CITY OF MONROE - GENERAL SERVICES COMMITTEE
CITY HALL CONFERENCE ROOM
300 W. CROWELL STREET, MONROE, NC 28112
Thursday, August 3, 2023 - 4:00 PM

AGENDA

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1. Minutes of General Services Committee Meeting of June 1, 2023

2. Annual Settlement of Tax Collector for 2022

3. Budget Ordinance to Close Capital Projects

4. Budget Amendment for Unspent Appropriations

5. Approval of Fiscal Year 2024 Property and Casualty Contract with Travelers Insurance

6. Senior Nutritional Program - Bazemore Active Adult Center

7. Discussion of Offer to Purchase Real Property (no action)

8. City-Owned Facility Use Guidelines and Policy Discussion

Other Items

CITY OF MONROE
GENERAL SERVICES COMMITTEE MEETING
City Hall Conference Room
300 W. Crowell Street
Monroe, NC 28112
June 1, 2023 4:00 PM

MINUTES

Present: Committee Member Lynn Keziah (Chairman), Committee Member Julie Thompson, Committee Member Mayor Pro Tem Gary Anderson

Absent: none

Staff: Mark Watson, City Manager; Richard Long, City Attorney; Bryan Gilliard, Chief of Police; Lisa Strickland, Finance Director; Ashley Ivey, Assistant Finance Director; Angela Duncan, Senior Budget Analyst; Camden Baucom, Budget Analyst; Lisa Kerner, Grants Administrator; Pete Hovanec, Director of Communications and Tourism; Bradley Lucore, Communications Specialist; Lisa Stiwinter, Director of Planning and Development; Rob Miller, Director of Energy Services; Matthew Black, Downtown Director; Teresa Campo, Community Development Coordinator

Visitor(s): Chris Platé, MUCEDC; Wesley Van Alstyne, resident; Peter Karlan, Old Town Holdings, LLC; William C. McKinney, Attorney at Haynsworth Sinkler Boyd Law Firm

The General Services Committee met in the City Hall Conference Room at 4:00 p.m. on June 1, 2023. A quorum was present. Chairman Lynn Keziah presided.

Item 1. General Services Committee Meeting Minutes from May 4, 2023.
The minutes from the May 4, 2023 General Services Committee meeting were presented for the Committee's approval.

Committee Member Mayor Pro Tem Anderson moved to approve the minutes of the General Services Committee Meeting of May 4, 2023.

Committee Member Thompson seconded the motion, which unanimously passed with the following votes:

AYES: Chairman Keziah, Committee Member Thompson, Committee Member Mayor Pro Tem Anderson

NAYS: None

Item 2. Old Joffre Hotel Site Development
City Manager Watson prefaced a presentation for this item by expressing a group's interest in developing the old hotel site that is owned by City of Monroe, located on Main Street directly across from the old county courthouse. He stated a group that is interested has done quite a bit of work and introduced a representative to brief on what the project would and currently does look like and how they would like to move forward with the development of the proposed site.

William McKinney, an attorney at Haynsworth, Sinkler, Boyd Law Firm, presented a PowerPoint on the opportunity for a boutique hotel that, he stated, could help catalyze and bring together some of the opportunities in downtown Monroe, enhance the tax base, provide good paying jobs and an event space that could partner with local entities, and generate additional revenues for the town and county with occupancy tax and food tax, taking advantage of some of the assets currently in Monroe.

McKinney stated the proposed project would be a 100 room boutique hotel in the upscale, 4-star range located in the central business district with accommodations that would be a draw to business and weekend travelers. In addition, in regards to event planning, the hotel would partner with Wingate University and other institutions in the community to provide a venue that could accommodate conventions and weddings, and would have a food and beverage component on-site. The convention space would mean rooms available and would provide an additional amenity alongside the hotel's proposed restaurant, bar, fitness center, infinity, rooftop, or otherwise elevated pool, and sun deck ideally open in 2025. The location would be where the now-demolished Joffre hotel formerly stood.

McKinney shares that the project could be partially funded by the City using Synthetic Tax Increment Financing. He shared an example of a comparable project in Wilson, NC, where the city loaned the developer $3.45 Million at 4% APR, which was forgivable if the developer met certain conditions while operating for 10 years, and where synthetic tax increment financing was used to fund 10%.

He stated that the developers are motivated to provide a signature property in downtown and discussed the economic impact of the hotel industry at national and state levels, and for the cities of Raleigh and Charlotte. The project would be looking at about 100 employees, excluding construction opportunities. The economic impact on Monroe, with a loose estimation for 2025, is projected to be $156,512 for occupancy tax and $211,291.20 for sales tax for a total of $367,803.20 total taxes collected for the year. If projected through 5 years to 2029, conservative projections for opening and operating would total roughly $2.8M in sales tax collected - with revenues from rooms, food, and beverage growing from estimated $4.4M in 2025 to $5.8M in 2029.

McKinney summarized that the hotel would be an attractive opportunity for the company, community, and the town as a partnership that would grow the tax base, bring business to local vendors, improve property tax revenues, further development, and augment hospitality employment opportunities. McKinney stated that he and his clients were happy to be having the dialogue and opened the floor to questions.

City Manager Watson asked if the property in Wilson was public or privately owned, and if then a tax incentive was given. McKinney believed the property was condemned and transferred from the local government to the development group, but would follow up.

Chairman Keziah asked what the project's time table would be. McKinney stated they were hoping to be open in 2025 - with the remainder of 2023 used for design, engineering, surveying, and planning, and 2024 for build-out. He also stated that a year for construction was ambitious, but the group is ambitious and will prioritize completion of the project.

Committee Member Thompson inquired how soon the City could see renderings of the project. McKinney responded that, if developers have a sense of strong partnership with the City and can expedite plans and structure, he thinks they should be available very soon - if there is alignment with what the City has in mind and what developer wants to do.

Chairman Keziah asked for other projects with which the developers have been involved, with McKinney saying that they have significant track record in developing a number of different real estate projects. He could not list them, but asked for trust that his client was very capable.

Watson asked if McKinney could allude to whether projects have been similarly situated to the environment in Monroe. For example: size of city, population, etc. McKinney said the developers have done projects with cities at the same size and population, and sometimes cities with a smaller population. He stated that, location-wise, their preference is a central business location. The hotel would target a different product and demographic, and would have a different footprint and price point than a hotel on the interstate.

Watson then asked Chris Platé, the executive director at the Monroe Union County Economic Development Commission (MUCEDC), for additions regarding any project like this, synthetic tax increment financing, and any other advice for the general services committee. Platé confirmed that the City has employed synthetic tax incremental financing for Metro Medical Park and Piedmont Healthcare, so there is precedence and it does work well - it was just a matter of how it fits in the budget. He stated the numbers seemed to be realistic for the loan, and the project for something special in downtown Monroe seemed like something the City should really consider and see if the numbers could work.

Watson asked McKinney if he knew, in general, the total dollar number of investment that would be made in downtown for this project. McKinney stated that the Cherry hotel in Wilson, a comparable project, was about a $20M project. $25M investment for this project would be a ballpark. He continued by saying there was not a hotel downtown right now, so there were market forces and the investment would be contingent on several different factors, but thought that $25M was reasonable. Watson responded, saying that, other than industrial investment at Goulston, he did not think there has been a $25 Million investment in the downtown business district.

Watson asked, since the item would be going to city council, if there was anything else McKinney or the developers would be looking for from the city at the moment - if they were looking for any kind of economic proposal, or wanting to cast their vision to a larger audience and then work with the City on an incentive that can come back at a later meeting, as well as their time frame. McKinney stated the more effective flight path would be to have discussions with the various offices, get a proposal, and then go to City Council, to which Watson stated it would be sent to City Council for presentation at which time the Council would give direction to work with the Economic Development Commission and the developer's representative on a framework for some kind of incentive and then come back for approval at the following meeting.

Committee Member Mayor Pro Tem Anderson motioned to forward the item to City Council.

Committee Member Thompson seconded the motion, which unanimously passed with the following votes:

AYES: Chairman Keziah, Committee Member Thompson, Mayor Pro Tem Anderson

NAYS: None

Item 3. Budget Ordinance to Amend Special Revenue Fund Project Ordinance – American Rescue Plan Act of 2021

Ashley Ivey, Assistant Finance Director, presented information requesting the General Service Committee to consider a budget ordinance to recognize investment earnings and amend funding of specific projects in the Special Revenue Fund Project Ordinance for the American Rescue Plan Act of 2021.

In November 2021, January 2022 and May 2022, Council approved budget ordinances identifying projects for funding in the American Rescue Plan Act of 2021 Special Revenue Fund.

The City originally elected to obligate the full $10,000,000 of standard allowance funds to reimburse the General fund for law enforcement salaries and benefits for the fiscal years ended June 30, 2022 and 2023 up to this $10,000,000. By supplanting these funds, the City has been able to spend freed up non-grant revenues for previously approved projects.

The City has been awarded a total of $11,326,507.16. The $1,326,507.16 over and above the standard allowance is in an already approved project for the Bearskin Creek Stream Restoration Project at Goulston. In order to be able to easier comply with reporting requirements, staff is requesting to allocate $48,493 of the standard allowance to the Bearskin Creek Stream Restoration Project to come back to the total project budget of $1,375,000.

The attached budget ordinance serves to reallocate funding for the standard allowance projects as well as recognize investment earnings in the project fund of $29,879.

Staff is requesting that the General Service Committee approve Budget Ordinance 2023-04 and forward to Council for their approval on the consent agenda at the regular meeting of June 13, 2023.

Committee Member Mayor Pro Tem Anderson moved to accept the recommendation.

Committee Member Thompson seconded the motion, which unanimously passed with the following votes:

AYES: Chairman Keziah, Committee Member Thompson, Mayor Pro Tem Anderson

NAYS: None

Item 4. Reimbursement Resolution for Equipment Purchases in FY 2023-2024
Lisa Strickland presented information concerning the scheduled purchase of a replacement fire truck and leaf collection truck in the fiscal year 2024 budget with installment financing being the identified funding source. A reimbursement resolution is necessary to allow for the reimbursement of expenditures for purchases prior to the closing of the installment financing.

The reimbursement resolution allows the City to purchase a fire truck (rescue unit) and a leaf collection truck, as indicated in the fiscal year 2024 budget, prior to the execution by the City of installment purchase contracts. In order to be eligible for reimbursement of the expenditures, the City will enter into installment purchase contracts within one year from the purchase of the fire truck and leaf collection truck. The City will borrow only funds necessary to cover the actual cost of the fire truck and accessories in an amount not to exceed $1,670,000.

