

STATE OF NORTH CAROLINA

COUNTY OF CARTERET

OPTION

This Option Agreement, dated for purposes of reference the 18th day of April, 2005, is between FMB of Atlantic Beach, LLC, a North Carolina Limited Liability Company ("FMB"), and the Town of Atlantic Beach, a North Carolina municipal corporation ("Town").

For good and valuable consideration received and acknowledged by FMB, and contemplating that the Town will abandon Central Drive, FMB does hereby give and grant unto Town the right and option to purchase from FMB that certain tract or parcel of land (the "Property") lying and being in the Town of Atlantic Beach, Carteret County, North Carolina and more particularly described as follows:

(See Exhibit A)

The terms and conditions of this Option are as follows:

1. This Option is exercisable by the Town only if FMB fails to commence redevelopment by November 24, 2005 of its properties that were adjacent to the former Central Drive at the Atlantic Beach Circle (the "Fun N' Wheels property and the Tzuridis property). The November 24, 2005 deadline is deemed extended to any extended Closing Date provided in the "Contract for the Purchase of Real Property" (the "Agreement") between FMB

and the Town dated November 21, 2003. November 24, 2005, or any extended Closing Date per the Agreement, is deemed the "Deadline." The Town will have 60 calendar days following the Deadline to give FMB written notice of exercise of its option to purchase. If FMB commences redevelopment prior to the Deadline, this Option is null and void. "Commence redevelopment" as used herein shall mean the demolition of substantially all of the above grade structures on the former Fun'N Wheels and Tzuridis properties.

2. If Town exercises this Option and elects to purchase the property, the purchase price shall be Ten Dollars (\$10.00) payable in cash upon delivery of the deed.

3. If this Option is exercised, FMB will deliver title to Town by a special warranty deed.

4. As a condition of the tender of the special warranty deed, the Town must agree in writing to return the Property to use as a public street (to include, at Town's option, parking, sidewalks and municipal utilities) within a reasonable time after receipt of the deed.

5. In the event this Option is rendered null and void as a result of FMB's initiation of development, the Town will redeliver the original of this document to FMB, and the Town will agree to execute any additional instruments requested by FMB acknowledging that the Option is void.

6. This option is binding on FMB and its successors in title. This option is personal to the Town and is not assignable by the Town.

IN WITNESS WHEREOF, FMB has executed this instrument.

FMB OF ATLANTIC BEACH, LLC

By:



Member Manager

EXHIBIT A

FMB TO ATLANTIC BEACH OPTION PROPERTY DESCRIPTION

Being that part of the former Central Drive, in Atlantic Beach, NC described as follows:

Beginning at a point located in the eastern right of way line of West Drive said point being located S 43 13 15 E 455.63 feet from NCGS Mon. "Police RM-3" having a North Carolina State Plane Co-ordinates N = 353770.3161 and E = 2679339.0826 (NAD '83). From said point and place of beginning run thence crossing Central Drive N 83 39 28 E 81.18 feet to a point in the eastern right of way line of Central Drive; thence with a curve to the southwest with a length of 19.10, a radius of 17.68, a chord bearing of S 49 17 17 W, and a chord of 18.19 to a point marked by "x" in the s/w; thence with the eastern right of way line of Central Drive S 18 19 15 W 520.32 feet to a point marked by "x" in the s/w in the northern right of way line of Atlantic Boulevard; thence with the northern right of way line of Atlantic Boulevard N 88 10 40 W 64.67 feet to a point; thence in a curve to the northeast with a length of 10.00, a radius of 10.70, a chord bearing of N 65 02 55 E, and a chord of 9.64 to a point in the western right of way of Central Drive; thence continuing with the western right of way of Central Drive N 18 28 20 E 506.87 feet to a point; thence in a curve to the northwest with a length of 15.23, a radius of 7.60, a chord bearing of N 38 56 06 W and a chord of 12.81 to the point and place of beginning and being 0.66 acres as said property is shown on that survey entitled "Street Closure Map Central Drive" prepared by Herring-Sutton & Associates, P.A. dated February 2005.

Central Drive is shown on plats of Atlantic Beach recorded in Map Book 1, Page 111, and Map Book 1, Page 131, Carteret County Registry.