

STATE OF NORTH CAROLINA
COUNTY OF LEE

**AGREEMENT FOR PURCHASE OF BUSINESS,
AND LEASE OF REAL PROPERTY**

THIS AGREEMENT FOR PURCHASE OF BUSINESS AND LEASE OF REAL PROPERTY is made and entered into as of the 12th day of June, 2015, by and between

FRED A. EGERTON, residing at _____ Road, Lillington, Harnett County, North Carolina (hereinafter referred to as "Seller/Lessor"); and

ESAM H. ALGAZALI, residing at 8262 Highway 27 West, Lillington, Harnett County, North Carolina (hereinafter referred to as "Buyer/Lessee").

WITNESSETH

Whereas, Seller/Lessor is the owner of a parcel of land located at 8686 N.C. Highway 27 West, Lillington, North Carolina, in which Seller/Lessor operates a convenience store known as "Tingen's Grocery"; and

Whereas, Buyer/Lessee wants to purchase the assets of Tingen's Grocery, and lease the building in which Tingen's Grocery operates, and at some point in the future, if Buyer/ Lessee can so afford, to purchase the land and building where Tingen's Grocery operates; and

Whereas, Seller/Lessor has agreed to sell the assets of Tingen's Grocery to the Buyer/Lessee, and to lease to Buyer/Lessee the building where Tingen's Grocery operates, and to grant to Buyer/Lessee the option to purchase the land and building in the future.

Now, therefore, for and in consideration of the mutual promises and covenants herein contained, the parties agree as follows:

1. **Sale of Assets.** Subject to all of the terms and conditions of this Agreement, the Seller/Lessor agrees to sell, transfer and convey to the Buyer/Lessee all of the assets owned by the Seller/Lessor identified and described in Exhibit A attached hereto and incorporated herein by reference, and hereinafter referred to collectively as the "Assets," unless otherwise specified.

2. **Purchase Price.** The total purchase price for the Assets shall be Forty Thousand (\$40,000.00) Dollars. This price shall include all of the equipment and inventory of the Seller/Lessor located at Tingen's Grocery, 8686 Highway 27 West, Lillington, NC (hereinafter referred to as the "Premises"). The purchase price stated in this paragraph shall **not** include the real estate which comprise the Premises. The total

amount paid pursuant to this paragraph is hereinafter referred to as the "Purchase Price". The parties agree that this purchase price shall be allocated among the Assets as follows:

Equipment	\$ 5,000.00
Covenant Not To Compete	5,000.00
Inventory	<u>30,000.00</u>
	\$40,000.00

3. **Closing; Terms.** The closing shall occur at the law office of W. Woods Doster of the firm of Doster, Post, Silverman, Foushee, Post & Patton, 205 Courtland Drive, Sanford, North Carolina within 14 days of the date of this Agreement first above written. The purchase price shall be paid as follows: \$30,000.00 shall be paid in cash at closing; and the balance of the purchase price shall be paid to the Seller/Lessor in the form of Buyer/Lessee's promissory note for \$10,000.00 without interest. The said promissory note shall be payable on or before September 1, 2015.

4. **Accounts Receivable.** The accounts receivable, if any, of the Seller/Lessor shall remain the property of Seller/Lessor. Buyer/Lessee shall have no responsibility to collect any such accounts receivable, or to account for same.

5. **Representations of Seller/Lessor.** Seller/Lessor warrants and represents as follows, which warranties and representations shall survive the closing:

5.1 Title to Assets. That Seller/Lessor has good and marketable title to all of the Assets described in this Agreement. At closing, Seller/Lessor's Assets will not be subject to any liens, mortgages, pledges, encumbrances or charges of any kind.

5.2 Litigation. That there are no actions, suits or proceedings pending against Seller/Lessor at law or in equity or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign. Seller/Lessor is not in default with respect to any order, writ, injunction or decree of any court or federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign.

5.3 Regulations. Seller/Lessor has complied in all material respects with all applicable statutes and regulations of any governmental authority having jurisdiction over the Assets and Seller/Lessor's business.

5.4 Environmental Concerns. Seller/Lessor warrants that during his operation of the Premises, there were no releases of hazardous materials. The Premises and the Assets have been maintained in accordance with all applicable laws and industry practices.

5.5 Status of Assets. All of the Assets are in a good state of repair. All regularly scheduled maintenance has been performed as recommended by the

manufacturer of each piece of equipment. All of the inventory has been properly stored and is not expired or otherwise unsaleable.

5.6 Permits; Zoning. The Seller/Lessor has all permits and/or licenses necessary from any governmental authority to operate the businesses located on the Premises. The Premises are properly zoned to permit all of the businesses located in the Property to legally operate.