Staff requests that the General Services Committee recommend to full Council approval of the proposed reimbursement resolution with regard to installment financing for fiscal year 2023-2024.

Committee Member Mayor Pro Tem Anderson motioned to approve.

Committee Member Thompson seconded the motion, which unanimously passed with the following votes:

AYES: Chairman Keziah, Committee Member Thompson, Mayor Pro Tem Anderson

NAYS: None

Item 5. Formal Offer for 108 N. Main Street, City-Owned Property
Matt Black, Downtown Director, presented information to consider a formal offer for 108 N. Main Street from Old Town Holdings, LLC.

The General Services Committee is requested to consider a formal offer for the rehabilitation and re-use of the currently city-owned property located at 108 N. Main Street. The property at 108 N. Main Street has been designated for economic development, which allows for a negotiated sale in accordance with NC General Statutes 158.7.1 rather than upset bid. Old Town Holdings, LLC has been an instrumental part in the rehabilitation and reuse of multiple properties in the downtown area including the former gas station at 114 Lancaster Ave, as well as properties at 205 E. Franklin Street and 308 N. Beasley Street. The offer is in the amount of $180,000.

The goal of the project would be to have retail at the bottom with upper full residential space, being either condominiums or apartments. The site would need all new electrical, plumbing, sprinkler system, and additional egress to be determined during the due-diligence period.

The City previously purchased the building for $100,000 and spent $77,000 for a roof and $2,500 in additional structural engineering services on the property. Tax value is valued at $180k, so the purchase would allow the City to get its money back.

Staff requests the General Services Committee recommend approval of the formal offer from Old Town Holdings to City Council.

Committee Member Mayor Pro Tem Anderson motioned to forward the item to City Council.

Committee Member Thompson seconded the motion, which unanimously passed with the following votes:

AYES: Chairman Keziah, Committee Member Thompson, Mayor Pro Tem Anderson

NAYS: None

Item 6. Update on Morgan-Windsor Alley Project
Matt Black, Downtown Director, gave an update on the Morgan-Windsor Alley project.

Project Overview:
The alleyway project aims to revitalize and enhance the functionality, aesthetics, and safety of selected alleyway in Downtown. The project was initiated to create a third place within the Central Business District as an area for people to enjoy outdoor seating, stay longer in the downtown area, and provide connectivity between downtown businesses.

Current Status:
Over the past few months, significant progress has been made in implementing the alleyway project. The following activities have been completed:

a) All underground utility conduit has been placed along the Windsor side of the alley. This includes all electric, fiber, water, storm water, and internet.

b) JD Goodrum has removed an additional two slabs of concrete found 6ft under the original removal of a concrete slab. A rock concrete mixture was used as backfill. A compaction test was administered to get the area above 88.

c) A subcontractor relocated existing electrical boxes for adjacent property owners in order to meet code requirement and make them serviceable at ground level.

d) JD Goodrum passed the footings inspection for the archways and ADA compliant ramp. Concrete was poured for the footings and ramp the same day.

e) All furniture has been delivered to the contractor and will be laid out once all brick pavers are installed.

f) Archway construction is in the final phase by the subcontractor Rite Lite. The archways will be installed as one of the very last steps of completion. Interactive art (minus the geode) is on site.

Challenges Faced:
While the project has been progressing well, there have been some challenges encountered along the way. These include:

a) Utility Relocations: In certain alleyways, the presence of underground utilities such as water pipes, electrical cables, and gas lines has posed a challenge during the construction phase. The City and contractor are in close contact with affected property owners to coordinate any minor outages that might occur.

b) Minimal impact of existing properties with the installation of the archways and ADA compliant ramp

Next Steps:
To ensure the timely completion of the alleyway project, the following steps will be undertaken:

a) Complete all utility improvements in the Morgan Street portion of the alley.

b) Provide substitute brick pavers for the removal of the water feature.

c) Install landscaping material including: trees, flowers, irrigation, and shrubs.

d) Installation of archways and pergola for the lighted swings.

e) Installation of the canopy above the turf area.

f) Final walkthrough and inspection of the project.

Conclusion: Substantial completion of the project by June 25th.

There are no actionable items at this time for this item.

Item 7. Various Budget Adjustments for Budgetary Compliance for Fiscal Year 2023 Budget
Lisa Strickland presented information regarding proposed various adjustments to the fiscal year 2023 budget in order to recognize activity that was unanticipated and maintain budgetary compliance. All adjustments are outlined below.

Budget Amendment/Ordinance for various items as follows:

1. Due to an increase in fuel sales at the Charlotte-Monroe Executive Airport, a budget amendment is requested to adjust the expense budget in the amount of $300,000 for fuel purchases. The offset to this increase is fuel sales.

2. Amendment proposed to cover higher than anticipated collections for water and sewer capacity fees in the amount of $1,800,000. Water and sewer capacity fees are required by NC General Statute 162A-207(b) to be used for capital improvements related to new development and are transferred to the capital reserve fund to achieve this requirement.

3. The cost of natural gas has increased on average 21% this year over last fiscal year and our customer count has grown approximately 3.1%. As a result, a budget amendment to cover the natural gas purchases account budget in the amount of $3,211,000 is requested. The City calculates natural gas customer rates on a monthly basis. This allows the City to accurately adjust for market pricing of natural gas purchases and recover market increases as part of natural gas revenue. The offset for this adjustment is the natural gas fee revenue.

4. Donations totaling $23,854 have been received for the Science Center, the Center Theatre and the fountain at the Phil Bazemore Active Adult Center. The donations and corresponding expense need to be adjusted with a budget amendment. The breakdown in the amounts were $10,954 for Science Center Exhibits, $10,954 for the Center Theatre programming and $1,946 for the fountain at the active adult center.

5. Due to a shortfall of revenue associated with ticket sales and rental income for the current fiscal year, a budget amendment is needed for the Dowd Center Theatre. The $183,000 shortfall will be covered by the General Fund balance ($123,000) and Theatre donations ($60,000).

6. An amendment in the amount of $115,085 is needed to cover the vacation payout ($38,510) for the former City Manager and to cover the current manager's salary ($76,575) for this fiscal year. The former City Manager will continue to receive a paycheck for one year after separation.

7. An amendment in the amount of $95,000 is needed to cover the vacation payout ($18,930) for the former City Attorney and to cover the new attorney contract in the amount of $76,070 for this fiscal year. The former City Attorney will continue to receive a paycheck for one year after separation.

8. Funding for various recreation projects is to be transferred as follows:

- Transfer $26,750 from Phil Bazemore Active Adult Center Project to the Belk Tonawanda Phase 1B project for control link installation at splash pad.
- Transfer $2,277 from Dickerson Restroom Renovation project to the Belk Tonawanda Phase 1B project for increased costs due to design change.
- Transfer $32,993 from Creft Park Playground project to the Belk Tonawanda Phase 1B project for increased costs due to design change.
- Transfer $652 from Dickerson Restroom Renovation project to the Sunset Park Renovation project to cover project costs.
- Transfer $5,025 from Don Griffin Playground project to the Sunset Park Renovation project to cover project costs.
- Transfer $616 from Creft Park Basketball Court Resurfacing project to the Sunset Park Renovation

project to cover project costs.

The adjustments provide $62,020 in funding to the Belk Tonawanda Phase 1B project and $6,293 in funding to the Sunset Park Renovation project.

9. An amendment is needed to cover the amotion legal expenses for the current fiscal year in the amount of $79,758. The total expenses to date for the amotion hearing and process are $441,395.18.

10. An amendment is needed to cover the entries needed to establish the Monroe Union County Economic Development Commission (MUCEDC) Fund/organization. Governmental Accounting Standards required that there is no beginning fund balance in the MUCEDC fund. The balance that Monroe-Union County Economic Development had when the City department was dissolved had to be transferred to the City's General Fund and subsequently returned as a capital contribution. The amount of this adjustment is $466,345, but is a net transaction of $0 for both funds.

11. An amendment is needed to cover the overage in the police motor vehicle purchase line item. The total overage was $436,570. Of this amount, $100,800 was due to increased cost of the interceptors ($8,400/car), three additional interceptors ordered due to wrecked vehicles $174,111, replacement pickup trucks and Dodge Durangos from fiscal year 2021 that were previously unavailable for Animal Control and the patrol unit $161,659.

12. An amendment in the amount of $600,000 is needed to cover electric system improvements due to inflation/material costs. While planning the FY23 budget in the fall of 2022, the recommendation was to increase the account by $150,000. At the time, this seemed reasonable. When FY23 began in July 2022, the market for material had increased significantly. Transformer costs alone have seen an increase of over 400% with the average increase for other materials being significant as well.

13. The Natural Gas Division is experiencing natural gas system growth and inflationary costs for materials, equipment, and labor that are exceeding the original budget amount of $305,000. An amendment in the amount of $90,000 is needed to cover natural gas system improvements.

Staff requests a favorable recommendation by the Committee to forward the attached budget amendment and budget ordinance containing various budget adjustments for Fiscal Year 2023 to full Council for approval.

Committee Member Mayor Pro Tem Anderson motioned to approve.

Committee Member Thompson seconded the motion, which unanimously passed with the following votes:

AYES: Chairman Keziah, Committee Member Thompson, Mayor Pro Tem Anderson

NAYS: None

Item 8. Ratify Annual Service Contracts over $100,000

Lisa Strickland presented information seeking necessary City Council approval for renewal of reoccurring service contracts for fiscal year 2024. Details are outlined below.

