

OPTION TO PURCHASE AGREEMENT

This **OPTION TO PURCHASE AGREEMENT** (“Agreement”) made effective as of the _____ day of December, 2025 (the “Effective Date”), by and among the City of Fayetteville (the “City”), in favor of the Fayetteville Metropolitan Housing Authority (“FMHA”) and JBS Developers, LLC (“JBS”) (together, FMHA and JBS, the “Buyer”).

WITNESSETH:

WHEREAS, the City entered an Amended and Restated Memorandum of Understanding and Partial Assignment of Rights (Catalyst I Site) dated September 26, 2025 (“Amended MOU”) with Fayetteville State University (“FSU”), JBS, and FMHA concerning the assemblage and potential disposition and development of certain real property commonly referred to as the “Catalyst I” site as was identified on Attachment A-1 to the Amended MOU (the “Site”), all of which is owned by the City.

WHEREAS, the Amended MOU granted to Buyer the right to access the Site to study an approximately 6.32 acre portion of the Site as shown on Exhibit A (the “Property”) for the potential development of an 84-unit affordable housing community to be known as Central Park Villas (the “Project”).

WHEREAS, the Buyer submitted an application to the North Carolina Housing Finance Agency (“NCHFA”) on or around October 1, 2025 (“LIHTC Application”) to receive a 4% low-income housing tax credit allocation (“LIHTC Award”) to support the development of the Project on the Property.

WHEREAS, on November 24, 2025, the City authorized the City Manager to issue Co-Developers a loan commitment letter in the amount of \$2,883,611.00 in support of the Project contingent upon the Co-Developers receiving the LIHTC Award and other requirements (“Contingent City Loan”).

WHEREAS, the Contingent City Loan will involve funds provided under the Home Investment Partnerships Program (HOME) and other sources.

WHEREAS, the Co-Developers have asked the City to grant them an exclusive option to purchase the Property so that Co-Developers could purchase the Property upon receiving the LIHTC Award.

WHEREAS, the City desires to enter an option to purchase agreement to support the Project contingent upon Co-Developers receiving the LIHTC Award and other requirements.

WHEREAS, on November 11, 2025, Co-Developers submitted to the City an Appraisal Report for the Property that determined its fair market value to be \$545,000.00 (“Property Fair Market Value”).

WHEREAS, the City obtained a Review Appraisal Report on December 1, 2025, that determined the Property Fair Market Value was reasonable and well-supported.

WHEREAS, City desires to grant Buyer the exclusive option to purchase the Property pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of \$1,500.00 (the “Option Price”) and the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. **Option.** City hereby grants to Buyer, its successors or assigns, the exclusive option to purchase the property (“Option”) from the Effective Date until March 31, 2027 or, in the event of an adverse decision from NCHFA, the date on which NCHFA denies Buyer’s LIHTC Application, whichever is sooner (the “Option Term”). This Option is contingent upon NCHFA granting Buyer the LIHTC Award and Buyer conducting a closing on all financing necessary for the construction of the proposed Project. If NCHFA does not grant Buyer the LIHTC Award, or Buyer does not conduct a closing on all necessary construction financing on or before March 31, 2027, this Option will terminate immediately unless the Option Term is extended in writing at the sole discretion of the City Manager. The City manager may extend the Option Term at his sole discretion for up to three (3) months.

2. **Purchase Price for Property and Transfer of Ownership.**

- a. The purchase price for the Property shall be the Property Fair Market Value (\$545,000.00) (“Purchase Price”).
- b. City shall deliver to Buyer at the Closing (as defined below) a special warranty deed conveying fee simple, marketable title to the Property, subject only to easements, rights of way and restrictions of record, ad valorem taxes for the year the Closing (as defined below) takes place, and all other encumbrances against the property prior to or contemporaneous with the Closing (as defined below).
- c. City shall allow the Buyer to begin the Special or Conditional Use Permit (if required) and Application for Variance (if required) process to ensure proper requirements are in place to permit the construction of up to 84 apartments. All such applications and permits shall be at Buyer’s sole expense. Apartments are to be constructed under the requirements and guidelines of the 2025 North Carolina Housing and Finance Tax Credit Program. Said requirements are published in the 2025 Qualified Allocation Plan for the State of North Carolina (“QAP”). It shall not be

City's responsibility to comply with any of said program or plan requirements.

