

\$980,361.00

PROMISSORY NOTE

September 1, 2009

FOR VALUE RECEIVED, Brookstown Development Partners, LLC, a North Carolina limited liability company (herein "BDP") promise(s) to pay to the City of Winston-Salem (hereinafter the "City", or together with its successors and/or assigns the "Noteholder") or order, the principal sum of Nine Hundred Eighty Thousand Three Hundred Sixty-one and no/100 Dollars (\$980,361.00), with interest on the unpaid principal amount of this Promissory Note ("Note") from the date hereof, at the rate of five and one-half percent (5.50 %) per annum, until paid. Both principal and interest shall be payable in lawful money of the United States of America at the address as the legal holder hereof may designate in writing. The principal and interest shall be due and payable as hereinafter provided.

1. Payments of Principal and Interest.

1.1 On the first and second anniversary dates of this Note all accrued and unpaid interest shall be paid. Commencing on the third (3<sup>rd</sup>) anniversary date a principal installment in the amount of \$25,000.00 shall be paid together with all accrued and unpaid interest and a like installment of principal and interest on the fourth (4<sup>th</sup>) anniversary date of this Note. On the fifth (5<sup>th</sup>) anniversary date of this Note the entire remaining outstanding principal balance together with any and all accrued and unpaid interest shall be due and payable in full.

1.2 Upon the sale of any real property owned by BDP, additional principal shall be paid to the Noteholder in an amount equal to the balance of the "net sales proceeds" received by BDP from such sale, after payment of any fee required to be paid to Regions Bank ("Regions") for a release of Regions' deed of trust on such property. The maximum principal payment that is required to be paid to the Noteholder from such "net sales proceeds" shall not exceed ten percent (10%) of the net sales proceeds payable to BDP before deduction for the release fee to be paid to Regions. For purposes of this Note, "net sales proceeds" means the gross cash proceeds from the sale of any real property owned by BDP, less reasonable customary sales expenses, such as without limitation, standard real estate commissions, BDP's prorata share of any ad valorem taxes, attorneys' fees, and documentary stamps.

1.3 All remaining accrued and unpaid interest if not sooner paid, shall be due and payable on September 1, 2014 (the "Maturity Date").

1.4 The undersigned reserve(s) the right to prepay at any time all or any part of the principal amount of this Note without penalties or premiums. Any partial prepayment shall be applied against the principal amount outstanding and shall not extend or postpone the due date of any subsequent periodic installments or change the amount of such installments, unless the holder hereof shall otherwise agree in writing.

2. Application of Payments. All payments on this Note shall be applied first to late charges, if any, then to the interest due on the Note (if any), and the remaining portion shall be applied to the principal due on the Note. Except as provided below, all installment payments on this Note shall be

credited as of the due date thereof without adjustment of interest, whether paid before or after such due date.

3. Late Charge. In the event that any installment of principal or interest required to be paid by BDP under this Note shall not be received by Noteholder within fifteen (15) days after its due date, BDP shall pay to Noteholder, on demand, a late charge of four percent (4%) of such delinquent payment. The foregoing right is in addition to, and not in limitation of, any other rights which Noteholder may have upon BDP's failure to make timely payment of any amount due hereunder.

4. Security for the Note. As security for the payment of the monies due and owing under this Note, BDP has delivered or has caused to be delivered to City (a) a Pledge and Security Agreement (the "Pledge Agreement") pledging the membership interest of Primo Properties, LLC ("Primo") in BDP as collateral and security for the Note, (b) a blank assignment of the membership interest of Primo in BDP (the "Assignment"), and (c) a UCC-1 Financing Statement naming Primo, as debtor, and the City, as secured party (the "Financing Statement").

