

STATE OF NORTH CAROLINA
COUNTY OF BRUNSWICK

DEVELOPMENT AGREEMENT

This DEVELOPMENT AGREEMENT ("Agreement") is made and entered into this ___ of _____ 2026, ("Effective Date") by and between the TOWN OF ST. JAMES, a municipal corporation and body politic of the State of North Carolina ("Town") party of the first part; and, HARBOR DEVELOPMENT CORP., a North Carolina corporation, CANAL ASSOCIATES, LLC, a North Carolina limited liability company, and D.R. DEVELOPMENT CORPORATION, a North Carolina corporation, as applicable in each context, including their successors and assigns, parties of the second part (collectively referenced herein as, the "Landowners"). The Town and the Landowners shall collectively be referred to herein as "Parties."

WITNESSETH:

WHEREAS, Article 10 of Chapter 160D of the North Carolina General Statutes grants cities and towns the authority to enter into development agreements for economic development purposes ("Development Agreements") to better structure and manage development approvals for such developments; and,

WHEREAS, The Parties consider this Agreement to be the best method for establishing the mutual obligations and covenants between them and intend, by virtue of entering into this Agreement, to comply with all the provisions of Article 10 of Chapter 160D of the North Carolina General Statutes; and,

WHEREAS, such Development Agreements allow property owners such as Landowners to proceed with and complete projects that are subject to said Development Agreements with assurance that regulations, ordinances, and approvals granted by public agencies during the period of any applicable Development Agreement will not change adversely during the period of development of their projects; and,

WHEREAS, Landowners intend to develop certain property in Brunswick County, North Carolina consistent with the Concept Plan attached hereto as **Exhibit A**, the same being incorporated herein by reference (as may be amended according to the terms set forth herein, the "Concept Plan"). Landowners own a portion of the property shown on the Concept Plan consisting of approximately one hundred thirty-seven and eighty-five hundredths acres (137.85) and consisting of parcels bearing Brunswick County Parcel IDs 20400018, 20400019, 20400020,

20400040, 20400039, 20400025, 20400024, 20400023, 2040002201, 20400022, and 20400058, as more particularly depicted and described on Exhibit A-1, attached hereto and incorporated herein by reference (collectively, the "Annexation Property"), which said Annexation Property that is currently within the jurisdiction of Brunswick County is subject to Landowners' pending voluntary request for annexation into the Town's jurisdiction. This Agreement being contingent upon the Town's decision to accept for annexation the Annexation Property. Additionally, portions of the property shown on the Concept Plan are already located within the Town's jurisdiction, said parcels being one presently owned by the Town (with Brunswick County Parcel ID 2040002101) ("Town Parcel") and a parcel owned by the applicable Landowners with Brunswick County Parcel ID 2040002502 (both as more particularly depicted or described on Exhibit A-2 and collectively referred to hereinafter as the "Rezoning Property") (the Rezoning Property and the Annexation Property are collectively referred to as the "Property"); and,

WHEREAS, the parties desire that the zoning for all parcels comprising the Property be established and governed in a uniform manner consistent with the Concept Plan, this Agreement, the conditions and standards set forth in Exhibit B attached hereto (collectively, the "Conditional Zoning Conditions"), the Annexation, and the Conditional Zoning (both terms as defined hereinbelow); and,

WHEREAS, with the approval and cooperation of Town, Landowners wish to develop the Property in general accordance with the Concept Plan, subject to modification and/or amendment in accordance with this Agreement (collectively, the "Project"); and,

WHEREAS, Town has identified the coherent and regulated completion of the Project as beneficial to the Town economically and from a land use and zoning perspective, all of which will serve and promote the general health, safety and welfare of the Town and its citizens; and,

WHEREAS, Town acknowledges that the completion of the Project will bring direct and indirect benefits to Town, including the organized and planned build-out of the Property, economic diversification, and other such stimulus; and,

WHEREAS, the Project will occur in multiple phases extending over a period of years and will require a commitment of significant resources from Landowners; and,

WHEREAS, the size and scope of the Project will require careful integration with Town and flexibility within traditional zoning processes; and,

WHEREAS, Town acknowledges that certain revisions to and exemptions from the administrative requirements of the Town Code of Ordinances, including without limitation the Town's Unified Development Ordinance ("UDO"), are appropriate and necessary in order to facilitate the Landowners' efficient and effective completion of the Project; and,

WHEREAS, Landowners desire sufficient assurances hereunder that development standards, ordinances, policies and procedures applicable to Landowners' development,

construction and operation of the Project are revised as reasonably necessary to streamline the efficiency of the Project's completion and that those changes will remain stable throughout the extended period of development of the Project under and subject to this Agreement; and,

WHEREAS, in order to make the substantial financial commitments and investments required to complete the Project, Landowners desire to enter into this Agreement with Town consistent with North Carolina's General Statutes permitting the same to obtain a reasonable degree of certainty for planning and implementation of Landowners' plans for the Project; and,

WHEREAS, Town is authorized to enter into this Agreement pursuant to Article 10 of Chapter 160D of the North Carolina General Statutes and may contract with Landowners to carry out the public purposes set forth herein, any and all other applicable North Carolina General Statutes, the Brunswick County Regulations, and the UDO; and,

WHEREAS, Town conducted a public hearing pursuant to Article 10 of Chapter 160D of the North Carolina General Statutes on February 4, 2026, to consider the approval and execution of this Agreement. Pursuant to Article 10 of Chapter 160D of the North Carolina General Statutes, the required notices of the public hearing were published in accordance with said statutes. Town Council approved this Agreement at the end of the public hearing.

NOW, THEREFORE, for and in consideration of the foregoing premises and the covenants and agreements contained in this Agreement, the adequacy and legal sufficiency of which hereby expressly are acknowledged, the parties hereto agree to enter into this Agreement to set forth their undertakings and understandings in the pursuit of their common goals in accordance with the following:

1. Recitals. The foregoing "WITNESSETH" recitals stated in this Agreement are true, correct, incorporated herein by reference, and made a binding part of this Agreement.

2. Purpose of Agreement. The purpose of this Agreement is to establish the terms and conditions that will allow Landowners to complete the Project consistent with Article 10 of Chapter 160D of the North Carolina General Statutes and, furthermore, to revise certain administrative procedures and design criteria, including to eliminate review of Landowners' Project plans by the Town's Planning Board based on the terms and provisions in this Agreement; and, instead, allow for said review to be conducted at the Town's staff level ("Town Staff") so long as the Project Plans are in adherence with this Agreement for Landowners' development of the Project and are as statutorily permitted. The standards and provisions set forth in this Agreement are intended to permit the flexibility reasonably necessary to accomplish the development of the Project contemplated by Landowners.

3. Term of Agreement. The initial term of this Agreement shall be for twenty-five (25) years from the date of the execution thereof ("Term"); provided, however, that the Parties may enter into additional terms or subsequent Development Agreements that may extend the original Term to the extent allowed by law.

4. Legal Description of Property. The Project's Property consists of approximately 142.03 acres (*Confirm acreage - 137.85+7.22 (swap parcel) = 145.07?*), more or less, located off of NC Highway 211 in Brunswick County as more particularly described on **Exhibit A-1** and **Exhibit A-2** attached hereto and incorporated by reference.

