

AGENDA

Catawba County Board of Commissioners Meeting
Monday, August 18, 2014, 7:00 p.m.
2nd Floor Meeting Room
Government Center, 100-A South West Boulevard, Newton, NC

1. Call to Order.
2. Pledge of Allegiance to the Flag.
3. Invocation.
4. [Approval of the minutes from the Board's Regular and Closed Session Meetings of August 4, 2014.](#)
5. Recognition of Special Guests.
6. Public Comment for Items Not on the Agenda.
7. Presentations:
 - a. [Presentation of National Association of Counties \(NACo\) 2014 Achievement Award for Social Services' Children and Youth Investment Team \(CAY-IT\). Presented to Social Services Director John Eller, Assistant Social Services Director Karen Harrington and Social Worker III Regina Arrowood.](#)
8. Public Hearing:
[Submission of a Federal 5310 Grant Application for Enhanced Mobility of Seniors and Individuals with Disabilities Program \(Urban\). Presented by Social Services Director John Eller.](#)
9. [Appointments.](#)
10. Departmental Reports:
 - A. [Catawba Valley Medical Center: Purchase of 1985 Startown Road. Presented by David Boone, Chief Financial Officer, Catawba Valley Medical Center.](#)
 - B. [Utilities and Engineering: Water and Sewer Capital Fees Adjustment. Presented by Director of Utilities and Engineering Director Barry Edwards.](#)
11. Other Items of Business.
12. Attorneys' Report.
13. Manager's Report.
14. Adjournment.

PERSONS WITH DISABILITIES: Individuals needing assistance should contact the County Clerk at 828-465-8990 within a reasonable time prior to the meeting. Access to the 1924 Courthouse for individuals with disabilities is at the south side ("A" Street). The elevator is located at the north end of the building. Participation in public meetings is without regard to race, creed, religion, national origin, sex, age, color, or disability.

INFOTALK/INTERNET: The Catawba County Telephone Information System will allow you to use your touch tone telephone to obtain current information on Catawba County 24 hours a day. Information is updated on a regular basis. Dial 465-8468 and INFOTALK will direct your questions with easy to understand instructions. Reach Catawba County on the Internet at <http://www.catawbacountync.gov>.

CALENDAR: There will be only one Board of Commissioners Meeting in September. This meeting will take place on Monday, September 8, 2014 at 7:00 p.m. in the Robert E. Hibbitts Meeting Room in the 1924 Courthouse in Newton.



**PREVIEW OF COUNTY COMMISSION AGENDA
MONDAY, AUGUST 18, 2014, 7 P.M.
CATAWBA COUNTY GOVERNMENT CENTER
SECOND FLOOR MEETING ROOM
100-A SOUTHWEST BOULEVARD, NEWTON**



The Catawba County Board of Commissioners will hold a public hearing on a proposed application for a 2015 Elderly Individuals and Individuals with Disabilities Grant application to be submitted to the Greater Hickory Metropolitan Planning Organization, regarding funding to meet the transportation needs of the elderly and disabled for whom mass transportation services are not available, when the Board meets at 7 p.m. on Monday, August 18, 2014, in the Second Floor Meeting Room of the Catawba County Government Center at 100-A Southwest Boulevard in Newton. **Please note the change in the Board's normal meeting location because of Soldiers Reunion activities at the 1924 Courthouse on the evening of August 18.**

The Board will consider an amendment to the County's Water and Sewer Capital Fee Schedule that would adjust those fees, after a periodic review of regional fees determined the County's current water and sewer connection fees are not as competitive as they need to be to stimulate economic development. The Board will also consider a request by Catawba Valley Medical Center (CVMC) to purchase property located at 1985 Startown Road, which is currently occupied by Fairbrook Medical Clinic, P.A., a medical practice operated by Dr. John Kessell and a related pharmacy operation, for the benefit of CVMC.

The Board will also present a National Association of Counties Achievement Award to Catawba County Social Services for its Children and Youth Investment Team (CAY-IT) program, which seeks to streamline the process for finding permanent placements for children in foster care, resulting in less trauma for the child and faster decisions.

PRESENTATION

The Board will recognize a National Association of Counties Achievement Award presented to Catawba County Social Services for its Children and Youth Investment Team (CAY-IT) program, which seeks to streamline the process for finding permanent placements for children in foster care, resulting in less trauma for the child and faster decisions. CAY-IT brings together professionals from several different governmental units to work together in planning for permanent placements for foster children who have been in care longer than average.

PUBLIC HEARING

The Board will hold a public hearing to receive citizen comments and consider approving a proposed 2015 Elderly Individuals and Individuals with Disabilities Grant application to be submitted to the Greater Hickory Metropolitan Planning Organization, regarding funds to meet the transportation needs of the elderly and disabled for whom mass transportation services are not available. The goal of the Section 5310 program is to improve mobility for seniors and individuals with disabilities, by removing barriers to transportation services. Catawba County received a 5310 transportation grant in the amount of \$500,000 (in federal, state and local funds) for a two year grant ending on June 30, 2015. The grant included transportation in both urban and rural areas.

The Section 5310 program now requires two grant applications, one for trips originating in urban areas and one for trips originating in rural areas. The request for urban funds will be submitted to the Greater Hickory Metropolitan Planning Organization and is due no later than August 27, 2014. The grant application for trips originating in rural areas will be available in the fall of 2014.

Catawba County will continue to contract with the Western Piedmont Regional Transit Authority to provide transportation funded by Section 5310. The funds will allow seniors and individuals with disabilities to attend the congregate nutrition program, have access to essential shopping, medical appointments, pharmacy, banking and other essential services. Additionally, transportation will be provided for individuals to access education and employment opportunities, volunteer activities, senior centers and Adult Day Care/Day Health programs when no other transportation is available. A total of \$150,000 will be requested for trips originating in urban areas in FY 2015/16. The grant requires a 20% local match. There is no State match available. Social Services will provide the match utilizing current local funding allocated for senior transportation. There will be no increased cost to the County.

Approximately 100-180 individuals will receive transportation for the period of the grant (July 2015-June 30, 2016).

Many of the seniors will utilize transportation for multiple purposes and a large percentage of the target population will utilize transportation daily. Providing transportation will allow older adults the opportunity and the choice to remain active and involved in the community.

DEPARTMENTAL REPORTS

CATAWBA VALLEY MEDICAL CENTER

The Board will consider approval of the purchase of property located at 1985 Startown Road for the benefit of Catawba Valley Medical Center (CVMC). The property is currently owned by Startown Investors, LLC (the Seller) and occupied by Fairbrook Medical Clinic, P.A., a medical practice operated by Dr. John Kessell, and a related pharmacy operation. CVMC is paying for all costs associated with the purchase of this property and there is no cost to the County.

This facility includes 12,096 square feet of physician office space and approximately 3,000 square feet of retail pharmacy space. Dr. Kessel is leaving his practice and the pharmacy, and has offered CVMC the opportunity to purchase them. CVMC has agreed in principal to purchase the property pursuant to the terms and conditions of an offer to purchase and contract. CVMC anticipates operating a primary care clinic on the property through the Catawba Valley Medical Group, Inc., an affiliated entity which operates most of CVMC's medical clinics. CVMC also contemplates leasing a portion of the property to third parties for use as a pharmacy.

Because of certain timing issues, the CVMC Board of Trustees and the Seller hope to close this transaction by the end of August, and as a result are bringing it to the Board of Commissioners for approval now. There may not, however, be time to complete the standard real estate due diligence prior to the August 18th meeting. As such, the real estate contract signed by CVMC is not only subject to the Board of Commissioners approval but also includes deadlines for termination on September 30, 2014, and closing on October 10, 2014. The CVMC Board of Trustees is requesting that the Board of Commissioners approve the purchase, subject to the discretion of CVMC's officers to terminate the purchase within those time frames so that, if any issues arise as diligence is completed, CVMC may either delay closing or terminate the transaction entirely without returning to the Board of Commissioners for action. The Board's Finance and Personnel Subcommittee recommends approval of this property purchase.