- d. Buyer shall pay all Closing costs associated with its purchase of the Property.
- e. The Parties acknowledge the conveyance is for the public purpose of developing affordable housing as authorized under Article 13 of Chapter 160D of the North Carolina General Statutes, including N.C. Gen. Stat. § 160D-1316, which permits the City to convey property by private sale to an entity that will provide affordable housing to persons of low and moderate income and to impose covenants and conditions to assure such use. The City's disposition of the Property is intended to be carried out in accordance with the procedures for private sale set forth in N.C. Gen. Stat. § 160A-267. At Closing, Buyer shall execute and record a declaration of deed restrictions and such other affordability and performance covenants consistent with the applicable QAP and the approved development plan, including deadlines for commencement and completion.

3. **Closing.** The closing for the purchase of the Property pursuant to the Option (the "Closing") shall be held at a date and time agreed upon by Buyer and City but in any case, on or before March 31, 2027. Upon receiving notice of the LIHTC Award, Buyer shall promptly inform City and identify a date for Closing. At Closing, Buyer shall close on all financing necessary for the construction of the Project before or simultaneous to the exercise of this Option.

4. **Prorations and Adjustments.** All ad valorem taxes for the Property shall be prorated to the date of closing.

5. **Condemnation.** If any part or all of the Property shall be "taken" by any competent authority exercising its power of eminent domain prior to the Closing of the option to purchase, this Agreement shall immediately terminate as to the part of the Property "taken" and be of no further force of effect as to that part of the Property.

6. **Additional Conditions to Closing.** The following are conditions precedent to Closing:

- (a) **Title.** Title shall be delivered at Closing in accordance with Paragraph 3;
- (b) **City's Representatives/Warranties.** The covenants, representatives and warranties of City in this Agreement shall be true and correct in all material respects both on the date hereof and as of the Closing as though

made at such time.

- (c) **Environmental Matters.** Buyer shall conduct all necessary environmental studies and remedial work necessary to satisfy the preclosing requirements of the Contingent City Loan prior to Closing.

7. **Successors and Assigns.** City and Buyer agree that all provisions of this Agreement shall bind and inure to the benefit of the parties hereto and any of their respective heirs, legatees, devisees, personal representatives, administrators, executors, successors and assigns, as applicable. City acknowledges that Buyer may assign this Option to an affiliate of Buyer to own, construct, and operate the Project and may do so without additional approval. The City must approve in writing any assignment of this Option to an entity other than an affiliate of the Buyer.

8. **Invalid Provisions.** The invalidity or unenforceability of any particular provision of this Agreement shall not affect any other provision hereof, and this Agreement shall be construed in all respects as if invalid or unenforceable provisions were omitted.

9. **Law.** This Agreement shall be construed and governed in accordance with the laws of the State of North Carolina.

10. **Entire Agreement.** This Agreement contains the full, final and complete contract of the parties as to the subject matter herein.

11. **Notices.** All notices under this Agreement shall be in writing and delivered personally or mailed certified mail, return receipt requested, first class mail, postage prepaid, addressed to the parties at their last known address.

12. **Headings.** The headings in the Agreement are for convenience only and shall not in any way affect its meaning or interpretation.

13. **Counterparts.** This Agreement may be executed in several identical counterparts, each of which shall be considered an original but all of which together shall constitute one and the same instrument.

14. **Recording.** A short form memorandum of this Agreement may be recorded by Buyer at Buyer's expense. Such memorandum shall state the expiration date of the Option Period and all extensions thereof.

15. **Commissions or Brokerage Fees.** City shall be responsible for the payment of all commission and/or brokerage fees.

IN WITNESS THEREOF, the Parties have executed this Option to Purchase Agreement as of the Effective Date.