5. Town's Obligations. In connection with this Agreement, Town shall use its best efforts and take all actions necessary or appropriate to review, consider, and address the following:

- A. Landowners' pending voluntary petition for annexation ("Annexation") of the relevant Annexation Property into the Town .
- B. Landowners' application for conditional zoning (including initial conditional zoning of the Annexation Property and conditional rezoning of the Rezoning Property, as applicable) of the Property which is intended to be substantially consistent with the proposed Concept Plan, this Agreement (including, without limitation, the conditions set forth on **Exhibit B**, attached hereto), and the Conditional Zoning Applications submitted to the Town on behalf of Landowners on October 20, 2025, as amended and supplemented (collectively, the "Conditional Zoning") and which contemplates (i) a maximum residential unit count that shall not exceed one thousand nine hundred two (1,902) dwelling units, and (ii) commercial space of up to approximately 34,986 square feet of floor area.
- C. Town will not object to and will use reasonable efforts to cooperate with Landowners to seek approval of a left turn lane onto St. James Dr. when heading East on N.C. Highway 211 to allow for approval by NCDOT of driveway permits for the Proposed Development.
- D. As the current owner of the Town Parcel, Town acknowledges and agrees that it shall take all actions necessary as the owner to cooperate with the application for conditional rezoning for the Town Parcel consistent with this Agreement.

6. Conditions Precedent. Notwithstanding anything to the contrary in this Agreement, the effectiveness of the Agreement and all obligations of Landowners herein shall be expressly subject to and conditioned upon the successful approval of the Annexation and Conditional Zoning contemplated above by the appropriate Town governmental bodies beyond all applicable appeal periods and without any appeals being filed.

7. Fee Simple Land Transfers. In connection with this Agreement, the "as-is" fee simple land transfers between Town and Landowners, as more particularly described in the following subsections (collectively, "Fee Simple Transfers"), shall be subject to any applicable appraisal process as may be required by law. Such Fee Simple Transfers shall occur by North

Carolina General Warranty Deed presenting marketable and insurable title, and otherwise in "as-is" condition promptly following complete execution of this Agreement.

A. Transfer of approximately 10.52 acres (*confirm acreage – concept plan dated 10/27 shows 12.5 acres*) more or less of Brunswick County Parcel ID 20400025 as more particularly depicted or described on **Exhibit C**, attached hereto and incorporated herein by reference, from the applicable Landowners to Town transferring insurable and marketable fee simple title to Town free and clear of any leases and encumbrances (such approximately 10.52 acres being referred to herein as the "Storm Debris Tract").

i. Upon receipt from Town of paid invoices or such other reasonable documentation of applicable costs paid by Town, Landowners shall reimburse Town up to a total of fifty thousand dollars (\$50,000.00) (subject to escalation as set forth below) ("Reimbursement Amount") for the reasonable costs incurred by Town in Town's relocation of the Town's current storm debris lay down area currently located on Brunswick County Parcel ID 2040002101 to the Storm Debris Tract. Commencing on January 1, 2028, the Reimbursement Amount shall escalate annually by three percent (3%). By way of example, if the relocation of the storm debris lay down area occurs on or after January 1, 2028, the maximum Reimbursement Amount shall increase to fifty-one thousand five hundred dollars (\$51,500.00), with additional annual increases of three percent (3%) thereafter, provided that the Town uses commercially reasonable diligence to relocate said storm debris lay down area to the Town's new Storm Debris Tract.

ii. The timeline for beginning construction and completion of such relocation shall be as reasonably determined by Town, provided that Town must complete the same on or before December 31, 2029 to be eligible for the reimbursement described above.

B. Transfer of Brunswick County Parcel ID 2040002101 as further depicted or described on **Exhibit D**, attached hereto and incorporated herein by reference ("Swap Parcel") from Town to one or all of Landowners, as directed by Landowners, without monetary consideration but in exchange and direct consideration for Landowners' conveyance of the Storm Debris Tract and Parking Tract (defined below). The Swap Parcel

is subject to that certain Ground Lease Agreement dated May 2, 2005, between Brunswick County (Town's predecessor in ownership) and Atlantic Telephone Membership Corporation, as the same has been amended and assigned, and Town shall transfer insurable and marketable title to the Swap Parcel free and clear of any other leases and any other rights of third-party tenants.

- C. Transfer from Landowners to Town of a portion of Brunswick County PID 20400020 along the existing right of way no less than ten (10) feet wide as more particularly depicted, located, and described on **Exhibit E**, attached hereto and incorporated herein by reference, such area to be used by Town for parallel parking along the existing right of way ("Parking Tract"). Landowners will prepare the applicable subdivision plat for the same, but Town shall otherwise be entirely responsible for any subdivision or recombination associated with such transfer or use of such Parking Tract.

8. Permanent Easement Transfers. The following non-exclusive, permanent, appurtenant access, construction, maintenance, stormwater, and utility easements over Town Property shall be transferred by deed from Town to one or more of Landowners at or promptly following closing on the Fee Simple Transfers referenced above:

- A. Transfer of permanent, appurtenant access, construction easement, and utility easements from Town in, on, over, under, and through the portions of properties owned by Town and shown on the Concept Plan , including without limitation (i) the western portion of Brunswick County PID 20400021, including the existing road running North/South, and (ii) the northern portions of Brunswick County PIDs 2040002202 and 20400021, and the southwestern portion of Brunswick County PID 2040002101 (collectively, "Permanent Easements").
- B. The Permanent Easements shall benefit the Project and run with Landowners' title to the respective benefitted property and shall allow Landowners to construct roadway improvements and utilities thereon and thereunder in substantial accordance with the Concept Plan including specific compliance with the minimum construction standards set forth in the Concept Plan, and if such roadway improvements or utilities are so-constructed by Landowner, the same shall be at Landowner's sole cost and expense. Until such time as any Permanent Easements are accepted by a governmental entity for public maintenance, Landowners shall also be responsible for maintenance of the Permanent Easements (except to the extent any damage is caused by the actions of Town or its agents or contractors in which case repair shall be charged to Town). Further, the

Permanent Easements are intended to grant present and future owners of the respective benefitted tracts of the Property, and their successors, assigns, invitees and guests, reasonable access over and use of the Permanent Easements in general accordance with the uses contemplated on the Concept Plan for access to and egress from the Property to reach a connected public road and/or highway until such time as the same may become public roads, at which time the easement shall terminate and the same shall become public roads.

9. Temporary Easements. In recognition that the Fee Simple Transfers and permanent easement transfers contemplated pursuant to this Agreement will be completed at a later date, Town hereby grants to Landowners (or an entity of their choosing), their successors and assigns, and agrees to record in the Brunswick County Register of Deeds promptly after execution of this Development Agreement, temporary, non-exclusive appurtenant easements ("Temporary Easements") as follows:

- A. In, on, over, under, and through the Swap Parcel (Brunswick County PID 2040002101), which such easement shall continue until such time as the Swap Parcel is transferred to the Landowners in fee simple pursuant to this Agreement; and
- B. In, on, over, under, and through the Permanent Easement Areas, which such easement shall continue until such time as the Permanent Easement Areas are transferred to the Landowners pursuant to this Agreement.
- C. These Temporary Easements shall benefit the Project and run with the Property and shall be for such purposes as generally consistent with the proposed Concept Plan, including without limitation for the purposes of (i) access, (ii) construction and maintenance of roadway improvements and stormwater control measures, (iii) site construction associated with the Project, and (iv) installation and maintenance of utilities.