UTILITIES AND ENGINEERING

The Board will consider amending the County's Water and Sewer Capital Fee Schedule. After a periodic review of regional water and sewer connection fees, staff has determined that the County's current water and sewer connection fees are not as competitive as they need to be to stimulate economic development in the county.

County Water and Sewer Capital Fees are reviewed annually and the water and sewer connection fees in the unincorporated areas of the County are a combination of Catawba County Capital Fees and municipal connection fees. The combined fees, when compared to those of other jurisdictions in the region, are not competitive, particularly with regard to Charlotte-Mecklenburg, Iredell County and Lincoln County.

Ensuring that water and sewer fees are competitive when compared to other jurisdictions in the region has been discussed at length by staff, including the need to re-energize development across all of Catawba County. These staff discussions have produced the following proposed revisions to the County's existing fee schedule:

- Capital fees for existing and new property improvements (i.e. domicile, business, industry, etc.) after the construction of County water and sewer utility (construction time period includes 12 month warranty period) are:
 - Capital fees for 1" or less water meter/tap: \$1,250 for water and \$1,500 for sewer;
 - Capital fees for 2": \$2,250 for water and \$3,500 for sewer;
 - Capital fees for 3": \$3,250 for water and \$5,500 for sewer.
- To entice the connection of existing buildings that exist at the onset of construction of County-funded water and sewer utilities to municipal services, capital fees for existing property improvements shall be reduced by 50% during the utility construction period. Existing property improvements include, for example: residences, businesses, industries, etc., that rely on existing non-municipal water and sewer provisions and are adjacent to the utility under construction.

- Each connection has a \$1,250 minimum capital fee for water and \$1,500 minimum capital fee for sewer. For every ¼” increment increase in connection size above 1”, \$250 is added to the water capital fee and \$500 is added to the sewer capital fee. Sewer infrastructure is more expensive to construct versus water infrastructure.

During major water and sewer line project development and installation, Catawba County staff will provide public meetings to inform those property owners affected by the project about what to expect during construction and how to connect to infrastructure. For example, within the area serviced by the Southeastern Catawba County Water and Sewer System, staff held an initial public meeting at Sherrills Ford Elementary School on Thursday, August 4, 2011. Currently, staff and consultants are contacting businesses along the sewer route individually to ascertain their needs and desire to connect. Once the County’s capital fees are adjusted, County staff will hold an additional public meeting for residents and businesses along the project route to receive the updated fee schedule and discuss connection steps. In addition, the Utilities and Engineering Department will dedicate staff to respond to follow-up questions from the aforementioned public meetings, as well as calls resulting from media outreach identified below.

Staff will also use the following methods for informing the community about public meetings, updated fee schedule, and steps for water and sewer hookup:

- Traditional news releases to newspapers, TV, and radio;
- Placement of news releases on the County’s website;
- Placement of a shorter (more social media-friendly) version in Facebook and Twitter;
- Prominent placement of the story in at least one issue of Catawba County E-News;
- Direct postal mailers will be used to further promote water and sewer hookups.

Staff envisions the aforementioned opportunities will create significant interest within communities. In addition, in the southeastern part of the County, staff plans to ask to be placed on the agendas of the Catawba County Chamber of Commerce, Southeast Chamber of Commerce and Sherrills Ford Rotary Club to talk about expanded water and sewer services. Staff will also follow up on leads referred by the Board of Commissioners. In other areas of the County, similar tactics will be used, drawing upon civic organizations, etc. The Board’s Policy and Public Works Subcommittee recommends approval of these fee amendments.

CONTACT: DAVE HARDIN, PUBLIC INFORMATION OFFICER 465-8464

CATAWBA COUNTY PROGRAMS HONORED BY NATIONAL ASSOCIATION OF COUNTIES

Four Catawba County programs have been named winners of a 2014 National Association of Counties (NACo) Achievement Award.

The winning programs include a Public Health Farmers Market designed to offer fresh fruits and vegetables and improve community health; a computer access terminal that allows citizens at Hickory City Hall access to Permit Center staff in Newton; a program that streamlined the process for finding permanent placements for children in foster care, resulting in less trauma for the child and faster decisions; and a Commercial Recycling Program that is one of many initiatives that helped Catawba County attain the #1 ranking in the state in recycling, per person, in two of the last three years.

"NACo awards demonstrate Catawba County's continuing effort to find innovative and creative ways to deliver the very best services to our citizens," said Kitty Barnes, Chair of the Catawba County Board of Commissioners. "My fellow commissioners and I are very proud of this national recognition."

The NACo Achievement Awards program, now in its 43rd year, gives national recognition to significant and innovative programs that improve county organization, management and service delivery. Catawba County has won 199 awards over the history of the NACo program and has been honored during each of its 43 years.

The Catawba County **Public Health Farmers Market** won the third 2014 National Association of Counties Achievement Award. In partnership with the Women, Infants, and Children (WIC) program, the market's goal is to improve individual and community health by increasing access to fresh fruits and vegetables.

WIC clients receive Farmers Market Nutritional Program vouchers when available to supplement their WIC food benefits with fresh, local produce during the summer months. Of the 415 customers surveyed at last year's market, 88.4% said the market helped increase the amount of fresh produce their family ate. For surveyed WIC clients, that number was 95%.

"We started the market hoping to see not just increased access to healthy foods, but also increased redemption of WIC Farmers Market Nutritional Program vouchers," said Julie Byrd, WIC Director. "With the addition of this new market to our community, the WIC program had the third highest redemption rate, 62.9%, of Farmers Market Nutritional Program vouchers in North Carolina last year. The statewide average, which tends to hover around 50%, was 48.47% in 2013."

Catawba County Social Services' **Children and Youth Investment Team (CAY-IT)** also won a 2014 National Association of Counties Achievement Award. The program seeks to streamline the process for finding permanent placements for children in foster care, resulting in less trauma for the child and faster decisions. CAY-IT brings together professionals from several different governmental units to work collaboratively in planning for permanent placements for foster children who have been in care longer than average.

"The State's goal is for children to remain in foster care no longer than one year," said Regina Arrowood, CAY-IT Process Coordinator. "In March 2014, Catawba County Social Services cared for 201 foster children. Twenty of them had been in care 36 months or more, and 45 more had been in care more than 24 but less than 36 months. Mental health and legal issues are often the reasons for longer-than-average placement times for these children. The CAY-IT team meets every other month and includes social workers, social work supervisors, guardians ad-litem for the children, mental health professionals and residential care professionals. The CAY-IT approach is already yielding cross-disciplinary discussions, which help the team move more quickly toward the best outcome for each child."

The program has improved permanency planning for children in foster care by bringing a wide range of expertise to the planning process,” Arrowood added. “No longer are social workers making decisions without input from partners from the mental health and legal systems, which also impact these children. The result is a faster, better decision-making process. By pulling together different units that work on different parts of a child's treatment program, the CAY-IT team helps develop a more holistic approach to improving the child's life. It is well-known by adoption and foster care workers that foster care should be used for as short a time as needed, and the child should not be subjected to numerous foster care placements. By analyzing as a group what stands in the way of moving toward permanence, children can be moved through the system more quickly, resulting in less trauma to the child.”

Catawba County’s NACo Awards will be presented to County officials during the Association’s annual conference in New Orleans in July. Employees involved in the four programs will be recognized at an upcoming Board of Commissioners meeting and at the annual County Awards Night dinner in October.

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CONTACT:	AMANDA KAIN, RECYCLING COORDINATOR	828-465-8217
	JACK CHANDLER, ASST. DIR. OF UTILITIES/ENGINEERING	828-465-8940
	KELLY SCHERMERHORN, PUBLIC INFORMATION OFFICER (PH)	828- 695-5843
	MARGARET ALLEN, PUBLIC INFORMATION OFFICER (SS)	828-695-6583
	DAVE HARDIN, PUBLIC INFORMATION OFFICER	828-465-8464

MEMORANDUM

To: Catawba County Board of Commissioners

FROM: John Eller, Director, Catawba County Social Services

DATE: August 6, 2014

RE: Section 5310, Enhanced Mobility of Seniors and Individuals with Disabilities Program (Urban)

REQUEST

It is requested the Board of Commissioners hold a public hearing in consideration of the submission of a Federal 5310 Urban Grant Application, to the Greater Hickory Metropolitan Planning Organization, for the Enhanced Mobility of Seniors and Individuals with Disabilities Program.

