



# TOWN OF SILER CITY

## Board of Commissioners

October 7, 2024

## Regular Meeting Agenda

### ELECTED TOWN OFFICIALS

**Donald Matthews**  
Mayor

**Lewis R. Fadely**  
Mayor Pro Tem and District 5 Commissioner

**Albert Alston**  
District 1 Commissioner

**Norma Boone**  
District 2 Commissioner

**Curtis Brown**  
District 3 Commissioner

**Alec Hauser**  
District 4 Commissioner

**Cindy B. Bray**  
At Large Commissioner

**Travis R. Patterson**  
At Large Commissioner

### TOWN STAFF

**Interim Acting Town Manager**  
**Jack Meadows**  
jmeadows@silercity.org

Post Office Box 769  
311 North Second Avenue  
Siler City, North Carolina 27344-0769

**Assistant Town Manager and  
Town Clerk Kimberly Pickard**  
kpickard@silercity.org

(919) 726-8620  
Fax (919) 663-3874  
www.silercity.org

**TOWN OF SILER CITY**

The Siler City Board of Commissioners met in Regular Session on **Monday, September 16, 2024**, at 6:30pm in the City Hall Courtroom with Mayor Matthews presiding. Mayor Matthews gave the invocation with the recitation of the Pledge of Allegiance following. Commissioner Bray recited the Mission Statement and Commissioner Boone recited the Vision Statement.

**ELECTED TOWN OFFICIALS PRESENT:** Albert Alston, Norma Boone, Cindy Bray, Curtis Brown, Donald Matthews, Lewis Fadely and Alec Hauser.

**ELECTED TOWN OFFICIALS ABSENT:** Travis Patterson

**TOWN STAFF PRESENT:** Interim Town Manager Jack Meadows, Finance Director John O'Keefe, Planning & Community Development Director Timothy Mack, Parks & Recreation Director Tylr Stinson, Community Planner Sara Martin, Deputy Clerk Briana Avalos, Assistant Town Manager & Town Clerk Kimberly Pickard, Police Chief Brian Regan, and Town Attorney William Morgan.

**AGENDA ADJUSTMENTS / APPROVAL OF AGENDA**

Interim Town Manager Jack Meadows requested to amend August 19, 2024 Minutes with new minutes placed at the table.

*A motion to approve the agenda as amended was made by Mayor Pro Tem Fadely, seconded by Commissioner Brown and unanimously approved.*

*A motion to approve the consent agenda which includes August 19, 2024 minutes (incorporation by reference as if fully set forth herein as Schedule A) September 3, 2024 minutes (incorporation by reference as if fully set forth herein as Schedule B) Project Ordinance 2025.09 Streamflow Assistance Rehab Program (incorporation by reference as if fully set forth herein as Schedule C) Siler City Fire Department 2025.10 Rope Rescue Wolfsped Grant (incorporation by reference as if fully set forth herein as Schedule D) was made by Mayor Pro Tem Fadely seconded by Commissioner Boone and unanimously approved.*

**PRESENTATIONS**

Hispanic Heritage Month Proclamation: Mayor Pro Tem Fadely along with Deputy Clerk Briana Avalos read aloud both the English and Spanish version of the Hispanic Heritage Month Proclamation. The proclamation honored Hispanic Heritage month and the Siler City Board of Commissioners proclaiming September 15, 2024, through October 15, 2024, as Hispanic Heritage Month in the Town of Siler City. Representatives from the Immigrant Community Advisory Committee spoke and reminded the Board of Commissioners along with members of the audience of the upcoming Hispanic Heritage Fiesta that will be held Saturday, September 21, 2024, at Shakori Hills Art Center.



## TOWN OF SILER CITY BOARD OF COMMISSIONERS

### REGULAR SESSION MEETING AGENDA

Monday, October 7, 2024

6:30PM

#### 1. REGULAR MEETING CALLED TO ORDER

1.1. INVOCATION – COMMISSIONER PATTERSON

1.2. PLEDGE OF ALLEGIANCE

1.3. RECITATION OF TOWN OF SILER CITY MISSION STATEMENT – COMMISSIONER HAUSER *To advance a framework for our success through balanced governance, dynamic partnerships, and an engaged community.*

1.4. RECITATION OF TOWN OF SILER CITY VISION STATEMENT – COMMISSIONER BROWN *Siler City is a safe, prosperous, and vibrant community where diversity, innovation, and education drive success in a globally competitive society.*

#### 2. ADJUSTMENTS TO THE AGENDA and APPROVAL OF AGENDA

*Items may be added or removed if necessary.*

#### 3. CONSENT AGENDA

*Consent Agenda items are non-controversial routine items unanimously recommended for approval by all involved parties. A single vote may be taken for the approval of ALL consent agenda items. Any individual council member may pull items off the consent agenda to discuss them. Items pulled off the consent agenda will be handled with the “NEW BUSINESS” agenda topic.*

3.1 September 16, 2024, Minutes *Schedule A (Pages 1-4)*

3.2 BRIC Grant- Bloodrun Pump Station Relocation and Sewer Line Replacement Project  
*Schedule B (Page 5)*

3.3 Budget Ordinance 2025.11 Sale of Carter Bank, Landrus Siler Paving, Key Fob System and Town Hall Signage *Schedule C (Page 6)*

3.4 Position Name Change for Buildings and Grounds *Schedule D (Page 7)*

3.5 Siler City Chamber Christmas Market and Tree Lighting Street Closure Request  
*Schedule E (Pages 8-18)*

#### 4. CLOSED SESSION

4.1 § 143-318.11 (a)(6) To consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee; or to hear or investigate a complaint, charge, or grievance by or against an individual public officer or employee. General personnel policy issues may not be considered in a closed session. A public body may not consider the qualifications, competence, performance, character, fitness, appointment, or removal of a member of the public body or another body and may not consider or fill a vacancy among its own membership except in an open meeting. Final action making an appointment or discharge or removal by a public body having final authority for the appointment or discharge, or removal shall be taken in an open meeting.

**5. PUBLIC COMMENT**

*Each speaker is asked to limit comments to 3 minutes, and the requested total comment period will be 15 minutes or less*

**6. PUBLIC HEARING**

*System Development Fee Public*

**7. OLD BUSINESS**

7.1 Utility Merger-City of Sanford (TriRiver Water) *Schedule F (Pages 18-45)*

7.2 Town Hall Signage *Schedule G (Pages 46-50)*

**8. NEW BUSINESS**

8.1 200 North Chatham Ave Schedule H (Pages 51-69)

**9. MANAGERS REPORT**

**10. TOWN ATTORNEY INFORMATION**

**11. GOVERNING BODY COMMENTS**

**12. ADJOURNMENT**

*Please contact Town Clerk Kimberly Pickard or Deputy Town Clerk Briana Avalos with any questions about this agenda:*

*kpickard@silercity.gov or 919-726-8620.  
bavalos@silercity.gov or 919-726-8658*



## PUBLIC HEARING

### *Mayor Pro Tem Fadely Opened the Public Hearing at 6:47pm*

Community Development Block Grant: Community Planner Sara Martin discussed the Community Development Block Grant with the Siler City Board of Commissioners the CDGB block grant can provide funding to address a wide range of community development needs. Governed by the Department of Housing and Urban Development, the CDBF program gives annual grants that communities can use to address critical and unmet needs, including those for housing rehabilitation, public facilities, infrastructure, job creation, and public services. Siler City Board of Commissioners must hold two separate public hearings, the first Public Hearing to consider the filing of a new CDBG application and explain the specifics to the Board of Commissioners. The Board of Commissioners will then hold a second public hearing providing the application along with the contents. Citizen participation is a critical element of the CDBG program. The required public hearings allow citizens the opportunity to attend, review the proposed application and or activities and provide input.

### *Mayor Pro Tem Fadely Closed the Public Hearing at 6:53pm*

## OLD BUSINESS

Boling Lane Park Riparian Buffer: Interim Town Manager Jack Meadows discussed with the Board of Commissioners the Boling Lane Riparian Buffer. The Town of Siler City entered into a contract with Chatham Soil and Water Conservation (CSWC) for the subject riparian buffer in 2018. The Town received an out of compliance letter from CSWC on August 15, 2024. Town Staff and Town Consultant met with CSWC staff and indentified resolutions to repair the buffer and meet compliance standards. Meadows provided the Board of Commissioners with a design plan that has been developed and approved by the CSWC.

*A motion to repair the riparian buffer as designed and constructed was made by Commissioner Boone seconded by Commissioner and unanimously approved.*

## NEW BUSINESS

Parks and Recreation Athletic / Recreation Fee Schedule: Parks and Recreation Director Tylr Stinson addressed the Siler City Board of Commissioners with a revised "Athletic Recreation Program Fee Schedule" the revised schedule would lower the cost of Recreation programs including, Flag Football, Youth Basketball, Youth Softball, Youth Baseball, Youth T-Ball, Mini Masters Art Camp and Youth Volleyball the current fee schedule is a \$40.00 charge per participant. Town Staff requested a change to \$25.00. Commissioner Bray requested that the amount be lowered to \$20.00 per participant. Mayor Pro Tem Fadely wanted to confirm that the charge of \$65.00 for swimming lessons included three lessons. Stinson confirmed that the \$65.00 did include three lessons at thirty minutes per lesson. Fadely requested the time be extended to one hour.

*A motion to revise the fee schedule to \$20.00 per participant for Youth Flag football, youth basketball, youth softball, youth baseball, youth t-ball, mini masters art camp and youth volleyball was made by Mayor Pro Tem Fadely seconded by Commissioner Brown and unanimously approved.*

*A motion to approve partial refunds for currently open athletic programs was made by Commissioner Brown seconded by Commissioner Boone and unanimously approved.*

Ruth E Fore Recreation Endowment Fund: Finance Director John O'Keefe gave a background of the Ruth E Fore Recreation endowment fund. O'Keefe recommended that the approximate \$30,000.00 Fund be used for current recreation needs and a plaque be placed where the funds are used to honor Ruth Fore. Assistant Town Manager and Town Clerk Kimberly Pickard provided the Board of Commissioners with a couple of different needs especially those of the Ramsey Gym that the funds could be used for mainly repairing the entrance, bathroom and locker room floors with epoxy slip resistance covering. O'Keefe and Pickard will bring back more details to the Board of Commissioners once the funds have been secured and seek Board approval for the use.

## MANAGERS REPORT

Interim Town Manager, Jack Meadows Provided the Board of Commissioners with important information regarding the \$500,000.00 STRAP Grant and \$500,000.00 PART-F Grant. Meadows also shared information regarding the Economic Fiscal Impact Analysis and the following important dates:

- September 21 (Saturday) Hispanic Heritage Fiesta
- September 30 (Monday) Joint Meeting with the Chatham County Board of Commissioners at the Siler City Center for Active Living
- October 1 (Tuesday) National Night Out - Several Locations
- October 7 (Monday) Siler City Board of Commissioners Regular Meeting which will include the Utility Merger Agreement Adoption
- October 15 (Tuesday) State of Chatham Event Chatham County Agricultural and Conference Center

Assistant Town Manager and Town Clerk Kimberly Pickard- updated the Board of Commissioners on the implementation of a work-order system for Buildings and Grounds that provides live work order status along with Building Inspections. Pickard, also asked the Board of Commissioners for help with planters that would be installed at Town Hall, and the Town Parks as a beautician effort and a firm date would be provided and a volunteer sign up sheet would be sent out.

## GOVERNING BODY COMMENTS

None

### ADJOURNMENT

With no further business, the Board of Commissioners adjourned at 7:57pm.

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Donald Matthews, Mayor

ATTEST:

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Kimberly D. Pickard, Town Clerk



## Town of Siler City

### Memorandum

**TO:**

Mayor Donald Mathews  
Board of Commissioner  
Jack Meadows Interim Town Manager

**FROM:**

Chris McCorquodale  
Director of Public Utilities  
cmccorquodale@silercity.org  
Phone: 919-742-4732

**REFERENCE:**

Bric Grant – Bloodrun Pump Station  
Relocation and Sewer Line Replacement  
Project.

**DATE:**

10/03/2024

Town Staff requested rebid for RFQ's for the BRIC Grant project.

RFQ's have been received for the Bloodrun Pump Station Relocation and Sewer Line Replacement Project. This project is for design, bid and construction administration over the relocation and building of the Bloodrun Pump Station and Sewer Line Replacement.

We received RFQ's from:

Freese and Nichols,  
LKC,  
WithersRavenel and  
McGill Associates

Town Staff have reviewed the RFQ's and recommend that we award this project to the engineering firm of Freese and Nichols.

**Requested Action:** Approve Town Staff recommendation for this project.



**ORDINANCE AMENDING THE  
2024-2025 FISCAL YEAR BUDGET  
AMENDING THE BUDGET ORDINANCE  
2025.11**

*Sale of Surplus Property, Landrus, Key Fob, Sign*

**BE IT APPROVED BY THE BOARD OF COMMISSIONERS OF THE TOWN OF SILER CITY,** that the 2024/2025 Budget be amended:

**SECTION 1.**

This instrument seeks to amend the 2024/2025 Budget Ordinance to recognize the sale of Carter Bank as well as increase the line item budgets for the following projects: Landrus Siler Repaving (\$31,000), Key Fob system for Town Hall (\$14,000), and Sign at Town Hall (\$46,000).

**SECTION 2.**

That the following GENERAL FUND ACCOUNTS be appropriated by the following amounts:

Account Number	Account Description	Current Appropriation	Increase (Decrease)	Amended Appropriation
10-331-0000	Sale of Surplus Property	\$ -	\$ 171,734.00	\$ 171,734.00
10-399-0000	Appropriated Fund Balance	\$ 801,206.49	\$ (80,734.00)	\$ 720,472.49
			<b>\$ 91,000.00</b>	

**SECTION 3.**

That the following GENERAL FUND ACCOUNTS be appropriated by the following amounts:

Account Number	Account Description	Current Appropriation	Increase (Decrease)	Amended Appropriation
10-500-1500	Maintenance - Buildings	\$ 95,950.00	\$ 31,000.00	\$ 126,950.00
10-500-1500	Maintenance - Buildings	\$ 126,950.00	\$ 14,000.00	\$ 140,950.00
10-500-1500	Maintenance - Buildings	\$ 140,950.00	\$ 46,000.00	\$ 186,950.00
			<b>\$ 91,000.00</b>	

**SECTION 4.**

Copies of this budget amendment shall be furnished to the Clerk, the Governing Board, the Budget Officer, and the Finance Officer for their direction.

Adopted this the 7th day of October 2024.

\_\_\_\_\_  
Donald Matthews, Mayor

ATTEST:

\_\_\_\_\_  
Kimberly D. Pickard, Town Clerk



## Town of Siler City

### Memorandum

**TO:**

Mayor Matthews and  
Board of Commissioners

**FROM:**

Kimberly Pickard  
Assistant Town Manager  
kpickard@silercity.gov  
Phone: 919-742-4731

**REFERENCE: Buildings & Grounds  
Position Re-Naming**

**DATE: October 7, 2024**

The current Building Maintenance Mechanic Position performs general maintenance to Town owned facilities.

It is proposed that the Building Maintenance Mechanic Position be renamed to Building and Grounds Maintenance Technician to expand the essential duties, responsibilities and tasks of the position.

The current position only performs general maintenance to town owned facilities, the renaming and expanding the position to include grounds. The position would perform maintenance on town owned facilities and town owned grounds.

**Requested Action:**

1. Approve the title change of Building Maintenance Mechanic to Building and Grounds Maintenance Technician.



## Town of Siler City

### Memorandum

**TO:**

Mayor Matthews and  
Board of Commissioners

**FROM:**

Kimberly Pickard  
Assistant Town Manager  
[kpickard@silercity.gov](mailto:kpickard@silercity.gov)  
Phone: 919-742-4731

**REFERENCE: Siler City Christmas  
Market & Tree Lighting**

**DATE: October 7, 2024**

Attached to this memorandum is a street closing request for Sunday, December 1, 2024 from Josh Harris with the Siler City Chamber of Commerce for the Siler City Christmas Market and Tree Lighting.

The following town streets would be blocked for the Market and Tree Lighting according to the map attached: Portions of East and West Beaver Street, West and East Second Street.

The NCDOT streets would be blocked for the Christmas Market according to the map attached: Portions of North and South Chatham, East and West Raleigh Street.

The street closure requested is for the following times for town streets:

**Sunday, December 1, 2024: 12:00pm to 6:00pm - 6 hours**

The Town of Siler City will provide for the following:

- Adequate law enforcement personnel and traffic control devices along all effected roadways.
- Notify all emergency services and other responders of any impending closures.
- Should the event end early, all effected routes should be opened immediately.
- 20 Roll-off Trash Containers
- 10 Recycle Roll-Off Trash Containers
- Adequate Use of Town Electrical and Water Supply

and

The Sponsoring Organization: Siler City Chamber of Commerce, will provide for the following:

- Assume responsibility for any claims or damages associated with any actions or closures resulting from this event.
- Secure appropriate insurance prior to initiating any road closures for the event.