10. Dedication and Acceptance of Proposed Development Main Roads. The applicable Landowners shall construct the main roads for the Project as shown on the Roadway Plan attached hereto as **Exhibit F** and incorporated herein by reference, to meet those standards set forth in the Concept Plan including but not limited to the minimum construction standards set forth in the Concept Plan as shown and depicted within the cross sections of the Concept Plan; and Landowners will offer the same, upon completion, for dedication to the Town after expiration of the one-year warranty period extending from initial completion and/or expiration of the bonds for the roads offered for dedication to the Town. Subject to the Town's confirmation such roads meet all applicable Town standards, the Town shall accept such roads into the Town's road network for maintenance by the Town, and thereafter the Town shall be responsible for such maintenance; provided, however, applicable Landowners shall first complete, at applicable Landowners' sole cost and expense, any and all repairs to the roads for damages that exceed ordinary wear and tear.

At such time as each road is accepted for public dedication, any portion of the Permanent Easements forming said accepted road shall immediately terminate without the need for any further deed of termination or recording of the same to effectuate the termination of said Permanent Easement.

11. Phased Development and Costs of Installation of All Improvements and Infrastructure. Landowners may, in their sole discretion, develop the Property in phases; and except as otherwise specifically set forth herein, Landowners shall be solely responsible for all costs and expenses associated with the construction of all improvements and infrastructure for all phases of Landowners' development of the Property in accordance with the Concept Plan.

12. Public Facilities. The Project is anticipated to be served by Brunswick County water and sewer services. Landowners or their successors or assigns shall be responsible for connecting to such utilities at Landowners' (or their successors' or assigns') cost, and at such times as generally consistent with the construction of the Project or otherwise as determined by Landowners in their sole discretion, all in accordance with applicable law.

13. Vested Rights. The Parties agree that the development rights, obligations, terms, and conditions specified in this Agreement are fully vested in the Property for the Term of this Agreement. Such vested rights from the Town are substantially similar to Landowners' vested right in the Property in the PUD Concept Plan for Canal Assoc./Harbor Development Corp. by Timothy G. Clinkscales at Paramounte Engineering dated December 27, 2017 and approved by the Brunswick County Planning Board on January 8, 2018 (the "PUD Plan"). Upon the Town's adoption and enactment of this Agreement, the PUD Plan and vested rights associated therewith shall become null and void in recognition of the rights specified in this Agreement. The laws applicable to the development of the Property shall be those in force on this Agreement's Effective Date, including but not limited to, the contemporaneous revisions to the Town's UDO as adopted by the Town Council of the Town of St. James pursuant to the Conditional Zoning. So long as Landowners are not in material breach of this Agreement, no future changes in or amendments to the Town's UDO shall apply to the Property during the Term except those as contemplated by the General Statutes laws and regulations specifically contemplated within Chapter 160D of the General Statutes such as the following:

A. The development of the Property must comply with the North Carolina Building and Fire Codes as regulated by the North Carolina Department of Insurance.

B. If any state or federal laws or regulations that are enacted after this Agreement's Effective Date prevent or preclude the compliance with one or more provisions of the Agreement, the provisions of the Agreement shall be modified or suspended as necessary to comply with the state or federal laws or regulations.

C. Landowners may, in their sole discretion, elect to apply any subsequently enacted Town laws and/or ordinances to this Agreement to the Property and Project to the extent those laws or ordinances do not already apply.

14. Applicable Regulations. Pursuant to the Annexation, the Conditional Rezoning, and this Agreement, the Property shall be subject to the UDO, and not the Brunswick County Regulations, governing the approval and administration of zoning and subdivisions except as otherwise modified in accordance with this Agreement.

15. Matters Affecting Public Health, Safety, and Welfare. Other than as set forth elsewhere in this Agreement, there are no conditions, terms, restrictions, or other requirements determined to be necessary by Town for the public health, safety, or welfare of its citizens. Landowners shall comply with all applicable environmental laws in its development of the Property. Landowners agree to indemnify Town to the extent that Town incurs any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties, or indemnities), directly or indirectly resulting from or based upon (a) violation of any environmental law, (b) the generation, use, handling, transportation, storage, treatment, or disposal of any hazardous materials in a manner contrary to applicable law, (c) exposure to any hazardous materials caused by the same, (d) the release or threatened release of any hazardous materials into the environment in a manner contrary to applicable law, and/or (e) any contract, agreement, or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing on any Property conveyed to Town by Landowners.

16. Applicable Regulations. Pursuant to this Agreement, the Property shall be subject to Town's Regulations, and not the Brunswick Regulations, governing the approval and administration of zoning and subdivisions except as modified herein.

17. Density Modification Approvals. Pursuant to the approval procedures set forth herein, the Parties expressly agree that Landowners may increase or decrease the number of residential units within a portion of the Property without further permission or approval of the Town so long as the total number of residential units does not exceed one thousand nine hundred and two (1,902) residential dwelling units and those areas labeled CN1, CN2, CN3, CN4 and CN6 on the Concept Plan shall remain commercial areas. Notwithstanding anything herein to the contrary, the parties acknowledge and agree that the zoning designations of the various areas of the Property on the Concept Plan shall not constitute automatic permission or development rights of the Landowner to proceed with development in said zoning districts. Any desired development and construction by the Landowners must comply with the requirements for land development in its zoning district, absent any permitted modification and/or amendment to allow such development in accordance with the provisions of this Agreement.

18. Administrative Staff Approvals. Notwithstanding Town's Regulations, Town Staff shall be solely responsible and authorized to approve development pursuant to the procedure set forth in this Paragraph so long as the Project Plans are in adherence with this

Agreement for Landowners' development of the Project and are as statutorily permitted. Upon Landowners' initiation of the approval process, Landowners and Town Staff shall participate in a preliminary approval meeting, at which Landowner shall provide information regarding setback compliance, parking counts, handicapped accessibility, signage, landscaping standards, and such other items as Town Staff may require and as provided in the Town's UDO and/or Exhibit B: Conditional Zoning Conditions. After approval is obtained from Town Staff at the preliminary meeting, Landowners may then undertake preliminary design. Upon the completion of preliminary design, Landowners shall submit the same to Town Staff for discussion prior to the initiation of further engineering. Upon the completion of further engineering, Landowners shall submit a final site plans or plats for zoning approval by Town Staff.

19. Appeal Rights. The Landowners and/or any other aggrieved person(s) that possess sufficient legal standing may, within thirty (30) days of the Town's Staff's decision under this Agreement, give notice of appeal in accordance with, *inter alia*, Section 4.10 of the Town's UDO.

20. Required Permits. A list of some of the known local development permits approved or needing approval for the development of the Property is set forth on the attached **Exhibit G**, which is incorporated herein by reference. The failure of this Agreement or Exhibit G to list a particular permit required as of the Effective Date does not relieve Landowners of the necessity of complying with the law governing such permit's requirements, conditions, terms, or restrictions.

The Parties further acknowledge that pursuant to Chapter 92: Fire Prevention, of the Town's Code of Ordinances, Landowners will seek a permit to conduct open burning for commercial development and land-clearing purposes on the Property. Town agrees to make reasonable efforts to expediently review and process any complete permit application submitted by Landowners in accordance with applicable law and Town procedures, and to schedule any required inspections or hearings as promptly as practicable, subject to the conditions that: (i) all open burning within the areas designated CN1, CN2, CN3, and CN4 shall be performed in burn boxes to reduce smoke, and (ii) no open burning on the other areas of the Property shall be performed within two hundred feet (200') of N.C. Highway 211.

21. Benefits and Burdens. In accordance with Article 10 of Chapter 160D of the North Carolina General Statutes, the burdens of this Agreement shall be binding on, and the benefits of this Agreement shall inure to, all successors in interest and assigns of all parties hereto.

