



September 8, 2025 City Council Meeting

Mayor David Moore
Mayor Pro-Tem Lauren Shoemaker
Councilman Ivory Craig
Councilwoman Phyllis Harris
Councilman Bryan Hough
Councilman Jeff Meadows
Councilman Kenneth Reeves
Marie M. Anders, City Attorney
Jonathan Blanton, City Manager



City of Mount Holly City Council Regular Meeting

September 8, 2025 | 7:00 PM
Municipal Complex - Council Chambers
400 East Central Avenue
Mount Holly, NC 28120

CALL TO ORDER

INVOCATION: Pastor Goodwin, Burge Memorial United Methodist Church

PLEDGE OF ALLEGIANCE: Boy Scout Troop #59

SET THE AGENDA

CONSENT AGENDA

1. Renewal of Duke Energy Lease for Mountain Island Park
2. Request to Approve the Mountain Island Park Trail Masterplan
3. Request to Amend Land Water Conservation Fund (LWCF) Grant Amount
4. Approval of Minutes: City Council Meeting-August 25, 2025
5. Approval of Minutes: Closed Session - August 25, 2025

PRESENTATIONS

1. Presentation by Arts on the Greenway-Labyrinth Project

Wanda Campbell

PUBLIC HEARING

1. Public hearing to consider an update to section 153.056 (E) of the Subdivision & Land Development Ordinance to create safer standards for trail construction and emergency response. Case # TA-25-9.

Joshua Blackwell

2. Public hearing to consider an update to Chapter 3, Section 3.11 of the Zoning Ordinance to provide more detailed regulations of accessory buildings and structures. Case # TA-25-10

Joshua Blackwell

3. Public Hearing to update Chapter 6: Table of Permitted and Special Uses, and to Chapter 7: Notes to the Table: Note 3 to the City's Zoning Ordinance to Update Regulations Regarding Home Occupations. Case # TA-25-7.

Nathaniel Jones

PUBLIC COMMENT – Three (3) Minute Limit



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Mount Holly, NC 28120

OLD BUSINESS

1. Approval of Development Agreement with RTR Property Management LLC for 131 South Main Street.

Jonathan Blanton

NEW BUSINESS

1. Review and consider approval concerning an ordinance to update Notice of Abatement for Nuisance Violations which is found in Code of Laws Chapter 50 section 50.035.

Nathaniel Jones

2. Memorandum of Understanding: Veteran's Park Redevelopment

Matt Black

3. City Manager Report

Jonathan Blanton

CLOSED SESSION

1. Closed Session Pursuant to N.C.G.S 143-318.11(a) (3 and 5)

ADJOURN



Regular Meeting Agenda Action Form

Meeting Date

September 8, 2025

From

Eric Smallwood, Parks and Recreation Director
Parks and Recreation

CONSENT AGENDA Item # 1

Renewal of Duke Energy Lease for Mountain Island Park

Will this require a public hearing?

No

Background/Purpose of Request

Duke Energy is requesting the City of Mount Holly enter into a new lease agreement with Duke Energy Carolinas, LLC for approximately 47.6 acres at the Mountain Island Tailrace Fishing Area and Mountain Island Park.

This updated lease agreement from Duke Energy is for Mountain Island Park, below the dam. This is almost identical to our last agreement which expired on July 1, 2025. Currently, Duke Energy estimates this area to be re-open in 2029.

Fiscal Impact

Will Item affect current budget?
Reviewed by Finance Director?
Preaudit Certification Required?
Capital Project Ordinance
Required?
Budget Transfer Required?

Total City Dollars:

Budget Code:

Reviewed by City Attorney?

Manager/Staff Recommendation

Attachments

1. MIP DUKE ENERGY LEASE PACKET

Memo

To: City of Mount Holly Mayor and City Council

From: Eric Smallwood, Parks and Recreation Director

cc: Jonathan Blanton, City Manager & Brian Dupont, Assistant City Manager

Date: 8/27/25

Re: Mountain Island Park Lease Renewal

Attached is a new lease agreement from Duke Energy for Mountain Island Park, below the dam. This is almost identical to our last agreement which expired on July 1, 2025. Currently, Duke Energy estimates this area to be re-open in 2029.

Duke Energy is requesting the City of Mount Holly enter into a new lease agreement with Duke Energy Carolinas, LLC for approximately 47.6 acres at the Mountain Island Tailrace Fishing Area and Mountain Island Park.

The agreement grants the City responsibility for operating, maintaining, and improving the property as a public park and recreation area under the Catawba-Wateree Hydroelectric Project (FERC Project No. 2232). Key provisions include no rental cost, free public bank fishing and boat launching, routine maintenance by the City, installation and upkeep of safety and access improvements, and coordination with Duke Energy and the NC Wildlife Resources Commission.

The lease runs concurrently with Duke Energy's federal license and replaces prior agreements, ensuring continued public access and recreation opportunities at Mountain Island Park.

STATE OF NORTH CAROLINA

COUNTY OF GASTON

**PUBLIC ACCESS AREA
LEASE AGREEMENT**

**Mountain Island Tailrace Fishing Area and Mountain Island Park
Lake Wylie, FERC Project Number 2232**

THIS LEASE is made and entered into by and between **DUKE ENERGY CAROLINAS, LLC**, a North Carolina limited liability company (“Lessor”), and **CITY OF MOUNT HOLLY**, a political subdivision of the State of North Carolina (“Lessee”); each may be referred to herein singularly as “Party” and collectively as “Parties”.

W I T N E S S E T H:

WHEREAS, Lessor holds a license (“License”) from the Federal Energy Regulatory Commission (“FERC”) to operate the Catawba-Wateree Hydroelectric Project, FERC Project No. 2232 (“Project”), which impounds the waters of the Catawba River, including Lake James, Lake Rhodhiss, Lake Hickory, Lookout Shoals Lake, Lake Norman, Mountain Island Lake and Lake Wylie in North Carolina and including Fishing Creek Reservoir, Cedar Creek Reservoir, Great Falls Reservoir, Lake Wateree and Lake Wylie in South Carolina, and which Project is subject to regulatory oversight by the FERC; and

WHEREAS, Lessor owns that certain property described herein lying within and adjoining the bed of Lake Wylie (the “Lake”) in Gaston County, North Carolina, which is part of the Project; and

WHEREAS, Lessee desires to lease a portion of said Project on the Lake for the purpose of constructing and maintaining a public park and/or public recreational area, containing 47.6± acres (Tract A = 8.77 Acres, Tract B = 38.83 Acres), lying within and adjoining the Lake, as more particularly shown on that aerial depiction entitled “Mountain Island Park,” attached hereto as **Exhibit A** and incorporated herein by reference (the “Leased Premises”), and as described in detail on the Site Plan entitled “Mountain Island Tailrace Fishing & Mountain Island River Park,” attached hereto as **Exhibit B** and incorporated herein by reference; and

WHEREAS, Lessor desires to accommodate Lessee's construction, operation and maintenance of a public park and/or public recreation area provided such use does not interfere with Lessor's ability to operate and maintain the Project in accordance with the Catawba-Wateree Comprehensive Relicensing Agreement ("CRA"), the License, other FERC requirements, and its business operations; and

WHEREAS, Article 411 of the License for the Project grants Lessor (as the licensee of the Project) the authority to grant permission for certain types of use and occupancy of Project lands and waters and to convey certain interests in Project lands and waters for certain types of use and occupancy as long as the proposed use and occupancy is consistent with the purposes of protecting and enhancing the scenic, recreational and environmental values of the Project.

NOW, THEREFORE, the Lessor, for and in consideration of the covenants and agreements hereinafter expressed to be kept and performed by Lessee, hereby leases to Lessee and Lessee hereby leases from Lessor, subject to the exceptions and reservations and upon the terms and conditions and for the purposes in this instrument set out, the Leased Premises.

1) Term: This Lease shall begin on the ____ day of _____, 2025 (the "Effective Date"), and shall expire at the end of the term of the License granted to Lessor by the FERC effective November 1, 2015 (including any extension periods of the License as may be granted by the FERC through annual licenses or otherwise, but not including the next new or subsequent license the FERC may issue after the expiration of the License), unless terminated sooner pursuant to Paragraphs 29, 30, 31 or 32 of this Lease. Lessor may terminate this Lease at any time if directed to do so by the FERC or its successor agency having jurisdiction over hydroelectric reservoirs that are subject to the Federal Power Act or, if necessary, to comply with FERC requirements.

2) Warranties: In order to induce Lessor to enter into this Lease, Lessee warrants and represents that it has authority to enter into this Lease under or by Resolution of the Mount Holly City Council passed on April 29, 2000. Lessor represents that it has full and lawful authority to enter into this Lease for lands dedicated to public use by terms of the License for the Project issued by the FERC pursuant to the Federal Power Act.

a) Disclaimer of Warranties of Condition: Lessee accepts the Leased Premises "AS IS." Lessor makes no warranties or representations as to the conditions of the Leased Premises or any improvements thereon, whether open and obvious or concealed. Lessor makes no representation

or warranty, express or implied, and will bear no responsibility as to the existing or future water quality or quantity in the Lake or its tributaries, or the sufficiency or suitability of the Leased Premises for use as a public park and/or public recreation area.

- b) Assignment of Contractor and Vendor Warranties: Lessor agrees to Lessee's rights under all assignable contractor or vendor warranties relating in any way to any building, fixture or other improvement located on the Leased Premises, as permitted by the terms and conditions of contractor or vendor warranties.

3) Rent and/or Other Consideration: The consideration flowing to Lessor for this Lease is the Lessee's assumption of responsibility for construction, maintenance and operation of present and future recreation facilities permitted under the terms of the License. Failure by Lessee to maintain and operate the permitted facilities and the Leased Premises to the standards reasonably required by the FERC shall constitute a default under the terms of this Lease pursuant to Paragraph 29 herein. Should the FERC require additional public recreation facilities within the Leased Premises, Lessor and Lessee shall hold a meeting to discuss the requirement. The procedures set forth in Paragraph 6, Site Plan, shall be followed.

4) Permitted Uses: The Leased Premises may be used by Lessee for the development, maintenance and operation of a public park and/or public recreation area and for no other purpose unless it is a compatible use, such as the provision of recreation-related goods and services, which may be permitted on site when authorized in advance in writing by Lessor. Any public park and/or public recreation area may include, but is not limited to, the following types of area development:

- a) Public Park or Recreation Areas –
 - i) Areas that have developed recreational facilities, such as picnic tables, picnic pavilions, swimming beaches, bath houses, restrooms, campgrounds, concessions, waste pump out facilities, challenge courses, maintenance and related structures or facilities that directly support park operations and maintenance, and other related facilities or amenities; and
 - ii) Recreation uses such as picnicking, tent camping, hiking, wildlife viewing, boating, fishing, swimming, and other related outdoor activities.
- b) Access and/or Trail Areas – areas that enable water access via boat launches or piers, or land access via pedestrian, bike or horse trails.

- c) Nature Preserve/Research Areas – areas that provide land for and promote the development of cooperative partnerships to enable preservation activities, conservation easements and/or research.

5) Public Use of Facilities: Use of any and all public park and/or public recreation area facilities, including such public service/convenience facilities as restrooms, water faucets, public communications equipment, trash receptacles, etc., constructed or placed on the Leased Premises by the Lessee will be open to use by boaters, bank fishing persons and all other public recreation users of the public recreation facilities, during the times and for the applicable fees stipulated in Exhibit B-1. Bank fishing shall be allowed at the access area for no charge. Lessee shall allow public boat launching at the required public boating access areas free of charge, except where fees have been agreed upon with Lessor.

6) Site Plan: The Site Plan for development of recreation facilities on the Leased Premises, attached hereto as Exhibit B, shall be implemented by Lessor. Additions to, modifications or removal of any facilities will require the submittal to Lessor of detailed plans, including but not limited to, construction plans and elevation drawings. Major additions, modifications or removal may require review by other entities and may require FERC approval, as provided in Article 411 of the License and the FERC-approved Catawba-Wateree Recreation Management Plan.

If, as part of this Lease, Lessor approves construction of new facilities, such facilities must be constructed within the timelines set out in the Site Plan. A one (1) year or other appropriate time extension may be considered if the Lessee files a written request with Lessor at least 60 days prior to the construction deadline for any specific facility or facilities, setting forth the reasons why the facility or facilities will not be completed within the allotted timeframe. If an extension of time to complete construction of the facilities is granted by Lessor, additional requirements may be required of Lessee to meet revised regulations or shoreline development guidelines.