**Requested Action:** Approve the street closure of East and West Beaver Street and East and West Second Street according to the map and the following NCDOT streets would be blocked for the Market and Tree lighting : N. and S. Chatham Avenue, East and West Second Street according to the map.

Sunday, December 1, 2024: 12:00pm to 6:00pm for 6 hours.

## Town of Siler City Special Event Guidelines and Application

The Town of Siler City encourages private special events to both enrich the quality of life for our residents and to promote our community.

Festivals, performances, road races, parades, charity walks, and similar events that use Town streets, sidewalks, and any other town property and facilities, as well as Town services will require a Special Event Permit.

### Procedures and Instructions

Special events applications take 45 days to process so applicants should apply 60 days before their intended event but may not apply more than 6 months prior to the event.

The Town of Siler City will work with the applicant to process the Special Events Permit Application.

Once the special application and supporting documentation is complete, please submit your application

to: Town Clerk Town of Siler City  
PO Box 769  
311 N Second Avenue  
Siler City, NC 27344  
kpickard@silercity.org

All Special Events must be approved by the Town of Siler City Board of Commissioners.

If your application is not complete once submitted, it might delay approval of your special event permits.

### Map

Provide a detailed Site-Plan sketch of the event. Include maps, outline or diagram of the entire event venue including the names of all streets or areas that are part of the venue and the surrounding area. Include the following info (if applicable):

1. Location of the event/activity on the property. Showing adjacent streets/roads and boundaries.
2. Location of temporary structures that will be used during the event. Must indicate size of temporary structures, distances between temporary structures and existing buildings.
3. Identify how each temporary structure will be used. Example: type of vendor, food preparation, alcohol sales, amplified sound, tents, portable toilets, etc.
4. Identify location of all cooking devices and open flames (indicate type of cooking method (propane gas, electric, charcoal, catered, etc.).
5. Location of all fencing, barricades, or other restrictions that will impair access to and from the event or property.
6. Identify all designated parking areas (include handicapped accessible areas).
7. Identify location of any generators and fuel storage.
8. Location of fire hydrants.
9. Location of first aid facilities.
10. Location of generators and/or power sources.
11. Location of garbage receptacles, Town trash bins and recycle rollouts.
12. Event parking restrictions must be noted on site plan/route map.
13. Describe planned arrangements to resolve conflicts with people trying to reach businesses, their own residences, places of worship and public facilities including public transportation.



**Event Information**

Name of Event	Siler City Christmas Market and Tree Lighting
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Type of Event	<i>(check all that apply)</i>		
	Bicycle Ride/Race	Parade/March	Fair/Festival
	Motorcycle Ride	Walk/Run	Concert/Performance
	Other		

**Detailed description of the event**

A festival in Downtown Siler City celebrating the start of the Christmas Season and featuring vendors, music, food and community gathering.

Event Date(s)	12/1/2024	Event Time(s)	12:00-6:00 PM
Event Set Up Date	12/1/2024	Event Set Up Time(s)	5:00 am -12:00 pm

**Event Location**

Downtown Siler City

Estimated number of participants:

2,000

**Contact Information**

Primary Sponsoring Organization	Siler Area Chamber of Commerce
Sponsoring Organization Address	106 W Raleigh St. Siler City, NC 27344
Organizer/Emergency Contact Name	Josh Harris
Email	jharris@silerareachamber.com
Phone Number	919-799-5819
Phone Number on the day of the event	919-704-6932

**Road Closure**

Are you requesting Road/Street(s) to be closed for this event?

YES

NO

*Important Information: The Town of Siler City does not have the authority to close a NCDOT streets or roads. To Close a NCDOT Street/Road a Special Events Request Form is required by the North Carolina Department of Transportation.*

*Below is a link to the NCDOT form:*

*<https://connect.ncdot.gov/resources/safety/Teppl/TEPPL%20All%20Documents%20Library/S77%20-%20Request%20Form.pdf>*

Street/Road Name(s) including stop and start points:

Chatham Ave starting at Third St and Ending past Beaver St. / Second St. Starting at N Dogwood Ave and Ending at N Second Ave.  
Raleigh St starting at N Dogwood and ending at N Second Ave. / Beaver St. starting at Birch Ave and ending at N Second Ave.

**Town Services Requested**

Police

YES

NO

Note on Police: The Town of Siler City reserves the right to require the presence of police officer(s) at any event. Should the event call for police presence, the organization sponsoring the event and requesting the temporary street closure may have to pay the Town a fee equivalent to the compensation expense (at time and a half) for making the officer available during the time of the event.

Fire

YES

NO

Note on Fire: The Town of Siler City reserves the right to require the presence of fire fighter(s) at any event. Should the event call for fire presence, the organization sponsoring the event and requesting the temporary street closure may have to pay the Town a fee equivalent to the compensation expense (at time and a half) for making the fire fighter available during the time of the event.

Utilities

YES

NO

Type Requested

Water

Power

Note on Utilities: The Town of Siler City reserves the right to charge the organization sponsoring the event the current water rate and power rate for any utilities used.

Trash Removal

YES

NO

If yes:

Number of Trash Carts being requested: 20 or more

Number of Recycle Carts being requested: 10 or more

**Other Services Requested**

Will alcoholic beverages be served and/or sold at the event?

YES

NO

If yes, an ABC Permit is required. Copies of the ABC permit should be submitted with this application request.

Will amplified sound be used during the event?

YES

NO

Will food be served at this event?

YES

NO

*If yes, Chatham County Special Event Notification Form Required*

Will tents be used during the event? <i>If yes, Chatham County Special Event Notification Form Required</i>	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Will animals be a part of the event?	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
Will guns, knives, or axes be a part of this event?	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
Will fireworks and/or open fires be a part of this event? <i>If yes, Chatham County Special Event Notification Form Required</i>	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
Will air-supported structures (inflatables) be a part of this event? <i>If yes, Chatham County Special Event Notification Form Required</i>	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO

**Important Information**

The Town of Siler City does not approve tents, air-supported structures (inflatables), food sales, and fireworks displays. *Chatham County Special Event Notification Form Required*

**Signage**

Event signage is to be removed within 24 hours following the event. Event signage that does not follow Town regulations will be removed. If special event application is approved including provided signage information, then no other Town signage permit will be required for the event.

Will you have a banner or signage?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
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**INSURANCE REQUIREMENTS**


Insurance Requirements Evidence of Insurance will be required before final permit approval. Please provide a Certificate of insurance, which shows a minimum of \$1,000,000.00 in Commercial General Liability Insurance and a Policy Endorsement, which indemnifies and holds harmless the Town of Siler City, and all its agencies and departments. Some events may require a higher limit of insurance. Event Sponsor must list the parties as additional insured on their Certificate of Insurance.

**DISCLOSURES**

1. Permits - Please note that all components of the event are subject to approval by the Town Manager's Office and may also require approval by and/or permit(s) from other Town agencies and departments. It is the responsibility of the applicant to secure all.
2. Event Notifications & Communications - Event Sponsor (applicant) will be responsible for contacting all individuals, residents and businesses who will be impacted by the event's road closures. The Town of Siler City requires an event sponsor to provide written notice certifying that all adjacent business owners of the public street(s) subject to closure in relation to the planned event have been notified to the street(s) closure.
3. Vendor Compliance - The Town of Siler City requires an event coordinator to disclose if there are plans to have food vendors, the selling of products/concessions, the use of fireworks, large outside public assemblage, and the closing of public parking lots. All vendors must comply with all applicable regulatory permitting agencies' requirements.

**AFFIDAVIT OF APPLICANT**

My signature below indicates that everything I have stated in this application is correct to the best of my knowledge. I have read, understand and agree to abide by the policies, rules and regulations of the Town of Siler City as they pertain to the requested usage. The permit, if granted is not transferable and is revocable at any time at the absolute discretion of the Town of Siler City's Town Manager's Office (or designee). All programs and facilities of the Town of Siler City are open to all citizens regardless of race, sex, age, color, religion, national origin or disability.

<b>Applicant Signature</b>	
<b>Applicant Printed Name</b>	Josh Harris
<b>Date</b>	9/12/2024



# Christmas Market Map

2024 Anticipated  
Event Site Map  
Saturday, May 4th,  
2024 10am - 4pm

*\*Map & operations  
are subject to  
modifications.*



Detour Route



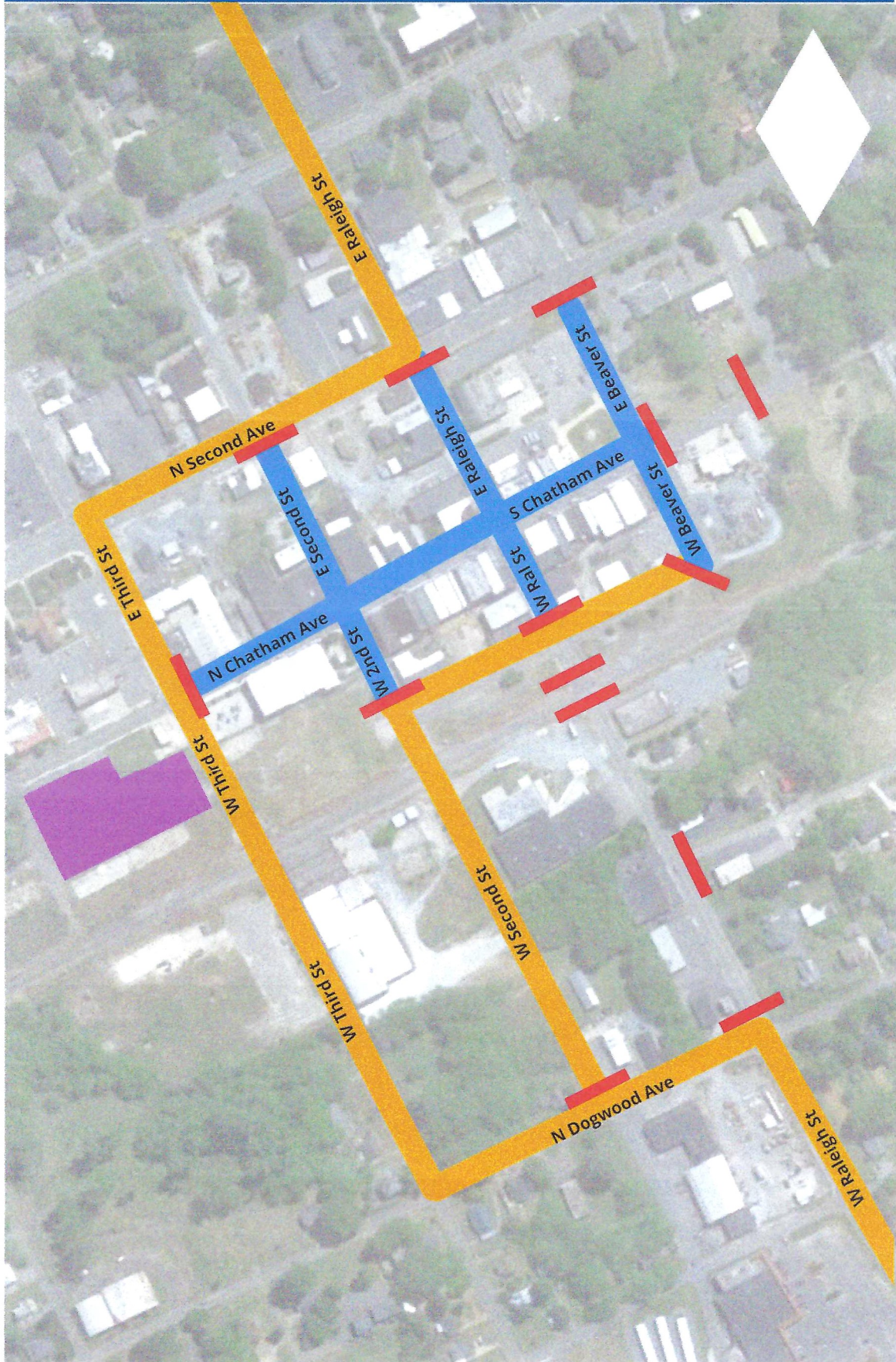
Festival Area



Vendor Parking



Barricades







September 12, 2024

Mayor Matthews, Mayor Pro-Tem Fadely, and Board of Commissioners,

Reference: Siler City Christmas Market and Tree Lighting

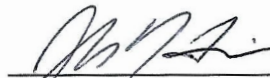
The Siler Area Chamber in conjunction with Siler City Merchants Association, Rotary of Siler City, and Town Staff has planned a downtown special event and is requesting to close East and West Second St. beginning Saturday, November 30th at 8:00 AM until Sunday, December 1st at 8:00 PM. East and West Second St. will be included in the First Annual Siler City Christmas Market and Tree Lighting. Additionally, the group request to close East Beaver St. to W 2nd St. on Sunday December 1st from 5am to 8pm for vendor parking and band access. Further information about the event is presented below and an anticipated site map.

We are excited about the Christmas Market and Tree Lighting. The group views this as an opportunity to increase tourism and economic activity in downtown Siler City, enjoy live music, food, and community.

The First Annual Siler City Christmas Market and Tree Lighting is scheduled for Sunday, December 1st from 12:00-6:00 PM. The event will feature a wide variety of vendors, food options, and entertainment in Historic Downtown Siler City. Live music will begin with the open of the festival and we will conclude the activities with a Tree Lighting at 6:00 PM.

If you have questions, please contact me at 919-799-5819 or [jharris@silerareachamber.com](mailto:jharris@silerareachamber.com)

Thank you!

  
\_\_\_\_\_  
Josh Harris

9/12/2024  
Date

Josh Harris  
CEO - Siler Area Chamber  
[jharris@silerareachamber.com](mailto:jharris@silerareachamber.com)  
PO Box 164  
Siler City, NC 27344



STATE OF NORTH CAROLINA  
DEPARTMENT OF TRANSPORTATION

ROY COOPER  
GOVERNOR

J.R. "JOEY" HOPKINS  
SECRETARY

October 1, 2024

Josh Harris  
CEO-Siler Area Chamber of Commerce  
PO Box 164  
Siler City, NC 27344

Dear Mr. Harris,

This is in reference to your request for temporary road closure for your "Siler City Christmas Market and Tree Lighting" event being held on Sunday, December 1, 2024, from 12:00 PM until 6:00 PM, closing N Chatham Avenue (SR 1108) from E 3<sup>rd</sup> Street (SR 1107) to Beaver Street and also closing E 2<sup>nd</sup> Street from N Birch Avenue to N 2<sup>nd</sup> Avenue (SR 1006), Raleigh Street (SR 1006) from Birch Street to N 2<sup>nd</sup> Avenue (SR 1006), Beaver Street from Birch Street to N 2<sup>nd</sup> Avenue (SR 2113). We are not aware of any other special events scheduled for this location, and do not have any maintenance or other activities planned for that area during that time.

We hope this event is successful. If this is an annual event, please submit your request 60 days prior to the event. If you have any questions, please contact me at 910-947-3930 or email me at [dacampbell@ncdot.gov](mailto:dacampbell@ncdot.gov)

Sincerely,

A handwritten signature in black ink that reads "Daniel A. Campbell".

Daniel A. Campbell  
Traffic Services Supervisor

Reuben E. Blakley, PE  
Alison W. Kluttz, PE  
Sarah G. Foster, PE  
Matthew W. Kitchen, PE  
Justin E. Bullock, PE  
Jonathan L. Phillips  
Mark C. Thompson

Roosevelt J. Monroe  
Cary A. Fine, PE  
Mickey Pate  
William M. Stewart-HP  
Statewide Operations Center



## Town of Siler City

### Memorandum

**TO:**

Mayor Matthews  
Mayor Pro Tem Fadely  
Board of Commissioners

**FROM:**

Jack Meadows  
Interim Town Manager  
[jmeadows@silercity.gov](mailto:jmeadows@silercity.gov)  
919-726-8627

**REFERENCE:**

Utility Merger – City of Sanford  
(TriRiver Water)

**DATE:**

October 4, 2024

The Town of Siler City and City of Sanford entered into an operation and agency agreement (regarding the WWTP expansion and 2023 Appropriations Act) on November 22, 2023. In that agreement, Siler City and Sanford agreed that a utility merger is the most efficient and cost-effective way to provide Utility Services to Siler City's current and future customers.

The Town has completed two studies related to water and sewer utilities:

1. System Development Fee (March 2024)
2. Rate Study (August 2024)

On September 3, 2024, the Board received an update on the utility merger process and agreement.