22. Recordation/Binding Effect. Within fourteen (14) days after this Agreement is duly executed by Town, Landowners shall record this Agreement in the Office of the Register of Deeds of Brunswick County.

23. Fees Not Waived. This Agreement does not waive any fee or tax required by ordinance, law, or regulation, and, by way of example and not limitation, Landowners shall be responsible for all of Town's standard and generally applicable fees.

24. Project Development Decisions. Town and Landowners acknowledge that the most efficient and economic development of the Project depends upon numerous factors such as market conditions and demand, interest rates, competition, and similar dynamics, and that generally it will be most economically beneficial to Town, Landowners, and ultimate purchasers of interests in the Property and/or Project to have the rate of development of the Project determined by Landowners. Accordingly, the timing, sequencing, and phasing of the development of the Project shall be solely the responsibility of Landowners and shall be compliant with this Agreement; and, except as expressly set forth herein, Town shall not impose by ordinance, resolution, initiative, administrative act or decision, or otherwise, any restrictions or directives on such timing, sequencing, or phasing of development within the Project. In particular, and without limitation, Town acknowledges that it will not withhold or delay approval of any permit required by the Project that complies with the UDO, as revised hereunder specifically pursuant to and limited to this Agreement for the parties hereto, and is consistent with the terms and conditions of this Agreement.

25. Timing of Development. Landowners may develop the Project in phases generally consistent with the Concept Plan and the phasing matrix attached as **Exhibit H** and incorporated herein by reference; provided, however, the failure to meet a commencement or completion date shall not, in and of itself, constitute a material breach of this Agreement, but shall be judged based on the totality of the circumstances.

26. Review. Town may periodically review the progress of the development of the Property. In order to assist in such review, Landowners shall, upon request by Town no greater than once every six (6) months during the Term, provide Town with a report setting forth in reasonable detail the progress with respect to development of the Property, including infrastructure improvements and other buildings and improvements, during the previous twelve (12) months or since the most recent report submitted by Landowners. In conjunction with such periodic reports, Landowners shall also provide any additional information with respect to the development reasonably requested by Town.

27. Private Undertaking. Town and Landowners agree that the Project is a private development and that Town has no interest in the Project except as authorized by this Agreement or otherwise in the exercise of its governmental functions.

28. Integration. This Agreement and the Exhibits referred to herein contain the entire agreement between the Parties relating to the transactions contemplated by this Agreement and supersede all previous understandings and agreements between the Parties relating to these transactions. Each party acknowledges that, in agreeing to enter into this Agreement, it has not relied on any representation, warranty, collateral contract or other assurance (except those set out in this Agreement, the Exhibits hereto, the Annexation, and Conditional Zoning) made by or on behalf of any other party or any other person whatsoever before the Effective Date. Each party waives all rights and remedies which, but for this Section, might otherwise be available to it in respect of any such representation, warranty, collateral contract or other assurance; provided,

however, that nothing in this Section shall limit or exclude any liability for willful misconduct or fraud.

29. Cooperation. Town and Landowners shall consult and cooperate fully at such time and to the extent reasonably requested by the other party in connection with all matters subject to this Agreement. Such cooperation shall include, without limitation:

- A. The expeditious and timely review of the submission of plans and permits which may be required by Town;
- B. The execution of any document that may be reasonably necessary or helpful in connection with this Agreement; and,
- C. The procurement of any documentation from a governmental authority or a third party that may be necessary or helpful in connection with the foregoing.

30. Amendments; Modifications. Pursuant to Article 10 of Chapter 160D of the North Carolina General Statutes and any applicable requirements for notice and public hearing, this Agreement may be modified, amended or cancelled by mutual consent of the Parties, evidenced by a written agreement signed by the parties. In furtherance thereof, Town and Landowners agree to negotiate in good faith as to any proposed amendments, but no party shall be obligated to agree to any proposed amendment, subject, in all events, however, to the terms and provisions of Article 10 of Chapter 160D of the North Carolina General Statutes.

31. Remedies.

a. Upon default by a party of said party's obligations under this Agreement, the non-defaulting party shall give written notice specifying the default to the defaulting party, and the defaulting party shall have thirty (30) days after said notice in which to cure the specified default.

b. In the event the defaulting party does not cure the specified default within said thirty (30) day period, or, in the event the cure of said default cannot reasonably be accomplished within said thirty (30) day period but yet the defaulting party does not commence cure of the specified default within said thirty (30) day period and, thereafter, does not diligently pursue the cure of the specified default to completion, then the non-defaulting party, shall be entitled to those remedies allowed or provided for pursuant to Article 10 of Chapter 160D of the North Carolina General Statutes.

c. Except to the extent arising from the gross negligence or willful misconduct of a party, neither Town nor Landowners shall be liable for indirect, incidental, or consequential damages; lost profits; or lost fees arising out of, or pertaining to, the subject matter of this Agreement. These limitations apply to all causes of action and claims including, without limitation, breach of contract, negligence, negligent misrepresentation, and/or other torts. The

Parties agree that the Town has not expended or appropriated any funds in connection with this Project.

d. The Parties understand and agree that the remedies, exclusions, and limitations in this Agreement allocate risks between the Parties. The terms and conditions in this Agreement reflect, and are established in reliance upon, this allocation of risks and the exclusion of consequential damages and limitations of liability set forth in this paragraph.

e. Notwithstanding anything to the contrary herein, and prior to the filing and commencement of any litigation, the Parties shall first schedule and participate in mediation of any dispute arising under or related to this Agreement. The Parties shall mutually agree upon a North Carolina certified mediator and shall schedule the mediation as promptly as possible. In the event the Parties cannot agree upon the selection of a mediator, the Parties agree to allow the Senior Resident Brunswick County Civil Superior Court Judge to select the mediator and said selection shall be binding and non-appealable.

32. Assignment. This Agreement, together with all rights hereunder, is fully assignable by Landowners. Any assignee of Landowners shall be responsible for compliance with the Agreement and shall acquire all or a portion of the right, title, and interest of Landowners in the Property hereunder. Upon any such assignment, Landowners shall promptly notify the Town in writing of the assignment.

33. Time of Essence; Force Majeure. Time is of the essence as to all matters set forth in this Agreement and all provisions herein relating to time of performance shall be strictly construed; provided, however, in the event that a party is prevented or delayed from performing, fulfilling, or completing an obligation provided for in this Agreement as a result of delays caused by strikes; lock-outs; unavailability of materials; acts of God; acts of any national, state, or local governmental agency or authority or a foreign government; war; insurrection; rebellion; riot; civil disorder; fire; explosion; pandemic; epidemic; government shutdown; or the elements, and provided that such prevention or delay is not caused or due to any act or omission or negligence of the party claiming force majeure, then the time for performance, fulfillment, or completion shall be extended for a period not exceeding the number of days by which the same was so delayed, provided such party gives written notice of such condition within ten (10) days after its occurrence. In the event the provisions of this Agreement require any act to be done or action to be taken hereunder on a date which is a Saturday, Sunday, or legal holiday, such act or action shall be deemed to have been validly done or taken if done or taken on the next succeeding day which is not a Saturday, Sunday, or legal holiday.

33. No Conflicts of Interest. Where prohibited by law, no member, official, or employee of Town shall have any direct or indirect personal financial interest in this Agreement or the Project. Nor shall any such member, official, or employee, where prohibited by law, participate in any decision relating to this Agreement or the Project that affects said person's personal financial interest or the interest of any corporation, partnership, or association in which said person is directly or indirectly interested.

