

Regular Session, April 7, 2025, 7:00 p.m.
Catawba County Board of Commissioners

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The Catawba County Board of Commissioners met in Regular Session on Monday, April 7, 2025, at 7:00 p.m., in the Board of Commissioners Meeting Room, 2nd Floor, Catawba County Justice Center, 100 Government Drive, Newton, North Carolina.

Present were Chair Randy Isenhower, Vice-Chair Austin Allran, and Commissioners Robert C. Abernethy, Jr., Barbara G. Beatty, and Cole Setzer.

Also present were County Manager Mary S. Furtado, Assistant County Manager Paul Murray, Assistant County Manager Justin Merritt, County Attorney Jodi Stewart, Assistant County Attorney Josh Teague, and County Clerk Dale Stiles.

1. Chair Randy Isenhower called the meeting to order at 7:00 p.m., noting a quorum was present.
2. Commissioner Barbara G. Beatty led the Pledge of Allegiance.
3. Commissioner Robert C. Abernethy, Jr., offered the invocation.
4. Commissioner Cole Setzer made a motion to approve the Minutes from the Board's Regular Meeting of March 17, 2025. The motion carried unanimously.
5. Recognition of Special Guests:
Chair Isenhower welcomed everyone present including Scout Troup 828, Camp Dogwood Sherrills Ford.
6. Public Comments.
James Michael McRee came forward requesting the monument on the grounds of the 1924 Courthouse not be removed.
7. Appointments.
Upon a recommendation by Commissioner Abernethy that came in the form of a motion which unanimously carried, the Board appointed Garrett Osborne to the K-64 Education Board, beginning May 15th 2025, with a term expiration of May 15th, 2027.
Upon a recommendation by Commissioner Abernethy that came in the form of a motion which unanimously carried, the Board made the following appointments/reappointments to the Nursing & Rest Home Community Advisory Committee: Jane Turner Murphy for a 10th term, with a term expiration of February 14, 2027; and Warren Elston, Marea Pinto and Craig Pinto to first terms, with term expirations of April 7, 2026. (Initial terms are for one year only.)
Upon the recommendation of Commissioner Beatty that came in the form of a motion which unanimously carried, the Board reappointed Carmen Isenhower to the Library Board of Trustees for a second term, with a term expiration of June 30, 2029.
8. Presentations.
 - a. The Board was prepared to present a Proclamation Declaring April 18th as Line Worker Appreciation Day; however, no one was present. Therefore, the Proclamation will be provided to Robin Nicholson at a later date, outside of a Board of Commissioners meeting.
 - b. Commissioner Beatty presented a Proclamation Declaring April as Child Abuse Awareness Month to Community Engagement Specialist Melanie Sigmon on behalf of Catawba County Children's Advocacy & Protection Center.
 - c. Vice-Chair Austin Allran presented a Proclamation Declaring April as Public Health Month to Public Health Director Jennifer McCracken and Assistant Director Julie Byrd.
 - d. Commissioner Abernethy presented a Proclamation Declaring April 13-19, 2025 as National Public Safety Telecommunications Week to 911 Communications Center Administrator Brian Drum.
9. Consent Agenda.
County Manager Mary Furtado presented the following four items under the consent agenda. Chair Isenhower asked if any commissioner wished for an item to be broken out of the consent agenda for individual consideration. None was requested.

a. The Finance and Personnel Subcommittee recommended an appropriation of \$1,415,000 from General Fund fund balance for Mobile Classrooms at St. Stephens and Balls Creek Elementary Schools.

Catawba County Schools is experiencing capacity pressures in several elementary schools, particularly in the Bandys and St. Stephens High School feeder areas. These capacity issues are driven by a combination of student growth, K-3 class size restrictions requiring more classrooms in these lower grades, and the need to carve out space for ancillary programs such as art, music, and physical education that result in lower adjusted or functional capacities. To allow for the classroom size restrictions and maintain space for ancillary programs, the adjusted functional capacity of each elementary school amounts to roughly 85% of total capacity.

Two elementary schools are currently over adjusted capacities, with additional growth anticipated. Balls Creek Elementary School has a gross capacity of 794 students, with an adjusted capacity of 684 students and a current utilization rate of 102.33%. Additional growth is anticipated at Balls Creek, as several developments that feed this school are currently under construction. St. Stephens Elementary School has a total capacity of 758 students with an adjusted capacity of 649 students, and a current utilization rate of 113.4% with additional growth anticipated. Both schools were identified as pressure points in the comprehensive facilities study funded by the BOC and conducted by McKissick Associates.

The system plans to use the requested funding to enter into 5-year leases for two four-classroom modular units through Mobile Modular Management Corporation, the same vendor used to supply the unit placed at Sherrills Ford Elementary School earlier this year. Delivery, set-up, and utility connections are expected to cost \$240,500 at Balls Creek Elementary and \$280,500 at St. Stephens Elementary. Each mobile is anticipated to cost \$82,800 per year with an initial lease term of five years. Additionally, there will be a return charge per mobile of roughly \$32,575 once they are no longer needed. Total costs are projected to be \$687,065 for Balls Creek and \$727,065 for St. Stephens.