Chapter 34 of the Monroe Code of Ordinances dictates that it is necessary to seek City Council approval on purchases in excess of $100,000. They are as follows:

FY 2024 Services Exceeding $100,000			
Company Name	**FY 2023 Expenditures**	**FY 2024 Expenditures**	**Synopsis**
Data Prose	$167,484	$170,348	Bill printing services for cycle bills (128,800) late notices (29,449) and tax statements (9,235). Postage is included.
Green's Commercial Cleaning	$441,857	$455,113	Cleaning of city facilities. 3% increase from last year.
Lewis Tree Service, Inc. (Formerly Carolina Tree Care)	$438,520	$438,520	Tree trimming services for electric right of ways.
Hinson Services	$120,000	$120,000	For maintenance, repair, and replacement of city HVAC systems. Amount may increase or decrease based upon the need of repairs and replacements.
Interlocal Risk Financing Fund of NC	$607,000	$807,310	The Property and Liability premium for all City Departments for FY2023 was $607,000. The amount indicated is the amount budgeted for FY2024 and will not be exceeded.
Dawn Development	$2,659,660	$2,925,626	Construction services for electric and natural gas line installation. Cost increase due to services to growth and new subdivisions. With inflation and the rising cost of energy an increase near 10% is expected.
Tyler Technologies	$220,000	$225,000	City new software maintenance fees.
Underground Solutions	$119,800	$160,000	The water main pipe bursting strategic initiative was implemented by the Water Resource Department in April 2014 and was designed to help close the infrastructure replacement gap for water mains. The trenchless pipe bursting technology requires fusible pipe materials. Currently, there is only one manufacturer of fusible PVC pipe (FPVC), Underground Solutions Inc., and the Water Resources Department is working with them as a sole source provider of the needed pipe materials. Pricing has been stable since April 2014. Quantities of the 6-inch and 8-inch pipe may vary slightly due to field condition encountered. Purchases will be made based on unit prices provided, and will not exceed available budgeted funds without additional approvals.

The contracts listed above are annual service contracts that reoccur each year. Funds for these contracts are included in the recommended fiscal year 2024 budget.

Staff recommends City Council for approval of the proposed service contracts and authorize the manager to execute necessary contracts for fiscal year 2024.

Committee Member Thompson motioned to approve.

Committee Member Mayor Pro Tem Anderson seconded the motion, which unanimously passed with the following votes:

AYES: Chairman Keziah, Committee Member Thompson, Mayor Pro Tem Anderson

NAYS: None

Item 9. Downtown Dog Park

Matt Black, Downtown Director, presented information from the downtown office concerning work with Stewart Inc. to design a dog park near the Monroe Science Center.

Stewart Inc. has provided the City of Monroe 100% CAD drawings and schematics for a proposed downtown dog park near the Monroe Science Center. The project is ready to go out for an informal bid process if City Council wants to continue to pursue the dog park.

The Downtown Advisory Board and Monroe Tourism Board approve the propose schematics and use of proposed space as a dog park.

The Downtown Advisory Board and Monroe Tourism Board recommends General Services and City Council move forward with the proposed dog park plans.

Committee Members Keziah and Thompson asked about sanitation and cleaning maintenance of fake turf. Black stated that the schedule would depend on use, but drainage is included in project plans. Committee Member Mayor Pro Tem Anderson stated he does not like the close proximity to the Science Center and vocalized a concern that he is not sure it will be maintained as often as it needs to. Anderson stated he does not want families going to the Science Center to be alarmed by smell nearby.

City Manager Watson asked for the cost of the design. Black responded that it was $40,000 of previously approved funds. Watson asked if there was a cost estimate for construction. Black stated that it would have cost another $10,000 to obtain a cost estimate, and mentioned that he talked the initial design price down from $65,000 to $40,000.

Chairman Keziah suggested it would be good if staff could come back with better explanation of turf because he could not see how they could keep it clean. Committee Member Thompson agreed and mentioned that she does not understand why the design does not have something other than a rocket. Black explained the design choice of the rocket was a tie-in to the Science Center's honoree, Dr. Christine Mann Darden. Thompson reiterated that sanitation was a big question.

Chairman Keziah made the recommendation to bring it back to the General Service Committee after revisions.

Item 10. USDOT Charging and Fueling Infrastructure Discretionary Grant Program

Rob Miller, Director of Energy Services, shared information to educate about an application to the Department of Transportation (DOT) Charging and Fueling Infrastructure Discretionary Grant Program.

The City of Monroe is planning to apply for $500,000 in grant funding from the USDOT's Charging and Fueling Infrastructure Discretionary Grant Program. The grant funding will be used for the planning, engineering, materials, equipment, and labor to install up to six fee-for-service charging and fueling stations throughout the City of Monroe. The stations would be maintained by a third-party provider. A 20% match is required as part of the application. The grant would be submitted on or before the deadline of June 13, 2023.

Staff requests that the General Services Committee approve the City Manager to execute the grant application documents per the requirements of City of Monroe policy FA-14. If the grant is approved, Staff will request City Council approval for the receipt of funding.

Rob Miller stated the grant was being written loosely for flexibility on potential locations. The locations Miller listed were the airport, golf course, science center, aquatics center, and to replace the current downtown charging station. The current charging station is a level 2 charging station that takes 4 to 6 hours for a charge. The new ones would be level 3, which would take 15 to 20 minutes to charge. He stated they have also considered private major shopping center locations. Miller reiterated that the grant application would be written with the flexibility to pick up the best sites in the future and hope the City qualifies. He stated that there is additional value for corridors, such as highways 74 and 601 through town, and also additional value given to cities with environmental justice practices making efforts to reduce their greenhouse footprint. Miller concluded that the City's electric resource profile being mostly nuclear would give advantages.

Committee Member Thompson motioned to approve.

Committee Member Mayor Pro Tem Anderson seconded the motion, which unanimously passed with the following votes:

AYES: Chairman Keziah, Committee Member Thompson, Mayor Pro Tem Anderson

NAYS: None

Other:

<u>Community Development Block Grant Renewal Discussion</u>

Teresa Campo, Community Development Coordinator, presented information discussing options whether to opt-in to the County's Community Development Block Grant (CDBG) program.

Today, June 1, 2023, is the day the City has to give a letter of intent to the Union County Cooperative Agreement regarding CDBGs. Indian Trail has joined the cooperative with a population of roughly 39,000. This does not impact the overall grant award with Monroe, with approximately 35,000 in population, being out of the cooperative, as both cities fall within the tier of urban counties with 50k population or fewer. The next tier after 50k would be 200k. Monroe's decision to participate would not impact how much money Union County would be eligible to receive overall.

Past awards the City received from the Union County Cooperative have totaled $882,000. These occurred during the first 3 years of fruition. The City matched with $64,000. Since then, the City has supported other agencies to receive money, mostly with affordable housing and public services. The County asked if the City wanted to be a direct recipient or allow the agencies themselves to be a direct recipient, keeping us out of the accounting loop, and the City opted for the latter so that administrative money would stay with the County.

Union County's CDBG first annual goal targets public facilities and infrastructure, which deals more with sidewalks and parks. The City has a good budget for those things, so the City has not been considered for that award in the past since the first award went out. The second goal is public services and, in a previous discussion, the City opted to not reduce the awards for our agencies but instead let the CDBG fund those agencies through the County - and the City would continue to fund the agencies through the General Fund. This way, the agencies would not be impacted, with the bulk of public services, whether they were in the agreement or not, being located in Monroe. The third and fourth goals are housing and economic development, respectively, which the City is not seeing any related issues really come to light.

One of the conditions of the public agreement, Campo stated, is that we as a city would not be eligible to apply to these types of grants as part of the CDBG. After consulting with North Carolina Commerce agency on how the City's applications would fare if not in the cooperative due to factors of the City's focus being a little different than the County in what they are looking to do and having the NC Opportunity Zone, Campo was informed that it would not harm us to compete in any way, and the City could benefit more from these factors in comparison to other agencies.

Campo and Staff, therefore, recommended to not renew and thus opt-out for the next three years. Campo stated the City was waiting to hear the County's decision on Indian Trail so the existing population bracket funding would not be negatively impacted. The City does have the option to opt-in mid-stream if the Cooperative has the need, but, as for now, the County does not have the need. Additionally, the City wants to be able to compete in other funding opportunities. With the City's grant administrator, it will be much easier to try to pipe into that type of funding, and put out feelers for the things the City is more focused on to potentially give the City two streams of income into the community.

Committee Member Mayor Pro Tem Anderson motioned to approve.

Committee Member Thompson seconded the motion, which unanimously passed with the following votes:

AYES: Chairman Keziah, Committee Member Thompson, Mayor Pro Tem Anderson

NAYS: None

There being no further business the meeting adjourned at 5:10 p.m.

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Committee Chairman, Lynn Keziah

CITY OF MONROE

STAFF REPORT

TO:	General Services Committee
FROM:	Mark Watson, City Manager
VIA:	Lisa Strickland, Finance Director
DATE:	August 3, 2023
PREPARED BY:	Bethany Hawver, Revenue Manager
SUBJECT:	Annual Settlement of Tax Collector for Tax Year 2022

SUMMARY STATEMENT

General Services Committee is requested to consider a full settlement for all taxes for collection made for the preceding tax / fiscal year 2022-2023.

REVIEW

N.C.G.S. 105-373(a) states the tax collector shall make full settlement with the governing body of the taxing unit for all taxes in hand for collection for the preceding fiscal year. The settlement, together with the action of the governing body with respect thereto, shall be entered in full upon the minutes of the governing body.

Attached is the "Annual Settlement of Tax Collector for 2022". This settlement shows the collection rate at 99.30 percent.

RECOMMENDATION

City Staff recommends that General Services Committee recommend approval of the tax settlement as outlined herein and that the settlement be entered in full into the minutes of the Council meeting.

Annual Settlement of Tax Collector for 2022

	Tax	Value
2022 Tax Scroll	23,460,634	4,657,174,103
2022 Certifications	443,312	88,220,207
2022 Discoveries	98,101	16,926,452
Total Taxes Billed	24,002,046	4,762,320,762
Less 2022 Releases	-34,665	-6,525,114
2022 Adjustments	3,642	
2022 Tax Levy	23,971,023	4,755,795,648
Total Taxes Collected	23,802,179	4,446,017,381
Taxes to be Collected	168,844	
Total 2022 Levy	23,971,023	
Percent Collected: %	99.30%	
2022 MSD Tax	57,111	29,220,154
2022 MSD Certifications	7,587	3,890,897
2022 Discoveries	0	0
Total Taxes Billed	64,699	33,111,051
Less MSD 2022 Releases	0	0
2022 MSD Adjustments	-11	
2022 MSD Tax Levy	64,688	33,111,051
2022 MSD Collected	64,686	
MSD Tax to be Collected	2	
Total 2022 MSD Levy	64,688	
Percent Collected: %	100.00%	

Taxes released for 2022 under $5.00 total amount is $1,485.27.

City of Monroe Tax Collection History

	General City of Monroe	Monroe Downtown MSD
2022	99.30%	100.00%
2021	99.34%	98.26%
2020	99.33%	99.83%
2019	99.11%	99.25%
2018	99.14%	99.23%
2017	99.02%	99.10%
2016	98.76%	99.23%
2015	98.53%	99.85%
2014	97.91%	98.42%
2013	96.07%	95.43%
2012	98.05%	95.24%

STAFF REPORT

TO:	General Services Committee
VIA:	Mark Watson, City Manager
DATE:	August 3, 2023
FROM:	Lisa Strickland, Finance Director
PREPARED BY:	Lisa Strickland, Finance Director
SUBJECT:	Budget Ordinance to Close Capital Projects

SUMMARY STATEMENT

A budget ordinance is necessary to amend the fiscal year 2024 budget in order to close various projects.