Attached Documents:

1. An Interlocal Agreement for the City of Sanford to Merge the Water and Sewer Systems of the Town of Siler City
2. Resolution of the Board of Commissioners of the Town of Siler City, North Carolina, Approving an Interlocal Agreement to Merge the Water and Sewer Systems of the Town of Siler City and the City of Sanford
3. An Ordinance Adopting Water and Wastewater System Development Fees
4. Fiscal Year 2024/2025 Fee Schedule - Amendment Water Rates

**Requested Action:**

1. Approving the "Resolution of the Board of Commissioners of the Town of Siler City, North Carolina, Approving an Interlocal Agreement to Merge the Water and Sewer Systems of the Town of Siler City and the City of Sanford"
2. Approving "An Ordinance Adopting Water and Wastewater System Development Fees" effective March 1, 2025
3. Approving "Fiscal Year 2024/2025 Fee Schedule - Amendment to Water Rates" effective March 1, 2025



**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE TOWN OF SILER CITY,  
NORTH CAROLINA, APPROVING AN INTERLOCAL AGREEMENT TO MERGE THE  
WATER AND SEWER SYSTEMS OF THE TOWN OF SILER CITY AND THE CITY OF  
SANFORD**

*WHEREAS*, the City of Sanford, North Carolina (the “*City*”), a validly existing municipal corporation of the State of North Carolina, existing as such under and by virtue of the Constitution, statutes, and laws of the State of North Carolina, owns, operates, and maintains water and sewer utility systems within and outside its corporate limits (“*City Utility System*”); and

*WHEREAS*, the Town of Siler City, North Carolina, (the “*Town*”), a validly existing municipal corporation of the State, existing as such under and by virtue of the Constitution, statutes, and laws of North Carolina, owns, operates, and maintains water and sewer utility systems within and outside its corporate limits (“*Town Utility System*”); and

*WHEREAS*, the City and Town have the power, pursuant to the General Statutes of North Carolina to (1) enter into interlocal agreements with other units of local government to execute any undertaking and (2) determine the reasonable duration of such interlocal agreements; and

*WHEREAS*, N.C.G.S. 160A-274 authorizes any local government unit to exchange with, lease to, lease from, sell to, or purchase from any other governmental unit, with or without consideration and upon such terms and conditions as it deems wise, any interest in real or personal property; and

*WHEREAS*, it is in the best interest of the Town to enter into an interlocal agreement to merge the Town Utility System with the City Utility System (the “*Merger Agreement*”), in order (a) to provide economies of scale with a larger system to the customers that receive the Town’s and the City’s water and sewer services (“*Utility Services*”); and (b) to enhance the ability of the merged systems to provide economic development assistance to the region; and

*WHEREAS*, the Town will transfer to the City all real and personal property composing the Town Utility System, including, without limitation, all collection and distribution system infrastructure, all physical infrastructure, real and personal property, cash assets, relevant documents and records, customer accounts, and any other items associated with the Town Utility System; and

*WHEREAS*, all rates, charges, fees, deposit rates, penalties, and system development fees associated with the merged system will be set by the City, and the City’s rate payers will not be required to subsidize the operating costs or known capital improvement costs of the Town Utility System; and

*WHEREAS*, the Merger Agreement has been brought before the Board of Commissioners for review, and the Board of Commissioners proposes to review and approve the Merger Agreement to effectuate the proposed merger; and

*WHEREAS*, it appears that the Merger Agreement is in an appropriate form and an appropriate instrument for the purposes intended;

*NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE TOWN OF SILER CITY, NORTH CAROLINA, AS FOLLOWS:*

**Section 1. Ratification of the Merger Agreement.** All actions of the Mayor, the Town Manager, the Finance Department Director, the Town Clerk, the Town Attorney, and their respective designees, whether previously or hereinafter taken, in effectuating the proposed merger and Merger Agreement are hereby approved, ratified, and authorized pursuant to and in accordance with the transactions contemplated by the Merger Agreement.

**Section 2. Authorization to Execute the Merger Agreement.** The Town hereby approves the merger in accordance with the terms of the Merger Agreement, which will be a valid, legal, and binding obligation of the Town in accordance with its terms. The form and content of the Merger Agreement is hereby in all respects authorized, approved, and confirmed, and the Mayor, the Town Clerk and the Town Manager and their respective designees are hereby authorized, empowered, and directed, individually and collectively, to execute and deliver the Merger Agreement, including necessary counterparts, in substantially the form and content presented to the Board of Commissioners, but with such changes, modifications, additions, or deletions therein as they deem necessary, desirable, or appropriate, their execution thereof to constitute conclusive evidence of the Town's approval of any and all changes, modifications, additions, or deletions therein from the form and content of the Merger Agreement presented to the Board of Commissioners. From and after the execution and delivery of the Merger Agreement, the Mayor, the Town Clerk, the Town Manager, and the Finance Department Director of the Town, individually and collectively, are hereby authorized, empowered, and directed, individually and collectively, to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Merger Agreement as executed.

**Section 3. Town Representative.** The Mayor, the Town Manager, and the Finance Department Director of the Town, individually and collectively, are each hereby designated as the Town's representative to act on behalf of the Town in connection with the transactions contemplated by the Merger Agreement. The Town's representative and/or designee or designees are in all respects authorized on behalf of the Town to supply all information pertaining to the Town in the transactions contemplated by the Merger Agreement. The Town's representatives or their respective designees are hereby authorized, empowered, and directed, individually and collectively, to do any and all other acts and to execute any and all other documents, which they, in their discretion, deem necessary and appropriate to consummate the transactions contemplated by the Merger Agreement or as they deem necessary or appropriate to implement and carry out the intent and purposes of this Resolution and the on-going administration of the Merger Agreement.

**Section 4. Severability.** If any section, phrase, or provision of this Resolution is for any reason declared to be invalid, such declaration will not affect the validity of the remainder of the sections, phrases, or provisions of this Resolution.

**Section 5. Repealer.** All motions, orders, resolutions, and parts thereof, in conflict herewith are hereby repealed.

**Section 6. Effective Date.** This Resolution is effective on the date of its adoption.

Town of Siler City

\_\_\_\_\_(seal)  
By: Donald Matthews

\_\_\_\_\_(SEAL)  
Kimberly Pickard  
Town Clerk  
Town of Siler City, North Carolina

I, *Kimberly Pickard*, Town Clerk of the Town of Siler City, North Carolina, ***DO HEREBY CERTIFY*** that the foregoing is a true and exact copy of a resolution entitled “**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE TOWN OF SILER CITY, NORTH CAROLINA, APPROVING AN INTERLOCAL AGREEMENT TO MERGE THE WATER AND SEWER SYSTEMS OF THE TOWN OF SILER CITY AND THE CITY OF SANFORD**” duly adopted by the Board of Commissioners of the Town of Siler City, North Carolina, at a meeting held on the \_\_\_\_ day of \_\_\_\_\_, 2024.

***WITNESS*** my hand and the corporate seal of the Town of Siler City, North Carolina, this the \_\_\_\_ day of \_\_\_\_\_, 2024.

(SEAL)

\_\_\_\_\_  
Kimberly Pickard  
Town Clerk  
Town of Siler City, North Carolina

## AN INTERLOCAL AGREEMENT FOR THE CITY OF SANFORD TO MERGE THE WATER AND SEWER SYSTEMS OF THE TOWN OF SILER CITY

THIS INTERLOCAL AGREEMENT (hereinafter the “**Agreement**”) is dated \_\_\_\_\_, 2024, (“**Effective Date**”) and entered into by the CITY OF SANFORD, a municipal corporation of the State of North Carolina (hereinafter the “**City**” or “**Sanford**”) and the TOWN OF SILER CITY, a municipal corporation of the State of North Carolina (hereinafter the “**Town**” or “**Siler City**”) (and collectively, the “**Parties**”).

### WITNESSETH:

**WHEREAS**, Sanford owns, operates, and maintains water and sewer (also referred to herein as “wastewater”) utility systems within and outside its corporate limits (“**City Utility System**”), also doing business as TriRiver Water; and

**WHEREAS**, Siler City owns, operates, and maintains water and sewer utility systems within and outside its corporate limits (the “**Town Utility System**”); and

**WHEREAS**, the Siler City Wastewater Treatment Plant (“**WWTP**”) is part of the Town Utility System; and

**WHEREAS**, Section 12.2(e)(163) of S.L. 2023-134 (the “**2023 Appropriations Act**”) appropriates two million five hundred thousand dollars (\$2,500,000) to the City for the development, operation, and management of an expansion of the WWTP; and

**WHEREAS**, Section 12.2(e)(167) of the 2023 Appropriations Act appropriates seventy-five million two hundred fifty thousand dollars (\$75,250,000) to the Town of Siler City, of which two million five hundred thousand dollars (\$2,500,000) are to be used for the construction of an elevated water tank, leaving seventy-two million seven hundred fifty thousand dollars (\$72,750,000) to the Town (the “**Funds**”), which are necessary to fund the Wastewater System Expansion as well as other improvements mutually agreed upon between the City and the Town (together with the Wastewater System Expansion, the “**Projects**”); and

**WHEREAS**, the Town and the City entered into an Interlocal Agreement for Operation and Agency Between the City of Sanford and the Town of Siler City Regarding the Siler City Wastewater Treatment Facility dated November 22, 2023 (the “**Operation and Agency Agreement**”); and

**WHEREAS**, pursuant to the Operation and Agency Agreement, the Town and the City plan to expand the WWTP capacity from four million gallons per day (MGD) to six million gallons per day (MGD) (the “**Wastewater System Expansion**”); and

**WHEREAS**, the Parties agree that a merger of Town Utility System and City Utility System (the “**Merger**”) is the most efficient and cost-effective way to provide Utility Services to the Town’s current and future customers, provide economies of scale with a larger system to the City’s customers, and enhance the ability of the merged systems to provide economic development assistance to the region; and

**WHEREAS**, pursuant to N.C.G.S. § 143-215.2 and N.C.G.S. § 143-215.67, the Town entered into a Special Order by Consent (“**SOC**”) with the North Carolina Environmental Management Commission, and pursuant to the SOC, the North Carolina Environmental Management Commission or other agency of the State of North Carolina may assess certain fines, fees, or penalties on the Town Utility System in the event that obligations set out in the SOC are not amended or met; and

**WHEREAS**, the Town has outstanding debt related to and arising from the Town Utility System (the “**Town Utility System Debt**”); and

**WHEREAS**, the Parties agree that cooperation and communication are essential to this Merger and the ability to initiate and complete new water and wastewater infrastructure projects in the Town; and

**WHEREAS**, N.C.G.S. § 160A-274 expressly authorizes the Town to convey its interests in real and personal property to the City upon such terms and conditions as it deems wise, with or without consideration; and

**WHEREAS**, N.C.G.S. § 160A-461 *et seq.* authorizes units of local government to enter into interlocal agreements with each other to execute any undertaking and allows the participating units to determine the reasonable duration of the interlocal agreements; and

**WHEREAS**, N.C.G.S. § 160A-461 requires that interlocal agreements be ratified by resolution of the governing board of each participating unit, and the resolution spread upon the minutes of the governing board; and

**WHEREAS**, N.C.G.S. § 160A-312 authorizes a city to have authority to acquire, construct, establish, enlarge, improve, maintain, own, operate, and contract for a public enterprise.

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants and agreements hereinafter contained, the Parties hereto agree as follows:

## **ARTICLE 1**

### **PURPOSES AND DESCRIPTION OF AGREEMENT**

**Section 1.01. Purpose.** The purposes of this Agreement are:

(a) The provision of high quality, reliable, economical, safe, and sanitary water and wastewater Utility Services within the present and future corporate limits and area currently served by the Town Utility System (the “**Town Service Area**”);

(b) Provide for the orderly and permanent transfer of responsibility for the ownership, construction, operation, maintenance, management, and financing of the Town Utility System, including the expanded Wastewater Treatment Plant, from the Town to the City;

(c) Transfer from the Town to the City the managerial, operational, and financial responsibility of owning, constructing, operating, maintaining, and expanding the Town Utility System serving the Town Service Area; and

(d) Enable the City to own, construct, operate, maintain, and expand the Town Utility System to accommodate planned growth and development within Siler City's planning and zoning jurisdiction in accordance with the terms and conditions hereinafter stated.

**Section 1.02. Acquisition of the Town Utility System by the City Utility System.** The City will acquire the Town Utility System in its entirety, taking on all the assets, liabilities, operations, maintenance, permits, contracts, agreements, allocations, customers, and any other aspects of the Town Utility System.

**Section 1.03. Right to Operate.** The Town hereby irrevocably grants the City as of the date of execution of this Agreement the right to design, construct, operate, maintain, and perform all related activities required to operate, maintain, expand, upgrade, and improve the Town Utility System (together, the "**Right to Operate**"), which Right to Operate includes the right to decommission, sell (except as set out in Section 7.05), or otherwise dispose of property, in accordance with the City Utility System standards and policies for operation and performance, level of service, reliability, and redundancy. The Right to Operate includes the encroachment authority for Sanford to operate in all public rights-of-way over which the Town has the sole authority or joint authority with the North Carolina Department of Transportation. The City Utility System standards and policies shall be applied in the Town to the same extent and in the same manner as applied to other customers of the City Utility System.

**Section 1.04. Termination of the Operation and Agency Agreement.** As stated in Section 2 of the Operation and Agency Agreement, the execution of this Agreement will terminate the Operation and Agency Agreement. Provisions of that Operation and Agency Agreement that will continue are those that are expressly incorporated into this Agreement.

## ARTICLE 2

### RESPONSIBILITIES, REPRESENTATIONS, AND WARRANTIES

**Section 2.01. City's Responsibilities.** The City will perform the services customarily performed by water and sewer utility systems with respect to the Town Utility System, such as:

(a) read all meters of, send all bills to, and collect all payments from the Town Utility System's new and existing customers, including maintaining the current location for bill payment in the Town;

(b) administer the provision of Utility Services to existing and new customers and regulate the construction of related infrastructure by developers intending to connect to the Town Utility System;

(c) maintain, repair, and improve the Town Utility System in a timely manner and operate and manage the Town Utility System in a manner consistent with good business and operating practices for comparable facilities and in full compliance with all requirements of the Town Utility System Debt financing documents and with all issued permits, operational requirements, industry standards, as set by the City now and in the future, and the applicable laws, rules, and regulations of regulatory bodies, governmental units, or agencies thereof; this responsibility does not obligate the City to immediately remedy any failure to achieve compliance

with requirements set out in the SOC entered into by the Town and the North Carolina Environmental Management Commission, which compliance has not been achieved as of the Effective Date;

(d) operate, maintain, and manage the Town Utility System with employees who have the operational expertise and professional credentials and licenses necessary to perform their respective duties, and perform the administrative and managerial duties required for the operation of the Utility Services and provide adequate tools and equipment for such purpose;

(e) undertake and complete all activities relating to the design, construction, startup, and operation of the Town Utility System Projects, in accordance with the City Utility System standards for operation and performance, level of service, reliability, and redundancy;

(f) upon the completion of any construction, operation, maintenance, replacement, improvement, or related activity causing damage to Town streets or other property in the Town, repair or replace such property in accordance with the Town's ordinances;

(g) operate and maintain the Town Utility System consistent with Sanford's obligation and commitment to provide proper, efficient, and environmentally sound Utility Services now and in the future;

(h) solicit input from the Town on current and future Utility Services needs of the Town on at least an annual basis, as set out in Section 5.03; and

(i) provide for the current and future needs of the Town for expanded water and sewer services as set out in Article 6.

**Section 2.02. Town's Responsibilities.** The Town will:

(a) provide the City with true, accurate, and complete copies of the following: the Town's current rates and fees for Utility Services; all ordinances, resolutions, contracts, agreements, and rules and regulations relating to the Town Utility System; and all other plans, specifications, and operation/maintenance manuals for the Town Utility System;

(b) provide and transfer or assign to the City true, accurate, and complete copies of each permit, contract, and agreement associated with the Town Utility System under which the Town is obligated to perform;

(c) accommodate and collaborate with the City as the City maintains the current location for bill payment in Siler City and enter into any further agreements necessary for billing and collections during the period of the Transfer; and

(d) prior to the Transfer Date or for such time as the Town remains in possession of any Transfer Items, as defined and described in Section 4.01, continue to manage and operate the Town Utility System in a manner consistent with good business and operating practices for comparable facilities and in full compliance with all issued permits, operational requirements, industry standards, and the applicable laws, rules, and regulations of regulatory bodies, governmental units, or agencies thereof.



**Section 2.03. City Representations and Warranties.** The City hereby represents and warrants as follows:

(a) This Agreement, and all other documents and instruments related or required hereby, have been duly authorized, executed, and delivered by the City and constitute valid, binding, and enforceable obligations by the City.

(b) The City's execution and delivery of this Agreement and compliance with its provisions will not conflict with or constitute a breach or violation of, or a Default under any contracts or agreements to which the City is a party, any applicable law, rule, or regulation of any governmental unit or agency thereof, or any applicable judgment or decree of any court or other governmental agency or body.

(c) The City will perform its responsibilities under this Agreement with the same reasonable care and diligence as is used when it performs those services for its customers within City limits.

**Section 2.04. Town Representations and Warranties.** The Town hereby represents and warrants as follows:

(a) Subject to any limitations in the Town Utility System Debt financing documents, the Town has the power and authority to assign the permits, contracts, agreements, assets, and liabilities associated with the Town Utility System to the City, and no events of Default have occurred or are occurring thereunder; the permits, contracts, agreements, and liabilities remain in full force and effect, and are enforceable in accordance with their respective terms and conditions. In the event that there are additional requirements on the Town before it can assign permits, contracts, agreements, assets, or liability, the Town agrees to cooperate with the City in complying with those requirements to effectuate an assignment to the City of permits, contracts, agreements, assets, and liabilities associated with the Town Utility System.

