

STATE OF NORTH CAROLINA)
)
COUNTY OF ROWAN)

**DEVELOPMENT
AND
TIG INFRASTRUCTURE REIMBURSEMENT AGREEMENT**

This Development and TIG Infrastructure Reimbursement Agreement (the “**Agreement**”) is made and entered into this _____ day of April, 2024 (“**Effective Date**”), by and between **JACKSON-SHAW COMPANY, LLC**, a Texas limited liability company (together with its affiliates, successors and assigns, “**Developer**”), and the **TOWN OF LANDIS**, a North Carolina municipal corporation (“**Town**”).

WITNESSETH:

WHEREAS, Section 160D-1001(a)(1) of the North Carolina General Statutes provides that “Development projects often occur in multiple phases extending over several years, requiring a long-term commitment of both public and private resources; and

WHEREAS, Section 160D-1001(a)(3) of the North Carolina General Statutes provides that “Because of their scale and duration, such projects often require careful coordination of public capital facilities planning, financing, and construction schedules and the phasing of the private development;” and

WHEREAS, Section 160D-1001(a)(4) of the North Carolina General Statutes provides that “Such projects involve substantial commitments of private capital, which developers are usually unwilling to risk without sufficient assurances that development standards will remain stable through the extended period of the development;” and

WHEREAS, Section 160D-1001(a)(5) of the North Carolina General Statutes provides

that “Such developments often permit communities and developers to experiment with different or nontraditional types of development concepts and standards, while still managing impacts on the surrounding areas;” and

WHEREAS, Section 160D-1001(a)(6) of the North Carolina General Statutes provides that “To better structure and manage development approvals for such developments and ensure their proper integration into local capital facilities programs, local governments need the flexibility to negotiate such developments;” and

WHEREAS, in view of the foregoing, Section 160D-1001(b) and 160D-1003 of the North Carolina General Statutes expressly authorize local governments and agencies to enter into development agreements with developers pursuant to the procedures and requirements of Sections 160D-1001 through 160D-1012 of the North Carolina General Statutes, which procedures and requirements include approval of the development agreement by the governing body of the local government by ordinance after a duly noticed public hearing; and

WHEREAS, Section 160D-1004 of the North Carolina General Statutes permits the use of a development agreement to “property of any size”. G.S. 160D-1004 further provides that “Development agreements shall be of a reasonable term specified in the agreement”; and

WHEREAS, Developer’s affiliates are the owners or contract purchasers of those certain parcels of land in the Town of Landis, North Carolina described on **Exhibit A** attached hereto and incorporated herein by reference (collectively, the “**Property**” and together with other property within the Town of Landis that is incorporated into the Development in accordance with the terms hereof, the “**Development Property**”); and

WHEREAS, Developer, together with its affiliates, desires to redevelop some or all of the Property for industrial use with expansion capabilities consistent with the Landis Development Ordinance(s) (the “**Development**”) in accordance with the terms, conditions and provisions of this Agreement; and

WHEREAS, the Property is entirely within the Landis Town limits, and the Town has determined that the Development is consistent with the Town’s adopted Comprehensive Land Use and Master Plan and Official Zoning Map; that the Development conforms to all relevant requirements of the regulations of the Town of Landis, North Carolina, including the Landis Development Ordinance (the “**Zoning**”); that the Development, including its density, access and circulation, is compatible with the existing and/or permissible future uses of adjacent property; and that the Development will not have detrimental impacts on the safety or viability of permitted uses on adjacent properties; and

WHEREAS, the Town has identified the need for certain municipal water and sewer lines in and around the Property (as reflected in the Construction Plans (herein defined), the “**Town Improvements**”);

WHEREAS, Developer is willing to manage the design and construction of the Town Improvements based upon the Town’s agreement to fund the costs associated therewith as

outlined in this Agreement and would not have agreed to construct the Town Improvements as set forth herein but for such reimbursement and this Agreement; and

