

If you paid recreation fees in-lieu of land dedication to the Town of Holly Springs from December 19, 2017 through December 13, 2022, you may qualify for benefits from a class action settlement.

This Notice may affect your rights, so please read it carefully.

- A \$7,500,000 settlement has been reached in a class action lawsuit, which alleges that recreation fees in-lieu of land dedication (“Recreation Fees”) charged and collected by the Defendant Town of Holly Springs are unlawful. All persons or organizations who paid Recreation Fees to the Town of Holly Springs from December 19, 2017 through December 13, 2022 are included in the settlement.

Recreation Fees are fees charged by the Town of Holly Springs as a condition to the Town approving a residential developer’s subdivision or site plan.

- The Town of Holly Springs denies the claims in the lawsuit. The Court has not decided who is right, but the Town and the Plaintiff who filed the lawsuit have agreed to the settlement.
- Your legal rights are affected whether you act or do not act. Read this Notice carefully.
- These rights and options—**and the deadlines to exercise them**—are explained in this Notice.
- The Court in charge of this case still has to decide whether to approve the settlement. If it does, and after any appeals are resolved, a settlement fund will be established.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
HOW TO GET SETTLEMENT BENEFITS	To get a payment, you do not have to do anything if you are a member of the Settlement Class. A check will be sent to you automatically, if and when the settlement is approved.
EXCLUDE YOURSELF	Request to be excluded from the Settlement Class and get no benefits from the settlement. This is the only option that allows you to start or continue a lawsuit against the Defendant about the claims this settlement resolves.
OBJECT	Write to the Court about why you do not like the settlement.
GO TO A HEARING	Ask to speak in Court about the fairness of the settlement.

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BASIC INFORMATION

1. Why is this Notice being provided?

A Court authorized this Notice because you have a right to know about a proposed class action settlement and about all of your options before the Court decides whether to give “final approval” to the settlement. This Notice explains the lawsuit, the settlement, your legal rights, what benefits are available, who may be eligible for those benefits, and how to get them.

The Superior Court Division of Wake County, North Carolina, is overseeing this lawsuit. The settlement resolves the Action (litigation) known as *Meritage Homes of the Carolinas, Inc. v. Town of Holly Springs* (Wake Co. No. 20-CVS-14511).

The person who sued is called the “Plaintiff,” and the Town of Holly Springs who was sued is called the “Defendant.”

2. What is this lawsuit about?

The Plaintiff alleges that the Recreation Fees charged and collected by the Town of Holly Springs were unlawful because the North Carolina General Assembly has not authorized the Town to charge the Recreation Fees. Recreation Fees are fees charged by the Town of Holly Springs as a condition to the Town approving a residential developer’s subdivision or site plan.

All persons or organizations who paid Recreation Fees to the Town of Holly Springs from December 19, 2017 to December 13, 2022 are included in the settlement. Excluded from the settlement are two developers that paid Recreation Fees pursuant to development agreements with the Town, and not the Town’s adopted fee schedules.

Defendant Town of Holly Springs denies any and all alleged liability, wrongdoing, violations, and/or damages it allegedly caused with respect to any and all claims asserted or that could have been asserted in this Action (litigation).

The Court has not decided who is right, but both the Plaintiff and the Defendant have agreed to a settlement to end the lawsuit and avoid further related costs and burdens.

3. Why is there a settlement?

The Court did not decide in favor of Plaintiff or the Defendant. Instead, both sides agreed to settle this case to avoid the cost and risk of litigation. The settlement does not mean that any law was broken or that the Defendant did anything wrong. The Defendant denies all legal claims in this case. Plaintiff and its lawyers think the settlement is best for the Settlement Class.

4. Why is the settlement a proposed class action settlement?

Proposed class action settlements typically get reviewed by a court twice: once for preliminary approval and once for final approval. As part of approving a class action settlement, courts certify a settlement class. That class is a Settlement Class (a.k.a, a class certified only for settlement). The Court has given the proposed settlement preliminary approval and has certified a Settlement Class. But the Court cannot decide whether to finally approve the proposed settlement until the Final Approval Hearing, when it will resolve any issues for members of the Settlement Class, except for those members of the Settlement Class who exclude themselves from the settlement.

WHO IS IN THE SETTLEMENT

To see if you will be affected by the settlement you first have to determine if you are a member of the Settlement Class.

5. How do I know if I am part of the settlement?

The Court has approved the following Settlement Class:

All natural persons, corporations, or other entities who (a) at any point from December 19, 2017 through December 13, 2022 (b) paid Recreation Fees to the Town of Holly Springs pursuant to the adopted schedule of rates and fees and/or policies of the Town.