5.7 Utilities. All utilities serving the Assets are paid currently. There are no deposits for any such utilities which should be prorated at closing.

6. ***Representations of Buyer/Lessee.*** The Buyer/Lessee hereby represents and warrants to the Seller/Lessor as follows which warranties and representations shall survive the closing:

6.1 Condition of Assets. Buyer/Lessee has examined the Assets and the business of Seller/Lessor. Buyer/Lessee acknowledges that he is satisfied with the condition of the Assets and Seller/Lessor's business. Buyer/Lessee further acknowledges that he has had ample time to examine such Assets for defects.

6.2 Residual Petroleum. Buyer/Lessee acknowledges that he is aware that at some time in the past, there was a release of petroleum products at the Premises, as evidenced by the Notice of Residual Petroleum filed at Book 1684, page 392 of the Harnett County registry.

7. ***No Untrue Statements.*** The Seller/Lessor represents and warrants that none of the information disclosed to the Buyer/Lessee in relation to the sale contemplated by this Agreement omits or will omit to state any material fact necessary to make any representation or warranty herein made not misleading.

8. ***Special Matters.*** As an integral part of this Agreement, the parties agree to the following special provisions:

8.1 Transfer of Name. The Buyer/Lessee is purchasing the name "Tingen's Grocery".

8.2 Covenant Not To Compete. Seller/Lessor agrees that for a period of two years following the date of closing, he will not own, operate, or be an employee of a convenience store or grocery store or other similar business within a ten mile radius of Tingen's Store.

8.2 Conduct of Business. Until closing, Seller/Lessor agrees that he will continue to operate the Assets in the normal course of business, and that he will not let his inventory drop to the point that his shelves appear to be bare.

8.3 Telephone Number. Seller/Lessor agrees to transfer to the Buyer/Lessee all of his right, title and interest in and to the store telephone number, 910-893-2732.

8.4 Right of Offset. Buyer/Lessee and Seller/Lessor agree that in the event that Seller/Lessor should breach any provision of this Agreement, including the covenant not to compete, the Buyer/Lessee will have the right of offset against all future payments due to Seller/Lessor under this Agreement.

8.5 Fees. Buyer/Lessee agrees that Buyer/Lessee will be solely responsible for the attorney's fee of W. Woods Doster for the representation of Buyer/Lessee in connection with this Agreement. Seller/Lessor agrees that Seller/Lessor will be responsible for the cost of preparation of the necessary Seller/Lessor documents.

8.6 Cash. Seller/Lessor shall remove any cash from the cash register prior to closing.

9. ***Compliance with Bulk Sales Act.*** In compliance with the requirements of the North Carolina Uniform Commercial Code, Article 6, Bulk Transfers, the parties agree as follows:

9.1 List of Creditors, Schedule of Assets. Seller/Lessor has furnished to Buyer/Lessee, in accordance with the requirement of the North Carolina Uniform Commercial Code, Article 6, Bulk Transfers, a list of his existing creditors, signed and sworn to by Seller/Lessor, or a statement similarly acknowledged that there are no such creditors. Seller/Lessor and the Buyer/Lessee have prepared a schedule of property to be transferred, sufficient to identify such property, in accordance with the requirements of the North Carolina Uniform Commercial Code. If any conflict exists between the schedule of property and the terms of this Agreement, the terms of this Agreement shall prevail, and the schedule of property shall be amended accordingly.

9.2 Notice to Creditors. Seller/Lessor agrees that, in accordance with the provisions of the North Carolina Uniform Commercial Code, the Seller/Lessor will send appropriate notice of this sale to all the persons shown on the list of creditors furnished by Seller/Lessor to the Buyer/Lessee and to all other persons who are known to Seller/Lessor to hold or assert claims against Seller/Lessor. Seller/Lessor agrees that Seller/Lessor will remain liable for all claims of creditors not shown on said list or not given proper notice.

10. ***Term of Lease.*** The term of the lease of the Premises shall begin on the 1st day of July, 2015, and shall last for five (5) years from such date so that such term expires at 11:59 p.m. on the 30st day of June, 2020. It is agreed that, at the expiration of the initial term of this Lease, the Lease may be renewed for an additional five (5) year term, on the same terms and conditions as agreed upon hereunder. The Lease renewal will

be deemed to be automatically exercised if the Seller/Lessor has not received written notice from the Buyer/Lessee of an intent to terminate at least 60 days prior to the end of the term.