WHEREAS, Section §160A-499 of the North Carolina General Statutes authorizes the Town to enter into a contract with a private property owner or developer for the reimbursement of costs associated with the design and construction of municipal infrastructure that is included on the Town's capital improvement plan and serves the developer or property owner. Reimbursement agreements authorized by Section §160A-499 of the North Carolina General Statutes shall not be subject to Article 8 of Chapter 143 of the General Statutes, except as provided in Section §160A-499(d) of the North Carolina General Statutes. Notwithstanding the foregoing, the developer or property owner is not required to award a contract to the lowest responsible bidder or, for that matter, a bidder; and

WHEREAS, the Town and the Developer have made the determination that the statutory requirements have been met and that it is in the parties' mutual best interest to have the Town Improvements designed and constructed in coordination with the Development so that the future needs of the Town's residents are met with as little disruption and inconvenience as possible, and the Developer is in the best position to complete the Town Improvements at this time in exchange for reimbursement by the Town as set out herein; and

WHEREAS, the parties desire to memorialize the terms of their agreement with regard to the design, construction and payment for the Town Improvements so that the work on the Development and the Town Improvements may proceed as planned; and

WHEREAS, the Town Board of Aldermen finds that the Development will benefit the citizens and businesses of the Town of Landis by expanding the Town's tax base, by diversifying the Town's economy, by attracting new businesses and industries to the Town, and by creating additional jobs within the Town. The Town finds that it is in the best interests of the citizens and businesses of Landis for the Town to encourage and aid the development of the Development, including by assisting with the Town Improvements.

NOW, THEREFORE, based upon recitals hereinabove, the terms and conditions set forth herein and in consideration of the mutual promises and assurances provided herein, the parties do hereby agree as follows:

1. Approval of Construction Plans. Developer and/or its affiliates may submit construction plans for the Development to the Town's Planning Department in accordance with the procedures in the Landis Development Ordinance (including those approved prior to, simultaneously with, or after the Effective Date and any amendments or revisions thereof approved in accordance with applicable law, the "**Construction Plans**"). If and when the Construction Plans are approved by the Town per the procedures in the Landis Development Ordinance, the Development Property may be developed in accordance with the Construction Plans and the terms of this Agreement, including the following:

- The installation and approval of required improvements (subject to the approval of construction drawings as required by the Landis Development Ordinance);

- Site preparation/grading (subject to obtaining a grading permit and/or an erosion control permit as required in the Landis Development Ordinance); and

- The preparation of a final plat, subject to the Landis Development Ordinance including any Performance Guarantee(s) required therein.

2. Permitted Uses/Maximum Density. The Development Property may be used for any uses currently permitted under the Zoning, together with any incidental or accessory uses associated therewith. The density of the Development may exceed the standard limitations of the WS-III and WS-IV Protected Area Overlay established in Landis Development Ordinance Article 19, Section 19.1-6 for the High-density Option set forth in Section 19.1-8 of up to 70% as authorized by the approval of this Agreement.

3. Expansion of Site. Nothing in this Agreement should prevent the Developer and/or its affiliates from pursuing contiguous expansion of the Development upon compliance with the Town of Landis Development Ordinance and the terms of this Agreement. Upon acquisition, such property shall be included within the Development Property.

4. Development of Site. The Development Property may be subdivided into smaller parcels in accordance with the Landis Development Ordinance. However, subdivision of the Development Property is not required and the site may be developed as a single parcel.

5. Transportation Improvements. Developer and/or its affiliates shall install or cause the installation of transportation improvements required for the issuance of the driveway permits for the Development as specified by North Carolina Department of Transportation (the “NCDOT”).