Excluded from the Class are WSLD 12 Oaks, LLC and Lake Time Development, LLC with respect to Recreation Fees paid pursuant to development agreements with the Town of Holly Springs.

Within the Settlement Class are two Subclasses, defined as follows:

The Uniform Per-Unit Fee Subclass

All natural persons, corporations, or other entities who paid a uniform per-unit Recreation Fee to the Town of Holly Springs pursuant to the adopted schedule of rates and fees and/or policies of the Town in effect from December 19, 2017 through June 30, 2020.

The Property Value Formula Fee Subclass

All natural persons, corporations, or other entities who paid a Recreation Fee based on a property value formula to the Town of Holly Springs pursuant to the adopted schedule of rates and fees and/or policies of the Town in effect from July 1, 2020 through December 13, 2022.

6. What if I am not sure whether I am included in the settlement?

If you are not sure whether you are a member of the Settlement Class, or have any other questions about the settlement, visit the settlement website at www.hollyspringsrecsettlement.com or call the toll-free number, (833) 616-0399. You may also write with questions to Meritage Homes of the Carolinas, Inc. v. Town of Holly Springs Settlement, c/o Settlement Services, Ins., PO Box 10269, Tallahassee, FL 32302-2269, or send an e-mail to claims@ssiclaims.com.

THE SETTLEMENT BENEFITS—WHAT YOU GET IF YOU QUALIFY

7. How much money is available under the settlement?

If approved by the Court and not subject to a successful appeal, a Settlement Fund will be established. A Settlement Fund of \$7,500,000 will be established; \$6,300,000 will be reserved for

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Settlement Class Members who paid Recreation Fees to the Town from December 19, 2017 through June 30, 2020, and \$1,200,000 will be reserved for Settlement Class Members who paid Recreation Fees to the Town from July 1, 2020 through December 13, 2022. Attorneys' fees and costs associated with settlement administration will be paid from the Settlement Fund.

Payment for Class Members who Paid Recreation Fees from December 19, 2017 through June 30, 2020:

During the initial disbursement, from the \$6,300,000 of the Settlement Fund reserved for Settlement Class Members who paid Recreation Fees to the Town from December 19, 2017 through June 30, 2020, Settlement Class Members will receive an amount up to 85% of the total Recreation Fees paid by the Settlement Class Member during this period.

Payment for Claimants who Paid Water and Sewer System Development Fees from July 1, 2020 through December 13, 2022:

During the initial disbursement, from the \$1,200,000 of the Settlement Fund reserved for Settlement Class Members who paid Recreation Fees to the Town from July 1, 2020 through December 13, 2022, Settlement Class Members will receive an amount up to 24% of the total Recreation Fees paid by the Settlement Class Member during this period.

Recreation Fees paid from December 19, 2017 through June 30, 2020 will be refunded at a higher rate than Recreation Fees paid from July 1, 2020 through December 13, 2022 because effective July 1, 2020, the Town changed the manner in which it charged Recreation Fees, which generally resulted in a lower Recreation Fee as compared to the Recreation Fees charged by the Town prior to July 1, 2020.

If any unclaimed funds remain following the initial disbursement (i.e., checks are not cashed by Settlement Class Members), those unclaimed funds will be distributed pro-rata within the two Sub-Classes to Settlement Class Members who cashed their initial checks until those Settlement Class Members are refunded their entire Recreation Fee payments. Any unclaimed funds left within the Settlement Fund after such distribution will then be sent to a *cy pres* charity.

HOW TO GET BENEFITS FROM THE SETTLEMENT

8. How and when can I get a payment?

To get a payment, you do not have to do anything if you are a member of the Settlement Class. A check will be sent to you automatically, if and when the settlement is approved. The Court will conduct a Fairness Hearing during the week of April 10, 2023, to decide whether to approve the settlement.

If the Court approves the settlement, and no appeal is taken, then payments will be made to Settlement Class Members as follows: 46.67% upon Final Approval of the Settlement; 13.33% on or before December 1, 2023; and 40% on or before December 1, 2024. In order to be able to provide the benefits to Class Members pursuant to the Settlement, it was necessary for the Town to make the payments over multiple fiscal years.

If an appeal is taken, then resolving it may take some time, perhaps a year or more.

9. What am I giving up to receive benefits under the settlement?

Unless you exclude yourself, you are staying in the Settlement Class and will be eligible to receive your payment. You can no longer sue, continue to sue, or be a part of any other lawsuit against Defendant Town of Holly Springs about the legal issues in this case. It also means that the Court's

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orders will apply to you and will legally bind you, and you will give up claims against Defendant as described below in necessarily legally accurate terms.