(b) This Agreement, and all other documents and instruments related hereto and/or required hereby, has/have been duly authorized, executed, and delivered by the Town and constitute valid, binding, and enforceable obligations by the Town.

(c) The Town's execution and delivery of this Agreement and compliance with its terms and conditions will not conflict with or constitute a breach or violation of, or a Default under any contracts or agreements to which the Town is a party, any applicable law, rule, or regulation of any governmental unit or agency thereof, any applicable judgment or decree of any court or other governmental agency or body, or the provisions of any permits held by the Town for the ownership, operation, and maintenance of the Town Utility System.

(d) All permits held by the Town regarding the ownership, operation, and maintenance of the Town Utility System are in full force and effect, have been duly complied with in all material respects except as otherwise acknowledged in the SOC entered into by the Town and the North Carolina Environmental Management Commission pursuant to N.C. Gen. Stat. § 143-215.2, and are assignable and transferable to the City.

(e) To the best of the Town's knowledge, the Town has the right to assign or otherwise transfer to the City all easements held by the Town with regard to the Town Utility System without the consent of third parties. In the event of any doubt or challenge to a specific easement, the Town agrees to cooperate with the City in executing a license or similar agreement to permit the City's use of the easement for the purposes set forth in this Agreement.

(f) All representations, warranties, and/or covenants of the Town are made to the Town's actual knowledge, with no duty to investigate.

**Section 2.05. Existing Town Utility System Debt and Obligation.** As of the date of this Agreement, the Town has existing Town Utility System Debt. The City and the Town agree as follows:

(a) The Town holds a 2021 Drinking Water State Revolving Fund loan and a 2024 Drinking Water State Revolving Fund loan (the "**State Revolving Fund loans**"), with estimated balances at June 30, 2025 of \$2,234,886.40 and \$588,778.00 respectively. The Town shall assign those loans to the City and the Town shall be released from any and all obligations related to these loans on or before June 30, 2025. The parties agree to communicate with the State and execute such documents as necessary to allow for assignment and novation of the loans as described in the previous sentence.

(b) The Town holds two Installment Financing Contracts dated December 1, 2015 and January 1, 2016 (the "**Installment Financing Contracts**"). The Installment Financing Contracts state that they are secured by a lien on the Lower Rocky River Reservoir and related real property. The Town also has a Municipal Tax-Exempt Financing contract with Veolia/KS State Bank for a Water Meter Project in the original amount of \$1,973,292.00 (the "**Water Meter Project Agreement**"). In connection with the City's enterprise systems revenue bond financing, currently planned for spring 2025, the City will refinance the remaining principal balances of the Installment Financing Contracts and the Water Meter Project Agreement, prepaying and redeeming the Town's debt obligations at the time of Transfer of the Siler City enterprise systems to the City's system. The Town agrees to participate in any negotiations with the counterparties of either the Installment Financing Contracts or Water Meter Project Agreement in order to facilitate these refinancings. Any interest costs the City incurs during fiscal year 2025 related to the Installment Financing Contracts or the Water Meter Project Agreement and arising prior to the date that such obligations are refinanced, prepaid, or redeemed will be reimbursed by funds generated from rates and fees collected in the Town Service Area.

(c) With respect to any additional debt not specifically described in this Section 2.05, the Town and City agree to execute any documents or applications, permissions, etc., required to refinance, prepay, or transfer the debt from the Town to the City at the discretion of the City. The assignment, refinancing, prepayment, and redemption of debt described in this Section 2.05 shall in all cases be a novation. The City shall cause all obligations of the Town related to or arising from the two State Revolving Fund loans, the Installment Financing Contracts, and the Water Meter Project Agreement, or from the assignment, refinancing, prepayment, and redemption of the two State Revolving Fund loans, the Installment Financing Contracts, and the Water Project Agreement, to be released and extinguished. The Town shall incur no liabilities whatsoever related to or arising from such assignment, refinancing, prepayment, or redemption, however nothing in

this Section is intended or shall be read to limit the City's authority to set rates and fees for the Town Utility System. The City agrees that it shall timely communicate with and make application to, as may be required, the North Carolina Local Government Commission in order to accomplish and complete the assignment, refinancing, prepayment, and redemption of debt described in this Section 2.05 prior to the Transfer Date, and the Town agrees to cooperate with and support such actions.

**Section 2.06. Amendments to the Special Order by Consent.** The Town agrees to work with the City and the State to comply with and seek to amend the current SOC.

### ARTICLE 3

#### CAPITAL IMPROVEMENTS

**Section 3.01. Wastewater Treatment Plant Expansion.** The City agrees that, except as otherwise provided in this Agreement, it will design, bid, construct, supervise, operate, and maintain the Projects and accomplishment of the Projects in accordance with the respective construction documents.

**Section 3.02. Mutual Agreement as to the Projects.** As set out in the Operation and Agency Agreement, Section 4, in addition to the Wastewater Treatment Plant Expansion, the City and the Town shall mutually agree upon additional improvements to be paid for using any funds remaining after receiving final bids for the Wastewater Treatment Plan Expansion. The City will design, bid, and construct and own the Projects. The Town and City hereby agree that the Town Manager and Director (as that title is defined in Section 9(a) of the Operation and Agency Agreement) shall have the authority to consent to the Projects on behalf of the Town and City, respectively.

**Section 3.03. Assignment of Funds.** Pursuant to the Operation and Agency Agreement, the Town assigned to the City its right to receive and use the Funds as appropriated by Section 12.2(e)(167) of the 2023 Appropriations Act in order to pay for the Projects. The Parties agree that the assignment set out in the Operation and Agency Agreement shall continue upon Merger.

**Section 3.04. Future Capital Improvements.** The City shall have sole authority to decide on future capital improvements to the Town Utility System other than the Projects.

**Section 3.05. Financing.** It is anticipated by the Parties that the Projects will be fully funded through a direct appropriation from the North Carolina General Assembly, a State loan, or some other type of contribution. In the event that funding is provided, but is not sufficient for the total cost of the Projects, the Parties shall negotiate a reduction in Project cost and/or the allocation of additional, alternative Project funding. Nothing in this Agreement shall be read to obligate the City to fund the Projects.

**Section 3.06. Commitment to Seek Funding.** The City will take reasonable and necessary steps to seek funding, which includes grants, State loans, and other forms of contributions, in addition to rates and system development fees, for other improvements to the Town Utility System. Nothing in this section shall be interpreted to limit the City's authority to set rates, as set out in Article 5. The Town, through this Agreement, commits to supporting the City in pursuant to grant funding as outlined in this Section.

## ARTICLE 4

### TRANSFER OF SYSTEM

**Section 4.01. Town Utility System Description.** The Town agrees that it will transfer to the City all real and personal property composing the Town Utility System, including, without limitation, all collection and distribution system infrastructure, all physical infrastructure, real and personal property, cash assets and other revenues, relevant documents and records, customer accounts, and any other items associated with the Town Utility System (individually, these are the “**Transfer Items**,” and the act of completely transferring all Transfer Items is the “**Transfer**”).

**Section 4.02. Real Property Surrounding Water Treatment Plant and Reservoir.** The Town owns real property surrounding the Water Treatment Plant and Reservoir (identify with parcel numbers) (the “**Reservoir Excess Real Property**”). The Reservoir Excess Real Property is real property comprising part of the Town Utility System and shall be transferred to Sanford contemporaneously with payment of or refinancing of the Installment Financing Contracts as set out in Section 2.05(c). The City agrees to pay off any existing debt on the Reservoir Excess Real Property in full and own and maintain the Reservoir Excess Real Property exclusively for watershed protection and potential future system expansion, unless otherwise agreed to in writing by the Parties.

**Section 4.03. Execution and Transfer.** The Town agrees to fully complete the Transfer as described above no later than July 1, 2025 (the “**Transfer Date**”). Provided, however, the audits listed in subsection (g) below are a condition precedent for the Transfer. If the Town does not meet the conditions set out in subsection (g) by the dates therein listed, the Transfer shall not take place until July 1, 2026. Notwithstanding the obligation to complete the Transfer by the Transfer Date, the Town shall have a continuous obligation after June 30, 2025, to transfer any Transfer Items that should have been transferred but were not by the Transfer Date.

(a) Continued Operation Prior to Transfer Date. The City and Town contemplate that the Transfer may take place in stages and require coordination between the City and Town. As a result, the Transfer Date represents the deadline for completing the Transfer, but Transfer Items may be transferred to the City for ownership prior to the Transfer Date.

(b) Form of Transfer. Transfer shall be by execution of deeds and dedication documents prepared by the Town and executed by the appropriate Town and City representatives, in addition to any other documentation, agreements, or bills of sale necessary to complete the Transfer. The Town shall convey to the City the Town Utility System by delivering a deed or deeds for the Town’s real property in the Town Utility System, including, but not limited to, transfer or assignment of Utility Services easements owned by the Town, and an Assignment and Bill of Sale for the Town’s personal property including, *inter alia*, the Town Utility System infrastructure, facilities, structures (e.g., lift stations, water towers), vehicles, equipment, supplies, funds, permits, agreements, contracts (including, but not limited to, leases to any wireless systems that co-locate on the water towers), other property rights, liabilities, and all other materials and things associated with or required for the ownership, operation, and maintenance of the Town Utility System by the City.

(c) Easements. In accordance with subsection (a), City will have the Right to Operate new water and sewer infrastructure within any easements, rights-of-way, and utility

encroachments. Any new easement required to expand the Town Utility System shall be the responsibility of the City except as provided in this Agreement.

(d) Effect of Transfer. Upon Transfer, the City shall own, operate, and maintain the Town Utility System. The current Town water customers will become customers of the City. The City shall assume billing for the Town Utility System by June 30, 2025.

(e) State Forms or Applications Required. The Town and City agree to execute any North Carolina Department of Environmental Quality forms or any other applications, permissions, etc., required to transfer or assign any necessary permits for the operation and maintenance of the Town Utility System.

(f) Right of the City to Enforce Contracts. Through the Operation and Agency Agreement, the Town assigned to the City all of its rights and powers under all purchase orders and contracts entered into with respect to the Projects. That assignment continues pursuant to this Merger, and the City has the right to enforce in its own name or the name of the Town such purchase orders or contracts entered into with respect to the Town Utility System.

(g) Audit Deadlines Required for Transfer. The Transfer shall take place on or before July 1, 2025, so long as:

(1) the Town has completed and provided to the City the Town's audit due for fiscal year ending June 30, 2024, on or before October 31, 2024 (or within the thirty-day grace period following such deadline); and

(2) the Town commits resources necessary to complete and provide to the City the Town's audit due for fiscal year ending June 30, 2025, by October 31, 2025.

In the event that the aforementioned audits are not completed by the deadlines established, the Transfer shall take place on or before the beginning of the fiscal year that immediately follows the completion of the audits, unless otherwise agreed to in writing by the parties.

**Section 4.04. Offers of Employment.** The City shall make an offer of employment to all employees of the Town who are employed as of the Effective Date and who are eligible under this section. To be eligible for an offer of employment, a Full-Time Employee ("FTE") must serve in a current role with the Town that will be affected by the conveyance of the Town Utility System to the City. An employee who is paid in whole or in part out of the Town's utility enterprise fund is assumed to be "affected." Prior to the Effective Date, the Town will provide to the City a list of employees who have been affected by the conveyance. An offer of employment will be given on or before June 30, 2025. Offers of employment shall be on terms and conditions and include benefits and perquisites substantially equal to those of current City employees in similar positions. Leave accumulation shall be calculated with length of service to the Town credited as length of service with the City, and transferred FTEs shall have the right to participate in all City employee benefit programs on equal terms with other City employees. Any FTE offered employment with the City shall retain previously accrued sick leave and vacation leave. In the event that the Transfer contemplated by this Agreement is not consummated, any offer of employment shall be void and of no further force or effect.

**Section 4.05. System Integration.** The Parties agree to work collaboratively to resolve any system integration issues. Unless otherwise agreed to, the Town Utility System infrastructure, meters, software, billing & accounts, customer service, and other systems will be integrated with the City Utility System no later than June 30, 2025.

**Section 4.06. Information, Records, and Assets Transferred by the Town.** The list of information, records, and assets to be transferred by the Town to the City will be provided to the City no later than June 30, 2025.

**Section 4.07. Allocation of Costs and Payments.** All of the Town Utility System's deposits, reserves, accounts receivable, accounts payable, and cash on hand will be transferred and/or assigned to the City. The Town may pay any amounts remaining as current accounts payable from the Town Utility System reserve funds prior to the Transfer Date. Cost of transfer from the Town to the City will be paid by Sanford and recovered through rates, fees, and charges for new and existing customers of the Town Utility System and from transferred reserve funds from the Town.

**Section 4.08. No General Fund Liability.** It is the intent of the Parties that after the completion of the Transfer of all assets and employees from the Town to the City, there shall be no residual liability to the Town's General Fund or the City's General Fund. During the period of transition, the Town will retain liability for, and maintain insurance coverage for, all assets and employees until the time of transfer, and the City will accept liability for and will procure insurance coverage for, all transferred assets and employees at the time of transfer.

**Section 4.09. Siler City Billing and Customer Service Center.** The City agrees to maintain a billing and collection center in or around the Town that is as convenient for the citizens of the Town as the Sanford collection centers are for the citizens of the City. For so long as the City keeps the Siler City onsite revenue collection in the Town Hall of Siler City, Siler City will not charge the City for rent of the space.

## ARTICLE 5

### RATES

**Section 5.01. Utility Rates.** The Parties acknowledge and agree that the rates and system development fees charged to the customers within the Town limits shall be set at a level sufficient to support the construction, operation, expansion, and maintenance of the Town Utility System. As of the Effective Date, the Parties agree the system development fee sufficient to support construction, operation, and maintenance of the Town Utility System is set out in Exhibit A, as determined by the Town's system development fee study conducted pursuant to N.C. Gen. Stat. § 162A-200.

**Section 5.02. Authority to Set Rates.** From and after the Effective Date, all rates, charges, fees, deposit rates, penalties, and system development fees associated with the Town Utility System shall be set by the City. The City will set and charge rates in accordance with operation and maintenance expenses, routine capital expenditures, debt service expense, and necessary reserve funding.



**Section 5.03. Rates, Fees, Penalties, and Charges Consultation.** The City agrees to consult with the Town about rates, fees, or penalties (1) prior to any increase in rates, fees, penalties, or charges; and (2) at least once annually.

**Section 5.04. SOC Obligations.** Pursuant to the SOC, the North Carolina Environmental Management Commission or other agency of the State of North Carolina may assess certain fines, fees, or penalties on the Town Utility System in the event that obligations set out in the SOC are not amended or met. The Parties acknowledge the likelihood that required milestones within the SOC may not be met. Any fines, fees, or penalties assessed pursuant to the SOC shall be paid by the rates charged to customers within the Town limits in support of the Town Utility System. In the event that the City pays any fine, fee, or penalty, using funds other than those collected through rates and fees charged to customers in the Town's service area (where such collection occurs either before or after the Effective Date) such amount will be paid back with interest at the SIFMA Index Rate applicable on the date that Sanford pays the fine, fee, or penalty. In the alternative, if there are sufficient funds transferred to the City with the Town Utility System, the City may choose to use those funds to pay any fines, fees, or penalties assessed against the Town Utility System.

## ARTICLE 6

### GROWTH AND EXPANSION

**Section 6.01. Authority to Operate, Maintain, and Expand.** Unless otherwise stated in this Agreement, the City shall have sole authority and discretion as provided by law to own, operate, maintain, and expand the Utility System, set rates, fees, penalties, and charges.

**Section 6.02. Growth Management.** Land use approvals by the Town must include a utility service review for decision by the City. Upon Transfer, all future requests for new service connections will be made to the City for the City's review and decision. If a request for new service connections would, if granted, require a larger allocation of capacity than is available or an expense for capital improvements that cannot be borne by the rates set in the Town Service Area, the request will be granted only where the requesting developer or land use applicant pays for the capital improvements needed to meet the additional capacity or capital improvement needs.

**Section 6.03. Growth.** The City will use the following phases for wastewater and water in order to make decisions about requests for new service.

(a) Wastewater Allocation Growth. The City will provide additional wastewater supply capacity as necessary to accommodate new growth and development within the corporate limits of the Town and land annexed into the Town at a growth rate set based on the same formula and methodology used to set the City's growth rate (the "**Wastewater Growth Rate**").

(b) Water Allocation Growth. The City will provide additional water supply capacity as necessary to accommodate new growth and development within the corporate limits of the Town and land annexed into the Town at a growth rate set based on the same formula and methodology used to set the City's growth rate (the "**Water Growth Rate**").

(c) The Growth Rates are a projection for planning purposes and not a guarantee of specific capacity.

