

160D-1001 through 160D-1012 of the North Carolina General Statutes, which procedures and requirements include approval of the development agreement by the governing bodies of the local governments by ordinance after duly noticed public hearings; and

WHEREAS, Section 160D-1004 of the Development Agreement Act 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 has a contract to purchase certain parcels of land containing approximately 162.3 acres, more or less, located generally south of Cannon Farm Road in the Town of Landis, North Carolina (the “Landis Property”), such Property being more particularly described in Exhibit A attached hereto and incorporated herein by reference; and

WHEREAS, Developer has a contract to purchase certain parcels of land containing approximately 595.81 acres, more or less, located generally north and south of Cannon Farm Road in the City of Kannapolis, North Carolina (the “Kannapolis Property”), such Property being more particularly described in Exhibit A attached hereto and incorporated herein by reference; and

WHEREAS, the current owners of the Kannapolis Property are Murdock Holdings, LLC and Atlantic American Properties, Inc.; the current owners of the Landis Property are Murdock Holdings, LLC, Atlantic American Properties, Inc., and Louise K. Connor, Trustee of the Louise K. Connor Revocable Trust; and Developer has an equitable interest in the Kannapolis Property and the Landis Property by virtue of Developer’s contractual right to purchase those properties; and

WHEREAS, Developer desires to develop an integrated residential subdivision on the Landis Property and the Kannapolis Property (the “Subdivision”) such that development on the Landis Property shall be compliant with the Landis Development Ordinance and the zoning on the Landis Property, the development on the Kannapolis Property will be consistent with the Kannapolis Development Ordinance and the zoning on the Kannapolis Property, and all development will be in accordance with the terms, conditions and provisions of this Agreement; and

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

WHEREAS, the Town’s Board of Aldermen has found that the portion of the Subdivision being developed in the Town 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 has found

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 Subdivision, including by assisting with Infrastructure development to the Subdivision and increasing water service capability to the Town's adjacent Wastewater Treatment Plant; and

WHEREAS, the Kannapolis Property is entirely within the Kannapolis City limits, and the City has determined that the portion of the Subdivision being developed in the City is consistent with the City's adopted Comprehensive Land Use and Master Plan and Official Zoning Map; that the portion of the Subdivision being developed in the City conforms to all relevant requirements of the regulations of the City, including the City's Development Ordinance (the "City Zoning"); that the portion of the Subdivision being developed in the City, including its lot sizes, density, access and circulation, is compatible with the existing and/or permissible future uses of adjacent property; and that the portion of the Subdivision being developed in the City will not have detrimental impacts on the safety or viability of permitted uses on adjacent properties; and

WHEREAS, the Kannapolis City Council has found that the portion of the Subdivision being developed in the City will benefit the citizens and businesses of the City of Kannapolis by expanding the City's tax base, by diversifying the City's economy, by attracting new businesses and industries to the City, and by creating additional jobs within the City. The City has found that it is in the best interests of the citizens and businesses of Kannapolis for the City to encourage and aid the development of the Subdivision by providing water service capacity to the Subdivision; and

WHEREAS, sanitary sewer capacity for the City portion of the development shall be provided solely by and through an Interlocal Agreement between Landis and City which will receive sanitary sewer treatment capacity through Salisbury-Rowan Utilities; and

WHEREAS, this Development Agreement is being made and entered between Developer, the City, and the Town under the terms of the Act, for the purpose of providing assurances to Developer that it may proceed with its development plan under the terms hereof, as hereinafter defined, consistent with its approved Project without encountering future changes in zoning regulations which would materially affect the ability to develop under the plan, and for the purpose of providing important protection to the natural environment and adding to the tax base of each jurisdiction.

WHEREAS, general benefits to be received by the City and Town from this Agreement and development of the Property include, without limitation:

1. Implementation of the Project and furthering the goals of securing appropriate residential uses and densities for the Landis Property and Kannapolis Property; and
2. Protection of natural resources and environmentally sensitive areas within the Landis Property and Kannapolis Property, minimization of adverse off-site impacts, and incorporation of sustainability principles in the Development of the Landis Property and Kannapolis Property; and

3. Provision of an efficient, effective, and practical overall plan for addressing the development of the Landis Property and Kannapolis Property, including the protection of natural resources, the provision of open space and commitments with respect to utilities, roads and other infrastructure improvements; and
4. Substantial commitments to public facilities and amenities to result from development of the Landis Property and Kannapolis.

WHEREAS, general benefits to be received by the Developer from this Agreement and development of the Landis Property and Kannapolis Property include, without limitation:

1. Obtaining sufficient certainty, timeliness, and predictability in the City's and Town's development review and approval process to justify the required substantial initial capital investment for development projects in the Landis Property and Kannapolis Property that will require multiple years to complete; and
2. Realization of the opportunity to implement the Project for a residential development that is consistent with goals and needs of the Developer; and
3. Coordination with the City and Town to achieve the public benefits necessary for the Development.