REVIEW

Capital projects have been completed and are ready to be closed. Funding that is remaining in the following projects as unspent, netted against any project overruns, can be transferred back to fund balance in the corresponding fund. Projects are as follows:

- AP2102 – Quonset Hangar Reactivation ($18,959)
- AP2001 – Airport Layout Plan Update $46,602
- SR0704 – Dry Fork Upgrade $117,869
- SR0705 – Sewer Master Plan Upgrade $10,000
- WR1937 – Lake Lee Dam Repairs $81,760

The funding for the airport projects listed above were originally funded from the formal assignment for airport grant acceptance. The remainder of unspent funding in these projects will be returned to the formal assignment for airport grant acceptance in the City's general fund. The water and sewer project balances will be transferred back to the Water & Sewer Fund.

RECOMMENDATION

Staff recommends that the General Services Committee forward to full Council the recommendation for approval of the proposed budget ordinance to close projects for Fiscal Year 2024.

Attachment: BO-2023-09

CAPITAL PROJECT BUDGET ORDINANCE
CLOSE COMPLETED CAPITAL PROJECTS
BO-2023-09

WHEREAS, certain projects that have been funded in prior years have been completed;

WHEREAS, those projects with remaining balances/shortages are identified as follows:

• AP2102 – Quonset Hangar Reactivation	($18,959)
• AP2001 – Airport Layout Plan Update	$46,602
• SR0704 – Dry Fork Upgrade	$117,869
• SR0705 – Sewer Master Plan Upgrade	$10,000
• WR1937 – Lake Lee Dam Repairs	$81,760

WHEREAS, it is desired that the remaining funding from the airport projects be funded by or returned to the formal assignment for airport grant acceptance designation in the General Fund.

WHEREAS, it is desired that the remaining funding from the water and sewer projects be returned to the Water/Sewer Fund.

NOW, THEREFORE, BE IT ORDAINED, that the City Council of the City of Monroe adjusts the appropriations in the above projects and amends the following revenues and expenses:

General Fund:	
Revenue:	
Appropriation to Assigned Fund Balance	($27,643)
Transfer from Airport Capital Projects Fund	$46,602
Expense:	
Transfer to Airport Capital Projects Fund	$18,959
Airport Capital Project Fund:	
Revenue:	
Transfer from General Fund	$18,959
Expense:	
Construction Projects	$(27,643)
Transfer to General Fund	$46,602
Water/Sewer Fund:	
Revenue:	
Appropriation to Water/Sewer Fund Balance	($209,629)
Transfer from Water/Sewer Capital Projects Fund	$209,629
Water/Sewer Capital Project Fund:	
Expense:	
Construction Projects	($209,629)
Transfer to Water/Sewer Fund	$209,629

BE IT FURTHER ORDAINED, that an amendment to the various capital fund budgets for FY 2023-2024 is approved to adjust funding as listed above and to transfer to the corresponding operating fund as listed above.

Adopted this 8th day of August, 2023.

Attest:

____
Marion L. Holloway, Jr., Mayor

____
Bridgette H. Robinson, City Clerk

City of Monroe
Where Heartland Meets High Tech

STAFF REPORT

TO:	General Services Committee
VIA:	Mark Watson, City Manager
DATE:	August 3, 2023
FROM:	Lisa Strickland, Finance Director
PREPARED BY:	Lisa Strickland, Finance Director
SUBJECT:	Approve Budget Amendment for Unspent Appropriations

SUMMARY STATEMENT

A budget amendment is necessary to the fiscal year 2024 budget in order to re-appropriate incomplete items from fiscal year 2023. Details are outlined below.

REVIEW

It is necessary to re-appropriate items that have been approved, but are not complete at the end of the fiscal year. The nature of these items is projects that are only partially complete, grants that have not been spent in their entirety and unspent drug seizure money. Incomplete items from fiscal year 2023 are as follows:

General Fund:

$26,172	Water & Sewer Connection Fee Assistance – program approved by Council to assist low income families with utility connection fees
16,594	Down payment Assistance – program approved by Council to assist low income families with house purchase
335,540	Paving/Street Marking not completed
18,101	State Equitable Sharing – Money received from seizures – restricted to law enforcement expenditures.
11,894	Explorer Program - Police (Donations)
25,459	US DOJ Bureau of Justice Grant

3,500	FM Global Grant (Sparky Costume)
5,344	Youth Programs – Fire (Donations)
500	Senior Center Grant
1,000	Recreation Center Beautification Grant
995	Tree donation to be used in planting
$445,099	Total General Fund

Downtown Monroe Fund:

$50,665	Façade Grants
13,277	Downtown Incentive Program
$63,942	

Police Department Forfeiture Fund:

$212,251	U S Justice - Federal Equitable Sharing– Money received from seizures – restricted to law enforcement expenditures.
(18,621)	U S Treasury – Federal Equitable Sharing– Money received from seizures – restricted to law enforcement expenditures.
$193,630	

RECOMMENDATION

Staff requests General Services Committee recommendation of approval of the proposed budget amendment for appropriation of unspent items from Fiscal Year 2023 to Fiscal Year 2024.

Attachment: BA-2023-16

CITY OF MONROE
BUDGET AMENDMENT
BA-2023-16

1. Amendment necessary to designate and appropriate funds in fiscal year 2024 for incomplete projects, unspent grants and unspent seizure funds in fiscal year 2023.

General Fund:

Revenues:		
Appropriation of Fund Balance	$	84,100
Appropriation of Fund Balance (Powell Bill)	$	335,540
Restricted Revenue	$	25,459
Expenditures:		
General Government	$	42,766
Transportation	$	335,540
Public Safety	$	64,298
Parks & Recreation	$	2,495

Downtown Monroe Special Revenue Fund:

Revenues:		
Appropriation of Fund Balance	$	63,942
Expenditures:		
Economic & Physical Development	$	63,942

Police Department Forfeiture Special Revenue Fund:

Revenues:		
Appropriation of Fund Balance	$	193,630
Expenditures:		
Public Safety	$	193,630

Adopted this the 8th day of August, 2023.

Marion L. Holloway, Jr., Mayor

Attest:

Bridgette H. Robinson, City Clerk

City of Monroe
Where Heartland Meets High Tech

STAFF REPORT

TO:	General Services Committee
VIA:	William Mark Watson, City Manager
DATE:	August 3, 2023
FROM:	Debra Chestnut Reed, Director of Human Resources
PREPARED BY:	Debra Chestnut Reed, Director of Human Resources
SUBJECT:	Approval of FY 2023-2024 Property and Casualty Program Contract with Travelers Insurance

SUMMARY STATEMENT

General Services Committee is requested to review the FY2023-2024 Property and Casualty Program Option Analysis. Staff is requesting approval of a contract with Travelers Insurance for property and liability coverage and authorization for the City Manager to execute necessary documents.

REVIEW

Previously the City was insured for property damage and liability insurance by the Interlocal Risk Financing Fund of North Carolina property and liability fund which is managed by the North Carolina League of Municipalities. Due to a large premium increase, staff requested our consultant, Arthur J. Gallagher & Co. to evaluate insurance options. A quote was submitted by Travelers Insurance which includes a $28,968.00 savings as compared to the North Carolina League of Municipalities renewal quote. Staff is requesting approval of the new contract with Travelers Insurance with a premium amount of $643,438 and is requesting authorization for the City Manager to execute the necessary documents. The fiscal year 2024 budget is sufficient to cover this cost.

RECOMMENDATION

Staff is recommending that the General Services Committee recommend approval of the contract proposal from Travelers Insurance and authorize the City Manager to execute the necessary documents. If the General Services Committee is in agreement, the item will be presented to City Council on the August 8, 2023 consent agenda.

Attachment: Gallagher Consulting -Property and Casualty Program Option Analysis

City of Monroe, NC – Property and Casualty Program Option Analysis

Jennifer Ream, CISR,CPIW,CIC – Area Senior Vice President

Heather Kinard, CIC – Area Senior Vice President

Gallagher

Insurance | Risk Management | Consulting

Summary/Key Items to Note

Gallagher has provide a very competitive option to the current IRFFNC program.

The major difference in the two programs is the higher deductible for auto physical damage offered in the Gallagher program. Our financial analysis revealed that the City's average annual deductible cost with the current program structure is $5,256. Moving to a $5,000 deductible option will increase the average annual deductible cost to $29,561.00.

As the City does with the large casualty deductible currently, the City can realize approximately $40,000 a year in premium savings by moving to a higher auto physical damage deductible.

Even with the 2% penalty applied by the IRFFNC for late cancellation, the Gallagher program will save the City over $31,000 for the 7/1/2023 renewal.

Anticipated savings in 2024 could increase substantially if the workers compensation coverage is placed with Travelers.