Should FERC require additional recreation facilities to be located at the Leased Premises, Lessor will contact Lessee and arrange a meeting to discuss the required additional recreation facilities. At the meeting the specifics of what facilities must be added, where the facilities can be added, an estimated cost for adding the facilities, and the timing of adding additional facilities should be determined. Lessor and Lessee will then evaluate their available resources to determine how and when the required additional recreation facilities will be

constructed, and if those resources will be in dollars, 'in-kind' services or a combination thereof. A revised Site Plan will be developed based on the results of the meeting. Once Lessor and Lessee are in agreement with the revised plan, at Lessor's option, Lessor and Lessee shall enter into a revised lease or amendment to lease.

7) User Fees and Hours of Operation: Lessee agrees that Lessor's employees, third-party contractor employees, federal, state and local law enforcement officials, federal, state and local environmental and public health officials, and federal, state and local emergency response crews operating in his/her official capacity will be exempt from user fees. Any proposed changes in the schedule of fees or hours of operation by the Lessee must be submitted in writing to the Lessor at least sixty (60) days prior to proposed implementation and must be approved in writing. Contracts or leases between Lessee and third parties regarding the sale of goods or services on the Leased Premises must be submitted to Lessor at least sixty (60) days prior to proposed implementation; and must not be executed until Lessee receives written approval from Lessor. Lessee agrees that user fees as well as any proceeds it collects from third-party contracts or leases associated with the Leased Premises will be used exclusively to:

- a) offset Lessee's costs of operation, maintenance, and capital improvements of the Leased Premises or other public recreation facilities for which Lessee is responsible that are also within or adjoining the Project Boundary or within or adjoining a free-flowing section of the Catawba River, or
- b) offset Lessee's cost of improving its own public recreation department in specific areas that benefit public recreation users of the Project or the aforementioned free-flowing section of the Catawba River.

Lessee agrees to submit a written Annual Operational Report to Lessor by _____(date) covering the preceding calendar year to assist Lessor in its reporting on shoreline activities and planning efforts to the FERC. At a minimum, the report must include:

1. User Estimates: A good-faith estimate of the total number of users of the Leased Premises during the preceding calendar year, including a breakdown by activity type if available (e.g., boating, fishing, swimming).
2. Fee and Revenue Reporting: If the Lessee charges user fees or collects revenue from third-party contracts or leases associated with the Leased Premises, the report must include the total amount of fees or revenue collected in the preceding calendar year and a narrative or tabular summary

demonstrating how the use of collected fees complies with the purposes outlined in Paragraph 7.

8) Joint Annual Inspection: Lessor and Lessee will perform a joint annual physical inspection of the Leased Premises each year for the term of this Lease to ensure the Leased Premises are being maintained in accordance with this Lease in a safe manner and to the maintenance levels mutually acceptable to Lessor and Lessee.

9) Entry by Lessor: Lessor, its agents and representatives, at all reasonable times may enter the Leased Premises to examine same, and any such entry by or on behalf of Lessor shall not be or constitute an eviction, partial eviction or deprivation of any right of Lessee and shall not alter the obligations of the Lessee hereunder or create any right in Lessee adverse to the interest of the Lessor. In the event that Lessee is temporarily unable to operate the recreation facilities, Lessor shall have the right to enter the Leased Premises and operate the recreation facilities until such time as Lessee is able to resume operation. Any such entry by or on behalf of Lessor for temporary operation shall not be or constitute an eviction, partial eviction or deprivation of any right of Lessee and shall not alter the obligations of the Lessee hereunder or create any right in Lessee adverse to the interest of the Lessor.

10) Maintenance: Lessee recognizes it has the continuing responsibility to ensure the constructed and placed facilities are maintained in good repair, including, but not limited to, maintenance of those facilities in the Site Plan and proper erosion control within the Leased Premises and along the shoreline, and agrees to take all reasonable steps necessary to meet this responsibility. Lessee is to maintain all structures and improvements within the Leased Premises in a sound condition and in neat appearance and pay all costs for said maintenance. In the event Lessee fails to properly maintain all buildings and improvements or Lessee fails to obtain budgetary appropriations for the maintenance of the Leased Premises, then Lessor may terminate this Lease and retake possession of the Leased Premises, as set forth in Paragraphs 29 and 30.

Lessor has entered into a Public Access Area Agreement (Agreement) with the North Carolina Wildlife Resources Commission, attached hereto as Exhibit D for the maintenance of certain portions of established public access areas including the Leased Premises and for the provision of additional public recreation facilities at such areas. Lessee understands and agrees that Lessee shall not have exclusive control of the Leased Premises and

shall coordinate with the Lessor and the North Carolina Wildlife Resources Commission for the operation and maintenance of the Leased Premises.

Lessor agrees to install the following improvements at Mountain Island Park at Mount Holly Trail (the “Park”), which are required by the City of Mount Holly Fire Marshall, and which shall be maintained by Lessee after installation:

- a) Portable fire extinguishers to be installed at the fishing platform. Lessee shall own and be responsible for maintenance of the fire extinguishers after initial installation and any replacement of fire extinguishers during the Lease term.
- b) Telephone for emergency services. Lessee shall be responsible for obtaining and paying for cellular service throughout the Lease term.
- c) Paving and marking the gravel road (approximately 1935’ long) that extends down to the Park. Lessee shall be responsible for maintaining the road after initial paving, including the portion of the road that extends beyond the Leased Premises, and including any necessary repaving or remarking over the Lease term.

If at any time, the City of Mount Holly Fire Marshall no longer requires the above-mentioned improvements related to fire extinguishers and cell service (a-b), then Lessee shall remove these improvements at its expense and they shall no longer be a requirement of this Lease.

It is anticipated that Lessor will install a kayak launch as part of the Mountain Island Embankment Seismic Stability Improvement (“ESSI”) Project. Lessee shall be responsible for maintenance and repair of the kayak launch once installed.

11) Signage: Lessor will provide to Lessee all information required for signage at the entrance to boat access ramps or other signage as required by the License. Lessee shall erect the signs within 30 days of receipt of said information and maintain the signs during the term of this Lease.

12) Improvements: Lessee shall have the right at its own expense to make additions or modifications to those facilities and improvements existing upon the Leased Premises at the commencement of the Lease term. However, Lessee shall submit to Lessor for Lessor’s review detailed plans, including but not limited to

construction plans and elevation drawings of all proposed material alterations or improvements and receive the written approval of Lessor prior to initiating work on proposed alterations or improvements. Depending on the scope and substance of the proposed alterations or improvements, modification of the Site Plan may be required. Additionally, certain substantive changes may require the approval of applicable local, state and federal agencies prior to submittal of the request to Lessor and in certain situations, Lessor will need to submit Lessee's application to the FERC for approval, prior to issuance of approval by Lessor.

13) Illegal and Prohibited Uses: Lessee shall not make or permit to be made any illegal or prohibited use of the Leased Premises or any use thereof constituting a public nuisance, and shall keep the Leased Premises in a neat and orderly manner and shall comply with all applicable building codes and health regulations and with the rules and regulations of any and all applicable governmental authorities. All water and sanitary sewer facilities shall be designed, installed, constructed, maintained and operated only with the approval of the applicable governmental authority. Prohibited uses under the terms of the Lease include but are not limited to the following:

- a) Sale of alcoholic beverages or drugs;
- b) Gambling (e.g., installation of video gaming machines that pay off, etc.);
- c) Creation or installation of firearm or shooting ranges;
- d) Charging excessive fees;
- e) Establishing predetermined user groups that use specific facilities; and
- f) Excluding any user on the basis of age, sex, race, color, religion, national origin, handicap/disability, or familial status.

14) Fire Protection: In the event of a fire within or threatening the lands or facilities of any park or recreation area which is a part of this Lease, Lessee agrees to assist Lessor with the protection of the park or recreation area against such fire.

15) Leased Premises Subject to FERC Oversight: Lessee agrees its use of the Leased Premises will comply with FERC Order No. 313, attached hereto as Exhibit C, and all regulations or directives issued by the FERC. Lessee's use of the aforesaid lands will not endanger health or safety, create a nuisance or otherwise be incompatible with the overall recreational use of the Project. Failure by Lessee to maintain and operate the recreation facilities and the Leased Premises to the standards reasonably required by the FERC shall constitute a default under the terms of this Lease pursuant to Paragraph 29. If the Lessee becomes temporarily unable to

operate FERC-required recreation facilities, the Lessor retains the right to enter the Leased Premises and operate, or arrange for the operation of, the recreation facilities in accordance with the FERC-approved Catawba-Wateree License and Recreation Management Plan. Lessee must obtain written approval from Lessor to take out of service any recreation facility, operated as part of the Access Area Improvement Initiative, for any period of time other than as required for routine maintenance.

16) Compliance with State, Federal and Local Laws: Lessee agrees that its use of the Leased Premises as herein provided shall be consistent with all applicable state, federal and local laws as well as all ordinances, rules, regulations and sanctions of any regulatory body or governmental agency (state, federal or local) having jurisdiction in the Leased Premises, and Lessee's use of the Leased Premises shall comply with all applicable Duke Energy Shoreline Management Guidelines, the Shoreline Management Plan and the Recreation Management Plan. Upon request by Lessor, Lessee shall re-enter the Leased Premises at any time after the termination or expiration of this Lease and perform such operations necessary for compliance with then-applicable law, ordinances or regulations at the termination date. Lessee shall be relieved of any responsibility for compliance under this Paragraph 16 if during the Lease term Lessor causes noncompliance by changing conditions upon the Leased Premises, including but not limited to, land use pattern, or causing or allowing any third party to do so.

17) Protection of Environment: All necessary precautions shall be taken during construction and subsequent operation and maintenance of the facilities to protect and enhance the scenic, environmental, recreational, water supply and cultural values of any affected lands and waters of the Project. Lessee shall comply with all applicable federal, state, and local regulations, including but not limited to vegetative buffer requirements along shorelines and waterways. Lessee shall make every reasonable effort to preserve existing trees and native vegetation within the Leased Premises. Clear-cutting or removal of large contiguous areas of trees and vegetation is expressly discouraged and shall only be permitted where necessary for safety, access, or approved construction, and only with prior written approval of Lessor.

Prior to any land-disturbing activities, Lessee shall submit a vegetation management plan to Lessor for review and approval. This plan must identify all trees and vegetation proposed for removal and demonstrate how disturbance will be minimized and the natural character of the site maintained. Any unauthorized removal of trees

or vegetation shall require the submittal of a revegetation plan by Lessee and implementation of such plan at Lessee's sole cost.

18) Archaeological Resources: Lessee shall comply with the cultural resources consultation requirements specified in Lessor's Historic Properties Management Plan for the Project regarding any ground-disturbing activities, inadvertent discoveries, treatment of human remains and funerary objects or significant modifications to the leased facilities and lands. If any archaeological resources are discovered during construction or maintenance activities, such activities shall be halted and the State Historic Preservation Officer shall be contacted to determine what measures, if any, are needed to protect or salvage the resources and the Lessor shall be notified. Written notice shall be given to Lessor and all other appropriate agencies of any such discovery and the measures being implemented, if any are required.

19) Utility Easement: Lessor for itself, successors and assigns, reserves an easement to build, construct, maintain and operate electric distribution/transmission lines on, over, under, along and above the Leased Premises. Lessor also reserves the right, privilege and easement to erect, construct, reconstruct, replace, maintain and use towers, poles, wires, crossarms and other appliances and fixtures for the purpose of transmitting or distributing electric power, for Lessor's communication purposes, and for any other purpose that is, in Lessor's sole discretion, consistent with its business operations, together with the right to keep said lines, appliances, and fixtures free of structures, trees and other objects that may endanger or interfere with same. Lessor will notify and consult with the Lessee as to the plans for the construction of any buildings or structures to be placed within the Leased Premises, necessary to conduct Lessor's business.

20) Dam/Powerhouse Maintenance Access Easement: Lessor for itself, successors, and assigns, reserves an easement to access the Mountain Island Dam and Powerhouse to erect, construct, reconstruct, replace, or maintain any Project features. Lessor will notify and consult with Lessee on plans for construction of any buildings or structures necessary to conduct Lessor's business operations that are to be placed within the Leased Premises.

21) Reservation of Use: The right to use Leased Premises for Project purposes (not inconsistent with the activities and purposes of this Lease) is hereby reserved to Lessor, its successors and assigns.

22) Reservation of Authority: No terms or conditions herein contained shall be construed as limiting or affecting in any way the authority of Lessor in connection with its exercise of proper protection and administration of the Public Access Areas or its License.

23) Response to Increase in Recreation Use: Lessor will in good faith, for the included lakes aforementioned in the Project, endeavor to accommodate future increases in public recreation use of the lakes by arranging for the designation of lands for recreation use that are or may become available for such purposes and when such land areas are consistent with the Shoreline Management Plan, the Recreation Management Plan and/or the operation of Lessor's business.

24) FERC License and CRA Conflicts: This Lease is subject to the terms and conditions of the License for the Project and the CRA. In the event of any conflict between the terms and conditions of this Lease and the terms of the License or CRA, it is agreed that the terms of the License or CRA, respectively, shall prevail.

