

**Luminous  
Purchase and Sale Agreement  
Term Sheet**

1. Parties: Town of Davidson, NC (Seller) and Davidson Development Partners LLC (Purchaser)
2. Property: 18+/- acres known as the Beaty Property located at the corner of North Main Street and Beaty Street in Davidson, NC.
3. Purchase Price: ~~\$1,650,000~~ **TBD**, payable as follows:
  - a. Deposit: 5% of the Purchase Price (~~\$82,500~~) **(TBD)** due within 10 business days of the execution of a Purchase and Sale Agreement (PSA) by the Parties
  - b. Balance: 95% of the Purchase Price (~~\$1,567,500~~) **(TBD)** due at Closing.
4. Due Diligence: Purchaser shall have 180 days (Feasibility Period) from the Effective Date of the PSA to complete the research and perform the tests necessary to determine that the Property is suitable for Purchaser's intended use and that the project is financially feasible. During the Feasibility Period Purchaser, Purchaser's consultants and Purchaser's subcontractors shall have the right to enter the Property to perform whatever surveys, take any measurement and perform any and all tests Purchaser deems necessary, providing however that they shall take care to cause no permanent damage to the Property.
5. Closing:
  - a. Purchaser's obligation to Purchase the Property shall be conditioned on the following:
    - i. Due Diligence: ~~Purchaser shall have the right to terminate the PSA for any reason at any time prior to the expiration of the Feasibility Period and receive a full refund of the Deposit.~~ **Termination for cause during the Feasibility Period will result in forfeiture of 50% of deposit. The seller will create a schedule of justifications to terminate the sales contract for cause. These will include market surveys, soil samples, topography, governmental permits (including master plan or conditional approval), and failure to obtain easements required for the development. Termination for any other reason will result in forfeiture of 100% of deposit.**
    - ii. Receipt by Purchaser of all government approvals necessary for Purchaser to develop the Property substantially in accordance with Development Plan described below and substantially similar to the plan represented pictorially in Exhibit A. Should Purchaser diligently pursue and fail to receive **Master Plan approval within eight months of the submittal of master plan application**, ~~the necessary governmental approvals, including Master Plan approval, within 6 months of the effective date of the PSA,~~ Purchaser shall have the right to terminate the PSA and receive a full **50%** refund of the Deposit.

- b. Seller's obligation to sell the Property shall be conditioned on Purchaser's submission of a Master Plan that is substantially in accordance with Development Plan described below and substantially similar to the plan represented pictorially in Exhibit A for approval by the Planning Staff and Planning Board of the Town of Davidson.
6. Development Plan: Purchaser agrees to develop the Property according to a Development Plan that is substantially similar to the plan represented in Exhibit A and includes the following general elements:

- a. Park: 6.5-7 acres including pond. ~~to include unimproved areas and improvements including pedestrian trails, benches, picnic tables, a gazebo, spray fountain in the pond and seating areas. Ownership and maintenance of park to be determined.~~  
Infrastructure, park and pond are required to be completed in the first phase of construction. Park must be useable for citizens and protected from construction.

It is the responsibility of the Purchaser to (re)build the pond and dam. There is no dollar amount that the Seller will require for this work. The Seller does have the expectation of a pond and dam in compliance with state and county regulations that serves as both a recreational amenity and storm water detention facility, is accessible to the public for public recreational use, and is aesthetically pleasing.

The Purchaser is expected to invest a total of \$750,000 in the park. It should include the amenities that have been discussed previously which include, but are not limited to: walking trails, boardwalk for the creek crossing, a gazebo/picnic shelter, benches, and sufficient, high quality landscaping. The park is to be constructed by the Purchaser and then turned over to the Seller for ownership and maintenance. The dam and pond will be owned and maintained by the Purchaser/HOA.

The Purchaser will provide a \$2 million maintenance fund in reserve at \$100,000 per year for 20 years. Purchaser/HOA will indemnify the town and provide sufficient liability insurance to cover injuries that may occur as a result of the dam and/or pond.