Coverage Comparison

City of Monroe, NC - 2023-2024 Renewal Option Comparison

IRFFNC 2023-24				Travelers 2023-2024			
Coverage	**Total Limit**	**Deductible**	**Premium**	**Coverage**	**Total Limit**	**Deductible**	**Premium**
General Liability Per Occurrence	$ 5,000,000.00	$ 50,000.00	$ 175,307.00	General Liability Per Occurrence	$5,000,000.00	$ 50,000.00	$ 51,939.00
General Liability Aggregate	N/A	N/A		General Liability Aggregate	$5,000,000.00		
Premises Medical Payments Per Person	$ 2,500.00	$ -		Premises Medical Payments Per Person	$2,500.00		
Employee Benefit Liability- Each Claim	$ 5,000,000.00	$ 1,000.00	$ 1,024.00	Employee Benefit Liability - Each Employee Limit	$5,000,000.00	$ 1,000.00	$ 475.00
Employee Benefit Liability Annual Aggregate	N/A	N/A		Employee Benefit Liability Annual Aggregate	$5,000,000.00		
Public Officials Liability Each Claim (Claims Made)	$ 5,000,000.00	$ 50,000.00	$ 21,397.00	Public Officials Liability Each Claim (Claims Made)	$5,000,000.00	$ 50,000.00	$ 19,501.00
Public Officials Liability Aggregate (Claims Made)	$ 5,000,000.00			Public Officials Liability Aggregate (Claims Made)	$5,000,000.00		
Employment Practices Liability Each Claim (Claims Made)	$ 5,000,000.00	$ 50,000.00	$ 49,960.00	Employment Practices Liability Each Claim (Claims Made)	$5,000,000.00	$ 50,000.00	$ 24,309.00
Employment Practices Liability Annual Aggregate (Claims Made)	$ 5,000,000.00			Employment Practices Liability Annual Aggregate (Claims Made)	$5,000,000.00		

Coverage Comparison

IRFFNC 2023-24				Travelers 2023-2024			
Coverage	Total Limit	Deductible	Premium	Coverage	Total Limit	Deductible	Premium
Police Professional Each Occurrence	$ 5,000,000.00	$ 50,000.00	$ 58,999.00	Police Professional Each Occurrence	$5,000,000.00	$ 50,000.00	$ 44,719.00
Police Professional Annual Aggregate	$ 5,000,000.00			Police Professional Annual Aggregate	$5,000,000.00		
Liquor Liability - Each Common Cause	$ 5,000,000.00	$ 1,000.00	$ 2,335.00	Liquor Liability-Host liquor Each Common Cause	$5,000,000.00		incl
Property - Blanket Buildings and Pers Prop	$308,264,843.00		$ 150,369.00	Property - Blanket Buildings and Pers Prop	$275,733,203.00		$ 263,357.00
Property - Excess Valuable Papers	$ 240,000.00			Property - Excess Valuable Papers	$250,000.00		
Property - Excess Accounts Receivable	$ 240,000.00			Property - Excess Accounts Receivable	$250,000.00		
Inland Marine (Municipal Eq)	$ 9,164,175.00		$ 30,050.00	Inland Marine (Municipal Eq)	$9,164,175.00		$ 13,087.00
Inland Marine (Computer Eq)	$ 4,114,000.00			Inland Marine (Computer Eq)	$4,114,000.00		
Inland Marine (Fine Arts)	$ 100,000.00			Inland Marine (Fine Arts)	$100,000.00		
Crime - Employee Dishonesty	$ 250,000.00		$ 6,254.00	Crime - Employee Dishonesty	$250,000.00		$ 822.00
Crime - Foregery & Alteration	$ 250,000.00			Crime - Foregery & Alteration	$250,000.00		
Crime - Inside the Premises- Theft of Money or Securities	$ 100,000.00			Crime - Inside the Premises- Theft of Money or Securities	$100,000.00		
Crime - Outside the Premises	$ 100,000.00			Crime - Outside the Premises	$100,000.00		
Public Officials Bond	$250,000 Included with Crime			Public Officials Bond	$250,000 Included with Crime		incl

Coverage Comparison

IRFFNC 2023-24				Travelers 2023-2024			
Coverage	**Total Limit**	**Deductible**	**Premium**	**Coverage**	**Total Limit**	**Deductible**	**Premium**
Automobile Liability	$ 5,000,000.00		$ 91,778.00	Automobile Liability	$5,000,000.00		$ 85,244.00
Automobile Liability- Hired and Non-Owned	Included			Automobile Liability- Hired and Non-Owned	Included		
Automobile - Impounded Auto Comp	$ 100,000.00			Automobile - Impounded Auto Comp	$100,000.00		
Automobile - Impounded Auto Coll	$ 100,000.00			Automobile - Impounded Auto Coll	$100,000.00		
Automobile Physical Damage	ACV Per Schedule On File $25,499,856		$ 84,933.00	Automobile Physical Damage	ACV Per Schedule on File - $25,499,856		$ 50,072.00
Comprehensive	$500/$1,000			Comprehensive	$5,000.00		
Collision	$500/$1,000			Collision	$5,000.00		
Hired Auto Comprehensive	$ 1,000.00			Hired Auto Comprehensive	$1,000.00		
Hired Auto Collision	$ 1,000.00			Hired Auto Collision	$1,000.00		
				Umbrella ($4Million included in Limits shown above)			$ 47,331.00
		Premium with $500/$1,000 APD ded	**$ 672,406.00**			**Premium with $5,000 APD ded**	**$ 600,856.00**
						Premium with $2,500 APD ded	**$ 643,438.00**

Premium Analysis

	$500 APD	Recommended $5,000 APD ded
	IRFFNC	Travelers
2023-24 Premium	$ 672,406.00	$ 600,856.00
$5,000 APD Ded Claim Expenses		$29,561
Total Estimated Cost	$ 672,406.00	$ 630,417.00
Annual Savings	$ 41,989.00	

2% penalty ($547,875 *2%)	$10,957.50
TOTAL SAVINGS 2023	$ 31,031.50*

*Since the Auto Physical Damage deductibles are split now - some have $500 and some have $1,000 - the above analysis is based on the lowest deductible- $500 APD ded

	$500 APD	$2,500 APD ded
	IRFFNC	Travelers
2023-24 Premium	$ 672,406.00	$ 643,438.00
$2,500 APD Ded Claim Expenses		$ 16,620.25
Total Estimated Cost	$ 672,406.00	$ 660,058.25
Annual Savings	$ 12,347.75	

2% penalty	$10,957.50
TOTAL SAVINGS 2023	$2,347.75*

*Since the Auto Physical Damage deductibles are split now - some have $500 and some have $1,000 - the above analysis is based on the lowest deductible- $500 APD ded

Additional Savings/Services

- Unlimited Gallagher Risk Control Resources to assist in controlling exposure to risk
- Access to Gallagher online safety training portal
- Unlimited Gallagher Claims Advocacy Services to assist in controlling claim expenses
- Gallagher Coordination of Safety Services (Travelers and Gallagher)
- Unlimited Gallagher Contract Reviews
- Unlimited Gallagher Data and Analytics to help determine most optimal program structure
- Gallagher Archipelago System to improve the Cities overall property risk profile
- Law enforcement specialist to assist the City in improving law enforcement risk profile

Thank You!

Jennifer Ream, CISR, CPIW, CIC
Area Senior Vice President
864-414-3815
Jennifer_ream@ajg.com

Heather Kinard, CIC
Area Senior Vice President
803-463-8793
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15 South Main Street, Suite 900
Greenville, SC 29601
USA

Gallagher

Insurance | Risk Management | Consulting

City of Monroe
Where Heartland Meets High Tech

STAFF REPORT

TO:	General Services Committee
VIA:	Mark Watson, City Manager
DATE:	August 3, 2023
FROM:	Ryan Jones, Parks and Recreation Director
PREPARED BY:	Ryan Jones, Parks and Recreation Director
SUBJECT:	Interlocal Agreement with Union County Human Services Agency for Senior Nutrition Program

SUMMARY STATEMENT

General Services Committee is requested to recommend Council to consider and approve an interlocal agreement with the Union County Human Service Agency ("UCHSA") to allow the City to assist UCHSA by providing access to the Bazemore Active Adult Center as a site for the Senior Nutrition program.

REVIEW

Parks and Recreation staff and officials representing the UCHSA met to establish the potential for partnership providing Senior Nutrition services at the Bazemore Active Adult Center. It was determined that a partnership regarding a comprehensive service to citizens aged 60 and older, where they can receive a nutritious lunch time meal was one that was mutually beneficial.

Parks and Recreation staff and UCHSA staff have put together a plan of action that would provide UCHSA with access to the multi-purpose room at the Bazemore Active Adult Center to provide nutritious meals to the community. The multi-purpose room is a room located within the Bazemore Active Adult Center, but is located in an area separate from the area utilized by Active Adult Center members. The facility is designed to provide separation from areas that are commonly utilized by members and the multi-purpose room which is available for rental by the public.

The city would like to provide access to UCHSA from 7:30 am – 12:00 pm, Monday – Friday to provide this important service to the community.

RECOMMENDATION

General Services is requested to recommend that Council consider approving the attached resolution allowing the City to enter into an interlocal agreement with the Union County Human Service Agency for the provision of a Senior Nutrition Program to serve our residents at the Bazemore Active Adult Center and authorize the City Manager to execute any and all required documents.

Attachment(s): Interlocal Agreement
Resolution – R-2023-55

INTERLOCAL AGREEMENT
BETWEEN The City of Monroe, North Carolina
AND Union County

1. Parties. This Interlocal Agreement ("Agreement") is made and entered into by and between The City of Monroe, North Carolina, whose address is P.O. Box 69 Monroe, NC 28111, and Union County whose address is 2330 Concord Avenue, Monroe, NC 28110.

2. Purpose. The purpose of this Agreement is to establish the terms and conditions under which the City of Monroe partners with Union County Human Services Agency's Senior Nutrition Program to offer services for seniors within Union County, North Carolina at the Bazemore Active Adult Center, 500 W Jefferson St Monroe. The purpose of this partnership is to provide a comprehensive service to Union County citizens aged 60 and older, where they can receive a nutritious, lunch time meal Monday- Friday and also participate in a variety of programming (physical, educational, etc.) in one location.

3. Term of Agreement. This Agreement is effective upon the day and date last signed and executed by the duly authorized representatives of the parties to this Agreement and the governing bodies of the parties' respective organizations or municipalities and shall remain in full force and effect continuously. This Agreement may be terminated, without cause, by either party upon 45 days prior written notice, which notice shall be delivered by hand or by certified mail to the address listed above.

4. Responsibilities of the City of Monroe. The City of Monroe agrees to partner with Union County Human Services Agency's Senior Nutrition Program to meet the needs of seniors by:

- Allowing Union County to use space at the Bazemore Active Adult Center, 500 W Jefferson St Monroe, NC (the "facility"), at no cost to Union County, for the purpose of offering nutrition services to seniors.
- Allowing facility access five (5) days per week, Monday through Friday, from 7:30 AM to 12:00 PM.
- Providing utilities, heat, and air conditioning at the City of Monroe's expense.
- Maintaining the facility in good repair and working order, including, but not limited to, the HVAC system, electrical, plumbing, roof, windows, doors, walls and floor.
- Providing pest control at the facility on at least a quarterly basis, or more often if necessary.
- Maintaining in good repair and working order all appliances owned by the City of Monroe. Any appliances purchased by Union County for use at the facility shall remain the property of Union County throughout the term of this Agreement and following termination. Upon termination of this Agreement, Union County shall remove from the facility any appliances purchased by Union County.
- Providing janitorial services and trash removal in the area of the facility where Union County conducts nutrition services.

