



## MEMORANDUM

**TO:** Mayor and Board of Commissioners  
**FROM:** Paul S. Messick, Jr.  
**DATE:** November 28, 2022  
**RE:** Bonus Allocation Agreement R-5930A Chatham Park Way

### Summary:

Pursuant to the North Carolina Department of Transportation (“DOT”) State Transportation Improvement Program (“STIP”), DOT recognizes local contributions that reduce road construction costs, and DOT reimburses a portion of such local contributions. Chatham Park includes the construction of the “Chatham Park Way”, a state road project primarily benefiting the transportation needs of residents and businesses located within the Town and Chatham Park. DOT has identified in the STIP the funding for and scheduling of construction of a new approximately 2.336-mile two-lane section of Chatham Park Way.

The Town is being requested to cooperate in the construction of a portion of Chatham Park Way as a local government funding contribution project under STIP by accepting the right of way for the portion of the Chatham Park Way and thereafter conveying or dedicating the same to DOT. The Developer intends to contribute the difference between the value of the right of way and \$9,000,00.00 through the Town to DOT for the construction of the portion of Chatham Park Way.

DOT has determined that the Chatham Park Way dedication and the Chatham Park Way contribution will qualify as local government participation under STIP for which the Town will be eligible for a total DOT Bonus Allocation in the amount of \$4,500,000.00.

The Bonus Allocation would be utilized to reimburse the Developer for additional road expenses incurred with additional road(s) to serve the Town and provide a material benefit to the Developer. Projects related to Suttles Road, and Eubanks Road are possibilities mentioned in the Agreement,

The Developer has submitted the attached memorandum that explains the project and the program in more detail.

### Recommended Action:

Approve the Resolution to approve the Bonus Allocation Agreement with Chatham Park Investors and authorize the execution of the Agreement.

### Attachments:

A1: Bonus Allocation Agreement (R-5930A) and Resolution to Approve the Bonus Allocation Agreement with Chatham Park Investors LLC

**MEMORANDUM REGARDING BONUS ALLOCATION AGREEMENT FOR  
CHATHAM PARK WAY SOUTHERN PORTION OF NCDOT PROJECT R-5930**

TO: Town of Pittsboro (“**Town**”)  
Hazen Blodgett, Interim Town Manager  
Paul Messick, Town Attorney

FROM: Chatham Park Investors, LLC (“**Developer**”)  
Tim Smith  
Ken Eagle  
Eric Vernon  
David Mason

SUBJECT: Proposed Resolution and Bonus Allocation Agreement to construct and facilitate reimbursement for the southern portion of NCDOT Project R-5930, which will be identified as NCDOT Project R-5930A

Date: November 28, 2022

This Memorandum includes a general outline of the enclosed Resolution (“**Resolution**”) and Bonus Allocation Agreement (“**BA Agreement**”, together with the Resolution, the “**Project Documents**”) and sets forth a brief description of the North Carolina Department of Transportation (“**DOT**”) road projects to which they apply. As background, DOT has identified in the State Transportation Improvement Program (“**STIP**”) the funding and construction schedule for Project R-5930, and DOT is expected to revise the STIP in January of 2023 to split Project R-5930 into Project R-5930A and Project R-5930B. Brief descriptions of Projects R-5930, R-5930A and R-5930B are included in Section 1 of this Memorandum. This Memorandum is being provided for informational purposes and to assist in your review of the Project Documents, and it is not a legally binding contract. In the event of any inconsistency between this Memorandum and the Project Documents, the Project Documents shall control.