11 **Rent.** As rent for the leased Premises, the parties agree that the Buyer/Lessee will pay to the Seller/Lessor a monthly rental of \$1,000.00; plus all taxes assessed against the Premises as specified in paragraph ___ below; plus all insurance premiums associated with the Premises as specified in paragraph ___ below; plus all maintenance and repairs on the Premises as specified in paragraph ___ below. All rent and any other sum due Seller/Lessor in accordance with any provision of this Lease shall be paid without notice or demand and without set-off or deduction of any kind except as otherwise expressly provided in this Lease.

12. **Default.** The occurrence of one or more of the following events (herein called "Events of Default") shall constitute a default by the Buyer/Lessee:

A. Failure to pay rent when due;

B. Failure to perform any other provision of this Lease if the failure to perform is not cured within ten (10) days after written notice thereof has been given to Buyer/Lessee.

13. **Seller/Lessor' Remedies upon Default by Buyer/Lessee.** Seller/Lessor shall have the following remedies if Buyer/Lessee commits a default. These remedies are not exclusive; they are cumulative in addition to any remedies now or later allowed by law.

A. Seller/Lessor shall have the right to continue this Agreement in full force and effect, and have the right to enter the Premises with written notice to vacate and relet them, changing any or all locks on the Premises all without being liable for forcible entry, trespass, or other tort. Buyer/Lessee shall be liable immediately to Seller/Lessor for all costs Seller/Lessor shall incur in reletting the Premises and Buyer/Lessee shall pay to Seller/Lessor the rent due under this Lease on the date that the rent is due, less the rent Seller/Lessor receives from any reletting.

B. Seller/Lessor shall have the right to terminate this Agreement with written notice to vacate sent to Buyer/Lessee and Buyer/Lessee's rights to possession of the premises shall terminate at that time, and Seller/Lessor may then re-enter the Premises and shall have the right to pursue its remedies at law or in equity to recover of Buyer/Lessee all amounts of rent then due or thereafter accruing and such other damages as are caused by Buyer/Lessee's default.

C. No course of dealing between Seller/Lessor and Buyer/Lessee or any delay on the part of Seller/Lessor in exercising any rights he may have under this

Agreement shall operate as a waiver of any of the rights of Seller/Lessor hereunder nor shall any waiver of a prior default operate as a waiver of any subsequent default or defaults and no express waiver shall affect any condition, covenant, rule or regulation other than the one specified in such waiver and that one only for the time and in the manner specifically stated.

14. **End of Term, Holding Over, and Attorney's Fees.** Unless the parties hereto agree otherwise, upon the expiration or other termination of this Agreement, Buyer/Lessee shall quit and surrender to Seller/Lessor the Premises, broom clean, in good order and condition, ordinary wear and tear excepted and Buyer/Lessee shall remove from the Premises all of his property. If Buyer/Lessee shall hold over after the termination of this Lease, such holding over shall be deemed to be a renewal of this Lease only in the discretion of the Seller/Lessor and if not deemed to be a renewal shall be deemed to create a tenancy-at-will. In the event that either party to this Agreement shall deem it necessary to hire an attorney to enforce any provision of this Agreement, the party not prevailing in such enforcement action shall pay the reasonable attorney's fees of the prevailing party.

15. **Use of Premises.** Buyer/Lessee shall not use the Premises or any portion thereof for any illegal or unlawful purpose and will not cause or permit a nuisance to be created or maintained therein.

16. **Assignment and Subletting.** Buyer/Lessee shall have the right to assign his rights under this Agreement, and to sublet the Premises to any person or entity of his choosing. Any such assignment shall not release the obligations of Buyer/Lessee to perform according to the terms of this Agreement. No person or entity to whom the Buyer/Lessee assigns his rights under this Agreement shall have the power to make any further assignment or subletting.

17. **Taxes.** Buyer/Lessee shall be responsible for paying all property taxes assessed against the Premises, and Buyer/Lessee shall pay any taxes assessed against Buyer/Lessee's personal property placed in the Premises by Buyer/Lessee.

18. **Utilities and Other Services.** Buyer/Lessee shall be responsible for providing the Premises with all utilities he shall need including water, heat, air conditioning and electricity. Buyer/Lessee shall not use or permit in the Premises any electrical device which will overload the electrical circuits presently located therein.

19. **Property of Buyer/Lessee.** All property placed on the Premises by, at the direction of or with the consent of the Buyer/Lessee, his employees, agents, licensees or invitees, shall be at the risk of the Buyer/Lessee or the owner thereof and Seller/Lessor shall not be liable for any loss of or damage to said property resulting from any cause whatsoever unless such loss or damage is the result of Seller/Lessor's proven acts of negligence.

