

Exhibit 3

Exhibit B to Draft Development Agreement

The Following Replaces the List of Conditions on Exhibit D on the Initial Zoning Application and Rezoning Application, and Shall Hereinafter Be Referred to as the "List of Conditions":

1. Development of Property. The development of Brunswick County parcel numbers: 20400018, 20400019, 20400020, 2400040, 20400039, 20400025, 20400024, 20400023, 2040002201, 20400022, 20400058, 2040002502, and 2040002101 (collectively, the "Property") by 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 (collectively referenced herein as, the "Developer") shall
 - (a) adhere to the Developer's Concept Plan for the Property dated _____ a copy of which is attached hereto as **Exhibit 1** and incorporated herein by reference ("Concept Plan");
 - (b) be subject to this List of Conditions; and
 - (c) be consistent with and governed by the Development Agreement sought to be entered into by and between the Town of St. James ("Town") and the Developer ("Development Agreement").

Said development of the foregoing Property, performed consistent with the foregoing referenced and incorporated documents, shall hereinafter be referred to as the "Development."

Subject to the terms set forth herein as well as the terms of the Concept Plan and the Development Agreement (if entered into by Town and Developer), the Developer's application for development permits for the Development of the Property which are consistent with uses set forth in the foregoing shall only be reviewed by the Town at a staff level by the Town's Unified Development Ordinance ("UDO") Administrator. The Town's Planning Board and/or Town Council review and approval of subsequent site plans for uses that are consistent with these terms, the Concept Plan, and the Development Agreement (if entered by Town and Developer) shall not be required.

2. Flexibility in Development. So long as the overall residential unit count does not exceed 1,902 residential dwelling units inclusive of upper story residential uses, the Developer may alter the location of the approved uses within the Property subject to approval by the Town's UDO Administrator, but without the need for additional approval from the Town Planning Board and Town Council; provided that the Developer agrees and the Town requires that the areas labeled CN1, CN2, CN3, CN4, and CN6 on the Concept Plan shall remain commercial areas (with such uses as permitted in the column labeled "Commercial Areas" on the Proposed Uses Table in Exhibit A to the conditional zoning applications for the Property, as attached hereto as **Exhibit 2** and incorporated herein by reference, including without limitation upper story

residential dwellings). Further provided that the CN5 area may include uses identified in the MF column of the table of uses. Further provided the “R” designated areas shall be used for single-family, duplex, and townhome residential. Within the CN6 area, government uses and facilities may be permitted.

3. Sales and Marketing. The Developer shall be allowed to organize, sponsor, host, and undertake various sales, marketing, community, and special events. Without limitation, the Town shall allow the Developer to maintain construction and sales offices associated with the Development.
4. Parking Space Width/Drive Aisles. Notwithstanding the Town’s UDO Section 9.1.5(E), the minimum width of standard 90-degree parking spaces shall be reduced from ten feet (10’) to nine feet (9’) throughout the Project. Additionally, minimum drive aisle width is twenty-four feet (24’) wide for 90-degree parking.
5. Parking Area Interior Landscaping. Notwithstanding the Town’s UDO Section 10.9.3(C), the requirement for a ten-foot (10’) landscaped median every one hundred thirty feet (130’) within parking areas exceeding forty thousand square feet (40,000 SF) shall not be applicable. The Developer shall not be required to provide such landscaped medians within parking areas exceeding 40,000 square feet.
6. Street Buffer Widths. The required street buffer provisions of the Town’s UDO Sections 10.8.8 and 10.8.9, shall only apply to Roads A through E on the Concept Plan, and in such areas the required street buffer shall be reduced from twenty feet (20’) to ten feet (10’) provided that the buffer area shall remain landscaped consistent with the intent of the Town’s UDO.
7. Street Right-of-Way Width. Notwithstanding the Town’s UDO Section 12.8.1(C)(1)(a), the minimum right-of-way width for Collector streets shall be reduced from seventy feet (70’) to sixty feet (60’), and the minimum right-of-way width for all other streets shall be reduced to fifty feet (50’).
8. Uniform Setback Standards for Attached Residential Dwellings. Notwithstanding the definitions and dimensional requirements otherwise applicable under the Town’s UDO, duplex, triplex, and quadplex residential buildings within the Development shall be subject to the same setback requirements as single-family attached dwellings. Accordingly, such structures shall be permitted a minimum side setback of five feet (5’) and a minimum separation of ten feet (10’) between principal buildings, including any uncovered porches, steps, eaves, gutters, and HVAC equipment. The side setbacks and minimum building separation described herein shall be measured on an absolute basis to all above ground aspects of the respective structures and must remain unoccupied and unobstructed from the ground upward.
9. Multi-Family Parking Requirements. Notwithstanding the requirements of the Town’s UDO Section 9.1.6, which mandate two (2) parking spaces per dwelling unit plus three (3) additional spaces per multi-family structure (including triplexes and quadplexes), the Development shall provide parking for multi-family residential units at a minimum ratio of one and eight-tenths (1.8) spaces per dwelling unit.