- Allowing adequate storage space for materials needed to conduct nutrition services. If adequate storage room/ cabinet space is not available, the City of Monroe will allow Union County to place a storage cabinet in a location convenient to the kitchen/ dining area.
- Allowing Union County access to the facility in order to provide lunch when City of Monroe is closed for a holiday or weather delay/closing and Union County remains open.

The City of Monroe will allow Senior Center employees to assist with these activities as availability and scheduling permits.

5. <u>Responsibilities of Union County</u>. Union County agrees to partner with the City of Monroe to meet the needs of seniors by:

- Providing Senior Nutrition services at the facility at no cost to the City of Monroe or qualifying participants. Union County or its subcontractor will provide all food, paper goods and utensils needed for food service and dining associated with its Senior Nutrition program.
- Maintaining sole responsibility for determining the eligibility of participants to receive Senior Nutrition services at the facility.
- Maintaining in good repair and working order all appliances owned by Union County and any catering subcontractor(s).
- Providing end-of-day cleaning:
    - Sinks and counters are to be cleaned with a disinfectant cleaner
    - Steam table will be drained and wiped clean
    - Pans will be rinsed and held for pickup by subcontractor on utility cart
    - Tables and chairs will be cleaned with a disinfectant cleaner
    - Floors will be swept clean of any debris. Spills will be spot-cleaned as needed with a damp mop.
- Providing, if necessary, any additional storage cabinets for storage needed beyond what is available in existing closets/ cabinets.

6. <u>General Provisions</u>

A. Amendments. Either party may request changes to this Agreement. Any changes, modifications, revisions or amendments to this Agreement which are mutually agreed upon by and between the parties to this Agreement shall be incorporated by written instrument, and effective when executed and signed by all parties to this Agreement.

B. Applicable Law. The construction, interpretation and enforcement of this Agreement shall be governed by the laws of the State of North Carolina. The courts of the State of North Carolina shall have jurisdiction over any action arising out of this Agreement and over the parties.

C. Entirety of Agreement. This Agreement represents the entire and integrated agreement between the parties and supersedes all prior negotiations, representations and agreements, whether written or oral.

D. Severability. Should any portion of this Agreement be judicially determined to be illegal or unenforceable, the remainder of the Agreement shall continue in full force and effect, and either party may renegotiate the terms affected by the severance.

E. Third Party Beneficiary Rights. The parties do not intend to create in any other individual or entity the status of a third party beneficiary, and this Agreement shall not be construed so as to create such status. The rights, duties and obligations contained in this Agreement shall operate only between the parties to this Agreement, and shall inure solely to the benefit of the parties to this Agreement. The provisions of this Agreement are intended only to assist the parties in determining and performing their obligations under this Agreement. The parties to this Agreement intend and expressly agree that only parties signatory to this Agreement shall have any legal or equitable right to seek to enforce this Agreement, to seek any remedy arising out of a party's performance or failure to perform any term or condition of this Agreement, or to bring an action for the breach of this Agreement.

F. Insurance. Parties shall maintain insurance policies at all times with minimum limits as follows:

COVERAGE	MINIMUM LIMITS
Workers' Compensation	Statutory Limits
Employers' Liability	$500,000
General Liability	$1,000,000 per occurrence/$2,000,000 aggregate

Each party shall provide the other party with prompt written notice of cancellation, reduction, or other modification of coverage of insurance.

The City shall be named as an additional insured and it is required that coverage be placed with "A" rated insurance companies acceptable to the City. Union County agrees to add a statement to Union County's certificate of insurance ("COI") to read "City of Monroe is to be added as an additional insured pursuant to written agreement and with regard to work performed on behalf of the City of Monroe." Union County shall be named an additional insured on the City's General Liability policy, which shall be endorsed as follows: "Union County, its officers, agents, and employees are included as Additional Insured with respects to the General Liability insurance policy." Such endorsement on the City's insurance policy may be evidenced by including the required statement on a COI. Failure to maintain the required insurance in force may be cause for Agreement termination. In the event that Union County fails to maintain and keep in force the insurance herein required, the City has the right to cancel and terminate the Agreement without notice.

8. <u>E-Verify Requirement</u>. If Union County utilizes a subcontractor in the performance of this Agreement, Union County shall require the subcontractor to comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes.

9. <u>Indemnification</u>. To the maximum extent allowed by law, each party (the "Indemnifying Party") shall defend, indemnify, and save harmless the other party, its agents, officers, and employees (collectively, the "Indemnified Party"), from and against all charges that arise in any manner from, in connection with, or out of this contract as a result of the acts or omissions of the Indemnifying Party or subcontractors or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable except for damage or injury caused by the negligence of the Indemnified Party, its agents, officers, or employees. In performing its duties under this section, the Indemnifying Party shall at its sole expense defend the Indemnified Party, its agents, officers, and employees with legal counsel reasonably acceptable to Indemnified Party. As used in this subsection – "Charges" means claims, judgments, costs, damages, losses, demands, liabilities, duties, obligations, fines, penalties, royalties, settlements, expenses, interest, reasonable attorney's fees, and amounts for alleged violations of sedimentation pollution, erosion control, pollution, or other environmental laws, regulations, ordinances, rules, or orders. Nothing in this section shall affect any warranties in favor of the City that are otherwise provided in or arise out of this Agreement. This section is in addition to and shall be construed separately from any other indemnification provisions that may be in this Agreement. This section shall remain in force despite termination of this Agreement (whether by expiration of the term or otherwise) and termination of the services of Union County under this Agreement.

10. **Signatures.** In witness whereof, the parties to this Agreement through their duly authorized representatives have executed this on the date set below, and certify that they have read, understand, and agree to the terms and conditions of this Agreement as set forth herein.

The effective date of this Agreement is the date of the signature affixed to this page.

City of Monroe

______________________________	______________________________
Ryan Jones, Parks and Recreation Director	Date
______________________________	______________________________
William Mark Watson, City Manager	Date

Union County

______________________________	______________________________
Brian Matthews, County Manager	Date

RESOLUTION APPROVING INTERLOCAL AGREEMENT FOR SUPPORT OF UNION COUNTY HUMAN SERVICE AGENCY'S SENIOR NUTRITION PROGRAM AT THE BAZEMORE ACTIVE ADULT CENTER
R-2023-55

WHEREAS, pursuant to the provisions of Section 160A-461 of the General Statutes of North Carolina, the City of Monroe ("City") is authorized to enter into contracts or agreements with other units of local government to execute any undertaking; and

WHEREAS, the City of Monroe and Union County wish to enter into a Interlocal Agreement between the City and County to allow the City to support the division of the Union County Human Service Agency by providing Senior Nutrition Sites at the Bazemore Active Adult Center to provide a comprehensive service to Union County citizens aged 60 and older where they can receive a nutritious lunch time meal Monday – Friday.

NOW, THEREFORE, IT IS RESOLVED by the City Council of the City of Monroe, North Carolina at its regularly assembled meeting of August 8, 2023, that the Council hereby approves an Interlocal Agreement between the City of Monroe and Union County Human Service Agency's Senior Nutrition Program which is attached as "Exhibit A" to this Resolution and made a part hereof and further authorizes the City Manager to sign any and all necessary documents.

Adopted this 8th day of August, 2023.

Attest:

____
Marion Holloway, Mayor

____
Bridgette H. Robinson, City Clerk

From: Stephen Bennett <stephen.bennett@arnoldsmithlaw.com>

Sent: Friday, July 14, 2023 10:21 AM

To: Mark Watson <mwatson@monroenc.org>

Cc: Lynn Keziah <lkeziah@monroenc.org>; Sushanth Charabuddi <scharabuddi@eagleipropertygroup.com>; Carly Lyden <carly.lyden@arnoldsmithlaw.com>

Subject: Offer to Purchase Real Property (Monroe NC; Parcels 09-232-097 and 09-232-098)

Mr. Watson,

I hope this email finds you well. I represent Eagle I Property Group, who has an interest in purchasing Parcels 09-232-097 and 09-232-098 from the City. Eagle I is a developer from Boston and is the potential developer of the Starlite project that is before City Council next week. Their preliminary idea for these parcels is a mixed-use development with a combination of retail and multi-family units that would front onto Main Street. We have had previous discussions about this idea with Councilman Keziah and wanted to make our interest formal in nature.

To that end, I have attached a proposed Agreement for Purchase and Sale of said parcels to this email for your review.

Stephen M. Bennett
Partner

Arnold & Smith, PLLC
114 West Jefferson Street
Monroe, North Carolina 28112
Telephone: 704.370.2828
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www.ArnoldSmithLaw.com

AGREEMENT FOR PURCHASE AND SALE OF LAND

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

Eagle I Property Group, LLC or Assignees ,

a(n) Massachusetts Limited Liability Company ("Buyer"), and

(individual *or* State of formation and type of entity)

The City of Monroe ,

a(n) Municipality ("Seller").

(individual *or* State of formation and type of entity)

(NOTE: If the Buyer or Seller is an entity, in order to form a binding agreement and complete a transaction, the entities listed as Buyer or Seller in this Agreement should be validly formed and in good standing with the Secretary of State in the State of formation of the 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) 0 Main St., Monroe, NC 28111-0069
Parcel ID # 09-232-097, 09-232-098

Plat Reference: Lot(s) ____________, Block or Section ____________, as shown on Plat Book or Slide 879 at Page(s) 209 , Union County, consisting of Approx. 0.38 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: Parcel ID # 09-232-097, 09-232-098 ; and, (ii) some or all of the Property, consisting of approximately 0.50 acres, is described in Deed Book 879 , Page No. 209 Union County.

together with all buildings and improvements thereon and all fixtures and appurtenances thereto.

