

IRREVOCABLE CREDIT NO. 2801000050

Winston-Salem

NORTH CAROLINA

DATE March 3, 2009

Please establish an **IRREVOCABLE STANDBY LETTER OF CREDIT** and advise by:

X mail/airmail \_\_\_\_\_ airmail with preliminary brief details cable \_\_\_\_\_ full details cable

In favor of:

City of Winston-Salem; Attn: Denise Bell

(Name of beneficiary)

PO Box 2511, Winston-Salem, NC 27102

(Address of beneficiary)

For account of:

Sports Menagerie Corp of NC

(Name of applicant)

926 Brookstown Avenue, Winston-Salem, NC 27101

(Address of applicant)

In amount not to exceed \$ 350,000.00

Available by draft(s) at SOUTHERN COMMUNITY BANK AND TRUST drawn at your option on you or any of your correspondents.

Draft(s) must be accompanied by the following documents:

Each draft so drawn must be marked "Drawn under Southern Community Bank and Trust, Irrevocable Standby Letter of Credit No. 2801000050 and be accompanied by this original letter of credit for endorsement. We hereby agree that all drafts drawn and negotiated under and in compliance with the terms of this credit will be duly honored and presented for payment to the main office of Southern Community Bank and Trust, 4605 Country Club Road, Winston Salem, NC 27104 on or before the expiration of this Irrevocable Letter of Credit.

Draft(s) to be drawn and negotiable not later than March 3, 2010

Special instructions:

This letter of credit is not automatically renewable each year.

**STANDBY LETTER OF CREDIT AGREEMENT**

**TO: SOUTHERN COMMUNITY BANK AND TRUST**

In consideration of your opening at our request a standby letter of credit (herein after referred to as the "Credit") in accordance with the application on the reverse hereof, we hereby agree with you as follows:

1. We will pay you upon demand in the currency in which the Credit is payable, or in United States dollars at your option in immediately available funds, all disbursements made by you pursuant to said Credit, and we authorize you to charge any of our accounts with you at any of your branches for all such disbursements. If settlement is not made on the date of disbursement, funds will be advanced under the demand note which we will sign in conjunction with the establishment of this Credit in order to pay the disbursements. Funds advanced under the demand note shall bear interest (based on a 360-day year and actual days elapsed) from date of disbursement until paid in full at a rate per annum specified in the demand note to be established.

2. In the event that settlement of any disbursements made by you in a currency other than United States Dollars is not made on the date of disbursement, such disbursements shall be converted into United States Dollars at the rate of exchange most favorable to you, measured by your offered rate of such other currency for United States Dollars prevailing on the date of disbursement, and settlement shall be thereafter made to you in United States Dollars together with interest as provided for in paragraph 1 hereof.

3. We will pay you in advance, so long as this Credit remains open a commission of: \$3500.00 + \$350.00  
to be paid as follows: at loan closing.

4. Should any of the following events of default occur, and if at the time of any such event there remains any portion of the Credit undisbursed, we shall, upon your demand, pay to you for application to drawings under the Credit the entire amount which has not been drawn: (i) we default in respect of any payment due you under this agreement, (ii) we default in the payment of any indebtedness which we may have for the repayment of borrowed monies, (iii) we become insolvent, fail to pay our debts generally as they become due, make any assignment for the benefit of creditors, file or suffer the filing of any petition or action under the provisions of the Bankruptcy Code or other similar laws for relief of, or relating to, debtors, (iv) the voluntary or involuntary appointment of a receiver, trustee, custodian, or similar official to take possession of any property, (v) the attachment of any material involuntary lien of any kind to our property or assets, or (vi) any representation made in any financial statement or in any other statement or document presented to you by or on our behalf is, in any material respect, false or misleading when made. Any amount so paid which has not been drawn within the validity of the Credit shall be repaid to us.

5. Neither you nor your correspondents shall be in any way responsible for performance by any beneficiary of its obligations to us, nor for the form, sufficiency, correctness, genuineness, authority of person signing, falsification or legal effect of any documents called for under the Credit if such documents on their face appear to be in order.