25) Transfer or Assignment: The Lessee may not transfer or assign this Lease or let or sublet the whole or any part of the Leased Premises to anyone without the prior written consent of the Lessor.

26) Insurance by Lessee: Lessee agrees that, at its own cost and expense, it shall obtain and maintain in force during the term of this Lease the following insurance coverage and minimum insurance limits:

- a) Commercial General liability insurance from a reputable insurance company authorized to do business in North Carolina, providing coverage for any and all risks of liability associated with Lessee's occupancy and use of the Leased Premises and the activities authorized hereunder, with limits of at least \$2,000,000 per occurrence.
- b) Workers' Compensation (including U.S. Longshoremen & Harbor Workers Act) meeting statutory limits
- c) Employers' Liability Insurance (including Maritime Employers Liability) of not less than \$1,000,000 each accident.
- d) Automobile Liability Insurance of not less than \$1,000,000 each occurrence.

The Lessee must meet the following additional insurance-related requirements:

1. Insurance coverage must be from the State Insurance Reserve Fund, or where applicable and authorized, with insurance companies with a minimum A.M. Best Rating of A-VII.
2. Lessee shall deliver to Lessor certificates of insurance prior to the beginning of the Lease and within 30 days of each insurance renewal. The certificates of insurance shall list the coverages and limits, the expiration dates and terms of policies and all endorsements whether or not required by Lessor and listing all carriers issuing said policies. Lessor shall not be obligated to review any of Lessee's certificates of insurance, insurance policies and/or endorsements or advise the Lessee of any deficiencies in such documents, and any receipt of copies or review by Lessor shall not relieve the Lessee from or be deemed a waiver of Lessor's right to insist on strict fulfillment of the Lessee's obligations. The Lessee shall deliver a certified copy of each insurance policy including all endorsements upon request by Lessor.
3. Lessee shall name Lessor as an additional insured, using Insurance Services Office, Inc. (ISO) additional insured (CG 20 10) or equivalent, under all required policies of liability insurance. (Except Worker's Compensation Insurance). All policies shall include waivers of any right of subrogation of the insurers using standard ISO forms. The certificate(s) of insurance shall specifically confirm the "waiver of subrogation" and "additional insured" obligations.
4. All insurance policies shall each contain a provision that coverage will not be cancelled, not renewed or materially modified unless at least thirty (30) days' prior written notice has been given but, in any event, if Lessee becomes aware of any such cancellation, reduction in coverage or non-renewal, Lessee shall provide written notice to Lessor of such action within ten (10) days of receipt of notice of any such action from its carrier. All policies of insurance required shall be endorsed or shall otherwise provide that Lessee's insurance shall be primary with respect to their own acts or omissions and not be in excess of, or contributing with, any insurance maintained by Lessor. Lessee will be responsible for their own respective deductibles, self-insured retentions, and self-insurance under its insurance program.
5. Should Lessee fail to provide or maintain any required insurance, Lessor shall have the right, but not the obligation, to provide or maintain any such insurance, and to invoice the

cost to the Lessee whereupon Lessee shall reimburse Lessor annually within forty-five (45) days following the request for payment.

6. Upon Lessee's contracting with an entity for the purpose of constructing any facilities on the Leased Premises, Lessor shall be named as an additional insured on a policy of insurance covering the scope of such activity prior to the commencement of any activity by Lessee, its agents or contractors. All policies shall include waivers of any right of subrogation of the insurers using standard ISO forms. Any contractor or subcontractor performing work on property that is the subject of this Lease shall have in place prior to commencement of any activity and during the performance of any activity, the following types of insurance and minimum coverage limits:

- Commercial General Liability Coverage – \$2 million per occurrence.
- Workers Compensation – Within statutory limits.
- Employer's Liability – \$1 million each accident.
- Automobile Liability – \$1 million per occurrence.

27) Hazard Insurance: Lessee shall also, at all times during the term of this Lease, keep all improvements which are now or hereafter a part of the Leased Premises insured against loss or damage by fire and the extended coverage hazards for one hundred percent (100%) of the full replacement value of such improvements of like kind and quality. Any loss adjustment shall require the written consent of both Lessor and Lessee. In the event any improvements upon the Leased Premises shall be damaged or destroyed by fire or other casualty, then Lessee shall promptly restore same to the condition existing before such loss or damage.

28) Hazardous Materials: The following items are to be implemented by the Lessee for the Leased Premises:

- a) Lessee shall not bring to or handle, store, dispense, transport or locate on or about the Leased Premises any chemical substances, oil, gasoline, other petroleum products, formaldehyde, PCBs, or any toxic, carcinogenic, radioactive or hazardous wastes, materials, substances or contaminants (known collectively "Hazardous Materials") for purposes other than construction, maintenance or repair of the recreation facilities, without Lessor's prior written authorization. Notwithstanding the foregoing, Lessee shall not bring to or handle, store, dispense, transport or locate on or about the Leased Premises any materials that contain

- asbestos, methylene chloride, or hexavalent chromium. For primers or coatings suspected of containing lead, Lessee shall ensure the lead content of such products or materials is no more than the current Consumer Product Safety Commission threshold.
- b) While handling, transporting or storing any Hazardous Materials on or about the Leased Premises, Lessee shall act in full compliance with all applicable federal, state and local laws, ordinances and regulations.
 - c) Lessee shall give Lessor immediate written notice of any problem, spill, discharge or threatened discharge of or relating to Hazardous Materials on or about the Leased Premises, and of any private or governmental investigation relating to Hazardous Materials on or about the Leased Premises. Lessor shall have the right to participate in and approve any environmental assessment or environmental clean-up plan for the Leased Premises. Lessee, its employees, agents and contractors, shall fully cooperate with any and all federal, state and local government officials having jurisdiction over the Leased Premises in resolving any environmental problem.
 - d) Lessee's failure to comply strictly with the provisions and mandates of this Paragraph 28 shall constitute a breach of this Lease, entitling Lessor to terminate this Lease and to exercise any other rights and remedies available to Lessor hereunder or otherwise.

29) Events of Default; Termination:

- a) The following events shall be deemed to be events of default by Lessee under this Lease (each singularly referred to herein as an "Event of Default"):
 - i) If Lessee fails to comply with any term, provision or covenant of this Lease other than the payment of any sum of money, and shall not cure such failure within sixty (60) days after due written notice thereof to Lessee; provided, however, if Lessor, in its sole discretion, determines that such failure cannot be cured within sixty (60) days, Lessee shall be in default under this Lease if Lessee fails to commence to cure such failure within the same sixty (60) day period or thereafter fails to act to diligently and promptly cure such failure; or
 - ii) If Lessee voluntarily discontinues or voluntarily ceases to use the Leased Premises and the improvements for the permitted use or closes its operations on the Leased Premises for any period greater than ninety (90) days; or

- iii) If Lessee fails to satisfy the timelines established in the Site Plan or if an extension is granted by Lessor, Lessee fails to meet the extended timeline and any requirements set by Lessor as a condition of the extension, and fails to notify Lessor and follow the requirements as set out in this Lease; or
 - iv) Any other event of default as specifically addressed in the paragraphs contained herein.
- b) Upon the occurrence of an Event of Default hereunder, Lessor shall be entitled to pursue any one or more of the following remedies without notice or demand:
- i) Terminate this Lease and Lessee's right of possession of the Leased Premises in which event Lessee shall immediately surrender the Leased Premises to Lessor, and if Lessee fails to do so, Lessor may, without prejudice to any other remedy which it may have for such Event of Default, enter upon and take possession of the Leased Premises, and expel or remove Lessee and any other person or entity who may be occupying the Leased Premises or any part thereof, by force, if necessary, without being liable for prosecution or any claim for damages therefore;
 - ii) Without having terminated this Lease, terminate Lessee's right of possession of the Leased Premises, by force, if necessary, without being liable for prosecution of any claim for damages therefore, and perform Lessee's obligations under this Lease, and Lessee shall reimburse Lessor upon demand for any expenses which Lessor may incur in effecting compliance with the terms of the Lease and Lessor shall not be liable for any damages resulting to Lessee from such actions;
 - iii) Bring suit for the collection of any amounts for which Lessee is then in default, or for the performance of any other covenant or lease by which Lessee is bound, with or without entering into possession or terminating this Lease.
- c) In the event Lessor elects to terminate this Lease by reason of the occurrence of an Event of Default, this Lease shall terminate and come to an end as if that were the date originally fixed herein for the expiration of the term hereof. Notwithstanding such termination, Lessee shall be liable for and shall pay to Lessor all indebtedness accrued hereunder to the date of such termination.
- d) In case of any Event of Default or breach by Lessee, Lessee shall also be liable for the costs of removing and storing Lessee's or any other occupant's personal property and all expenses

incurred by Lessor in enforcing or defending Lessor's rights and/or remedies, including reasonable attorneys' fees.

Lessee acknowledges that, upon the termination of this Lease by Lessor upon an Event of Default or termination by the Lessee, the FERC has authority to reclassify non-Project recreation facilities permitted by this Lease (as identified on Exhibit B) as Project facilities and to require the Lessor to operate and maintain all recreation facilities. In such event, all buildings, improvements, fixtures and other items of real property shall become the property of the Lessor. At the option of Lessor, Lessee shall remove all personal property of Lessee located upon the Leased Premises. If Lessee shall not have removed its personal property within thirty (30) days of the termination or expiration of the Lease as directed by Lessor, Lessor may at its option retain and use any portion of same or remove and dispose of any portion of same without liability to Lessor and shall be reimbursed by Lessee for its cost thereof.

30) Termination for Lack of Funding: Notwithstanding any other provision of this Lease, it is understood and agreed by and between the Parties that in the event Lessee is unable to obtain funding by appropriation or otherwise to operate and maintain the recreational facilities herein provided beyond the end of any then-current State fiscal year and so notifies Lessor thereof within sixty (60) days of the final approval of Lessee's appropriations for that coming fiscal year, this Lease shall be considered canceled. Such cancellation shall cause the Lease to terminate as if that was the date originally affixed herein for the expiration of the term hereof and shall not constitute an "Event of Default" as defined herein. Notwithstanding such cancellation, Lessee shall be liable for and shall pay to Lessor all indebtedness accrued hereunder to the date of such cancellation. Lessee agrees to utilize its best efforts throughout the term of this Lease to obtain adequate appropriations or other funding to accomplish the purposes of this Lease.

31) Surrender of Lease: The voluntary or other surrender of this Lease by Lessee, or a mutual cancellation thereof, shall not work a merger and shall, at the option of Lessor, terminate all or any existing subleases or subtenancies, or may at the option of Lessor, operate as an assignment to it of any or all such subleases or subtenancies.

32) Condemnation: If the whole or any part of the Leased Premises is taken or condemned by any competent authority for any public use or purpose, then this Lease shall automatically terminate as to the portion

taken as of the date said title shall be taken. If a portion of the Leased Premises shall be taken so as to render the remainder thereof unusable for the purposes for which the Leased Premises were leased, then this Lease shall terminate as of the date said title shall be taken. In the event that any portion of the Leased Premises shall be taken or this Lease shall be terminated as a result of a taking of the whole or a portion of the Leased Premises, Lessee shall have no claim against Lessor for the value of any unexpired portion of the Lease term. Lessor shall be entitled to the entire award given, including any special damages, except that, as to any portion of payment received by way of just compensation which is attributable to the value, if any, of any capital improvements, taken or damaged, Lessee shall be entitled to receive a pro-rata share thereof based on the percentage that its funding contribution therein bears to the total capital costs thereof. In the event that either Party should disagree with the valuation given within any award to any improvements taken or damaged, or be unable to agree between themselves as to such value, the Parties agree to arbitrate such question of valuation and to apportion their award so as to separately set forth the contributing value, if any, of each improvement taken or damaged.

33) Severability: The provisions hereof are independent covenants and should any provision or provisions contained in this Lease be declared by a court or other tribunal of competent jurisdiction to be void, unenforceable or illegal, then such provision or provisions shall be severable and the remaining provisions hereof shall remain at Lessor's option in full force and effect.

34) Flooding and Drawdown: Lessor reserves the unlimited right to back, flood or draw down the waters of the Project, the Catawba River and its tributaries from time to time and at any and all times over and upon the Leased Premises or any portion of the same, to such extent the flooding or drawdown may be necessary or convenient in connection with the practical operation of its hydroelectric or other electric generation power plants located or to be located in the future upon the Catawba River or its tributaries. Lessee agrees that any damage it may suffer as a result of such flooding or drawdown shall not be claimed or charged against Lessor. Lessee hereby waives all claims against Lessor for damages resulting from floods or drawdowns that may occur on the Catawba River or any tributary thereof.