Supplemental Appropriation:

Revenue:

110-190050-690100	Fund Balance Appropriated	\$1,415,000
420-750100-750100-695110	From General Fund	\$1,415,000

Expense:

110-190900-995420	Transfer to Schools Capital Fund	\$1,415,000
420-750100-863200-31150-4-03	Mobile Classrooms	\$1,415,000

b. The Finance and Personnel Subcommittee recommended the Board of Commissioners approve a resolution authorizing the County to participate in the North Carolina Investment Pool and North Carolina Cooperative Liquid Assets Securities System local government investment pools.

NC General Statute (NCGS) §159-30 defines a limited list of authorized investment types for local governments. Of these available options, the County's investment portfolio currently includes US Treasury bills and notes, US agency bonds, money market accounts, and the North Carolina Capital Management Trust (NCCMT), a SEC registered, Local Government Commission certified, money market mutual fund. Based on the NCCMT portfolio and the County managed portfolio, investments are concentrated within a couple of sectors. Pursuant to NCGS §159-30 (c) (10), funds may be invested in a commingled investment pool established by an interlocal agreement by two or more units of local government pursuant to NCGS §160A-460 through NCGS §160A-464, if the investments of the pool are limited to those qualifying for investment under NCGS §159-30(c). To ensure safety, liquidity, and yield and to diversify the portfolio within the requirements of NCGS §159-30, staff recommends the County participate in the two local government investment pools currently approved by the Local Government Commission; North Carolina Investment Pool and North Carolina Cooperative Liquid Assets Securities System.

The North Carolina Investment Pool (NCIP) was established in 2021 to provide North Carolina government units with professionally managed commingled investment options for short-term funds. NCIP provides a short-term liquid portfolio rated AAAM by S&P Global Ratings and AAAMmf by Fitch Ratings. NCIP utilizes PFM Asset Management as its investment advisor and administrator, Parker Poe Adams & Bernstein LLP as

counsel, Fifth Third Bank as the securities custodian, and Wells Fargo Bank N.A. as the depository. NCIP has a Board of Trustees made up of participating governmental units. Currently 12 counties, including Wake, Mecklenburg, Gaston, Guilford, and Buncombe are participating in NCIP. The NC Association of County Commissioners (NCACC) has partnered with NCIP as a sponsoring association.

Assets Under Management: \$1.1B

Expense Ratio: 14 basis points

Note: Participants do not pay costs directly. Portfolio expenses reduce total portfolio earnings, and that net is what is earned by participants.

The current NCIP portfolio consists of Repurchase Agreements (29%) and Commercial Paper (71%). Credit quality distribution based on S&P Ratings includes A-1+ and A-1 securities. The weighted average maturity as of February was 41 days.

The North Carolina Cooperative Liquid Assets Securities System (NCCLASS) is an investment pool created by an Interlocal Agreement and an Indenture of Trust, pursuant to NCGS §159-30 (c)(10). NCCLASS was organized in 2023 and provides a professionally managed investment program. Funds of the participants are invested in prime or high-grade, short-term fixed income instruments selected with the goal of providing program safety, liquidity, and competitive rates of return.

The management of NCCLASS is under the direction of a Board of Trustees comprised of eligible participants of the NCCLASS program. The Board of Trustees has appointed Public Trust Advisors, LLC to serve as the investment advisor and administrator of the program, McGuire Woods, LLP as counsel, and Fifth Third Bank as the securities custodian. NCCLASS provides a short-term liquid portfolio rated AA+ by S&P Global Ratings. Currently eight counties, including Buncombe, Mecklenburg, Gaston, Lincoln, Onslow, and Harnett are participating in NCCLASS, with 31 municipalities participating. The NC League of Municipalities has partnered with NCCLASS as a sponsoring association.

Assets Under Management: \$840M currently

Expense Ratio: 11 basis points

Note: Participants do not pay costs directly. Portfolio expenses reduce total portfolio earnings, and that net is what is earned by participants.

The current NC CLASS portfolio consists of Repurchase Agreements (16.13%), A-1 Commercial Paper (38.65%), A-1+ Commercial Paper (41.28%), US Treasury (2%), and collateralized bank deposits (1.04%). The maximum weighted average maturity is less than 60 days.

The County's participation in NCIP and NCCLASS would provide daily liquidity, which offers increased flexibility and efficiency for cash flow management. The County's current portfolio is concentrated in US Treasury and US Agencies and could benefit from investment diversification within the requirements of NCGS §159-30. Participating in NCIP and NCCLASS would provide an additional option to invest idle County funds securely and efficiently.

The following resolution applies:

RESOLUTION No. 2025-10

RESOLUTION TO PARTICIPANT IN NORTH CAROLINA INVESTMENT POOL AND NORTH CAROLINA COOPERATIVE LIQUID ASSETS SECURITIES SYSTEMS

WHEREAS, Catawba County Board of Commissioners desires to join with other State of North Carolina local governments or public authorities ("Local Governmental Units") to pool funds for investment as permitted by and pursuant to North Carolina General Statute (N.C.G.S.) Section 159-30(c)(10) relating to a commingled investment pool established by interlocal agreement by two or more units of local government pursuant to N.C.G.S. Sections 160A-460 through 160A-464 on containing only investments limited to those qualifying for investment under N.C.G.S. Section 159-30 (c) and N.C.G.S. Section 159-32; and

WHEREAS, both the North Carolina Investment Pool (NCIP) and North Carolina Cooperative Liquid Assets Securities System (NCCLASS) are statutory trusts formed under the laws of the State of North Carolina in accordance with the provisions of N.C.G.S. Section 159-30 (c) as set forth above.