29. **Entire Agreement; Modification.** This Agreement supersedes all prior Agreements and constitutes the entire Agreement between the parties with respect to the subject matter described in this Agreement. It may be changed only by a written agreement, signed by the party against whom enforcement of any waiver, change, modification, or discharge is sought.

IN WITNESS WHEREOF, the parties hereto have duly executed this Lease Agreement and have hereunto set their seals as of the day and year first above written.

SELLER/LESSOR:

BUYER/LESSEE:



FRED A. EGERTON

(SEAL)

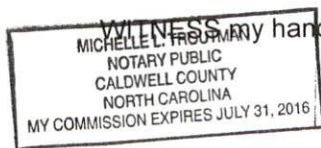


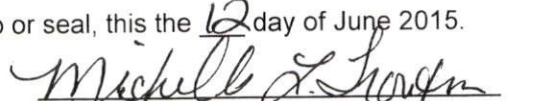
ESAM H. ALGAZALI

(SEAL)

NORTH CAROLINA
LEE COUNTY

I, a Notary Public in and for said State and County, do hereby certify that **FRED A. EGERTON** personally appeared before me this day and acknowledged the due execution of the foregoing instrument.



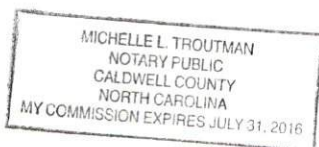


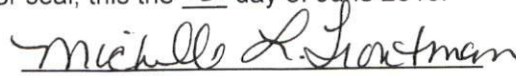
Notary Public
My Commission Expires: July 31, 2016

NORTH CAROLINA
LEE COUNTY

I, a Notary Public in and for said State and County, do hereby certify that **ESAM H. ALGAZALI** personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and official stamp or seal, this the 12 day of June 2015.





Notary Public
My Commission Expires: July 31, 2016

EXHIBIT "A"

AGREEMENT FOR PURCHASE OF BUSINESS, AND LEASE OF REAL PROPERTY

EGERTON to ALGAZALI

LEGAL DESCRIPTION

PIN: 0517692742.000
PRIOR DEED REF: 1862-948
CHAIN OF TITLE: 12/01/2003 to current Fred A. Egerton

BEGINNING AT A NEW MAG NAIL LOCATED IN THE CENTERLINE OF NC HWY. 27 (60 R/W) WHERE IT INTERSECTS WITH THE CENTERLINE OF NCSR NO. 1234 LEAFLET CHURCH ROAD (60 R/W) AND RUNS THENCE AS THE CENTERLINE OF THE SAID NCSR NO. 1234 THE COURSES AND DISTANCES AS FOLLOWS: NORTH 37 DEGREES 56 MINUTES 29 SECONDS WEST 72.14 FEET; NORTH 41 DEGREES 17 MINUTES 14 SECONDS WEST 55.88 FEET; NORTH 45 DEGREES 05 MINUTES 58 SECONDS WEST 37.14 FEET AND NORTH 46 DEGREES 04 MINUTES 47 SECONDS WEST 75.13 FEET TO A NEW COTTON SPINDLE IN THE CENTERLINE OF SAID NCSR NO. 1234; THENCE NORTH 64 DEGREES 21 MINUTES 53 SECONDS EAST 226.64 FEET TO A NEW IRON STAKE, CORNER IN THE LINE NOW OR FORMERLY OF ANNA M. RAY; THENCE SOUTH 19 DEGREES 10 MINUTES 35 SECONDS EAST AS THE LINE OF ANNA M. RAY AND JOSEPH R. RAY A DISTANCE OF 266.02 FEET TO A POINT IN THE CENTERLINE OF NC HWY. 27 THENCE AS THE CENTERLINE OF NC HWY. 27 NORTH 79 DEGREES 32 MINUTES 29 SECONDS WEST 132.26 FEET TO THE POINT OF BEGINNING CONTAINING 0.98 ACRE ACCORDING TO SURVEY AND PLAT OF BENNETT SURVEYS, INC. DATED JULY 30, 2002 ENTITLED SURVEY FOR SUE TINGEN JOHNSON WHICH PLAT IS RECORDED IN MAP BOOK 2002, PAGES 941-942, HARNETT COUNTY REGISTRY TO WHICH MAP REFERENCE IS HEREBY MADE.

THIS CONVEYANCE IS SUBJECT TO THE RIGHTS OF WAY OF NC HWY. 27 AND NCSR NO. 1234.

EXHIBIT "A"

To Asset Purchase Agreement
EGERTON to ALGAZALI

Assets of **EGERTON** sold by this Agreement:

[insert list of equipment, furniture, etc.]

1. -

2. -

3. -

4. -

5. -

6. -

7. -

8. -

9. -

10.-

11.-

12.-

13.-

14.-

15.-