WHEREAS, in exchange for providing these benefits to the City and Town, the Developer, desires to receive the assurance that the Project will proceed in accordance with this Agreement; and

WHEREAS, this Agreement was approved by the Kannapolis City Council by Ordinance following a public hearing on _____; and

WHEREAS, this Agreement was approved by the Landis Board of Alderman by Ordinance following a public hearing on _____.

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;

I. DEFINITIONS

Capitalized terms in the Agreement shall have the meanings assigned to them below or elsewhere herein:

(a) "Applicable Law" means all federal and state statutes, ordinances, regulations, and requirements governing the Subdivision.

(b) "Architectural Standards" means building design elements and other requirements of the Current Regulations or this Agreement for the development of the Kannapolis Property set forth in Exhibit C.

(c) “Current Regulations” means all statutes ordinances, resolutions, regulations, and comprehensive plans adopted by the City or Town on or before the Effective Date affecting the development of the Subdivision and includes, without limitation, laws governing permitted uses, density, design, and improvements, subject to Section II below. The term does not include routine fees for zoning permits adopted as part of an annual budget and applicable throughout the respective jurisdiction.

(d) “Development Schedule” means the schedule for development of the Subdivision as shown in Exhibit B.

(e) “Infrastructure” means major capital or community developments including, but not limited to, transportation, sanitary sewer, solid waste, drainage, and potable water.

(f) “Kannapolis Development Plan” means a type of plan that becomes part of the zoning of the Kannapolis Property that establishes the level of development allowed absent further zoning action except as otherwise allowed or required under this Agreement, and which is incorporated into the zoning map change approved as part of Case Number #CZ-2021-16, and as set forth on Exhibit D.

(g) “Landis Preliminary Plat Site Construction Plans” means the construction plans for the Landis Property approved in accordance with Section 7.11 of the Landis Development Ordinance.

(h) “Project” means the development that will occur within and upon the Landis Property and Kannapolis Property pursuant to this Agreement and in accordance with the Kannapolis Development Plan and Landis Site Plan and includes the Subdivision.

(i) “Property Owner” means (i) any person or entity, other than the City or the Town, which shall have acquired any portion of the fee interest in the Property from and after the Effective Date, and (ii) any successor in interest to such person or entity.

(j) “Subdivision Plan” means the general layout of the Subdivision as depicted in Exhibit E.

(k) “Water and Sewer Plan” means the general plan for the connection of the Subdivision’s water and sewer Infrastructure to the water and sewer services of the City and Town as generally depicted on Exhibit F.

(l) “Zoning” means the applicable development ordinance(s) affecting the property or portion thereof adopted by the respective jurisdictions.

II. APPLICABLE REGULATIONS

(a) Applicable Law and Development Standards. Except as otherwise provided by this Agreement and in accordance with N.C.G.S. § 160D-1007, development of the Project, including, without limitation, approval procedures and impact, connection, or other fees applicable thereto, shall be in conformance with the Current Regulations and all other Applicable Law. Developer shall have a right to develop the Subdivision in accordance with the terms of this Agreement and the terms of the Zoning and other Town and City development regulations as they exist on this Agreement's Effective Date. Developer acknowledges and agrees that this Agreement does not concern or limit any County, State, or federal regulations that may apply to the Project or to the Subdivision.

(b) Vested Rights. Pursuant to the authority granted therefor in N.C.G.S. § 160D-1001 through 1012 and subject to the provisions of subparagraph (a) above, all rights and prerogative accorded the Developer by this Agreement, including, without limitation, application of the Current Regulations, shall constitute vested rights for the development of the Subdivision throughout the term of this Agreement. Town and City may not apply subsequently adopted land development regulations to the Project or the Subdivision during the term of this Agreement 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 16D-108.1, or that may vest pursuant to common law or otherwise in the absence of this Agreement.

(c) Building Codes and Laws Other Than Land Use Regulations. Developer, notwithstanding any provision which may be construed to the contrary in this Agreement, must comply with any building, housing, electrical, mechanical, plumbing and gas codes subsequently adopted by the City, the Town, or other governmental entity. This Agreement shall not be construed to supersede or contravene the requirements of any building, housing, electrical, mechanical, plumbing and gas codes subsequently adopted by the City, the Town or other governmental entity.

(d) Updates to Ordinances. Where any City or Town ordinance, , resolution, or regulation adopted after the date hereof (a "New Ordinance"), differs from the Current Regulations, Developer may in its sole discretion, at any time after adoption of such New Ordinance, request that such New Ordinance, or any portion thereof, be incorporated into the Current Regulations. The Parties recognize that this section shall not apply to any commitments reflected in the Development Plan or this Agreement. Developer shall submit such request in writing to the City and/or Town, and the City and/or Town shall review and respond to such request

within sixty (60) days. Incorporation of a New Ordinance, or any portion thereof, into the Current Regulations shall be a non-material change to the Agreement.