6. Access/Infrastructure Road Improvements. Developer represents that the Property will have sufficient access in accordance with the access plan attached hereto as **Exhibit B** and incorporated herein (the “**Site Plan**”) to adequately provide two-way access into and out of the Development. Developer and/or its affiliates agrees to construct or cause the construction of the roads labeled as “Road A,” “Road B” and “Road C” on the Site Plan (the “**Internal Roads**”). Such roads shall be built in accordance with Town standards and shall comply with the Landis Development Ordinance. To the extent required by the Landis Development Ordinance, Developer agrees to coordinate with Town prior to commencing construction of infrastructure and attend a pre-construction meeting with the Town, NCDOT, utility providers, and all affected/interested utilities. Upon construction of the Internal Roads in accordance with the Site Plan and applicable law, Developer and/or its affiliates shall dedicate or cause the dedication of the Internal Roads to the Town pursuant to a recorded plat and the Town shall accept such roads for public maintenance.

7. Law in Effect at Time of the Agreement Governs the Development of the Development. The Development Property may be developed and the Development may be completed in accordance with the terms of this Agreement and the terms of the Zoning and other Town development regulations as they exist on this Agreement’s Effective Date, except that the Development Property and the Development always will be subject to current Town regulations

regulating or limiting impervious surfaces. Pursuant to G.S. 160D-1007, and except as provided in G.S. 160D-108.1, Town may not apply subsequently adopted land development regulations to the Development Property or the Development during the term of this Agreement without the written consent of Developer, except for regulations regulating or limiting impervious surfaces. Additionally, during this Agreement's term, no development impact fees subsequently adopted by Town shall apply to the Development Property or to the Development without the written consent of Developer, including any subsequently adopted fees related to adequate public facilities. This Agreement does not abrogate any rights preserved by G.S. 160D-108 or 160D-108.1 or that may vest pursuant to common law or otherwise in the absence of this Agreement. Developer acknowledges and agrees that this Agreement does not concern or limit any County, State, or federal regulations that may apply to the Development Property or to the Development.

8. Development Schedule. Developer shall use commercially reasonable efforts to commence the Development and portions thereof within ten (10) years after the Effective Date (the "**Development Schedule**"). In the event development is economically unfeasible according to the Development Schedule, Developer and its affiliates may be granted reasonable extensions consistent with the economic feasibility of the development of the Development Property.

9. Term. The term of this Agreement shall commence on Effective Date, and expire ten (10) years after unless sooner terminated by the mutual consent of the parties hereto or their successors in interest, or unless extended by the mutual consent of the parties hereto or their successors in interest.

10. Local Development Permits. In accordance with G.S. 160D-1006(a)(6), the following is a description or list of the local development permits approved or needed to be approved for the development of the Development:

Town of Landis and/or NCDOT Entrance/Driveway Permits

Town Zoning Permits (for site work and individually for each dwelling and/or accessory structure)

Utility Extension Permits (water and sewer)

State Sedimentation and Erosion Control Permit(s)

County Building Permits (for each building, dwelling and/or accessory structure)

The failure of this Agreement to address a particular permit, condition, term or restriction does not relieve Developer of the necessity of complying with all Federal, State of North Carolina, Rowan County and Town of Landis laws governing those jurisdictions' respective permitting requirements, conditions, terms or restrictions.

11. Water and Sewer Lines. Developer and/or its affiliates, at its sole cost and expense and in association with the terms hereof, shall engineer, design, permit, construct (or cause the construction of) and install (or cause the installation of) the Town Improvements. All Town

Improvements shall be maintained, engineered, designed, constructed, and installed in accordance with all applicable federal, state and local laws, regulations and policies and in a good and workmanlike manner. Upon construction thereof in accordance with applicable law, Developer agrees to dedicate the Town Improvements to the Town and the Town agrees to accept all such Town Improvements. All engineering, testing, certifications, and contracted responsibilities required under applicable law as of the Effective Date shall be the burden of Developer to ensure compliance for operation. A portion of the Town Improvements will be constructed across Rowan County Parcel ID Number 133A206, which such property is owned by the Town (the “**Town Property**”). The Town has previously granted a separate easement to Developer across the Town Property with respect to the construction of the Town Improvements.

