicable pursuant to its terms unless or until it has been released or revoked. If a Guarantor executes a limited continuing guaranty and later executes an unlimited continuing guaranty of indebtedness of an Obligor, the unlimited continuing guaranty shall apply to all indebtedness of Obligor so long as the unlimited continuing guaranty remains in effect; if said unlimited continuing guaranty is released or revoked, then the limited continuing guaranty shall be fully effective and applicable pursuant to its terms unless or until it has been released or revoked. If a Guarantor executes an unlimited continuing guaranty and later executes a limited continuing guaranty of indebtedness of an Obligor, the limited continuing guaranty shall apply only to the loan or extension of credit regarding which it was executed, and the unlimited continuing guaranty shall apply to all other indebtedness of Obligor until it is released or revoked. If a Guarantor executes a limited continuing guaranty and later executes a limited continuing guaranty that is limited to a lesser degree than the first, the less limited guaranty shall apply to all indebtedness of Obligor so long as the less limited guaranty remains in effect; if said less limited guaranty is released or revoked, then the more limited guaranty shall be fully effective and applicable pursuant to its terms unless or until it has been released or revoked. If a Guarantor executes a limited continuing guaranty and later executes a more limited continuing guaranty, the more limited guaranty shall apply only to the loan or extension of credit regarding which it was executed, and the less limited continuing guaranty shall apply to all other indebtedness of Obligor until it is released or revoked. In addition to the above, in all cases a guaranty that has been revoked continues to be applicable in accordance with its provisions regarding revocation.

EXECUTION OF DOCUMENTS, CONSULTATION WITH COUNSEL. Each party hereto acknowledges and agrees that he/she/it has had an opportunity to review and consider the terms and provisions of this agreement and each related loan document, to consult with counsel of his/her/its choice, if desired, and to suggest changes to the structure and terms of the agreements. Each party hereto warrants and agrees that his/her/its execution of this agreement and any related loan documents is made voluntarily and with full knowledge of the significance and effect of such agreements.

SUPPLEMENTAL DEFINITION OF INDEBTEDNESS. The definition of "Indebtedness" herein additionally includes, without limitation, all liability and obligations arising under or in connection with any "swap agreement" (as defined in 11 U.S.C. Section 101) between Borrower, or any of them, and Lender.

ARBITRATION AGREEMENT. Arbitration - Binding Arbitration. Lender and each party to this agreement hereby agree, upon demand by any party, to submit any Dispute to binding arbitration in accordance with the terms of this Arbitration Program. Arbitration may be demanded before the institution of a judicial proceeding, or during a judicial proceeding, but not more than 60 days after service of a complaint, third party complaint, cross-claim, or any answer thereto, or any amendment to any of such pleadings. A "Dispute" shall include any dispute, claim or controversy of any kind, whether in contract or in tort, legal or equitable, now existing or hereafter arising, relating in any way to any aspect of this agreement, and any related note, instrument or agreement incorporating this Arbitration Program (the "Documents"), and any renewal, extension, modification or refinancing of any indebtedness or obligation relating thereto, including without limitation, their negotiation, execution, collateralization, administration, repayment, modification, extension, substitution, formation, inducement, enforcement, default or termination, and any request for additional credit; provided, however, that "Dispute" shall not include any dispute, claim or controversy with respect to a "consumer financial product or service" (as defined in 12 U.S. Code Section 5481 (5)) within the coverage of 12 CFR Part 1040.3. This provision is a material inducement for the parties entering into the transactions relating to this Agreement. In the event of a court ordered arbitration, the party requesting arbitration shall be responsible for timely filing the demand for arbitration and paying the appropriate filing fee within 30 days of the abatement order or the time specified by the court; the party's failure to do so shall result in that party's right to demand arbitration being automatically terminated with respect to such Dispute. DISPUTES SUBMITTED TO ARBITRATION ARE NOT RESOLVED IN COURT BY A JUDGE OR JURY. TO THE EXTENT ALLOWED BY APPLICABLE LAW, THE PARTIES IRREVOCABLY AND VOLUNTARILY WAIVE ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY DISPUTE ARBITRATED PURSUANT TO THIS ARBITRATION PROGRAM.