(e) Applicability of Local Ordinances, Plans, Notices, and Approvals. To the extent this Agreement calls for the application of rules or standards contained in an ordinance of the Town or the City or a development plan, the ordinance of the Town and the Landis Preliminary Plat Site Construction Plans shall apply to any development on the Landis Property, and the ordinance of the City and the Kannapolis Development Plan shall apply to any development on the Kannapolis Property. To the extent this Agreement requires that notice be given or approval obtained from the Town or the City, Developer shall only be required to provide notice or obtain approval from the municipality responsible for regulating the relevant area of the Subdivision. Provided, however, in compliance with G.S. 160D-1006 (c) the City is responsible for the overall administration of this Development Agreement.

III. SUBDIVISION DEVELOPMENT

(a) Development of the Property. The Subdivision shall be developed in accordance with the Kannapolis Development Plan, the Landis Preliminary Plat Site Construction Plans, the Current Regulations, and the terms of this Agreement.

(b) Permitted Uses. The Property may be used as a residential subdivision with any uses currently permitted under the existing zoning of SFR-2 and SFR-3 for the Landis Property and the Kannapolis Development Plan for the Kannapolis Property, together with any incidental or accessory uses associated therewith.

(c) Maximum Unit Counts. The maximum unit counts of the Subdivision is based upon the existing zoning on the Landis Property and Kannapolis Property, including the Kannapolis Development Plan. For the Landis Property, the maximum density per Current Regulations. For the Kannapolis Property, the maximum density is limited to 600 homes.

(d) Local Development Permits and Other Permits Needed. The Parties anticipate that local development permits and other regulatory permits will be needed to complete the Development of the Project, including Landis Preliminary Plat Site Construction Plans approval, plat approvals (preliminary or final), street, water, sewer and stormwater construction drawing approval, building permits, certificate of compliance, city water and sewer permits, and stormwater control measure agreements. The failure of this Agreement to address a particular permit, condition, term, or restriction does not relieve the Developer of the necessity of complying with all laws governing permit requirements, conditions, terms, or restrictions.

(e) Expansion of Site. Nothing in this Agreement shall prevent the Developer from pursuing contiguous expansion of the Subdivision upon

compliance with the ordinances applicable to the expansion area in effect at the time within the City and/or Town and the terms of this Agreement.

(f) Development Schedule and Phasing. The Subdivision shall be constructed in phases and developed in accordance with the development schedule attached as Exhibit B. In the event development is economically unfeasible according to the Development Schedule, Developer may be granted reasonable extensions consistent with the economic feasibility of the development of the Property, with such changes being minor modifications of this Agreement and not subject to the formal amendment process.

(g) Term. The term of this Agreement shall commence upon the Effective Date. This Agreement shall terminate upon the earlier to occur of: (i) ten (10) years thereafter, or (ii) complete fulfillment of all covenants of the Parties to one another pursuant to this Agreement (the "Termination Date"). This Agreement may be extended from time to time by the Parties or earlier terminated in accordance with the provisions of this Agreement. The Developer represents that the Project will be substantially completed by December 31, 2034 after full and final completion of all sewer and water improvements by City and Town (i.e. all amenities to be erected completed and essentially all Development structures erected and/or all necessary infrastructure in place to serve the intended uses). Nothing in this Section shall be interpreted to extend the Term of this Agreement, but time is not of the essence as to this Section, provided that Developer is proceeding in good faith, as to any other Developer commencement or completion deadlines. However, the Term may be extended by agreement of the Parties and provided there is no material breach of Agreement.

(h) Subdivision of Site. Developer reserves the right to subdivide the Landis Property and Kannapolis Property into smaller parcels of at least ten acres, or to smaller individual home lots, in accordance with the respective development ordinances of the City and Town, provided that any subdivision of the Kannapolis Property remains consistent with the requirements of Current Regulations, the Architectural Standards, and this Agreement.

(i) Utilities. The Developer may request the extension of power and other electric, telephone, cable utilities and Developer agrees that all such utilities located along the interior streets of the Subdivision shall be buried on site adjacent to the public street right-of-way.

(j) Open Space and Common Areas. The Subdivision shall have open space and common areas as generally depicted in the Kannapolis Development Plan, Landis Preliminary Plat Site Construction Plans, the Subdivision Plan, and as otherwise required by the Current Regulations.

(k) Eminent Domain. The City and the Town agree that they will each exercise the power of eminent domain in accordance with normal procedure for the acquisition of utility easements, construction easements, right of way, and other

property interests reasonably necessary for Developer to construct the Subdivision and the off-site improvements deemed necessary by the City and/or Town and contemplated by this Development Agreement and Exhibits E, F, and H.

(l) Special Assessments. At the request of Developer and in accordance with N.C. Gen. Stat. § 160A-216, et seq., the City and the Town agree to consider approving special assessments against the Landis Property or the Kannapolis Property for purposes of offsetting the cost of Developer's Infrastructure improvements contemplated by this Agreement. Nothing herein shall be interpreted to require the City or the Town to approve any special assessments.