10. Single-Family and Duplex Parking Requirements. Notwithstanding the provisions of the Town's UDO Section 9.1.6 requiring two (2) parking spaces per dwelling unit, parking spaces that are provided within garages or otherwise integral to the principal residential structure shall be counted toward the minimum required parking space count.
11. Commercial Parking. Notwithstanding Section 9.1.6 of the Town's UDO, with regard to the commercial areas of the Development as identified above in Section 2 and with such uses as permitted in the column labeled "Commercial Areas" on the Proposed Uses Table in Exhibit A to the conditional zoning applications for the Property, as attached hereto as Exhibit 2 (hereinafter "Commercial Areas"), the minimum parking required for all uses is one (1) space per two hundred square feet (200sf) of gross enclosed floor area. Additionally, there is no maximum parking requirement for the Commercial Areas.
12. Minimum Lot Width and Corner Lot Size Standard. Notwithstanding the Town's UDO Section 12.7.3(E), the minimum lot width for single-family detached lots within the Development shall be forty feet (40'). The Town agrees that corner lots shall not be required to increase to one and one-half (1.5) times the minimum required lot size, provided that all such lots comply with the applicable front and side setback requirements established for the zoning district.
13. Stormwater Management Standards. The design and construction of the stormwater management system for the Development shall be in compliance with NCDEQ Water Quality Regulations and the Brunswick County pre-development/post-development Stormwater attenuation for the two (2) year, ten (10) year, twenty-five (25) year storms, as well as for a storm event equivalent to a minimum of 12 inches of storage over a 24-hour period. Compliance with the foregoing standards shall be deemed to satisfy the Town's stormwater management requirements for the Development.
14. Tree Preservation and Timbering Activities. The Development shall not be subject to any tree preservation standards or similar requirements, including, without limitation the Town's UDO Section 10.3, 10.4, and 10.10. Accordingly, the Developer shall be permitted to conduct timbering and clearing activities on the portions of the property to be developed prior to commencement of construction without the need for any approvals from the Town subject to the following terms and conditions:
 - A. To the extent that any clearing shall be accomplished by open burning, Developer shall first apply for and must obtain a permit for the same from the Town;
 - B. For the areas labeled CN2, CN3, and CN4 on the Concept Plan, Developer agrees to retain twenty-five (25) feet of the existing vegetation along N.C. Hwy. 211 until such time as the Town's approval of Developer's first site plan for CN1, CN2, CN3, or CN4 which is submitted after enactment of any initial or changed zoning associated with Developer's conditional zoning applications;
 - C. All trees presently existing within areas of delineated wetlands on the Property shall be preserved, unless Developer applies for and obtains from the Town express authorization

otherwise;

D. Prior to tree clearing activities on the site, the Developer shall provide notice to the Town Manager; and

E. Developer shall preserve and/or plant new trees within the MF and R-designated areas of the Property in accordance with the following terms:

- i. Developer shall preserve and/or plant, collectively and cumulatively, six caliper inches (6") of trees, measured as set forth hereinbelow, per *each* residential dwelling unit within the Development;
- ii. Trees preserved within the wetland areas shall not be counted towards this requirement;
- iii. The preserved and/or planted trees may be located anywhere within the R and MF designated areas and shall be identified as preserved and/or planted trees by Developer as a required part of seeking administrative approval of applicable site plans, tree surveys, and/or preliminary plats;
- iv. Preserved trees shall be a minimum of one caliper inch (1") at the time of preservation as measured at diameter at breast height (DBH). Planted trees shall be a minimum of one caliper inch (1") at the time of planting, as measured six inches above the soil line; and,
- v. Certification of adherence to the preservation and/or planting of the required inches of trees shall be required along with every 50th certificate of occupancy sought by Developer, such that the 50th certificate of occupancy for a residential dwelling unit *shall not issue unless and until* Developer has demonstrated to the Town's satisfaction that a cumulative 300 inches of trees directly associated with these 50 residential dwelling units have been preserved and/or have been planted in accordance with the terms set forth herein. Likewise, the 100th certificate of occupancy for a residential dwelling unit *shall not issue unless and until* Developer has demonstrated to the Town's satisfaction that an additional 300 inches of trees, associated with residential dwelling units 51 through 100, have been preserved and/or planted in accordance with the terms set forth herein. Said requirements for preservation, planting, and certification to continue throughout the development process such that if Developer were to develop 1,902 residential dwelling units across the Development, a total of 11,412 inches of trees shall be preserved and/or planted pursuant to these terms and conditions.