BACKGROUND

The goal of the Section 5310 program is to improve mobility for seniors and individuals with disabilities, by removing barriers to transportation services. Catawba County received a 5310 transportation grant in the amount of \$500,000 (federal, state and local funds) for a two year grant ending June 30, 2015. The grant included transportation in both urban and rural areas.

The Section 5310 program now requires two grant applications, one for trips originating in urban areas, and one for trips originating in rural areas. The request for urban funds will be submitted to the Greater Hickory Metropolitan Planning Organization, and is due no later than August 27, 2014. The grant application for trips originating in rural areas will be available in the fall of 2014.

Catawba County will continue to contract with Western Piedmont Regional Transit Authority (WPRTA) to provide transportation funded by Section 5310. The funds will allow seniors and individuals with disabilities to attend the congregate nutrition program, have access to essential shopping, medical appointments, pharmacy, banking, and other essential services. Additionally, transportation will be provided for individuals to access education and employment opportunities, volunteer activities, senior centers, and Adult Day Care/Day Health programs when no other transportation is available.

A total of \$150,000 will be requested for trips originating in urban areas in FY 15/16. The grant requires a 20% local match. There is no state match available for the 5310 urban grant. Social Services will provide the match utilizing current local funding allocated for senior transportation. There will be no increased cost to the County.

Approximately 100-180 individuals will receive transportation for the period of the grant (July 2015-June 30, 2016). Many of the seniors will utilize transportation for multiple purposes and a large percentage

of the target population will utilize transportation daily. Providing transportation will allow older adults the opportunity and the choice to remain active and involved in the community.

RECOMMENDATION

Staff recommends the Board of Commissioners:

- a) Conduct a public hearing in consideration of submitting a Federal 5310 Urban grant to the Greater Hickory Metropolitan Planning Organization. The grant will be used to provide transportation assistance for elderly individuals and individuals with disabilities residing in urban areas.
- b) Authorize the submission of the grant.
- c) Adopt the Public Transportation Program Resolution regarding the Federal 5310 grant.
- d) Authorize John Eller, Director of Catawba County Social Services, to submit the grant application as outlined in the Resolution.

PUBLIC HEARING RECORD

Public Hearing Notice was published on this date:

APPLICANT: Catawba County

DATE: August 18, 2014

PLACE: Catawba County Government Center 2nd floor meeting room

TIME: 7:00 pm

How many of the Board Members or Commissioners attended the public hearing? _____

How many members of the PUBLIC attended the public hearing? _____

I, the undersigned, representing (*Legal Name of Applicant*) _____ do hereby certify to the North Carolina Department of Transportation that a Public Hearing was held as indicated above and:

During the Public Hearing

Section 5310 Program

(NO public comments)

(Public Comments were made and meeting minutes will be submitted after board approval)

The estimated date for board approval of meeting minutes is: _____

Signature of Clerk/Secretary to the Board

Printed Name and Title

Date

Affix Seal

PUBLIC TRANSPORTATION PROGRAM RESOLUTION

WHEREAS, Article 2B of Chapter 136 of the North Carolina General Status and the Governor of North Carolina have designated the North Carolina Department of Transportation (NCDOT) as the agency responsible for administering federal and state public transportation funds; and

WHEREAS, the North Carolina Department of Transportation will apply for a grant from the US Department of Transportation, Federal Transit Administration and receives funds from the North Carolina General Assembly to provide assistance for public transportation projects; and

WHEREAS, the purpose of the Section 5310 program is to improve mobility for seniors and individuals with disabilities throughout the country, by removing barriers to transportation services and expanding the transportation mobility options available. Toward this goal, FTA provides financial assistance for transportation services planned, designed, and carried out to meet the special transportation needs of seniors and individuals with disabilities in all area.

WHEREAS, WPRTA has been designated as the agency with principle authority and responsibility for administering the Section 5310 Program for the Hickory Urbanized area; and

WHEREAS, Catawba County hereby assures and certifies that it will comply with the federal and state statutes, regulations, executive orders, and all small administrative requirements related to the applications made to and grants received from the Federal Transit Administration, as well as the provisions of Section 1001 of Title 18, U.S.C.

NOW, THEREFORE, be it resolved that John Eller, Director, Catawba County Department of Social Services, on behalf of Catawba County Board of Commissioners, is hereby authorized to submit a grant for federal and state funding, provide the required local match, make the necessary assurances and certifications and be empowered to enter into an agreement with the NCDOT to provide public transportation services.

I (Certifying Official's Name) *Barbara Morris, (Certifying Official's Title) County Clerk do hereby certify that the above is true and correct copy of an excerpt from the minutes of a meeting of the (Name of Applicant's Governing Board) Catawba County Board of Commissioners duly held on the 18th day of August, 2014.

Signature of Authorizing Official

Date

Signature of Certifying Official

Date

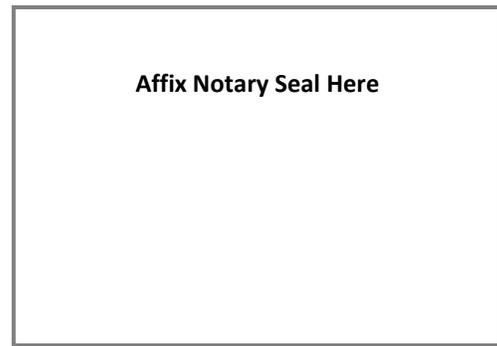
***Note that the authorized official, certifying official, and notary public should be three separate individuals.**

Seal Subscribed and sworn to me (date) _____

Notary Public Signature _____

Printed Name and Address

My commission expires (date) _____



NO RECOMMENDED APPOINTMENTS

MEMORANDUM

TO: Catawba County Board of Commissioners

FROM: Finance and Personnel Subcommittee

DATE: August 18, 2014

SUBJECT: Purchase of 1985 Startown Road

Request

The Finance and Personnel Subcommittee recommends the Board of Commissioners approve the purchase of the real property located at 1985 Startown Road, subject to certain conditions, for the benefit of Catawba Valley Medical Center (“CVMC”). CVMC is paying for all costs associated with the purchase of this property and there is no cost to the County.

Background

The property located at 1985 Startown Road, Hickory, NC 28602 has become available for purchase by the Catawba Valley Medical Center. That property is currently owned by Startown Investors, LLC (the “Seller”), and occupied by Fairbrook Medical Clinic, P.A., the medical practice operated by Dr. John Kessell, as well as a related pharmacy operation. This facility includes 12,096 square feet of physician office space and approximately 3,000 square feet of retail pharmacy space.

Dr. Kessel is leaving his practice and the pharmacy, and has offered CVMC the opportunity to purchase. CVMC has agreed in principal to purchase the real property pursuant to the terms and conditions of an offer to purchase and contract which is attached hereto as Exhibit 1. CVMC anticipates operating a primary care clinic on the property through the Catawba Valley Medical Group, Inc. (“CVMG”), an affiliated entity which operates most of CVMC’s medical clinics.

CVMC also contemplates leasing a portion of the property to third-parties for use as a pharmacy.

Because of certain timing issues, the Board of Trustees and the Seller hope to close this transaction by the end of August, and as a result are bringing it to the Board of Commissioners for approval now. There may not, however, be time to complete the standard real estate due diligence prior to the August 18th meeting.

