

SERVICE AGREEMENT

This service agreement (the “Agreement”) is between Durham County (“Client”), and SOG DFI, LLC (“DFI”) (each a “Party” and collectively “Parties”).

WHEREAS, as part of its mission, the School of Government at the University of North Carolina at Chapel Hill (“University”) provides services to local governments. The Development Finance Initiative, as a program of the UNC School of Government (“SOG”), enables local governments and their partners to accomplish their community and economic development goals by providing specialized finance and development expertise in connection with the educational mission of the SOG; and

WHEREAS, SOG DFI, LLC is an associated entity of the University pursuant to G.S. 116-30.20 that was created to facilitate the work of the Development Finance Initiative; and

WHEREAS, DFI is able to provide technical services relating to real estate development feasibility analysis; and

WHEREAS, Client desires for DFI to perform such services, and doing so is consistent with the University’s research, teaching, and public service missions.

Now, THEREFORE, in consideration of the foregoing premises and the mutual covenants set forth below, and for other good and valuable consideration the receipt of which is hereby acknowledged, Client and DFI agree as follows:

- 1. Scope of Services.** DFI will perform the services described in the statement of work, which is attached as Schedule A (the “Services”). DFI will provide Client with the results of the Services as described in Schedule A (the “Deliverables”).
- 2. Term.** The term of this Agreement is entered into the last date of signature (the “Effective Date”) and will terminate February 1, 2027 unless sooner terminated as provided herein. The Parties may extend the term upon written agreement.
- 3. Termination.** In the event either Party breaches any material terms of this Agreement, then upon sixty (60) days’ written notice of such breach, the non-breaching Party may terminate if the breaching Party fails to cure such breach within the notice period. In the event of such termination by Client, DFI shall deliver to Client any unfinished or draft Deliverables prepared under this Agreement. In the event of such termination, Client agrees to pay DFI all reasonable costs and non-cancellable obligations incurred by DFI up to the date of termination, not to exceed the maximum amount specified in Section 4.
- 4. Payment.** Client agrees to pay DFI a total of \$72,400 (“Client Payment”) which shall be paid at such times and under such conditions as set forth in the payment schedule, which is attached as Schedule B. Total cost to Client shall not exceed \$72,400 without Client’s written approval.
- 5. Confidential Information.** Any information disclosed by Client to DFI pursuant to this Agreement that Client considers confidential or proprietary (“Confidential Information”) shall be disclosed in writing and marked as confidential, or if disclosed orally, shall be confirmed in writing and designated confidential within five (5) days of such disclosure. DFI agrees to use the same degree of care it uses

to protect its own confidential information to maintain for a period of three (3) years the Confidential Information. DFI's obligations hereunder do not apply to: (1) information in the public domain, (2) information independently known or obtained by DFI; or (3) information required to be disclosed pursuant to applicable law or judicial order, including the North Carolina Public Records Act.

