#### DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this "Agreement") is made and entered into as of the day of November 2021 ("Effective Date") by and between CCC PRESIDENT STREET LLC, a North Carolina limited liability company ("Developer") and THE MAYOR AND ALDERMEN OF THE CITY OF SAVANNAH, a municipal corporation existing under the laws of the State of Georgia ("City"). Developer and City are hereinafter collectively referred to as "Parties" and individually as "Party".

#### WITNESSETH:

**WHEREAS**, Developer is the owner or will be the owner of certain property located in the City (PIN 2-0013-1-001) consisting of 8.897 acres, more or less, and being more specifically described in Exhibit A attached hereto and incorporated herein by reference ("Property");

**WHEREAS**, Developer desires to develop the Property for multifamily residential purposes ("Project") as more particularly shown and described on the Concept Plan attached hereto as <u>Exhibit B</u> and incorporated herein by reference ("Concept Plan"); and

WHEREAS, the Property will serve as a gateway entrance to City's Historic District and the development of the Property will be in the best interests of City and its residents.

**NOW THEREFORE**, for and in consideration of Ten Dollars (\$10.00), the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, City and Developer, intending to be legally bound, agree as follows:

- 1. <u>Project</u>. The Property is located east of City's Historic District and is generally bounded by the Bilbo Canal and the Truman Parkway to the east, properties of President Square, LLC to the north, properties of President Square, LLC and Coastal Towers to the west, and Normandy Street to the south. The Parties acknowledge and agree that the Property was zoned B-C (Community Business); and (ii) Developer subsequently filed a map amendment to rezone the Property to RMF-2-35 (Residential Multifamily 35 units per acre) pursuant to a rezoning petition unanimously approved by City Council on July 23, 2020.
- 2. <u>Normandy Street</u>. City and Developer acknowledge and agree that the only access available for the Developer property is via Normandy Street.
- (a) Developer will construct at its sole cost and expense approximately 1,500 +/-linear feet of roadway within the existing Normandy Street right-of-way. The proposed road will be built to City standards and will extend from a point on the southwest boundary of the Property to the right-of-way of Randolph Street as shown on the Concept Plan. The Parties acknowledge and agree that Developer shall dedicate the improvements to City after the construction of the improvements by Developer and the approval by City that such improvements have been built in accordance with City standards. For and during the construction period of the Normandy Street right-of-way, City shall approve and does hereby approve Thomas & Hutton who shall serve as the Project Engineer hereunder, and who shall be responsible for the engineering design, plans and specifications of the road improvements and

related drainage systems and for any approvals, permits, and inspections required by City in connection with the installation of the road improvements and related drainage systems. Developer shall provide City with reasonable inspections during construction and installation to ensure the Project Engineer's conformance to area planning, adequacy of design, and conformance to City requirements regarding quality of construction. City shall grant to Developer and its contractors, architects, engineers and other agents or employees ("Permitted Users"), temporary construction easements appurtenant to City rights-of-way that are reasonably necessary to access and construct said improvements.

- (b) City shall acquire a portion of the Normandy Street right-of-way from the Housing Authority of Savannah ("HAS"). The portion of Normandy to be acquired by City is shown and described on the Plat attached hereto as <a href="Exhibit C">Exhibit C</a> and made a part hereof. City shall acquire this portion of the roadway as soon as is commercially reasonable. Developer shall not be obligated to proceed with the improvements described in Section 2(a) until said acquisition is closed. All references in this Agreement to Normandy Street shall include the portion of Normandy Street to be acquired from HAS.
- (c) Developer shall indemnify, save and hold harmless City from and against any and all liability or loss arising from or relating to any liens on the Property or for any damage to property, or death or injury to any person occurring as a result of any act or omission of Developer or its Permitted Users in construction and installing the improvements described in Section 2(a), including, costs and reasonable attorney's fees incurred in the defense of prosecution of any claim or any proceeding or litigation arising therefrom.
- (d) Developer agrees that, in consideration for City's agreement to cooperate with Developer in the development of Normandy Road as set forth in this Section 2, it shall release and waive any damages it may incur or rights it may have resulting from the relocation or termination of any prior access easements over City property to President Street.
- (e) Developer acknowledges that City is concerned about the existing physical condition of both the Box Culvert and the Brick Pipe as shown and described on the Drainage Plan and the Paving & Grading Plans attached hereto as Exhibit D. Developer has agreed to reimburse City for a third-party inspector to assess (i) the existing condition of City's underground infrastructure in the Normandy right-of-way; and (ii) the condition of City's underground infrastructure in the Normandy right-of-way upon final completion of the road improvements and related drainage systems. In the event that final inspection shows any sort of damage that was previously not identified in the original report, then Developer shall, at its sole cost and expense, repair or replace the sections that were damaged to the reasonable satisfaction of City and the third-party inspector. Developer shall not receive its Final Certificate of Occupancy until such damage is repaired or replaced.
- 3. <u>Bilbo Canal Improvements</u>. City and Developer acknowledge that City is considering an expansion of and improvements to the Bilbo Canal, and that such expansion and improvements, including the scope thereof, shall be as determined by City in its sole discretion (the "Bilbo Canal Improvements"). In the event that City determines to proceed with the construction and installation of the Bilbo Canal Improvements, City shall undertake said construction and installation at its sole cost and expense.
- 4. <u>Bilbo Parcel</u>. To facilitate the construction and installation of the Bilbo Canal Improvements, Developer agrees that City shall have the right and option (the "Purchase Option"), from