**Section 6.04. Growth Levels Subject to Modification.** The Growth Rates stated in Section 6.03(a) & (b) are subject to modification by the City if there are changes in the Town's continued access to capacity allocations if such changes are outside of the City's control; or there are reductions or failures of pressure or supply due to main supply line breaks, power failures, floods, fire and the use of water to fight fires, earthquakes, water conservation measures, and other causes beyond the City's control for such reasonable period of time as may be necessary to restore normal service.

**Section 6.05. Revisions to the Growth Rate.** Once every two years, the City may revise the Growth Rate projected for the previous two years if the Town's residential and economic development needs do not grow at the expected rate of projection. Industry growth will be evaluated on a case-by-case basis.

**Section 6.06. City Ordinances, Policies, and Standards Apply.** The Town shall adopt such ordinances as are reasonably necessary to regulate the proper use of the Town Utility System and any extensions thereof by the customers and users within the jurisdiction of the Town. Said ordinances shall be reviewed and approved by the City prior to adoption by the Town, and further grant to the City all administrative, permitting, regulatory, and enforcement authority necessary for the regulation, operation, maintenance, and improvement of the Town Utility System serving the Town Service Area limits of the Town. The Town shall update such ordinances as necessary to have the same or similar provisions as in the City's ordinances regarding the Town Utility System. The City and the Town shall each have equal authority to enforce any Town utility-related ordinance or regulation.

## ARTICLE 7

### GENERAL TERMS

**Section 7.01. Specific Performance in Event of Default.** The Parties acknowledge that monetary damages would not fully compensate either Party in the event of any breach or Default of this Agreement. The Parties therefore agree that in the event of a breach or Default by either Party, the other Party shall, in addition to seeking damages, be entitled to seek and obtain the specific performance of the defaulting Party's obligations hereunder.

**Section 7.02. Term of the Agreement.** This Agreement shall be perpetual. The Town and the City hereby agree that such perpetual duration is reasonable and necessary in light of the purposes of this Agreement. If for any reason a court of competent jurisdiction rules in a final decision that may not be appealed that a perpetual term to this Agreement is unlawful, then this Agreement shall have a term of ninety-nine (99) years (the "**Term**"). If the Term of this Agreement is so limited to ninety-nine (99) years, the expiration of the Term shall affect only the agreements hereunder with respect to events and performances that occur after the expiration date of such term, and shall not affect the existence or validity of any transfer, conveyance, undertaking, liability, or other action or right that occurred or arose prior to the expiration date.

**Section 7.03. Cooperation of the Parties.** The Town and the City agree to cooperate fully, effectively, and efficiently with each other to accomplish the intent and purposes of this Agreement, execute all supplementary documents necessary to enforce its terms, and to take all additional actions deemed necessary and appropriate so as to give full force and effect to the terms,



conditions, and intent of this Agreement. Neither Party shall unreasonably withhold or delay providing such cooperation. The Town further agrees to provide to the City, if requested, all plans, as-built drawings, financial information, and all other information, documents, materials, and other things in its possession or control associated with the Utility System, and the performance of the terms and conditions set forth herein.

**Section 7.04. Dispute Resolution.** In the event of conflict or Default that might arise, the Parties involved agree to informally and formally communicate to resolve the conflict. If this communication is not successful in resolving the conflict, the matter will be presented to the City Manager of Sanford and the Town Manager of Siler City for consultation.

**Section 7.05. First Right of Refusal Upon Sale and Prohibition of Sale to Third Parties.** The City agrees that the Town shall have a right of first refusal on any proposed sale of the Town Utility System, or major components of the Town Utility System.

**Section 7.06. Disposition of Property at Termination.** Upon termination of this Agreement prior to the Transfer Date, all real property that is subject to this Agreement reverts to the Party that owned it at the time this Agreement was executed. Upon termination of this Agreement after the Transfer Date, all real property that is subject to this Agreement reverts to the City.

**Section 7.07. Method of Termination.** This Agreement may be terminated only by the mutual consent of all Parties participating in this Agreement.

**Section 7.08. Disposition of Property at Expiration.** All property, real or personal, shall remain with the City upon termination or expiration of this Agreement.

**Section 7.09. Force Majeure.** A Force Majeure is defined as any event arising from causes beyond the reasonable control of the Parties. It shall not be considered a breach of this Agreement or an event of Default, and Parties shall not be responsible for an inability to perform or for any delays, damages, costs, expenses, liabilities, or other consequences that may arise as a result of Force Majeure.

**Section 7.10. Entire Agreement.** This Agreement constitutes the entire understanding between the Parties and supersedes all prior and independent agreements between the Parties covering the subject matter hereof.

**Section 7.11. Third-Party Beneficiaries.** The existing or future users of the Town and City Utility Systems shall not be deemed to be third-party beneficiaries of this Agreement and neither the Town nor the City shall have any obligation to them, nor shall they be entitled to any rights hereunder.

**Section 7.12. Amendments.** Pursuant to N.C. Gen. Stat. § 160A-464, this Agreement may be amended or terminated by mutual agreement between the Parties. Termination shall not affect the validity of any transfers of property or assets previously completed unless mutually agreed otherwise between the Parties.

**Section 7.13. Implementation.** The City and Town Managers are authorized to determine implementation details not covered in this Agreement so long as such determinations substantially conform with the material terms of this Agreement and applicable law.

**Section 7.14. Authorization.** Each Party certifies that all appropriate steps to legally enter into this Agreement have been taken, including approval by the appropriate governing body. Moreover, each Party certifies that all laws, rules, and regulations as well as any local governmental rules were followed with regard to approval of this Agreement and that this Agreement meets all standards for governmental agreements.

**Section 7.15. Section Headings.** The section headings in this Agreement are for convenience and ease of reference only. Such headings are not part of this Agreement and are not to be used in interpreting its provisions.

**Section 7.16. Governing Law.** This Agreement shall be governed by and interpreted in accordance with the law of the State of North Carolina.

**Section 7.17. Severability.** The paragraphs, sections, sentences, clauses, and phrases of this Agreement are severable. If one or more paragraphs, sections, sentences, clauses, or phrases shall be declared void, invalid, or otherwise unenforceable for any reason by the valid, final judgment, or decree of any court of competent jurisdiction, such judgment or decree shall not affect the remaining provisions of this Agreement.

**Section 7.18. Signatures.** This Agreement, together with any amendments or modifications, may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall be considered one and the same agreement.

**Section 7.19. Definitions.** This Agreement incorporates by reference the definitions set out in Exhibit B.

**Section 7.20. Notices.** Unless specifically provided otherwise by this Agreement, any notice that a Party is required to or may give to another Party shall be in writing and shall be delivered or addressed to the other applicable Party at the address set forth below or to such other address as such Party may from time to time direct by written notice given in the manner herein prescribed. Such notice or communication shall be deemed to have been given or made when communicated by personal delivery, independent courier service, facsimile, or email with a hard copy to be delivered by independent courier service by the next business day.

All notices to the Town shall be addressed to:

Town Manager  
Town of Siler City  
311 North Second Avenue, Room 200  
P.O. Box 769  
Siler City, NC 27344

All notices to the City shall be addressed to:

Hal Hegwer  
City Manager  
City of Sanford  
225 E Weatherspoon Street  
P.O. Box 3729  
Sanford, NC 27331

With a copy to the City Attorney:

Susan Patterson  
City Attorney  
225 E Weatherspoon Street  
P.O. Box 3729  
Sanford, NC 27331  
Phone: 919-777-1104  
Electronic Mail: [susan.patterson@sanfordnc.net](mailto:susan.patterson@sanfordnc.net)

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

**IN WITNESS WHEREOF**, the Parties hereto, acting by and through their duly authorized representatives pursuant to the resolutions of their respective governing bodies, have caused this Agreement to be executed as of the day and year first above written.

ATTEST:

**City of Sanford**

\_\_\_\_\_  
City Clerk

By: \_\_\_\_\_  
Rebecca Wyhof Salmon, Mayor

[SEAL]

ATTEST:

**Town of Siler City**

\_\_\_\_\_  
Town Clerk

By: \_\_\_\_\_  
Donald Matthews, Mayor

[SEAL]

“This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.”

\_\_\_\_\_  
Name:

Title:

“This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.”

\_\_\_\_\_  
Name:

Title:

APPROVED AS TO FORM

APPROVED AS TO FORM

\_\_\_\_\_  
William Morgan  
Attorney, Town of Siler City

\_\_\_\_\_  
Susan Patterson  
City Attorney, City of Sanford

**EXHIBIT A****SILER CITY SCHEDULE OF SYSTEM DEVELOPMENT FEES****Maximum Allowable System Development Fees per Meter Size**

Meter Size (in)	Service Unit Equivalent	Water SDF	Wastewater SDF	Combined SDF
5/8	1	\$8,000	\$7,500	\$15,500
3/4	1.5	\$12,000	\$11,250	\$23,250
1	2.5	\$20,000	\$18,750	\$38,750
1 1/2	4.5	\$36,000	\$33,750	\$69,750
2	11.4	\$91,200	\$85,500	\$176,700
3	22.7	\$181,600	\$170,250	\$351,850
4	45.5	\$364,000	\$341,250	\$705,250
6	72.7	\$581,600	\$545,250	\$1,126,850
8	127.3	\$1,018,400	\$954,750	\$1,973,150

## **EXHIBIT B**

### **DEFINITIONS**

City shall mean the City of Sanford, a municipal corporation of the State of North Carolina.

City Utility System shall mean the water, water reclamation, and sewer systems owned, operated, and maintained by the City within and outside the City's corporate limits.

Default shall mean the failure, refusal, or inability of a Party to meet an obligation set out in this Agreement.

FTE shall mean a Full-Time Employee of the Town who is employed as of the Transfer Date and is eligible for an offer of employment from the City if the individual serves in a current role with the Town who will be affected by the conveyance of the Town Utility System to the City.

Funds shall mean the seventy-two million seven hundred fifty thousand dollars (\$72,750,000) appropriated to the Town in S.L. 2023-134, Section 12.2(e)(167).

Operation and Agency Agreement shall mean the Interlocal Agreement for Operation and Agency Between the City of Sanford and the Town of Siler City Regarding the Siler City Wastewater Treatment Facility dated November 22, 2023.

Parties shall mean the City of Sanford and the Town of Siler City. When used in the singular, "Party" shall refer to only the relevant party in the context of this Agreement.

Projects shall mean in addition to the Wastewater Treatment Plant Expansion and the additional improvements to be paid for using any funds remaining after receiving final bids for the Wastewater Treatment Plan Expansion, to be mutually agreed upon by the City and the Town.

SIFMA Index Rate shall mean, for any day, the interest rate determined on the basis of the seven-day high-grade market index comprised of tax-exempt variable rate demand obligations, as produced by or under the sponsorship of the Securities Industry and Financial Markets Association ("SIFMA") (or any successor organization) and published the immediately preceding Wednesday of each week (or the next business day, if Wednesday is a SIFMA-recommended market holiday). For purposes of clarity, the SIFMA Index Rate shall be effective on each Thursday through the following Wednesday. In the event that the seven-day high-grade market index comprised of tax-exempt variable rate demand obligations, as produced by or under the sponsorship of SIFMA (or any successor organization) is not available, the term "SIFMA Index Rate" shall mean a rate determined on the basis of a substantially similar interest rate index selected by Sanford. If the SIFMA Index Rate determined as above would be less than zero, then such rate shall be deemed to be zero.

SOC shall mean the Special Order by Consent entered into pursuant to N.C.G.S. § 143-215.2 and N.C.G.S. § 143-215.67 between the Town and the North Carolina Environmental Management Commission and any amendments thereto.

Town shall mean the Town of Siler City, a municipal corporation of the State of North Carolina.

Town Service Area shall mean the area that is the present and future corporate limits of the Town or currently served by the Town Utility System.

Town Utility System means the water and sewer systems owned, operated, and maintained by the Town within and outside the Town's corporate limits.

Town Utility System Debt shall mean debt related to and arising from the Town Utility System outstanding as of the Effective Date.

Transfer shall mean the Town's transfer to the City of all real and personal property composing the Town Utility System, including, without limitation, all collection and distribution system infrastructure, all physical infrastructure, real and personal property, cash assets, relevant documents and records, and existing and future customer accounts associated with the Town Utility System.

Transfer Date shall mean the date on which the Transfer occurs. The Transfer Date shall be no later than June 30, 2025.

Utility Services shall mean water and sewer services.

Wastewater System Expansion shall mean expansion of the Siler City Wastewater Treatment Plant from four million gallons per day (MGD) to six million gallons per day (MGD).

**AN ORDINANCE ADOPTING  
WATER AND WASTEWATER SYSTEM DEVELOPMENT FEES**

WHEREAS, the Siler City Board of Commissioners adopted an updated System Development Fee Analysis and Ordinance (“Report”) on October 7, 2024; and

WHEREAS, pursuant to said Report, the maximum allowable water system development fee is \$20,500.00 and the maximum allowable wastewater development fee is \$18,738.00 for a combined total of \$39,238.00 per service unit; and

WHEREAS, based upon the service unit equivalencies set forth in the Report the maximum allowable fees per meter size and method are set forth in Table attached hereto as Exhibit A ands incorporated herein by reference; and

WHEREAS, after considering the need for new development to contribute at least a portion of the cost of the infrastructure investments needed to provide water and wastewater capacity to serve such development; and

WHEREAS, it is in the best interests of the residents and utility customers of the Town to adopt reasonable system development fees supported by the analysis recently adopted by the Siler City Board of Commissioners;

NOW, THEREFORE, BASED UPON THE FOREGOING, IT IS ORDAINED BY THE BOARD OF COMMISSIONERS OF THE TOWN OF SILER CITY as follows:

The System Development Fees set forth on Exhibit B attached hereto and incorporated herein by reference are hereby adopted effective March 1, 2025.

Adopted this 7<sup>th</sup> day of October 2024.

TOWN OF SILER CITY

\_\_\_\_\_  
Donald Matthews, MAYOR

ATTEST:

\_\_\_\_\_  
Kimberly Pickard, TOWN CLERK



EXHIBIT A**Maximum Allowable System Development Fees per Meter Size**

	<b>Service Unit Equivalent</b>	<b>Water SDF</b>	<b>Wastewater SDF</b>	<b>Combined SDF</b>
1/2"	1.0	\$20,500	<b>\$18,738</b>	<b>\$39,238</b>
3/4"	1.0	\$20,500	<b>\$18,738</b>	<b>\$39,238</b>
1"	2.0	\$34,167	\$31,230	<b>\$65,397</b>
1-1/2"	5.0	\$68,333	\$62,460	<b>\$130,793</b>
2"	8.0	\$109,333	\$99,936	<b>\$209,269</b>
3"	33.3	\$341,667	\$312,300	<b>\$653,967</b>
4"	66.7	\$683,333	\$624,600	<b>\$1,307,933</b>
6"	106.7	\$1,093,333	\$999,360	<b>\$2,092,693</b>
8"	186.7	\$1,913,333	\$1,748,880	<b>\$3,662,213</b>
10"	366.7	\$3,758,333	\$3,435,300	<b>\$7,193,633</b>

## EXHIBIT B

**System Development Fees per Meter Size**

	<b>Service Unit Equivalent</b>	<b>Water SDF</b>	<b>Wastewater SDF</b>	<b>Combined SDF</b>
<b>1/2"</b>	<b>1.0</b>	<b>\$8,000</b>	<b>\$7,500</b>	<b>\$15,500</b>
<b>3/4"</b>	<b>1.0</b>	<b>\$8,000</b>	<b>\$7,500</b>	<b>\$15,500</b>
<b>1"</b>	<b>1.7</b>	<b>\$13,333</b>	<b>\$12,500</b>	<b>\$25,833</b>
<b>1- 1/2"</b>	<b>3.3</b>	<b>\$26,667</b>	<b>\$25,000</b>	<b>\$51,667</b>
<b>2"</b>	<b>5.3</b>	<b>\$42,667</b>	<b>\$40,000</b>	<b>\$82,667</b>
<b>3"</b>	<b>16.7</b>	<b>\$133,333</b>	<b>\$125,000</b>	<b>\$258,333</b>
<b>4"</b>	<b>33.3</b>	<b>\$266,667</b>	<b>\$250,000</b>	<b>\$516,667</b>
<b>6"</b>	<b>53.3</b>	<b>\$426,667</b>	<b>\$400,000</b>	<b>\$826,667</b>
<b>8"</b>	<b>93.3</b>	<b>\$746,667</b>	<b>\$700,000</b>	<b>\$1,446,667</b>
<b>10"</b>	<b>183.3</b>	<b>\$1,466,667</b>	<b>\$1,375,000</b>	<b>\$2,841,667</b>

## Fiscal Year 2024/2025 Fee Schedule

### Amendment Water Rates

Water Rates	Residential Inside City Limits	Residential Outside City Limits
Base Rate	<del>\$27.81</del> <b>\$29.20</b>	<del>\$55.62</del> <b>\$58.40</b>
/1,000	<del>\$5.66</del> <b>\$5.94</b>	<del>\$11.33</del> <b>\$11.90</b>

Water Rates	Commercial Inside City Limits	Commercial Outside City Limits
Base Rate	<del>\$33.99</del> <b>\$35.69</b>	<del>\$67.98</del> <b>\$71.38</b>
/1,000	<del>\$7.21</del> <b>\$7.57</b>	<del>\$14.42</del> <b>\$15.14</b>

Industrial Water User	Rate
Base Rate (Includes 15 million gallons)	<del>\$104,486.29</del> <b>\$109,710.60</b>
15,000,001 – 23,000,000 gallons	<del>\$1.95</del> <b>\$2.05</b> /1,000 gallons
23,000,001 – 31,000,000 gallons	<del>\$1.78</del> <b>\$1.87</b> /1,000 gallons
31,000,000 + gallons	<del>\$1.30</del> <b>\$1.37</b> /1,000 gallons
<p>Note: Industrial bulk users are defined as users with above 500,000 gallons per day water and sewer usage. Users must use over 500,000 gallons per day average daily use to utilize this rate structure. If a user falls under 500,000 gallons per day average daily use for a period of six (6) months, the user will not be eligible under this rate.</p>	



## Town of Siler City

### Memorandum

**TO:**

Mayor Matthews, Mayor Pro Tem Fadely  
Siler City Board of Commissioners

**FROM:**

Kimberly Pickard  
Assistant Town Manager & Town Clerk  
kpickard@silercity.gov  
Phone: 919-726-8620

**REFERENCE: Message Board Signage Final  
Design and Layouts**

**DATE: October 6, 2024**

Signage Industries provided two design options for the Message Board Signage for the Town Hall Court Yard.