5. Covenants.

5.1 Except as otherwise expressly provided herein, BDP agrees, for so long as any part of the Note remains outstanding, that it will not, directly nor indirectly, without first obtaining the prior written consent of Noteholder, create or permit to exist any lien, encumbrance, charge or security interest of any kind on any of the real property or other assets of BDP (excepting, however, the existing Regions loan), nor will BDP transfer, sell, assign or in any manner dispose of its real property or other assets or any interest therein. Notwithstanding the foregoing provisions, BDP shall be permitted to:

a. refinance the existing Regions loan (or refinance any such refinanced loan), provided that the amount borrowed to so refinance does not exceed the principal amount of \$10,000,000.00. Provided there exists no Event of Default under this Note (and no event which with the giving of notice or passage of time would constitute an Event of Default) and there exists no default under the Ground Lease between the City and BDP dated of even date herewith, BDP may refinance the existing Regions loan (or any refinanced loan) up to the maximum principal amount of \$12,000,000.00;

b. sell its real property or any of its other assets pursuant to a bonafide arms-length sales agreement to an independent third party that is not an affiliate of BDP or any of its principals. For purposes of this Note, an "affiliate" shall be deemed to mean any Person directly or indirectly controlling, controlled by or under common control with such Person or, in the case of a natural Person, any relative of such Person. "Person" means an individual, trust, estate, corporation, professional corporation, general partnership, limited partnership, limited liability company, professional limited liability company, registered limited liability partnership or unincorporated association, regardless of whether any such person is domestic or foreign. Provided, further, however, that BDP shall be permitted to sell or transfer all

or any portion of its property to an affiliate, provided that (i) the sales price therefor is equal to or greater than its fair market value as determined by the appraisal utilized by Regions to determine the amount of its release fee as the result of such sale, or if the Regions loan has been refinanced, the appraisal conducted by an appraiser acceptable to the Noteholder and BDP, or (ii) in the event of the contribution by BDP of its property, or any portion thereof, to another entity for an equity interest therein, the actual value of BDP's equity interest in such entity after such sale or transfer is not less than its value immediately prior to such sale or transfer and further provided that the Noteholder retains its collateral interest in Primo's membership interest in BDP following the sale or transfer;

c. obtain an individual project-based development loan from an institutional lender to pay the development costs of a project on real property owned by BDP and pledge as collateral for any such development loan the tract or parcel of real property upon which that project is located;

d. mortgage its leasehold interest in Revised Lot 1 as shown on the Plat of DOWNTOWN WINSTON-SALEM BASEBALL STADIUM recorded in Plat Book 54, page 182, Forsyth County Registry ("Lot 1") to Bank of America, N.A., as Lender and administrative agent to secure a construction loan to affiliates of BDP in the amount of \$15,000,000;

e. sublease its leasehold interest in Lot 1 to Sports Menagerie Stadium, LLC; and

f. lease all of its properties (other than its leasehold interest in Lot 1) to Sports Menagerie, LLC for parking purposes for a term of one (1) year, which lease may be renewed or extended, from time to time, with the permission of Regions.

5.2 BDP shall provide not less than thirty (30) days prior written notice to Noteholder of any proposed sale or other transfer of the real property or other assets of BDP.

## 6. Events of Default.

Each of the following shall constitute an Event of Default hereunder (an "Event of Default"):

(i) If any of the payments due hereunder are not paid on the date such payment is due and remains unpaid for thirty (30) days following written notice to the undersigned;

(ii) If any judgment is entered against BDP or any attachment or other levy against the property of BDP is issued and such judgment, attachment or levy remains unpaid, not stayed on appeal, not discharged, not bonded or not dismissed for a period of thirty (30) days;

(iii) If BDP becomes insolvent or generally does not pay its debts as they become due, or if a petition for relief in bankruptcy court is filed by BDP, or if BDP applies for, consents to, or acquiesces in the appointment of a trustee, custodian or receiver for BDP or any of its assets and property or makes a general assignment for the benefit of creditors; or in the absence of such

application, consent or acquiescence, a trustee, custodian or receiver is appointed for BDP for a substantial part of the assets and property of BDP and is not discharged within thirty (30) days; or any bankruptcy, reorganization, debt arrangement or other proceeding or case under any bankruptcy or insolvency law or any dissolution or liquidation proceeding is instituted against BDP; or if instituted against BDP is consented to or acquiesced in by BDP and is not dismissed within sixty (60) days; or BDP takes any action to authorize any of the actions described in this subsection;

(iv) If there shall occur an event of default under the Pledge Agreement; or

(v) If BDP shall fail to duly perform, comply with or observe any of the other terms, conditions or covenants contained in this Note and such failure shall remain uncured for a period of thirty (30) days after the date of written notice from the Noteholder to BDP.