the Effective Date of this Agreement through the date that is ten (10) years from the Effective Date ("Option Deadline"), to purchase from Developer the Bilbo Parcel (described below) in "AS IS, WHERE IS" condition for a nominal purchase price of \$1.00 ("Purchase Price"). The Bilbo Parcel consists of (i) the fee simple interest in a 1.015 acre parcel contiguous to the Bilbo Canal, and (ii) an easement interest for access, construction, operation, and maintenance across, over, and under a 0.526 acre parcel contiguous to said 1.015 acre parcel, all as generally shown and described on the Right-of-Way Plat attached hereto as Exhibit E and made a part hereof ("Bilbo Parcel"). If, at any time during the Option Term, City elects to exercise the Purchase Option, it shall give Developer written notice of such election ("Option Exercise Notice") on or before the Option Deadline. City shall specify in the Option Exercise Notice the precise description of the Bilbo Parcel, the Purchase Price and the time and date of the closing of the sale of the Bilbo Parcel to City ("Closing"), which Closing shall occur at any time on or before ninety (90) days after the Option Deadline (the "Closing Deadline"). At Closing, Developer shall convey the Bilbo Parcel to City by limited warranty deed free and clear of all liens and encumbrances (other than easements and other matters of record existing on the Effective Date of this Agreement) and with insurable title, and City shall pay the Purchase Price to Developer in cash or immediately available funds, and each Party shall pay its ordinary closing costs and prorations. At or prior to Closing and as a condition precedent to Closing, City shall have approved an amended site plan for the Property that affirms that the conveyance does not in any manner cause the Project to be in non-compliance with City's Zoning Ordinance with respect to multifamily development within the RMF-2 (35) zoning district, including but not limited to design and development standards under City's Zoning Ordinance. Notwithstanding the foregoing, in the event that City fails to commence the construction and installation of the Bilbo Canal Improvements within sixty (60) months of the Closing and to proceed diligently until completion thereof, then City shall, upon written notice delivered by Developer to City within three (3) months of said 60-month period, promptly reconvey the Bilbo Parcel back to Developer by limited warranty deed free and clear of all liens and encumbrances (other than easements and other matters of record existing on the Effective Date of this Agreement) and with insurable title for a nominal purchase price of \$1.00; however, that the foregoing shall not be construed to foreclose or affect in any manner City's right to reacquire the Bilbo Parcel by condemnation as otherwise provided by law.

#### Intentionally Omitted.

6. Stormwater Detention Facilities. In the event that City does not commence the construction and installation of the Bilbo Canal Improvements prior to the time that Developer's development of the Project requires the construction and installation of stormwater detention facilities, the Parties acknowledge that Developer intends to construct and install such stormwater detention facilities on the Bilbo Parcel, provided that such facilities shall be constructed and installed in accordance with City standards and that Developer shall be responsible for operating and maintaining such facilities. In the event that City acquires the Bilbo Parcel as provided in Section 4 prior to the time that City has commenced construction of the Bilbo Canal Improvements, then City shall give Developer an easement for the construction and, installation, operation, and maintenance of said stormwater detention facilities on the Bilbo Parcel, provided that said easement will terminate upon City's commencement of construction and installation of the Bilbo Canal Improvements, unless the Parties agree in writing to continue or modify the easement. Developer estimates that the construction and installation of the stormwater detention facilities will cost Developer approximately \$100,000 if it is required to construct and install the stormwater detention facilities, and Developer agrees that, if City commences the construction and installation of the Bilbo Canal Improvements prior to the time that Developer has

constructed and installed the stormwater detention facilities, Developer will contribute the sum of \$100,000 to City promptly upon City's notice to Developer of the commencement of the construction and installation of the Bilbo Canal Improvements and demand for such payment.