1. Brief descriptions of Projects R-5930, R-5930A and R-5930B.
  - a. “**Project R-5930**” consists of a new approximately 2.336 mile two-lane section of Chatham Park Way that commences at the northern terminus of a previously constructed portion of Chatham Park Way (such terminus being located approximately 1,400 feet north of its intersection with SR 1809 (Suttles Road)), and continues in a northerly direction to the intersection of U.S. Highway 15-501 and SR 1520 (Russell Chapel Church Road).
  - b. “**Project R-5930A**” will consist of a new approximately 4,600-foot two-lane section of Chatham Park Way that commences at the southern end of Project R-5930, and continues in a northerly direction to a point which is located approximately 300 feet north of Grant Drive.
  - c. “**Project R-5930B**” will consist of a new approximately 7,800-foot two-lane section of Chatham Park Way that commences at the northern end of Project R-5930A, and continues in a northerly direction to the northern end of Project R-5930.
2. Resolution. The Resolution is for the Town’s consideration and adoption. The Project Documents, if determined by the Board to be in the best interests of the Town, are to be executed and delivered to the Developer. The purposes of the Resolution are to approve the BA Agreement for the reasons stated in the Resolution and authorize the Mayor and Town Clerk to execute the BA Agreement in duplicate originals on behalf of the Town.
3. BA Agreement. Developer is committed to provide financial contributions for Project R-5930 totaling \$9,000,000 (collectively, the “**Financial Contribution**”) in exchange for a sum paid by DOT (“**Bonus**”

**Allocation**") in accordance with N.C.G.S. 136-189.11(f) (the "**Bonus Allocation Statute**") to reimburse Developer for the construction of new highway/road project(s) that benefit the Town and Developer ("**Additional Roads**"). The Financial Contribution will be comprised of the Chatham Park Way Dedication (as defined in Section 3.a. below) and the Chatham Park Way Contribution (as defined in Section 3.b. below), and in order for the Financial Contribution to be eligible for the Bonus Allocation, it must be made through the Town and constitute "local government funding participation" (as referenced in the Bonus Allocation Statute). The BA Agreement contemplates the Developer making the Financial Contribution through the Town to DOT in exchange for DOT providing the Bonus Allocation through the Town to Developer. A brief summary of the primary rights and obligations of the Town and Developer under the BA Agreement are listed below in the order in which the BA Agreement contemplates their occurrence:

- a. All of the property on which R-5930A is to be constructed is owned by Developer and its affiliates. Developer shall (and shall cause its applicable affiliates to) convey the right of way necessary for Project R-5930A to the Town, who will then convey the same to DOT (the "**Chatham Park Way Dedication**"). The Chatham Park Way Dedication is expected to occur on or before February 1, 2023. The value of the Chatham Park Way Dedication is estimated to be approximately \$2,000,000, but its ultimate value will be determined by DOT and the Developer.
- b. Developer will provide the balance of the Financial Contribution (i.e., \$9,000,000, less the value of the Chatham Park Way Dedication) in immediately available funds (the "**Chatham Park Way Contribution**") to the Town, who will then transfer the same to DOT. The Chatham Park Way Contribution is expected to occur in two separate payments. The first payment will be in the amount of \$1,000,000 and is expected to be made on or before February 1, 2023. The second payment will be the balance of the Chatham Park Way Contribution and is expected to be made on or before June 30, 2023.
- c. In exchange for the Financial Contribution, DOT will make the Bonus Allocation available for Additional Roads in accordance with the Bonus Allocation Statute and the process set forth below. The amount of the Bonus Allocation will be \$4,500,000.
  - i. Developer will select Additional Road(s) that benefit the Town and Developer (which may include Suttles Road and Eubanks Road), and the Town will take reasonable and legally permitted action for the Additional Road(s) to be eligible for the Bonus Allocation.
  - ii. Following DOT confirmation that the Additional Road(s) are eligible for the Bonus Allocation, Developer will acquire right-of-way for and construct the Additional Road(s).
  - iii. Developer will deliver to the Town evidence of all eligible expenses Developer incurs with respect to right of way acquisition/conveyance and construction of the Additional Road(s), and the Town will submit the same to DOT. Thereafter, the Town will disburse to Developer the full amount of any Bonus Allocation received by the Town for such Additional Road expenses incurred by Developer.

In summary, we believe that the transactions contemplated by the Project Documents will (i) benefit both Developer and the citizens of the Town, (ii) be at no material cost to the Town, and (iii) not impose material burden on the Town or its staff. We look forward to discussing any questions you may have related to the Project Documents once you have had a chance to review them.