34. Third-Party Legal Actions and Proceedings. In the event any legal action or proceeding is commenced by any person or entity, other than a party hereto, challenging this Agreement or any provision herein, the Parties agree to cooperate with each other in good faith to defend against said action or proceeding, each party to be liable for its own legal expenses and costs. Landowners shall not settle any lawsuit brought by any third-party challenging this Agreement or any provision herein without the prior written consent of Town.

35. Notices. All notices required or permitted under this Agreement shall be in writing, unless otherwise specified, and shall be (i) delivered personally or (ii) deposited with a reputable overnight courier service which provides a date stamped receipt to the party at the address set forth below the signature line of this Agreement or to such other address as may be furnished to the other party in writing pursuant to this paragraph. All notices so given shall be deemed effective and received upon the earlier of (i) actual receipt and (ii) receipt and refusal. Notices should be addressed as follows:

<p><u>To Landowners:</u> Harbor Development Corp. 821 Oak Ridge Drive Eden, NC 27288</p> <p>D. R. Development Corporation 515 S. Kennedy Avenue Eden, NC 27288</p> <p>Canal Associates, LLC 4006 St. James Drive Southport, NC 28461</p> <hr/> <p>And with a copy, which shall not constitute notice, to:</p> <p>Ward and Smith, P.A. Attn: Sam Franck 127 Racine Drive Wilmington, NC 28403</p>	<p><u>To Town:</u> The Town of St. James c/o Jeff Repp, Town Manager 4140A Southport-Supply Road St. James, NC 28461</p> <hr/> <p>And with a copy, which shall not constitute notice, to:</p> <p>G. Grady Richardson, Jr. Law Offices of G. Grady Richardson, Jr., P.C. 1908 Eastwood Rd., Suite 224 Wilmington, NC 28403 grady@ggrlawoffice.com</p>
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36. Controlling Law and Venue. This Agreement and all disputes under this Agreement shall be construed under North Carolina law. All disputes of any nature that seek a legal remedy shall be decided in a court of appropriate jurisdiction located in Brunswick County, North Carolina.

37. Severability; Survival. In the event that any term or condition of this Agreement or the application thereof to any circumstance or situation shall be found invalid or unenforceable in whole or in part by a court of competent jurisdiction, the remainder hereof and the application of said term or condition to any other circumstance or situation shall not be affected thereby, and each term and condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

38. Mutually Binding Obligations. The Parties agree that this Agreement is mutually beneficial in that it provides for orderly development, growth, and systematic extension of improvements. Town acknowledges that Article 10 of Chapter 160D of the North Carolina General Statutes authorizes this Agreement to bind Town as well as its current and future officials, officers, and employees. The Parties acknowledge that these mutual benefits are sufficient to constitute good and valuable consideration in support of this contractual agreement. The Parties acknowledge and agree that this Agreement is being entered into in accordance with the authority granted in Article 10 of Chapter 160D of the North Carolina General Statutes, and the Parties intend to comply fully with the terms and requirements of Chapter 160D. Every obligation assumed herein by Landowners and Town is subject to the limitation "to the extent that it may legally do so under North Carolina law."

39. Town's Legislative Obligations. Nothing in this Agreement shall be construed to limit the obligation of Town to hold legally required public hearings, or to limit the discretion of Town and its officers in performing legislative responsibilities of Town.

40. Interpretation. Any reference to a section, provision, or chapter of the North Carolina General Statutes includes that section, provision, or chapter as amended, modified, revised, supplemented, or superseded from time to time; provided, however, that no amendment, modification, revision, supplement, or superseding section, provision, or chapter shall be applicable solely by reason of this paragraph if it constitutes in any way a material impairment of the rights or obligations of Landowners or Town under this Agreement or any other instrument or document entered into in connection herewith. Unless the context indicates otherwise, words implying the singular number include the plural number, and vice versa. The terms "hereof," "hereby," "herein," "hereto," "hereunder," "hereinafter" and similar terms refer to this Agreement; and the term "hereafter" means after, and the term "heretofore" means before the date of this Agreement. Words of any gender include the correlative words of the other gender, unless the sense indicates otherwise. References to paragraphs, sections, articles, or exhibits, unless otherwise indicated, are to sections and articles of, or exhibits, to this Agreement. Notwithstanding anything in this Agreement to the contrary, in the event an issue, interest, claim, or desired use and/or improvement is not covered by the provisions set forth in this Agreement, the UDO as of the Effective Date of this Agreement, and/or in the attached Development Plan, then said issue, interest, claims, or desired use and/or improvement shall be governed by and subject to the Town's then-prevailing UDO provisions.

41. Duplicate Originals. This Agreement may be executed in duplicate originals. Each party acknowledges receipt of one such original. Either such original shall be admissible in any proceeding, legal or otherwise, without the production of the other such original.

42. Paragraph Headings. The paragraph headings used in this Agreement are for convenience of reference only and shall not be considered terms of this Agreement

43. Entire Agreement. This Agreement and its referenced Exhibits contain the entire agreement and understanding between Town and Landowners. There are no oral understandings, terms, or conditions. Neither Town nor Landowners have relied upon any representation, express or implied, not contained or incorporated herein. All prior negotiations, understandings, terms, and conditions are merged in this Agreement.

IN TESTIMONY WHEREOF, Town has caused this instrument to be executed as its act and deed by the Mayor, and Town's corporate seal to be hereunto affixed, and attested by the Town Clerk, all by the authority of Town's Council; and Landowners have executed or caused this document to be executed by them, all as of the day and year first above written.

[SIGNATURES FOLLOW ON SUBSEQUENT PAGES]

APPROVED AS TO FORM:

G. Grady Richardson, Jr., Town Attorney

(Date)

TOWN OF ST. JAMES, NC

By: _____
Jean Toner, Mayor

ATTEST:

Jamie Burns, Town Clerk

(SEAL)

NORTH CAROLINA
NEW HANOVER COUNTY

I, the undersigned Notary Public of the County of _____ and State aforesaid, certify that _____ personally came before me this day and acknowledged that she is Town Clerk of the TOWN OF ST. JAMES, NC, and that by authority duly given and as an act of the municipal corporation, the foregoing instrument was signed in its name by JEAN TONER, its Mayor, sealed with its corporate seal, and attested by herself as its Town Clerk.

WITNESS my hand and notarial seal this _____ day of _____, 2026.

My Commission Expires: _____ Notary Public

(AFFIX STAMP OR SEAL) _____
Notary's Printed or Typed Name

This Agreement has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

Pauline Haran, Town Finance Director

HARBOR DEVELOPMENT CORP.

(Date)

By: _____
Signature

Printed Name & Title

STATE OF _____
_____ COUNTY

I, the undersigned Notary Public of the County of _____ and State aforesaid, certify that _____, personally came before me this day and acknowledged that (s)he is the _____ of Harbor Development Corp., a North Carolina corporation, and that by authority duly given and as the act of such entity, (s)he signed the foregoing instrument in its name on its behalf as its act and deed.

WITNESS my hand and Notarial stamp or seal this _____ day of _____, 2026.

My Commission Expires:

Notary Public

(AFFIX STAMP OR SEAL)

Notary's Printed or Typed Name

CANAL ASSOCIATES, LLC

(Date)

By: _____
Signature

Printed Name & Title

STATE OF _____
_____ COUNTY

I, the undersigned Notary Public of the County of _____ and State aforesaid, certify that _____, personally came before me this day and acknowledged that (s)he is the _____ of Canal Associates, LLC a North Carolina limited liability company, and that by authority duly given and as the act of such entity, (s)he signed the foregoing instrument in its name on its behalf as its act and deed.