A. Governing Rules. Any arbitration proceeding will (i) be governed by the Federal Arbitration Act (Title 9 of the United States Code), notwithstanding any conflicting choice of law provision in any of the documents between the parties; and (ii) be conducted by the American Arbitration Association ("AAA"), or such other administrator as the parties shall mutually agree upon, in accordance with the AAA's commercial dispute resolution procedures, unless the claim or counterclaim is at least \$1,000,000.00 exclusive of claimed interest, arbitration fees and costs, in which case the arbitration shall be conducted in accordance with the AAA's optional procedures for large, complex commercial disputes (the commercial dispute resolution procedures or the optional procedures for large, complex commercial disputes are referred to herein, as applicable, as the "Rules"). If there is any inconsistency between the terms hereof and the Rules, the terms and procedures set forth herein shall control. Arbitration proceedings hereunder shall be conducted at a location mutually agreeable to the parties, or if they cannot agree, then at a location selected by the AAA in the state of the applicable substantive law primarily governing the Note. Any party who fails or refuses to submit to arbitration following a demand by any other party shall bear all costs and expenses incurred by such other party in compelling arbitration of any Dispute. The arbitrator shall award all costs and expenses of the arbitration proceeding.

B. No Waiver of Provisional Remedies, Self-Help and Foreclosure. The arbitration requirement does not limit the right of any party to (i) foreclose against real or personal property collateral; (ii) exercise self-help remedies relating to collateral or proceeds of collateral such as setoff or repossession; or (iii) obtain provisional or ancillary remedies such as replevin, injunctive relief, attachment or the appointment of a receiver, before during or after the pendency of any arbitration proceeding. This exclusion does not constitute a waiver of the right or obligation of any party to submit any Dispute to arbitration or reference hereunder, including those arising from the exercise of the actions detailed in sections (i), (ii) and (iii) of this paragraph.

C. Arbitrator Qualifications and Powers. Any arbitration proceeding in which the amount in controversy is \$5,000,000.00 or less will be

decided by a single arbitrator selected according to the Rules, and who shall not render an award of greater than \$5,000,000.00. Any Dispute in which the amount in controversy exceeds \$5,000,000.00 shall be decided by majority vote of a panel of three arbitrators; provided however, that all three arbitrators must actively participate in all hearings and deliberations. Every arbitrator shall be a neutral practicing attorney or a retired member of the state or federal judiciary, in either case with a minimum of ten years experience in the substantive law applicable to the subject matter of the Dispute. The arbitrator will determine whether or not an issue is arbitratable and will give effect to the statutes of limitation in determining any claim. In any arbitration proceeding the arbitrator will decide (by documents only or with a hearing at the arbitrator's discretion) any pre-hearing motions which are similar to motions to dismiss for failure to state a claim or motions for summary adjudication. The arbitrator shall resolve all Disputes in accordance with the applicable substantive law and may grant any remedy or relief that a court of such state could order or grant within the scope hereof and such ancillary relief as is necessary to make effective any award. The arbitrator shall also have the power to award recovery of all costs and fees, to impose sanctions and to take such other action as the arbitrator deems necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure, the applicable state rules of civil procedure, or other applicable law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction. The institution and maintenance of an action for judicial relief or pursuit of a provisional or ancillary remedy shall not constitute a waiver of the right of any party, including the plaintiff, to submit the controversy or claim to arbitration if any other party contests such action for judicial relief.

D. Discovery. In any arbitration proceeding discovery will be permitted in accordance with the Rules. All discovery shall be expressly limited to matters directly relevant to the Dispute being arbitrated and must be completed no later than 20 days before the hearing date. Any requests for an extension of the discovery periods, or any discovery disputes, will be subject to final determination by the arbitrator upon a showing that the request for discovery is essential for the party's presentation and that no alternative means for obtaining information is available.

E. Class Proceedings and Consolidations. No party hereto shall be entitled to join or consolidate disputes by or against others in any arbitration, or to include in any arbitration any dispute as a representative or member of a class, or to act in any arbitration in the interest of the general public or in a private attorney general capacity.

F. Small Claims Court. Any party may require that a Dispute be resolved in Small Claims Court if the Dispute and related claims are fully within that court's jurisdiction.

G. Real Property Collateral. Notwithstanding anything herein to the contrary, no Dispute shall be submitted to arbitration if the Dispute concerns indebtedness secured directly or indirectly, in whole or in part, by any real property and the Dispute is governed by the laws of California, Connecticut, Idaho, Kansas, Montana, Nevada, South Dakota, Virginia or Utah, unless any conditions for arbitration that may be set forth in the mortgage or deed of trust are satisfied; if any such Disputes are not referred to arbitration, then any provision in such mortgage or deed of trust providing for referral of Disputes to a referee or master under the laws of California, Connecticut, Idaho, Kansas, Montana, Nevada, South Dakota, Virginia or Utah shall be applicable to such Disputes.