$ 500,000.00 (b) **"Purchase Price"** shall mean the sum of Five Hundred Thousand and 00/100 Dollars Dollars, ("Price Per Acre") as determined by a survey obtained by Buyer prior to the expiration of the Examination Period ("Survey"). Buyer shall provide a copy of the Survey to Seller not later than the expiration of the Examination Period. The purchase price shall be determined by multiplying the Price Per Acre by the number of gross acres as determined by the Survey. Adjustments to the amounts due under Sections 1(b)(ii) - 1(b)(iii) shall be made, as applicable, to reflect any adjustment in the Purchase Price in accordance with this provision. The Purchase Price shall be payable on the following terms:

$ 5,000.00 (i) **"Earnest Money"** shall mean Five Thousand and 00/100 Dollars

or terms as follows: 1% of the Purchase Price

The Earnest Money shall be deposited in escrow with

Arnold & Smith PLLC or other designee (name of person/entity with whom deposited- "Escrow Agent") within five (5) calendar days of the Contract Date, 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. Should Buyer fail to deliver the Earnest Money by the date required hereunder, or should any check or other funds paid by Buyer be dishonored, for any reason, by the institution upon which the payment is drawn, Buyer shall have one (1) banking day after written notice of such dishonor to deliver cash, official bank check, wire transfer or electronic transfer to the Escrow Agent. If Buyer fails to deliver the required funds within one (1) banking day after written notice, then Seller may terminate this Agreement by written notice to Buyer at any time thereafter, provided Seller has not then received acknowledgement by Escrow Agent of its receipt of funds from Buyer. If the Escrow Agent has not delivered to the Seller the acknowledgement of Earnest Money on the last page of this Agreement by the calendar day following the date the Earnest Money is required to be delivered hereunder, it shall be presumed that the Earnest Money was not delivered by the required time (unless, upon the written request of Seller, Escrow Agent can provide proof of its receipt of the Earnest Money by the required time). Buyer and Seller consent to the disclosure by the Escrow Agent, to the parties to this Agreement, the Broker(s) and any Buyer lender, of any material facts pertaining to the Earnest Money.

☐ **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) **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.)**

$ **495,000.00** (iii) **Cash, balance of Purchase Price,** at Closing in the amount of **Four Hundred Ninety Five Thousand and 00/100** Dollars.

Buyer, at Buyer's expense, shall be entitled to pursue qualification for and approval of any loan Buyer intends to obtain in connection with the transaction contemplated by this Agreement. **(Note: Buyer's obligations under this Agreement are not conditioned upon obtaining or closing any loan. Therefore, Buyer is advised to consult with Buyer's lender prior to signing this offer to assure that the Examination Period allows sufficient time for Buyer's lender to provide Buyer sufficient information to decide whether to proceed with or terminate the transaction.)**

(c) **"Closing"** shall mean the date of completion of the process detailed in Section 11 of this Agreement. Closing shall occur on or before **Refer Exhibit B** 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 5:00pm (based upon time at the locale of the Property) on Refer to attached Exhibit B.

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:
____
____
e-mail address: ____ ____

(h) **"Buyer's Notice Address"** shall be as follows:
Eagle i Property Group, LLC Attn: Sushanth Charabuddi One Boston Place Suite 2600 Boston, MA 02108
____
e-mail address: scharabuddi@eagleipropertygroup.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.)**

☐ (j) If this block is marked, additional terms of this Agreement are set forth on the Additional Provisions Addendum (Form 581-T) attached hereto and incorporated herein by reference.

☐ (k) If this block is marked, additional terms of this Agreement are set forth on the Back Up Agreement Addendum (Form 581A-T) attached hereto and incorporated herein by reference.

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), and other conveyance fees or taxes required by law, any fees required for confirming Seller's account payment information on owners' association dues or assessments for payment or proration; any fees imposed by an owners' association and/or a management company as agent of the owners' association in connection with the transaction contemplated by this Agreement other than those fees required to be paid by Buyer in this Section 3 below, and the following:

____
____.

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, charges required by an owners' association declaration to be paid by Buyer for Buyer's future use and enjoyment of the Property, including, without limitation, working capital contributions, membership fees, or charges for Buyer's use of the common elements and/or services provided to Buyer, any costs or charges for determining restrictive covenant compliance, and the following:

____
____.

Each party shall pay its own attorney's fees.

Deferred/Rollback Taxes: Buyer ☐ intends to continue ☒ does not intend to continue the existing present use valuation property tax deferral(s) relating to the Property. In the event the Buyer intends to continue the existing present use valuation property tax deferral(s) relating to the Property, Buyer shall be responsible for making all necessary applications for continuation of the existing present use valuation property tax deferral(s) relating to the Property and shall be responsible for payment of any deferred/rollback taxes applicable to the Property.

If Buyer does not intend to continue the existing present use valuation property tax deferral(s) relating to the Property ☒ Seller ☐ Buyer shall be responsible for payment of any deferred/rollback taxes applicable to the Property

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 material information relevant to the Property in the possession of Seller, including but not limited to: information regarding matters detailed on Form 502- Land Information Worksheet, 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 hard copy materials delivered by Seller to Buyer pursuant to this Section 4 (or Section 7, if applicable), if any, and shall, upon Seller's request, following release of the Earnest Money, 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, without any warranty or representation by Buyer as to the contents, accuracy or correctness thereof. Notwithstanding the above provisions regarding delivery and return of information and documentation, should there exist a separate non-disclosure, confidentiality, or similar agreement between Buyer and Seller, the terms of which conflict with this provision insofar as delivery and return of information and documentation, then the terms of such non-disclosure, confidentiality, or similar agreement shall control as to the delivery and return of information and documentation.

Section 5. Evidence of Title: Seller agrees to convey fee simple 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 (as defined in Section 7, if applicable) and (c) specific instruments on the public record at the Contract Date agreed to by Buyer (not objected to by Buyer prior to the end of the Examination Period), which specific instruments shall be enumerated in the deed referenced in Section 11 (items 5(a), 5(b) and 5(c) being collectively "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 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) **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 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.

(b) **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.

(c) **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 investigating matters such as those detailed on Form 502- Land Information Worksheet, conducting timber cruises, and examining and surveying the Property; provided, however, that Buyer shall not conduct any invasive testing of any nature without the prior express written approval of Seller as to each specific invasive test intended to be conducted by Buyer. Buyer shall conduct all such on-site inspections, examinations, testing, timber cruises and surveying of the Property in a good and workmanlike manner, at Buyer's expense, 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 Seller's or any tenant's business is open to the public. Buyer shall provide Seller or any tenant (as applicable) reasonable advance notice of and Buyer shall cause its agents or representatives and third party service providers (e.g. inspectors, surveyors, etc.) to give reasonable advance notice of any entry onto the Property. Buyer shall be obligated to observe and comply with any terms of any tenant lease which conditions access to such tenant's space at the Property. 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 and its agents or representatives in exercising its rights under this Section 6(c) 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. Except as provided in Section 6(a) 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 ("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**. Seller represents and warrants that as of the Contract Date, there are no other Leases, oral or written, recorded or not, nor any subleases affecting the Property, except as set forth on **Exhibit B**;

(b) Seller shall deliver copies of any Leases to Buyer pursuant to Section 3 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 3. 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) During the Examination Period, Buyer and Seller shall cooperate in good faith to determine if any Lease shall be terminated prior to Closing or shall continue after Closing. As to any Lease determined to continue after Closing, Seller shall deliver an assignment of Seller's interest in such Lease to Buyer in form and content acceptable to Buyer (with tenant's written consent and acknowledgement, if required under the Lease). Seller agrees to deliver such assignment of 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. The assignment shall provide: (i) that Seller shall defend, indemnify and hold Buyer harmless from claims, losses, damages and liabilities (including, without limitation, court costs and attorneys' fees) asserted against or incurred by Buyer which are caused by or the result of any default by Seller under any Lease prior to the date of Closing, and (ii) that Buyer shall defend, indemnify and hold Seller harmless from claims, losses, damages and liabilities (including, without limitation, court costs and attorneys' fees) asserted against or incurred by Seller which are caused by or the result of any default by Buyer under any Lease after the date of Closing.

(e) Seller also agrees to work diligently to obtain any tenant signatures on any estoppel certificates in such form as Buyer may reasonably request and to work diligently to obtain any subordination, nondisturbance and attornment agreements in such form as Buyer may reasonably request.

Section 8. Environmental/Physical Aspects of Property: Seller represents and warrants that it has no actual knowledge of the presence or disposal, except as in accordance with applicable law, within any structures on the Property 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 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 condition hereto is not satisfied, then the Earnest Money shall be refunded to Buyer. In the event of breach of this Agreement by Seller, the Earnest Money shall be refunded to Buyer upon Buyer's request, but such return shall not affect any other remedies available to Buyer for such breach. In the event of breach of this Agreement by Buyer, the Earnest Money shall be paid to Seller as liquidated damages and as Seller's sole and exclusive remedy for such breach, but without limiting Seller's rights under Section 6(c) or Section 22 of this Agreement. It is acknowledged by the parties that payment of the Earnest Money to Seller in the event of a breach of this Agreement by Buyer is compensatory and not punitive, such amount being a reasonable estimation of the actual loss that Seller would incur as a result of such breach. The payment of the Earnest Money to Seller shall not constitute a penalty or forfeiture but actual compensation for Seller's anticipated loss, both parties acknowledging the difficulty determining Seller's actual damages for such breach.

NOTE: In the event of a dispute between Seller and Buyer over the disposition of the Earnest Money held in escrow, a licensed real estate broker is required by state law (and Escrow Agent, if not a broker, hereby agrees) to retain the Earnest Money in the Escrow Agent's trust or escrow account until Escrow Agent has obtained a written release from the parties consenting to its disposition or until disbursement is ordered by a court of competent jurisdiction. Alternatively, if a broker or an attorney licensed to practice law in North Carolina is holding the Earnest Money, the broker or attorney may deposit the disputed monies with the appropriate clerk of court in accordance with the provisions of N.C.G.S. §93A- 12.

Seller and Buyer hereby agree and acknowledge that the Escrow Agent assumes no liability in connection with the holding of the Earnest Money pursuant hereto except for negligence or willful misconduct of Escrow Agent. Escrow Agent shall not be responsible for the validity, correctness or genuineness of any document or notice referred to under this Agreement. Seller and Buyer hereby agree to indemnify, protect, save and hold harmless Escrow Agent and its successors, assigns and agents pursuant to this Agreement, from any and all liabilities, obligations, losses, damages, claims, actions, suits, costs or expenses (including attorney fees) of whatsoever kind or nature imposed on, incurred by or asserted against Escrow Agent which in any way relate to or arise out of the execution and delivery of this Agreement and any action taken hereunder; provided, however, that Seller and Buyer shall have no such obligation to indemnify, save and hold harmless Escrow Agent for any liability incurred by, imposed upon or established against it as a result of Escrow Agent's negligence or willful misconduct.

Section 11. Closing: At or before Closing, Seller shall deliver to Buyer a special warranty deed unless otherwise specified on **Exhibit B** and other documents customarily executed or delivered by a seller in similar transactions, including without limitation, 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 cause to be delivered the funds necessary to pay to Seller 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 the Buyer's attorney's (or other designated settlement agent's) receipt of authorization to disburse all necessary funds.