**RESOLUTION OF THE BOARD OF COMMISSIONERS  
OF THE TOWN OF PITTSBORO  
APPROVING A BONUS ALLOCATION AGREEMENT WITH  
CHATHAM PARK INVESTORS LLC**

**WHEREAS**, pursuant to the North Carolina Department of Transportation (“DOT”) State Transportation Improvement Program (“STIP”), DOT recognizes local contributions that reduce road construction costs, and DOT reimburses a portion of such local contributions; and

**WHEREAS**, the Chatham Park Planned Development District comprises approximately 7,100 acres of real property located in Chatham County, North Carolina (“Chatham Park”); and

**WHEREAS**, the plan for development of Chatham Park includes the construction of the “Chatham Park Way”, a State road project primarily benefitting the transportation needs of residents and businesses located within the Town and Chatham Park; and

**WHEREAS**, DOT has identified in the STIP the funding for and scheduling of construction of a new approximately 2.336 mile two-lane section of Chatham Park Way that commences at the northern terminus of a previously constructed portion of Chatham Park Way (such terminus being located approximately 1,400 feet north of its intersection with SR 1809 (Suttles Road)) and continues in a northerly direction to the intersection of U.S. Highway 15-501 and SR 1520 (Russell Chapel Church Road) (“Project R-5930”); and

**WHEREAS**, DOT has or is expected to revise the STIP to split Project R-5930 into (i) an approximately 4,600-foot section of Chatham Park Way that commences at the northern terminus of a previously constructed portion of Chatham Park Way (such terminus being located approximately 1,400 feet north of its intersection with SR 1809 (Suttles Road)) and continues in a northerly direction to a point which is located approximately 300 feet north of Grant Drive (“Project R-5930A”), and (ii) an approximately 7,800-foot section of Chatham Park Way that commences at said point located approximately 300 feet north of Grant Drive and continues in a northerly direction to the intersection of U.S. Highway 15-501 and SR 1520 (Russell Chapel Church Road) (“Project R-5930B”); and

**WHEREAS**, the final scope and location of Project R-5930A and Project R-5930B will be based on the STIP, as revised by DOT pursuant to the immediately preceding recital paragraph; and

**WHEREAS**, all of the property on which Project R-5930A is to be constructed (the “Property”) is owned by Chatham Park Investors LLC (“Developer”) and 15-501 East LLC, a North Carolina limited liability company, an affiliate of the Developer (“Developer Affiliate”); and

**WHEREAS**, the Property is currently situated within Chatham County Tax Parcels 69490, 7474, 78535, 95381 and 75037, and will be more particularly described using the legal descriptions derived from the Property Subdivision (as defined below); and

**WHEREAS**, the Property owned by Developer shall hereinafter be referred to as the “Developer Property”, and the Property owned by Developer Affiliate shall hereinafter be referred to as the “Developer Affiliate Property”; and

**WHEREAS**, in connection with Project R-5930A, Developer will (i) cause the Property to be surveyed, subdivided and/or platted (the “Property Subdivision”), (ii) convey or otherwise transfer the Developer Property to the Town, who will then dedicate or convey the Developer Property to DOT as a public right of way for the benefit of Project R-5930A, and (iii) cause the Developer Affiliate to convey or

otherwise transfer the Developer Affiliate Property to the Town, who will then dedicate or convey the Developer Affiliate Property to DOT as a public right of way for the benefit of Project R-5930A (collectively, the “Chatham Park Way Dedication”); and

**WHEREAS**, though the local government contribution value of the Chatham Park Way Dedication is currently estimated to be \$2,000,000.00, the actual local government contribution value of the Chatham Park Way Dedication (the “Chatham Park Way Dedication Value”) will be mutually agreed upon by DOT, Developer and Developer Affiliate, based on an appraisal of the Property performed on behalf of Developer and/or Developer Affiliate by an appraiser that (i) is approved by DOT, and (ii) complies with all applicable DOT requirements and standards in its appraisal of the Property; and

**WHEREAS**, Developer has committed to provide funding (in one or more installments) through the Town to DOT (the “Chatham Park Way Contribution”) for the construction of Project R-5930 in an amount equal to the difference between \$9,000,000.00 and the Chatham Park Way Dedication Value; and