H. State Specific Provisions:

If Delaware, Pennsylvania or Virginia law governs the Dispute, the following provision is applicable if there is a Confession of Judgment in any note, guaranty or other Documents subject to this Arbitration Program: Confession of Judgment. Notwithstanding anything herein to the contrary, the arbitration requirement does not limit or preclude the right of Lender to confess judgment pursuant to a warrant of attorney provision set forth in any note, guaranty or other Documents. No party shall have the right to demand binding arbitration of any claim, dispute or controversy seeking to (i) strike-off or open a judgment obtained by confession pursuant to a warrant of attorney contained in any note, guaranty or other Documents, or (ii) challenge the waiver of a right to prior notice and a hearing before judgment is entered, or after judgment is entered, but before execution upon the judgment. Any claims, disputes or controversies challenging the confession of judgment shall be commenced and prosecuted in accordance with the procedures set forth, and in the forum specified by the applicable state rules of civil procedure or other applicable law.

If Maryland law governs the Dispute, the following provision is applicable if there is a Confession of Judgment in any note, guaranty or other Documents subject to this Arbitration Program: Confession of Judgment. Notwithstanding anything herein to the contrary, the arbitration requirement does not limit or preclude the right of Lender to confess judgment, and no party shall have the right to demand binding arbitration of any claim, dispute or controversy seeking to open a judgment obtained by confession. Nothing herein, including the arbitration requirement, shall limit the right of any party to foreclose judicially or non-judicially against any real or personal property collateral, or exercise judicial or non-judicial power of sale rights. No provision regarding submission to a jurisdiction and/or venue in any court or the waiver of any right to trial by jury is intended or shall be construed to be in derogation of the provisions for arbitration of any dispute. Any claim or counterclaim or defense raised in connection with Lender's exercise of any rights set forth in any note, guaranty or other Documents subject to this Arbitration Program shall be subject to the arbitration requirement.

If South Carolina law governs the Dispute, the following provision is included: WAIVER OF JURY TRIAL. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, WITHOUT INTENDING IN ANY WAY TO LIMIT THE PARTIES' AGREEMENT TO ARBITRATE ANY DISPUTE AS SET FORTH IN THIS AGREEMENT, TO THE EXTENT ANY DISPUTE IS NOT SUBMITTED TO ARBITRATION OR IS DEEMED BY THE ARBITRATOR OR BY ANY COURT WITH JURISDICTION TO BE NOT ARBITRABLE OR NOT REQUIRED TO BE ARBITRATED, LENDER AND EACH PARTY TO THIS AGREEMENT WAIVE TRIAL BY JURY IN RESPECT OF ANY SUCH DISPUTE AND ANY ACTION ON SUCH DISPUTE. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY LENDER AND EACH PARTY, AND LENDER AND EACH PARTY HEREBY REPRESENT THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY PERSON OR ENTITY TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES ENTERING INTO THE LOAN DOCUMENTS. LENDER AND EACH PARTY TO THIS AGREEMENT ARE EACH HEREBY AUTHORIZED TO FILE A COPY OF THIS SECTION IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER OF JURY TRIAL. EACH PARTY FURTHER REPRESENTS AND WARRANTS THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, OR HAS HAD THE OPPORTUNITY TO BE REPRESENTED BY INDEPENDENT LEGAL COUNSEL SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

I. Miscellaneous. To the maximum extent practicable, the AAA, the arbitrators and the parties shall take all action required to conclude any arbitration proceeding within 180 days of the filing of the Dispute with the AAA. No arbitrator or other party to an arbitration proceeding may disclose the existence, content or results thereof, except for disclosures of information by a party required in the ordinary course of its business or by applicable law or regulation. If more than one agreement for arbitration by or between the parties potentially applies to a Dispute, the arbitration provision most directly related to the documents between the parties or the subject matter of the Dispute shall control. This arbitration provision shall survive the repayment of the Note and the termination, amendment or expiration of any of the Documents or any relationship between the parties.

MONEY LAUNDERING, SANCTIONS, CORRUPT PRACTICES, AND COMPLIANCE WITH ALL LAWS. Guarantor represents, warrants and agrees that Guarantor (1) is not now and will not become the target of any trade or economic sanctions promulgated by the United Nations

**COMMERCIAL GUARANTY
(Continued)**

Loan No: 0264437590

Page 6

or the governments of the United States, the United Kingdom, the European Union, or any other jurisdiction in which Guarantor is located or operates (collectively, "Sanctions"), (2) complies now and will at all times comply with the requirements of all laws, rules, regulations and orders of any jurisdiction in which Guarantor is located or doing business, or otherwise is applicable to Guarantor, including, without limitation, (a) all Sanctions, (b) all laws and regulations that relate to money laundering, any predicate crime to money laundering, or any financial record keeping and reporting requirements related thereto, (c) the U.S. Foreign Corrupt Practices Act of 1977, as amended, (d) the U.K. Bribery Act of 2010, as amended, and (e) any other anti-bribery or anti-corruption laws and regulations, and (3) will not at any time directly or indirectly use any proceeds of any credit extended by Lender for the purpose of (a) providing financing or otherwise funding any targets of Sanctions; or (b) providing financing or otherwise funding any transaction which would be prohibited by Sanctions or would otherwise cause Lender or any of Lender's affiliates to be in breach of any Sanctions.