- 7. <u>Water and Sewer Agreement</u>. The Project will require the construction and installation of water and sewer facilities, and Developer will enter into a separate Water and Sewer Agreement with City which will detail the specifications of said facilities and the terms upon which City will provide water and sanitary sewer service to the Project.
- 8. <u>City Manager Approval</u>. The approval of this Agreement by City shall authorize the City Manager to execute amendments to this Agreement that are in furtherance of the terms and conditions contained herein.
- 9. <u>Due Diligence</u>. The Parties shall use reasonable diligence to perform the work described herein but shall not be liable to each other, or their successors or assigns, for damages, costs, attorneys' fees, reasonably and actually incurred (including costs or attorneys' fees on appeal) for breach of contract, or otherwise, for failure, suspension, diminution, or other variations of services occasioned by any caused Force Majeure or Unforeseen Conditions (as hereinafter defined).
- 10. Agency. Developer and City, and their respective agents, contractors or subcontractors, shall perform all activities that are outlined in this Agreement as independent contractors and not as agents of each other.
- 11. <u>Binding Nature of Agreement</u>. This Agreement shall be binding upon, and shall inure to the benefit of the successors or assigns of the Parties, and shall run with the Property and be binding upon and inure to the benefit of any person, firm or corporation that may become the successor in interest, directly or indirectly, to the Property, or any portion thereof.

### 12. <u>Controlling Laws</u>:

- (a) This Agreement and provisions contained herein shall be construed, controlled, and interpreted according to the laws of the State of Georgia and all duly adopted ordinances, regulations, and policies of City now in effect and those hereinafter adopted. Unless otherwise specified in this Agreement for particular issues, all City ordinances, rules, regulations and policies are applicable.
- (b) The location for settlement of any and all claims, controversies, or disputes, arising out of or relating to any part of this Agreement, or any breach hereof, shall be Chatham County, Georgia.
- 13. <u>Definitions</u>. As used herein: (a) "Force Majeure" shall mean any event that causes an increase in time and/or cost of construction of the Project, if and so long as such event is caused by natural disaster, fire, earthquake, floods, explosion, extraordinary adverse weather conditions, declared or undeclared war, pandemics declared by federal, state or city governments or authorized agencies, terrorism, riots, protests, mob violence, inability to procure or a general shortage of labor, equipment, facilities, energy, materials or supplies in the open market, failure of transportation, unforeseen physical conditions, strikes, lockouts, actions of labor unions, condemnation, court orders, laws, rules, regulations, orders of governmental or military authorities or any event of force majeure customarily found in

construction contracts used in the building construction industry in the vicinity of the Project and actually contained in Developer's contract with its general contractor, so long as such cause is not within the control of the Party undertaking same; and (b) "Unforeseen Conditions" shall mean those conditions encountered at the site which are (1) subsurface or otherwise concealed physical conditions which differ materially from those indicated in the contract documents or (2) unknown physical conditions of an unusual nature, which differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the contract documents.