15. Building Façade Design (Town's UDO Section 9.4).

- A. Façade Orientation and Enhancement. Notwithstanding the requirements of the Town's UDO Section 9.4(C), only those façades directly facing a public street right-of-way at the time of site plan approval and that function as a primary frontage shall be required to include

architectural enhancements and front-façade treatments. Side or rear façades shall not be subject to the same architectural enhancement requirements, unless the side or rear façade face a public street right-of-way.

- B. Façade Modulation and Wall Articulation. The limitation on continuous unbroken building façades exceeding thirty-five feet (35') in length, and the associated requirement for projections or recesses in the Town's UDO Section 9.4(D), shall apply only to façades that directly face a public street at the time of site plan approval and are classified as a collector or higher. Side and rear façades shall not be subject to this modulation requirement.
 - C. Transparency Requirement. Notwithstanding the requirements of the Town's UDO Section 9.4(E) regarding transparency of the first-floor façade, for commercial buildings with over 25,000 gross square feet, a minimum transparency of eleven percent (11%) calculated at 12ft above grade will be required on the first-floor façade.
16. Rooftop Equipment Screening. The requirement for rooftop mechanical or HVAC equipment to be screened by a parapet wall or other enclosure extending to a height of the equipment plus six inches (6") in the Town's UDO Section 9.9.2(A) shall be interpreted and applied based upon reasonable line-of-sight analysis. Where the rooftop equipment is not visible from the ground at adjacent public rights-of-way or adjoining properties, additional parapet height shall not be required. A perspective sight-line study demonstrating the equipment's visual screening shall be acceptable in lieu of physical screening extensions.
17. Signage. The following specifications shall apply notwithstanding the provisions of the Town's UDO Section 11:
- A. Wall Signage – Grocery Store. Notwithstanding the limitation of one (1) wall sign per building, any grocery store use shall be permitted to install four (4) wall signs.
 - B. Wall Signage – Retail/ Restaurant and End-Cap Buildings. Multi-tenant buildings three (3) stories or less shall be permitted one (1) wall sign per tenant, consistent with the Town's UDO Section 11 standards. End-cap tenants and freestanding commercial buildings (other than the grocery store described above) shall be permitted wall signage on up to three (3) building elevations, provided that the combined area of all wall signage on a given building does not exceed ten percent (10%) of the designated primary wall area.
 - C. Freestanding Monument Signs. Developer shall be permitted to install three (3) freestanding monument project signs along N.C. Hwy. 211, including one at each entrance into the Development from N.C. Hwy. 211 as shown in the Concept Plan, subject to the requirement that there be a minimum of five hundred feet (500') of separation between the signs. Each monument sign may contain up to one hundred ten (110) square feet per side and a total height not to exceed eighteen feet (18'). Additionally, at least one freestanding monument sign shall be allowed on Developer's Property along Committee Drive, which sign shall not exceed ten feet (10') in height and forty-five (45) square feet of sign area per side.
 - D. Separate monument signs shall also be permitted on each commercial outparcel, each sign

not to exceed ten (10) feet in height and forty-five (45) square feet in area per side.

