

ECONOMIC DEVELOPMENT AGREEMENT

THIS ECONOMIC DEVELOPMENT AGREEMENT (“Agreement”) is made and entered into this ____ day of **June, 2026**, by and between **CHATHAM COUNTY** (“County”), and **MOSAIC HOSPITALITY LLC**, a North Carolina limited liability company (“Company”). County and Company may each be referred to as a “Party,” and collectively as the “Parties.”

RECITALS

WHEREAS, the County finds and determines that the incentives contemplated herein serve a public purpose by promoting economic development, job creation/retention, increasing the tax base, tourism, and related public benefits, consistent with N.C. Gen. Stat. § 158-7.1, and

WHEREAS, the Company proposed to construct, equip, and operate a 100+ room Hampton Inn hotel with amenities including meeting space, restaurant/bar, parking, streetscape improvements, outdoor pool, etc. located at 324 Freedom Parkway, Pittsboro, NC 27312, and

WHEREAS, the Company will involve a capital investment estimated at at least \$14,000,000.00, create permanent jobs with average minimum annual wages of \$31,200.00, generate incremental property and occupancy taxes, and enhance tourism and visitor spending, and

WHEREAS, following published notice and a public hearing pursuant to § 158-7.1, the County Board of Commissioners approved this Agreement on _____, 2026. In 2016 the County previously approved substantially similar commitments from Eco Mosaic, the developer of Mosaic in conjunction with its development of a hotel site, and

WHEREAS, the County agrees to provide a performance-based grant as set forth below, payable only upon Company’s satisfaction of the performance milestones and ongoing obligations herein.

NOW, THEREFORE, in consideration of the mutual promises herein, the Parties agree as follows:

ARTICLE I

DEFINITIONS

“Local Employee” is all full-time Facility employees from residents residing within Chatham County.

“Base Value” is the ad valorem value of the land as of January 1, 2025; for the purposes of this agreement the Base Value is \$4,097,588.

"Increased Tax Value" is that amount of ad valorem tax value of the “Site”, as finally determined for ad valorem tax purposes, as of January 1 of the calendar year that immediately

precedes the calendar year in which the County will make an Economic Development Agreement payment to the Company, less the Base Value.

"Incremental Taxes" is the amount of taxes actually paid by, or on behalf of, the Company to the County as a result of the Increased Tax Value.

"Fiscal Year" shall mean the County's Fiscal Year, July 1 to June 30.

"Facility" shall mean the hotel located at 324 Freedom Parkway, Pittsboro, NC 27312

"Site" shall mean all of those tracts and parcels of land lying and being in Chatham County, North Carolina containing 3.0470 acres, more or less, listed as parcel 0094075.

ARTICLE II

1. TERM OF AGREEMENT

This Agreement shall commence on July 1, 2026, and continue through June 30, 2031, unless earlier terminated as provided herein.

2. COMPANY OBLIGATIONS

2.1 Facility and Investment

The Company shall construct, equip, and operate the Facility. The Company expects to invest or cause to be invested at least \$14,000,000.00 in taxable real and personal property including buildings, fixtures, machinery, and equipment at the Site by December 31, 2026.

2.2 Job Commitment

The Company shall make every reasonable effort to employ Local Employees and commits to the following:

- (i) employ at least one-third (1/3) of all full-time Local Employees;
- (ii) the average minimum salary of the Local Employees shall be \$31,200.00 annually.

2.3 Reporting Requirements

Annually, on or before September 1 of each year, the Company shall provide:

- (i) a certification of the number of jobs filled at the end of the prior calendar year;
- (ii) aggregate average wage for those jobs;
- (iii) a listing of residents of Local Employees;

- (iv) Tax Assessor verified documentation of the taxable real and personal property values;
- (v) a statement certifying continued operation of the hotel.

2.4 Additional Company Obligations

The Company agrees to:

- (i) maintain at least 100 hotel guest rooms;
- (ii) maintain the hotel in good operating condition;
- (iii) maintain all required State and local government licenses for lodging operations;
- (iv) collect and remit occupancy taxes in accordance with applicable law;
- (v) as long as the Company's agreement with the branded Hotel chain does not prevent this action, the Company will add links on the Hotel's website to local activities and local business associations or chambers of commerce, with tabs such as "While you're in Town" or "In and about Town", and/or a link to local business association websites;
- (vi) make space within the Hotel lobby area to advertise local businesses and highlight current and upcoming events in Chatham County;
- (vii) provide transportation to Chatham County Agriculture and Conference Center located at 1192 US Hwy 64 West, Pittsboro, NC 27312 available for hotel guests free of charge;
- (viii) display work from local and regional artists within the lobby and other public spaces in the Hotel;
- (ix) timely pay all Chatham County ad valorem taxes levied;
- (x) maintain a minimum Chatham County tax assessed value of \$14,000,000.00.