#### 14. Miscellaneous:

- (a) Entire Agreement. There are no other agreements or understandings, either oral or written, between the Parties affecting this Agreement or the subject matter covered by this Agreement, except as otherwise specifically provided for or referred to herein. This Agreement cancels and supersedes all previous agreements between the Parties relating to the subject matter covered by this Agreement. No change or addition to, or deletion of, any portion of this Agreement shall be valid or binding upon the Parties hereto unless the same is approved in writing by the Parties.
- (b) No Assignment. This Agreement is a contract for specialized services and is personal to the Parties and shall not be assignable in whole or in part by a Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Any attempted assignment without prior written consent shall be void and of no force or effect. This Agreement shall be binding upon and inure to the benefit of the Parties and their successors and permitted assigns. Notwithstanding the foregoing, Developer may assign this Agreement, without the consent of City, to a parent, subsidiary or wholly-owned affiliate of Developer or to an entity controlled by Developer.
- (c) <u>Waiver; Time</u>. No waiver or breach of any provision of this Agreement shall be construed to be a waiver of any breach of any other provisions of this Agreement or any succeeding breach of the same provision. No delay in acting with regard to any breach of any provision of the Agreement shall be construed as a waiver of such breach. Time is of the essence in the performance of the terms and provisions of this Agreement.
- (d) <u>Captions and References; Interpretation</u>. The captions and paragraph headings in this Agreement are for ease of reference only and are not intended to limit, describe, supplement or be part of this Agreement. Any reference in this Agreement to "Section" or "Exhibit" shall refer to the corresponding Section or Exhibit of this Agreement, unless otherwise expressly indicated. Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine, or neuter forms, and the singular form of nouns shall include the plural and vice versa. Whenever the word "including" is used, it shall have the same meaning as "including but not limited to" and "including without limitation." Any reference in this Agreement to "herein" or "hereof" shall refer to this Agreement as a whole rather than being limited to the particular section or subsection in which such term is used.
- (e) <u>Severability</u>. In the event that any court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, such provision shall be deemed an independent provision and such determination shall not affect the validity or enforceability of any other

provision of this Agreement, which shall remain in full force and effect and which shall be construed as to be valid and enforceable under applicable law.

- (f) <u>Letter of Assurance</u>. Upon request of Developer or its lender for the Project, City hereby agrees to furnish a letter to Developer or said lender stating that (i) this Agreement is in full force and effect (or, if not, the reason that this Agreement is no longer in full force and effect), (ii) there are no defaults under this Agreement (or, if not, the nature of the default(s)), and (iii) all amounts due and payable hereunder have been paid in full (or, if not, the outstanding balances due and payable hereunder). The City shall use its best efforts to furnish said letter within ten (10) days after request therefor.
- (g) <u>Notices</u>. Any notice herein required or permitted to be given to a Party shall be in writing and shall be delivered by Registered or Certified U.S. Mail, return receipt requested, postage prepaid, or by overnight commercial courier (such as, but not limited to, Federal Express) or by electronic mail (but not by facsimile transmission), to the address or electronic mail address set forth below with respect to such Party:

If to City:

City of Savannah

Attention: City Manager

City Hall

2 East Bay Street, 4th Floor

Savannah, GA 31401

Email: jmelder@savannahga.gov

with a copy to:

R. Bates Lovett, Esq., City Attorney

Office of the City Attorney 2 East Bay Street, 3rd Floor

Savannah, GA 31401

Email: blovett@savannahga.gov

If to Developer:

Chaucer Creek Capital, LLC

Attn: Billy McClatchey

3605 Glenwood Avenue, Suite 445

Raleigh, NC 27612

Email: billy@chaucercreek.com

with a copy to:

Manning, Fulton & Skinner, P. A.

Attn: Barry D. Mann, Esq.

3605 Glenwood Avenue, Suite 500

Raleigh, NC 27612

mann@manningfulton.com

with a copy to:

Hunter Maclean

Attention: Harold B. Yellin, Esq. 200 East Saint Julian Street Savannah, GA 31412

Email: HYellin@HunterMaclean.com

or to such other address or electronic mail address either Party may have furnished from time to time to the other Party in the manner set forth in this Section 13(g) as a place for the future service of notice. Any notice shall be effective and deemed given (i) if sent by Registered or Certified U.S. Mail, on the date indicated on the Registered or Certified U.S. Mail return receipt, whether or not such notice is accepted by the addressee, (ii) if sent by commercial carrier, on the date of delivery as indicated on the overnight commercial courier receipt, or (iii) if sent by electronic mail, on the date sent by electronic mail, provided that if such electronic mail notice is sent after 5:00 p.m., on the next succeeding business day.

(h) <u>Exhibits</u>. The following exhibits are attached hereto and incorporated by this reference herein:

Exhibit A: Legal Description of Property

Exhibit B: Concept Plan

Exhibit C: Normandy Street extension

Exhibit D: Drainage Plan and Paving & Grading Plans

Exhibit E: Bilbo Parcel

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement under seal as of the day and year first above written.