**WHEREAS**, DOT has determined, that the Chatham Park Way Dedication and Chatham Park Way Contribution will qualify as local government funding participation for Project R-5930A pursuant to Section 136-189.11(f) of the North Carolina General Statutes; and

**WHEREAS**, pursuant to Section 136-189.11(f) of the North Carolina General Statutes, the total DOT bonus allocation amount for the Chatham Park Way Dedication and Chatham Park Way Contribution that the Town will be eligible for is \$4,500,000.00 (“Bonus Allocation”); and

**WHEREAS**, the Developer and Town desire (i) to cooperate with each other to satisfy the requirements for the Town’s local government funding participation for the Chatham Park Way Dedication and Chatham Park Way Contribution, and (ii) for the Town to obtain or otherwise be entitled to the Bonus Allocation, and utilize the same to reimburse Developer, in accordance with applicable law, for its right of way acquisition and construction costs (“Additional Road Expenses”) incurred with respect to the Additional Road(s) (as defined in the Bonus Allocation Agreement attached hereto); and

**WHEREAS**, subject to the provisions of applicable law and regulations, the Town and Developer agree to apply the full amount of the Bonus Allocation towards payment of the Additional Road Expenses.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE TOWN OF PITTSBORO** that the Bonus Allocation Agreement attached hereto be, and it hereby is approved and for the reasons stated hereinabove and the Mayor and Town Clerk are hereby authorized to execute the same in duplicate originals on behalf of the Town.

Adopted this \_\_\_ day of \_\_\_\_\_, 2022.

TOWN OF PITTSBORO

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Town Clerk

**NORTH CAROLINA**  
**CHATHAM COUNTY**

**BONUS ALLOCATION**  
**AGREEMENT (R-5930A)**

**THIS BONUS ALLOCATION AGREEMENT (R-5930A)** (“Agreement”), is made and entered into this \_\_\_ day of \_\_\_\_\_, 20\_\_\_, by and between **CHATHAM PARK INVESTORS LLC**, a North Carolina limited liability company (“Developer”) and **TOWN OF PITTSBORO**, a North Carolina municipal corporation (“Town”) (each, a “Party” and collectively, the “Parties”).

**RECITALS**

**WHEREAS**, pursuant to the North Carolina Department of Transportation (“DOT”) State Transportation Improvement Program (“STIP”), DOT recognizes local contributions that reduce road construction costs, and DOT reimburses a portion of such local contributions; and

**WHEREAS**, the Chatham Park Planned Development District comprises approximately 7,100 acres of real property located in Chatham County, North Carolina (“Chatham Park”); and

**WHEREAS**, the plan for development of Chatham Park includes the construction of the “Chatham Park Way”, a State road project primarily benefitting the transportation needs of residents and businesses located within the Town and Chatham Park; and

**WHEREAS**, DOT has identified in the STIP the funding for and scheduling of construction of a new approximately 2.336 mile two-lane section of Chatham Park Way that commences at the northern terminus of a previously constructed portion of Chatham Park Way (such terminus being located approximately 1,400 feet north of its intersection with SR 1809 (Suttles Road)) and continues in a northerly direction to the intersection of U.S. Highway 15-501 and SR 1520 (Russell Chapel Church Road) (“Project R-5930”); and

**WHEREAS**, DOT has or is expected to revise the STIP to split Project R-5930 into (i) an approximately 4,600-foot section of Chatham Park Way that commences at the northern terminus of a previously constructed portion of Chatham Park Way (such terminus being located approximately 1,400 feet north of its intersection with SR 1809 (Suttles Road)) and continues in a northerly direction to a point which is located approximately 300 feet north of Grant Drive (“Project R-5930A”), and (ii) an approximately 7,800-foot section of Chatham Park Way that commences at said point located approximately 300 feet north of Grant Drive and continues in a northerly direction to the intersection of U.S. Highway 15-501 and SR 1520 (Russell Chapel Church Road) (“Project R-5930B”); and