7. Remedies. If an uncured Event of Default, after lapse of all applicable notice and cure periods, exists, Noteholder may exercise any right, power or remedy permitted by law or as set forth herein or in the Pledge Agreement, including, without limitation, the right to declare the entire unpaid principal amount hereof and all interest accrued hereon, and all other sums secured by the Pledge Agreement to be, and such other principal, interest and other sums shall thereupon become, immediately due and payable. The Noteholder may exercise its option to accelerate at any time during any such uncured default regardless of any prior forbearance, and the acceptance of one or more installments from any person thereafter shall not constitute a waiver of the Noteholder's option. If this Note shall be reduced to judgment, such judgment shall bear the statutory interest rate on judgment.

8. Attorneys Fees and Expenses. The undersigned or other parties liable for payment hereof agree to pay immediately upon Noteholder's demand therefor all reasonable costs and expenses incurred at any time by Noteholder, including, without limitation, reasonable attorneys' fees, in connection with collecting the indebtedness hereunder or in enforcing any of its rights and remedies under the Pledge Agreement between the City and the undersigned. The term "reasonable attorneys' fees" shall include attorneys' fees incurred by Noteholder whether or not suit is brought and if suit is brought, shall include attorneys' fees at trial and on appeal. The amount of such reasonable attorneys' fees shall be determined on the basis of actual time expended and services actually performed by such attorneys at their customary hourly billing rates (or the customary hourly billing rate of local attorneys if the City's staff attorney performs the work) and shall not exceed the amount established by the statutory presumption contained in N.C.G.S. Section 6-21.2.

9. Waiver. All parties liable for payment of the indebtedness due hereunder, whether accommodation makers, sureties, endorsers, guarantors, or other parties, hereby waive presentment, demand, protest, notice of protest, nonpayment, dishonor, and acceleration of maturity, and agree that the time for payment of this Note may be extended from time to time, that this Note may be renewed from time to time, all without notice to them and without affecting, in any manner, their liability for payment of this Note.

10. Partial Invalidity. The invalidity or unenforceability of any one or more provisions of this Note shall not render any other provision invalid or unenforceable. In lieu of any invalid or unenforceable provision, there shall be added automatically a valid and enforceable provision as similar in terms to such invalid or unenforceable provision as may be possible.

11. Binding Effect. The covenants, conditions, waivers, releases and agreements contained in this Note shall bind, and the benefits thereof shall inure to, the parties hereto and their respective heirs, executors, administrators, successors and assigns; provided, however, that this Note cannot be assigned by BDP without the prior written consent of the Noteholder, and any such assignment or attempted assignment by BDP shall be void and of no effect with respect to the Noteholder.

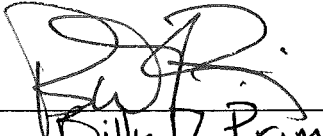
12. Modifications. This Note may not be supplemented, extended, modified or terminated except by an agreement in writing signed by the party against whom enforcement of any such waiver, change, modification or discharge is sought.

13. Notices. All notices and communications under this Note shall be in writing and shall be given by either (a) hand-delivery, (b) first class mail (postage prepaid), or (c) reliable overnight commercial courier (charges prepaid), to the addresses listed in the Pledge Agreement. Notice shall be deemed to have been given and received: (i) if by hand delivery, upon delivery; (ii) if by mail, three (3) calendar days after the date first deposited in the United States mail; and (iii) if by overnight courier, on the date scheduled for delivery. A party may change its address by giving written notice to the other party as specified herein.

14. Governing Law. This Note shall be governed by and construed in accordance with the substantive laws of the State of North Carolina without reference to conflict of laws principles.

IN WITNESS WHEREOF, the undersigned has duly executed this Note under seal intending this to be a sealed instrument as of the date first above written.

BROOKSTOWN DEVELOPMENT PARTNERS, LLC (SEAL)

By:  (SEAL)  
Name: Billy L. Prim  
Title: Manager