SIGNATURE PAGES TO FOLLOW

# Developer:

# **CCC President Street, LLC**

a North Carolina limited liability company

By: Chaucer Creek Capital LLC, a North Carolina limited liability company, Manager

By:

Name: William M. MoClatchey, Manager

[Developer signature page]
[to Development Agreement dated as of November \_\_\_, 2021 by and between CCC President Street LLC, and The Mayor and Aldermen of the City of Savannah]

# THE MAYOR AND ALDERMEN OF THE CITY OF SAVANNAH, a Georgia municipal corporation

By: _		
	City Manager	

[City signature page]

[to Development Agreement dated as of November \_\_\_, 2021 by and between CCC President Street LLC, and The Mayor and Aldermen of the City of Savannah]

#### **EXHIBIT A**

[to Development Agreement dated as of November \_\_\_, 2021 by and between CCC President Street LLC, and The Mayor and Aldermen of the City of Savannah]

#### **LEGAL DESCRIPTION OF PROPERTY**

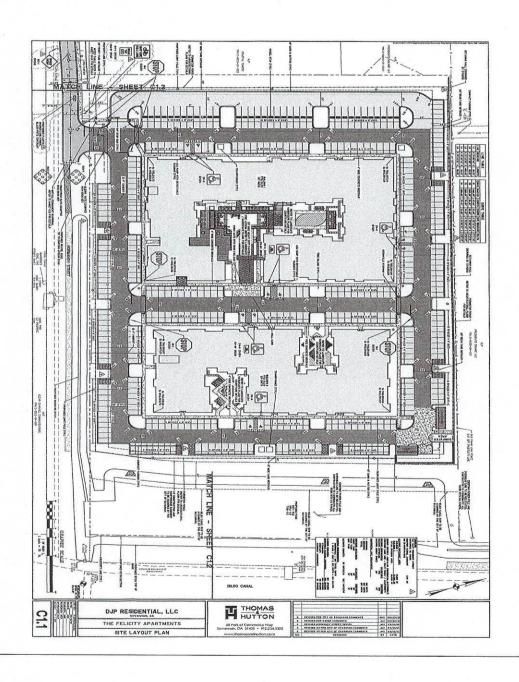
ALL THAT CERTAIN LOT, TRACT OR PARCEL OF LAND SITUATE, LYING AND BEING IN THE 2<sup>ND</sup> G.M.D., CITY OF SAVANNAH, CHATHAM COUNTY, GEORGIA, BEING DEPICTED ON A BOUNDARY SURVEY PREPARED BY GAMMON SURVEYING AND ASSOCIATES, LLC DATED DECEMBER 20, 2016, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE SOUTHERN RIGHT OF WAY LINE OF PRESIDENT STREET AND THE WESTERN RIGHT OF WAY LINE OF THE BILBO CANAL; THENCE ALONG THE AFORESAID RIGHT OF WAY LINE OF THE BILBO CANAL S 19°04'03" W A DISTANCE OF APPROXIMATELY 450.5 FEET TO A 2" IRON PIPE FOUND AT THE POINT OF BEGINNING; THENCE S 19°04'03" W A DISTANCE OF 508.57 FEET TO AN IRON REBAR SET ON THE NORTHERN RIGHT OF WAY LINE OF NORMANDY STREET; THENCE ALONG THE AFORESAID RIGHT OF WAY LINE OF NORMANDY STREET N 72°13'38" W A DISTANCE OF 764.61 FEET TO A POINT IN CANAL; THENCE LEAVE THE AFORESAID RIGHT OF WAY LINE OF NORMANDY STREET N 17°46'07" E A DISTANCE OF 6.21 FEET TO A 5/8" IRON REBAR FOUND ON LINE; THENCE N 17°46'07" E A DISTANCE OF 491.25 FEET TO A 5/8" IRON REBAR FOUND; THENCE S 73°14'02" E A DISTANCE OF 105.23 FEET TO A 4"X4" CONCRETE MONUMENT FOUND; THENCE S 73°00'24" E A DISTANCE OF 670.98 FEET TO THE POINT OF BEGINNING, HAVING AN AREA OF 387,427 SQUARE FEET OR 8.897 ACRES OF LAND.