35) FERC Project Restoration: Lessor shall be under no obligation to Lessee to maintain or continue to operate the Lake or the Project and should said Lake or Project be damaged, destroyed or removed, the Lessor shall be under no obligation to restore or rebuild same, and Lessee hereby waives all claims against Lessor for damages to or destruction or removal of the Lake or the Project.

36) Parties Bound: The covenants and conditions herein contained shall, subject to the provisions as to assignment, transfer and subletting, apply to and bind the heirs, successors, executors, administrators and assigns of all the Parties hereto; provided, however, that neither this Lease nor any provisions therein may be assigned by Lessee except with the prior written consent of the Lessor.

37) Survival: Provisions of this Lease for Compliance with Laws (Paragraph 16), Termination (Paragraph 29) and Survival (Paragraph 37) shall survive the termination or cancellation of this Lease and shall remain in effect.

38) Notices: Wherever in the Lease it shall be required or permitted that notice be given by either Party to this Lease to the other, such notices must be in writing and must be given personally or forwarded by certified mail addressed as follows:

To Lessor: Duke Energy Carolinas, LLC
General Manager,
Water Strategy, Hydro Licensing and Lake Services – DEP 35B
525 South Tryon Street
Charlotte, NC 28202

With copy to: Duke Energy Carolinas, LLC
Attn: Lease Administrator
525 South Tryon Street, DEP 21
Charlotte, North Carolina 28202

To Lessee: City of Mount Holly
Attn: City Manager
400 E. Central Avenue
Mount Holly, North Carolina 28120

Such addresses may be changed from time to time by notice given hereunder.

39) Recordation: In no event shall this Lease be recorded in any Public Registry or other public records by Lessee or on Lessee's behalf. Violation of the provisions in the immediately preceding sentence shall entitle Lessor to terminate the lease rights granted herein. Lessor and Lessee acknowledge and agree Lessor shall record a Memorandum of Lease in the Public Registry in the county where the Leased Premises is located, and Lessor shall provide Lessee with a recorded copy of said Memorandum of Lease.

40) Existing Lease Amended and Superseded: Beginning on the Effective Date, this Lease shall amend, restate, replace and supersede all previous leases or other agreements, except the CRA, between Lessor and Lessee, or their respective predecessors in interest, for the use of the Leased Premises or any portion thereof, and such prior leases or other agreements are of no further force or effect.

SIGNATURE PAGES TO FOLLOW

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be executed by their duly authorized officials this the day and year first above written.

LESSOR:

DUKE ENERGY CAROLINAS, LLC
a North Carolina limited liability company

By: _____

Print Name: _____

Title: _____

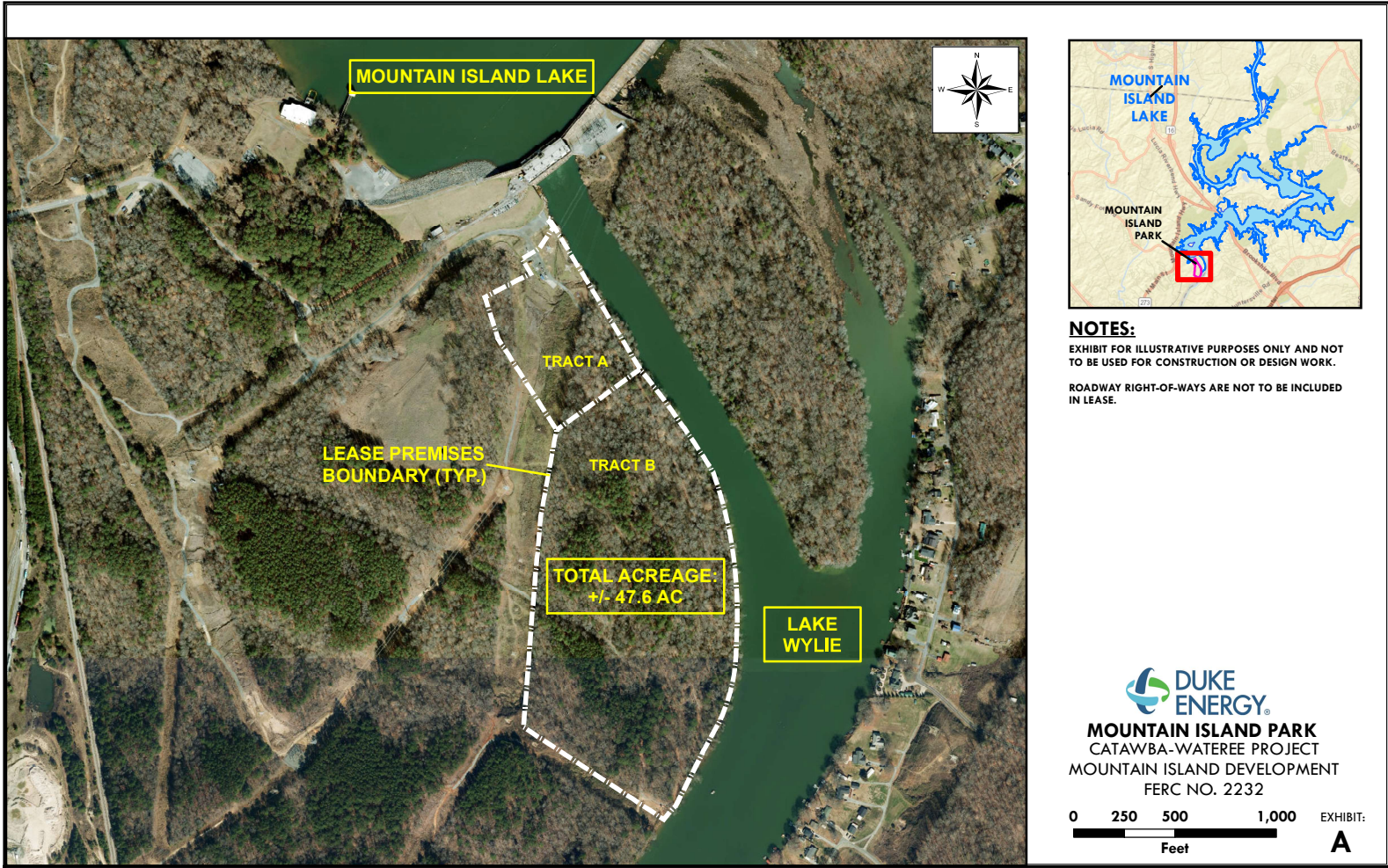
LESSEE:

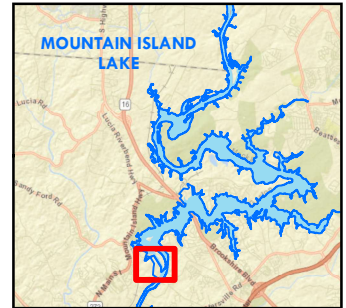
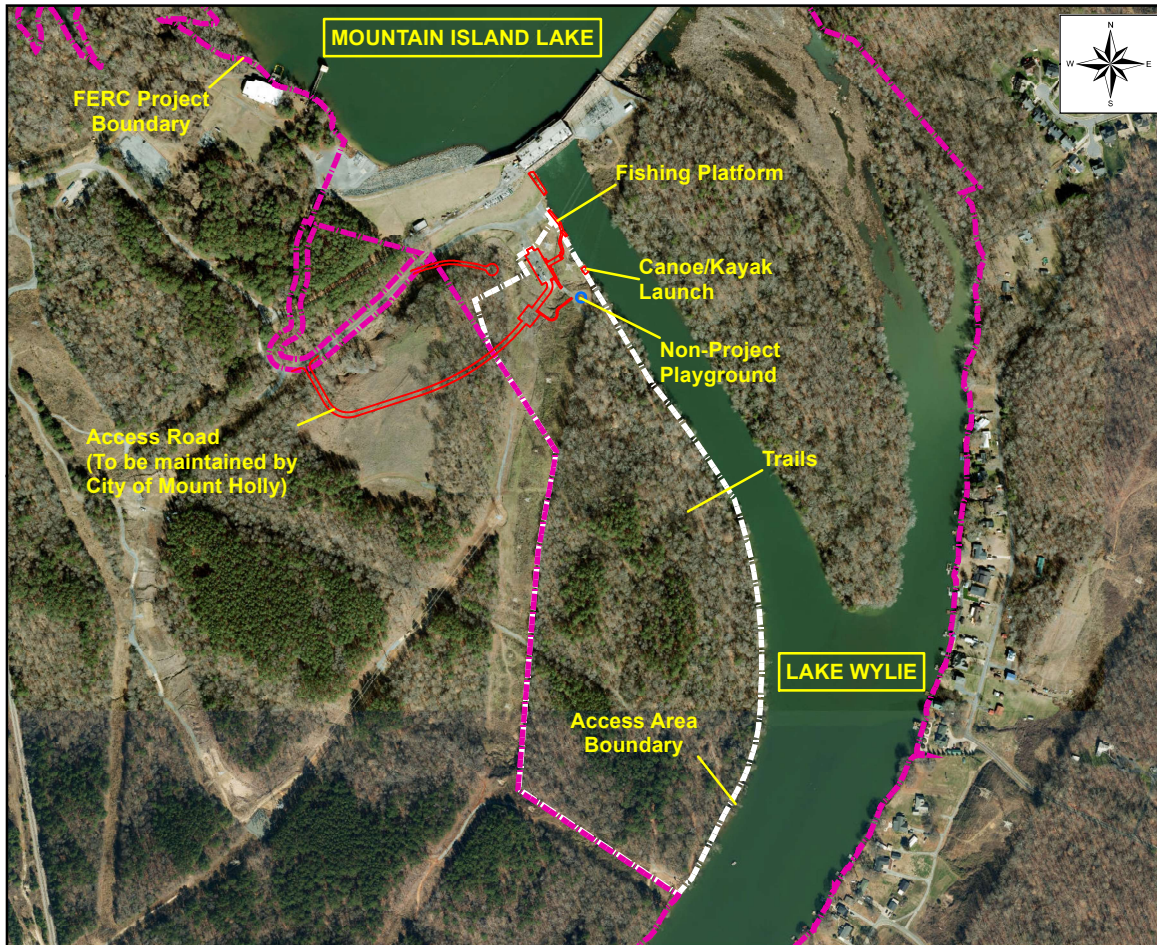
CITY OF MOUNT HOLLY
a political subdivision of the State of North Carolina

By: _____

Print Name: _____

Title: _____





NOTES:

FERC PROJECT BOUNDARY AND ACCESS AREA BOUNDARY ARE SHOWN AS REFERENCE ONLY. FOR EXACT LOCATION SEE EXHIBIT G DRAWINGS. AERIAL PHOTOGRAPHY OF EXISTING CONDITIONS IS SHOWN FOR REFERENCE ONLY.

PROPOSED ENHANCEMENTS SHOWN ARE CONCEPTUAL IN NATURE. ACTUAL NUMBER, SIZE AND LOCATION OF FACILITIES AND AMENITIES MAY VARY BASED ON ENGINEERING DESIGN, SITE CONSTRAINTS AND PERMITTING REQUIREMENTS. AS-BUILT DRAWINGS SHOWING ALL ENHANCEMENTS WILL BE FILED IN ACCORDANCE WITH THIS PLAN AND CURRENT FERC GUIDELINES.



MOUNTAIN ISLAND TAILRACE FISHING & MOUNTAIN ISLAND RIVER PARK

MOUNTAIN ISLAND DEVELOPMENT
FERC NO. 2232

0 250 500 1,000 EXHIBIT:
Feet **B**

Exhibit B-1

City of Mount Holly, NC
Mountain Island Park
Operation Plan

304 Mountain Island Rd, Mt Holly, NC 28120

Park Hours: Dawn to Dusk

Fee to use the Park: Free

Routine maintenance will be performed by the Mount Holly Parks and Recreation Department on a regular basis as part of our daily maintenance schedule.

Exhibit C

FERC Order No. 313

TITLE 18 - CONSERVATION OF POWER AND WATER RESOURCES

CHAPTER I - FEDERAL ENERGY REGULATORY COMMISSION, DEPARTMENT OF ENERGY

SUBCHAPTER A - GENERAL RULES

PART 2 - GENERAL POLICY AND INTERPRETATIONS

2.7 - Recreational development at licensed projects.

The Commission will evaluate the recreational resources of all projects under Federal license or applications therefor and seek, within its authority, the ultimate development of these resources, consistent with the needs of the area to the extent that such development is not inconsistent with the primary purpose of the project. Reasonable expenditures by a licensee for public recreational development pursuant to an approved plan, including the purchase of land, will be included as part of the project cost. The Commission will not object to licensees and operators of recreational facilities within the boundaries of a project charging reasonable fees to users of such facilities in order to help defray the cost of constructing, operating, and maintaining such facilities. The Commission expects the licensee to assume the following responsibilities: (a) To acquire in fee and include within the project boundary enough land to assure optimum development of the recreational resources afforded by the project. To the extent consistent with the other objectives of the license, such lands to be acquired in fee for recreational purposes shall include the lands adjacent to the exterior margin of any project reservoir plus all other project lands specified in any approved recreational use plan for the project.