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 (which shall include electronic mail) and shall be deemed to have been properly given and received (i) on the date delivered in person or (ii) the date 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, (iii) at such time as the sender performs the final act to send such transmission, in a form capable of being processed by the receiving party's system, to any electronic mail address or facsimile number, if any, provided in Section 1(g) as to Seller, and in Section 1(h) as to Buyer or (iv) on the date deposited with a recognized overnight delivery service, addressed 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. If a notice is sent by more than one method, it will be deemed received upon the earlier of the dates of receipt pursuant to this Section.

Section 13. Counterparts; Entire Agreement: This Agreement may be executed in one or more counterparts, which taken together, shall constitute one and the same original document. Copies of original signature pages of this Agreement may be exchanged via facsimile or e-mail, and any such copies shall constitute originals. 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 notice given in accordance with 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) **<u>Seller Knowledge/Assessments:</u>** 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; (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 or (v) any caves, mineshafts, tunnels, fissures, open or abandoned wells, gravesites, pet cemeteries, animal burial pits or landfill operations (past or present) located at the Property, except as follows (Insert "None" or the identification of any matters relating to (i) through (v) above, if any):

____
____.

Note: For purposes of this Agreement: (i) a "special assessment" is defined as a charge against the Property by a governmental authority in addition to ad valorem taxes and recurring governmental service fees levied with such taxes, or by an owners' association in addition to any regular assessment (dues), either of which may be a lien against the Property; a special assessment may be either pending or confirmed; (ii) 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, at the time of Closing, it is payable in a lump sum or future installments; (iii) a "pending" special assessment is defined as an assessment that is under formal consideration by a governmental agency or an owners' association but which has not been approved prior to Closing. Seller shall pay, in full at Closing, all confirmed governmental or association special assessments, provided that the amount thereof can be reasonably determined or estimated. The payment of such determined or estimated amount shall be the final payment between Buyer and Seller as to any confirmed special assessments. If the amount of any special assessment cannot be reasonably determined or estimated, the special assessment shall be deemed a pending special assessment. Buyer shall take title subject to all pending special assessments disclosed by Seller herein, if any.

(b) **<u>Compliance</u>:** 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.

(c) **<u>Owners' Association</u>:** If the Property is subject to regulation by an owners' association, Seller shall deliver the following information to Buyer pursuant to Section 4 as if the same were listed therein (or Seller shall state that Seller does not have same in their possession or that such item is not applicable): (i) the name of the owners' association; (ii) the amount of regular assessments (dues); (iii) the name, address and telephone number of the president of the owners' association or of the association manager or management company; (iv) the owners' association website address; (v) the Seller's statement of account; (vi) the master insurance policy showing the coverage provided and the deductible amount; (vii) copies of any Declaration and/or Restrictive Covenants; (viii) the Rules and Regulations, (ix) the Articles of Incorporation and Bylaws of the owners' association; (x) the current financial statement and budget of the owners' association; (xi) the parking restrictions and information; and (xii) the architectural guidelines. Seller authorizes and directs any owners' association, any management company of the owners' association, any insurance company and any attorney who has previously represented the Seller to release to Buyer, Buyer's agents, representative, closing attorney or lender true and accurate copies of the foregoing items affecting the Property, including any amendments thereto.

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.

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:

Individual

____

Date: ______________________________

____

Date: ______________________________

Business Entity

Eagle i Property Group, LLC
(Name of Entity)

By: Sultt

Name: Sushanth Charabuddi

Title: Manager

Date: 07/14/2023

SELLER:

Individual

____

Date: ______________________________

____

Date: ______________________________

Business Entity

____
(Name of Entity)

By: ______________________________

Name: ______________________________

Title: ______________________________

Date: ______________________________

WIRE FRAUD WARNING

To Buyers: Before sending any wire, you should call the closing agent's office to verify the instructions. If you receive wiring instructions for a different bank, branch location, account name or account number, they should be presumed fraudulent. Do not send any funds and contact the closing agent's office immediately.

To Sellers: If your proceeds will be wired, it is recommended that you provide wiring instructions at closing in writing in the presence of the closing agent. If you are unable to attend closing, you may be required to send an original notarized directive to the closing agent's office containing the wiring instructions. This directive may be sent with the deed, lien waiver and tax forms if those documents are being prepared for you by the closing agent. At a minimum, you should call the closing agent's office to provide the wire instructions. The wire instructions should be verified over the telephone via a call to you initiated by the closing agent's office to ensure that they are not from a fraudulent source.

Whether you are a buyer or a seller, you should call the closing agent's office at a number that is independently obtained. To ensure that your contact is legitimate, you should not rely on a phone number in an email from the closing agent's office, your real estate agent or anyone else.

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.

Arnold & Smith, PLLC
(Name of Escrow Agent)

Date: ______________________________ By: ______________________________

Escrow Agent's contact/notice information is as follows:

____

____

e-mail address: ______________________________ fax number: ______________________________

except as same may be changed pursuant to Section 12.

Exhibit B TO: AGREEMENT FOR PURCHASE AND SALE OF LAND
(Additional Terms & Conditions)

1. **Section 1 (e) – Examination Period:**
   a. Buyer is to have 365 days from signing this contract by both parties as a period of due diligence to determine in their sole discretion that the Property is suited for their intended purpose (the "Examination Period"). Should the Buyer determine that the Property is not suitable, the Buyer shall notify the Seller in writing before the expiration of the Examination Period, and Earnest Money shall be refunded to the Buyer. In the event the Earnest Money becomes non-refundable, the Earnest Money shall act as a partial payment of the Purchase Price should this transaction proceed to Closing. After the 365th day Examination Period, the Earnest Money shall be non-refundable except only for the Seller's inability to deliver a marketable title in accordance with Section 5 of the Agreement.

   b. Should the Buyer fail to perform on the contract in the specified period of time, the Earnest Money shall be released to the Seller as payment in full for all damages, and the contract shall become null and void, except for any repair and indemnity obligations of Buyer contained in Section 6(c) and Section 22 of the Agreement, which expressly survive termination of this Agreement. All Earnest Money will be deposited with the Arnold & Smith, PLLC or Buyer's designee.

   c. Buyer shall be permitted to exercise two (2) separate thirty-day (30) extensions (the "Extension Period") to the Examination Period by written notice to Seller five (5) business days before the end of the Examination Period. These options are at the sole discretion of the Buyer. In the event that Buyer chooses to exercise one or more of the Extension Periods, Buyer shall pay Seller a non-refundable deposit of 1% of the purchase price ($5,000.00) per exercised extension. Any sums paid to Seller pursuant to this provision shall act as a partial payment of the Purchase Price should this transaction proceed to Closing.

   d. During the Examination Period, the Buyer may cancel the Agreement for any reason or no reason. Should Buyer elect to terminate this Agreement before the expiration of the Examination Period, the Earnest Money shall be released to Buyer by Escrow Agent, and both parties shall be released thereafter from any and all obligations under the Agreement.

2. **Section 1 (c)- Closing:**
   a. Closing shall occur within thirty (30) calendar days after the end of the Examination Period and Extension Period if any extensions are exercised. In no event shall Closing exceed later than September 15th, 2024. Time is of the essence with respect to all dates in this Agreement and this Exhibit B.

3. The Agreement's Effective Date is when a fully executed copy of the Agreement is delivered to the Buyer.

4. Seller hereby agrees that Buyer shall proceed in submitting any written documents to applicable government agencies for any reviews and approvals related to Buyer's intended use of the Property. Seller warrants to the Buyer that, to Seller's actual knowledge, and except for any matter disclosed in documents provided by Seller to Buyer, there are no known dump sites, cemetery, landfills, burial pits, hazardous waste sites or environmental clean-up requirements related to the Property.

5. If lot consolidation, subdivision, platting, and/or other developmental approvals from governmental agencies, including, without limitation, approval from the Department of Transportation for two-way access, and/or other approval from private parties, including but not limited to site plan and building design approvals (collectively, the "Permits and Approvals"), are required to meet Buyer's use of the Property, then Seller and Buyer, at Buyer's expense, shall cooperate in the proceedings for such Permits and Approvals, and execute

Buyer Initials SC Seller Initials ______ all consents or other instruments necessary. In connection therewith, Seller agrees that it shall promptly respond to requests for authorization and assistance from Buyer and/or Buyer's representatives and agents.

6. Seller hereby authorizes Buyer and Buyer's agents and representatives to enter the Property without any notice during Examination Period and Extension Period to determine the suitability of the Property in accordance with the terms and conditions in Section 6(c) of this Agreement but not limited to Geotechnical, Subsurface exploration, soil conditions, and environmental site assessments. Seller shall also not withhold information and will allow the Buyer to review any and all information concerning the Property.

7. Section 10 of the Agreement is hereby amended to remove the second sentence of the first paragraph of Section 10 and replace it with the following: In the event of a breach of this Agreement by Seller, Buyer shall have the right to either (i) enforce action in equity for specific performance, or (ii) terminate this Agreement by giving written notice to Seller and receive a refund of the Earnest Money and sue to recover Buyer's actual third party costs and expenses incurred in furtherance of this Agreement, up to a maximum amount of $100,000.00, as Buyer's sole remedies for a breach of this Agreement by Seller.

8. Section 11 of the Agreement is hereby amended to clarify that the Purchase Price and other funds to be disbursed under the Agreement shall be disbursed immediately after the deed is recorded.

9. The first sentence of Section 16 of the Agreement is hereby amended to provide that the representations, warranties, covenants, and agreements made by the parties in the Agreement and this Exhibit B shall survive the Closing and delivery of the deed for a period of six (6) months. Seller's maximum liability for breach of a representation, warranty, or covenant in the Agreement and this Exhibit B shall not exceed $100,000.00.

10. Seller has no knowledge of any fact or condition existing which would result or could result in the termination or reduction of the current access from the Property to the existing rights of way and roads that provide access to the Property or of any reduction in or to sewer, water, gas, electrical or other utility services presently serving the Property.

11. In the event of any conflict between the terms and conditions of the Agreement and this Exhibit "B", the terms and conditions of this Exhibit "B" shall prevail.

12. Seller shall not grant or create any lien or other encumbrance of any type or character against all or any portion of the Property and will pay at or prior to the Closing any indebtedness secured by the Property to ensure that the Property passes to Buyer at Closing free from all such encumbrances.

BUYER:	SELLER:
Eagle i Property Group, LLC	
By: Sultt	By:
Name: Sushanth Charabuddi	Name:
Title: Manager	Title:
Date: 07/14/2023	Date: ______________

Buyer Initials ________ Seller Initials __________