Mr. Curt Walton
City Manager
City of Charlotte
600 East Trade Street
Charlotte, NC 28202

Dear Mr. Walton,

I am pleased to present the attached Offer To Purchase and Contract. My clients, Sari and Company and The Bainbridge Companies represented by Mr. Jim Sari is prepared to contract and close on the Johnston and Mecklenburg Mills in NoDa. Mr. Sari, Tom Keady or myself had meetings or discussions with Pat Mumford, Stan Wilson, Patsy Kinsey and, Hollis Nixon to be able to meet the needs of the City of Charlotte and the NoDa community, effectively preserving the Mills and enhancing NoDa as The Arts District.

Together we have accomplished this by agreeing to the following:

- Preservation and Restoration of the Johnston and Mecklenburg Mills
- Eco-friendly development
- Upscale apartment/condominium level finish
-
- HNCNA and Jim Sari to work together to meet the spirit and goals of the neighborhood association as stated in the HNCNA policy dated 6.28.2010
- HNCNA has met with Jim Sari in regards to these plans and will meet with you and Council to demonstrate their support to expedite approval of this offer
- Phase I of development to include 20% affordable housing (8 units)
- Downtown building to be saved for art gallery/compatible neighborhood use
- Eliminate community and daycare buildings with all parties' approval
- Refurbish basketball court
- Refurbish Mill House and build pool/hot tub behind
- Phase I: Johnston Mill 80 units, gallery, pool and, clubhouse
- Timeline:
  - city contract July 2010
  - close September 2010
  - plans/permits November 2010
  - close financing December 2010
  - construction start January 2011
  - complete construction October 2011
  - lease up pt 93% occupancy April 2011

Trade and Tryon Properties, LLC Number 108, 338 S.Sharon Amity Road, Charlotte, NC 28211

Phone: 704.621.1981 Fax: 866.895.8139 steve@TradeAndTryonProperties.com

- Timeline Phase II
  - •Mecklenburg Mill 54 units
  - •own September 2010
  - •plans/permits March 2012
  - •close financing April 2012
  - •construction start May 2012
  - •construction complete March 2013
  - •lease up to 93% occupancy June 2013
  - •10% of Phase II is affordable housing

Mr Walton, in summary my client is offering $600,000 purchase price, 21 day due diligence (check environmental) with a $25,000 deposit. One extension of 21 days for an additional $25,000 deposit. Close in 10 days. The offer expires July30, 2010. Jim Sari and I are available as needed to make this happen in a timely manner. Your prompt attention to this is appreciated.

Best Regards,

Steve Petrone

Trade and Tryon Properties, LLC Number 108, 338 S.Sharon Amity Road, Charlotte, NC 28211

Phone: 704.621.1981 Fax: 866.895.8139 steve@TradeAndTryonProperties.com