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MEMORANDUM

Subject: Summary of Option to Purchase Agreements with Greene County, NC

Date: January 2, 2025

1. Parties Involved

- **Optionor(s):** Multiple property owners as per individual agreements.
- **Optionee:** Greene County, NC, represented by the County Manager.

2. Effective Date and Term

- **Effective Date:** November 25, 2024.
- **Option Term:** 5 years, expiring at 11:59 PM on November 25, 2029.

3. Property Details

Greene County has entered into Option to Purchase Agreements for the following parcels:

Parcel ID	PIN Number	Acres	Legal Description
0500124	4625-09-0190	142.66	Located in Olds Township, Greene County, NC. Comprises Lots 2A, 3A, and a vested remainder in fee simple in the "1 Acre" tract designated as Tract 4A, excluding a life estate reserved for Mary Edwards, as per "Property Surveyed for W. R. Burnette" (Map Book 25, Page 135, Greene County Registry).
0506161	4616-90-4403	38.66	Being 38.66 acres, more or less, as described in the "Survey for Larry Bruce Dail and wife, Flora Gail West Dail" (Map Book 24, Page 134, Greene County Public Registry). Includes rights of ingress and egress over farm path from NCSR 1347.
0500282	4616-71-5260	89.52	Known as "Chestnut Farm," containing 89.52 acres, located adjacent to the centerline of S.R. 1347. Includes "60' R/W For Future Use" (Map Book 26, Page 253, Greene County Public Registry), with exceptions as detailed in recorded correction deeds.

Parcel ID	PIN Number	Acres	Legal Description
0500337	4625-18-3198	67.6	Located in Olds Township, Greene County, NC. Comprises 67.6 acres known as the “Skinner Farm,” detailed in Book 121, Page 31; Book 118, Page 198; and Book 351, Page 37 of the Greene County Registry.
0500756	4625-37-1333	160.07	Located in Greene County, NC. Contains 160.07 acres, including cleared land and woodland, as described in survey maps by Jack McDavid, Jr. and recorded in various books and pages of the Greene County Registry. Includes detailed boundaries and exceptions as per recorded deeds.
0506160	4616-81-9428	51.14	Located in Greene County, NC. Comprises 51.14 acres, including lots one and two of the Yelverton Farm, detailed in survey maps by J. L. Phillips, C.E. (Map Book 107, Page 80, Greene County Registry). Subject to Right of Way for N.C.S.R. 1347 and public utility easements.
0500432	N/A	80.63	Located in Olds Township, Greene County, NC. Contains 80.63 acres designated as Lot #3-A, with detailed boundaries and exceptions as per survey maps by Jack McDavid, Jr. (Map Book 2, Pages 76-77, Greene County Public Registry). Includes specific exceptions for certain parcels as described in recorded deeds.

Detailed legal descriptions are available upon request.

4. Purchase Price

a. Minimum Purchase Price

- **Amount:** \$15,000 per acre during the Option Term.
- **Application:** Serves as the baseline for all CPI adjustments and final pricing.

b. Consumer Price Index (CPI) Adjustments

- **Adjustment Basis:** Annually based on the CPI for the South Region as published by the U.S. Bureau of Labor Statistics.
- **Adjustment Timing:** Commences on September 1, 2025, and occurs annually on September 1st during the Option Term.
- **Calculation Method:**
 1. **Annual CPI Rate:** Determine the 12-month percent change in the CPI for All Items for August of the current year.
 2. **Adjusted Purchase Price:** Apply the CPI rate to the Minimum Purchase Price to obtain the Adjusted Purchase Price for the year.