Town Staff is seeking approval on the artwork attached to this memo. There are two different options for the Board of Commissioners to choose from.

**Requested Action:** Approve Option A or Option B Message Board Signage Art



**LOCATION:** 311 N. 2nd Ave. - Siler City, NC

**SIGN TYPE:**

09-17-24 24510-M

**Installation Method: DIRECT BURIAL**

## NOTES

DATE:

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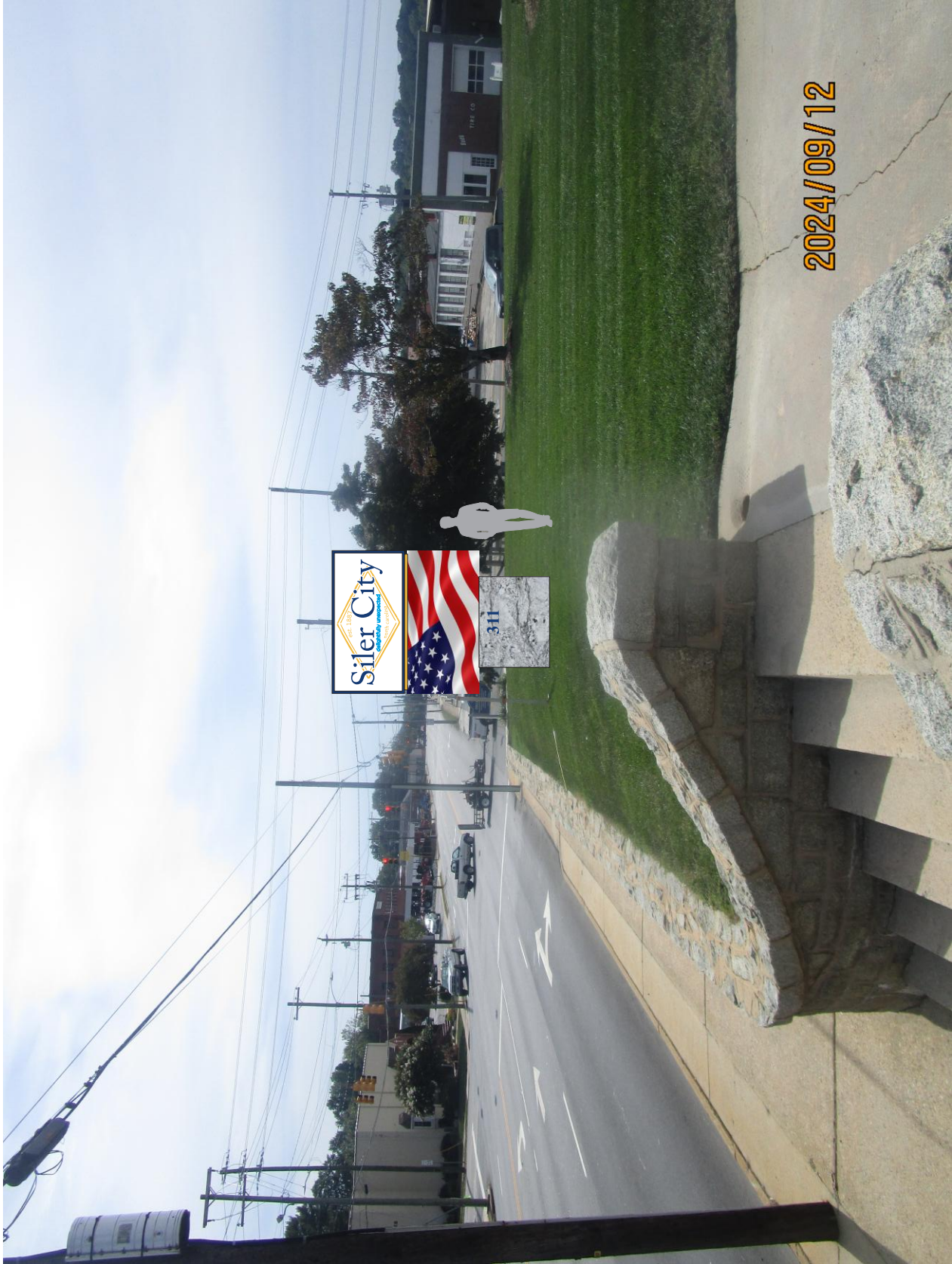


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TEL 336-434-4126 FAX 336-434-3616

SIGN TYPE: 1.0 SCALE: 1/8" = 1'-0" REFERENCE #: REVISION: DATE: 09-17-24 DRAWING #: 24510-M

CUSTOMER: Siler City - City Hall

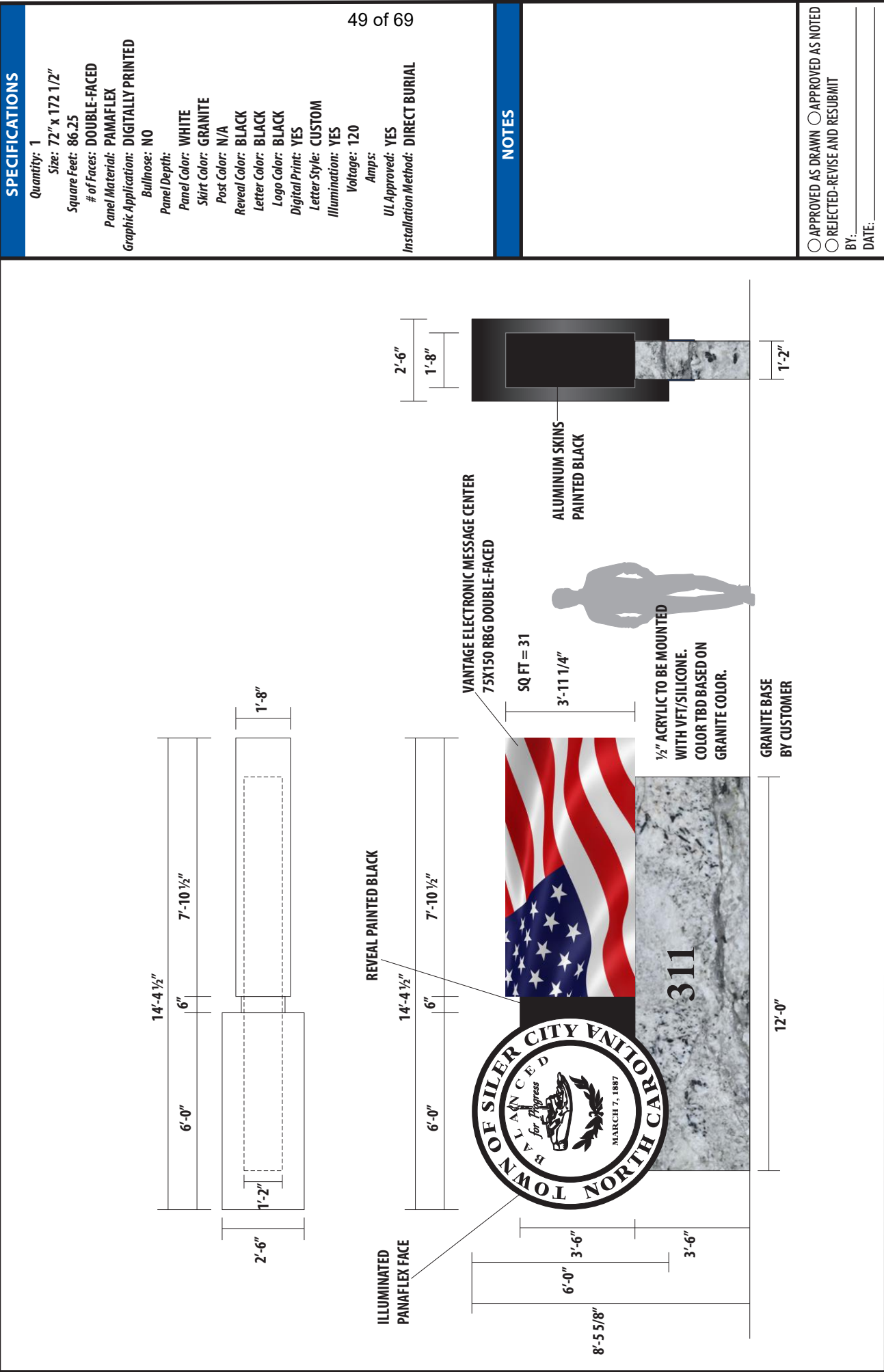
LOCATION: 311 N. 2nd Ave. - Siler City, NC





CUSTOMER: Siler City - City Hall

LOCATION: 311 N. 2nd Ave. - Siler City, NC





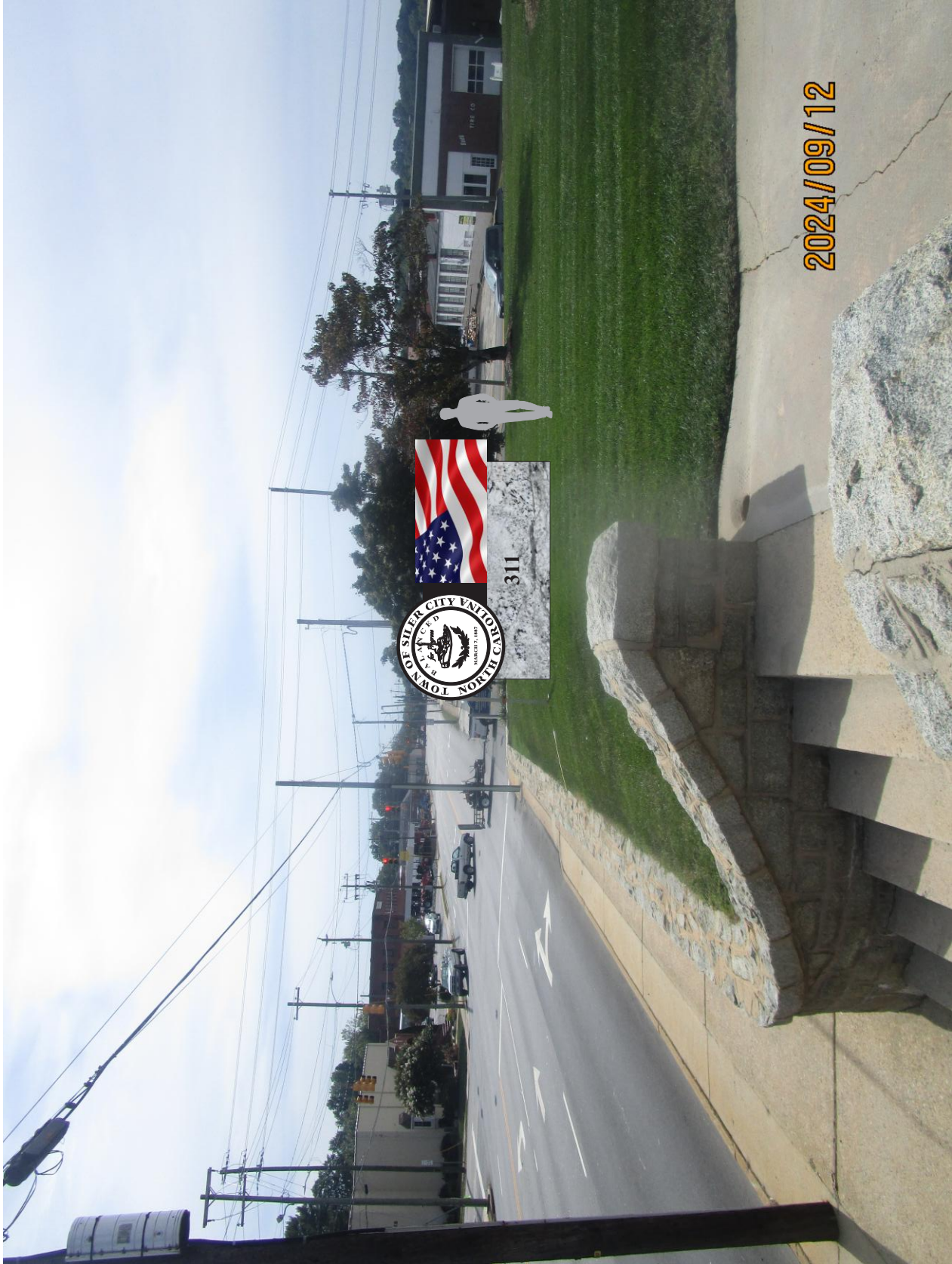
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**SIGNAGE**  
INDUSTRIES CORPORATION

SIGN TYPE: 1.0-B SCALE: 1/8" = 1'-0" REFERENCE #: 09-23-24 REVISION: 09-17-24 DRAWING #: 24510-M

CUSTOMER: Siler City - City Hall

LOCATION: 311 N. 2nd Ave. - Siler City, NC







## Town of Siler City

### Memorandum

**TO:**

Mayor Matthews  
Mayor Pro Tem Fadely  
Board of Commissioners

**FROM:**

Jack Meadows  
Interim Town Manager  
[jmeadows@silercity.gov](mailto:jmeadows@silercity.gov)  
919-726-8627

**REFERENCE:**

200 N. Chatham Ave.

**DATE:**

October 4, 2024

Business owners approached the Mayor and myself via email about the upcoming vacancy of the subject property. The Mayor and I visited the site on September 27, 2024 with the property owner.

**Proposed Use:**

1. Welcome Center (information/visitor center)
  - a. Provide information about the Town, including events, tourist destinations (farms, historical, businesses, etc.) businesses, churches, and other opportunities
  - b. Information desk/kiosk to distribute literature and information
2. Town of Siler City Offices:
  - a. Community Development Planner
  - b. Main Street Coordinator (if accepted into the NC Main Street Downtown Associate Community Program) - \$45K-\$60K
    - i. Program Timeline:
      1. April 2025 – Application Submittal
      2. May 2025 - Award Announcements
      3. July 1, 2025 – Main Street Coordinator must be on duty
3. Office Hours:
  - a. Monday – Friday: 9a-5p
  - b. Saturday: 9a-12p (staffed by volunteers)
  - c. Downtown Events
4. Verbally endorsed by the following partner organizations:
  - a. Siler City Merchants Association
  - b. Siler Area Chamber of Commerce

The above partners have agreed to provide brochures/literature/information, recruit volunteers, etc.

**Details received from the property owner:**

1. Area: 631.38 square feet
2. Roof:
  - a. Received 3 quotes to replace roof by the end of the 2024.
  - b. Replacement will help with ceiling leaks and reduce energy costs.
  - c. Will change the smart thermostat to a regular thermostat if desired.
3. Transom windows: The options are to replace and paint glass from the inside (like at 208 N Chatham) or cover with signage (tenant choice).

