State of North Carolina)
)
COUNTY OF BURKE)

MEMORANDUM OF UNDERSTANDING

This MEMORANDUM OF UNDERSTANDING (the "MOU") is made and entered into this ____ day of _____, 2026 (the "Effective Date") by and among Burke County, North Carolina (the "County"), and the City of Morganton (the "City") (together the "Local Governments").

RECITALS AND STATEMENT OF PURPOSE

1. The County, the City, and Western Carolina Developers, LLC (the "Developer") have entered into, or will soon enter into, a Development Agreement (the "Agreement") related to the development of the Clover Ridge Subdivision, a residential project (the "Project") on certain real property located within the corporate limits of the City.

2. Pursuant to the Agreement, the Local Governments have jointly committed to provide, financial assistance for infrastructure for public sewer and water (the "Utility Infrastructure").

3. The County desires to provide grant funding to the City to assist with the costs of the Utility Infrastructure and related infrastructure that will serve the Project.

4. The County has been designated in the Agreement as the local government responsible for the overall administration of the Agreement pursuant to N.C.G.S. § 160D-1006(c). However, the City will act as the lead agency for the permitting.

5. The Local Governments wish to memorialize their understanding as to how they will administer the Development Agreement.

TERMS

NOW, THEREFORE, in consideration of the terms and conditions set forth herein and in consideration of the mutual promises and assurances provided herein, the receipt and sufficiency of such consideration being acknowledged by the Local Governments, the Local Governments do hereby agree as follows:

1. **Incorporation.** The above recitals are incorporated in this Agreement as if the recitals were set out in this Agreement in their entirety.

2. **Definitions.** Capitalized terms in this Agreement shall have the meanings assigned to them below or the meanings assigned to them elsewhere in this Agreement.

A. "Agreement" means the Development Agreement entered into by the Local Governments and the Developer.

B. "Developer" means Western Carolina Developers, LLC, a North Carolina limited liability company, and its successors in title to the Property who undertake development of the Property or who are transferred Development Rights.

C. "Property" means that real property located in the City of Morganton, located in Burke County, that is comprised of all of the properties with Burke County Real Estate ID ("REID") Nos. 54475 and 40571 and Parcel Identification Numbers (PINs) 1794175470 and 1794175020, said properties having been conveyed to Developer pursuant to the deed recorded at Book 2846 Page 86 of the Burke County Public Registry.

3. **Grant of Funds by County.** The County shall pay to City grant funds totaling $300,000 for the City to disburse to the Developer to be used for the Utility Infrastructure costs of the Project.

4. **Use of Grant Funds.** The City shall disburse the Grant Funds to the Developer exclusively for the Utility Infrastructure and related improvements that serve the Project as described in the Development Agreement. Any grant funds not expended for such purposes shall be returned to the County within sixty (60) days after final completion of the Utility Infrastructure.

5. **Disbursement of Grant Funds.** The County shall disburse the Grant Funds to the City in one lump sum after execution of this MOU and the Three Party Development Agreement and upon request by the City Manager. The anticipated costs of the Developer for the Utility Infrastructure and related improvements has been provided to the Local Governments, and it exceeds $1.4 million.

6. **City Responsibilities.** The City shall be responsible for the inspection and for any acceptance of the Utility Infrastructure and related improvements.

7. **Reporting and Records.** The City shall maintain accurate records of the dispursement of the Grant Funds and shall provide the County with a report related to the Utility Infrastructure when is completed and all Grant Funds have been expended or returned.

8. **No Third-Party Beneficiaries.** This MOU is solely for the benefit of the County and the City. Nothing herein shall create any rights or obligations in or for the Developer or any other person or entity.

9. **Term and Termination.** This MOU shall remain in effect until the Utility Infrastructure is completed, all Grant Funds are accounted for, and any unexpended

funds are returned to the County, unless terminated earlier by mutual written agreement of the Local Governments. Provided, however, this MOU will terminate no later than December 31, 2036.

10. **Entire Agreement; Amendment.** This MOU and the Agreement constitutes the entire understanding between the Local Governments with respect to the subject matter hereof and supersedes all prior discussions or agreements, except for the Agreement. To the extent this MOU conflicts with any provision of the Agreement, the Agreement shall control. This MOU may only be amended in writing signed by both of the Local Governments.

11. **Governing Law.** This MOU shall be governed by the laws of the State of North Carolina.

12. **Counterparts.** This MOU may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

13. **Construction.** The Parties agree that each party and its counsel have reviewed and revised the Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendments or exhibits thereto.

14. **Assignment.** After notice to the Local Governments, the Developer may assign its rights and responsibilities hereunder to the subsequent land owners of all or any portion of the Property, in accordance with the provisions of the Agreement, provided that no assignment as to a portion of the relevant parcel of land will relieve the assigning party of responsibility with respect to the remaining portion of the relevant parcel of land owned by the assigning party without the written consent of the Local Governments. Subject to the provisions of applicable laws, in the event that the Developer sells all the Property and assigns its respective rights and responsibilities to a subsequent land owner, then the Developer shall be relieved of all of its covenants, commitments, and obligations hereunder, however the Project, the Property, and the assignee shall be obligated to comply with and be subject to the requirements of the Agreement.

15. **Severability.** If any term or provision herein shall be judicially determined to be void or of no effect, such determination shall not affect the validity of the remaining terms and provisions. This MOU shall not purport to supersede any provision of any applicable law.

[SIGNATURE PAGES TO FOLLOW]

FOR BURKE COUNTY

Signature: _____ Date: _____

Printed Name: Jeffrey C. Brittain

Title: Chairman, Board of Commissioners

Attestation: _____ Date: _____

Printed Name: Morgan Buchanan

Title: Clerk to the Board of Commissioners

[SEAL]

FOR THE CITY OF MORGANTON

Signature: Ronnie Thompson Date: 9/14/2026

Printed Name: Ronnie Thompson

Title: Mayor, City of Morganton

Attestation: Renee C Carswell Date: 9/14/2026

Printed Name: Renee C. Carswell

Title: Clerk to the City Council

[SEAL]

CITY OF MORGANTON CORPORATE SEAL NORTH CAROLINA