(b) To develop suitable public recreational facilities upon project lands and waters and to make provisions for adequate public access to such project facilities and waters and to include therein consideration of the needs of persons with disabilities in the design and construction of such project facilities and access.

(c) To encourage and cooperate with appropriate local, State, and Federal agencies and other interested entities in the determination of public recreation needs and to cooperate in the preparation of plans to meet these needs, including those for sport fishing and hunting.

(d) To encourage governmental agencies and private interests, such as operators of user-fee facilities, to assist in carrying out plans for recreation, including operation and adequate maintenance of recreational areas and facilities.

(e) To cooperate with local, State, and Federal Government agencies in planning, providing, operating, and maintaining facilities for recreational use of public lands administered by those agencies adjacent to the project area.

(f)(1) To comply with Federal, State and local regulations for health, sanitation, and public safety, and to cooperate with law enforcement authorities in the development of additional necessary regulations for such purposes.

(2) To provide either by itself or through arrangement with others for facilities to process adequately sewage, litter, and other wastes from recreation facilities including wastes from watercraft, at recreation facilities maintained and operated by the licensee or its concessionaires.

(g) To ensure public access and recreational use of project lands and waters without regard to race, color, sex, religious creed or national origin.

(h) To inform the public of the opportunities for recreation at licensed projects, as well as of rules governing the accessibility and use of recreational facilities.

[Order 313, 30 FR 16198, Dec. 29, 1965, as amended by Order 375B, 35 FR 6315, Apr. 18, 1970; Order 508, 39 FR 16338, May 8, 1974; Order 2002, 68 FR 51115, Aug. 25, 2003]

EXHIBIT D

STATE OF NORTH CAROLINA)
)
COUNTIES OF ALEXANDER, BURKE,) DUKE ENERGY CATAWBA-
CALDWELL, CATAWBA,) WATEREE PUBLIC ACCESS
GASTON, IREDELL, LINCOLN,) AREA AGREEMENT
MCDOWELL AND MECKLENBURG)

**NORTH CAROLINA WILDLIFE RESOURCES COMMISSION
DUKE ENERGY CATAWBA-WATEREE FERC HYDROELECTRIC PROJECT**

THIS PUBLIC ACCESS AREAS AGREEMENT (this "Agreement") is made this 15th day of May 2008, between **DUKE ENERGY CAROLINAS, LLC**, a North Carolina limited liability company (hereinafter referred to as "Grantor"), and the **NORTH CAROLINA WILDLIFE RESOURCES COMMISSION** (NCWRC), an Agency of the State of North Carolina (hereinafter referred to as "Grantee") and which may be referred to individually or collectively as "Party" or "Parties";

WITNESSETH:

WHEREAS, Grantor has been licensed by the Federal Energy Regulatory Commission (FERC), to operate the Catawba-Wateree Project (License Number 2232), which impounds the waters of the Catawba River, including Lake James, Lake Rhodhiss, Lake Hickory, Lookout Shoals Lake, Lake Norman, Mountain Island Lake and Lake Wylie in North Carolina; and, which may be referred to individually or collectively as the "Project" or "Projects;" and,

WHEREAS, Grantor has entered into a Comprehensive Relicensing Agreement with the signatory stakeholders dated October 20, 2006, which provides the terms, conditions, and limitations specific to resolution of all of the material matters at issue in the FERC relicensing of the Catawba-Wateree Project; and,

WHEREAS, Grantor's existing license to operate the Project will expire on August 31, 2008, and Grantor is in the process of seeking a new license from the FERC authorizing Grantor to continue operation of the Project for an additional term (the "New License"); and,

WHEREAS, Grantor owns, leases, or has a current operational agreement with the owner of the tracts of land, referred to as "Public Access Areas" (hereinafter referred to as "Public Access Areas"), more specifically described on Exhibit A attached hereto, adjacent to the Project waters and rivers which provide access for public recreation; and,

WHEREAS, Grantor desires to lease portions of the Public Access Areas that it owns or leases to state and local governmental agencies, commercial vendors or other interested parties, through its "Access Area Improvement Initiative", which is designed to ensure the development and maintenance of a variety of high quality recreational opportunities for the general public;

WHEREAS, Grantee agrees to: (1) enforce the laws and regulations of the State of North Carolina within its subject matter jurisdiction on the Public Access Areas; and (2) maintain those portions of the Public Access Areas designated by Grantor, in coordination with Grantee, including those portions of Public Access Areas that have been or may be leased in the future by Grantor to another entity, so long as the Public Access Areas continue to be open to the public; and,

WHEREAS, the terms of this Agreement shall be binding upon and inure to the benefit of Grantor and Grantee and their respective successors and assigns.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein, the Parties agree as follows:

1. Term: This Agreement shall become effective on July 1st, 2008 and shall expire at the end of the term of the New License, including any extension periods of the New License as may be granted by the FERC through annual Licenses or otherwise, but not including the next new subsequent license that the FERC may issue after the expiration of the New License unless terminated sooner pursuant to Paragraph 5 of this Agreement. This Agreement may be renewed if the Parties mutually agree, but neither Party shall not be obligated to renew.

2. Previous Agreements: Except for "authorization to act as agent" agreements between Grantor and Grantee, this Agreement replaces and supersedes any and all prior agreements between Grantor and Grantee for maintenance and enforcement activities on any of the Public Access Areas for the Projects, and such prior Agreement(s) shall be of no further force or effect.

3. FERC License Conflicts: This Agreement is subject to the terms and conditions of the licenses issued by the FERC for the Project. In the event of any conflict between the terms and conditions of this Agreement and the Project license, it is agreed that the terms of the applicable Project license shall prevail. In addition, in the event of any conflict between the terms and conditions of this Agreement and the Catawba-Wateree Comprehensive Relicensing Agreement, it is agreed that the terms of the Comprehensive Relicensing Agreement shall prevail.

4. Amendments: Amendments to this Agreement may be proposed by either Party upon thirty (30) days written notice to the other. Such amendments, when agreed to by both Parties, shall become effective on the date such Amendment is last signed by the Parties hereto.

5. Termination: This Agreement or any part thereof may be terminated by either Party upon one hundred and twenty (120) days written notice to the other. Grantor may also terminate this Agreement at any time if directed to do so by the FERC or its successor agency having jurisdiction over hydroelectric reservoirs which are subject to the Federal Power Act. Upon termination or expiration of this Agreement, Grantee shall have the right to remove its personal property and any and all buildings, apparatus and materials supplied by it for the purpose of this Agreement for a period of one hundred and eighty (180) days. If Grantee does not remove such items within this period, such items shall become the property of the Grantor.

6. Public Access Facilities: Grantor will provide public access facilities where such facilities are indicated on Exhibit A, for the duration of this Agreement.

7. Changes to Public Access Areas: Grantor reserves the right to move, alter or change the location, boundaries or layout of any Public Access Area or private road access to any Public Access Area, wherever and whenever it shall become necessary, in order to insure full public utilization of the area or to prevent any noxious or offensive use of any area, or whenever the land then occupied by such Public Access Area or road is necessary to the operations of Grantor. In the event the relocation of any Public Access Area becomes necessary, Grantor will provide a minimum of 30 days notice to Grantee and will attempt to relocate the affected Public Access Area on land owned or leased by Grantor and at a location satisfactory to the Grantee. Subject to approval by the FERC and consistent with the Catawba-Wateree Comprehensive Relicensing Agreement, Grantor may add, remove or close all or any portion of any Public Access Area, at any time, after providing a minimum of 30 days notice of the proposed action to Grantee.

8. Leases of Portions of the Public Access Areas: Grantor reserves the right to lease or sublease portions of the Public Access Areas to state or local agencies, third parties, or individuals for the provision of additional public recreation facilities, and the terms of this Agreement shall be incorporated into the lease or sublease for said portions of the Public Access Area, subject to the approval of all parties.

9. Notice of Changes to Design or Operation: Grantor will provide written notice to Grantee of all new orders issued by the FERC that may impact the existing or future design and/or use of the Public Access Areas.

10. Response to Increase in Recreation Use: Grantor will in good faith endeavor to accommodate future increases in public recreation demand on any or all of the Projects consistent with the provisions of the Catawba-Wateree Comprehensive Relicensing Agreement and the operation of Grantor's business.

11. Compensation for Maintenance: Grantor agrees to pay Grantee \$210,000 per year, as adjusted annually per Paragraph 4 to update Exhibit A as new Public Access Areas or amenities are provided, and as adjusted annually per Paragraph 14, to maintain the Public Access Areas which are the subject of this Agreement ("Maintenance Fee").

12. Cost-Share Funding for Capital Improvement: Grantee agrees to provide up to \$210,000 per year toward capital improvements, major repairs or replacement (see Paragraph 16) for the Public Access Areas, provided that Grantee has sufficient funds and matching funds are available to Grantee on a "50-50" matching basis. Any portion of Grantee's cost-share funding that was available in a given year but was not utilized will not accumulate for potential use at a later date. Matching funds may come from numerous sources, including but not limited to (1) Grantor, (2) a state, local, or other non-federal governmental agency, (3) a third party lessee, or (4) donation from an individual or organization. That portion of the funding provided for capital improvements to match Grantee's funds may only be utilized for improvements that directly benefit boating access users or public fishing area users. The annual cost-share amount can exceed \$210,000 if the Grantee has additional funds available for improvements to the Public Access Areas. Further, to insure Grantee retains the potential to utilize "U.S. Fish and Wildlife Sportfish Restoration Funds", the source of matching funds shall not be a federal government source. All capital improvements constructed with these matching funds that are located within the physical boundaries of the portion of the Public Access Area maintained by Grantee must remain accessible and free of charge to boating access facility users and public fishing area users for the duration of this Agreement, except as provided for in Paragraph 30. The Grantee's contribution towards capital improvements, (which may include materials and/or labor in lieu of dollars), will be described in detail in an annual report which must be submitted to Grantor prior to the Annual Coordination Meeting (see Paragraph 26). If Grantee's contribution will be in materials and/or labor, such activities may not proceed until approved by Grantor.

13. Additional Services: In the event that Grantor requests in writing that the Grantee perform services or provide products over, above, and beyond the basic services described in this agreement, then the Grantee may be paid for such additional services as herein provided. Additional services, for which additional compensation may be allowed, must first be agreed upon by both parties in writing and will be billed by Grantee to Grantor as "Additional Services".

14. Adjustment for Inflation / Deflation: Unless otherwise indicated in this Agreement, all costs or payment amounts in this Agreement that are specified in dollars shall remain in effect until January 1, 2009 at which time these dollar amounts shall be adjusted on an annual basis starting on January 1, 2009 and January 1 of each following year according to the following formula:

$$AD = (D \times (NGDP)) / IGDP$$

Where:

AD = Adjusted dollar amount as of January 1 of the year in which the adjustment is made (or, in the case of the first adjustment, 2009).

D = Dollar amount prior to adjustment.

NGDP = GDP-IPD for the third quarter of the year before the adjustment date (or, in the case of the first adjustment, 2008).

IGDP = GDP-IPD for the third quarter of the year before the previous adjustment date (or, in the case of the first adjustment, 2007).

"GDP-IPD" is the value published for the Gross Domestic Product Implicit Price Deflator by the U.S. Department of Commerce, Bureau of Economic Analysis in the publication "Survey of Current Business" (being on the basis of 2000 = 100), in the third month following the end of the applicable quarter. If that index ceases to be published, any reasonably equivalent index published by the Bureau of Economic Analysis may be substituted. If the base year for GDP-IPD is changed or if publication of the index is discontinued, the Licensee shall promptly make adjustments or,

if necessary, select an appropriate alternative index to achieve the same economic effect. Adjusted amounts will be rounded to the nearest whole dollar.

15. No Commitment of Government Funds: Nothing in this Agreement shall be construed as obligating Grantee to expend in any fiscal year any sum in excess of appropriations made by Congress or the North Carolina legislature or administratively allocated for the purpose of this Agreement for the fiscal year or to involve Grantee in any contract or obligations for the future expenditure of money in excess of such appropriations or allocations nor shall it be construed to require the transfer or use of any government lands or other resources (including personnel) except as authorized by law.