NOW, THEREFORE, BE IT RESOLVED by the Catawba County Board of Commissioners that:

1. The Board hereby approves and adopts, and thereby agrees to join as a Participant with other Local Government Units, pursuant to N.C.G.S. Sections 159- 30(c)(10) and 160A-461 through 160A-464, that certain trust (the "Trust") described in the North Carolina Investment Pool Amended and Restated Indenture of Trust dated October 5, 2023 and described in the North Carolina Cooperative Liquid Assets Securities System Amended Indenture of Trust dated December 5, 2024, as both may be amended from time to time, the terms of which are incorporated herein by this reference and a copy of which shall be filed with the minutes of the meeting at which this Resolution was adopted; and
2. The Chief Financial Officer, or designee, acting individually or collectively, is hereby authorized, empowered and directed to take action necessary to appropriate in the judgement of such office to accomplish the purpose and intent of this Resolution, including the execution and delivery of the Indenture and all other documents, agreements, instruments and certificate contemplated by the Indenture or necessary or appropriate to join the Trusts (collectively, the "Trust Documents"), with such changes or modifications as such officers determine to be necessary or advisable and in the best interest of the Participant. (The signature of any such officer on the Trust Documents to be conclusive evidence of such determination.)

Adopted the 7th day of April 2025.

c. The Policy and Public Works Subcommittee recommended the Board of Commissioners authorize Langdon Ridge Subdivision Road Improvement Project and adopt the project's Preliminary Assessment Resolution.

Resolution #2020-17 created the petition-driven program to upgrade privately maintained secondary roads to meet NCDOT standards, thereby converting road maintenance responsibility from private homeowners to NCDOT. As statutorily permitted, the cost of improvements may be assessed against the property owners and recouped over a 10-year period, through the special assessment process. To participate in the program, a minimum 75 percent of the homeowners to be assessed must voluntarily sign a petition supporting the project. The owners who sign the petition must account for at least 75 percent of the road frontage to be improved through the assessment.

Langdon Ridge subdivision is located at the end of Langdon Road in unincorporated Catawba County. The property owners of that portion of Langdon Ridge subdivision fronting on Langdon Road filed with the Utilities & Engineering Department a petition for improving the streets. The portion of Langdon Ridge subdivision included in the petition consists of eight (8) lots. A petition was signed by the property owners of all eight (8) lots representing approximately 836.64 lineal feet (100%) of total frontage.

NCDOT staff prepared the scope of work and County staff prepared the cost estimate to bring the roads up to NCDOT standards. A letter from NCDOT stating the roads will be recommended for acceptance into the Secondary Road Maintenance Program once improved is attached.

The street is approximately 29 years old and is generally in poor condition for pavement of this age. To bring the roads up to North Carolina Department of Transportation standards, objects within the right-of-way will be removed; the pavement will be milled 1.5 inches and overlaid with 1.5 inches of asphalt. The cost of this work is estimated to be between \$35,000 and \$40,000, or about \$4,375.00 to \$5,000.00 per lot. The final cost and per lot assessment remains unknown until the project is bid and constructed.

The table below summarizes the statutory process for establishing private road assessments and, for the items that have already been completed, provides the dates on which the Board of Commissioners took

each required action. The table also outlines the remaining steps the Board will still need to take to implement the assessment (*noted in italics*).

NCGS §	Date	Action Items
153A-205	2/18/2025	Citizens petition BOC with >75% of property owners & >75% of road frontage.
153A-190 & 153A-191	4/7/2025	BOC accepts Citizen Petition, makes funding decision and adopts Preliminary Resolution describing the Project, financing and setting time for Public Hearing.
153A-192	5/5/2025	<i>BOC holds Public Hearing on Preliminary Assessment Resolution.</i>
153A-192	5/5/2025	<i>BOC considers adopting Final Resolution approving Project, setting financing terms.</i>
143-131	<i>tbd</i>	<i>Project is bid in accordance with NC Procurement Procedures.</i>
143-131	<i>tbd</i>	<i>Bid awarded.</i>
153A-193 & 194	<i>tbd</i>	<i>BOC determines Project Total Cost, sets date and time for Public Hearing on the Preliminary Assessment Rolls.</i>
153A-195	<i>tbd</i>	<i>BOC holds Public Hearing on the Preliminary Assessment Rolls annuals, confirms Preliminary Assessment Rolls. If confirmed, Tax Administrator is authorized to collect assessment fees in same manner as property taxes.</i>

The alternative to adopting the Preliminary Assessment Resolution is to deny it and not offer public financing of private road improvements.