CITY OF FAYETTEVILLE

By: _____

Name: Douglas J. Hewett, ICMA-CM

Title: City Manager

FAYETTEVILLE METROPOLITAN HOUSING AUTHORITY

By: _____

Name: Dawn Weeks

Title: Executive Director

JBS DEVELOPERS, LLC

By: _____

Name: James B. Smith

Title: Manager

DRAFT

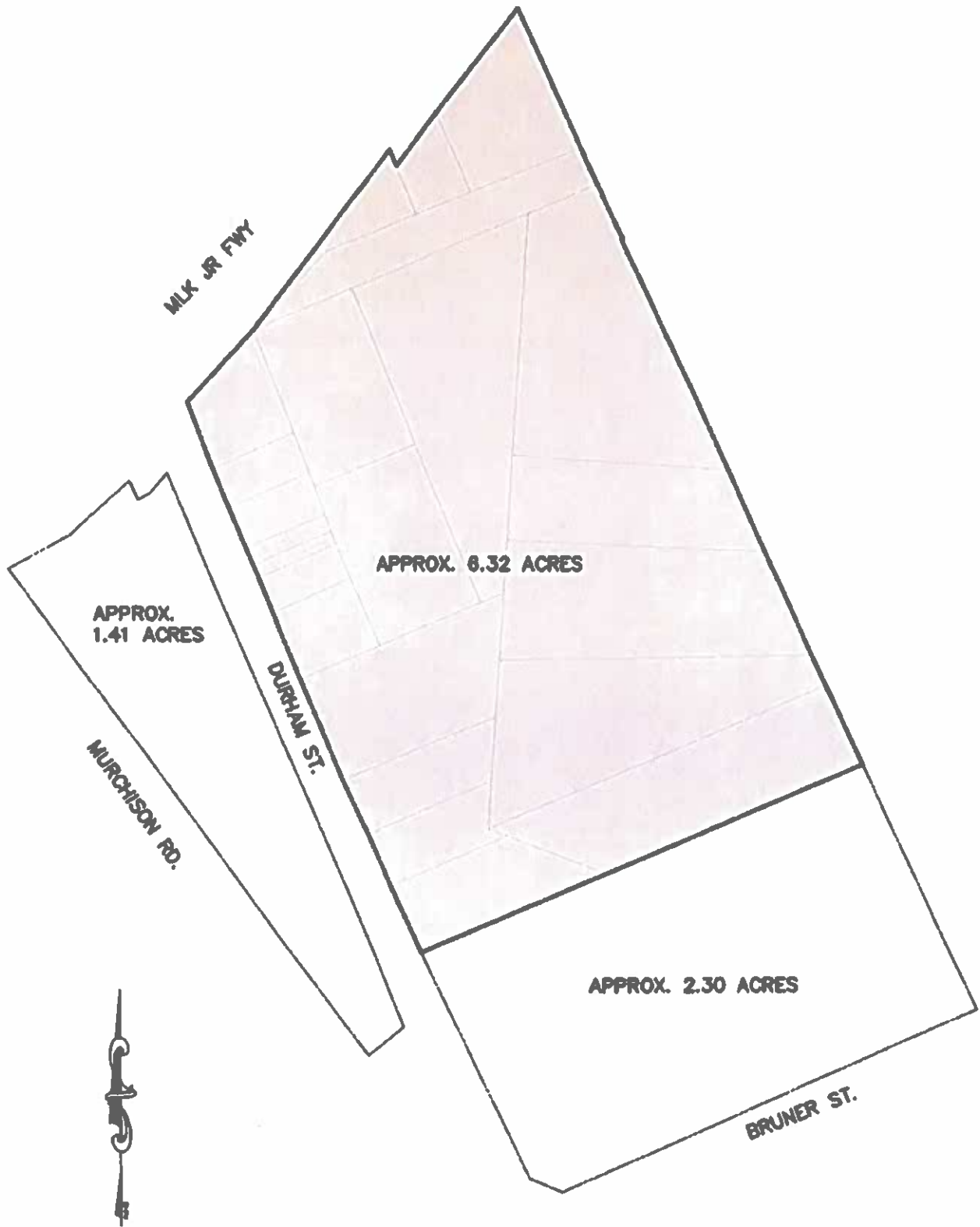
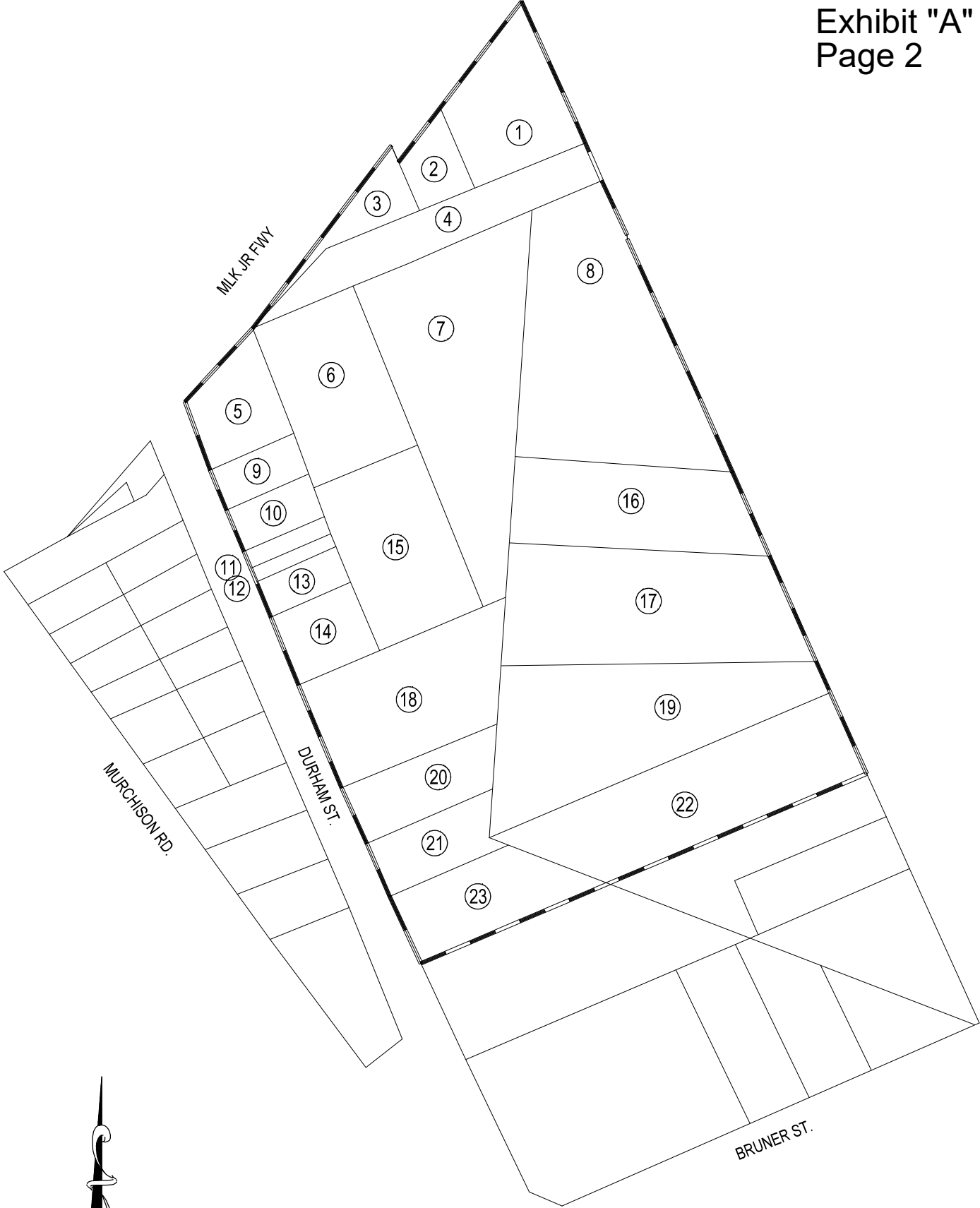