16. Maintenance: Grantee shall provide routine maintenance and repairs at all the Public Access Areas, including but not limited to, those items specified in 'a' through 'p' below.

a. Entrance Road: Entrance roads are to be maintained in a safe, open, and clear condition and repaired on an as needed basis to ensure that a good quality surface and drainage are maintained. Repairs may include, but are not limited to: repairing asphalt and maintaining gravel drives clear of ruts by grading and/or adding stone, keeping side ditches, water bars and culverts clear of water flow impediments, painting lines, and repairing guardrails.

b. Parking Lots and Turnarounds: Parking lots and turnarounds are to be maintained in a safe condition and repaired on an as needed basis to ensure good drainage. Repairs may include, but are not limited to: repairing asphalt, repainting faded lines and letters, painting new lines and letters, repairing curbing, applying asphalt sealer, maintaining gravel areas clear of ruts, ensuring proper drainage by grading and/or adding stone, and keeping all areas clear of debris, weeds, trees, and grass.

c. Courtesy Docks and Fishing Piers/Platforms: Courtesy docks and fishing piers/platforms are to be maintained in a safe condition and repaired as needed to ensure user safety. Repairs may include, but are not limited to: replacing broken or defective parts, replacing broken or loose pilings, replacing defective floats, insuring dock sections remain attached to each other, maintaining stone level around dock abutments and ramps, insuring nails and fastening devices are flush with dock surfaces, ensuring reflectors and boat bumpers remain in sound condition, and maintaining handrails free of any rough or sharp areas.

d. Boat Launch Ramps: Boat launch ramps are to be maintained in a safe condition and repaired as needed to ensure user safety. Repairs may include, but are not limited to: removal of debris and silt or any items that could hinder boat launching, maintaining stone at a sufficient level along edges and ends of ramps to ensure safety, and repairing any holes in ramps.

e. Drainage Control Devices: Drainage control devices provided to eliminate or minimize erosion problems are to be maintained in a safe condition and repaired as needed to ensure good drainage. Repairs may include, but are not limited to: correcting erosion problems and keeping drainage ditches and culverts clear of all debris, trees, and other drainage impediments.

f. Access Area Shoreline: The entire shoreline of all Pubic Access Areas is to be maintained in a safe condition and repaired as needed to ensure safety of recreation users and to maintain effective erosion control. Repairs may include, but are not limited to: maintaining or adding erosion control materials and removing brush or trees that threaten to displace erosion control materials or threaten the integrity of the bank. Maintenance and construction activities along the shoreline will comply with the FERC-approved Shoreline Management Plan and Guidelines. All such activities will be designed and carried out such that the environmental resources of the shoreline are protected.

g. Dead or Diseased Tree Removal: All dead or diseased trees or fallen tree and limbs that impact or could impact the use or maintenance of the Public Access Areas are to be removed in a timely manner. In accordance with the Shoreline Management Plan and Guidelines, the trees should be added to the lake or shoreline to provide fish and wildlife habitat.

h. Tree Maintenance: Ensure that all trees bordering parking areas, roads and/or walkways do not block driver vision; do not interfere with the movement of pedestrians, vehicles, and boats; and do not impede mowing and maintenance of the Public Access Area. Trees that may block vision or interfere with vehicle and boat movement or that have dead limbs that could injure recreation users if they fall will be promptly removed from the site. In accordance with the Shoreline Management Plan and Guidelines, the trees should be added to the lake to provide fish and wildlife habitat.

i. Trash Removal: Trash receptacles placed in Public Access Areas will be maintained in a safe and sanitary condition and must be sized to adequately handle the volume of debris normally disposed of in the area. All trash receptacles should be emptied on a predetermined schedule so that the accumulation of trash and refuse generated by regular and customary use of the Public Access Area does not present a safety or health hazard. Heavily used Public Access Areas may require more frequent trash removal and frequency of trash removal may need to be increased during peak recreation seasons. All refuse and trash scattered around the Public Access Areas should be removed as often as needed to ensure a safe and hazard free area.

j. Grass and Ground Cover: Ground cover, such as shrubs, grass, or mulch, will be provided as needed throughout the Public Access Areas and should be maintained in a safe, environmentally sound, and aesthetically pleasing condition. Mulch and/or grass areas should be maintained at a height of not less than three (3) inches and not more than eight (8) inches. Where appropriate, native plants and grasses may be used as ground cover as an alternative to turf grass. Such areas would be allowed to exceed the height specifications. All refuse and trash should be removed from the grounds before mowing. Turf grass is to be mowed to the ditch or tree line along roadways, to the tree line around parking lots and to the tree line in open areas. Mowing an additional four (4) feet (or one mower width of at least three [3] feet) on the opposite side of the ditch line should be done in May, August and November or whenever appropriate to maintain sufficient water flow through the ditch and control woody vegetation.

k. Use of Herbicides: Environmentally acceptable herbicides approved by the Environmental Protection Agency and/or the North Carolina Department of Agriculture may be utilized in Public Access Areas as needed to control unwanted vegetation in driveways, parking lots, turnaround areas, designated foot paths, stabilized shoreline areas and on boat launch ramps, Except in areas that may be designated as "Do Not Spray". Herbicide may be applied to the first 6 (six) inches of grass around the edges of the parking lots, turnarounds and roads and around signposts, trash can pads, light poles and culverts and other structures to minimize the amount of trimming needed.

l. Use of Fertilizer: Use of fertilizer is permitted on a seasonal basis as needed. Grassed portions of Public Access Areas should be fertilized twice per year or at the times recommended and with the type of fertilizer recommended by the manufacturer for the type and location of material being treated.

m. Use of Grass Seed: The timing of, preparation for, and application of grass seed will be dependent on the manufacturer's recommendations for the type of seed being applied.

n. Signage: All signage provided by the Grantee must be approved by both parties prior to installation and may be submitted in electronic mail or letter with the correct spelling of the text, translation if other than English and a description of the sign. All signs must be maintained in safe and readable form.

o. Lighting and Utility Lines: All lighting will be shielded and otherwise designed to minimize any negative impacts to fish and wildlife resources to the maximum extent feasible. All lighting will be installed by Grantor in conformance with current building and electrical code requirements. Grantee shall assume all post-installation costs associated with any lighting and its maintenance, including but not limited to, payment of power bills. To the maximum extent practicable, new or modified utility lines and/or boating facilities should be designed so that overhead utility lines do not cross boat access roads, parking lots, turn-around areas, or boat launch ramps. Any overhead utility lines that have no other practical alternative to being located within the areas defined above, must be designed with the height clearances required by the then current National Electric Safety Code or any other applicable electrical safety codes, whichever is the most restrictive and provides for the greatest height.

p. Sanitary Facilities: Pump-and-Haul toilets will be installed by Grantor at Public Access Areas as designated on Exhibit A. Grantor shall assume all post-installation costs associated with Pump-and-Haul toilets and their maintenance, including but not limited to periodic pumping as needed. Grantee shall assume all installation costs and shall assume all post-installation costs associated with any portable sanitary facilities and their maintenance, including but not limited to periodic pumping as needed. At Public Access Areas where the Grantor arranges for the construction of conventional sanitary facilities (building, toilets, sinks, water system and septic system) the Grantor shall assume all post-installation costs associated with the conventional sanitary facilities.

17. Major Repair or Replacement Costs: When major “non-routine” repairs or replacement of any facilities becomes necessary, Grantor and Grantee will consult to identify the resources necessary to make such repairs, and then determine the availability of the necessary resources and/or funding including the cost-share funding as defined in Paragraph 12. Approval by both Parties will be required prior to work being initiated. Major repairs may include, but are not limited to repair or replacement of docks, piers, boat launch ramps, access roads, or parking lots.

18. Improvements: Grantee shall have the right, at its own expense, to make additions or modifications to facilities at the Public Access Areas, to change operating hours of such facilities, and to implement or modify user fees consistent with the purpose of the Public Access Areas. However, Grantee shall submit such requests in writing to Grantor and shall receive written approval from Grantor prior to initiating any construction or equipment mobilization or instituting changes to the hours or user fees at the Public Access Areas. Additions to or modifications of any facilities will require the submittal of detailed plans, including but not limited to, construction plans and elevation drawings. Major additions or modifications may require the approval of applicable local, state, and federal agencies prior to submittal of the request to Grantor. In certain situations, Grantor will need to submit Grantee’s written request to the FERC for approval, prior to issuance of approval by Grantor. All proposals by the Grantee to construct improvements at the Public Access Areas must include, among other things, descriptions of how the proposed improvements (a) comply with the requirements of the Americans with Disabilities Act and (b) use reasonable best efforts to implement Low Impact Development practices for storm water management.

19. Protection of Environment: Grantee shall take all required precautions during the Grantee’s construction, modification, operation and maintenance of facilities at the Public Access Areas to protect and enhance the environmental values of affected lands and waters of the Project.

20. Cultural Resources: If any cultural resources are discovered during the Grantee’s construction, modification or maintenance of facilities at the Public Access Areas, the construction, modification or maintenance work shall be halted, and Grantee shall contact the State Historic Preservation Officer and Grantor to determine what measures, if any, are required to protect or recover the resources. Written notice shall be given by Grantee to Grantor and all other appropriate agencies informing them of any such discovery and identifying the protective or recovery measures being implemented, if any are required.

21. Wildlife Protection Access: Grantee, its agents and assigns, shall have the right of ingress and egress upon all of the Public Access Areas at any and all times for the protection and propagation of fish and wildlife.

22. Law Enforcement: Grantee shall enforce the laws and regulations of the State of North Carolina within its subject matter jurisdiction, on all portions of the Public Access Areas.

23. Fire Protection: In the event of a fire within or threatening to the lands or facilities of any of the Public Access Areas, Grantee agrees to assist Grantor with fire protection.

24. Transfer or Assignment: Grantee shall not transfer or assign this Agreement to any other party or entity.

25. User Fees: Grantee may charge user fees at the Public Access Areas only under the following conditions:

a. Lawful Authority: Grantee must be given Authority by the North Carolina General Assembly to promulgate rules allowing Grantee to impose user fees at areas managed by Grantee prior to the imposition of any fee. As of the date of the execution of this agreement, Grantee does not have such authority.

b. Review Process: Should Grantee receive authority to impose user fees as described in subparagraph a., Grantee shall provide Grantor a copy of the proposed administrative rule imposing a fee schedule at least sixty (60) days prior to initiation of the public hearing process. Such proposed rule shall describe how the fees will be collected and how the proceeds will be distributed and utilized. Grantor agrees not to propose any rule that would not utilize proceeds from user fees for site improvements or other enhancements to the Public Access Areas.

c. Prior Written Approval Required: Rulemaking may not be initiated until Grantor has provided written approval. Once approval has been given and rulemaking has been initiated, Grantor shall accept any rule in its final form as adopted by Grantee that does not impose an overall higher fee than that which was initially proposed.

d. Review of User Fees: User fees established for the Public Access Areas must be a reasonable and customary amount and are subject to review and approval by the FERC to ensure Project license compliance.

e. Exemptions from User Fees: Grantor's employees, Grantee's employees, third party lessee's employees, local law enforcement officials, local environment and public health officials, and local emergency response crews, or any other official representing the Grantor, Grantee or a governmental entity that require access to the facilities while operating in his/her official capacity must be exempt from user fees.

26. Coordination Meeting and Reporting: Each Party will prepare a report during the first quarter of each calendar year that summarizes expenditures and accomplishments during the previous calendar year. Subsequent to the report preparation, Grantor and Grantee will meet to discuss and coordinate development plans and schedules for improvements to the Public Access Areas or any proposed leases to third parties. Additionally, the Parties will assess the overall performance of this Agreement and adjust it as necessary based on experience and any new information or changes to the FERC Licenses, Shoreline Management Plan and recreation plans for the Project. Decisions must be acceptable to both Grantor and Grantee in order to be implemented.

27. Joint Inspection: Grantor and Grantee will perform an annual joint physical inspection of each of the Public Access Areas to insure the Public Access Areas are being maintained in a safe manner and to the levels mutually acceptable to Grantor and Grantee.

28. Signage: Grantor and Grantee will work together to develop all information required for signage at the entrance of each Public Access Area, as set forth in the Project License or Catawba-Wateree Comprehensive Agreement. All signs shall be consistent with the National Water Safety Congress and FERC Public Safety Guidelines and will include international signage symbols where appropriate. Grantor and Grantee will erect and maintain all signage specific to each party's purpose and directives.

29. Temporary Closures: If, in the opinion of either Grantor or Grantee, it becomes necessary to temporarily close any Public Access Area or any portion thereof (e.g. if a lake level is too low to safely use the access area, if a boat ramp has failed, or for any other reason), Grantor or Grantee will provide written notice through electronic mail or by letter to the other party of such condition, and the Parties will jointly determine the appropriate course of action, including methods for closure, and public notification.

30. Public Use of Facilities: Grantee shall allow any recreational user of any leased portion of the Public Access Areas to cross and use the portion of the Public Access Area under the control of Grantee, for the purpose of viewing the lake or river or any other lawful recreation activity, so long as it does not interfere with the intended uses of the access area.