WITNESS my hand and Notarial stamp or seal this _____ day of _____, 2026.

My Commission Expires:

Notary Public

(AFFIX STAMP OR SEAL)

Notary's Printed or Typed Name

**D. R. DEVELOPMENT
CORPORATION**

(Date)

By: _____

Signature

Printed Name & Title

STATE OF _____

_____ COUNTY

I, the undersigned Notary Public of the County of _____ and State aforesaid, certify that _____, personally came before me this day and acknowledged that (s)he is the _____ of D. R. Development Corporation, a North Carolina corporation, and that by authority duly given and as the act of such entity, (s)he signed the foregoing instrument in its name on its behalf as its act and deed.

WITNESS my hand and Notarial stamp or seal this _____ day of _____, 2026.

My Commission Expires:

Notary Public

(AFFIX STAMP OR SEAL)

Notary's Printed or Typed Name

[END SIGNATURES]

EXHIBIT A
Concept Plan

[Attached]

EXHIBIT A-1
ANNEXATION PROPERTY

Being all of that certain tracts of land lying and being situate in Lockwood Folly & Smithville Townships, Brunswick County, North Carolina, and being more particularly described as follows:

Tract 1

Commencing at N.C.G.S. Monument "Road" having coordinates of N=80,010.80' and E=2,270,524.58' (NAD 1983/2011) U.S. Survey feet. Thence, S 77°14'01" E, 4,304.98' to the Point of Beginning for Tract 1, said point being an iron rebar set in the northern right-of-way of NC Highway 211 as shown on NC DOT Project R-5021, said iron rebar having coordinates of N=79,059.50' and E=2,274,723.23' (NAD 1983/2011) U.S. Survey feet.

Thence from said point of beginning, along the western boundary of Tract 19 as shown on Plat Book "U" Page 9, N 15°29'03" E, 1,421.23', to an iron rebar found, said iron rebar being the northwest corner of said Tract 19; thence, S 74°30'57" E, 400.00' to a point; thence, S 74°30'57" E, 800.00' to an iron rebar found, said iron rebar being the northeast corner of Tract 21 as shown on Plat Book "U", Page 9; thence, along the eastern boundary of said tract, S 15°33'43" W, 774.42' to an iron rebar set; thence, continuing along the eastern boundary of said tract, S 15°33'43" W, 646.95' to a point, said point being in the northern right-of-way of NC Highway 211; thence, along said right-of-way, N 74°30'32" W, 135.70' to a concrete monument found; thence N 74°30'32" W, 1,062.37' to the point and place of beginning, containing 39.12 acres.

Tract 2

Commencing at N.C.G.S. Monument "Road" having coordinates of N=80,010.80' and E=2,270,524.58' (NAD 1983/2011) U.S. Survey feet. Thence, S 77°14'01" E, 4,304.98' to the Point of Beginning for Tract 1, said point being an iron rebar set in the northern right-of-way of NC Highway 211 as shown on NC DOT Project R-5021; thence, along the western boundary of Tract 19 as shown on Plat Book "U" Page 9, N 15°29'03" E, 1,421.23', to an iron rebar found, said iron rebar being the northwest corner of said Tract 19; thence, S 74°30'57" E, 400.00' to a point; thence, S 74°30'57" E, 800.00' to an iron rebar found, said iron rebar being the northeast corner of Tract 21 as shown on Plat Book "U", Page 9 and being the Point of Beginning for Tract 2, said iron rebar having coordinates of N=80,108.81' and E=2,276,259.08' (NAD 1983/2011) U.S. Survey feet.

Thence from said point of beginning, along the western boundary of Tract 70 as shown on Plat Book "U" Page 9, N 22°34' 38" E, 768.48' to an iron rebar found; thence, S 74°35' 10" E, 705.11' to an iron rebar found; thence, N 15°29' 02" E, 841.02' to an iron rebar found; thence, S 63°55' 47" E, 356.52' to a point; thence, S 38°38' 46" E, 377.66' to a point; thence, S 38°38' 46" E, 27.80' to a point; thence, S 28°01' 37" E, 562.82' to a point; thence S 08°29' 54" W a distance of 129.40' to an iron rebar found; thence, S 08°29' 54" W, 19.31' to a point; thence, S 28°35' 41" W, 185.71' to a point; thence, S 28°35' 41" W, 121.32' to a point; thence, S 18°30' 10" W, 81.58' to a point; thence, S 09°35' 37" W, 136.11' to a point; thence, S 04°32' 38" W, 233.97' to an iron rebar found; thence, S 04°32' 38" W, 194.84' to a point; thence, S 04°32' 38" W, 224.58' to a point; thence, S 38°11' 42" E, 630.27' to a point; thence, S 51°48' 18" W, 30.00' to an iron rebar found; thence, S 78°43' 48" W, 172.25' to a point; thence, S 78°43' 48" W, 91.34' to an iron rebar set; thence, S 82°02' 51" W, 388.07' to an iron rebar set; thence, S 68°19' 37" E, 144.34' to a point; thence, S 05°24' 11" E, 170.83' to a point; thence, S 86°24'09" W, 82.66' to a point; thence, S 15°45'43" E, 175.99' to a point on the northern right-of-way of NC Highway 211; thence, continuing along said right-of-way, N 73°36' 11" W, 82.73' to a point; thence, N 74°30' 32" W, 644.70' to a point; thence, N 33°09' 39" W, 33.30' to a point; thence, N 74°30' 32" W, 450.00' to a point; thence, N 80°13' 10" W, 50.25' to a point; thence, N 74°30' 32" W, 254.84' to an iron rebar set in the southeast corner of the Town of St. James property as described in Deed Book 4310, Page 309; thence, leaving said right-of-way and along the eastern boundary of said property, N 15°29' 25" E, 172.68' to an iron rebar set; thence, N 18°20' 29" E, 200.75' to a point; thence, N 15°28' 53" E, 10.20' to a point; thence, N 15°28' 53" E, 143.18' to a point; thence, along a curve turning to the left through an angle of 89°58' 57.7", having a radius of 30.00', and whose long chord bears N 29°30' 20" W, 42.42' to a point; thence, N 74°29' 50" W, 30.51' to a point; thence, along a curve turning to the left through an angle of 21°21' 00.9", having a radius of 125.00', and whose long chord bears N 85°10' 22" W, 46.31' to a point; thence, S 84°09' 07" W, 68.14' to a point in the eastern boundary of the Town of St. James property as described in Deed Book 2670, Page 1125; thence, along the eastern boundary of said property, N 15°33' 57" E, 145.75' to a point; thence, N 15°36' 39" E, 747.47' to an iron rebar found, said iron rebar being the northwest corner of Tract 23 as shown on Plat Book "U", Page 9; thence, N 74°30' 57" W, 399.97' to the point and place of beginning, containing 98.28 acres.

All bearings being relative to N.C. Grid North (NAD 1983/2011), and all distances being horizontal field measurements.