GUARANTOR CONSENT. GUARANTOR CONSENTS, BY EXECUTING THIS GUARANTY, TO ANY SALE OF THE COLLATERAL, THE APPLICATION OF PROCEEDS FROM THE SALE OF THE COLLATERAL AND THE RELEASE OF ANY PROCEEDS OR COLLATERAL TO THE BORROWER WITHOUT FURTHER WRITTEN CONSENT OF THE GUARANTOR.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Irving Norwood Stone, and in each case, any signer's successors and assigns.

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Wells Fargo Bank, National Association, its successors and assigns.

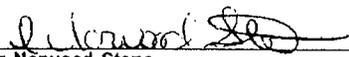
Note. The word "Note" means the promissory note dated March 28, 2019, in the original principal amount of \$437,539.65 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED MARCH 28, 2019.

THIS GUARANTY IS GIVEN UNDER SEAL AND IT IS INTENDED THAT THIS GUARANTY IS AND SHALL CONSTITUTE AND HAVE THE EFFECT OF A SEALED INSTRUMENT ACCORDING TO LAW.

GUARANTOR:

x  (Seal)
Irving Norwood Stone

WELLS FARGO U.S. CONSUMER PRIVACY NOTICE

Principal	Loan Date	Maturity	Loan No	Call / Call POB Z1	Account	Officer	Initials
\$437,539.65	03-28-2019	04-06-2029	0264437590		1744758337	CJ070	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.

Borrower: NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP 408 BATTLEGROUND AVENUE GREENSBORO, NC 27401	Lender: Wells Fargo Bank, National Association Eastern Region Business Banking-High Point 200 N Main St High Point, NC 27260
---	--

BBG-MKT6784 (Rev 12 - 3/18)

FACTS: WHAT DOES WELLS FARGO DO WITH YOUR PERSONAL INFORMATION?

Why? Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

What? The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and employment information
- account balances and transaction history
- credit history and investment experience

How? All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Wells Fargo chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information

For our everyday business purposes - such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus.

Does Wells Fargo share? Yes. Can you limit this sharing? No

For our marketing purposes - with service providers we use to offer our products and services to you (please see below to limit the ways in which we contact you).

Does Wells Fargo share? Yes. Can you limit this sharing? No

For joint marketing with other financial companies.

Does Wells Fargo share? No. Can you limit this sharing? We don't share

For our affiliates' everyday business purposes - information about your transactions and experiences.

Does Wells Fargo share? Yes. Can you limit this sharing? No

For our affiliates' everyday business purposes - information about your creditworthiness.

Does Wells Fargo share? Yes. Can you limit this sharing? Yes

For our affiliates to market to you.

Does Wells Fargo share? Yes. Can you limit this sharing? Yes

For nonaffiliates to market to you.

Does Wells Fargo share? No. Can you limit this sharing? We don't share

To limit our sharing

- Call 1-888-528-8460-our menu will prompt you through your choices.
- Online banking customers - log on to a secure session at wells Fargo.com, select Security & Support menu -> Change Privacy Preferences.

Please note: If you are a new customer, we can begin sharing your information 30 days from the date we sent this notice. When you are no longer our customer, we can continue to share your information as described in this notice.

However, you can contact us at any time to limit our sharing.

To limit direct marketing

- To limit our direct marketing to you by mail or telephone, call 1-888-528-8460-our menu will prompt you through your choices.
- Online banking customers - log on to a secure session at wells Fargo.com, select Security & Support menu -> Change Privacy Preferences.

Please note: A Do Not Call election is effective for five years, or while you are an active consumer customer, if longer than five years. The Do Not Mail election is effective for three years. You may continue to receive marketing information in regular account mailings and statements, when you visit us online or at an ATM. You may also be contacted to service your account or participate in surveys. If you have an assigned client manager or team, they may continue to contact you to assist you in managing your portfolio or account relationship.