12. Water and Sewer Fees. To the extent that the Town provides water and sewer service, the Town agrees to waive the payment of applicable water and sewer connection fees and tap fees for the Development. Excluding such fees, to the extent that the Town provides water and sewer service, Developer and all property owners in the Development shall pay the fees to Town for water and sewer service as provided in the then-current Landis Schedule of Rates, Fees and Charges for Water and Sewer Service, which schedule is subject to change by the Town Board of Aldermen.

13. Water and Sewer Capacity Reservation. The parties acknowledge that Town currently provides sufficient water and sewer service for the Property and the Development and that such water and sewer service and capacity are reserved for the Property and the Development. The rights and obligations conferred by this Agreement may be assigned by Developer to any purchaser or other developer of any portion of the Property. Town shall be notified in writing of the assignment of such rights. This provision shall be binding upon any operator of the Town’s water and sewer system or any successor-in-interest thereto.

14. Connection to Town’s Water and Sewer System. Upon the request of Developer, Town agrees to permit the physical connection of the Development to Town’s water and sewer systems (and agrees to cause the City of Kannapolis to permit the physical connection of the Development to the City of Kannapolis’s water system, if applicable) subject to the terms and conditions of this Agreement and applicable federal, state, and local laws.

15. Development Streets. Unless otherwise provided in this Agreement, the streets constructed within the Development shall conform to the Landis Development Ordinance and the Town of Landis Technical Standards & Specifications Manual.

16. Utilities. The Developer may request the extension of power and other electric, telephone, cable utilities and Developer agrees that all such utilities shall be buried on site adjacent to the public street right-of-way.

17. Tax Increment Grant. All terms capitalized but not defined in this Paragraph 17 are set forth on Exhibit C attached hereto and incorporated herein. Developer agrees to complete the Town Improvements in accordance with the terms hereof. Developer may fulfill its obligations either directly or through contracts with a governmental entity and/or private parties (which may include but not be limited to affiliates of Developer). The Town shall reimburse Developer for

the Town Improvements Amount as follows:

- a. At any time following the delivery of the Notice of Final Completion after all Phase I Town Improvements have been completed, the Developer may submit the Installment Commencement Notice to the Town. The calendar year following the year in which the Developer submits the Installment Commencement Notice to the Town shall start the reimbursement payment window. The Town's obligation to make Installments shall cease upon the date on which the Installments paid to Developer cumulatively equal the Town Improvements Amount.
- b. The Town will pay annual Installments on or before May 15 beginning in the calendar year that immediately follows the delivery by the Developer to the Town of the Installment Commencement Notice.
- c. (1) The annual Installments shall be equal to 90% of the Incremental Real Property Tax Increase Amount. The Town shall provide to Developer on an annual basis a written summary and accounting of the calculations and related information associated with the Installments.

(2) The Town shall not pay interest to Developer on the amount of Developer's expenditures for the completed construction of the Town Improvements.

(3) If during the term of this Agreement, Developer or a subsequent owner appeals a revaluation by the Town tax department that results in an Installment overpayment or underpayment by the Town, the Town shall deduct such overpayment amount from or include such underpayment amount in the next-due Installment. If such revaluation appeal results in an overpayment of the final Installment due under this Agreement, the Developer shall within thirty (30) days of its successful appeal return such overpayment amount to the Town. If such revaluation appeal results in an underpayment of the final Installment due under this Agreement, the Town shall within thirty (30) days pay such underpayment amount to Developer.
- d. Notwithstanding Paragraph 17(c) above, the initial Installment shall be calculated by applying the formula set forth in Paragraph 17(c) to the then-current year and to all earlier years that are subsequent to the Baseline Tax Year. The total initial Installment shall be the sum of those calculations. Developer shall provide to the Town a summary report summarizing the estimated new taxable value as assessed by the Town of Landis for a property or properties within the Increment District. This information shall be provided to the Town by November 30th of each year beginning 2026.
- e. In the year in which an Installment by the Town to Developer will retire the entire Town Improvements Amount, the Installment shall be only such amount as is necessary to satisfy the outstanding balance.