No basketball court will be required on-site. Purchaser will make payment-in-lieu for off-site court.

- b. Retail: ~~Minimum 30,000 SF, maximum 50,000 SF up to 50,000 SF of pedestrian oriented, village center type retail/office space. and lifelong learning center facilities.~~ Must reserve 20% of total space for Davidson-based non-profit use.
- c. Hotel: A 135 room hotel with appropriate meeting space and restaurants. The Seller will have the opportunity to use the meeting facility at no charge (except food and beverage) several times per year.
- d. Residential: A total of no more than 138 residential units, with a maximum of 120 condominiums. 17 of the total approved units on the master site plan shall be designated affordable and shall be interspersed amongst the three market rate areas proportionally. Affordable units will be divided equally among the three AMI categories and will have 30-year deed restrictions. Affordable housing owners will have

appreciably reduced HOA dues and will have access to the same amenities as other owners. ~~townhomes on either side of the Hobbs Hill neighborhood.~~ Seller agrees the plan depicted in Exhibit A is likely to be modified as the tests and studies performed by Purchaser dictate. It will however remain substantially similar in concept.

- e. Buffer: Purchaser will provide a minimum 50-foot buffer behind the Julia Circle homes that will allow for any necessary stormwater or utility improvements, will allow for a natural walking path to be constructed, and will at minimum include some type of evergreen screening per the planning ordinance.

7. Additional Purchaser obligations:

- a. Intersection Improvements: Purchaser agrees to contribute a total of **not less than \$550,000** to road improvements at the intersection of North Main Street and Beaty Street (Intersection); **contribution to be determined by engineering studies.** ~~The contribution will be made simultaneously with the commencement of construction on the intersection improvements.~~ **The contribution must be bonded at time of preliminary plat (construction document) submission.**
- b. Beaty St/Ingersoll Rand entrance intersection: Purchaser must improve pedestrian safety amenities at intersection, even if not recommended in TIA.
- c. ~~Seller~~ **Purchaser** agrees to construct a pedestrian and bike trail in accordance with existing town specifications the length of the Property along Beaty Street as shown in Exhibit A, **and continuing from the southern property line to Griffith Street.** The trail will be built at the same time park improvements are undertaken by Purchaser.

8. Additional Seller Obligations:

- a. Intersection Improvement: In exchange for Purchaser's commitment of \$550,000 toward road improvements at the Intersection, Seller agrees to begin planning the improvements no later than upon Purchaser's receipt of ~~Site Plan Approval~~ **Master Plan Approval.** **Seller cannot guarantee NC-DOT's commitment or construction schedule.**
- b. Seller agrees to cooperate with Purchaser in the abandonment of the Shearer Street ROW south of Beaty Street if Purchaser acquires the properties on both side of the street and does not intend to use the street as ROW in its development plan.

**Additional contract conditions requested by town:**

- 1. Restrictions regarding succeeding developers:
  - a. Seller must approve sale of any parcels to developers contracted to build residential units or commercial space to ensure that it is in keeping with approved master plan. Default/reversion clause will be included to ensure that, if the development does not proceed at any point during the process, the land will revert to the Seller.
- 2. MI-Connection:
  - a. Seller requests Purchaser to voluntarily agree to MI-Connection being the exclusive

internet/cable provider at all commercial and residential units in development.

3. Environmental Survey:

- a. Purchaser will engage an environmental engineer to assess the impact of the development on air and water quality.

4. Tree Inventory by certified arborist and tree save percentage.

- a. Seller will review and approve any grading plan for the park property with the intent that the vast majority of the specimen trees will remain and those saved will count towards the minimum 20% tree coverage required by the planning ordinance.

**Additional contract conditions requested by developer:**

1. ~~No further votes needed after contract approval.~~
2. ~~Zoning as of date of contract signature, not master plan application.~~
3. ~~Improvements required by TIA included in \$550,000 payment.~~