Questions? Call 1-800-TO-WELLS (1-800-869-3557) or go to wells Fargo.com/privacy-security

Who we are

Who is providing this notice? Wells Fargo U.S. companies that use Wells Fargo in their names, except for entities and businesses that provide their own notice, and other companies listed in the Wells Fargo U.S. legal entities and businesses section below.

What we do

How does Wells Fargo protect my personal information? To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. For more information visit wells Fargo.com/privacy-security

How does Wells Fargo collect my personal information? We collect your personal information, for example, when you:

- open an account or make deposits or withdrawals from your accounts
- apply for a loan or use your credit or debit card
- seek advice about your investments

We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.

Why can't I limit all sharing? Federal law gives you the right to limit only:

- sharing for affiliates' everyday business purposes - information about your creditworthiness
- affiliates from using your information to market to you

**WELLS FARGO U.S. CONSUMER PRIVACY NOTICE
(Continued)**

Loan No: 0264437590

Page 2

- sharing for nonaffiliates to market to you

State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.

What happens when I limit sharing for an account I hold jointly with someone else? Your choices will apply individually unless you tell us otherwise. Any account holder may express a privacy preference on behalf of the other joint account holders.

Definitions

Affiliates Companies related by common ownership or control. They can be financial and non-financial companies.

- Our affiliates include financial companies with Wells Fargo in their name such as Wells Fargo Bank, N.A., and Wells Fargo Clearing Services, LLC.

Nonaffiliates Companies not related by common ownership or control. They can be financial and non-financial companies.

- Wells Fargo does not share with nonaffiliates so they can market to you.

Joint marketing A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

- Wells Fargo does not jointly market.

Other important information

Important Notice about Credit Reporting: We may report information about your account(s) to credit bureaus and/or consumer reporting agencies. Late payments, missed payments, or other defaults on your account(s) may be reflected in your credit report and/or consumer report.

Do Not Call Policy. This Privacy Policy constitutes Wells Fargo's Do Not Call Policy under the Telephone Consumer Protection Act for all consumers. Wells Fargo maintains an internal Do Not Call preference list. Do Not Call requests will be honored within 30 days and will be effective for at least five years from the date of request. No telemarketing calls will be made to residential or cellular phone numbers that appear on the Wells Fargo Do Not Call list.

Nevada residents: We are providing you this notice pursuant to state law. You may be placed on our internal Do Not Call List by following the directions in the To limit direct marketing section. For more information contact us at 1-800-869-3557; nevadanoticeinfo@wellsfargo.com, or Wells Fargo, P.O. Box 5110, Sioux Falls, SD 57117-5110. Or contact the Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; 702-486-3132; AgInfo@ag.nv.gov.

Vermont: We automatically treat customers with a Vermont mailing address as having limited sharing with our affiliates as provided above.

Trust or fiduciary accounts for which Wells Fargo is the trustee or service provider, including employer-sponsored retirement accounts, are protected under special rules of confidentiality. Information on these accounts is not shared for marketing purposes without specific consent.

Wells Fargo Clearing Services, LLC Financial Advisors: If your financial advisor's affiliation with Wells Fargo Clearing Services, LLC ends and they join a non-affiliated securities broker-dealer, your financial advisor may be permitted to use limited information to contact you to join their new firm, as a usual means to continue to service and maintain your accounts. The information they may use is limited to your name, address, email address, phone number and account title.

Wells Fargo U.S. legal entities and businesses covered by this notice

Wells Fargo U.S. banks, except banks and businesses listed below as having their own privacy notice, and companies with "Wells Fargo" in their names, including Wells Fargo Clearing Services, LLC; Wells Fargo Clearing Services, LLC doing business as Wells Fargo Advisors or as First Clearing; Wells Fargo Bank, N.A. doing business as Flatiron Capital; as well as American Mortgage Network, LLC, doing business as Vertice; and Abbot Downing, a Wells Fargo business.

The following legal entities and businesses are **not** covered by this notice and have separate privacy notices:

- Wells Fargo Retail Services, a division of Wells Fargo Bank, NA.
- the Wells Fargo Advantage Funds
- Wells Fargo Advisors Financial Network, LLC
- any insurance company, insurance agency or other company, that has its own privacy notice or policy
- businesses that have provided a separate privacy notice governing specific accounts or relationships



200235584973300025

AGREEMENT TO PROVIDE INSURANCE

Principal	Loan Date	Maturity	Loan No	Call / Coll POB 21	Account	Officer	Initials
\$437,539.65	03-28-2019	04-06-2029	0264437590		1744758337	CJ070	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.