18. Amendment. The terms of this Agreement may be amended in writing by the mutual consent of the parties hereto or their successors in interest.

19. Recordation. Within fourteen (14) days after Town enters into this Agreement, Developer shall record this Agreement or a memorandum thereof in the Rowan County Public Registry.

20. Periodic Review. Pursuant to G.S. 160D-1008, the Planning, Zoning and Development Administrator or other Town designee shall conduct a periodic review, (the “**Periodic Review**”) at least every 12 months, at which time Developer shall be required to demonstrate good faith compliance with the terms of this Agreement. If, as a result of the Periodic Review, Town finds and determines that Developer has committed a material breach of the terms or conditions of the Agreement, Town shall serve notice in writing, within a reasonable time after the Periodic Review (which shall not be less than 60 days), upon Developer setting forth with reasonable particularity the nature of the breach and the evidence supporting the finding and determination, and providing Developer a reasonable time in which to cure the material breach subject to reasonable extensions as the circumstances may apply or dictate. If Developer fails to cure the material breach within the time given, then Town unilaterally may terminate or modify the Agreement; provided, the notice of termination or modification may be appealed to the board of adjustment in the manner provided by G.S. 160D-405.

21. Default. The failure of Developer or Town to comply with the terms of this Agreement shall constitute a default, entitling the non-defaulting party to pursue such remedies as allowed under applicable law; provided, however, that no termination of this Agreement may be declared by Town absent providing to Developer the notice and opportunity to cure set out in G.S. 160D-1008 plus an additional 60-day cure period if permitted by applicable law. The parties to this Agreement recognize that, in addition to other remedies that may be available, Town has the right to enforce its rules, policies, regulations, ordinances, and the terms of this Agreement by seeking an injunction to compel compliance with the terms thereof. Subject to the terms of this Agreement, in the event that an owner, tenant, Developer or any authorized user on the Property violates the rules, policies, regulations or ordinances of Town or violates the terms of this Agreement, Town may, without seeking an injunction and after ten (10) days’ notice to correct the violation, take such actions as shall be deemed appropriate under law until such violations have been corrected by such violating party or Developer. In addition to any other rights or remedies, either party may institute legal action to cure, correct, or remedy any default or breach, to specifically enforce any covenants or agreements set forth in the Agreement or to enjoin any threatened or attempted violation of the Agreement; or to obtain any other remedies permitted by law. Any legal proceedings shall be instituted only in the Superior Court of the County of Rowan, State of North Carolina, or in the Federal District Court for the Eastern District of North Carolina.

22. Notices. Any notice, demand, request, consent, approval or communication which a party is required to or may give to another party hereunder shall be in writing and shall be delivered or addressed to the other at the address below set forth or to such other address as such party may from time to time direct by written notice given in the manner herein prescribed, and such notice or communication shall be deemed to have been given or made when communicated by personal delivery or by independent courier service or by electronic mail or if by mail on the fifth (5th) business day after the deposit thereof in the United States Mail, postage prepaid, registered or certified, addressed as hereinafter provided. All notices, demands, requests, consents, approvals or communications to the parties shall be addressed to:

Town at: Attn: Planning., Zoning and Subdivision Administrator
Town of Landis
312 South Main Street
Landis, North Carolina 28088

Developer at: c/o Jackson-Shaw Company
4890 Alpha Road, Suite 100
Dallas, Texas 75244
Attention: John Stone
Telephone: (972) 628-7450
Email: jstone@jacksonshaw.com

23. Entire Agreement. This Agreement sets forth, and incorporates by reference, all of the agreements, conditions and understandings between Town and Developer relative to the Property and the Development, and there are no promises, agreements, conditions or understandings, oral or written, expressed or implied, among these parties relative to the matters addressed herein other than as set forth in this Agreement or as clearly and explicitly incorporated by reference.