IV. LANDIS PROPERTY

(a) Approval of Site Plan. Following approval and execution of this Agreement, Developer shall submit a proposed site plan to the Town's Planning Department in accordance with the procedures in the Landis Development Ordinance. Within ninety (90) days of Developer submitting a Preliminary Plan, the Town's Planning Department shall review and provide written comment on the Preliminary Plan in accordance with the procedures in the Landis Development Ordinance. Once the Landis Preliminary Plat is approved or ninety (90) days have passed since submission, the Developer will be authorized to proceed with the following pursuant to the approved Landis Preliminary Plat Site Construction Plans:

- (1) The installation and approval of required improvements (subject to the approval of construction drawings as required by the Landis Development Ordinance);
- (2) Site preparation/grading (subject to obtaining a grading permit and/or an erosion control permit as required in the Landis Development Ordinance); and
- (3) The preparation of one or more final plats in accordance with the phasing schedule appearing in Exhibit B, subject to the Landis Development Ordinance including any Performance Guarantee(s) required therein.

(b) Development Standards. The Landis Property shall be developed in accordance with the Current Regulations and the Landis Preliminary Plat Site Construction Plans.

(c) Oversight Responsibility. The responsibility for overseeing all development on the Landis Property and ensuring compliance with all applicable development standards shall rest solely with the Developer, whose project engineer shall certify full compliance for installation of all infrastructure constructed in accordance with the Landis Preliminary Plat Site Construction Plans. The Town agrees that review of any submittals made by Developer will be performed within

ninety (90) days and that failure to render a decision within ninety (90) days will constitute an approval of any Developer submission.

(d) Dedication or Reservation of Land. Developer shall dedicate a 30'x30' easement in the area generally shown on the Water and Sewer Plan for the Town to construct a water pump site in the future, and the Town expressly agrees that use of the easement for construction of a pump site shall not be considered when assessing the Project's conformity with the Current Regulations.

V. KANNAPOLIS PROPERTY

(a) Development Standards. The Kannapolis Property shall be developed in accordance with the Development Plan, the City's Current Regulations, the Architectural Standards, and this Agreement. Any photographs or diagrams contained in Exhibit C to this Agreement are provided to demonstrate the general intent of the standards but do not represent specific improvements that will be constructed in the Subdivision. To the extent of any conflict between the written terms of Exhibit C to this Agreement and any architectural standards contained in the Current Regulations for the City, the requirements of Exhibit C shall control.

(b) Oversight Responsibility. The responsibility for overseeing ensuring compliance with all applicable development standards on the Kannapolis Property shall rest solely with the City. The City agrees that review of any submittals made by Developer will be performed within ninety (90) days and that failure to render a decision within ninety (90) days will constitute an approval of any Developer submission. (c) Club at Irish Creek. The Developer acknowledges that the portion of the Kannapolis Property identified on Exhibit G attached hereto (the "Golf Property") is currently operated as an 18-hole golf course and golf club known as "The Club at Irish Creek" (the "Golf Club").

(1) At or before closing of Developer's acquisition of the Golf Property, Developer and City shall enter into an agreement in which Developer shall grant to City a continuing right of first refusal and option to purchase the Golf Club under the following terms and conditions (collectively, the "Preemptive Rights"):

(i) In the event that Developer receives a bona fide offer to purchase a majority interest or controlling interest in the Golf Club from an unaffiliated third-party (the "Third Party Offer"), Developer shall notify City in writing of the terms of the Third Party Offer by delivering to City an offer to purchase, letter of intent, purchase agreement, or similar document signed by said third party and evidencing the Third-Party Offer, within thirty (30) days of the receipt of the Third-Party Offer. Within sixty (60) days after the receipt of such notice from Developer (the "Election Deadline"), City shall notify Developer in writing of City's election to exercise or not exercise the right of first refusal granted herein (the "Election Notice"). If City elects to exercise

the right of first refusal, the purchase price and other terms of sale for the Golf Club shall be the same as that set forth in the Third Party Offer and any other terms and conditions of the purchase of the Golf Club by City shall be substantially as set forth in the Third-Party Offer. The closing of the purchase of the Golf Club by the City shall occur on or before the later of the closing date as set forth in the Third Party Offer or ninety (90) days following the date that City delivers the Election Notice to Developer. At the closing, Developer shall convey its interest in the Golf Club to City by Special Warranty deed and all other portions of the Golf Club by bill of sale and assignment, free and clear of any liens or encumbrances other than those existing as of the date of this Agreement or as otherwise agreed by the Developer and City, shall deliver exclusive possession of the Golf Club to City, and shall deliver such other affidavits, certificates, documents, and agreements as are customarily delivered at a closing of commercial property similar to the Golf Club in Cabarrus County, North Carolina. In the event that City elects not to exercise the right of first refusal as provided herein or fails to deliver the Election Notice by the Election Deadline, Developer may proceed with the sale of the Golf Club to said third party on the same terms and conditions as provided for in the Third-Party Offer. If the terms of the Third-Party Offer are materially changed or Developer receives an offer from another third party that it wishes to accept, Developer shall be required to comply with the terms of Subsection (c)(1) prior to consummating the sale of the Golf Club.