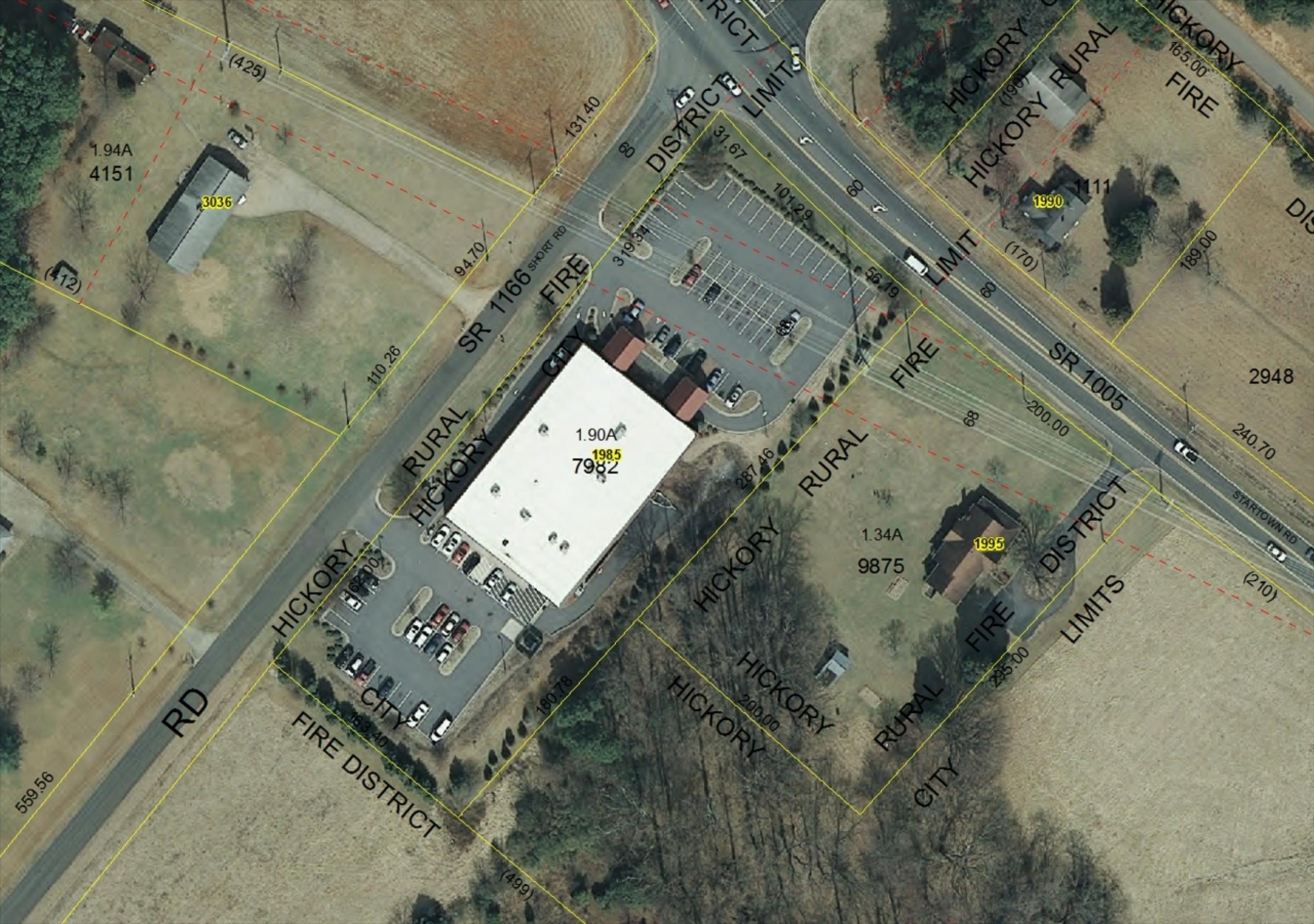
As such, the real estate contract signed by CVMC is not only subject to the Board of Commissioners approval but also includes deadlines for termination on September 30, 2014, and closing on October 10, 2014. The Board of Trustees is requesting the Board of Commissioners approve the purchase, subject to the discretion of CVMC’s officers to terminate the purchase within those time frames, so that, if any issues arise as diligence is completed, CVMC may either delay closing, or terminate the transaction entirely, without returning to the Board of Commissioners for action.

Michael Thomas, Hospital Attorney, has reviewed and approved the attached Offer to Purchase.

David Boone, Chief Financial Officer of CVMC, and Brian McGinnis, Catawba Valley Medical Group Director, will be presenting an overview of the acquisition to the Board of Commissioners during its August 18 meeting. During the meeting, action will be requested to approve the purchase, subject to final approval by J. Anthony Rose, CEO of CVMC, or his designee, based on the advice of counsel after completion of any remaining due diligence, or to terminate the agreement pursuant to its terms.

Recommendation

The Finance and Personnel Subcommittee recommends approval of the acquisition of the real property located at 1985 Startown Road for the benefit of Catawba Valley Medical Center (CVMC), pursuant to the terms of the attached offer to purchase and contract, including ratification of execution of that contract by J. Anthony Rose, CEO of CVMC, and subject to the authority of Mr. Rose or his designee to terminate that agreement pursuant to its terms. CVMC will pay all costs associated with the purchase of this property and there is no cost to the County.



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3036

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7982
1985

1995

1.34A
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559.56

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(412)

110.26

94.70

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8

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60

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68

200.00

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RD

HICKORY
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HICKORY
CITY
FIRE DISTRICT

RURAL
HICKORY
CITY
FIRE DISTRICT

SR 1166
SHORT RD

DISTRICT
LIMIT

HICKORY
RURAL
FIRE DISTRICT

HICKORY
CITY
FIRE DISTRICT

HICKORY
RURAL
FIRE DISTRICT
LIMITS

HICKORY
RURAL
FIRE DISTRICT

SR 1005

STARTOWN RD

HICKORY
RURAL
FIRE DISTRICT



REALTOR® North Carolina Association of REALTORS®

AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY

THIS AGREEMENT, including any and all addenda attached hereto ("Agreement"), is by and between Catawba County

a(n) body corporate and politic ("Buyer"), and (individual or State of formation and type of entity)

Startown Investors LLC,

a(n) NC limited liability company ("Seller"). (individual or State of formation and type of entity)

FOR AND IN CONSIDERATION OF THE MUTUAL PROMISES SET FORTH HEREIN AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES HERETO AGREE AS FOLLOWS:

Section 1. Terms and Definitions: The terms listed below shall have the respective meaning given them as set forth adjacent to each term.

(a) "Property": (Address) 1985 Startown Rd., Hickory, NC 28602

Plat Reference: Lot(s) 50, Block or Section 168, as shown on Plat Book or Slide, Catawba County, consisting of 1.90 acres.

If this box is checked, "Property" shall mean that property described on Exhibit A attached hereto and incorporated herewith by reference.

(For information purposes: (i) the tax parcel number of the Property is: 371112957982; and, (ii) some or all of the Property, consisting of approximately acres, is described in Deed Book, Page No., County.)

together with all buildings and improvements thereon and all fixtures and appurtenances thereto and all personal property, if any, itemized on Exhibit A.

\$ 1,660,000.00 (b) "Purchase Price" shall mean the sum of One Million, Six Hundred Sixty Thousand Dollars,

payable on the following terms:

\$ 1,000.00 (i) "Earnest Money" shall mean One Thousand Dollars or terms as follows:

Upon this Agreement becoming a contract in accordance with Section 14, the Earnest Money shall be promptly deposited in escrow with (name of person/entity with whom deposited), to be applied as part payment of the Purchase Price of the Property at Closing, or disbursed as agreed upon under the provisions of Section 10 herein.



This form jointly approved by: North Carolina Bar Association, North Carolina Association of REALTORS®, Inc.

Buyer Initials Seller Initials

STANDARD FORM 580-T Revised 7/2013 © 7/2013

ANY EARNEST MONEY DEPOSITED BY BUYER IN A TRUST ACCOUNT MAY BE PLACED IN AN INTEREST BEARING TRUST ACCOUNT, AND: (check only ONE box)

ANY INTEREST EARNED THEREON SHALL BE APPLIED AS PART PAYMENT OF THE PURCHASE PRICE OF THE PROPERTY AT CLOSING, OR DISBURSED AS AGREED UPON UNDER THE PROVISIONS OF SECTION 10 HEREIN. (Buyer's Taxpayer Identification Number is: _____)

ANY INTEREST EARNED THEREON SHALL BELONG TO THE ACCOUNT HOLDER IN CONSIDERATION OF THE EXPENSES INCURRED BY MAINTAINING SUCH ACCOUNT AND RECORDS ASSOCIATED THEREWITH.

