

## AGREEMENT

THIS AGREEMENT (“Agreement”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2013, by and between THE TOWN OF PITTSBORO (the “Town”) and CHATHAM PARK INVESTORS LLC (“Chatham”).

WHEREAS, in accordance with the Chatham Park PDD Master Plan, which has been duly approved by the Town’s Board of Commissioners, Chatham has undertaken the development of an area within the Town’s jurisdiction comprising of approximately 7,000 acres and more particularly described in the Chatham Park PDD Master Plan (the “Development”);

WHEREAS, the Development will consist of a mix of uses and its scope and pace of development are anticipated to far exceed and accelerate the growth the Town has heretofore experienced;

WHEREAS, the Development will consist of multiple phases and will entail and require various reviews and approvals by the Town’s planning, engineering, and utility staffs, and various consultants employed by the Town to assist in the review process;

WHEREAS, Chatham and the Town agree that development of and adoption of a unified development ordinance (“UDO”) would provide the Town with a better method to regulate future development in the Town, including development in the Development.

WHEREAS, as the Development is built and occupied, its residents will require the full range of services the Town provides its citizens, which will increase the Town’s capital costs and increase demands upon the Town’s public safety assets;

WHEREAS, attached hereto as Exhibit A is a pro-forma financial projection of the additional costs and expenses the Town will incur that are related to the Development;

WHEREAS, the Town's financial resources will be significantly impacted by the additional costs to be incurred related to the Development, including, but not limited to, adoption of a UDO and Development Agreement, until ad valorem tax receipts associated with the Development and other development in the Town significantly increase;

WHEREAS, the Town and Chatham believe that it would be in their mutual best interests to implement a mechanism to fund the Town's additional expenses related to the Development until ad valorem tax receipts attributed to the Development are sufficient to cover such expenses and to help facilitate the Town's adoption of a UDO.

NOW, THEREFORE, in consideration of the agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the parties agree as follows:

(1) Chatham's Contribution to the Town's Additional Expenses. Commencing on May 1, 2014, Chatham shall make an annual payment of \$\_\_\_\_\_ to the Town. Chatham shall make a payment in the same amount to the Town on the first day of May in each succeeding year, but such amount shall be reduced by the amount of ad valorem taxes received by the Town with respect to the Development through December 31 of the preceding year. When the ad valorem taxes received by the Town with respect to the Development in any calendar year exceed \$\_\_\_\_\_, the annual payments shall cease.

(2) Litigation. In the event litigation is filed by a third party challenging the approval of the Chatham Park PDD Master Plan and the underlying zoning, Chatham will file a motion to intervene in such litigation and if such motion is granted, will assume the defense thereof. The Town shall be under no obligation to defend any action, claim, or appeal involving the decision. Chatham, its successors or assigns shall indemnify and hold the Town harmless from all loss,

cost or expense, including reasonable attorneys fees, incurred in connection with the defense of or response to any and all actions, claims, demands, damages, costs, loss, expenses, compensation, and all consequential damages on account of, either known and unknown, resulting to or from this decision

IN WITNESS WHEREOF, this Agreement is executed on the date first above written.

TOWN OF PITTSBORO  
a North Carolina Municipal corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: Mayor

Attest: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_ Town Clerk

(Affix Seal)

CHATHAM PARK INVESTORS LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: Manager