(ii) If the Golf Club ceases to be used as an 18-hole golf course (specifically excluding use as an 18-hole executive golf course) with a golf clubhouse and related facilities for more than a period of ninety (90) days within any calendar year (excluding time periods during which the golf course or clubhouse are closed for maintenance, repairs, replacements, renovation, capital improvements, pandemics, or force majeure events) (the “Trigger Event”), City shall have the option to purchase the Golf Club (the “Option”) on the following terms:

(A) City may exercise the Option at any time during the period beginning on the date that the Trigger Event occurs and ending on the date that is one hundred twenty days thereafter (the “Option Period”) by providing written notice (“Notice of Exercise”) thereof to Developer. The date that City delivers the Notice of Exercise to Developer shall be called the “Effective Date”.

(B) Developer shall have thirty (30) days following receipt of the Notice of Exercise (the “Effective Date”) to restart operations of the Golf Club consistent with reasonable industry practice. Otherwise, the closing of the sale and purchase of the Golf Club (the “Closing”) shall

occur on a date selected by City that is within one hundred twenty (120) days following the Effective Date, or on such other date as the parties hereto may mutually agree (the "Closing Date").

(C) City shall enter into a purchase agreement pursuant to which City agrees to pay to Developer at Closing as the purchase price for the Golf Club the amount determined as follows (the "Purchase Price"): After the Effective Date, Developer and City shall use commercially reasonable efforts to agree upon the Purchase Price. If Developer and City are unable to agree upon the Purchase Price within thirty (30) days after the Effective Date, then each of them shall select an independent M.A.I. appraiser with experience valuing golf courses and golf clubs (an "Appraiser"). Each Appraiser shall independently determine the fair market value of the Golf Club. If the fair market values determined by each Appraiser (a) are within ten percent (10%) of each other, the two (2) allocations shall be averaged and such average shall be the final Purchase Price, or (b) are not within ten percent (10%) of each other, the two Appraisers shall then select a third Appraiser who shall independently determine the fair market value of the Golf Club, and the middle of such three (3) determinations of fair market value shall be the final Purchase Price.

(D) At the closing, Developer shall convey good and marketable fee simple title to the Golf Property to City by Special Warranty deed and all other portions of the Golf Club by bill of sale and assignment, free and clear of any liens or encumbrances other than those existing as of the date of this Agreement, shall deliver exclusive possession of the Golf Club to City, and shall deliver such other affidavits, certificates, documents, and agreements as are customarily delivered at a closing of property similar to the Golf Club in Cabarrus County, North Carolina.

(E) In the event that City elects not to exercise the Option as provided herein or fails to deliver the Notice of Exercise before the expiration of the Option Period, the Option shall expire and be of no further force and effect.

- (2) The Parties intend for the Preemptive Rights to run with the land and be binding upon the successors and assigns of Developer. City may not assign its rights hereunder without the prior written consent of Developer. The Parties agree that the Preemptive Rights shall take priority over any mortgages, deeds of trust, liens or other encumbrances (collectively "Encumbrance") on the Golf Club other than an Encumbrance arising from

financing that provides funding for capital improvements to the Golf Club and its facilities, and Developer agrees to take any and all action necessary to ensure such priority.

- (3) Developer agrees to take all actions reasonably necessary to ensure that the Irish Creek Golf Course remains a working golf course during the term of this Agreement. Nothing herein shall prevent Developer from assigning its rights in the Golf Club to an affiliated entity, provided the affiliate is bound by the terms hereof, or from transferring interests in the Golf Club to investors, partners, or operators, provided that Developer or its affiliate remains in control of the Golf Club and the Golf Club continues to operate as a regulation golf course subject to the preemptive Rights of the City.

(d) Kannapolis Lake.

- (1) Developer acknowledges the rights and license authority of City as successor in interest to Water Company Acquisition Corporation to draw water from Kannapolis Lake for water collections treatment and distribution for public purposes.
- (2) For additional consideration of \$1.00, the receipt and sufficiency of which is acknowledged by the Parties, Developer shall convey to City by Special Warranty deed "Kannapolis Lake" being that certain private lake located at or near Pump Station Road to the south and Cannon Farm Road to the north and having a full pond level of 726.4 feet above mean sea level together with a buffer of real property fifty (50) feet wide as measured from and around and above an inside perimeter determined from the highwater mark at the full pond level. The Special Warranty deed shall include an affirmation that City acknowledges the license and easement granted to Atlantic American Properties, Inc. and David H. Murdock which are binding and inure to their successors and assigns as set forth in that certain Declaration of Easements and Restrictive Covenants recorded in Book 650, Page 751 of the Rowan County Register of Deeds Office. Further, Developer shall grant City such licenses and easements upon the Property as are reasonably necessary and practical to access the existing boathouse in and on the west side of Kannapolis Lake for the purpose of razing it at such time the City deems it appropriate.

VI. ROADWAY IMPROVEMENTS

(a) Transportation Improvements. Developer shall install transportation improvements required for the issuance of the driveway permits for the Subdivision as specified by City and North Carolina Department of Transportation (the "NCDOT"), to the extent authorized by North Carolina law.

(b) Subdivision Streets. Unless otherwise provided in this Agreement, the streets constructed within the Subdivision shall conform to the cross sections set

out on the Landis Preliminary Plat Site Construction Plans and the Kannapolis Development Plan and shall meet the specifications of the Current Regulations.