\$ _____ (ii) Proceeds of a new loan in the amount of _____ Dollars for a term of _____ years, with an amortization period not to exceed _____ years, at an interest rate not to exceed _____ % per annum with mortgage loan discount points not to exceed _____ % of the loan amount, or such other terms as may be set forth on Exhibit B. Buyer shall pay all costs associated with any such loan.

\$ _____ (iii) Delivery of a promissory note secured by a deed of trust, said promissory note in the amount of _____ Dollars being payable over a term of _____ years, with an amortization period of _____ years, payable in monthly installments of principal, together with accrued interest on the outstanding principal balance at the rate of _____ percent (_____ %) per annum in the amount of \$ _____, with the first principal payment beginning on the first day of the month next succeeding the date of Closing, or such other terms as may be set forth on Exhibit B. At any time, the promissory note may be prepaid in whole or in part without penalty and without further interest on the amounts prepaid from the date of such prepayment. (NOTE: In the event of Buyer's subsequent default upon a promissory note and deed of trust given hereunder, Seller's remedies may be limited to foreclosure of the Property. If the deed of trust given hereunder is subordinated to senior financing, the material terms of such financing must be set forth on Exhibit B. If such senior financing is subsequently foreclosed, the Seller may have no remedy to recover under the note.)

\$ _____ (iv) Assumption of that unpaid obligation of Seller secured by a deed of trust on the Property, such obligation having an outstanding principal balance of \$ _____ and evidenced by a note bearing interest at the rate of _____ percent (_____ %) per annum, and a current payment amount of \$ _____. The obligations of Buyer under this Agreement are conditioned upon Buyer being able to assume the existing loan described above. If such assumption requires the lender's approval, Buyer agrees to use its best efforts to secure such approval and to advise Seller immediately upon receipt of the lender's decision. Approval must be granted on or before _____. On or before this date, Buyer has the right to terminate this Agreement for failure to be able to assume the loan described above by delivering to Seller written notice of termination by the above date, *time being of the essence*. If Buyer delivers such notice, this Agreement shall be null and void and Earnest Money shall be refunded to Buyer. If Buyer fails to deliver such notice, then Buyer will be deemed to have waived the loan condition. Unless provided otherwise in Section 3 hereof, Buyer shall pay all fees and costs associated with any such assumption, including any assumption fee charged by the lender. At or before Closing, Seller shall assign to Buyer all interest of Seller in any current reserves or escrows held by the lender, any property management company and/or Seller, including but not limited to any tenant improvement reserves, leasing commission reserves, security deposits and operating or capital reserves for which Seller shall be credited said amounts at Closing.

\$ 1,659,000.00 (v) Cash, balance of Purchase Price, at Closing in the amount of One Million, Six Hundred Fifty-Nine Thousand Dollars.

Buyer Initials JK Seller Initials JIC

(c) "Closing" shall mean the date and time of recording of the deed. Closing shall occur on or before October 10, 2014 or _____

(d) "Contract Date" means the date this Agreement has been fully executed by both Buyer and Seller.

(e) "Examination Period" shall mean the period beginning on the first day after the Contract Date and extending through through 11:59pm (based upon time at the locale of the Property) on September 30, 2014

TIME IS OF THE ESSENCE AS TO THE EXAMINATION PERIOD.

(f) "Broker(s)" shall mean: N/A ("Listing Agency"),
____ ("Listing Agent" - License # _____)
Acting as: Seller's Agent; Dual Agent
and _____ ("Selling Agency"),
____ ("Selling Agent" - License # _____)
Acting as: Buyer's Agent; Seller's (Sub) Agent; Dual Agent

(g) "Seller's Notice Address" shall be as follows:
DonFuller@donfullerlaw.com

except as same may be changed pursuant to Section 12.

(h) "Buyer's Notice Address" shall be as follows:
Mthomas@phd-law.com

except as same may be changed pursuant to Section 12.

(i) If this block is marked, additional terms of this Agreement are set forth on Exhibit B attached hereto and incorporated herein by reference. (Note: Under North Carolina law, real estate agents are not permitted to draft conditions or contingencies to this Agreement.)

Section 2. Sale of Property and Payment of Purchase Price: Seller agrees to sell and Buyer agrees to buy the Property for the Purchase Price.

Section 3. Proration of Expenses and Payment of Costs: Seller and Buyer agree that all property taxes (on a calendar year basis), leases, rents, mortgage payments and utilities or any other assumed liabilities as detailed on attached Exhibit B, if any, shall be prorated as of the date of Closing. Seller shall pay for preparation of a deed and all other documents necessary to perform Seller's obligations under this Agreement, excise tax (revenue stamps), any deferred or rollback taxes, and other conveyance fees or taxes required by law, and the following:

Buyer Initials Seller Initials JK

Buyer shall pay recording costs, costs of any title search, title insurance, survey, the cost of any inspections or investigations undertaken by Buyer under this Agreement and the following:

Each party shall pay its own attorney's fees.

Section 4. Deliveries: Seller agrees to use best efforts to deliver to Buyer as soon as reasonably possible after the Contract Date copies of all information relating to the Property in possession of or available to Seller, including but not limited to: title insurance policies (and copies of any documents referenced therein), surveys, soil test reports, environmental surveys or reports, site plans, civil drawings, building plans, maintenance records and copies of all presently effective warranties or service contracts related to the Property. Seller authorizes (1) any attorney presently or previously representing Seller to release and disclose any title insurance policy in such attorney's file to Buyer and both Buyer's and Seller's agents and attorneys; and (2) the Property's title insurer or its agent to release and disclose all materials in the Property's title insurer's (or title insurer's agent's) file to Buyer and both Buyer's and Seller's agents and attorneys. If Buyer does not consummate the Closing for any reason other than Seller default, then Buyer shall return to Seller all materials delivered by Seller to Buyer pursuant to this Section 4 (or Section 7, if applicable), if any, and shall, upon Seller's request, provide to Seller copies of (subject to the ownership and copyright interests of the preparer thereof) any and all studies, reports, surveys and other information relating directly to the Property prepared by or at the request of Buyer, its employees and agents, and shall deliver to Seller, upon the release of the Earnest Money, copies of all of the foregoing without any warranty or representation by Buyer as to the contents, accuracy or correctness thereof.

Section 5. Evidence of Title: Seller agrees to convey fee simple marketable and insurable title to the Property without exception for mechanics' liens, free and clear of all liens, encumbrances and defects of title other than: (a) zoning ordinances affecting the Property, (b) Leases (if applicable) and (c) matters of record existing at the Contract Date that are not objected to by Buyer prior to the end of the Examination Period ("Permitted Exceptions"); provided that Seller shall be required to satisfy, at or prior to Closing, any encumbrances that may be satisfied by the payment of a fixed sum of money, such as deeds of trust, mortgages or statutory liens. Seller shall not enter into or record any instrument that affects the Property (or any personal property listed on Exhibit A) after the Contract Date without the prior written consent of Buyer, which consent shall not be unreasonably withheld, conditioned or delayed.

Section 6. Conditions: This Agreement and the rights and obligations of the parties under this Agreement are hereby made expressly conditioned upon fulfillment (or waiver by Buyer, whether explicit or implied) of the following conditions:

(a) **New Loan:** The Buyer must be able to obtain the loan, if any, referenced in Section 1(b)(ii). Buyer must be able to obtain a firm commitment for this loan on or before _____, effective through the date of Closing. Buyer agrees to use its best efforts to secure such commitment and to advise Seller immediately upon receipt of lender's decision. On or before the above date, Buyer has the right to terminate this Agreement for failure to obtain the loan referenced in Section 1(b)(ii) by delivering to Seller written notice of termination by the above date, *time being of the essence*. If Buyer delivers such notice, this Agreement shall be null and void and Earnest Money shall be refunded to Buyer. If Buyer fails to deliver such notice, then Buyer will be deemed to have waived the loan condition. Notwithstanding the foregoing, after the above date, Seller may request in writing from Buyer a copy of the commitment letter. If Buyer fails to provide Seller a copy of the commitment letter within five (5) days of receipt of Seller's request, then Seller may terminate this Agreement by written notice to Buyer at any time thereafter, provided Seller has not then received a copy of the commitment letter, and Buyer shall receive a return of Earnest Money.