#### **EXHIBIT B**

[to Development Agreement dated as of November \_\_\_, 2021 by and between CCC President Street LLC, and The Mayor and Aldermen of the City of Savannah]

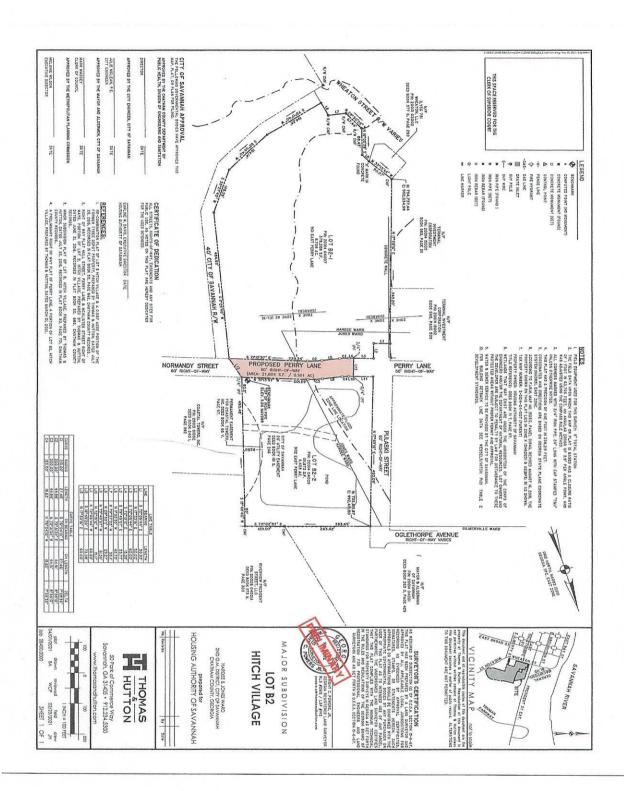
#### **CONCEPT PLAN**



#### **EXHIBIT C**

[to Development Agreement dated as of November \_\_\_, 2021 by and between CCC President Street LLC, and The Mayor and Aldermen of the City of Savannah]