Grantor: NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP
408 BATTLEGROUND AVENUE
GREENSBORO, NC 27401

Lender: Wells Fargo Bank, National Association
Eastern Region Business Banking-High Point
200 N Main St
High Point, NC 27260

INSURANCE REQUIREMENTS. Grantor, NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP ("Grantor"), understands that insurance coverage is required in connection with the extending of a loan or the providing of other financial accommodations to Grantor by Lender. These requirements are set forth in the security documents for the loan. The following minimum insurance coverages must be provided on the following described collateral (the "Collateral"):

Collateral: 1912 PHILLIPS AVE, GREENSBORO, NC 27405.

Type: Fire and extended coverage.

Amount: Full Insurable Value.

Basis: Replacement value.

Endorsements: Standard mortgagee's clause with stipulation that coverage will not be cancelled or diminished without a minimum of 30 days prior written notice to Lender, and without disclaimer of the insurer's liability for failure to give such notice.

Latest Delivery Date: By the loan closing date.

INSURANCE COMPANY. Grantor may obtain insurance from any insurance company Grantor may choose that is reasonably acceptable to Lender. Grantor understands that credit may not be denied solely because insurance was not purchased through Lender.

FLOOD INSURANCE. Flood insurance for the Collateral securing this loan is described as follows:

Real Estate at 1912 PHILLIPS AVE, GREENSBORO, NC 27405.

The Collateral securing this loan is not currently located in an area identified as having special flood hazards. Therefore, no special flood hazard insurance is necessary at this time. Should the Collateral at any time be deemed to be located in an area designated by the Administrator of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance, if available, within 45 days after notice is given by Lender that the Collateral is located in a special flood hazard area, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan. Flood insurance may be purchased under the National Flood Insurance Program or from private insurers.

INSURANCE MAILING ADDRESS. All documents and other materials relating to insurance for this loan should be mailed, delivered or directed to the following address:

Wells Fargo Bank, National Association
BBOCS Winston Salem Loan Operations Center
401 N. Research Parkway, 3rd Floor, MAC # D4004-035
Winston Salem, NC 27101-4157

FACSIMILE AND COUNTERPART. This document may be signed in any number of separate copies, each of which shall be effective as an original, but all of which taken together shall constitute a single document. An electronic transmission or other facsimile of this document or any related document shall be deemed an original and shall be admissible as evidence of the document and the signer's execution.

CONDO/COOPERATIVE OWNERSHIP. If the Collateral is Real Property submitted to unit ownership law or similar law for the establishment of condominiums or cooperative, insurance coverage must include both interior/unit coverage and exterior coverage. A mortgagee's clause will only be required for the interior/unit coverage.

FAILURE TO PROVIDE INSURANCE. Grantor agrees to deliver to Lender, on the latest delivery date stated above, evidence of the required insurance as provided above, with an effective date of March 28, 2019, or earlier. Grantor acknowledges and agrees that if Grantor fails to provide any required insurance or fails to continue such insurance in force, Lender may do so at Grantor's expense as provided in the applicable security document. The cost of any such insurance, at the option of Lender, shall be added to the indebtedness as provided in the security document. GRANTOR ACKNOWLEDGES THAT IF LENDER SO PURCHASES ANY SUCH INSURANCE, THE INSURANCE WILL PROVIDE LIMITED PROTECTION AGAINST PHYSICAL DAMAGE TO THE COLLATERAL, UP TO AN AMOUNT EQUAL TO THE LESSER OF (1) THE UNPAID BALANCE OF THE DEBT, EXCLUDING ANY UNEARNED FINANCE CHARGES, OR (2) THE VALUE OF THE COLLATERAL; HOWEVER, GRANTOR'S EQUITY IN THE COLLATERAL MAY NOT BE INSURED. IN ADDITION, THE INSURANCE MAY NOT PROVIDE ANY PUBLIC LIABILITY OR PROPERTY DAMAGE INDEMNIFICATION AND MAY NOT MEET THE REQUIREMENTS OF ANY FINANCIAL RESPONSIBILITY LAWS.

AUTHORIZATION. For purposes of insurance coverage on the Collateral, Grantor authorizes Lender to provide to any person (including any insurance agent or company) all information Lender deems appropriate, whether regarding the Collateral, the loan or other financial accommodations, or both.

AGREEMENT TO PROVIDE INSURANCE
(Continued)

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT TO PROVIDE INSURANCE AND AGREES TO ITS TERMS. THIS AGREEMENT IS DATED MARCH 28, 2019.

THIS AGREEMENT IS GIVEN UNDER SEAL AND IT IS INTENDED THAT THIS AGREEMENT IS AND SHALL CONSTITUTE AND HAVE THE EFFECT OF A SEALED INSTRUMENT ACCORDING TO LAW.