**WHEREAS**, the final scope and location of Project R-5930A and Project R-5930B will be based on the STIP, as revised by DOT pursuant to the immediately preceding recital paragraph; and

**WHEREAS**, all of the property on which Project R-5930A is to be constructed (the “Property”) is owned by Developer and 15-501 East LLC, a North Carolina limited liability company, an affiliate of the Developer (“Developer Affiliate”); and

**WHEREAS**, the Property is currently situated within Chatham County Tax Parcels 69490, 7474, 78535, 95381 and 75037, and will be more particularly described using the legal descriptions derived from the Property Subdivision (as defined below); and

**WHEREAS**, the Property owned by Developer shall hereinafter be referred to as the “Developer Property”, and the Property owned by Developer Affiliate shall hereinafter be referred to as the “Developer Affiliate Property”; and

**WHEREAS**, in connection with Project R-5930A, Developer will (i) cause the Property to be surveyed, subdivided and/or platted (the “Property Subdivision”), (ii) convey or otherwise transfer the Developer Property to the Town, who will then dedicate or convey the Developer Property to DOT as a public right of way for the benefit of Project R-5930A, and (iii) cause the Developer Affiliate to convey or otherwise transfer the Developer Affiliate Property to the Town, who will then dedicate or convey the Developer Affiliate Property to DOT as a public right of way for the benefit of Project R-5930A (collectively, the “Chatham Park Way Dedication”); and

**WHEREAS**, though the local government contribution value of the Chatham Park Way Dedication is currently estimated to be \$2,000,000.00, the actual local government contribution value of the Chatham Park Way Dedication (the “Chatham Park Way Dedication Value”) will be mutually agreed upon by DOT, Developer and Developer Affiliate, based on an appraisal of the Property performed on behalf of Developer and/or Developer Affiliate by an appraiser that (i) is approved by DOT, and (ii) complies with all applicable DOT requirements and standards in its appraisal of the Property; and

**WHEREAS**, Developer has committed to provide funding (in one or more installments) through the Town to DOT (the “Chatham Park Way Contribution”) for the construction of Project R-5930 in an amount equal to the difference between \$9,000,000.00 and the Chatham Park Way Dedication Value; and

**WHEREAS**, DOT has determined, that the Chatham Park Way Dedication and Chatham Park Way Contribution will qualify as local government funding participation for Project R-5930A pursuant to Section 136-189.11(f) of the North Carolina General Statutes; and

**WHEREAS**, pursuant to Section 136-189.11(f) of the North Carolina General Statutes, the total DOT bonus allocation amount for the Chatham Park Way Dedication and Chatham Park Way Contribution that the Town will be eligible for is \$4,500,000.00 (“Bonus Allocation”); and

**WHEREAS**, the Developer and Town desire (i) to cooperate with each other to satisfy the requirements for the Town’s local government funding participation for the Chatham Park Way Dedication and Chatham Park Way Contribution, and (ii) for the Town to obtain or otherwise be entitled to the Bonus Allocation, and utilize the same to reimburse Developer, in accordance with applicable law, for its right of way acquisition and construction costs (“Additional Road Expenses”) incurred with respect to the Additional Road(s) (as defined below); and

**WHEREAS**, subject to the provisions of applicable law and regulations, the Town and Developer agree to apply the full amount of the Bonus Allocation towards payment of the Additional Road Expenses; and

**WHEREAS**, the Town’s Board of Commissioners (“Town Board”) by Resolution adopted at a regular meeting of the Town Board on \_\_\_\_\_, 20\_\_ directed and authorized the Mayor and Town Clerk to execute, acknowledge and deliver this Agreement. A copy of the Resolution is attached hereto as **Exhibit A** and incorporated herein by reference.

**NOW, THEREFORE**, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

**THE AGREEMENT**

1. **Recitals.** The foregoing recitals are true and correct and are incorporated herein by reference.

