

STATE OF NORTH CAROLINA

AGREEMENT

COUNTY OF CHATHAM

This AGREEMENT made and entered into this 27<sup>th</sup> day of October 2000 by and between CAROLINA MEADOWS, INC., hereinafter sometimes referred to as "Corporation", party of the first part; and THE COUNTY OF CHATHAM, hereinafter sometimes referred to as "County", party of the second part;

WITNESSETH:

WHEREAS, Corporation owns certain real and personal property in Chatham County; and

WHEREAS, Corporation has claimed property tax exemption for its property under various provisions of the Machinery Act and under the provisions of Chapter 131A of the General Statutes of North Carolina relating to financing of certain facilities through issuance of bonds by the North Carolina Medical Care Commission; and

WHEREAS, the County has denied said exemptions; and

WHEREAS, the Corporation has paid taxes assessed for tax years 1998 and 1999, and has applied to the County for a refund of taxes for said years; and

WHEREAS, the parties have agreed to settle certain matters in controversy between them and now execute this document to memorialize their understanding.

NOW, THEREFORE, the parties hereto for and in consideration of the mutual promises and undertakings hereinafter set forth and for other good and valuable considerations, the parties agree as follows:

1. Chatham County will accept the Corporation's Application for Property Tax Exemption for tax year 2000 as timely filed.

2. Chatham County will grant the application for exemption based upon Chapter 131A of the General Statutes of North Carolina for real and personal property financed by the North Carolina Medical Care Commission bond dated June 1, 1998 to the extent of the assessed value, which is \$3,427,271.00 for tax year 2000.

3. The property, exclusive of subsequent improvements, will continue to be exempt to the extent provided by Chapter 131A or Chapter 105 of the General Statutes of North Carolina, at its assessed value in subsequent years, but the exemption shall not exceed the amount of \$5,000,000.00, and shall cease upon satisfaction of said bond.

4. The Corporation shall notify the County within 30 days of satisfaction of said bond. The Corporation shall during the ad valorem tax listing period of each year notify the County Tax Assessor of any subsequent improvements made to the exempt property.

5. The Corporation shall upon execution of this Agreement withdraw its current filed request to the County for tax refunds, and notify the North Carolina Property Tax Commission that it is withdrawing any and all appeals heretofore filed including the appeal from the County's denial of its request for exemption of its property for 1998 and subsequent tax years. Said withdrawal shall have the same effect as the dismissal of a civil action with prejudice pursuant to the North Carolina Rules of Civil Procedure.

6. The Corporation shall continue to pay County property taxes on its property except for the exemption stated above in paragraph 3; and represents that it has no intention to file future application for exemption as to tax years 1998, 1999 and 2000 based upon the provisions of the Machinery Act or Chapter 131A of the General Statutes of North Carolina in their present form.

7. The parties agree that this is a full and final settlement of all issues involved in its applications for tax refunds for tax years 1998, 1999, and 2000, and in its application for property tax exemption for all years through year 2000, and of all issues involved in its current appeal to the North Carolina Property Tax Commission.

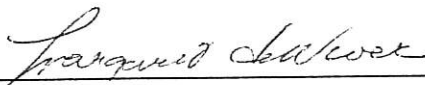
IN TESTIMONY WHEREOF, Carolina Meadows, Inc. has caused this Agreement to be executed by its duly authorized officers and its corporate seal attached hereto all by authority duly given by its Board of Directors; and the County of Chatham has caused this Agreement to be executed by the Chairman of its Board of Commissioners, attested by the Clerk to said Board and its official seal attached hereto all as of the day and year first above written.

CAROLINA MEADOWS, INC.

By:

  
Executive Director


ATTEST:

  
Secretary

(Corporate Seal)

COUNTY OF CHATHAM

By:

  
Chairman, Board of Commissioners

ATTEST:

  
Clerk, Board of Commissioners

(Official Seal)