31. Bank Fishing: The Parties shall ensure that the shoreline of all Public Access Areas remains open for bank fishing for the term of this Agreement, except for those minimal shoreline areas where bank fishing is restricted for safety reasons, management problems or to avoid conflicts with other Public Access Area users. The Grantee, in consultation with Grantor, shall designate with appropriate signage those portions of shoreline at the Public Access Areas where bank fishing is prohibited.

32. Entry by Lessees: Lessees, their agents and representatives, who lease or sublease a portion of the Public Access Areas as provided in Paragraph 8 above, may at all reasonable times enter, cross and use the portion of the Public Access Areas maintained by the Grantee, for the purpose of installing and maintaining utility lines, roads and trails consistent with the previously approved facilities improvement plan for the Public Access Areas.

33. Reservation of Use: Grantor reserves for itself, subsequent FERC project licensees, and its successors and assigns, the right to temporarily use the Public Access Areas for Project purposes and for any other purpose consistent with Grantor's business operations. If such future change in use of the Public Access Areas eliminates or otherwise limits the full public use of the area, Grantor will replace the lost site or function elsewhere within the Project or at another appropriate site.

34. Reservation of Authority: No terms or conditions herein contained shall be construed as limiting or affecting in any way the authority of Grantor in connection with its exercise of proper protection and administration of the Public Access Areas or the Project.

35. Utility Easement: Grantor reserves an easement to build, construct, maintain and operate electric distribution/transmission lines on, over, under, along and above the Public Access Areas. Grantor also reserves the right, privilege and easement to erect, construct, reconstruct, replace, maintain and use towers, poles, wires, crossarms and other appliances and fixtures for the purpose of transmitting or distributing electric power, for said Grantor's communication purposes, and for any other purpose that is, in Grantor's sole discretion, consistent with Grantor's business operations, together with the right to keep said lines, appliances, and fixtures free of structures, trees and other objects that may endanger or interfere with same.

36. Flooding and Drawdown: Grantor reserves the unlimited right to back, flood or drawdown the waters or tributaries of the Project, from time to time and at any and all times, over and upon the Public Access Areas or any portion of the same, to such extent the flooding or drawdown may be necessary or convenient in connection with the practical operation of its hydroelectric power plants located or to be located in the future on the Catawba-Wateree chain and to the extent such flooding or drawdown is consistent with Grantor's obligations under its FERC licenses, other applicable easements and agreements, and applicable law. Grantee agrees that any damage it may suffer as a result of such flooding shall not be claimed or charged against Grantor.

37. FERC Project Restoration: Except as provided for by the Catawba-Wateree Comprehensive Relicensing Agreement, Grantor shall be under no obligation to Grantee to maintain or continue to operate the Projects and should said Project be damaged, destroyed or removed, Grantor shall be under no obligation to restore or rebuild same. Grantee hereby waives all claims against Grantor for damages to or destruction or removal of said Project.

38. Compliance with Federal, State and Local Laws: Grantee agrees that its use of the Public Access Areas as herein provided will be consistent with all FERC orders and regulations regarding recreation opportunities and development at FERC licensed hydro projects. Grantee agrees that its use of the Public Access Areas as herein provided will be consistent with all other applicable state, federal and local laws as well as all ordinances, rules, regulations and sanctions of any regulatory body or governmental agency (state, federal or local) having jurisdiction in the subject premises. Grantee's use of the aforesaid subject premises shall comply with all applicable Duke Energy Lake Services requirements and will not endanger health or safety, create a nuisance or otherwise be incompatible with the overall recreation use of the Projects.

39. Indemnity: Grantee, to the extent allowed by applicable North Carolina (State) law, specifically as may be authorized by the General Statutes of North Carolina, Article 31, Chapter 143-291, entitled "Tort Claims Against State Departments and Agencies", covenants to indemnify and save harmless Grantor from and against any and all claims, liability, loss or damage, arising from any conduct, work or thing done under the terms of this

Agreement, to include injury or damage to any person or persons, including Grantor, or to the property of any person, or persons or corporations occurring on or within the Public Access Areas which are the subject of this Agreement, as the result of any activity of Grantee, its agents, employees, or any other person or entity under the direction of the Grantee, and for any protection, mitigation and enhancement measures or activities required by FERC or its successor agency in connection with the activities conducted by Grantee hereunder. Upon the State contracting with an entity for the purpose of constructing any facilities on the Public Access Areas that are the subject of this Agreement, Grantor shall be named as an insured or an additional insured on a policy of insurance covering the scope of such activity prior to the commencement of any activity by the State, its agents or contractors. Any contractor or subcontractor performing work on property that is the subject of this Agreement shall have in place prior to commencement of any activity and during the performance of any activity, the following types of insurance and coverage limits:

- General Liability Coverage – Two million dollars per occurrence.
- Auto Liability – one million dollars per occurrence.
- Workers Compensation within statutory limits.
- Employer's Liability – five hundred thousand dollars each accident.
- Contractor's Pollution Liability Coverage – one million dollars per occurrence.

40. Limitation of Liability: Grantor and Grantee agree and warrant that any and all work performed within the Public Access Areas will be performed with professional thoroughness and using acceptable standard business practices. Grantor's total cumulative liability to Grantee for claims of any kind whether based on contract, tort (including negligence and strict liability and excluding willful misconduct), under any warranty or otherwise, for any loss or damage relating to this Agreement, shall in no case exceed the cost of completing the work in accordance with acceptable business practice, and Grantee releases Grantor from all further liability in excess of this amount for any work performed under this Agreement. Grantee further releases Grantor from any and all liability resulting from any injury of any employee of Grantee or anyone performing any service at the direction of Grantee on the Public Access Areas, excluding any acts of willful misconduct by the Grantor.

Grantee's total cumulative liability to Grantor for claims of any kind whether based on contract, tort (including negligence and strict liability and excluding willful misconduct), under any warranty or otherwise, for any loss or damage relating to this Agreement, shall in no case exceed the cost of completing the work in accordance with acceptable business practice, and Grantor releases Grantee from all further liability in excess of this amount for any work performed under this Agreement. Grantor further releases Grantee from any and all liability resulting from any injury of any employee of Grantor or anyone performing any service at the direction of Grantor on the Public Access Areas, excluding any acts of willful misconduct by the Grantee.

Neither Party shall be liable, whether based on contract, tort (including negligence and strict liability), under any services or work performed relating to this Agreement, for any consequential, indirect, special, or incidental loss or damage, any damage (except to the extent damage resulted from willful misconduct) to or loss of any property or equipment.

This limitation of, or protection against liability shall also protect directors, officers, employees, agents, consultants, suppliers, subcontractors, and affiliated entities and their directors, officers, employees, agents, consultants, suppliers, subcontractors, parents, subsidiaries and affiliates of the Grantor or Grantee and shall apply regardless of the fault (excluding willful misconduct), negligence or strict liability of the respective party.

The limitation of liability in this provision shall apply notwithstanding any other provision of this Agreement.

41. Non-warranty: Grantor makes no representation or warranty, express or implied, and will bear no responsibility as to the existing or future water quality or quantity in the lakes and rivers associated with the Project or the sufficiency or suitability of the Public Access Areas for use as a public park and/or public recreation site.

42. Survival: Provisions of this Agreement for Termination (Paragraph 5), Limitation of Liability (Paragraph 40), Survival (Paragraph 42) and Indemnity (Paragraph 39) shall survive the termination or cancellation of this Agreement and shall remain in effect.

43. Recovery of Fees and Costs: If any action is taken by either Party to enforce any provision, covenant or agreement contained in this Agreement or if either Party is required to retain an attorney to enforce any provision, covenant or agreement contained in this Agreement (including, without limitation, the removal of an encroachment constructed by Grantee on the Public Access Areas in violation of this Agreement), then the aggrieved Party shall be entitled to recover from the other Party all aggrieved Party's reasonable costs, including but not limited to attorneys' fees and court costs incurred in such action and/or enforcement. In the occurrence of same, Grantee shall be entitled to recover from Grantor all of Grantee's reasonable costs, including but not limited to attorneys' fees and court costs incurred in such action and/or enforcement.

44. Severability of Terms: Unless provided otherwise in this Agreement, should any term of this Agreement or part thereof be held under any circumstances in any jurisdiction to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of any other term of this Agreement or other part of such term.

45. Notices: Wherever in this Agreement it shall be required or permitted that notice be given by either Party to this Agreement to the other, such notices must be in writing and must be given personally, provided by e-mail, or forwarded by certified mail addressed as follows:

To Grantor: Duke Energy Carolinas, LLC
Attn: Lake Services EC12Q
P.O. Box 1006
Charlotte, NC 28201-1006

To Grantee: North Carolina Wildlife Resources Commission
Division of Engineering Services
Attn: Division Chief
1720 Mail Service Center
Raleigh, NC 27699-1720

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be executed this the day and year first above written.

GRANTOR

DUKE ENERGY CAROLINAS, LLC

By: Steven D. Jester
Name: STEVEN D. JESTER
Title: V.P. Hydro Licensing and Lake Services

STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

I, Jimmie O. Stroud, a Notary Public for said County and State, certify that Steven D. Jester personally came before me this day and acknowledged that he is Vice President of Duke Energy Carolinas, LLC, a North Carolina limited liability company, and that he, as Vice President, being authorized to do so, executed the foregoing on behalf of the company.

WITNESS my hand and official seal, this the 3 day of June, 2008.
[SEAL]

My Commission Expires Oct. 31, 2008

Jimmie O. Stroud
Notary Public

GRANTEE

NORTH CAROLINA WILDLIFE RESOURCES COMMISSION

Attested By:

Cynthia S. Edwards
Title: Admin. Asst.

By: Fred Harris
Name: Fred Harris
Title: Executive Director

STATE OF NORTH CAROLINA
COUNTY OF Wake

I, Cynthia S. Edwards, a Notary Public for the above State and County, hereby certify that Fred Harris personally came before me this day and acknowledged that s/he is Executive Director of the North Carolina Wildlife Resources Commission and that by authority duly given and as the act of said corporation, the foregoing and annexed instrument was signed in its name by Fred Harris its Executive Director, sealed with its corporate seal and attested by Cynthia S. Edwards as its Notary Public.

WITNESS my hand and official seal, this the 4th day of June, 2008

My Commission Expires: 2/26/2011

Cynthia S. Edwards
Notary Public

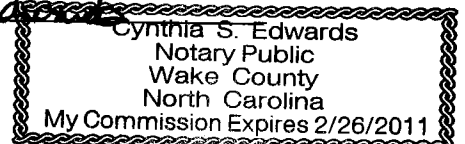


EXHIBIT A

DUKE ENERGY CATAWBA-WATEREE AREA PUBLIC ACCESS AREAS AGREEMENT

Note: Items in italics have not been installed as of January 1, 2008. Items identified by asterisk (*) to be maintained by others.

LAKE JAMES

1) Black Bear Access Area

- Black Bear Access Area with the following amenities:
 - Six boat launch ramps;
 - Three courtesy piers;
 - *Restrooms*;
 - *One fishing pier, or;*
 - *Bank fishing trail**;
 - *Trails**;
 - *Overnight cabins**;
 - *Primitive camping**;
 - *Picnic areas**;
 - Paved parking area with lights; and
 - One hundred sixty five trailer parking spaces

2) Linville Access Area

- Linville Access Area with the following amenities:
 - Two boat launch ramps;
 - One courtesy pier;
 - *Restrooms**;
 - *Picnic facilities**;
 - Paved parking area with lights; and
 - Sixty trailer parking spaces

3) New Linville Access Area (Undeveloped)

- New Linville Access Area with the following amenities:
 - *Two boat launch ramps*;
 - *One courtesy pier*;
 - *Vault Toilet**;
 - *Picnic Area**;
 - *Paved parking area with lights; and*
 - *Undetermined trailer parking spaces*

4) Bridgewater Access Area

- Bridgewater Access Area with the following amenities:
 - Fishing Pier
 - Boat launch ramp;
 - *Restrooms**;
 - *Picnic area**;
 - Parking area with lights; and
 - *Undetermined additional trailer parking spaces*

5) Muddy Creek Access Area (undeveloped)

- Muddy Creek Access Area with the following amenities:
 - *Canoe/Kayak Access;*
 - *Parking area; and*
 - *Approximately 10 parking spaces*

LAKE RHODHISS

6) Johns River Access Area

- Johns River Access Area with the following amenities:
 - One boat launch ramp;
 - One courtesy pier;
 - Paved parking area with lights;
 - Fifteen trailer parking spaces; and
 - Six car parking spaces

7) Corpening Bridge Access Area (undeveloped)

- Corpening Bridge with the following amenities:
 - *Boat launch ramp;*
 - *Gravel parking area; and*
 - *Ten trailer parking spaces*