3. COUNTY OBLIGATIONS – ECONOMIC DEVELOPMENT AGREEMENT

3.1 Structure of the Economic Development Agreement and Term

Provided the Company satisfies its obligations, the County shall provide an annual performance-based economic development grant equal to a percentage of Incremental County Property Taxes paid on the Company's new taxable investment. Incremental County Property Taxes shall be the total amount of property taxes levied by the County and paid by the Company on: (i) the total assessed value, less (ii) \$4,097,588 (*i.e.*, the Base Value). The economic development grant shall be paid annually for up to five (5) years, beginning after verification of performance obligations.

The first Annual Payment shall be due on or before October 1, 2026 and shall be 90% of the amount of Incremental County Property Taxes actually paid by the Company for the 2026 tax year.

The second Annual Payment shall be due on or before October 1, 2027 and shall be 80% of the amount of Incremental County Property Taxes actually paid by the Company for the 2027 tax year.

The third Annual Payment shall be due on or before October 1, 2028 and shall be 75% of the amount of Incremental County Property Taxes actually paid by the Company for the 2028 tax year.

The fourth Annual Payment shall be due on or before October 1, 2029 and shall be 75% of the amount of Incremental County Property Taxes actually paid by the Company for the 2029 tax year.

The fifth Annual Payment shall be due on or before October 1, 2030 and shall be 60% of the amount of Incremental County Property Taxes actually paid by the Company for the 2030 tax year.

3.2 Conditions Precedent

Payment of the economic development grant is contingent on:

- (i) verification by the Chatham County Economic Development Corporation and County staff of required wage levels and job creation;
- (ii) annual appropriation by the Chatham County Board of Commissioners.

4. PERFORMANCE SHORTFALLS & RECAPTURE

4.1 Shortfall Adjustments

If the Company fails to meet annual benchmarks for:

- (i) taxable Real and Personal Property,
- (ii) ongoing operations, or
- (iii) payment of all County ad valorem taxes,

the County may proportionally reduce or withhold that year's economic development grant payment.

4.2 Closure, Relocation, or Transfer

Should the Company:

- (i) cease hotel operations,
- (ii) relocate operations outside Chatham County, or
- (iii) transfer ownership without prior written consent from Chatham County, which shall not be unreasonably withheld.
 - o The County may, as a condition to its consent, require that the assignee, transferee, or surviving entity in the consolidation or merger:
 - Assume in writing the obligations of the Company under this Agreement
 - provide evidence satisfactory to the County that it is solvent and that it will be able to pay its debts as they come due; and
 - represent and warrant to the County that it is, and covenant that it will remain, in compliance with the terms of this Agreement.

the County may terminate the Agreement and require repayment or recapture of the economic development grant payments disbursed during the prior two (2) years.

4.3 Misrepresentation

Any material misrepresentation of performance data shall trigger full recapture.

5. MONITORING & AUDIT RIGHTS

County staff may:

- (i) request relevant records;
- (ii) conduct site visits;
- (iii) verify compliance in any reasonable manner.

6. CONFIDENTIALITY

The County will maintain confidentiality of Company's proprietary or trade secret information to the extent permitted by law.

7. TERMINATION

7.1 County Termination

The County may terminate this Agreement if the Company:

- (i) fails to meet performance obligations;
- (ii) closes or relocates the hotel;
- (iii) provides materially false reports.

7.2 Company Termination

The Company may terminate with written notice but forfeits all future economic development grants eligibility.

8. MISCELLANEOUS

8.1 Governing Law

This Agreement is governed by North Carolina law.

8.2 Assignment

The Company may not assign the Agreement without written County approval.

8.3 Entire Agreement

This document constitutes the entire understanding between the Parties.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed in their respective corporate and governmental names by their duly authorized officers as of the dates indicated.

CHATHAM COUNTY

Amanda Robertson
Chair of the Board of Commissioners

ATTEST:

Jenifer K Johnson
Clerk to the Board of Commissioners

MOSAIC HOSPITALITY LLC

By: _____

Name: _____

Title: _____