(c) Access/Infrastructure Road Improvements. Developer represents that the Subdivision will have sufficient access in accordance with the Landis Preliminary Plat Site Construction Plans and Kannapolis Development Plan to adequately provide two-way access into and out of the Subdivision. Developer agrees to construct roads in the Subdivision as shown on the Landis Preliminary Plat Site Construction Plans and Kannapolis Development Plan. Such roads shall be built in accordance with the Current Regulations and shall comply with the Current Regulations. The Developer agrees to dedicate all roads on the Landis Property to the Town and to dedicate all roads on the Kannapolis Property to the City.

(d) Offsite Roadway Improvements. Developer agrees to construct, at its own expense, the transportation improvements required by the Transportation Impact Analysis and TIA Requirements Letter attached hereto as Exhibit H.

VII. WATER AND SEWER

(a) Subdivision Water and Sewer Lines. Developer, at its sole cost and expense, shall engineer, design, permit, construct and install water and sewer lines on and off-site necessary for the Subdivision as set forth in the Water and Sewer Plan. All water and sewer lines 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. The Developer agrees to dedicate all water and sewer improvements installed on the Landis Property to the Town and to dedicate all water and sewer improvements installed on the Kannapolis Property to City. All engineering, inspections, testing, certifications and contracted responsibilities shall be the burden of Developer to ensure compliance for operation.

(b) Water and Sewer Fees. To the extent that the Town and City provide water and sewer service, Developer shall pay to Town and City the applicable per-lot or per-building, as applicable, water and sewer connection fees in accordance with the Current Regulations. To the extent that the Town or City provides water and sewer service, Developer and all property owners in the Subdivision shall pay the fees to Town or City, as applicable, for water and sewer service as provided in the then-current schedule of rates, fees and charges for water and sewer service as adopted and amended by the Town or the City, as applicable.

(c) Water and Sewer Capacity. The Town agrees to provide all necessary water and sewer service to the homes and amenities constructed on the Landis Property up to a maximum average daily flow of 46,200 GPD based on 176 homes (3.5 bedrooms per home at 75 GPD per bedroom), and the City agrees to provide all necessary water and sewer service to the homes and amenities constructed on

the Kannapolis Property up to a maximum average daily flow of 157,500 GPD based on 600 homes (3.5 bedrooms per home at 75 GPD per bedroom). Further, the Town and City shall take all steps necessary, including amending their interlocal agreements, to ensure that the required water and sewer capacity is provided to the Subdivision. 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. This provision shall be binding upon any operator of the Town's and the City's water and sewer system or any successor-in-interest thereto.

(d) Connection to Water and Sewer System. Upon the request of Developer, Town and City agree to permit the physical connection of the Subdivision to the water and sewer systems of the Town and City, subject to the terms and conditions of this Agreement and applicable federal, state and local laws.

(e) Condition of and Expansion of Facilities. The Town and City expressly represent and warrant that their water and sewer facilities are or shall be sufficient to provide the capacity required by this Agreement in accordance with the Current Regulations. All water and sewer capacity will be provided to meet the Development Schedule as each are obligated to provide under their interlocal agreement. The Town and City recognize that the Developer is making significant investments in the development of the Project in reliance upon the agreements contained herein. This Agreement is intended to confer rights on Developer, and Developer may seek to recover actual damages arising from breach of this Agreement, including incidental and consequential damages, and/or seek the remedy of specific performance.

(f) Offsite Infrastructure. Developer shall construct at their cost and expense all onsite and offsite improvements identified in the Water and Sewer Plan. The Town and the City shall be responsible for any Infrastructure improvements necessary to provide water and sewer to the Subdivision that are not identified in the Water and Sewer Plan, such as increases in capacity to wastewater treatment plants, to the extent necessary.

(g) Grant of Utility Easement. In the event Phase 4 of the Development Plan has not been completed prior to the expiration of the Term (Section III g), Developer shall execute a Grant of Utility Easement (the "Utility Easement") contemporaneously with closing for acquisition of the Kannapolis Property. The Grant of Utility Easement shall be in substantial form and effect as the document attached hereto as Exhibit I denominated "Grant of Utility Easement" and is incorporated herein as a part of this Agreement.

VIII. DEFAULT AND REMEDIES

(a) Periodic Review. Pursuant to G.S. 160D-1008, the Planning Director or other designee of the Town and/or the City may 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.

(b) Developer Default. If the Developer commits a material breach of the terms or conditions of this Agreement, the Town or City shall serve notice in writing upon the Developer setting forth with reasonable particularity the nature of the breach and the evidence supporting the finding and determination, and the Developer shall have sixty (60) days to cure such breach, provided that if such breach cannot be cured within sixty (60) days using commercially reasonable efforts, the Developer shall be permitted such time as reasonably necessary to effect such cure so long as the Developer shall use commercially reasonable efforts to diligently prosecute such cure.

