Letter of Understanding with ECU Physicians

Property at 2280 Hemby Lane and 402 Bowman Gray Drive

July 31, 2013

This is a letter of understanding between Green Town Properties, Inc. (a supporting organization of the East Carolina University Foundation, Inc.), the East Carolina University Foundation, Inc., East Carolina University, and ECU Physicians, pertaining to the ownership and management of the buildings and land located at 2280 Hemby Lane and 402 Bowman Gray Drive.

Background:

ECU Physicians negotiated to buy the medical practice of East Carolina Neurology in Greenville, NC, and closed on that purchase effective July 31, 2013. They requested that Green Town Properties (a supporting organization of the ECU Foundation) purchase both the neurology office building on Hemby Lane and the MRI building on Bowman Gray Drive, from Neurology Properties, LLC., and lease them to ECU Physicians. The purchase price on the buildings was determined in the negotiating process between ECU Physicians and East Carolina Neurology and was based on appraisals done by Deloitte Financial Advisory Services.

Understanding:

Green Town Properties is pleased to be able to assist ECU Physicians and East Carolina University with the acquisition and management of these two buildings. The following points of understanding have been written to guide the leaders of ECU Physicians, East Carolina University, the ECU Foundation, and Green Town Properties in future years.

1. Green Town Properties has purchased these two buildings, effective July 31, 2013, and entered into a 10 year lease with ECU Physicians for their use of these facilities. At the end of that lease, if ECU Physicians is interested, they will receive first priority for a lease renewal.

2. Green Town Properties will utilize ECU Facilities Services to maintain the buildings and will see that they are maintained at the same level as other medical properties owned by the university.
3. If at any time ECU Physicians or East Carolina University desires to purchase either or both properties, Green Town Properties will be receptive to selling the property at its fair market value (determined by a mutually agreed upon qualified appraiser, or by the average of two valuations done by two qualified appraisers). By mutual agreement, the purchase price may be reduced by an amount equal to what a commercial real estate broker would charge if they had been involved in the sale.

4. If at any time Green Town Properties feels the need to sell this property, ECU Physicians and the university will be notified and given first preference to purchase it.

William F. Clark  
President, ECU Foundation, Inc.  
President, Green Town Properties, Inc.

Stephen D. Showfety  
Chair, BOD, Green Town Properties, Inc.

S. Reid Fogleman  
Chair, BOD, ECU Foundation, Inc.

Frederick D. Niswander  
ECU Vice Chancellor for Administration and Finance  
Treasurer, ECU Foundation, Inc  
Treasurer, Green Town Properties, Inc.

A. Scott Buck  
ECU Associate Vice Chancellor for Business Services

Brian Jowers  
Executive Director, ECU Physicians

Dr. Paul R. Cunningham  
Dean, Brody School of Medicine