c. Final Purchase Price Calculation

- **Prorated Adjustments:**
 - Based on the number of months from the last CPI adjustment (September 1) to the Option Exercise Date.
 - **Steps:**
 1. **Current Year Adjustment:** Subtract the prior year's Adjusted Purchase Price from the current year's Adjusted Purchase Price.
 2. **Per Month Adjustment:** Divide the Current Year Adjustment by 12.
 3. **Months for Proration:** Count the months from September 1 of the current contract year to the month before the Option Exercise Date.
 4. **Final Price Adjustment:** Multiply the Per Month Adjustment by the Months for Proration.
 5. **Final Purchase Price:** Add the Final Price Adjustment to the Current Year Adjusted Price.
- **Price Floor:** Purchase Price shall never decrease below the Minimum Purchase Price during the Option Term or the Renewal Term Minimum Purchase Price during any Renewal Term.

d. Renewal Term Adjustments

- **Upon Renewal:** If renewed for an additional five-year term, the Minimum Purchase Price continues to adjust annually based on the CPI, starting from the Renewal Term Minimum Purchase Price as of September 1, 2029.
- **Non-Decreasing Clause:** Renewal Term Minimum Purchase Price cannot decrease below its value as of September 1, 2029, regardless of CPI changes.

5. Option Payment

- **Amount:** \$500 per agreement, non-refundable unless the option is not exercised.
- **Application:** Applied to the Purchase Price at closing.

6. Exercise of Option and Closing

- **Exercise Method:** Written notice to respective Optionors before expiration.
- **Closing Date:** Within 60 days after exercising the option, mutually agreed upon.
- **Conditions:** Includes delivery of necessary documents, proration of taxes, and fulfillment of title requirements.

7. Crop Provision

- **Expenditures and Crop Management:** If, at the time of Closing, there have been expenditures related to preparing the property for farming or if any crops are planted:
 1. **Optionee's Election:** Greene County may choose to either:

- **a.** Pay an agreed-upon amount for all such expenditures and proceed with Closing, or
 - **b.** Delay Closing until all crops are harvested.
2. **Farm Operations:** Optionor must ensure that any farm tenants or farming operations vacate the property in accordance with the agreements.
 3. **Damage Prevention:** All farming activities must not damage the property or crops. If any damage occurs, Optionee is responsible for restoring the property to its original condition and covering associated costs.

8. Due Diligence and Inspections

- **Access Rights:** Optionee and designees may inspect the properties, conduct surveys, and perform tests without damaging the property.
- **Termination Rights:** Optionee may terminate the agreements if any property is deemed unsuitable after inspections.

9. Title and Warranties

- **Title Assurance:** Good and marketable title to be conveyed, subject to standard exceptions.
- **Warranties:** Optionors warrant no encumbrances or legal issues affecting the properties, subject to a six-month survival period post-closing.

10. Contingencies

- **County Approval:** Agreements contingent upon formal approval by the Greene County Board of Commissioners within 45 days of the Effective Date.
- **Eminent Domain:** Provisions for partial or full taking of the properties, including price adjustments and termination rights.

11. Additional Provisions

- **Subdivision Plat:** Optionee may prepare subdivision plats at their expense during the Option Term.
- **Costs of Closing:** Optionors pay transfer taxes and legal fees; Optionee covers other closing costs, including title insurance and recording fees.
- **Survival and Remedies:** Specific clauses on remedies in case of default by any party, ensuring limited liability and defined damages.

12. Multiple Parcels Management

Each parcel is subject to its own Option to Purchase Agreement, maintaining individual terms and conditions. Coordination will be managed to ensure seamless closing processes across all parcels upon exercise of options.

Conclusion

These Option to Purchase Agreements grant Greene County the right to purchase specified parcels from multiple property owners under defined terms and conditions. Key elements include a five-year option period with a possible renewal, a structured purchase price with detailed annual CPI-based adjustments, comprehensive provisions for due diligence, crop management, title assurance, and contingencies requiring county approval.

For further details, please contact Greene County Economic Development at (252) 747-3446.

Note: This memorandum is intended for informational purposes for real estate professionals involved in the transaction. Detailed legal descriptions and full agreement documents are available upon request.