The following resolution applies:

RESOLUTION No. 2025-11
PRELIMINARY ASSESSMENT RESOLUTION
FOR STREET IMPROVEMENT PROJECT
FOR LANGDON RIDGE SUBDIVISION
APRIL 7, 2025

WHEREAS, street maintenance and deterioration is a concern that affects residents of Catawba County neighborhoods and subdivisions; and

WHEREAS, at its meeting held on September 8, 2020, the Catawba County Board of Commissioners resolved (Resolution # 2020-17) to take an active role in efforts to make street repair assistance available to citizens when other alternatives are not feasible, in accordance with Chapter 153A Article 9 of the North Carolina General Statutes; and

WHEREAS, on the 18th day of February 2025, the property owners of Langdon Ridge subdivision at the end of Langdon Road filed with the Catawba County Utilities and Engineering Department a petition for improving the streets in the following manner:

Objects within the right-of-way will be removed; the pavement will be milled 1.5 inches and overlaid with 1.5 inches of asphalt; and

WHEREAS, the Director of Utilities and Engineering for Catawba County has certified to the Catawba County Board of Commissioners that said petition is sufficient in all respects, the same having been duly signed by more than seventy-five percent (75%) of the affected owners, whose property represents more than seventy-five percent (75%) of all the lineal feet of frontage of the lands abutting upon the streets or portion of streets hereinabove described.

NOW, THEREFORE, BE IT RESOLVED by the Catawba County Board of Commissioners:

1. The above mentioned petition is found to be sufficient in all respects.
2. It is intended that a portion of Langdon Road within Langdon Ridge subdivision be improved in the following manner:

Objects within the right-of-way will be removed; the pavement will be milled 1.5 inches and overlaid with 1.5 inches of asphalt;

under and by virtue of Chapter 153A Article 9 of the General Statutes of North Carolina and the procedure therein established for acceptance into the NCDOT State system for highway maintenance.

3. One hundred percent (100%) of the total cost of said improvement, be hereafter assessed upon the property receiving the improvements (according to the assessment basis set out in the petition):

The property owners of Langdon Ridge subdivision fronting on Langdon Road.

4. Within 30 days of publication of notice of confirmation of the final assessment role, the assessments shall be payable in full, or if any property owner shall so elect, such owner shall have the option of paying the assessment in ten (10) equal annual installments, said installments to bear interest at the proposed rate of 1.5% percent per annum.
5. A public hearing on all matters covered by this resolution shall be held at 7:00 p.m. on the 5th day of May, 2025, in the Board of Commissioners Meeting Room, 2nd floor of the Catawba County Justice Center, 100 Government Dr. in Newton, North Carolina.

BE IT FURTHER RESOLVED that a copy of the Notice of Preliminary Assessment Resolution and Public Hearing provided for in NCGS § 153A-191 be published in the Hickory Daily Record as described in said subsection of said General Statutes.

The County, and its officers, agents and attorneys are hereby directed to take any further actions as may be required by the laws of the State of North Carolina to perform the matters and things directed by this Resolution.

Adopted the 7th day of April, 2025.

d. Staff recommended the Catawba County Board of Commissioners amend the list of Map Review Officers by adoption of a resolution.

On July 17, 1997, the General Assembly ratified SB 875 - Maps and Plats Law. This law requires all counties to appoint Review Officers who would review each plat or map before it is recorded and certify that it meets the statutory requirements for mapping. The law states that individuals have to be appointed by name, not by job title, so that any time a change occurs in staffing, a new Review Officer has to be appointed and approved by resolution of the Board of Commissioners and subsequently recorded in the Register of Deeds Office.

Town of Maiden is requesting that Lisa Johnson be removed as a review officer.

With approval of the attached resolution incorporating the changes noted above, the active list of Review Officers will be:

Catawba County:	Chris Timberlake, Madison Whisnant, Laurie LoCicero, Maggie Gaughan and Frances Darnell
City of Hickory:	Brian Frazier, Cal Overby, Mike Kirby, and Wilson Elliott
City of Newton:	Randy Williams and Alex S. Fulbright
City of Conover:	Stephanie Watson, Heather Stephens, Madeleine Epley, and Erik Schlichting

City of Claremont: Bryce Carter
Town of Long View: Charles T. Mullis
Town of Maiden: Blake Wright
Town of Catawba: John E. Wear, Teresa Kinney, and Ashley Young
Town of Brookford: Marshall Eckard

The following resolution applies:

RESOLUTION #2025-12
APPOINTMENT OF MAP REVIEW OFFICERS

WHEREAS, S.L. 1997-309 (SB875) made a number of significant changes in the procedures for recording maps and plats; and

WHEREAS, the main purpose of the law was to transfer the responsibility for reviewing plats to determine whether they meet recording requirements from the Register of Deeds to a Review Officer; and

WHEREAS, G.S. 47-30.2 requires the Board of County Commissioners in each County, by resolution, to appoint a person or persons to serve as Review Officer to review each plat or map before it is recorded and certify that it meets the statutory requirements for recording; and

WHEREAS, it is the desire of the Catawba County Board of Commissioners to insure an expeditious review of all maps and plats as required by G.S. 47-30.2 before they are presented to the Register of Deeds for recording; and

WHEREAS, the Catawba County Board of Commissioners on February 17th, 2025, adopted Resolution #2025-07 which included names of individuals who were appointed as Review Officers for representative jurisdictions in Catawba County; and

WHEREAS, said Resolution was recorded in the Office of the Register of Deeds in Book 3924 Pages 0591-0592; and

WHEREAS, staffing changes have occurred in the Town of Maiden which necessitate an amendment to the approved list of Map Review Officers.