These descriptions are for annexation purposes only and are not to be construed as a recombination of the following existing parcel numbers:

20400018, 20400019, 20400020, 2040002201, 20400022, 20400023, 20400024, 20400025, 20400039, 20400040, 20400058

EXHIBIT A-2
REZONING PROPERTY

Town Parcel (Brunswick County PID 2040002101):

Being all of that certain tract of land lying and being situate in Smithville Township, Brunswick County, North Carolina, and being more particularly described as follows:

Commencing at N.C.G.S. Monument "Road" having coordinates of N=80,010.80' and E=2,270,524.58' (NAD 1983/2011) U.S. Survey feet. Thence, S 83°18'43" E, 5,564.53' to the Point of Beginning, said point being an iron rebar found at the southwest corner of the described parcel, said iron rebar having coordinates of N=79,362.87 and E=2,276,051.22 (NAD 1983/2011) U.S. Survey feet.

Thence, from said point of beginning, N 15° 36' 41" E, 774.42' to a point; thence, S 74° 30' 57" E, 399.97' to a point; thence, S 15° 36' 39" W, 747.47' to a point; thence, N 41° 25' 39" W, 11.85' to a point; thence, N 20° 46' 54" W, 21.80' to a point; thence, N 00° 12' 50" E, 54.21' to a point; thence, N 37° 10' 09" W, 33.60' to a point; thence, N 64° 54' 41" W, 35.19' to a point; thence, S 79° 55' 11" W, 33.95' to a point; thence, N 76° 34' 19" W, 27.84' to a point; thence, N 71° 36' 29" W, 30.33' to a point; thence, S 66° 23' 31" W, 30.20' to a point; thence, S 73° 22' 05" W, 30.85' to a point; thence, S 79° 08' 31" W, 30.31' to a point; thence, S 65° 08' 08" W, 33.94' to a point; thence, S 66° 01' 46" W, 33.29' to a point; thence, S 57° 15' 48" W, 27.07' to a point; thence, N 80° 13' 35" W, 32.55' to a point; thence N 74° 29' 39" W, 34.07' to the point of beginning, containing 6.44 acres.

All bearings being relative to N.C. Grid North (NAD 1983/2011), and all distances being NC grid distances.

Brunswick County PID 2040002502:

Being all of that certain tract of land lying and being situate in Smithville Townships, Brunswick County, North Carolina, and being more particularly described as follows:

Commencing at N.C.G.S. Monument "Road" having coordinates of N=80,010.80' and E=2,270,524.58' (NAD 1983/2011) U.S. Survey feet. Thence, S 75°57'17" E, 7,576.73' to the Point of Beginning, said point being an iron rebar found in the northern right-of-way of NC Highway 211 as shown on NC DOT Project R-5021, said iron rebar having coordinates of N=78,172.01' and E=2,277,874.90' (NAD 1983/2011) U.S. Survey feet.

Thence from said point of beginning, S 08° 15' 19" W, 19.47' to a point; thence, N 15° 45' 43" W, 198.76', to a point; thence, N 86° 24' 09" E, 82.66' to a point; thence, S 08° 15' 19" W, 179.06' to the point of beginning, containing 0.184 acres.

All bearings being relative to N.C. Grid North (NAD 1983/2011), and all distances being NC grid distances.

EXHIBIT B

Conditions to Conditional Zoning of the Property

[\[Final Conditions, to be inserted when agreed upon by Parties\]](#)

EXHIBIT C
Storm Debris Tract

[Attached]

(Added graphics)

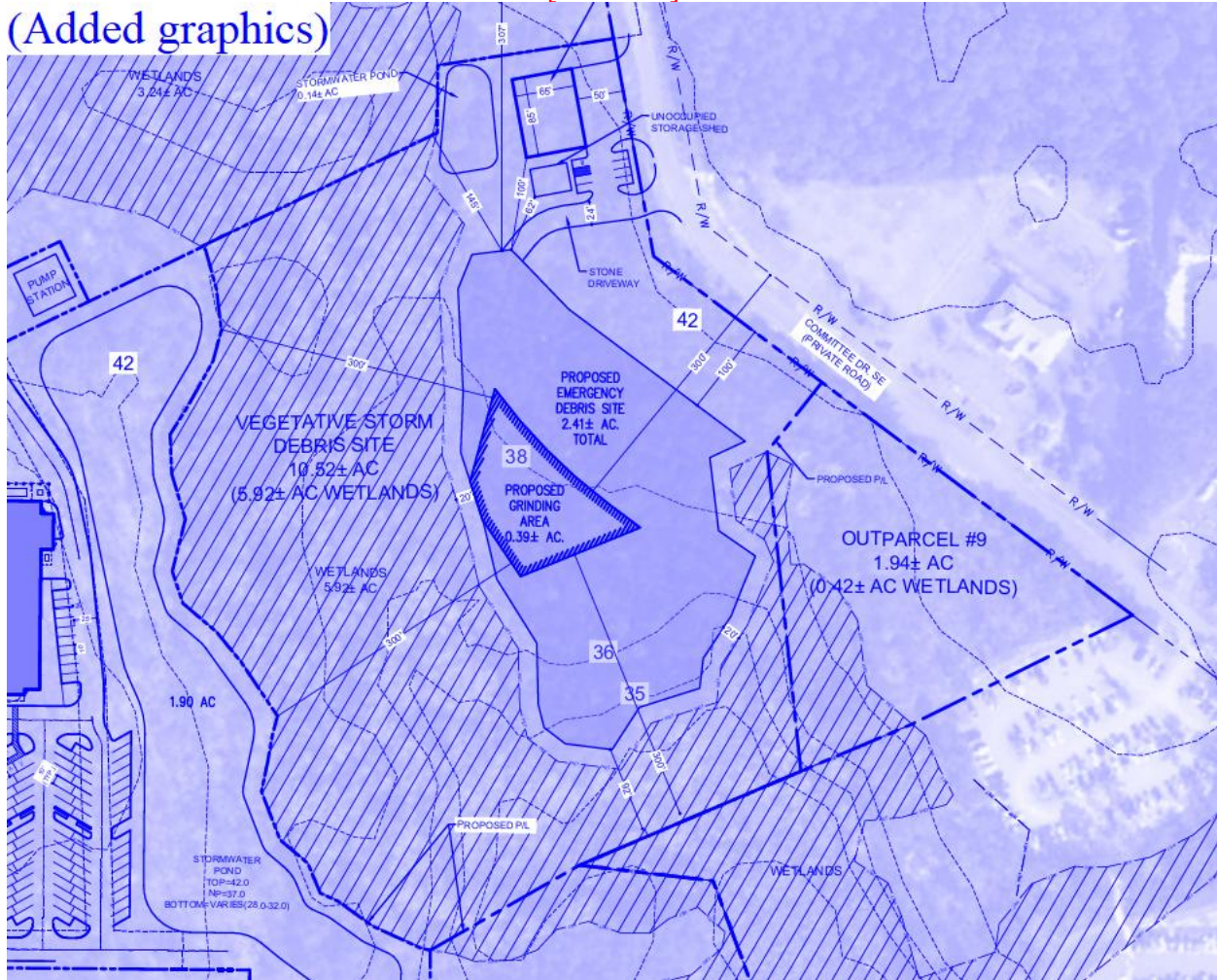
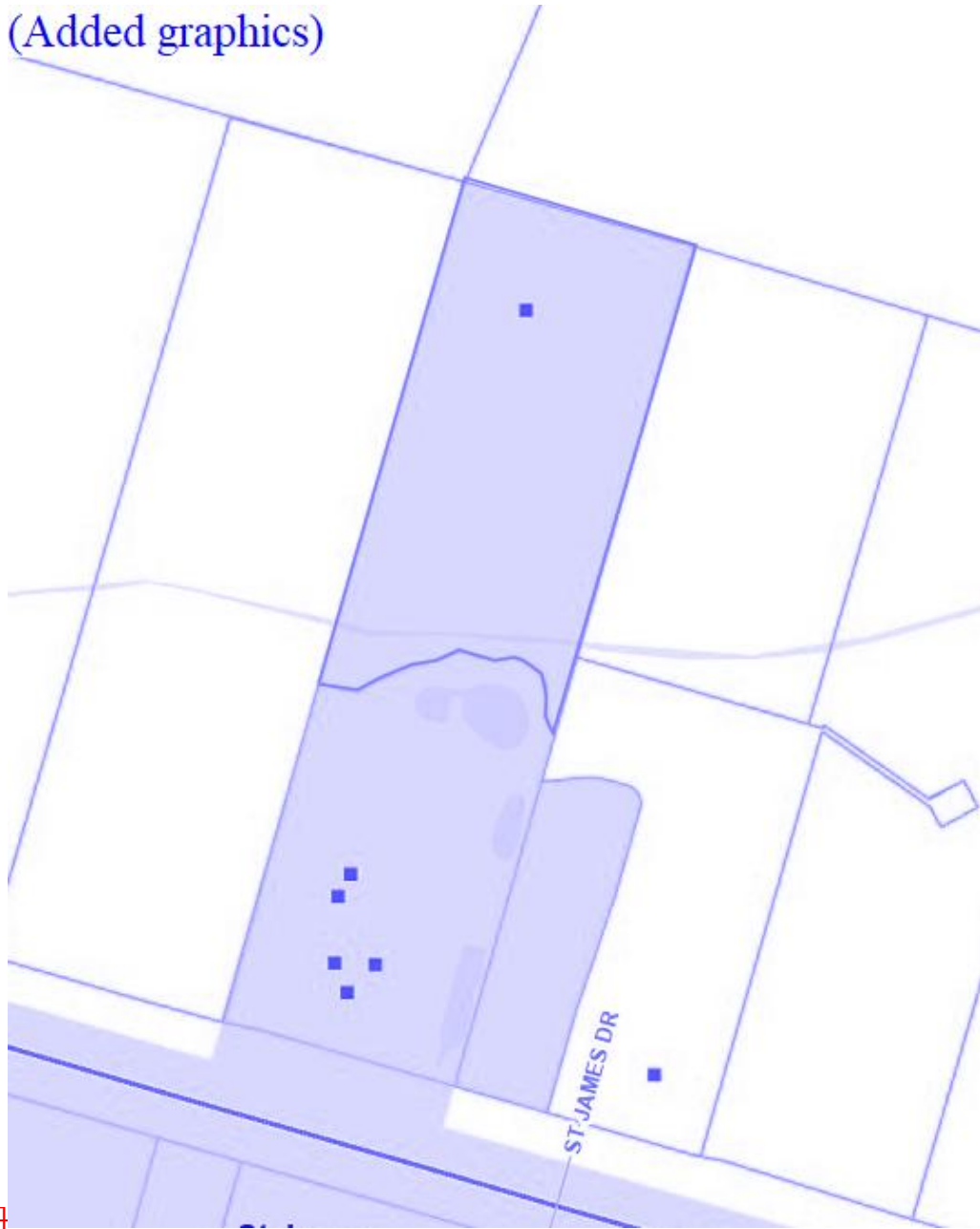