24. Construction. The parties agree that each party and its counsel have reviewed and revised this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendments or exhibits hereto.

25. Assignment. After notice to Town, Developer may assign its rights and responsibilities hereunder (in whole or in part) to subsequent landowners of all or any portion of the Development Property, provided that no assignment as to a portion of the Development Property will relieve Developer of responsibility under this Agreement with respect to the remaining portion of the Development Property without the written consent of Town.

26. Governing Law. This Agreement shall be governed by the laws of the State of North Carolina.

27. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and such counterparts shall constitute one and the same instrument.

28. Agreement to Cooperate. In the event of any legal action instituted by a third party challenging the validity of any provision of this Agreement, the parties hereby agree to cooperate in defending such action; provided, however, each party shall retain the right to pursue its own independent legal defense.

29. Agreements to Run with the Land. This Agreement shall be recorded in the Rowan County Registry. The Agreements, covenants and restrictions contained herein shall be deemed to be a lien upon, binding upon and run with the land and shall be binding upon and an obligation of all successors in the ownership of the Development Property. The agreements, covenants and restrictions contained herein on behalf of the Town shall be deemed to be a benefit to Developer and Developer's successors-in-interest that run with the land and shall be binding upon and an

obligation of Town and any successors-in-interest of the Town.

30. Hold Harmless. Developer agrees to and shall hold Town, its officers, agents, employees, consultants, attorneys, special counsel and representatives, harmless from liability for damages, just compensation, restitution, costs, expenses, and attorneys' fees arising out of claims for personal injury, including death, and claims for property damage which may arise from the direct or indirect operations of the Developer or their contractors, subcontractors, agents, employees or other persons acting on their behalf or with their permission which relates to the Property or the Development pursuant to this Agreement. Developer agrees to pay all costs for the defense of the Town and its officers, agents, employees, consultants, attorneys, special counsel and representatives regarding any legal proceeding caused or arising in any way from Developer's actions in connection with this Agreement. Town agrees to and shall hold Developer, its officers, agents, employees, consultants, attorneys, special counsel and representatives, harmless from liability for damages, just compensation, restitution, costs, expenses, and attorneys' fees arising out of claims for personal injury, including death, and claims for property damage which may arise from the direct or indirect operations of the Town or their contractors, subcontractors, agents, employees or other persons acting on their behalf or with their permission which relates to the Property or the Development pursuant to this Agreement. Town agrees to pay all costs for the defense of the Developer and its officers, agents, employees, consultants, attorneys, special counsel and representatives regarding any legal proceeding caused or arising in any way from Town's actions in connection with this Agreement.

31. Severability. If any section or provision of this Agreement is ruled by a court of competent jurisdiction to be invalid, illegal, or otherwise unenforceable for any reason, that section or provision shall be deemed severed from this Agreement, and the remaining sections and provisions of this Agreement shall remain fully effective and enforceable.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereby set their bands and seals, (active the date first above written.

Developer:

JACKSON-SHAW COMPANY, LLC,
a Texas limited liability company

By: _____
Michele Wheeler, President & CEO

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the ___ day of _____, 2024, by Michele Wheeler, the President & CEO of **JACKSON-SHAW COMPANY, LLC**, a Texas limited liability company, on behalf of said entity.

Notary Public in and for the State of Texas

IN WITNESS WHEREOF, the parties hereby set their bands and seals, (active the date first above written.

Town:

By: _____
Meredith Bare Smith, Mayor

Attest:

By: _____
Madison Stegall, Town Clerk

SEAL

STATE OF NORTH CAROLINA
IN THE COUNTY OF _____

I, a Notary Public of the County and State aforesaid, certify that _____ personally came before me this day and acknowledged that he signed the foregoing instrument in his name on his behalf as its act and deed.

Witness my hand and official seal this the _____ day of _____, 2024.