NOW THEREFORE, BE IT RESOLVED, that Lisa Johnson is hereby removed from the list of appointed Review Officers for the Town of Maiden.

With the above change, the comprehensive list of Map Review Officers is as follows:

Catawba County: Chris Timberlake and Madison Whisnant, Laure LoCicero, Maggie Gaughan and Frances Darnall
City of Hickory: Brian Frazier, Cal Overby, Mike Kirby, Wilson Elliott
City of Newton: Randy Williams and Alex S. Fulbright
City of Conover: Stephanie Watson, Heather Stephens, Madeleine Epley, and Erik Schlichting
City of Claremont: Bryce Carter
Town of Long View: Charles T. Mullis
Town of Maiden: Blake Wright
Town of Catawba: John E. Wear, Teresa Kinney, and Ashley Young
Town of Brookford: Marshall Eckard

AND BE IT FURTHER RESOLVED that a copy of this Resolution designating the Review Officers be recorded in the Catawba County Register of Deed's Office and indexed in the names of the Review Officers.

Adopted this the 7th day of April 2025.

The consent agenda items came in the form of a motion by Chair Isenhower, which carried unanimously.

10. Other Items of Business. None.

11. Manager's Report. None.

12. Attorney's Report.

County Attorney Jodi Stewart, on behalf of CVMC staff, requested the Board of Commissioners approve the Termination of the Ground Lease and related Memorandum for CVMC's medical office building in Sherrills Ford.

In 2018, the Board of Trustees of Catawba Valley Medical Center ("CVMC") purchased a parcel of land located at 3900 Terrell Park Drive (the "Parcel"). The Parcel is located near the intersection of Slanting Bridge Road and E NC 150, across Village Center N. from what is now the Publix Grocery Store. The goal in acquiring the Parcel was to develop a medical office building ("MOB") for use by the Family Medicine Practice in Sherrills Ford operated by Catawba Valley Medical Group, Inc., ("CVMG") and perhaps other health care providers.

Summit and CVMC determined that the preferred structure for financing and developing the MOB was for CVMC and the County to enter into a Ground Lease with an entity affiliated with Summit, SMP Sherrills Ford, LLC ("SMP"), for a term not to exceed ninety-nine (99) years. The County as owner of the real property, had to approve and sign the Ground Lease, because the land is owned in the name of Catawba County.

CVMC and SMP, at the same time, entered into a construction loan agreement, with CVMC lending the funds necessary to build the MOB to SMP, with CVMC obtaining a Deed of Trust covering the Ground Lease securing the loan. CVMC simultaneously entered into a Building Lease, leasing the entire building from SMP with the rent not beginning until the building was occupied. CVMC as building tenant, paid rent to SMP, who then paid some of that rent back to CVMC as the lender, and some of the rent back to CVMC as lessor on the Ground Lease.

CVMC, on behalf of the County, retained a right of first offer and first refusal on SMP's rights under the Ground Lease, giving CVMC the first opportunity to buy the building from SMP, and CVMC also had an option to buy the building, which has now been exercised. CVMC now owns the building and land unencumbered.

Mike Thomas of Patrick Harper Dixon has prepared and/or reviewed the Memorandum and Termination of Lease, along with Summit's attorney.

Commissioner Beatty made a motion to approve the termination of the ground lease and related Memorandum for CVMC's medical office building in Sherrills Ford. The motion carried unanimously.

A copy of the Termination of round Lease Agreement is hereto attached:

**TERMINATION OF
GROUND LEASE AGREEMENT**

This **TERMINATION OF GROUND LEASE AGREEMENT** is made as of the _____ day of _____, 2025, by and between CATAWBA COUNTY, o/b/o CATAWBA VALLEY MEDICAL CENTER (the "*Lessor*") and SMP SHERRILLS FORD, LLC (the "*Lessee*").

RECITALS

WHEREAS, the Lessor and the Lessee entered into that certain Ground Lease Agreement, dated as of June 29, 2021 (the "*Ground Lease*"), pursuant to which the Lessor leased certain real property more specifically set forth in the Ground Lease, located at 3900 Terrell Park Drive, Sherrills Ford, NC (the "*Property*") to Lessee;

WHEREAS, the Lessor has exercised its Option to Purchase provided for in Section 13.3 of the Ground Lease, and the Lessor and Lessee wish to terminate the Ground Lease effective as of the date hereof; and

WHEREAS, capitalized terms used but not defined herein shall have the same meaning assigned to such terms in the Ground Lease.

NOW, THEREFORE, for and in consideration of the above premises and other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, the parties agree as follows:

1. The Ground Lease and all leasehold right, title and interest of Lessee in and to the Property is hereby terminated.
2. The Lessee is hereby released from all liability and shall have no further obligations to the Lessor under the Ground Lease or any other prior agreements relating to the Property or the Project between the Lessor and the Lessee.
3. The Lessor shall execute a Satisfaction of Security Instrument for the Construction Leasehold Deed of Trust Securing Future Advances, Security Agreement and Assignment of Leases and Rents, which shall be recorded in the Catawba County Registry in conjunction with the Lessor's purchase of the Property.
4. Lessor and Lessee represent to the other that (a) the execution and delivery of this Termination of Ground Lease Agreement has been duly authorized by them, (b) each of the persons executing it on their behalf is fully authorized to execute it, and (c) upon execution and delivery hereof, it will be a valid, legal and binding obligation of the party having executed and delivered it, enforceable against them in accordance with its terms, subject only to the effect of any bankruptcy, insolvency, or similar laws, affecting creditors' rights generally and to general principles of equity.