EXHIBIT D
Swap Parcel Tract outlined in red below.

(Added graphics)

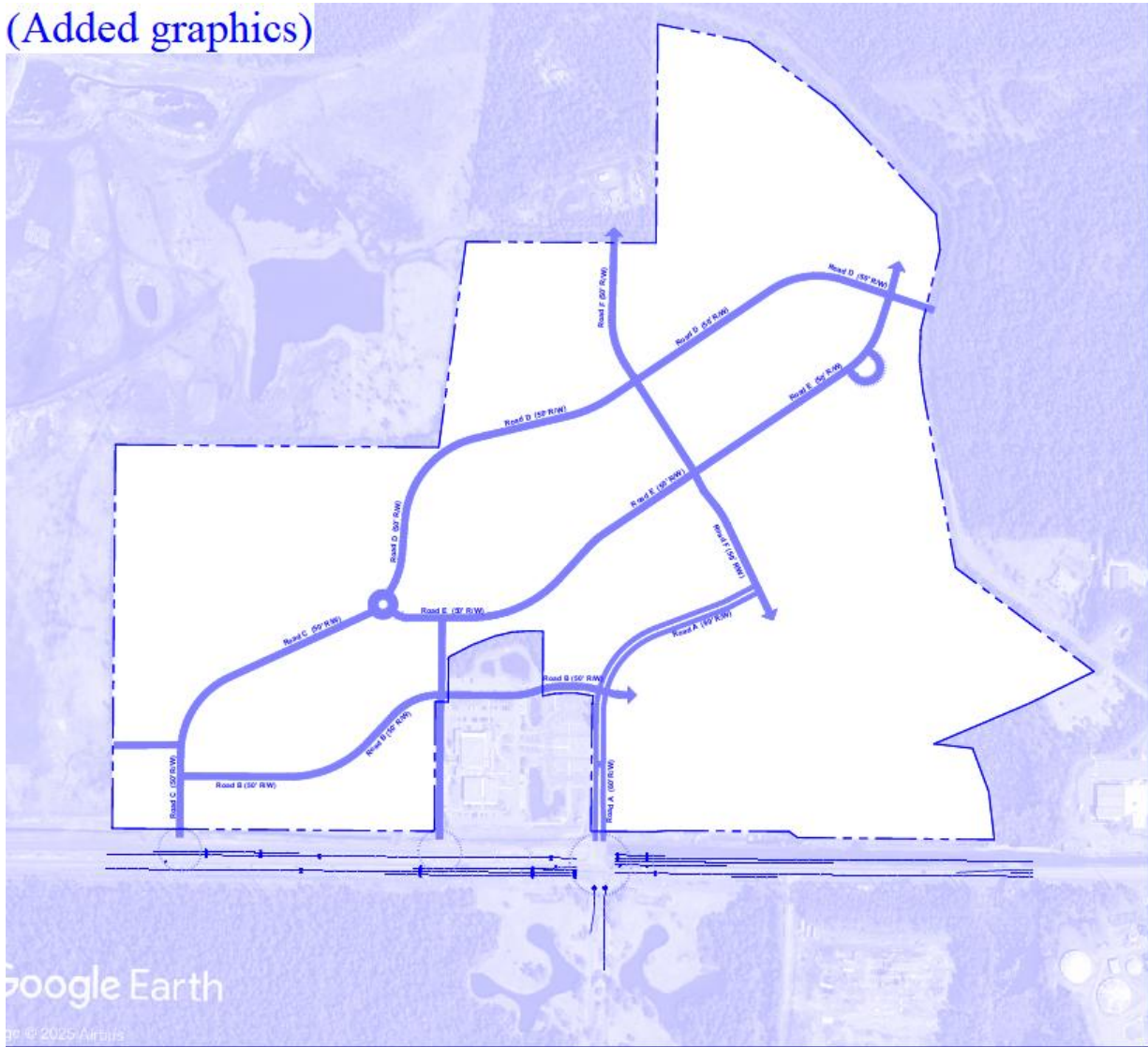


[Attached]

EXHIBIT E
Parking Tract

EXHIBIT F
Roadway Plan

(Added graphics)



ROAD DEDICATION EXHIBIT
Scale: 1" = 200'

A

EXHIBIT G
Required Permits

[Attached]

EXHIBIT FH
Phasing Schedule

[Attached]