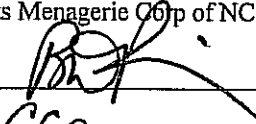
6. Subject to the law and customs and practices of the trade existing in the area where the beneficiary is located, the Credit shall be subject to, and performance by you, your correspondent and the beneficiary thereunder shall be governed by the "Uniform Customs and Practice for Documentary Credits (1983 Revision), International Chamber of Commerce, Publication No. 400" or by subsequent revisions of the Uniform Customs and Practice fixed by subsequent congresses of the International Chamber of Commerce.

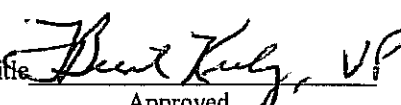
7. It is agreed that all directions and correspondence relating to the Credit are to be sent at our risk and that you do not assume any responsibility for any inaccuracy, interruption, error or delay in transmission or delivery by post, telegraph or cable, or for any inaccuracy of translation.

8. We agree to pay to you your allocated costs of staff counsel and all out-of-pocket costs and expenses, including reasonable attorneys' fees, paid or incurred by you in the enforcement of your rights and remedies hereunder.

9. If the Application for Standby Letter of Credit is signed by one individual, the terms "we," "our," "us" shall be read throughout as "I," "my," "me" as the case may be. If signed by two or more parties, it shall be the joint and several agreement of such parties.

The foregoing terms of the Agreement are hereby accepted by the authorized representatives of the undersigned.

Company Sports Menagerie Corp of NC  
Authorized  
Signature   
Title CEO

**SOUTHERN COMMUNITY BANK AND TRUST**  
Officer's Signature and Title   
Approved

AMENDED IRREVOCABLE STANDBY LETTER OF  
CREDIT NO

2801000050

DATE 03/03/2009

<p style="text-align: center;">ADVISING BANK</p> <p>SOUTHERN COMMUNITY BANK AND TRUST CREDIT ADMINISTRATION DEPARTMENT 4605 COUNTRY CLUB ROAD WINSTON-SALEM, NC 27104</p>	<p style="text-align: center;">APPLICANT</p> <p>Sports Menagerie Corp of NC 926 Brookstown Avenue Winston-Salem, NC 27101</p>
<p style="text-align: center;">BENEFICIARY</p> <p>City of Winston-Salem ATTN: Denise Bell PO Box 2511 Winston-Salem, NC 27102</p>	<p style="text-align: center;">AMOUNT</p> <p>\$350,000.00</p> <hr/> <p style="text-align: center;">EXPIRY DATE</p> <p style="text-align: center;">March 3, 2010</p> <p style="text-align: center;"><small>(FOR PRESENTATION AND NEGOTIATION AT OUR COUNTERS)</small></p>

GENTLEMEN  
WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT IN YOUR FAVOR  
  
AVAILABLE BY YOUR DRAFT(S)

DRAFT(S) MUST BE MARKED, "DRAWN UNDER SOUTHERN COMMUNITY BANK AND TRUST

CREDIT NO. 2801000050

Each draft so drawn must be marked "Drawn under Southern Community Bank and Trust, Irrevocable Standby Letter of Credit No. 2801000050 and be accompanied by this original letter of credit for endorsement. We hereby agree that all drafts drawn and negotiated under and in compliance with the terms of this credit will be duly honored and presented for payment to the main office of Southern Community Bank and Trust, 4605 Country Club Road, Winston Salem, NC 27104 on or before the expiration of this Irrevocable Letter of Credit.

**SPECIAL INSTRUCTIONS**

This letter of credit in not automatically renewable each year.

THIS CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION) INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 500.

WE HEREBY ENGAGE WITH DRAWERS AND OR BONA FIDE HOLDERS THAT DRAFTS PRESENTED IN CONFORMITY WITH THE TERMS OF THIS CREDIT WILL BE DULY HONORED ON PRESENTATION AT OUR COUNTERS AND THAT DRAFTS ACCEPTED WITHIN THE TERMS OF THIS CREDIT WILL BE DULY HONORED AT MATURITY.

VERY TRULY YOURS,

SOUTHERN COMMUNITY BANK AND TRUST

*Shant Key, VP*  
AUTHORIZED SIGNATURE