5. Notwithstanding anything herein or in another agreement between the Lessor and Lessee to the contrary, no incorporator, director, member, or officer, as such, past, present or future of the Lessee or of any member thereof, or any incorporator, director, manager, member or officer of any successor entity, as such, either directly or through the Lessee or any member thereof, or any successor entity or otherwise (the "**Exculpated Parties**"), shall have any liability hereunder or under any other agreement between the Lessor and Lessee and no recourse under or upon any obligation, covenant, representation or agreement contained in this Termination of Ground Lease Agreement or any other such agreement, including any obligations of indemnity, shall be had against any of the Exculpated Parties for any liability hereunder including, without limitation, the payment for or to the Lessee or any receiver thereof of any sum that may be due and unpaid by the Lessee under this Agreement, notwithstanding the survival of any obligation of the Lessee beyond the term thereof, it being specifically agreed that the liability of Lessee hereunder shall be "non-recourse," and accordingly, the sole source of satisfaction of its obligations hereunder shall be limited to its interest in the Property, all insurance directly relating to the Property, and the rents, issues and surpluses relating thereto.

6. The parties agree that this Termination of Ground Lease Agreement shall be binding upon and inure to the benefit of themselves and their respective successors and assigns.

7. This Termination of Ground Lease Agreement may be executed in one or more counterparts, each of which shall be deemed an original agreement, but all of which together shall constitute one and the same instrument.

[The remainder of this page intentionally left blank; Signature Pages follow]

IN WITNESS WHEREOF, the parties have executed this Termination of Ground Lease Agreement effective as of the date first above written.

LESSOR:

CATAWBA COUNTY
a North Carolina body politic

By: _____
Name: _____
Title: _____

STATE OF NORTH CAROLINA
COUNTY OF _____

I certify that _____, as _____ of Catawba County, a North Carolina body politic, personally appeared before me this day, acknowledging to me that he or she signed the foregoing document for the purpose stated therein and in the capacity indicated.

WITNESS my hand and notarial stamp/seal, this _____ day of _____, 2025.

Notary Public
My Commission Expires: _____

[SIGNATURE PAGE TO TERMINATION OF GROUND LEASE AGREEMENT]

LESSOR:

CATAWBA VALLEY MEDICAL CENTER

By: _____

Name: _____

Title: _____

STATE OF NORTH CAROLINA

COUNTY OF _____

I certify that _____, as _____ of Catawba Valley Medical Center, personally appeared before me this day, acknowledging to me that he or she signed the foregoing document for the purpose stated therein and in the capacity indicated.

WITNESS my hand and notarial stamp/seal, this _____ day of _____, 2025.

My Commission Expires: _____

[SIGNATURE PAGE TO TERMINATION OF GROUND LEASE AGREEMENT]

LESSEE:

SMP SHERRILLS FORD, LLC
a North Carolina limited liability company

By: Summit Healthcare Group, LLC
a North Carolina limited liability company
its Manager

By: _____
Joseph S. Joseph, Jr., Manager

STATE OF NORTH CAROLINA
COUNTY OF _____

I certify that Joseph S. Joseph, Jr., as Manager of Summit Healthcare Group, LLC, a North Carolina limited liability company, Manager of SMP Sherrills Ford, LLC, a North Carolina limited liability company, personally appeared before me this day, acknowledging to me that he signed the foregoing document for the purpose stated therein and in the capacity indicated.

WITNESS my hand and notarial stamp/seal, this _____ day of _____, 2025.

Notary Public
My Commission Expires: _____

Prepared by and return to: Adrienne E. Poe, POB 3463, GSO, NC 27402

**STATE OF NORTH CAROLINA
COUNTY OF CATAWBA**

**TERMINATION OF MEMORANDUM OF GROUND LEASE
IN BOOK 3671 AT PAGE 1600**

This **TERMINATION OF MEMORANDUM OF LEASE** is made as of the _____ day of _____, 2025 (the "Effective Date"), by and between **CATAWBA COUNTY, a North Carolina body politic, o/b/o CATAWBA VALLEY MEDICAL CENTER ("Lessor")** and **SMP SHERRILLS FORD, LLC, a North Carolina limited liability company ("Lessee")**.

WITNESSETH

WHEREAS, Lessor and Lessee entered into a Ground Lease Agreement dated June 29, 2021 (together with all amendments thereto, the "Lease");

WHEREAS, Lessor and Lessee executed a Memorandum of Ground Lease, which is recorded in Book 3671, Page 1600, Catawba County Registry (the "Memorandum"); and

WHEREAS, the Lessor has purchased the property described in the Lease from Lessee, and the Lessor and Lessee have executed a Termination of Ground Lease Agreement, and desire to terminate the Memorandum.