(c) City or Town Default. If the City or Town commits a material breach of the terms or conditions of this Agreement, Developer shall serve notice in writing upon the City or Town setting forth with reasonable particularity the nature of the breach and the evidence supporting the finding and determination, and the City or Town shall have sixty (60) days to cure such breach, provided that if such breach cannot be cured within sixty (60) days using commercially reasonable efforts, the City or Town shall be permitted such time as reasonably necessary to effect such cure so long as the City or Town shall use commercially reasonable efforts to diligently prosecute such cure.

(d) Remedies.

(1) Remedies for Developer Default. In the event of a Developer material breach of this Agreement and Developer fails to cure such breach within the above-described 60-day period following notice period, City or Town may exercise any or all of the following remedies (subject to Developer's right of appeal):

- (i) Refuse to issue Certificates of Compliance for the Development Project.
- (ii) Rescind any Sewer Allocation Permit.
- (iii) Terminate this Agreement.
- (iv) Pursue any other remedies permitted by law or equity.

(2) Remedies for City or Town Default. City and Town recognize that the Developer is making significant investments in the development of the Project in reliance upon the promises of water and sewer allocation contained herein. If the City or Town fails to cure any material breach within a 60-day period following notice, then Developer may seek to recover actual damages arising from breach of this Agreement by the defaulting Party, including incidental and consequential damages, and/or seek the remedy of specific performance.

IX. MISCELLANEOUS

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

City at: Mike Legg, City Manager
City of Kannapolis
401 Laureate Way
Kannapolis, North Carolina 28081

With Copy to: Walter M. Safrit, II, City Attorney
City of Kannapolis
401 Laureate Way
Kannapolis, North Carolina 28081

Developer at: _____

With Copy to: _____

(d) Entire Agreement. This Agreement sets forth, and incorporates by reference, all of the agreements, conditions and understandings between Town, City and Developer relative to the Subdivision, other than interlocal agreements between the Town and City, 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.

(e) 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.

(f) Assignment. Developer may not assign its rights and responsibilities hereunder to unaffiliated landowners of all or any portion of the Subdivision without the consent of all Parties, which consent shall not be unreasonably withheld. Further, no permitted assignment as to any portion of the Subdivision will relieve Developer of responsibility for the remainder of the Subdivision without the written consent of Town or City, as applicable.

(g) Governing Law and Venue. This Agreement shall be governed by the laws of the State of North Carolina. In the event of any dispute solely between the Developer and Town, any legal proceedings may be instituted in the Superior Court of the County of Rowan, State of North Carolina, or in the Federal District Court for the Western District of North Carolina. In the event of any dispute solely

between the Developer and City, any legal proceedings may be instituted in the Superior Court of the County of Cabarrus, State of North Carolina, or in the Federal District Court for the Western District of North Carolina. In the event of any dispute among the Developer, City, and Town, any legal proceedings may be instituted in the Superior Court of Rowan County, Cabarrus County, North Carolina, or Mecklenburg County, North Carolina, or in the Federal District Court for the Western District of North Carolina.

(h) 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.

(i) Agreement to Cooperate. The Parties hereto shall cooperate with each other to effectuate the provisions of this Agreement and to act reasonably and expeditiously in all obligations under the Agreement. 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.

(j) Hold Harmless. Developer agrees to and shall hold Town and City, and their 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 actions or 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 Subdivision. Developer agrees to pay all costs for the defense of the Town and City and their officers, agents, employees, consultants, attorneys, special counsel and representatives regarding any legal proceeding caused or arising in any way from Developer's sole actions in connection with the Project or the Subdivision.

Town and City agree 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 Subdivision. Town and City agree 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 the respective actions of Town or City in connection with the Project or the Subdivision.

(k) 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.

(l) Force Majeure. In addition to specific provisions of this Agreement, no Party shall be responsible for any default, delay or failure to perform if such default, delay or failure to perform is due to causes beyond such Party's reasonable control, including, but not limited to, strikes, lockouts, actions or inactions of governmental authorities (other than the Town or the City), epidemics, pandemic, wars, embargoes, fires, hurricanes, adverse weather, acts of God, interference duly caused by any other Party, or the default of a common carrier. In the event of a default, delay or failure to perform due to causes beyond such Party's reasonable control or due to interference by another Party, any date or times by which the Parties are otherwise scheduled to perform, if any, shall be extended for a period of time equal in duration to the time lost by reason of the cause beyond the reasonable control of such Party. Written notice of such alleged delay shall be given to the other Party within thirty days of the commencement of such delay. An extension of time, if any, for such cause shall be mutually agreed upon in writing by the Parties. The Parties agree that such consent to an extension of time shall not be unreasonably withheld.

(m) Estoppel. Each Party agrees, from time to time, within thirty (30) days after request of another Party, to deliver to the requesting Party or such Party's designee, an estoppel certificate stating that this Agreement is in full force and effect, the unexpired term of this Agreement, and whether or not, to such Party's knowledge, there are any existing defaults or matter which, with the passage of time, would become defaults under this Agreement. It is understood and agreed that the Party's obligations to furnish such estoppel certificates in a timely fashion is a material inducement for execution of this Agreement.