**Requested Action: Provide feedback on the proposed use and lease.**

4. 2-year lease agreement (see attached Commercial Lease Agreement) with an annual adjustment

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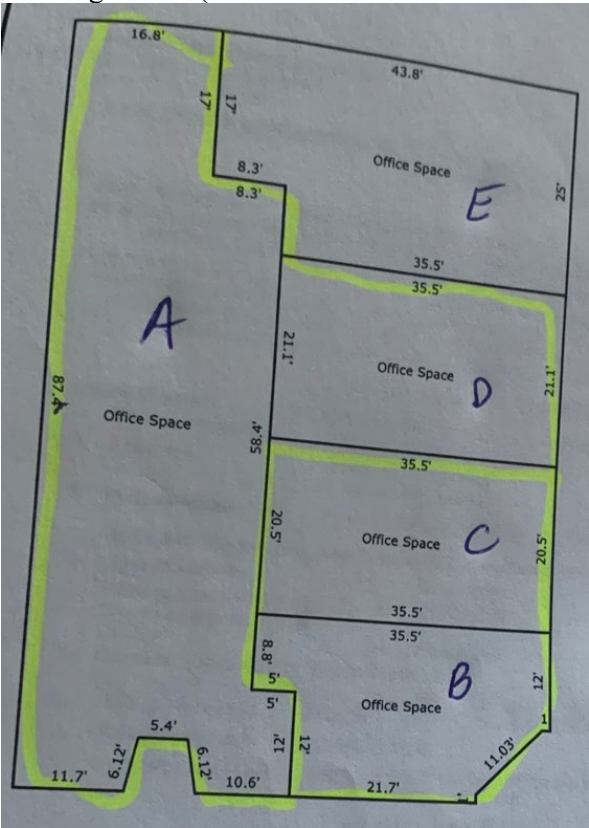
Schedule H
5. Estimated Expense:

Month	March	April	May	June	July	August	September	Average
Lease								\$ 800.00
Duke Energy	\$ 44.53	\$ 46.04	\$ 76.40	\$ 125.86	\$ 177.57	\$ 174.29		\$ 107.45
Town of Siler City					\$ 72.00	\$ 69.89	\$ 79.43	\$ 73.77
Dominion Energy	\$ 18.73	\$ 23.27	\$ 18.73	\$ 18.73	\$ 18.73	\$ 18.73	\$ 18.73	\$ 19.38
							Month Total	\$ 1,000.60
							Annual Total	\$12,007.20

Google Maps (March 2024)



Building Sketch (200 N. Chatham Avenue = Office Space B):



Photos:







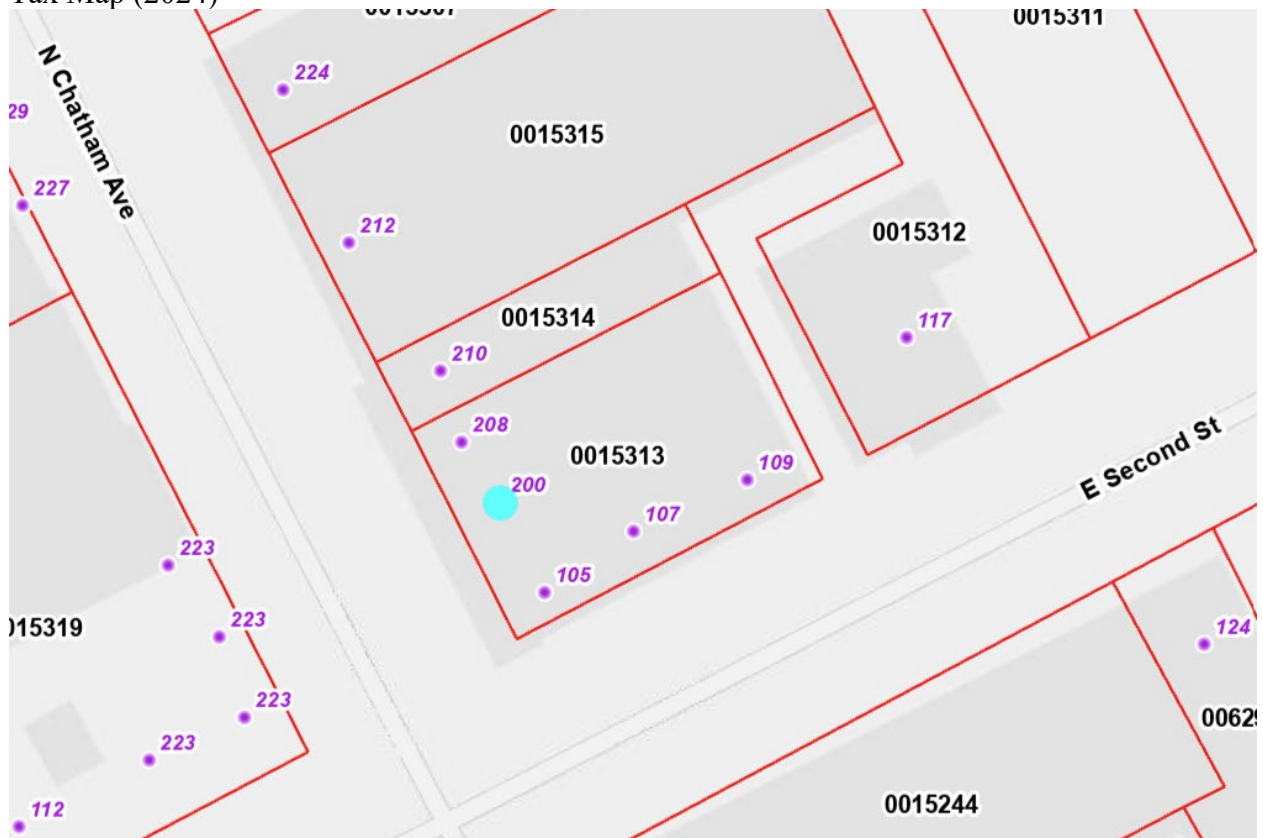




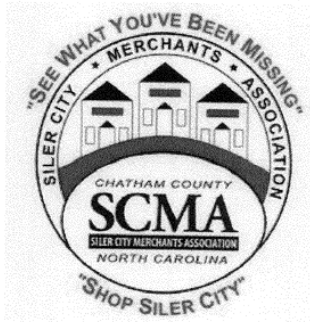




Tax Map (2024)



September 21, 2023



Jack Meadows  
Town of Siler City  
Community Development Department

Dear Jack,

At one of the meetings of the Siler City Merchants Association, you discussed with us the town's purchase of the Carter Bank building at the corner of Raleigh Street and Chatham Avenue. You shared with us the preliminary thoughts about the use of the building, including moving the offices of some town departments there. During our discussion, we broached the idea of including a town welcome center in the lobby of the building. Currently there is no central location for visitors – and residents – to get information about the town, including events, businesses, churches, and other opportunities. With the anticipated influx of new development and residents in town, we believe a town visitor center would be an important service to people seeking information about what the town has to offer.


Depending on how the building is configured, it could include an information desk for all of the town departments, as well as a place to distribute literature and information. It should also include a meeting space that would be used for town business as well as available to community groups.

As planning goes forward for the use of the building, the Merchants Association recommends that the town investigate the feasibility of including this information function as part of the services offered there. We have a strong interest in the development of Siler City and feel that a central information/visitor center would be an important asset in those efforts. Having the center open on weekends (perhaps staffed by volunteers) would be especially important since that is when we see out-of-town visitors in our businesses.

We also recommend that the brick sign base on the corner be retained and repurposed as either a digital or physical space where town events and notices could be posted. ZoAnn Adams was an active and insightful advocate for downtown businesses and development, and we think it would be fitting if the sign was dedicated in her honor.

We would be happy to discuss this further with town staff and the recently hired architectural firm, including ways we might help as planning goes forward.

Sincerely,

  
Angelynn McClary, Co-President

**COMMERCIAL LEASE AGREEMENT**

THIS LEASE AGREEMENT including any and all addenda attached hereto (Lease) is by and between WDH Properties, LLC, (Landlord) whose address is 45 Pine Forest Drive, Siler City, NC 27344 and \_\_\_\_\_ (Tenant) whose address is \_\_\_\_\_

WITNESSETH:

**1. PREMISES**

Landlord, for and in consideration of the rents, covenants, agreements, and stipulations hereinafter mentioned, provided for and covenanted to be paid, kept and performed by Tenant, leases and rents unto Tenant, and Tenant hereby leases and takes upon the terms and conditions which hereinafter appear, the following described property (Premises) to wit:

200 N Chatham Avenue, Siler City NC 27344

**2. TERM**

The Tenant shall have and hold the Premises for a term of 2 years beginning on \_\_\_\_\_ and ending on \_\_\_\_\_ unless sooner terminated as hereinafter provided. The Tenant shall have the right and option to extend the term of this lease for one (1) additional one year term.

**3. RENTAL**

Tenant agrees to pay Landlord or its Agent without demand, deduction or set off, an annual rental in the amount of \$9600 payable in equal **monthly installments of \$ 800** in advance on the first day of each calendar month during the term hereof. The annual rental payable hereunder shall be adjusted every annual anniversary by the greater of five percent (5%) or Consumer Price Index (CPI) as determined by Bankrate.

**4. LATE CHARGES**

If Landlord fails to receive any rent payment within 5 days after it becomes due, Tenant shall pay Landlord, as additional rental, a late charge equal to four percent (4%) of the overdue amount plus any actual bank fees incurred for returned or dishonored checks. The parties agree that such a late charge represents a fair and reasonable estimate of the cost Landlord will incur by reason of such late payment.

**5. SECURITY DEPOSIT**

Upon the execution of this Lease, Tenant shall deposit with Landlord **the sum of \$ 800** as a security deposit which shall be held by Landlord as security for the full and faithful performance by Tenant of each and every term, covenant and condition of this Lease. The security deposit does not represent payment of and Tenant shall not presume application of same as payment of the last monthly



installment of rental due under this Lease. Landlord shall have no obligation to segregate or otherwise account for the security deposit except as provided in paragraph 5. In the event Tenant furnishes Landlord with proof that all utility bills and other bills of Tenant related to the Premises have been paid through the date of Lease termination, and performs all of Tenants other obligation under this Lease, the security deposit shall be returned to Tenant within sixty (60) days after the date of the expiration or sooner termination of the term of this Lease and surrender of the Premises by Tenant in compliance with the provisions of this Lease.

## **6. UTILITY BILLS**

Tenant shall be responsible for all utilities used on or in the Premises. Responsibility to pay for a utility service shall include all metering, hook up fees or other miscellaneous charges associated with the installation and maintenance of such utility in said party's name. Any loss, damage, or expense sustained by Landlord resulting from such default on the part of the Tenant; and in such event Tenant shall upon demand restore the security deposit to the original sum deposited. In the event Tenant furnished Landlord with proof that all utility bills have been paid through the date of Lease termination, and performs all of Tenant's other obligations under this Lease, the security deposit shall be returned in full to Tenant within thirty (30) days after the date of the expiration or sooner termination of the term of this Lease and the surrender of the Premises by Tenant in compliance with the provisions of this Lease.

Landlord shall not be liable for injury to Tenant's business or loss of income therefrom or for damage that may be sustained by the person, merchandise or personal property of Tenant, its employees, agents, invitees or contractors or any other person in or about the Premises, caused by or resulting from fire, steam, electricity, gas, water or rain, which may leak or flow from or into any part of the Premises or from the breakage, leakage, obstruction or other defects of any utility installations, air conditioning system or other components of the Premises, except to the extent that such damage or loss is caused by Landlord's gross negligence or willful misconduct. Landlord makes no representations or warranties with respect to the heating, ventilation and air conditioning systems or utility installations existing as of the date hereof or in the future. Subject to the provisions of this paragraph 5, Landlord shall not be liable in damages or otherwise for any discontinuance, failure or interruption of service to the Premises of utilities or the heating, ventilation and air conditioning systems and Tenant shall have no right to terminate this Lease or withhold rental because of the same.

**There may be instances where utilities are held in Landlords name. In these instances, Tenant agrees to reimburse Landlord within 30 days of Landlord providing proof of utility payment.**

## **7. USE OF PREMISES**

The premises shall be used for Office space only. The Premises shall not be used for any illegal purposes, nor in any manner to create any nuisance or trespass, nor in any manner to vitiate the insurance or increase the rate of insurance on the Premises. In the event Tenant's use of the Premises results in an increase in the rate of insurance on the Premises, Tenant shall pay to Landlord, upon

demand and as additional rental, the amount of any such increase.

Tenant shall not cause or permit any waste to occur in the Premises and shall not overload the floor, or any mechanical, electrical, plumbing or utility systems servicing the Premises. Tenant shall keep the Premises, and every part thereof, in a clean and wholesome condition, free from any objectionable noises, loud music, objectionable odors, or nuisance.

## 8. TAX

Landlord shall pay all taxes on the Premises. Tenant shall reimburse Landlord for taxes and insurance during the term of this Lease, and any extension or renewal thereof.

## 9. INSURANCE; WAIVER; INDEMNITY

During the term of this Lease and any extension and renewal thereof, and at the Tenant's expense, Tenant shall maintain commercial general liability insurance coverage (occurrence coverage) with broad form contractual liability coverage with coverage of \$1,000,000 per occurrence and \$2,000,000 aggregate. Such policy shall insure Tenant's performance of the indemnity provisions of this Lease, but the amount of such insurance shall not limit Tenant's liability nor relieve Tenant of any obligation hereunder. All policies of insurance provided for herein shall name Landlord as additional insured. Tenant shall provide evidence of such insurance to Landlord prior to the commencement of the term of this Lease. Tenant shall provide to Landlord, at least thirty (30) days prior to expiration, certificate of insurance to evidence any renewal or additional insurance procured by Tenant. **Tenant shall provide evidence of all insurance required under this Lease to Landlord prior to Lease Commencement Date.**

Landlord (for itself and its insurer) waives any rights, including rights of subrogation, and Tenant (for itself and its insurer) waives any rights, including rights of subrogation, each may have against the other for compensation of any loss or damage occasioned to Landlord or Tenant.

Landlord and Tenant each hereby release and relieve the other, and waive any right of recovery, for loss or damage arising out of or incident to the perils insured against which perils occur in, on or about the Premises, whether due to the negligence of Landlord or Tenant or their agents, employees, contractors, and/or invitees, to the extent that such loss or damage is within the policy limits of said comprehensive general liability insurance. The indemnity provisions in this paragraph cover personal injury and property damage and shall bind the employees, agents, invitees or contractors of Landlord and Tenant (as the case may be). The indemnity obligations set forth herein shall survive the expiration or earlier termination of this Lease.

Landlord and Tenant shall, upon obtaining the policies of insurance required, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

Tenant shall be solely responsible for insuring Tenant's personal and business property and for paying any taxed or governmental assessments levied thereon.

**10. REPAIRS BY LANDLORD**

Landlord agrees to keep in good repair the roof, foundation, structural supports and exterior walls of the Premises, (exclusive of all glass and exclusive of all exterior doors including garage doors) except repairs rendered necessary by the negligence or intentional wrongful acts of Tenant, its agents, employees, or invitees. Tenant shall promptly report in writing to Landlord any defective condition known to it which Landlord is required to repair and failure to report such conditions shall make Tenant responsible to Landlord for any liability incurred by Landlord by reason of such conditions.

**11. REPAIRS BY TENANT**

Tenant accepts the Premises in their present condition and as suited for the Permitted Use and Tenant's intended purposes. Tenant shall, throughout the initial term of this Lease, and any extension or renewal thereof, at its expense, maintain in good order and repair the Premises and other improvements located thereon, except those repairs expressly required to be made by the Landlord hereunder. Tenant shall assure that all hvac units are serviced annually. In addition, tenant further agrees to care for the grounds around the building, including the mowing of grass, care of shrubs and general landscaping.

Tenant agrees to return the Premises to Landlord at the expiration or prior termination of this Lease, in as good condition and repair as when first received, natural wear and tear, damage by storm, fire, lightning, earthquake, or other casualty alone excepted. Tenant, Tenant's employees, agents, contractors, or subcontractors shall take no action which may void any manufacturers or installers warranty with relation to the Premises. Tenant shall indemnify and hold Landlord harmless from any liability, claim, demand, or cause of action arising on account of Tenants breach of the provisions of this paragraph.

**12. ALTERATIONS**

Tenants shall not make any alterations, additions, or improvements to the Premises without Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Tenant shall promptly remove any alterations, additions, or improvements constructed in violation of this Paragraph upon Landlord's written request. All approved alterations, additions, and improvements will be accomplished in a good and workmanlike manner, in conformity with all applicable laws and regulations, and by a contractor approved by Landlord, free of any liens or encumbrances. Landlord may require Tenant to remove any alterations, additions, or improvements (whether or not made with Landlord's consent) at the termination of the Lease and to restore the Premises to its prior condition, all at Tenant's expense. All alterations, additions, and improvements which Landlord has not required Tenant to remove shall become Landlord's property and shall be surrendered to Landlord upon the termination of this Lease, except that Tenant may remove any of the Tenant's machinery, equipment or trade fixtures which can be removed without material damage to the Premises. Tenant shall repair at Tenant's expense, any damage to the Premises caused by the removal of any such machinery, equipment, or trade fixtures.

**13. REMOVAL OF FIXTURES**

Tenant may (if not in default hereunder) prior to the expiration of this Lease, or any extension or renewal thereof, remove all fixtures and equipment which it has placed in the Premises, provided Tenant repairs all damage to the Premises caused by such removal.

**14. DESTRUCTION OF OR DAMAGE TO PREMISES**

If the Premises are totally destroyed by storm, fire, lightning, earthquake, or other casualty, Landlord shall have the right to terminate this Lease on written notice to Tenant within thirty (30) days after such destruction and this Lease shall terminate as of the date of such destruction and rental shall be accounted for as between Landlord and Tenant as of that date.