NOW THEREFORE, Lessor and Lessee agree as follow:

1. Lessor and Lessee authorize the filing of this Termination of Memorandum of Ground Lease in the Catawba County Register of Deeds office.
2. Lessor and Lessee acknowledge and agree that the Memorandum is hereby terminated and released of record.

[Signature pages follow.]

IN WITNESS WHEREOF, Lessor and Lessee have executed this Termination of Memorandum of Ground Lease as of the date first above written.

LESSOR:

CATAWBA COUNTY
a North Carolina body politic

By: _____
Name: _____
Title: _____

STATE OF NORTH CAROLINA
COUNTY OF _____

I certify that _____, as _____ of Catawba County, a North Carolina body politic, personally appeared before me this day, acknowledging to me that he or she signed the foregoing document for the purpose stated therein and in the capacity indicated.

WITNESS my hand and notarial stamp/seal, this _____ day of _____, 2025.

My Commission Expires: _____

[SIGNATURE PAGE TO TERMINATION OF MEMORANDUM OF GROUND LEASE]

LESSOR:

CATAWBA VALLEY MEDICAL CENTER

By: _____

Name: _____

Title: _____

STATE OF NORTH CAROLINA

COUNTY OF _____

I certify that _____, as _____ of Catawba Valley Medical Center, personally appeared before me this day, acknowledging to me that he or she signed the foregoing document for the purpose stated therein and in the capacity indicated.

WITNESS my hand and notarial stamp/seal, this _____ day of _____, 2025.

Notary Public

My Commission Expires: _____

[SIGNATURE PAGE TO TERMINATION OF MEMORANDUM OF GROUND LEASE]

LESSEE:

SMP SHERRILLS FORD, LLC
a North Carolina limited liability company

By: Summit Healthcare Group, LLC
a North Carolina limited liability company
its Manager

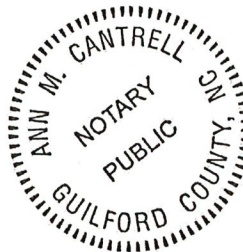
By: [Signature]
Joseph S. Joseph, Jr., Manager

STATE OF NORTH CAROLINA
COUNTY OF Guilford

I certify that Joseph S. Joseph, Jr., as Manager of Summit Healthcare Group, LLC, a North Carolina limited liability company, Manager of SMP Sherrills Ford, LLC, a North Carolina limited liability company, personally appeared before me this day, acknowledging to me that he signed the foregoing document for the purpose stated therein and in the capacity indicated.

WITNESS my hand and notarial stamp/seal, this 27 day of March, 2025.

[Signature] Notary Public
My Commission Expires: 7/8/26



**TERMINATION OF
GROUND LEASE AGREEMENT**

This **TERMINATION OF GROUND LEASE AGREEMENT** is made as of the _____ day of _____, 2025, by and between CATAWBA COUNTY, o/b/o CATAWBA VALLEY MEDICAL CENTER (the "*Lessor*") and SMP SHERRILLS FORD, LLC (the "*Lessee*").

RECITALS

WHEREAS, the Lessor and the Lessee entered into that certain Ground Lease Agreement, dated as of June 29, 2021 (the "*Ground Lease*"), pursuant to which the Lessor leased certain real property more specifically set forth in the Ground Lease, located at 3900 Terrell Park Drive, Sherrills Ford, NC (the "*Property*") to Lessee;

WHEREAS, the Lessor has exercised its Option to Purchase provided for in Section 13.3 of the Ground Lease, and the Lessor and Lessee wish to terminate the Ground Lease effective as of the date hereof; and

WHEREAS, capitalized terms used but not defined herein shall have the same meaning assigned to such terms in the Ground Lease.

NOW, THEREFORE, for and in consideration of the above premises and other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, the parties agree as follows:

1. The Ground Lease and all leasehold right, title and interest of Lessee in and to the Property is hereby terminated.
2. The Lessee is hereby released from all liability and shall have no further obligations to the Lessor under the Ground Lease or any other prior agreements relating to the Property or the Project between the Lessor and the Lessee.
3. The Lessor shall execute a Satisfaction of Security Instrument for the Construction Leasehold Deed of Trust Securing Future Advances, Security Agreement and Assignment of Leases and Rents, which shall be recorded in the Catawba County Registry in conjunction with the Lessor's purchase of the Property.
4. Lessor and Lessee represent to the other that (a) the execution and delivery of this Termination of Ground Lease Agreement has been duly authorized by them, (b) each of the persons executing it on their behalf is fully authorized to execute it, and (c) upon execution and delivery hereof, it will be a valid, legal and binding obligation of the party having executed and delivered it, enforceable against them in accordance with its terms, subject only to the effect of any bankruptcy, insolvency, or similar laws, affecting creditors' rights generally and to general principles of equity.