(n) E-Verify Requirements. The Developer certifies that it currently complies with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes, and that at all times during the term of this Agreement, it will continue to comply with these requirements. The Developer also certifies that it will require that all of its subcontractors that perform any work pursuant to this Agreement to comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes. Violation of this section shall be deemed a material breach of this Agreement.

(o) Iran Divestment Act Certification. As of the date of this Agreement, the Developer certifies that it is not listed on the Final Divestment List created by the North Carolina State Treasurer pursuant to N.C.G.S. 147-86.58 and that the Developer will not utilize any subcontractor found on the State Treasurer's Final Divestment List. All individuals signing this Agreement on behalf of the Developer certify that they are authorized by the Developer to make this certification.

(p) Divestment from Companies Boycotting Israel Certification. As of the date of this Agreement, the Developer certifies that it is not listed on the Final Divestment and Do-Not-Contract List – Restricted Companies Boycotting Israel created by the State Treasurer pursuant to N.C.G.S. 147-86.81 and that the Developer will not utilize any subcontractor found on the State Treasurer’s Final Divestment and Do-Not-Contract List. All individuals signing this Agreement on behalf of the Developer certify that they are authorized by the Developer to make this certification.

(q) Conflicting Terms; Conflicting Requirements. In the event of a conflict between the requirements of this Agreement and the requirements of any other agreement on exhibit, the more stringent requirements shall apply.

(r) Performance of Governmental Functions. The terms of this Agreement are independent of any obligations binding upon City pursuant to City ordinances or state law. Nothing in this Agreement, or any approvals or consents by City in connection with this Agreement, will in any way estop, limit or impair City from exercising or performing any regulatory or policing authority resulting in the issuance of applications, approvals, permits and licenses pursuant to any law and/or ordinance. City will, to the extent reasonably appropriate and permitted by any laws or ordinances, facilitate submissions, requests and applications pursuant to any laws or ordinances submissions, requests and applications provided they are complete and include all necessary fees and are otherwise compliant with applicable laws or ordinances.

CITY OF KANNAPOLIS

By: _____
Michael B. Legg
City Manager

Attest: _____
Pam Scaggs, NCCMC
City Clerk

STATE OF NORTH CAROLINA

COUNTY OF _____

I, _____, a Notary Public of _____ County and State aforesaid, certify that Pam Scaggs personally came before me this day and acknowledged that she is City Clerk of the City of Kannapolis, a North Carolina municipal corporation, and that by authority duly given and as the act of the City of Kannapolis, the foregoing instrument was signed in its name by Michael B. Legg, City Manager, sealed with its municipal seal and attested by her as its City Clerk.

Witness my hand and notarial seal, this _____ day of _____, 2025.

Notary Public

[SEAL]

My commission expires:

This instrument has been preaudited in the manner required by the
Local Government Budget and Fiscal Control Act.

Brian Roberts
City of Kannapolis Finance Officer

(Date)

TOWN OF LANDIS

By: _____
Name: Michael D Ambrose
Title: Town Manager

STATE OF NORTH CAROLINA

COUNTY OF ROWAN

I, _____, a Notary Public of _____ County and State aforesaid, certify that Michael D Ambrose personally came before me this day and acknowledged that he is Town Manager of the Town of Landis and that by authority duly given and as the act of the Town of Landis the foregoing instrument was signed in its name by _____, _____ (title).

Witness my hand and notarial seal, this _____ day of _____, 2025.

Notary Public

[SEAL] My commission expires: _____

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

Landis Finance Officer
Town of Landis

(Date)

DEVELOPER

By: _____
Name: _____
Title: _____

STATE OF _____

COUNTY OF _____

I, _____, a Notary Public of _____ County and State aforesaid, certify that _____ personally came before me this day and acknowledged that he is _____ of _____ and that by authority duly given and as the act of _____, the foregoing instrument was signed in its name by _____, _____ (title).

Witness my hand and notarial seal, this _____ day of _____, 2025.

Notary Public

[SEAL]

My commission expires: _____

EXHIBIT A

Parcel Maps and Legal Descriptions

EXHIBIT B

Phasing Map and Development Schedule

EXHIBIT C

Shea Homes Slide Presentation (Architectural Standards)

EXHIBIT D

Kannapolis Conditional Rezoning Plan (Kannapolis Development Plan)

EXHIBIT E

Subdivision Plan

EXHIBIT F

Water and Sewer Plan

EXHIBIT G

Golf Club Property

EXHIBIT H

Transportation Improvement Plan

EXHIBIT I

Grant of Utility Easement

**Summary report:
 Litera Compare for Word 11.10.1.2 Document comparison done on
 1/6/2025 4:38:24 PM**

Style name: MVASet	
Intelligent Table Comparison: Active	
Original filename: Clean.docx	
Modified filename: Clean 010625.docx	
Changes:	
<u>Add</u>	15
<u>Delete</u>	8
<u>Move From</u>	2
<u>Move To</u>	2
<u>Table Insert</u>	0
<u>Table Delete</u>	0
<u>Table moves to</u>	0
<u>Table moves from</u>	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	27