NOTARY PUBLIC
Printed Name: _____
My commission expires: _____

[SEAL]

STATE OF NORTH CAROLINA
IN THE COUNTY OF _____

I, a Notary Public of the County and State aforesaid, certify that _____ personally came before me this day and acknowledged that he signed the foregoing instrument in his name on his behalf as its act and deed.

Witness my hand and official seal this the _____ day of _____, 2024.

NOTARY PUBLIC
Printed Name: _____
My commission expires: _____

[SEAL]

EXHIBIT A – DESCRIPTION OF PROPERTY

BEING ALL OF THOSE CERTAIN TRACTS OR PARCELS OF LAND SHOWN AS “PHASE 1” AND “PHASE 2” ON EXEMPT PLAT OF LANDIS85, PHASE 1 AND PHASE 2 PREPARED FOR JACKSON-SHAW COMPANY, LLC, RECORDED IN PLAT BOOK 9995, PAGE 10823 (**THE “EXEMPT PLAT”**), LOCATED IN THE TOWN OF LANDIS, CHINA GROVE, 13 TOWNSHIP, ROWAN COUNTY, NORTH CAROLINA.

TOGETHER WITH RIGHTS GRANTED IN THAT CERTAIN CONSTRUCTION AND MAINTENANCE EASEMENT BY AND BETWEEN JOHN D. ECKARD AND JANET S. ECKARD AND JSC-CCI LANDIS I, LLC RECORDED IN BOOK 1438, PAGE 257 ROWAN COUNTY REGISTRY.

TOGETHER WITH RIGHTS GRANTED IN THAT CERTAIN CONSTRUCTION, USE AND MAINTENANCE EASEMENT BETWEEN THE TOWN OF LANDIS AND JSC-CCI LANDIS I, LLC RECORDED IN BOOK _____, PAGE _____, ROWAN COUNTY REGISTRY.

EXHIBIT C – TAX INCREMENT GRANT DEFINITIONS

“**Baseline Tax**” refers to the total real and personal ad valorem taxes assessed by the Town against the Increment District for the Baseline Tax Year.

“**Baseline Tax Year**” refers to the Town's 2023 Fiscal Year (i.e., the period from July 1, 2022 to June 30, 2023) in connection with which the valuation of the Increment District for tax purposes was established as of January 1, 2023.

“**Final Completion**” or “**Finally Complete**” each means that Developer has completed, caused to be completed, or obtained a certificate of occupancy for all of the work related to the Phase I Town Improvements, and that the Town has confirmed in writing the Final Completion thereof.

“**Fiscal Year**” means the fiscal year of the Town which extends from July 1 to June 30th of the immediately following calendar year. For example, fiscal year 2023 extends from July 1, 2022 to June 30, 2023.

“**Increment District**” means the Property and may be expanded to include additional property added to the Development Property.

“**Incremental Tax Increase Amount**” means, as to each Fiscal Year after the Baseline Tax Year, the amount by which (i) the total real and personal ad valorem taxes levied by the Town on the Increment District for such Fiscal Year and collected by February 1 of the Fiscal Year (including any delinquent taxes collected for a prior fiscal year) exceeds (ii) the Baseline Tax.

“**Installment**” means each annual payment payable pursuant to Paragraph 17 hereof.

“**Installment Commencement Notice**” means written notice given by Developer to the Town after Final Completion for the Town to commence paying to the Developer the Installments.

“**Notice of Final Completion**” means written notice from the Developer to the Town that the Phase I Town Improvements are Finally Complete.

“**Phase I Town Improvements**” means the Town Improvements shown on the Construction Plans submitted to the Town on March 8, 2024 (i.e., the Town Improvements that are located on (i) Rowan County Parcel ID Number 133A206, (ii) Rowan County Parcel ID Number 133A288, and (iii) the “Phase 1” tract of the Exempt Plat).

“**Town Improvements Amount**” the amount to be reimbursed by the Town to Developer for the actual costs incurred by Developer to construct, complete and otherwise effect the Town Improvements to the reasonable satisfaction of the Town, in an amount not to exceed \$1,550,000.00.