6. **Ownership Rights.** The Deliverables and Confidential Information shall belong solely to Client; provided, however, DFI shall be free to use the Deliverables for its own educational, research, and publication purposes, consistent with the obligations set forth in Section 5 above.
7. **Entire Agreement.** This Agreement constitutes and expresses the entire agreement of the Parties hereto with reference to the subject matter hereof, with all prior promises, undertakings, representations, agreements, understandings and arrangements relative thereto having been herein merged into this Agreement.
8. **Warranties.** DFI in no way guarantees the Services performed and makes no warranties, express or implied, regarding the quality of the results, although all reasonable efforts will be made. Each Party waives its rights to recover from the other Party any consequential, indirect, or incidental damages (including but not limited to, loss of use, income, profits, financing, or reputation), arising out of, or relating to, this Agreement.
9. **Independent Contractors.** The relationship of the Client and DFI established by this Agreement is that of independent contractors, and nothing contained in this Agreement will be construed to (i) give either Party the power to direct and control the day-to-day activities of the other, (ii) constitute the Parties as partners, joint venturers, co-owners, or otherwise as participants in a joint or common undertaking, or (iii) allow a Party to create or assume any obligation on behalf of the other Party for any purpose whatsoever. Personnel of each Party shall not be considered an employee or agent of the other Party nor shall such personnel be entitled to any employee benefits including, without limitation, vacation pay, leave, retirement benefits, social security, workers compensation, disability, or unemployment benefits that may be provided to the other Party's employees. Each Party shall be exclusively responsible for compensating its personnel and subcontractors and paying all taxes, withholding payments and any other fees or payments related to its personnel and subcontractors.
10. **Modification; Waivers.** No waiver, amendment, or modification of any of the terms of this Agreement shall be valid unless in writing and signed by authorized representatives of both Parties. Failure by either Party to enforce any rights under this Agreement shall not be construed as a waiver of such rights nor shall a waiver by either Party in one or more instances be construed as constituting a continuing waiver or as a waiver in other instances.
11. **Force Majeure.** DFI shall not be liable for any failure to perform as required by this Agreement, to the extent such failure to perform is caused by any reason beyond DFI's control, or by reason of any of the following: acts of God, acts or threats of terrorism, civil disorders, severely inclement weather, disease, accidents, failure of utilities, failure of any required governmental approval, or similar occurrences.
12. **Retention of Intellectual Property.** It is expressly agreed that neither DFI nor the Client transfers by operation of this Agreement or shall transfer by operation of this Agreement to the other Party any patent right, trademark right, or copyright right either Party now owns in the performance of this Agreement.

13. **Advertising.** Client shall not use the existence of this Agreement or the name, logo, images or trademarks of The University of North Carolina at Chapel Hill, or any of its constituent schools or departments, as a part of any marketing or commercial advertising without prior written approval of DFI.
14. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which will be deemed an original and all of which together will constitute one instrument.
15. **Notices.** Any notice to be given hereunder shall be in writing and shall be given by delivery in person or by depositing the notice in United States Certified Mail, Return Receipt Requested, postage prepaid, in an envelope addressed to the Parties to be notified at such Party's address as follows:

If to Client:

Claudia Hager
County Manager
Durham County
200 E. Main Street
Durham, NC 27701
Phone: 919-560-0000
Email: chager@dconc.gov

If to DFI:

Lauren Partin
Senior Associate Dean for Administration
UNC School of Government
Knapp-Sanders Building, CB 3330
Chapel Hill, NC 27599-3330
Phone: 919-962-2757
Email: lgpartin@sog.unc.edu

16. **Governing Law.** This Agreement and the rights and obligations of the Parties hereunder shall be governed by, and construed and interpreted in accordance with, the laws of the State of North Carolina.
17. **Assignment.** This Agreement shall not be assigned by either Party without the prior written consent of the other Party hereto. This Agreement shall be binding upon and inure to the benefit of the respective successors and permitted assigns of the Parties.
18. **Survivability.** Those terms that by their nature necessarily survive termination of this Agreement shall survive, including but not limited to those provisions dealing with confidentiality, intellectual property, and payment.
19. **Liaisons.** Claudia Hager shall serve as liaison for the Client for issues concerning work under this Agreement. Marcia Perritt shall serve as liaison for DFI. Their contact information is as follows:

Claudia Hager
County Manager
Durham County
200 E. Main Street
Durham, NC 27701
Phone: 919-560-0000
Email: chager@dconc.gov

Marcia Perritt
Director, DFI
UNC School of Government
Knapp-Sanders Bldg., Campus Box 3330
Chapel Hill, NC 27599-3330
Phone: 919-600-7874
Email: mperritt@sog.unc.edu

[SIGNATURES NEXT PAGE]

IN WITNESS WHEREOF, the Parties by their duly authorized officers have executed this Agreement on the dates set forth below, to be effective on the Effective Date.

SOG DFI, LLC

By: _____ Date: _____

Name: C. Tyler Mulligan

Title: Chair, Board of Directors

Durham County

By: _____ Date: _____

Name: Claudia Hager

Title: County Manager

FINANCE OFFICER'S CERTIFICATION STATEMENT

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal

Control Act this the _____ day of _____, 2026.