If the Premises are damaged but not wholly destroyed by any such casualties, rental shall abate in such proportion as effective use of the Premises has been affected and Landlord shall restore Premises to substantially the same condition as before damage as speedily as is practicable, whereupon full rental shall recommence. Restoration shall be accomplished, if required hereunder, within 120 days of receipt of insurance proceeds by Landlord.

In the event of reconstruction of the Premises, Tenant shall continue the operation of its business in the Premises during any such period to the extent reasonably practicable from the standpoint of prudent business management and the obligation of Tenant to pay annual rental and any other sums due under this Lease shall remain in full force and effect during the period of reconstruction. Tenant shall not be entitled to any compensation or damages from Landlord for loss of use of the whole or any part of the Premises, Tenant's personal property, or any inconvenience or annoyance occasioned by such damage, reconstruction or replacement.

In the event of the termination of this Lease under any of the provisions of paragraph 13, both Landlord and Tenant shall be release from any liability or obligation under this Lease arising after the date of termination, except as otherwise provided for in this Lease.

**15. GOVERNMENTAL ORDERS**

Tenant, at its own expense, agrees to comply with (a) any law, statute, ordinance, regulation, rule, requirement, order, court decision or procedural requirement of any governmental authority having jurisdiction over the Premises, (b) the rules and regulations of any applicable government insurance authority or any similar body relative to the Premises and Tenant's activities therein, (c) provisions of or rules enacted pursuant to any private use restrictions as the same may be amended from time to time and (d) the Americans with Disability Act and the regulations and accessibility guidelines enacted pursuant thereto, as the same may be amended from time to time.

It is mutually agreed between Landlord and Tenant, that if in order to comply with such requirements, the cost to Landlord or Tenant, as the case may be, shall exceed a sum equal to one year's rent, then

Landlord or Tenant, whichever is obligated to comply with such requirements, may terminate this Lease by giving written notice of termination to the other party by registered mail, in accordance with the terms of this Lease, which termination shall become effective sixty (60) days after receipt of such notice and which notice shall eliminate the necessity of compliance with such requirements unless within thirty (30) days of receiving such notice, Landlord agrees in writing to be responsible for such compliance at its own expense and commences compliance activity in which case Tenants notice given hereunder shall not terminate this Lease

## **16. CONDEMNATION**

If the whole of the Premises, or such portion thereof as will make the Premises unusable for the purposes herein leased, is condemned by any legally constituted authority for any public use or purpose, then in either of said events the term hereby granted shall cease from the date when possession thereof is taken by public authorities, and rental shall be accounted for as between Landlord and Tenant as of said date. Such termination, however, shall be without prejudice to the rights of either Landlord or Tenant to recover compensation and damage caused by condemnation from the condemner. It is further understood and agreed that Tenant shall not have any rights in any award made to Landlord by any condemnation authority.

## **17. ASSIGNMENT AND SUBLETTING**

Tenant may not assign this Lease or any interest hereunder, or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than the Tenant without the express prior written consent of the Landlord, which shall not be unreasonably withheld, conditioned, or delayed. Consent to any assignment or sublease shall not impair this provision and all later assignments or subleases shall be made likewise only on the prior written consent of Landlord. No sublease or assignment by Tenant shall relieve Tenant of any liability hereunder.

## **18. EVENTS OF DEFAULT**

The happening of any one or more of the following events (hereinafter any one of which may be referred to as an "Event of Default") during the term of this Lease, or any renewal or extension thereof, shall constitute a breach of this Lease on the part of the Tenant: (a) Tenant fails to pay the rental as provided for herein; (b) Tenant abandons or vacates the Premises and fails to pay rental provided for herein; (c) Tenant fails to comply with or abide by and perform any other obligation imposed upon Tenant under this Lease within thirty (30) after written notice; (d) Tenant is adjudicated bankrupt; (e) A permanent receiver is appointed for Tenant's property and such receiver is not removed within sixty (60) days after written notice from Landlord to Tenant to obtain such removal; (f) Tenant, either voluntarily or involuntarily, takes advantage of any debtor relief proceedings under any present or future law, whereby the rent or any part thereof is, or is proposed to be reduced or payment thereof deferred and such proceeding is not dismissed within sixty (60) days of the filing thereof; (g) Tenant makes an assignment for benefit of creditors; or (h) Tenant's effects are levied upon or attached under process against Tenant,

which is not satisfied or dissolved within thirty (30) days after written notice from Landlord to Tenant to obtain satisfaction thereof.

## **19. REMEDIES UPON DEFAULT**

Upon the occurrence of Event of Default, Landlord may pursue any one or more of the following remedies separately or concurrently, without prejudice to any other remedy herein provided or provided by law; (a) Landlord may terminate this Lease by giving written notice to Tenant and upon such termination shall be entitled to recover from Tenant damages as may be permitted under applicable law; or (b) Landlord may terminate this Lease by giving written notice to Tenant and , upon such termination, shall be entitled to recover from the Tenant damages in an amount equal to all rental which is due and all rental which would otherwise have become due throughout the remaining term of this Lease, or any renewal or extension thereof (as if this Lease had not been terminated); or (c) upon any Event of Default, Landlord, as Tenant's agent, without terminating this Lease, may enter upon and rent the Premises, in whole or in part, at the best price obtainable by reasonable effort, without advertisement and by private negotiations and for any term Landlord deems proper, with Tenant being liable to Landlord for the deficiency, if any, between Tenant's rent hereunder and the price obtained by Landlord or reletting, provided however, that Landlord shall not be considered to be under any duty by reason of this provision to take any action to mitigate damages by reason of Tenant's default and expressly shall have no duty to mitigate Tenant's damages. No termination of this Lease prior to the normal ending thereof, by lapse of time or otherwise, shall affect Landlord's right to collect rent for the period prior to termination thereof. In the event Landlord hires an attorney to enforce its rights upon default, Tenant shall in addition be liable for reasonable attorney's fees and all costs of collection.

## **20. EXTERIOR SIGNS**

Tenant shall place no signs upon the outside walls, doors or roof of the Premises, except with the prior written consent of the Landlord in the Landlord's sole discretion. Any consent given by Landlord shall expressly not be a representation of or warranty of any legal entitlement to signage at the Premises. Any and all signs placed on the Premises by Tenant shall be maintained in compliance with governmental rules and regulations governing such signs. Tenant shall be responsible to Landlord for any damage caused by installation, use or maintenance of said signs, and all damage incident to removal thereof.

## **21. LANDLORD'S ENTRY OF PREMISES**

Landlord may advertise the Premises "For Rent" or "For Sale" ninety (90) days before termination of this Lease. Landlord may enter the Premise at reasonable hours to exhibit same to prospective purchasers or tenants and to make repairs required of Landlord, for reasonable business purposes and otherwise as may be agreed by Landlord and Tenant. Landlord may enter the Premises at any time without prior notice, in the event of an emergency or to make emergency repairs to the Premises. Landlord shall provide tenant with a functioning key to the Premises. Tenant may not change the locks without Landlords consent.

**22. EFFECT OF TERMINATION OF LEASE**

No termination of this Lease prior to the normal ending thereof, by lapse of time or otherwise, shall affect Landlord's right to collect rent for the period prior to termination thereof.

**23. QUIET ENJOYMENT**

So long as Tenant observes and performs the covenants and agreements contained herein, it shall at all times during the Lease term peacefully and quietly have and enjoy possession of the Premises, but always subject to the terms hereof.

**24. HOLDING OVER**

If Tenant remains in possession of the Premises after expiration of the term hereof, with Landlord's acquiescence and without any express agreement of the parties, Tenant shall be a tenant at will at the rental rate which is in effect at the end of this Lease and there shall be no renewal of this Lease by operation of law.

If Tenant remains in possession of the Premises after expiration of the term hereof without Landlord's acquiescence, Tenant shall be a tenant at sufferance and commencing on the date following the date of such expiration, the monthly rental payable under Paragraph 3 above shall for each month, or fraction thereof during which Tenant so remains in possession of the Premises, be twice monthly rental otherwise payable under Paragraph 3 above.

**25. ATTORNEY'S FEES**

In the event that any action or proceeding is brought to enforce any term, covenant, or condition of this Lease on the part of Landlord or Tenant, the prevailing party in such litigation shall be entitled to recover reasonable attorney's fees and costs.

**26. RIGHTS CUMULATIVE**

All rights, powers, and privileges conferred hereunder upon parties hereto shall be cumulative and not restrictive of those given by law.

**27. WAIVER OF RIGHTS**

No failure of Landlord to exercise any power given Landlord hereunder or to insist upon strict compliance by Tenant of its obligations hereunder and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Landlord's right to demand exact compliance with the terms hereof.

**28. ENVIRONMENTAL LAWS**

(a) Tenant covenants that with respect to any Hazardous Materials (as defined below) it will comply



with any and all federal, state, or local laws, ordinances, rules and regulations, or court decisions relating to hazardous substances, hazardous materials, hazardous waste, toxic substances, environmental conditions on, under or about the Premises or soil and groundwater conditions, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Resource Conservation and Recovery Act, the Hazardous Materials Transportation Act, any other legal requirement concerning hazardous or toxic substances, and any amendments to the foregoing (collectively, all such matters being "Hazardous Materials Requirements" ) Tenant shall remove all Hazardous Materials from the Premises, either after their use by Tenant or upon the expiration or earlier termination of this Lease, in compliance with all Hazardous Materials Requirements.

(b) Tenant shall be responsible for obtaining all necessary permits in connection with its use, storage, and disposal of Hazardous Materials, and shall develop and maintain, and where necessary file with the appropriate authorities, all reports, receipts, manifest, filings, lists, and invoices covering those Hazardous Materials and Tenant shall provide Landlord with copies of all such items upon request. Tenant shall provide within five (5) days after receipt thereof, copies of all notices, orders, claims, or other correspondence from any federal, state, or local government or agency alleging any violation of any environmental law or regulation by Tenant, or related in any manner to Hazardous Materials. In addition, Tenant shall provide Landlord with copies of all responses to such correspondence at the time of the response.

(c) Tenant hereby indemnifies and holds harmless Landlord, its successors, and assigns from and against any all losses, liabilities, damages, injuries, penalties, fines, costs, expenses, and claims of any and every kind whatsoever (including any attorney's fees and costs) paid, incurred or suffered by, or asserted against, Landlord as a result of any claim, demand, or judicial or administrative action by any person or entity (including governmental or private entities) for, with respect to, or as a direct or indirect result of, the presence on or under or the escape, seepage, leakage, spillage, discharge, emission, or release from the Premises on any Hazardous Materials caused by Tenant or Tenant's agents, employees, invitees, or successors in interest. This indemnity shall also apply to any release of Hazardous Materials caused by a fire or other casualty to the Premises if such Hazardous Materials were stored on the Premises by Tenant, its agents, employees, invitees, or successors in interest.

(d) For purposes of this Lease, "Hazardous Materials" means any chemical, compound, material, substance or other matter that (i) is defined as a hazardous substance, hazardous material or waste, or toxic substance pursuant to any Hazardous Materials Requirements, (ii) is regulated, controlled or governed by any Hazardous Materials Requirements, (iii) is petroleum or a petroleum product or (iv) is asbestos, formaldehyde, a radioactive material, drug, bacteria, virus, or other injurious or potentially injurious material (by itself or in combination with other materials).

(e) If Tenant fails to comply with the covenants to be performed hereunder with respect to Hazardous Materials, or if an environmental protection lien is filed against the Premises as a result of the action of Tenant, its agents, employees, or invitees, then the occurrence of any such events shall be considered a

default hereunder.

(f) Tenant will give Landlord prompt notice of any release of Hazardous Materials, reportable or non-reportable, to federal, state, or local authorities, of any fire, or any damage occurring on or to the Premises.

(g) Tenant will use and occupy the Premises and conduct its business in such a manner that the Premises are neat, clean, and orderly at all times with all chemicals or Hazardous Materials marked for easy identification and stored according to all codes as outlined above.

(h) The warranties and indemnities contained in this Paragraph shall survive the termination of this Lease.

## **29. ABANDONMENT**

Tenant shall not abandon the Premises at any time during the Lease term. If Tenant shall abandon the Premises or be dispossessed by process of law, any Personal Property belonging to Tenant and left on the Premises shall, at the option of Landlord, be deemed abandoned, and available to Landlord to use or sell to offset any rent due or any expenses incurred by removing same and restoring the Premises.

## **30. NOTICES**

All notices required or permitted under this Lease shall be in writing and shall be personally delivered or sent by U.S. certified mail, return receipt requested, postage prepaid. Notices to Tenant shall be delivered or sent to the address shown at the beginning of this Lease, except that upon Tenant taking possession of the Premises, then the Premises shall be Tenant's address for such purposes. Notices to Landlord shall be delivered or sent to the address shown at the beginning of this Lease.

*All notices shall be effective upon delivery. Any party may change its notice address upon written notice to the other parties, given as provided herein.*

## **31. GENERAL TERMS**

"Landlord" as used in this Lease shall include the undersigned, its heirs, representatives, assigns, and successors in title to the Premises. "Tenant" shall include the undersigned and its heirs, representatives, assigns, and successors, and if this Lease shall be validly assigned or sublet, shall include also Tenant's assignees or sublessees as to the Premises covered by such assignment or sublease. "Landlord," "Tenant," and "Agent" include male and female, singular and plural, corporation, partnership, or individual, as may fit the particular parties.

No failure of Landlord to exercise any power given Landlord hereunder or to insist upon strict compliance by Tenant of its obligations hereunder and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Landlord's right to demand exact compliance with the terms hereof. All rights, powers and privileges conferred hereunder upon parties hereto shall be

cumulative and not restrictive of those given by law.

**Time is of the essence in this Lease.**

This Lease constitutes the sole and entire agreement of the parties hereto, and no representations, inducements, promises, or agreements, oral or otherwise, between the parties, not embodied herein shall be of any force or effect. This Lease may not be modified except by a writing signed by all the parties hereto.

Each individual executing this Lease as director, officer, partner, member, or agent of a corporation, limited liability company, or partnership represents and warrants that he is duly authorized to execute and deliver this Lease and such instruments as may be necessary to effectuate any transaction contemplated by this Lease on behalf of the party for whom he or she signs and that his or her signature binds such party.

Upon request by either Landlord or Tenant, the parties hereto shall execute a short form lease (Memorandum of Lease) in recordable form, setting forth such provisions hereof (other than the amount of Rent and other sums due) as either party may wish to incorporate. The cost of recording such memorandum of lease shall be borne by the party requesting execution of the same.

**32. TRANSFER OF LANDLORD'S INTEREST**

In the event of the sale, assignment, or transfer by Landlord of its interest in the Premises or in this Lease (other than a collateral assignment to secure a debt of Landlord) to a successor in interest who expressly assumes the obligations of Landlord under this Lease, Landlord shall thereupon be released and discharged from all its covenants and obligations under this Lease, except those obligations that have accrued prior to such sale, assignment, or transfer; and Tenant agrees to look solely to the successor in interest of Landlord for the performance of those covenants accruing after such sale, assignment, or transfer. Landlord's assignment of this Lease, or of any or all of its rights in this Lease, shall not affect Tenant's obligations hereunder, and Tenant shall attorn and look to the assignee as Landlord, provided Tenant has first received written notice of the assignment of Landlord's interest and provided said successor/assignee accepts the Premises subject to this Lease.

Tenant shall, upon request of Landlord or Landlord's successor, execute an attornment agreement confirming the same, in form and substance acceptable to Landlord or Landlord's successor and Landlord shall thereupon be released and discharged from all its covenants and obligations under this Lease except those obligations that have accrued prior to such sale, transfer or conveyance, and Tenant agrees to look solely to the successor in interest of Landlord for the performance of those covenants accruing after such sale, transfer or conveyance. Such agreements shall provide, among other things, that said successor shall not be bound by (a) any prepayment of more than one (1) month's rental (except the Security Deposit) or (b) any material amendment of this Lease made after the later of the Lease Commencement Date or the date that such successor's lien or interest first arose, unless said successor

shall have consented to such amendment.

Within ten (10) days after request from Landlord, Tenant shall execute and deliver to Landlord an estoppel certificate (to be prepared by Landlord and delivered to Tenant) with appropriate facts then in existence concerning the status of this Lease and Tenant's occupancy, and with any exceptions thereto notified in writing by Tenant. Tenant's failure to execute and deliver the Estoppel Certificate within said ten (10) day period shall be deemed to make conclusive and binding upon Tenant in favor of Landlord and any potential mortgagee or transferee the statements contained in such estoppel certificate without exception.

### **33. MEMORANDUM OF LEASE**

Upon request by either Landlord or Tenant, the parties hereto shall execute a short form lease (Memorandum of Lease) in recordable form, setting forth such provisions hereof (other than the amount of Rent and other sums due) as either party may wish to incorporate. The cost of recording such memorandum of lease shall be borne by the party requesting execution of the same.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the day and year first above written.

LANDLORD:

TENANT:

\_\_\_\_\_(SEAL)

\_\_\_\_\_(SEAL)

Welford David Harris, WDH Properties

\_\_\_\_\_(SEAL)

\_\_\_\_\_(SEAL)

Valerie C. Harris, WDH Properties