2. **Developer and Town Obligations to Cause the Chatham Park Way Dedication and Chatham Park Way Contribution.**

(a) In connection with the Chatham Park Way Dedication, and in consideration of the applicable portion of the Bonus Allocation, Developer and Developer Affiliate shall convey the Property to the Town by special warranty deed in customary North Carolina form, subject to all applicable title exceptions. Within thirty (30) days after receiving said conveyance of the Property from Developer, the Town agrees to, in the manner determined by DOT, convey fee simple title or dedicate an easement for the Chatham Park Way Dedication to DOT as a public right of way. In connection with the foregoing, the Town also agrees to submit all forms and applications required by DOT to effectuate the conveyance or easement dedication of the Chatham Park Way Dedication to DOT as a public road.

(b) In connection with the Chatham Park Way Contribution, and in consideration of the applicable portion of the Bonus Allocation, Developer shall pay the Chatham Park Way Contribution to the Town in accordance with a funding schedule determined by DOT (the “Funding Schedule”), and each installment of the Chatham Park Way Contribution must be paid by Developer to the Town by wire transfer of immediately available funds no later than the date that is five (5) days prior to the date such funds are required to be delivered to DOT pursuant to the Funding Schedule. The Town shall promptly (and in all events within three (3) business days of receipt) submit each installment of the Chatham Park Way Contribution it receives from Developer to DOT in accordance with DOT’s written directives and standard procedures.

(c) The Parties agree and acknowledge that DOT has established the following general timeline (which shall be considered the Funding Schedule unless/until revised by DOT) for the Chatham Park Way Dedication and Chatham Park Way Contribution:

- (i) Chatham Park Way Dedication and first installment of the Chatham Park Way Contribution in the amount of \$1,000,000 to be received by DOT on or before February 1, 2023.
- (ii) Balance of Chatham Park Way Contribution to be received by DOT on or before June 30, 2023.



3. **Additional Road.** The Town and Developer agree that the Bonus Allocation is to be used only for Additional Road Expenses, in accordance with the terms and conditions of this Agreement. The Parties agree that Developer shall be responsible for selecting one or more highway/road projects that, in Developer's reasonable discretion, (i) serve the Town (as referenced in Section 136-189.11(f)(2) of the North Carolina General Statutes) and (ii) provide a material benefit to Developer (each, an "Additional Road", and collectively, "Additional Roads"). For purposes of clarification, the Parties agree that the Additional Roads selected Developer may (but shall not be required to) include projects related to any of the following: Suttles Road and Eubanks Road. Developer shall identify Additional Road(s) by providing written notice to the Town of the same, and the Town agrees to promptly take all reasonable and legally permitted action requested by Developer or DOT to ensure that such Additional Road(s) are part of the Town's Comprehensive Transportation Plan, applicable small area plan, or other similar locally adopted plan that satisfies the applicable statutory and DOT policy/procedural requirements for the Additional Road Expenses applicable to such Additional Road(s) to be eligible for reimbursement through the Bonus Allocation. Following Developer's selection of an Additional Road and DOT's written confirmation that the same is eligible for reimbursement through the Bonus Allocation, Developer agrees to (i) acquire and/or convey, as applicable, any right of way required for such Additional Road in a manner mutually determined by the Developer, the Town and DOT (and the Town agrees to cooperate and take all reasonable action necessary in connection with the same), and (ii) construct such Additional Road in a manner mutually determined by the Developer and DOT.

4. **Additional Road Expenses.** Developer shall deliver evidence of the Additional Road Expenses to the Town in such form, if any, as required by DOT for disbursement to the Town of the Bonus Allocation (or applicable portion thereof) for such Additional Road Expenses. As soon as reasonably practicable after the Town receives from Developer such evidence of the Additional Road Expenses, the Town shall request disbursement from DOT of the Bonus Allocation (or applicable portion thereof) for those Additional Road Expenses. For clarification, the Additional Road Expenses shall include all costs incurred by or payable to Developer in connection with its right of way acquisition/conveyance activities performed in accordance with Section 3 above (e.g., realty appraisals, surveys, attorneys' fees, title search costs, closing costs, and the just compensation for the Property that is agreed upon pursuant to applicable law and standard DOT policies and procedures).

5. **Obligation of Town to Disburse Bonus Allocation.** The Town agrees to promptly disburse to Developer the full amount of any Bonus Allocation received by the Town for Additional Road Expenses incurred by Developer as provided by law and in compliance with the terms of any agreement entered into between the Town and DOT that is approved by Developer.