Exhibit "A"
Page 2



PROJECT DATA

PROJECT:	CENTRAL PARK VILLAS
PROJECT PINS:	① 0437-38-7539
	② 0437-38-6564
	③ 0437-38-5499
	④ EASEMENT
	⑤ 0437-38-4393
	⑥ 0437-38-6207
	⑦ 0437-38-7306
	⑧ 0437-38-8318
	⑨ 0437-38-5217
	⑩ 0437-38-5223
	⑪ 0437-38-5231
	⑫ 0437-38-5149
	⑬ 0437-38-5157
	⑭ 0437-38-5173
	⑮ 0437-38-6214
	⑯ 0437-38-8244
	⑰ 0437-38-8155
	⑱ 0437-38-6047
	⑲ 0437-38-8035
	⑳ 0437-38-6050
	㉑ 0437-37-6964
	㉒ 0437-37-9917 (PARTIAL)
	㉓ 0437-37-7866 (PARTIAL)
DEVELOPER:	JBS COMPANIES
CONTACT:	MR. JAMES B. SMITH
CONTACT NUMBER:	(910) 912 - 3300
PROPERTY OWNER:	CITY OF FAYETTEVILLE
ZONING:	MR-5 (MIXED RESIDENTIAL)
TOTAL SITE:	6.32 ACRES (APPROX.)



PLOT PLAN

CENTRAL PARK VILLAS

FAYETTEVILLE, NC

TAX CREDIT APPLICATION
XXXXX-XXXX

FJF
DRAWN BY
XX
CHECKED BY
SEP. 26, 2025
XX
COMM. NO.

SHEET NO.

S0.1