The Settlement Agreement is available at www.hollyspringsrecfeesettlement.com. The Settlement Agreement provides more detail regarding the release and describes the released claims with specific descriptions in necessary, accurate, legal terminology, so read it carefully. You can talk to the law firms representing the Settlement Class listed in the section “The Lawyers Representing You” for free or you can, at your own expense, talk to your own lawyer if you have any questions about the released claims or what they mean.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want to participate in this proposed settlement and you want to keep the right to sue the Defendant about the legal issues in this case, then you must take steps to get out of the settlement. This is sometimes called “opting out” of the Settlement Class.

10. If I exclude myself, can I get anything from this settlement?

No, if you exclude yourself, you will give up a payment pursuant to the settlement and you cannot object to the proposed settlement. If you ask to be excluded, however, you may sue or be part of a different lawsuit against the Defendant in the future. You will not be bound by anything that happens in this class action settlement.

11. If I do not exclude myself, can I sue later?

Unless you exclude yourself, you give up the right to sue the Defendant for all of the claims that the settlement resolves. You must exclude yourself from the Settlement Class to start or continue your own lawsuit relating to the claims in this case. The full release is stated in Section V of the Settlement Agreement (the Settlement Agreement can be found at www.hollyspringsrecfeesettlement.com).

12. How do I get out of the settlement?

To exclude yourself from the settlement and Settlement Class, you must send the Settlement Administrator a written “Request for Exclusion,” which must include the following:

- (1) Contain a caption or title that identifies it as “Request for Exclusion in *Meritage Homes of the Carolinas, Inc., et al. v. Town of Holly Springs*;”
- (2) Include the Settlement Class Member’s name, business address, and telephone number;
- (3) Specify that he or she wants to be excluded from the Settlement Class; and
- (4) Be personally signed by the Settlement Class Member.

You must mail your completed Request for Exclusion, postmarked by **March 20, 2023** to:

Meritage Homes of the Carolinas, Inc. v. Town of Holly Springs Administrator
Exclusions
c/o Settlement Services, Inc.
PO Box 10269
Tallahassee, FL 32302-2269

A copy of your completed Request for Exclusion should also be sent to:

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Class Counsel	Defense Counsel
Jim DeMay Hunter Bryson Milberg Coleman Bryson Phillips Grossman PLLC 900 W. Morgan Street Raleigh, NC 27603	Dan Hartzog, Jr. Hartzog Law Group 2626 Glenwood Ave., Ste. 305 Raleigh, NC 27608

If you do not want to be a part of the settlement, but do not send in a Request for Exclusion, you will remain a member of the Settlement Class and lose any opportunity to exclude yourself from the settlement, and your rights will be determined in this lawsuit by the Settlement Agreement, if it receives final judicial approval.

You cannot ask to be excluded/opt-out on the phone, by email, or at the website.

THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in the case?

The Court designated James R. DeMay, J. Hunter Bryson, and W. Mark Cumalander of Milberg Coleman Bryson Phillips Grossman, PLLC as Class Counsel for members of the Settlement Class. You will not be charged for Class Counsel. If you want to be represented by your own lawyer in this case, you may hire one at your own expense.

14. Why is Class Counsel recommending the settlement?

Class Counsel reached this settlement after weighing the risks and benefits to the Settlement Class of this settlement compared with those of continuing the litigation. The factors that Class Counsel considered included the uncertainty and delay associated with continued litigation, a trial and numerous appeals, and the uncertainty of particular legal issues that have been, or are yet to be, determined by the Court. Class Counsel balanced these and other substantial risks in determining that the settlement is fair, reasonable, and adequate in light of all circumstances and in the best interests of members of the Settlement Class.

15. How will the Lawyers be paid?

If the settlement is approved by the Court, Class Counsel will ask the Court for an award of attorneys' fees and expenses in an amount not to exceed one-third of the value of the Settlement Fund. Any award of attorneys' fees, expenses, costs, or incentive awards, ordered by the Court will be paid from the Settlement Fund.