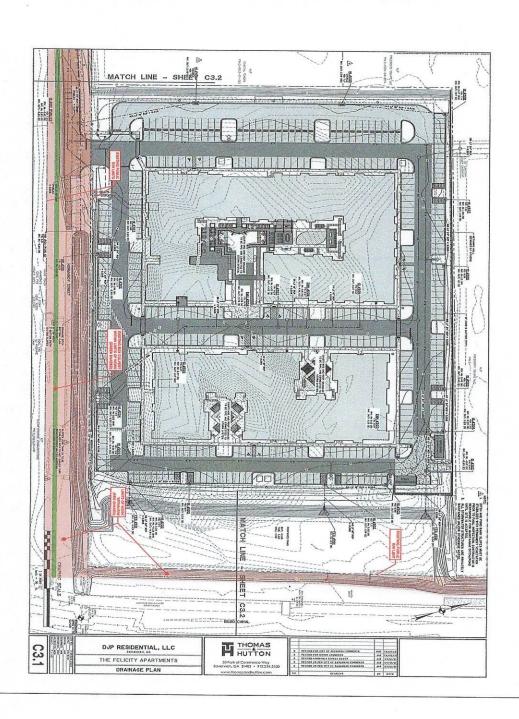
# **NORMANDY STREET EXTENSION**

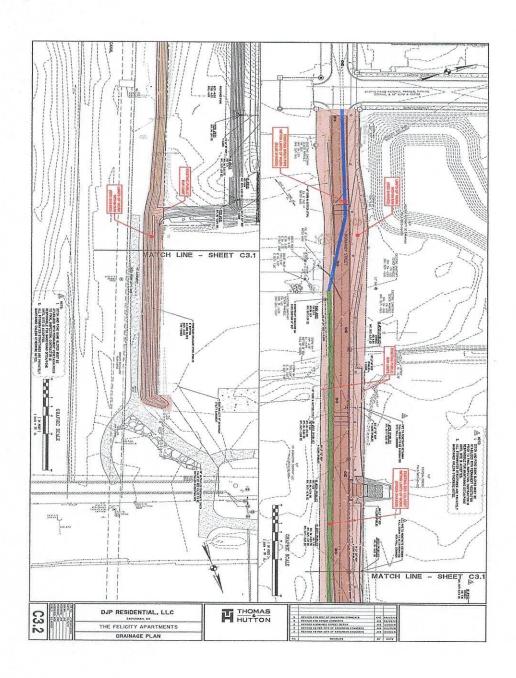


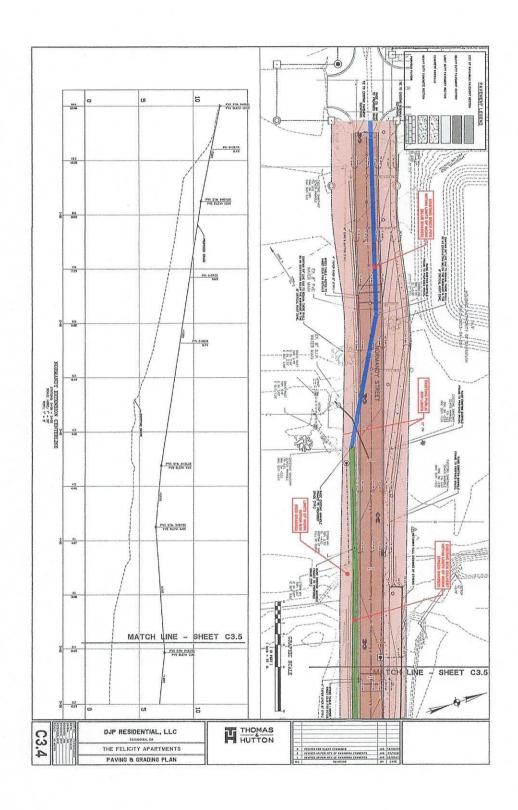
#### **EXHIBIT D**

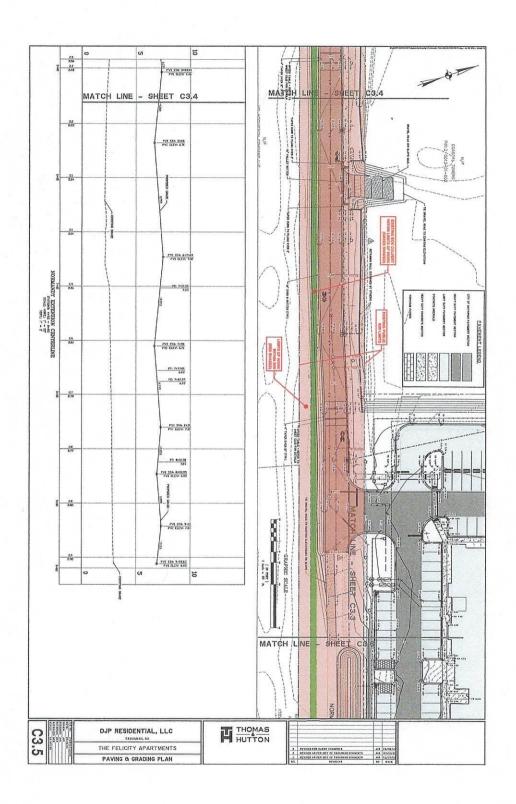
[to Development Agreement dated as of November \_\_\_, 2021 by and between CCC President Street LLC, and The Mayor and Aldermen of the City of Savannah]

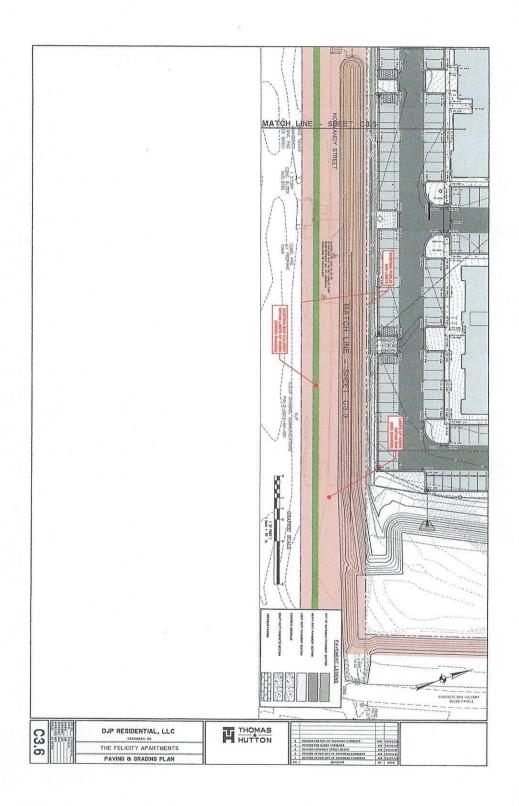
# DRAINAGE PLAN AND PAVING & GRADING PLANS











# **EXHIBIT E**

[to Development Agreement dated as of November \_\_, 2021 by and between CCC President Street LLC, and The Mayor and Aldermen of the City of Savannah]

## **BILBO PARCEL**

[on following page]