(b) **Qualification for Financing:** If Buyer is to assume any indebtedness in connection with payment of the Purchase Price, Buyer agrees to use its best efforts to qualify for the assumption. Should Buyer fail to qualify, Buyer shall notify Seller in writing immediately upon lender's decision, whereupon this Agreement shall terminate, and Buyer shall receive a return of Earnest Money.

(c) **Title Examination:** After the Contract Date, Buyer shall, at Buyer's expense, cause a title examination to be made of the Property before the end of the Examination Period. In the event that such title examination shall show that Seller's title is not fee simple marketable and insurable, subject only to Permitted Exceptions, then Buyer shall promptly notify Seller in writing of all such title defects and exceptions, in no case later than the end of the Examination Period, and Seller shall have thirty (30) days to cure said noticed defects. If Seller does not cure the defects or objections within thirty (30) days of notice thereof, then Buyer may terminate this Agreement and receive a return of Earnest Money (notwithstanding that the Examination Period may have expired). If Buyer is to purchase title insurance, the insuring company must be licensed to do business in the state in which the Property is located. Title to the Property must be insurable at regular rates, subject only to standard exceptions and Permitted Exceptions.

(d) **Same Condition:** If the Property is not in substantially the same condition at Closing as of the date of the offer, reasonable wear and tear excepted, then the Buyer may (i) terminate this Agreement and receive a return of the Earnest Money or (ii) proceed to Closing whereupon Buyer shall be entitled to receive, in addition to the Property, any of the Seller's insurance proceeds payable on account of the damage or destruction applicable to the Property.

Page 4 of 8

Buyer Initials

Seller Initials

STANDARD FORM 580-T

Revised 7/2013

© 7/2013

Catawba County

(e) **Inspections:** Buyer, its agents or representatives, at Buyer's expense and at reasonable times during normal business hours, shall have the right to enter upon the Property for the purpose of inspecting, examining, performing soil boring and other testing, conducting timber cruises, and surveying the Property. Buyer shall conduct all such on-site inspections, examinations, soil boring and other testing, timber cruises and surveying of the Property in a good and workmanlike manner, shall repair any damage to the Property caused by Buyer's entry and on-site inspections and shall conduct same in a manner that does not unreasonably interfere with Seller's or any tenant's use and enjoyment of the Property. In that respect, Buyer shall make reasonable efforts to undertake on-site inspections outside of the hours any tenant's business is open to the public and shall give prior notice to any tenants of any entry onto any tenant's portion of the Property for the purpose of conducting inspections. Upon Seller's request, Buyer shall provide to Seller evidence of general liability insurance. Buyer shall also have a right to review and inspect all contracts or other agreements affecting or related directly to the Property and shall be entitled to review such books and records of Seller that relate directly to the operation and maintenance of the Property, provided, however, that Buyer shall not disclose any information regarding this Property (or any tenant therein) unless required by law and the same shall be regarded as confidential, to any person, except to its attorneys, accountants, lenders and other professional advisors, in which case Buyer shall obtain their agreement to maintain such confidentiality. Buyer assumes all responsibility for the acts of itself, its agents or representatives in exercising its rights under this Section 6(e) and agrees to indemnify and hold Seller harmless from any damages resulting therefrom. This indemnification obligation of Buyer shall survive the Closing or earlier termination of this Agreement. Buyer shall, at Buyer's expense, promptly repair any damage to the Property caused by Buyer's entry and on-site inspections. Except as provided in Section 6(c) above, Buyer shall have from the Contract Date through the end of the Examination Period to perform the above inspections, examinations and testing. **IF BUYER CHOOSES NOT TO PURCHASE THE PROPERTY, FOR ANY REASON OR NO REASON, AND PROVIDES WRITTEN NOTICE TO SELLER THEREOF PRIOR TO THE EXPIRATION OF THE EXAMINATION PERIOD, THEN THIS AGREEMENT SHALL TERMINATE, AND BUYER SHALL RECEIVE A RETURN OF THE EARNEST MONEY.**

Section 7. Leases (Check one of the following, as applicable):

If this box is checked, Seller affirmatively represents and warrants that there are no Leases (as hereinafter defined) affecting the Property.

If this box is checked, Seller discloses that there are one or more leases affecting the Property (oral or written, recorded or not - "Leases") and the following provisions are hereby made a part of this Agreement.

(a) A list of all Leases shall be set forth on **Exhibit B**;

(b) Seller shall deliver copies of any Leases to Buyer pursuant to Section 4 as if the Leases were listed therein;

~~(c) Seller represents and warrants that as of the Contract Date there are no current defaults (or any existing situation which, with the passage of time, or the giving of notice, or both, or at the election of either landlord or tenant could constitute a default) either by Seller, as landlord, or by any tenant under any Lease ("Lease Default"). In the event there is any Lease Default as of the Contract Date, Seller agrees to provide Buyer with a detailed description of the situation in accordance with Section 4. Seller agrees not to commit a Lease Default as Landlord after the Contract Date, and agrees further to notify Buyer immediately in the event a Lease Default arises or is claimed, asserted or threatened to be asserted by either Seller or a tenant under the Lease.~~

~~(d) In addition to the conditions provided in Section 6 of this Agreement, this Agreement and the rights and obligations of the parties under this Agreement are hereby made expressly conditioned upon the assignment of Seller's interest in any Lease to Buyer in form and content acceptable to Buyer (with tenant's written consent and acknowledgement, if required under the Lease), and Seller agrees to use its best efforts to effect such assignment. Any assignment required under this Section 7 shall be required to be delivered at or before Closing by Seller in addition to those deliveries required under Section 11 of this Agreement.~~

~~(e) Seller agrees to deliver an assignment of any Lease at or before Closing, with any security deposits held by Seller under any Leases to be transferred or credited to Buyer at or before Closing. Seller also agrees to execute and deliver (and work diligently to obtain any tenant signatures necessary for same) any estoppel certificates and subordination, nondisturbance and attornment agreements in such form as Buyer may reasonably request.~~

Section 8. Environmental: Seller represents and warrants that it has no actual knowledge of the presence or disposal, except as in accordance with applicable law, within the buildings or on the Property of hazardous or toxic waste or substances, which are defined as those substances, materials, and wastes, including, but not limited to, those substances, materials and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 CFR Part 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302.4) and amendments thereto, or such substances, materials and wastes, which are or become regulated under any applicable local, state or federal law, including, without limitation, any material, waste or substance which is (i) petroleum, (ii) asbestos, (iii) polychlorinated biphenyls, (iv) designated as a Hazardous Substance pursuant to Section 311 of the

Buyer Initials *jl* Seller Initials *gjc*

Clean Water Act of 1977 (33 U.S.C. §1321) or listed pursuant to Section 307 of the Clean Water Act of 1977 (33 U.S.C. §1317), (v) defined as a hazardous waste pursuant to Section 1004 of the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §6903) or (vi) defined as a hazardous substance pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §9601). Seller has no actual knowledge of any contamination of the Property from such substances as may have been disposed of or stored on neighboring tracts.

Section 9. Risk of Loss/Damage/Repair: Until Closing, the risk of loss or damage to the Property, except as otherwise provided herein, shall be borne by Seller. Except as to maintaining the Property in its same condition, Seller shall have no responsibility for the repair of the Property, including any improvements, unless the parties hereto agree in writing.