OBJECTING TO THE SETTLEMENT

16. How do I tell the Court if I do not like the settlement?

If you do not exclude yourself from the Settlement Class, you may, if you wish, object to the fairness, reasonableness, or adequacy of this Agreement, or the proposed Settlement, or to the award of Attorneys' Fees and Expenses, or the Service Awards, or to any other aspect or effect of the proposed Settlement. All Objections must contain the following:

- (1) Contain a caption or title that identifies it as “Objection to Class Settlement in *Meritage Homes of the Carolinas, Inc., et al. v. Town of Holly Springs*, Wake County No. 20-CVS-14511;”
- (2) Identify whether the objection is to the Settlement Class;
- (3) Set forth the specific reason(s), if any, for each objection, including all legal support the Settlement Class Member wishes to bring to the Court’s attention and all factual evidence the Settlement Class Member wishes to offer in support of the objection;
- (4) Include the name and address of the Settlement Class Member;
- (5) Be personally signed by the Settlement Class Member or an officer or director thereof with actual authority to bind the entity;
- (6) Include an identification, by case style and number, of any other class settlements the objector or the objector’s attorney(s) have asserted an objection;
- (7) Include an identification of all attorneys having a financial interest or stake in the objection; and
- (8) Include three dates within the calendar month they are submitting the objection in which they can be available for a deposition

Your Objection must be filed with the Clerk of Superior Court for Wake County, North Carolina and delivered to Class Counsel and to City Counsel, no later than **March 20, 2023**, at the following addresses:

Court	Class Counsel	Defense Counsel
Clerk of Superior Court Wake County Superior Court P.O. Box 351 Raleigh, NC 27602	Jim DeMay Hunter Bryson Milberg Coleman Bryson Phillips Grossman PLLC 900 W. Morgan Street Raleigh, NC 27603	Dan Hartzog, Jr. Hartzog Law Group 2626 Glenwood Ave., Ste. 305 Raleigh, NC 27608

If you do not comply with these procedures and the deadline for objections, you will lose any opportunity to have your objection considered at the Final Approval Hearing or otherwise to contest the approval of the settlement or to appeal from any order or judgment entered by the Court in connection with the settlement.

17. What is the difference between objecting and asking to be excluded?

Objecting is simply telling the Court that you do not like something about the settlement. You can object only if you stay in the Settlement Class. Excluding yourself (opting out) is telling the Court that you do not want to be part of the Settlement Class. If you exclude yourself, you cannot object to the settlement, and you will not be eligible to apply for any benefits under the settlement because the case no longer affects you.

THE COURT’S FINAL APPROVAL HEARING

18. When and where will the Court decide whether to approve the settlement?

During the week of April 10, 2023, the Court will hold a public hearing in the Superior Court Division of Wake County, North Carolina, located at 316 Fayetteville St., Raleigh, North Carolina

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27601, to determine whether the settlement is fair, adequate, and reasonable and should be finally approved, with judgment entered accordingly. The exact date, time, and courtroom for the Fairness Hearing will be available on the final Wake County Superior Court civil court calendar for the week of April 10, 2023, which will be published approximately two weeks prior to April 10, 2023 at: <https://www1.aoc.state.nc.us/www/calendars/Civil.jsp?county=WAKE>. You may also inquire about the exact date, time, and courtroom for the Fairness Hearing through Class Counsel.

The Court also will consider the application for an award of attorneys' fees, expenses, and service awards and any opposition thereto. This hearing may be continued or rescheduled by the Court without further notice to the Settlement Class so you should check the website for updates. If there are objections, the Court will consider them at that time. After the hearing, the Court will decide whether to approve the settlement. It is unknown how long these decisions will take.

19. Do I have to come to the hearing?

No, Class Counsel will answer any questions the Court has. However, you are welcome to attend the hearing at your own expense. You may pay your own lawyer to attend the Final Approval Hearing, but it is not necessary.

IF YOU DO NOTHING

20. What happens if I do nothing at all?

If you are a Class Member and do nothing, you are staying in the Settlement Class and will be eligible to receive your payment. You can no longer sue, continue to sue, or be a part of any other lawsuit against Defendant Town of Holly Springs about the legal issues in this case. It also means that the Court's orders will apply to you and will legally bind you, and you will give up claims against Defendant as described below in necessarily legally accurate terms.

GETTING MORE INFORMATION

21. How do I get more information?

This Notice summarizes the proposed settlement. More details are in the Settlement Agreement. You can view a copy of the Settlement Agreement and read a list of Frequently Asked Questions and Answers at www.hollyspringsrecfeesettlement.com. You may also write with questions to Meritage Homes of the Carolinas, Inc, et al. v. Town of Holly Springs Settlement, c/o Settlement Services, Inc., PO Box 10269, Tallahassee, FL 32302-2269 or send an e-mail to claims@ssiclaims.com. If you wish to communicate directly with Class Counsel, you may contact them at the address listed above, or by e-mail at jdemay@milberg.com and hbryson@milberg.com. You may also seek advice and guidance from your own private attorney at your own expense.