By: _____

Schedule A
STATEMENT OF WORK

Scope of Services:

Durham County and Durham Public Schools (DPS) requested technical assistance from DFI in November 2025 in evaluating the redevelopment potential of a former school site, Lowe's Grove, that presents a strategic opportunity for the County and DPS to meet their community development goals. The 1.41-acre former Lowe's Grove school site is located at 4505 South Alston Avenue, near Highway 54. DPS owns additional parcels surrounding the Lowe's Grove site; these parcels would also be the subject of DFI's analysis. County and DPS leadership would like to explore a range of redevelopment scenarios for DPS-owned properties in the area that align with their mission and local community development goals.

To that end, DFI is able to assist Durham County by conducting site-specific high-level pre-development feasibility analysis in order to identify market- and financially viable redevelopment scenarios for the parcels. Due to limitations on the conveyance powers of School Boards, Durham County shall be the Client and contracting entity for this assessment; however, the County and DFI acknowledge and agree that DFI's ultimate recommendations will be shared with DPS officials.

The following Scope of Services outlines the high-level pre-development activities that DFI would conduct to support Durham County in evaluating the redevelopment potential of the former Lowe's Grove school site, herein referred to as the "Project", and its ability to attract private investment:

1. Conduct a community scan, which is an analysis of market-relevant demographic and socioeconomic data, as well as a review of current and historic plans, visioning documents, studies, research, development proposals, conceptual renderings, notes from public input sessions, and other materials relevant to the Project;
2. Conduct small group community engagement activities (estimate twenty one-on-one and small group conversations) as it relates to stakeholder interests for the Project;
3. Establish priorities to inform potential strategies for redevelopment of the Project in collaboration with the County, DPS, and key stakeholders;
4. Collect and analyze relevant data for a parcel analysis to understand current conditions (sales trends, vacancy, land use, ownership, and underutilization) for the area immediately surrounding the Project;
5. Conduct a market analysis to assess the demand for development for the specific Project site, to include an identification of tailored trade areas and an evaluation of market feasibility and demand drivers for commercial and residential uses in the Project;
6. Conduct a housing needs assessment to identify the scale of demand for specific housing types at various income levels in Durham County. The assessment includes an evaluation of primary demand drivers such as growth and employment trends, as well as an in-depth analysis of the existing housing supply;
7. Conduct a high-level site analysis, examining infrastructure, hydrology, etc., to gain a general understanding of development opportunities and constraints of the Project;
8. Conduct a high-level financial analysis to determine the feasibility of attracting private investment to the Project, including analysis of development finance tools (federal and state tax credits, district designations, etc.); and
9. Based on this analysis, evaluate the general redevelopment potential of the Project and make recommendations to the County and DPS regarding next steps.

Services Exclusions: The scope of services described in this section of the Agreement will hereinafter be referred to as the “Services.” The Services expressly do not include activities described in Article 1 of the North Carolina General Statutes Chapter 93A or Article 1 of Chapter 93E which require a licensed broker or licensed appraiser to perform. In addition, the Services do not include tasks or expenses associated with site planning expertise from architects or engineers or site preparation expenses that may include but are not limited to: land survey, soil samples, and environmental testing. The Services do not include legal services and no attorney-client relationship shall be established through the performance of the Services. The scope does not include a refresh or update (supplemental data collection and subsequent updated analysis) that could be required in the event that, for reasons beyond the control of DFI, portions of the Services are not commenced within one year of the Effective Date.

Deliverables: Deliverables include presentations, summaries, and other documentation intended by DFI to be delivered to the Client regarding the Scope of Services.

Schedule B
PAYMENT SCHEDULE

1. **Client Payment Schedule.** The Client Payment shall be due and payable upon receipt of the DFI invoices in accordance with the following schedule:

\$36,200 on February 28, 2026
\$36,200 on May 28, 2026