6. **Indemnification.** Except for any loss or expense stemming from the Town's gross negligence or willful misconduct, the Developer agrees to indemnify, defend and hold harmless the Town for any loss, cost or damages, including reasonable attorney's fees, that the Town may incur arising from Developer's negligence, willful misconduct or material breach of this Agreement, including, but not limited to the accuracy of the Additional Road Expenses provided by the Developer, but excluding any of the Bonus Allocation received by the Town and disbursed to Developer in accordance with this Agreement.

7. **Amendment and Modification.** This Agreement may not be amended or modified except by the mutual written consent of the Parties.

8. **Notice.** All notices, requests, demands, consents and other communications hereunder shall be transmitted in writing and shall be deemed to have been duly given when hand delivered, sent via e-mail at the address designated below, or sent by certified United States mail, postage prepaid, with return receipt requested, addressed to the Parties as follows:

**DEVELOPER:**

Chatham Park Investors LLC  
Attn: Mr. Timothy R. Smith  
105 Weston Estates Way  
Cary, NC 27513  
Telephone: 919-481-3000  
Email: [tim@prestondev.com](mailto:tim@prestondev.com)

with a copy to:

Wyrick, Robbins, Yates & Ponton LLP  
Attn: Eric A. Vernon  
4101 Lake Boone Trail, Suite 300  
Raleigh, NC 27607  
Telephone: 919-865-1113  
Email: [evernon@wyrick.com](mailto:evernon@wyrick.com)

and with a copy to:

Morris Eagle Law PLLC  
Attn: Kenneth L. Eagle  
105 Weston Estates Way  
Cary, NC 27513  
Telephone: 919-645-4311  
Email: [ken@morriseagle.com](mailto:ken@morriseagle.com)

**TOWN:**

Town of Pittsboro  
Attn: Hazen Blodgett, Interim Town Manager  
635 East Street  
Pittsboro, NC 27312  
Telephone: 919-542-4621 ext 1105  
Email: [hblodgett@pittsboronc.gov](mailto:hblodgett@pittsboronc.gov)

with a copy to:

Gunn & Messick PLLC  
Attn: Paul S. Messick, Jr.  
90 W. Salisbury Street  
Pittsboro, NC 27312  
Telephone: 919-542-3253  
Email: [pm@gunnmessick.com](mailto:pm@gunnmessick.com)

9. **Agreement to Cooperate.** The Parties acknowledge and agree to cooperate and take such actions as are reasonably necessary to cause to occur the transactions set out in this Agreement. Developer acknowledges and agrees that it is solely responsible for the preparation of and delivery to the Town of (i) all studies, submittals or applications required by DOT to determine eligibility for the Bonus Allocation (or any portion thereof), except for the Town's actual applications to request the Bonus Allocation (or any portion thereof), and (ii) itemized invoices and proof of payment for the Additional Road Expenses for which Developer requests the Town to obtain the Bonus Allocation (or any portion thereof) for disbursement to Developer.

10. **Headings.** The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

11. **Controlling Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of North Carolina.

12. **Relationship of the Parties.** The Developer shall be an independent contractor of the Town. Nothing herein shall be construed as creating a partnership or joint venture nor shall any employee of Developer be construed as an employee, agent or principal of the Town.

END OF PAGE; EXECUTION PAGE FOLLOWS

**IN WITNESS WHEREOF**, the Parties have hereto executed this Agreement on the dates indicated with their respective signatures, and such date, or the later of such dates if not executed on the same date, shall be the date of execution and inserted in the first paragraph hereof (but shall be the date of execution even if incorrectly inserted in the first paragraph hereof).

**CHATHAM PARK INVESTORS LLC,**  
a North Carolina limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: Town Clerk

**TOWN OF PITTSBORO,**

a North Carolina municipal corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: Mayor

(affix Town seal here)

**BONUS ALLOCATION AGREEMENT – EXHIBIT A**  
**PITTSBORO TOWN BOARD RESOLUTION**

See attached.