Section 10. Earnest Money Disbursement: In the event that any of the conditions hereto are not satisfied, or in the event of a breach of this Agreement by Seller, then the Earnest Money shall be returned to Buyer, but such return shall not affect any other remedies available to Buyer for such breach. In the event this offer is accepted and Buyer breaches this Agreement, then the Earnest Money shall be forfeited, but such forfeiture shall not affect any other remedies available to Seller for such breach. NOTE: In the event of a dispute between Seller and Buyer over the return or forfeiture of Earnest Money held in escrow by a licensed real estate broker, the broker is required by state law to retain said Earnest Money in its trust or escrow account until it has obtained a written release from the parties consenting to its disposition or until disbursement is ordered by a court of competent jurisdiction, or alternatively, the party holding the Earnest Money may deposit the disputed monies with the appropriate clerk of court in accordance with the provisions of N.C.G.S. §93A-12.

Section 11. Closing: At or before Closing, Seller shall deliver to Buyer a general warranty deed unless otherwise specified on Exhibit B and other documents customarily executed or delivered by a seller in similar transactions, including without limitation, a bill of sale for any personalty listed on Exhibit A, an owner's affidavit, lien waiver forms (and such other lien related documentation as shall permit the Property to be conveyed free and clear of any claim for mechanics' liens) and a non-foreign status affidavit (pursuant to the Foreign Investment in Real Property Tax Act), and Buyer shall pay to Seller the Purchase Price. At Closing, the Earnest Money shall be applied as part of the Purchase Price. The Closing shall be conducted by Buyer's attorney or handled in such other manner as the parties hereto may mutually agree in writing. Possession shall be delivered at Closing, unless otherwise agreed herein. The Purchase Price and other funds to be disbursed pursuant to this Agreement shall not be disbursed until Closing has taken place.

Section 12. Notices: Unless otherwise provided herein, all notices and other communications which may be or are required to be given or made by any party to the other in connection herewith shall be in writing and shall be deemed to have been properly given and received on the date delivered in person or deposited in the United States mail, registered or certified, return receipt requested, to the addresses set out in Section 1(g) as to Seller and in Section 1(h) as to Buyer, or at such other addresses as specified by written notice delivered in accordance herewith.

Section 13. Entire Agreement: This Agreement constitutes the sole and entire agreement among the parties hereto and no modification of this Agreement shall be binding unless in writing and signed by all parties hereto. The invalidity of one or more provisions of this Agreement shall not affect the validity of any other provisions hereof and this Agreement shall be construed and enforced as if such invalid provisions were not included.

Section 14. Enforceability: This Agreement shall become a contract when signed by both Buyer and Seller and such signing is communicated to both parties; it being expressly agreed that the notice described in Section 12 is not required for effective communication for the purposes of this Section 14. The parties acknowledge and agree that: (i) the initials lines at the bottom of each page of this Agreement are merely evidence of their having reviewed the terms of each page, and (ii) the complete execution of such initials lines shall not be a condition of the effectiveness of this Agreement. This Agreement shall be binding upon and inure to the benefit of the parties, their heirs, successors and assigns and their personal representatives.

Section 15. Adverse Information and Compliance with Laws:

(a) **Seller Knowledge:** Seller has no actual knowledge of (i) condemnation(s) affecting or contemplated with respect to the Property; (ii) actions, suits or proceedings pending or threatened against the Property; (iii) changes contemplated in any applicable laws, ordinances or restrictions affecting the Property; or (iv) governmental special assessments, either pending or confirmed, for sidewalk, paving, water, sewer, or other improvements on or adjoining the Property, and no pending or confirmed owners' association special assessments, except as follows (Insert "None" or the identification of any matters relating to (i) through (iv) above, if any):

Buyer Initials *JK* Seller Initials *JK*

Note: For purposes of this Agreement, a "confirmed" special assessment is defined as an assessment that has been approved by a governmental agency or an owners' association for the purpose(s) stated, whether or not it is fully payable at time of closing. A "pending" special assessment is defined as an assessment that is under formal consideration by a governing body. Seller shall pay all owners' association assessments and all governmental assessments confirmed as of the date of Closing, if any, and Buyer shall take title subject to all pending assessments disclosed by Seller herein, if any.

Seller represents that the regular owners' association dues, if any, are \$ _____ per _____.

(b) Compliance: To Seller's actual knowledge, (i) Seller has complied with all applicable laws, ordinances, regulations, statutes, rules and restrictions pertaining to or affecting the Property; (ii) performance of the Agreement will not result in the breach of, constitute any default under or result in the imposition of any lien or encumbrance upon the Property under any agreement or other instrument to which Seller is a party or by which Seller or the Property is bound; and (iii) there are no legal actions, suits or other legal or administrative proceedings pending or threatened against the Property, and Seller is not aware of any facts which might result in any such action, suit or other proceeding.

Section 16. Survival of Representations and Warranties: All representations, warranties, covenants and agreements made by the parties hereto shall survive the Closing and delivery of the deed. Seller shall, at or within six (6) months after the Closing, and without further consideration, execute, acknowledge and deliver to Buyer such other documents and instruments, and take such other action as Buyer may reasonably request or as may be necessary to more effectively transfer to Buyer the Property described herein in accordance with this Agreement.

Section 17. Applicable Law: This Agreement shall be construed under the laws of the state in which the Property is located. This form has only been approved for use in North Carolina.

Section 18. Assignment: This Agreement is freely assignable unless otherwise expressly provided on Exhibit B.

Section 19. Tax-Deferred Exchange: In the event Buyer or Seller desires to effect a tax-deferred exchange in connection with the conveyance of the Property, Buyer and Seller agree to cooperate in effecting such exchange; provided, however, that the exchanging party shall be responsible for all additional costs associated with such exchange, and provided further, that a non-exchanging party shall not assume any additional liability with respect to such tax-deferred exchange. Seller and Buyer shall execute such additional documents, at no cost to the non-exchanging party, as shall be required to give effect to this provision.

Section 20. Memorandum of Contract: Upon request by either party, the parties hereto shall execute a memorandum of contract in recordable form setting forth such provisions hereof (other than the Purchase Price and other sums due) as either party may wish to incorporate. Such memorandum of contract shall contain a statement that it automatically terminates and the Property is released from any effect thereby as of a specific date to be stated in the memorandum (which specific date shall be no later than the date of Closing). The cost of recording such memorandum of contract shall be borne by the party requesting execution of same.

Section 21. Authority: Each signatory to this Agreement represents and warrants that he or she has full authority to sign this Agreement and such instruments as may be necessary to effectuate any transaction contemplated by this Agreement on behalf of the party for whom he or she signs and that his or her signature binds such party.

Section 22. Brokers: Except as expressly provided herein, Buyer and Seller agree to indemnify and hold each other harmless from any and all claims of brokers, consultants or real estate agents by, through or under the indemnifying party for fees or commissions arising out of the sale of the Property to Buyer. Buyer and Seller represent and warrant to each other that: (i) except as to the Brokers designated under Section 1(f) of this Agreement, they have not employed nor engaged any brokers, consultants or real estate agents to be involved in this transaction and (ii) that the compensation of the Brokers is established by and shall be governed by separate agreements entered into as amongst the Brokers, the Buyer and/or the Seller.

Section 23. Attorneys Fees: If legal proceedings are instituted to enforce any provision of this Agreement, the prevailing party in the proceeding shall be entitled to recover from the non-prevailing party reasonable attorneys fees and court costs incurred in connection with the proceeding.

EIFS/SYNTHETIC STUCCO: If the adjacent box is checked, Seller discloses that the Property has been clad previously (either in whole or in part) with an "exterior insulating and finishing system" commonly known as "EIFS" or "synthetic stucco". Seller makes no representations or warranties regarding such system and Buyer is advised to make its own independent determinations with respect to conditions related to or occasioned by the existence of such materials at the Property.

Buyer Initials Seller Initials

THE NORTH CAROLINA ASSOCIATION OF REALTORS®, INC. AND THE NORTH CAROLINA BAR ASSOCIATION MAKE NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION. IF YOU DO NOT UNDERSTAND THIS FORM OR FEEL THAT IT DOES NOT PROVIDE FOR YOUR LEGAL NEEDS, YOU SHOULD CONSULT A NORTH CAROLINA REAL ESTATE ATTORNEY BEFORE YOU SIGN IT.