18. Lighting Fixture Heights. In accordance with Town's UDO Section 15.1.5.3, lighting fixtures located within parking areas may have a maximum height of forty feet (40'). Fixtures within non-vehicular pedestrian areas shall have a maximum height of fifteen feet (15'). For purposes of this standard, "non-vehicular pedestrian areas" shall mean sidewalks, plazas, or other areas primarily intended for pedestrian use and not used for vehicle access or parking. Internal drive aisles serving retail buildings shall be considered vehicular areas for lighting purposes.
19. Site Lighting for Commercial Areas. Notwithstanding the Town's UDO, the following design criteria may apply to the commercial areas labeled CN1, CN2, CN3, CN4, and CN6 of the Property in Developer's sole discretion:
 - A. All shopping center lighting shall initially be LED.
 - B. Developer shall be allowed a minimum foot-candle level at any location in the shopping center of 3 foot-candles LED (minimum maintained).
 - C. At Developer's option, maximum to minimum ratio to be no greater than 5:1 for LED, with no point greater than 15 foot-candles.
 - D. At Developer's option, maximum average to be no greater than 6.0 foot-candles.
 - E. Site lighting design may utilize fixture/lamp manufacturer's design criteria.
 - F. LED site lighting optics may utilize "reduce glare optics" and shields. All parking lighting within the commercial areas shall use reasonably appropriate shielding to reduce the impact of light on neighboring residential properties.
 - G. LED fixtures may utilize 4000° K cooler temp.
 - H. At Developer's option, fixture mounting height to be no higher than 35 feet.
20. Double Frontage Lots. Notwithstanding Section 12.7.3.D of the Town's UDO, double frontage residential lots shall be permitted along Committee Drive.
21. Connectivity Ratio. Notwithstanding Section 12.7.10.D of the Town's UDO, the minimum connectivity ratio shall be 0.60 for the Development.
22. Maximum Height for Commercial Areas. The maximum height permitted is sixty feet (60') for all principal commercial buildings; however, for each additional two feet (2') of setback added, an additional one foot (1') in height can be added to said maximum up to seventy-five feet (75').
23. Minimum Stacking Space – Commercial. Notwithstanding Section 9.1.8.C.1 of the Town's UDO, stacking spaces shall be a minimum of eight feet (8') in width by twenty-two feet (22')

in length.

24. Loading Spaces – Commercial. Notwithstanding Section 9.1.9.J of the Town’s UDO, the required number of loading spaces for 0 sf (gross floor area) - 7,000 sf (gross floor area) buildings is zero (0) and the required number of loading spaces for 7,001 sf (gross floor area) - 39,999 sf (gross floor area) buildings is one (1).
25. Drive Thru Facilities. For the avoidance of doubt, drive thru facilities shall be permitted by right in the commercial areas and shall not be subject to any conditions, including without limitation Sections 8.30.1, 8.30.5, and 8.30.6 of the Town’s UDO.
26. Intersections. Notwithstanding Section 12.8.1.D.2 of the Town’s UDO, no more than four (4) offset intersections shall be allowed for the residential areas (including without limitation the multifamily areas) of the Development (without the need for additional approvals or exceptions), provided that the minimum length between centerlines shall be fifty feet (50’) where separate intersections cannot be aligned. All other intersections shall have a minimum length of two hundred feet (200’) between survey centerlines.
27. Future Connections/Blocks. Section 12.7.10.C.2.a of the Town’s UDO shall not apply to the Property; provided that at least one future connection is required for every 2,500 linear feet on any single side of the proposed Development.
28. Multifamily Use. Notwithstanding anything to the contrary in the Town’s UDO, including without limitation Appendix I, up to (and including) seven (7) residential units may be grouped in a single building without being considered a multifamily product or being subject to multifamily development standards for zoning purposes. For the avoidance of doubt, this condition provides for allowance of townhome structures including up to seven (7) units in the “R” designated areas.
29. Multi-Use Path. A Multi-Use Path shall be installed and maintained on one side of each of the roads labeled A, B, C, D, and E on the Concept Plan. The location of the Multi-Use Path shown on the Concept Plan is a current approximation and is subject to change by the Developer, including without limitation through relocation to opposite sides of the roads.
30. Underground Fuel Tanks. Within the CN1, CN2, CN3, CN4, and CN5 areas shown on the Concept Plan, no underground fuel storage tanks of the type used in connection with the sale of fuel shall be permitted. Any fuel storage associated with permitted uses in those areas shall be located above ground. This limitation shall not apply to utilities fuel storage for use on the subject site similar to propane used for heat, cooking, or other direct to the property uses, provided such installations comply with all applicable building, fire, and environmental codes.
31. Cell Tower Lease. There exists a cell tower lease burdening Brunswick County Tax Parcel 2040002101 which shall remain a permitted use within any new or changed zoning for said parcel.