

NORTHWIND PROPERTIES

2804 Kimmon Way
Wake Forest, NC 27587
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June 29, 2006

To: Mr. D. Royce Powell, Esquire

(981-4300)

From: Robert P. Pace 

Re: Max Mangum Property

Royce, we are closing in on the dates required to complete the change of ownership in the subject property.

The appraisal is in the hands of our banker, Jonathan Hand (North State Bank), and the loan closing is scheduled for next week.

As you know, we have been inspecting the property and seeking prices from contractors to assist us with the preliminary work to be done before formal construction is scheduled.

We should be able to meet your timetable for the closing of the purchase and sale.

There is one question looming overhead: The only surprise has to do with the gully, which is also referred to as the Dump. A gully on the property has been used by family members and friends to dump major trash for a number of years.

Earl Dillard has investigated it and suggests that it will take in excess of \$100,000.00 to remove all of it and truck it to some landfill. This item caught us off guard on his one. We thought maybe it could be hidden with the road dirt, but Wake County will have none of that.

Royce, since we are paying a premium price for the land, is there any chance the Seller will allow monies to be withheld from the closing to offset this unexpected expense?

An extra \$100,000.00 really cramps the project's development. Please discuss this important matter with the family and advise us of their willingness to assist a good closing.

Many thanks. Best regards.