GRANTOR:

NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP

CARR-THEISMANN, LLC, A NORTH CAROLINA LIMITED LIABILITY COMPANY, General Partner of NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP

By: George E. Carr III (Seal)
George E. Carr III, Managing Member of Carr-Theismann, LLC, a North Carolina limited liability company

NEW GARDEN II, LLC, A NORTH CAROLINA LIMITED LIABILITY COMPANY, General Partner of NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP

By: Irving Norwood Stone (Seal)
Irving Norwood Stone, Manager of New Garden II, LLC, a North Carolina limited liability company

FOR LENDER USE ONLY		
INSURANCE VERIFICATION		
DATE: _____		PHONE _____
AGENT'S NAME: _____		
AGENCY: Carney Ins. Agency Inc		
ADDRESS: _____		
INSURANCE COMPANY: _____		
POLICY NUMBER: ACPBPHK2203410607		
EFFECTIVE DATES: _____		
COMMENTS: _____		



200235584973300570

NOTICE OF INSURANCE REQUIREMENTS

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
	03-28-2019		0264437590	POB 21	1744758337	CJ070	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.

Grantor: NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP
 408 BATTLEGROUND AVENUE
 GREENSBORO, NC 27401

Lender: Wells Fargo Bank, National Association
 Eastern Region Business Banking-High Point
 200 N Main St
 High Point, NC 27260

TO:

Carney Ins. Agency Inc
 ATTN: Insurance Agent

DATE: March 28, 2019

RE: Policy Number(s): ACPBPHK2203410607
 Insurance Companies/Company:

Dear Insurance Agent:

Grantor, NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP ("Grantor") is obtaining a loan from Wells Fargo Bank, National Association. Please send appropriate evidence of insurance to Wells Fargo Bank, National Association, together with the requested endorsements, on the following property, which Grantor is giving as security for the loan.

Collateral: 1912 PHILLIPS AVE, GREENSBORO, NC 27405.

Type: Fire and extended coverage.

Amount: Full Insurable Value.

Basis: Replacement value.

Endorsements: Standard mortgagee's clause with stipulation that coverage will not be cancelled or diminished without a minimum of 30 days prior written notice to Lender, and without disclaimer of the insurer's liability for failure to give such notice.

Latest Delivery Date: By the loan closing date.

FACSIMILE AND COUNTERPART. This document may be signed in any number of separate copies, each of which shall be effective as an original, but all of which taken together shall constitute a single document. An electronic transmission or other facsimile of this document or any related document shall be deemed an original and shall be admissible as evidence of the document and the signer's execution.

CONDO/COOPERATIVE OWNERSHIP. If the Collateral is Real Property submitted to unit ownership law or similar law for the establishment of condominiums or cooperative, insurance coverage must include both interior/unit coverage and exterior coverage. A mortgagee's clause will only be required for the interior/unit coverage.

RETURN TO:

Wells Fargo Bank, National Association
 BBOCS Winston Salem Loan Operations Center
 401 N. Research Parkway, 3rd Floor, MAC # D4004-035
 Winston Salem, NC 27101-4157

NOTICE OF INSURANCE REQUIREMENTS
(Continued)

Loan No: 0264437590

Page 2

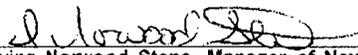
GRANTOR:

NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP

CARR-THEISMANN, LLC, A NORTH CAROLINA LIMITED LIABILITY COMPANY, General Partner of NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP

By:  (Seal)
George E. Carr III, Managing Member of
Carr-Theismann, LLC, a North Carolina limited
liability company

NEW GARDEN II, LLC, A NORTH CAROLINA LIMITED LIABILITY COMPANY, General Partner of NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP

By:  (Seal)
Irving Norwood Stone, Manager of New Garden II,
LLC, a North Carolina limited liability company



200235584973300240

DISBURSEMENT REQUEST AND AUTHORIZATION

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$437,539.65	03-28-2019	04-06-2029	0264437590	POD 21	1744758337	CJ070	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.

Borrower: NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP
408 BATTLEGROUND AVENUE
GREENSBORO, NC 27401

Lender: Wells Fargo Bank, National Association
Eastern Region Business Banking-High Point
200 N Main St
High Point, NC 27260

LOAN TYPE. This is a Fixed Rate (4.750%) Nondisclosable Loan to a Partnership for \$437,539.65 due on April 6, 2029. This is a secured renewal of the following described indebtedness: This note is given in renewal, extension and/or modification of, and not in satisfaction of that certain Promissory Note dated April 6, 2004 by Borrower to Lender, successor by merger to Wachovia Bank, National Association, successor in interest to SouthTrust Bank in the original amount of \$793,119.00 (the "2004 Note"), as renewed, extended or modified by that certain Confirmation Letter dated March 19, 2013 in the original amount of \$602,239.70 (the "Confirmation Letter") and it is not a novation of the obligations of the 2004 Note as renewed, extended or modified by the Confirmation Letter.