5. Notwithstanding anything herein or in another agreement between the Lessor and Lessee to the contrary, no incorporator, director, member, or officer, as such, past, present or future of the Lessee or of any member thereof, or any incorporator, director, manager, member or officer of any successor entity, as such, either directly or through the Lessee or any member thereof, or any successor entity or otherwise (the **"Exculpated Parties"**), shall have any liability hereunder or under any other agreement between the Lessor and Lessee and no recourse under or upon any obligation, covenant, representation or agreement contained in this Termination of Ground Lease Agreement or any other such agreement, including any obligations of indemnity, shall be had against any of the Exculpated Parties for any liability hereunder including, without limitation, the payment for or to the Lessee or any receiver thereof of any sum that may be due and unpaid by the Lessee under this Agreement, notwithstanding the survival of any obligation of the Lessee beyond the term thereof, it being specifically agreed that the liability of Lessee hereunder shall be "non-recourse," and accordingly, the sole source of satisfaction of its obligations hereunder shall be limited to its interest in the Property, all insurance directly relating to the Property, and the rents, issues and surpluses relating thereto.

6. The parties agree that this Termination of Ground Lease Agreement shall be binding upon and inure to the benefit of themselves and their respective successors and assigns.

7. This Termination of Ground Lease Agreement may be executed in one or more counterparts, each of which shall be deemed an original agreement, but all of which together shall constitute one and the same instrument.

[The remainder of this page intentionally left blank; Signature Pages follow]

IN WITNESS WHEREOF, the parties have executed this Termination of Ground Lease Agreement effective as of the date first above written.

LESSOR:

CATAWBA COUNTY
a North Carolina body politic

By: _____
Name: _____
Title: _____

STATE OF NORTH CAROLINA
COUNTY OF _____

I certify that _____, as _____ of Catawba County, a North Carolina body politic, personally appeared before me this day, acknowledging to me that he or she signed the foregoing document for the purpose stated therein and in the capacity indicated.

WITNESS my hand and notarial stamp/seal, this _____ day of _____, 2025.

Notary Public
My Commission Expires: _____

[SIGNATURE PAGE TO TERMINATION OF GROUND LEASE AGREEMENT]

LESSOR:

CATAWBA VALLEY MEDICAL CENTER

By: _____

Name: _____

Title: _____

STATE OF NORTH CAROLINA

COUNTY OF _____

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My Commission Expires: _____

[SIGNATURE PAGE TO TERMINATION OF GROUND LEASE AGREEMENT]

LESSEE:

SMP SHERRILLS FORD, LLC
a North Carolina limited liability company

By: Summit Healthcare Group, LLC
a North Carolina limited liability company
its Manager

By: _____
Joseph S. Joseph, Jr., Manager

STATE OF NORTH CAROLINA
COUNTY OF _____

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WITNESS my hand and notarial stamp/seal, this _____ day of _____, 2025.

Notary Public
My Commission Expires: _____

A copy of the Termination of Memorandum of Ground Lease is hereto attached.

Prepared by and return to: Adrienne E. Poe, POB 3463, GSO, NC 27402

**STATE OF NORTH CAROLINA
COUNTY OF CATAWBA**

**TERMINATION OF MEMORANDUM OF GROUND LEASE
IN BOOK 3671 AT PAGE 1600**

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[Signature pages follow.]

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LESSOR:

CATAWBA COUNTY
a North Carolina body politic

By: _____
Name: _____
Title: _____

STATE OF NORTH CAROLINA
COUNTY OF _____

I certify that _____, as _____ of Catawba County, a North Carolina body politic, personally appeared before me this day, acknowledging to me that he or she signed the foregoing document for the purpose stated therein and in the capacity indicated.

WITNESS my hand and notarial stamp/seal, this _____ day of _____, 2025.

Notary Public
My Commission Expires: _____

[SIGNATURE PAGE TO TERMINATION OF MEMORANDUM OF GROUND LEASE]

LESSOR:

CATAWBA VALLEY MEDICAL CENTER

By: _____

Name: _____

Title: _____

STATE OF NORTH CAROLINA

COUNTY OF _____

I certify that _____, as _____ of Catawba Valley Medical Center, personally appeared before me this day, acknowledging to me that he or she signed the foregoing document for the purpose stated therein and in the capacity indicated.

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Notary Public

My Commission Expires: _____

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LESSEE:

SMP SHERRILLS FORD, LLC
a North Carolina limited liability company

By: Summit Healthcare Group, LLC
a North Carolina limited liability company
its Manager

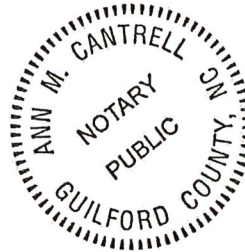
By: [Signature]
Joseph S. Joseph, Jr., Manager

STATE OF NORTH CAROLINA
COUNTY OF Guilford

I certify that Joseph S. Joseph, Jr., as Manager of Summit Healthcare Group, LLC, a North Carolina limited liability company, Manager of SMP Sherrills Ford, LLC, a North Carolina limited liability company, personally appeared before me this day, acknowledging to me that he signed the foregoing document for the purpose stated therein and in the capacity indicated.

WITNESS my hand and notarial stamp/seal, this 27 day of March, 2025.

Ann M. Cantrell Notary Public
My Commission Expires: 7/8/26



13. Adjournment. No further action was taken. Upon a motion by Commissioner Beatty which unanimously carried, the meeting was adjourned at 7:25 p.m.



Randy Isenhower, Chair
Catawba County Board of Commissioners



Dale R. Stiles
County Clerk