STATE OF NORTH CAROLINA

COUNTY OF MONTGOMERY

SEVENTH TOLLING AGREEMENT

THIS SEVENTH TOLLING AGREEMENT ("Agreement") between the Montgomery County Board of Education (“Board”), a body corporate of the State of North Carolina, and SfL+a Architects, PA, a North Carolina professional corporation (“SfL+a”), provides as follows:

RECITALS

A. The Board and R.L. Casey entered into a contract in which R.L. Casey agreed to perform as a general contractor on the new Green Ridge Elementary School project (“Construction Contract”). SfL+a served as the architect on the project.

B. R.L. Casey’s work on the Green Ridge Elementary School project was substantially completed on October 17, 2008.

C. The Board contends that Green Ridge Elementary School has experienced problems with the roof leaks and water infiltration throughout the building.

D. The Parties have engaged in discussions regarding the roof leaks and water infiltration issues at Green Ridge Elementary School.

E. The Parties entered into a tolling agreement on August 1, 2013 tolling the operation of any applicable statutes of limitations, statutes of repose, and other time-related defenses to July 31, 2014.

G. The Parties entered into a second tolling agreement in August 2014 that extended the tolling agreement an additional six months (August 1, 2014 to January 31, 2015) for the operation of any applicable statutes of limitations, statutes of repose, and other time-related

defenses to January 31, 2015.

H. The Parties entered into a third tolling agreement in March 2016 that extended the tolling agreement an additional year (March 1, 2016 to February 28, 2017) for the operation of any applicable statutes of limitations, statutes of repose, and other time-related defenses to February 28, 2017.

I. The Parties entered into a fourth tolling agreement in March 2017 that extended the tolling agreement an additional three months (March 1, 2017 to May 30, 2017) for the operation of any applicable statutes of limitations, statutes of repose, and other time-related defenses to May 30, 2017.

J. The Parties entered into a fifth tolling agreement in May 2017 that extended the tolling agreement an additional three months (May 31, 2017 to August 31, 2017) for the operation of any applicable statutes of limitations, statutes of repose, and other time-related defenses to August 31, 2017.

K. The Parties entered into a sixth tolling agreement in September 2017 that extended the tolling agreement an additional seven months (September 1, 2017 to April 1, 2018) for the operation of any applicable statutes of limitations, statutes of repose, and other time-related defenses to April 1, 2018.

L. The Parties desire to enter into this seventh tolling agreement for the period of April 1, 2018 until April 1, 2019 for the operation of any applicable statutes of limitations, statutes of repose, and other time-related defenses in order to provide the Parties with an opportunity to evaluate potential claims between themselves in order to see whether those claims can and should be resolved, in whole or in part, before commencement of any litigation by the Parties.

NOW, THEREFORE, in consideration of the promises herein exchanged and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby covenant and agree as follows:

1. Tolling of Time-Related Defenses. Any applicable statutes of limitations, statutes of repose, the doctrine of laches, and all other time-based defenses with respect to any claims by the Parties to this Agreement arising from or relating in any manner to the roof leaks and water infiltration issues throughout Green Ridge Elementary School existing between the Parties for any acts or omissions relating, directly or indirectly in any manner whatsoever to these issues are hereby tolled effective April 1, 2018 (the "Effective Date"). The passage of time during the "Tolling Period" as hereinafter defined shall not be counted for purposes of any applicable statutes of limitations, statutes of repose, laches, or any other time-based defenses in any legal proceeding or arbitration in which the Parties assert claims covered by this Agreement.

2. Non-Assertion of Defenses. The Parties agree that they will not assert any defense based on any statute of limitations, statutes of repose, laches or other time-related defense based, in whole or in part, on the passage of time during the Tolling Period as hereinafter defined in any legal proceedings or arbitration with respect to any of the claims covered by this Agreement.