PRIMARY PURPOSE OF LOAN. The primary purpose of this loan is for:

- Personal, Family, or Household Purposes or Personal Investment.
- Business (Including Real Estate Investment).

SPECIFIC PURPOSE. The specific purpose of this loan is: Debt Refinance/Consolidation.

FLOOD INSURANCE. The property that will secure the loan is not located in an area that has been identified by the Administrator of the Federal Emergency Management Agency as an area having special flood hazards. Therefore, although flood insurance may be available for the property, no special flood hazard insurance protecting property not located in an area having special flood hazards is required by law for this loan at this time.

DISBURSEMENT INSTRUCTIONS. Borrower understands that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds of \$437,539.65 as follows:

Other Disbursements: \$437,539.65
\$437,539.65 Renewal of Credit, Account # 0264437590-42

Note Principal: \$437,539.65

CHARGES PAID IN CASH. Borrower has paid or will pay in cash as agreed the following charges:

Prepaid Finance Charges Paid in Cash: \$0.00
Other Charges Paid in Cash: \$5,421.89
 \$26.00 Recording/Filing Fee
 \$180.89 Title Fee
 \$5.00 Flood Zone Rating/Determination Fee
 \$4,200.00 Appraisal Fee
 \$1,010.00 Appraisal Review Fee- Internal

Total Charges Paid in Cash: \$5,421.89

FACSIMILE AND COUNTERPART. This document may be signed in any number of separate copies, each of which shall be effective as an original, but all of which taken together shall constitute a single document. An electronic transmission or other facsimile of this document or any related document shall be deemed an original and shall be admissible as evidence of the document and the signer's execution.

FINANCIAL CONDITION. BY SIGNING THIS AUTHORIZATION, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT AND THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN BORROWER'S FINANCIAL CONDITION AS DISCLOSED IN BORROWER'S MOST RECENT FINANCIAL STATEMENT TO LENDER. THIS AUTHORIZATION IS DATED MARCH 28, 2019.

DISBURSEMENT REQUEST AND AUTHORIZATION
(Continued)

Loan No: 0264437590

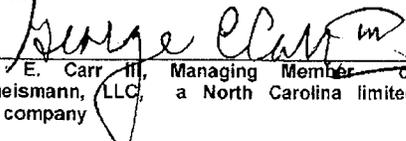
Page 2

THIS AGREEMENT IS GIVEN UNDER SEAL AND IT IS INTENDED THAT THIS AGREEMENT IS AND SHALL CONSTITUTE AND HAVE THE EFFECT OF A SEALED INSTRUMENT ACCORDING TO LAW.

BORROWER:

NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP

CARR-THEISMANN, LLC, A NORTH CAROLINA LIMITED LIABILITY COMPANY, General Partner of NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP

By:  (Seal)
George E. Carr III, Managing Member of Carr-Theismann, LLC, a North Carolina limited liability company

NEW GARDEN II, LLC, A NORTH CAROLINA LIMITED LIABILITY COMPANY, General Partner of NEW GARDEN ASSOCIATES, A LIMITED PARTNERSHIP

By:  (Seal)
Irving Norwood Stone, Manager of New Garden II, LLC, a North Carolina limited liability company

MGT. INC.

WELLS FARGO
300 N. GREENE STREET
5TH FLOOR

03/18/19

NEW GARDEN LOAN FEES

5,421.89
=====

5,421.89
=====

0.00
=====

0.00
=====

5,421.89
=====

Check: 5629
Date: 3/18/2019
Vendor: 455

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER

MGT. INC.
General Operating Escrow
PO Box 395
Jamestown NC 27282
338-454-6134

BB&T
3741 Farmington Drive
Greensboro, NC 27420

66-112
531

5629

DATE 3/18/2019

PAY FIVE THOUSAND FOUR HUNDRED TWENTY-ONE DOLLARS AND 89 CENTS

\$ *****5,421.89

TO THE ORDER OF
WELLS FARGO
300 N. GREENE STREET
5TH FLOOR
GREENSBORO NC 27401

Oliver Stone
C. G. S.

THE BACK OF THIS DOCUMENT CONTAINS AN ARTIFICIAL WATERMARK - HOLD AT AN ANGLE TO VIEW

⑈0005629⑈ ⑆05310112⑆ ⑆18334662⑈