BUYER:

SELLER:

Individual

Individual

Date: _____

Date: _____

Date: _____

Date: _____

Business Entity

Business Entity

_____ Catawba County
(Name of Entity)

_____ Startown Investors LLC
(Name of Entity)

By: _____

By: _____

Name: J. Anthony Rose

Name: John W. Kessel, M.D.

Title: President, CEO, CVMC

Title: Member/Manager

Date: 7-31-14

Date: 7/30/14

The undersigned hereby acknowledges receipt of the Earnest Money set forth herein and agrees to hold said Earnest Money in accordance with the terms hereof.

_____ (Name of Firm)

Date: _____

By: _____

Exhibit B

Additional Terms and Conditions:

The authority of J. Anthony Rose to enter into this agreement on behalf of the Buyer as CEO of Catawba Valley Medical Center ("CVMC") is subject to the express approval and ratification of Catawba County by its Board of Commissioners.

Agreement to terminate any and all existing Lease arrangements or agreements by tenants under those leases, including but not limited to the lease(s) listed below and options under those lease(s), without cost to Buyer.

Closing on this transaction will also be contingent upon the execution of a mutually agreeable lease to cover continued occupancy of the Property by the tenants listed below from the Closing for up to three month, until those tenants cease operation presumably by closing of a sale of substantially all their assets. Such a lease would include a provision to hold an amount out of closing to secure payment of the rent under that lease and as a security deposit.

List of Leases: *Lease to be terminated at Closing. JWC*

There is a Lease Agreement dated January 1, 2002 between Startown Investors, LLC as Lessor and Fairbrook Medical Clinic, P.A. as Tenant.

Leased premises is defined as the entire tract of land and all improvements thereon. Initial term of 13 months, 12/1/01-12/31/02; continuing annually thereafter, unless terminated by either party on notice not less than 90 days prior to end of any lease year. Stated rental amount to Lessor net of taxes, insurance, cost of maintenance and repairs. That amount has not actually been paid by Tenant.

Then there is an Amendment that was executed in December 2005, with a stated effective date of 12/1/01. Term of the Lease was restated to be 12/1/01 through 12/31/10, with Tenant having options to extend Lease for two additional terms of 5 years each. Tenant has excercised the first of these options.

JR
7-31

JWC
7/30/14

MEMORANDUM

TO: Catawba County Board of Commissioners

FROM: Policy and Public Works Subcommittee

DATE: August 18, 2014

IN RE: Water and Sewer Capital Fees Adjustment

Request:

The Policy and Public Works Subcommittee recommends the Board of Commissioners approve amending the Water and Sewer Capital Fee Schedule.

Background:

After a periodic review of regional water and sewer connection fees, staff has determined that the County's current water and sewer connection fees are not as competitive as they need to be to stimulate economic development in the County.

As you know, County Water and Sewer Capital Fees are reviewed annually and the water and sewer connection fees in the unincorporated areas of the County are a combination of Catawba County Capital Fees and municipal connection fees. The combined fees when compared to those of other jurisdictions in our region are not competitive, particularly with regards to Charlotte-Mecklenburg, Iredell, and Lincoln. For example, see the attached comparison of Southeastern Catawba County (SECC) connection fees, which are combined City of Hickory and County fees, compared to other jurisdictions in the region.

Ensuring that water and sewer fees are competitive when compared to other jurisdictions in the region has been discussed at length by staff, including the need to re-energize development across all of Catawba County. These staff discussions have produced the following proposed revisions to the County's existing fee schedule:

- Capital fees for existing and new property improvements (i.e. domicile, business, industry, etc.) after the construction of county water and sewer utility (construction time period includes the 12 month warranty period) are:
 - Capital fees for 1" or less water meter/tap: \$1,250 for water and \$1,500 for sewer;
 - Capital fees for 2": \$2,250 for water and \$3,500 for sewer;
 - Capital fees for 3": \$3,250 for water and \$5,500 for sewer.
- To entice the connection of existing buildings that exist at the onset of construction of County funded water and sewer utilities to municipal services, Capital Fees for existing property improvements shall be reduced by 50% during the utility construction period.

Existing property improvements include, for example, residences, businesses, industries, etc., that rely upon existing non-municipal water and sewer provisions and are adjacent to the utility under construction.

- Each connection has a \$1,250 minimum capital fee for water and \$1,500 minimum capital fee for sewer. For every ¼” increment increase in connection size above 1”, \$250 is added to water capital fee and \$500 is added to sewer capital fee. Sewer infrastructure is more expensive to construct versus water infrastructure.

PROPOSED COUNTYWIDE WATER AND SEWER MARKETING ACTIVITIES

Group and One-on-One Outreach

During major water and sewer line project development and installation, Catawba County staff will provide public meetings to inform those property owners affected by the project about what to expect during construction and how to connect to infrastructure. For example, within the area serviced by the Southeastern Catawba County Water and Sewer System (SECC), staff held an initial public meeting at Sherrills Ford Elementary School on Thursday, August 4, 2011. Currently, staff and consultants are contacting businesses along the sewer route individually to ascertain their needs and desire to connect. Once the County’s capital fees are adjusted, County staff will hold an additional public meeting for all along the project route to receive the updated fee schedule and discuss connection steps.

In addition, the Utilities and Engineering Department will dedicate staff to respond to follow-up questions from the aforementioned public meetings, as well as calls resulting from Media Outreach identified below.

Media Outreach

Staff will also use the following methods for informing the community about public meetings, updated fee schedule, and steps for water and sewer hookup. Those methods include:

- Traditional news release to newspapers, TV, and radio. In vicinities where a particular newspaper has high circulation, follow- up calls will be made asking them to feature the story more prominently. For example, in the area of the SECC, The Charlotte Observer appears to have the highest circulation of any media in southeastern Catawba County so the newspaper would be asked to feature a story on the project;
- Placement of news releases on the County’s website;
- Placement of a shorter (more social media-friendly) version in Facebook and Twitter;
- Prominent placement of the story in at least one issue of Catawba County E-News;
- Direct postal mailers will be used to further promote water and sewer hookups.

Word of Mouth

Staff envisions the aforementioned opportunities will create a “communications buzz” within communities. In addition, in the southeastern part of the County, staff plans to get on the agendas of the Catawba County Chamber of Commerce, Southeast Chamber of Commerce, and

the Sherrills Ford Rotary Club to talk about expanded water and services. Staff will also follow up on leads referred by the Board of Commissioners. In other areas of the County, similar tactics will be used, drawing upon civic organizations, etc.

Recommendation:

The Policy and Public Works Subcommittee recommends the Board of Commissioners approve amending the Water and Sewer Capital Fee Schedule.

Regional Single Family Water and Sewer Combined Connection Fees Comparison

February 2014

Jurisdiction (Counties)	Combined Water & Sewer Connection Fee
Alexander	\$2,351
Burke	\$2,125
Cabarrus	Only Water Available; Connection fee = \$1,432
Caldwell	Only Water Available; Connection fee = \$750
FY 13-14: Catawba-SECC System	\$8,702
Proposed Catawba-SECC System	\$7,452
FY 13-14: SECC with Developer installed sewer tap & water meter box	\$6,012 (per lot connection fee)
Proposed SECC with Developer installed sewer tap & water meter box	\$4,762 (fees paid by developers during construction phase)
Charlotte-Mecklenburg	\$6,248
Gaston	Only Water Available; Connection fee = \$2,189
Iredell	\$4,675
*Lincoln	*\$8,060

*Lincoln County has the highest connection fee for developer installed single family residential infrastructure. In addition, Lincoln County created a special sewer taxing district for implementing sewer service/infrastructure, which is currently \$0.0359 per \$100 property value and a factor in establishing their connection fees. Note, Lincoln County's base property tax rate is currently \$0.598; thus, if one lives in Lincoln County's sewer district, they will pay 10 cents more per \$100 property value than if they chose to live in Catawba County.