3. Tolling Period. For purposes of this Agreement, the term "Tolling Period" shall mean the period from April 1, 2018 until April 1, 2019, unless this Agreement is terminated earlier by a thirty (30) day Notice of Termination, as defined hereinafter. Any Notice of Termination by a party shall be effective thirty (30) days after it is received and it shall terminate the Tolling Period only for claims against the party giving the Notice of Termination and the parties named in and receiving the Notice of Termination. The Tolling Period shall otherwise continue in full force

between all other parties. Notice of Termination must be given to all parties.

4. Notice of Termination. As used herein, the term "Notice of Termination" means a written notice of termination on behalf of a party identifying the party giving the notice and the parties for whom Notice of Termination is to be effective, delivered by Certified Mail, Return Receipt Requested. For purposes of notification under this Agreement, the addresses of the parties are as follows: the Board shall be notified through its attorney, Rod Malone, Tharrington Smith, LLP, P.O. Box 1151, Raleigh, NC, 27602; and SfL+a Architects shall be notified through its attorney, Neil Yarborough, The Yarborough Law Firm, 115 East Russell Street, Fayetteville, NC 28301, and John Nunnally, Ragsdale Liggett, PLLC, Post Office Box 31507, Raleigh, NC 27622. The effective date of any Notice of Termination shall be thirty (30) days after the date upon which the Notice of Termination is actually received by the receiving party, as indicated by the Certified Mail Return Receipt.

5. Non-Waiver of Existing Defense. Nothing herein shall preclude any Party from asserting any defense which is based on any applicable statute of limitations, laches or other time-based defense arising out of the lapse of time prior to the Effective Date of this Tolling Agreement combined with any lapse of time after the end of the Tolling Period as herein defined. In addition, nothing contained in this Agreement shall waive or preclude any party from asserting any defense, except as specifically set forth herein, including, without limitation, defenses contained in previous agreements entered into by the parties.

6. Disputed Claims. It is understood and agreed that the Parties entered into this Agreement for purposes of evaluation and attempted resolution of disputed claims. Neither the execution of this Agreement by the Parties nor anything in this Agreement shall constitute an

admission of fault or liability of any nature whatsoever by any Party. This Agreement or any part thereof shall not be admissible in any legal proceeding, mediation, or arbitration for any purpose other than the interpretations or enforcement of the Agreement and its effect.

7. Authority of Signatories. The persons executing this Agreement hereby represent and warrant that they have full authority and representative capacity to execute the Agreement in the capacities indicated below and this Agreement constitutes the binding obligation of the Parties on whose behalf they signed.

8. Applicable Law. This agreement and the interpretation thereof shall be governed by North Carolina law.

9. Entire Agreement. The original tolling agreement, the second tolling agreement, the third tolling agreement, the fourth tolling agreement, the fifth tolling agreement, and the sixth tolling agreement entered into on or about August 1, 2013, August 2014, March 2016, March 2017, May 2017, and September 2017 respectively, remain effective and are not nullified or otherwise rescinded by this Agreement. Except for the original, second, third, fourth, fifth and sixth tolling agreements, which is hereby reaffirmed, this Agreement contains the entire agreement between the Parties concerning matters set forth, and it supersedes negotiations, discussions and understandings regarding such matters. This Agreement may be amended or modified only by a writing executed with the same formality as this Agreement. This Agreement shall not affect any other agreement entered into between the Parties with respect to matters other than time-related defenses and the tolling of statutes of limitation and statutes of repose.

IN WITNESS WHEREOF this Agreement was entered into this the _____ day of March 2018.

MONTGOMERY COUNTY
BOARD OF EDUCATION

_____ (SEAL)
Steven W. DeBerry, Board Chair

ATTEST:

_____
Dr. Dale Ellis

(CORPORATE SEAL)

SfL+a ARCHITECTS, PA

_____(SEAL)
Robert W. Ferris, CEO/President

ATTEST:

_____
Corporate Secretary

(CORPORATE SEAL)