8) Huffman Bridge Access Area

- Huffman Bridge Access Area with the following amenities:
 - Bank Fishing Area
 - Paved parking area with lights; and
 - 24 parking spaces

9) Castle Bridge Access Area

- Castle Bridge Access Area with the following amenities:
 - Six boat launch ramps;
 - Three courtesy piers;
 - *Restrooms**;
 - Paved parking area with lights; and
 - One hundred forty nine trailer parking spaces

10) Conley Creek Access Area (Sawmills Veterans Park leased by Town of Sawmills, NC)

- Conley Creek Access Area with the following amenities:
 - Two boat launch ramps;
 - One courtesy pier;
 - One fishing pier;
 - Paved parking area with lights; and
 - Seventy trailer parking spaces

11) Rhodhiss Access Area

- Rhodhiss Access Area with the following enhancements:
 - Two boat launch ramps;
 - One courtesy pier;
 - *Restrooms**;
 - Paved parking areas with lights; and
 - One hundred trailer parking spaces

LAKE HICKORY

12) Gunpowder Access Area

- Gunpowder Access Area with the following amenities:
 - Two boat launch ramps;
 - One courtesy pier;
 - Paved parking area with lights; and
 - Sixty trailer parking spaces

13) Lovelady Access Area

- Lovelady Access Area with the following amenities:
 - Two boat launch ramps;
 - One courtesy pier;
 - *One fishing pier;*
 - Paved parking area with lights;
 - Forty trailer parking spaces; and
 - Ten car parking spaces

14) Wittenburg Access Area

- Wittenburg Access Area with the following amenities:
 - Six boat launch ramps;
 - Three courtesy piers;
 - Two fishing platforms;
 - *Restrooms*;*
 - *Picnic area*;*
 - *Swimming Area*;*
 - Paved parking area (*add additional undetermined paved parking*);
 - One hundred sixty four trailer parking spaces with lights; and
 - Thirty four car parking spaces

15) Dusty Ridge Access Area (leased by Alexander County)

- Dusty Ridge Access Area with the following proposed amenities:
 - Two boat launch ramps;
 - One courtesy pier;
 - One trash bin;
 - *One mile of trail*;*
 - *Restrooms*;*
 - Paved parking area with lights; and
 - Forty trailer parking spaces

16) Oxford Access Area

- Oxford Access Area with the following proposed amenities:
 - Four boat launch ramps;
 - Two courtesy piers;
 - *Bank fishing*;*
 - *Primitive camping*;*
 - *picnic area*;*
 - *Trails*;*
 - *Restrooms*;*
 - *Swimming Area*;*
 - Paved parking area with lights (*additional paved parking to be added*); and
 - One hundred twenty trailer parking spaces

17) Oxford Tailrace Fishing Area

- Oxford Tailrace Fishing Area with the following proposed amenities:
 - *Fishing platform; and*
 - *Parking area with lights*

LOOKOUT SHOALS LAKE

18) Upper Lookout Shoals Access Area (undeveloped)

- Upper Lookout Shoals Access Area with the following amenities:
 - *Boat launch ramps;*
 - *Primitive camping*;*
 - *Restrooms*;*
 - *Paved parking area; and*
 - *Undetermined trailer parking spaces*

19) Sharon Access Area

- Sharon Access Area with the following amenities:
 - One boat launch ramp;
 - One courtesy pier;
 - One trash bin;
 - Paved parking area with lights; and
 - Twenty eight trailer parking spaces

20) Lookout Access Areas

- Lookout Access Area with the following amenities:
 - Two boat launch ramps;
 - One courtesy pier;
 - *Restrooms*;*
 - One trash bin;
 - Paved parking area with lights; and
 - Fifty three trailer parking spaces

21) Lookout Shoals Tailrace Fishing Area

- Lookout Shoals Tailrace Fishing Area with the following proposed amenities:
 - *Fishing platforms; and*
 - *Gravel Parking area with lights*

LAKE NORMAN

22) Long Island Access Area

- Long Island Access Area with the following amenities:
 - Two boat launch ramps;
 - One courtesy pier;
 - Paved parking area with lights; and
 - Forty eight trailer parking spaces

23) Island Point Access Area (undeveloped)

- Island Point Access Area with the following amenities:
 - *Boat launch ramps;*
 - *Courtesy piers;*
 - *Trails*;*

- *Pier or bank fishing*
- *Swimming area**;
- *Restrooms**;
- *Paved parking area with lights; and*
- *Undetermined trailer parking spaces*

24) Pinnacle Access Area

- Pinnacle Access Area with the following amenities:
 - Five boat launch ramps;
 - Two courtesy piers;
 - Four trash bins;
 - Paved parking area with lights;
 - One hundred thirty one trailer parking spaces; and
 - Nine car parking spaces

25) McCrary Creek Access Area

- McCrary Creek Access Area with the following amenities:
 - Four boat launch ramps;
 - Two courtesy piers;
 - Three trash bins;
 - Paved parking area with lights; and
 - Ninety eight trailer parking spaces

26) Marshall Fishing Area

- Marshall Fishing Area with the following amenities:
 - One to two portable toilets;
 - Four trash cans; and
 - Gravel parking area

27) Hager's Creek Access Area

- Hager's Creek Access Area with the following amenities:
 - Four boat launch ramps;
 - Two courtesy piers;
 - *Trails**;
 - *Bank fishing**;
 - *Picnic area**;
 - *Restrooms**;
 - *Fishing pier*;
 - Two trash bins
 - Paved parking area with lights (*additional paved area to be constructed*); and
 - One hundred twenty trailer parking spaces

28) Little Creek Access Area

- Little Creek Access Area with the following amenities:
 - Two boat launch ramps;
 - One courtesy pier;
 - *Restrooms**;
 - *Fishing pier(possibly maintained by leasee)*;
 - *Picnic shelter**;
 - Two trash bins;
 - Paved parking area with lights (*additional paved area to be constructed*); and
 - Fifty nine trailer parking spaces

29) Beatty's Ford Access Area

- Beatty's Ford Access Area with the following amenities:
 - Four boat launch ramps;
 - Two courtesy piers;
 - *Picnic area**;
 - *Fishing pier (possibly maintained by leasee)*;
 - *Swimming area**;
 - *Restroom**;
 - Four trash bins;
 - Paved parking area with lights; and
 - One hundred twenty trailer parking spaces

MOUNTAIN ISLAND LAKE

30) Hwy 73 Access Area

- Hwy 73 Access Area with the following amenities:
 - *Canoe Kayak access area*;
 - *Gravel parking area; and*
 - *Ten parking spaces*

31) Neck Road Access Area

- Neck Road Access Area with the following amenities:
 - Two boat launch ramps;
 - One courtesy pier;
 - Paved parking area with lights; and
 - Sixty one trailer parking areas

32) Riverbend Access Area

- Riverbend Access Area with the following amenities:
 - Four boat launch ramps;
 - Two courtesy piers;
 - *Fishing pier (possible maintained by leasee)*;
 - *Bank fishing**;
 - *Restroom**;
 - *Swimming area**;
 - One trash bin;
 - Paved and gravel parking areas with lights; and
 - One hundred trailer parking areas plus additional parking

33) Mountain Island Tailrace Fishing Area

- Mountain Island Tailrace Fishing Area with the following amenities:
 - One or two portable toilets (seasonal);
 - Two fishing platforms with ADA trail; and
 - *Gravel parking area*

LAKE WYLIE

34) Allen Fishing Area

- Allen Fishing Area with the following amenities:
 - Two fishing platforms with ADA trail;
 - Restrooms*;
 - Paved parking area with lights; and

- Twenty seven parking areas

35) South Point Access Area

- South Point Access Area with the following amenities:
 - Six boat launch ramps;
 - Four courtesy piers;
 - *Trails**;
 - *Bank fishing**;
 - *Fishing pier*;
 - *Picnic area**;
 - *Swimming area**;
 - *Restrooms**;
 - Eight trash bins;
 - Paved parking area with lights; and
 - One hundred sixty five trailer parking areas



Regular Meeting Agenda Action Form

Meeting Date

September 8, 2025

From

Parks and Recreation

CONSENT AGENDA Item # 2

Request to Approve the Mountain Island Park Trail Masterplan

Will this require a public hearing?

No

Background/Purpose of Request

Nature Trails LLC recently completed the Trail Master Plan for Mountain Island Park. Staff is providing this plan to City Council for consideration for adoption and approval.

Fiscal Impact

Will Item affect current budget?

Reviewed by Finance Director?

Preaudit Certification Required?

Capital Project Ordinance

Required?

Budget Transfer Required?

Total City Dollars:

Budget Code:

Reviewed by City Attorney?

Manager/Staff Recommendation

Attachments

1. MIL Masterplan
2. Mt Island Executive Summary
3. Mountain Island Trails Masterplan

Memo

To: City of Mount Holly Mayor and City Council

From: Eric Smallwood, Parks and Recreation Director

cc: Jonathan Blanton, City Manager & Brian Dupont, Assistant City Manager

Date: 8/27/25

Re: Mountain Island Park Trail Master Plan

Nature Trails, LLC recently completed the Trail Masterplan for Mountain Island Park. This plan has four focus areas:

This plan primarily focuses new trail development on the area of the park south of the "city house" and Drywall Drive. Master planned in this area of the park is approximately 6 miles of additional trail, more than doubling the existing mileage in the park.

The plan also designs and accounts for new trails at the "Lake Trails" area of the park – across the street from the recycling center. Planned in this area are fun, flowy downhill areas with easy return trails that are intended to be ridden multiple times and provide easy access to bike trails while the park remains under construction.

An existing inventory was also completed as part of this plan. All existing trails and structures were identified, mapped, measured, and evaluated for sustainability.

Lastly, sustainable trail design and construction, wayfinding recommendations, and trail intersection improvements were outlined and detailed as part of the project.

The Parks and Recreation Commissioner reviewed the plan and unanimously voted to recommend approval to City Council at their regularly scheduled August 26th meeting.

Mountain Island Park Executive Summary

Mountain Island Park offers a unique and historic view of the topography and biodiversity that often has been lost in the Catawba River Valley. This masterplan will help guide the next steps in development of additional mountain bike trails, connection with the Carolina Thread Trail, and improvements on the existing volunteer-built network..

Our review of the existing trails evaluated location on the property, sustainability of grade, principles of sustainable trail design, existing construction methods, and existing wayfinding. We have recommended improvements in all categories to be completed as the budget allows.

Future phases of trail construction will focus on improving the beginner and intermediate levels of riding along with adding Carolina Thread Trail to the unique areas to the south of the park. With future greenway expansions this area is slated to be the future hub of activity for the park.

Conservation Through Recreation

(919) 960-1559
info@naturetrailsnc.com

Chapel Hill, NC
Brevard, NC
Salt Lake City, UT



CONCEPT PLAN FOR
CITY OF MOUNT HOLLY
MOUNTAIN ISLAND PARK
GASTON COUNTY, NORTH CAROLINA
JUNE, 2025

OWNER

CITY OF MOUNT HOLLY
400 E. CENTRAL AVE
MOUNT HOLLY, NC 28120

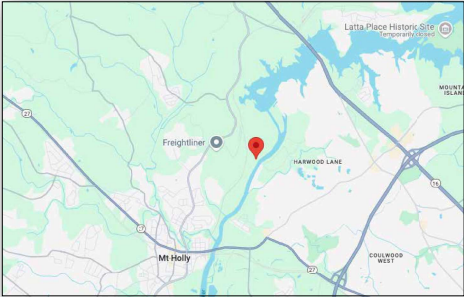
PLANS PREPARED BY

NATURE TRAILS LLC
20 COMMERCE STREET
BREVARD, NC 28712

SHEET LIST

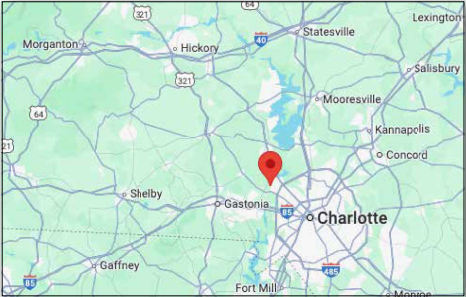
SHEET NUMBER	SHEET TITLE
S1	COVER SHEET
S2-S4	EXISTING CONDITIONS - Slope
S5-S7	EXISTING CONDITIONS - TRAIL GRADE
S8	SUSTAINABLE TRAIL DESIGN PRINCIPLES
S9	EXISTING CONDITIONS - TRAIL CONSTRUCTION
S10	EXISTING CONDITIONS - TRAIL INTERSECTIONS
S11-S13	PROPOSED CONCEPT TRAILS
S14	TRAIL MATRIX - ESTIMATED BUDGET

VICINITY MAP



NTS

LOCATION MAP

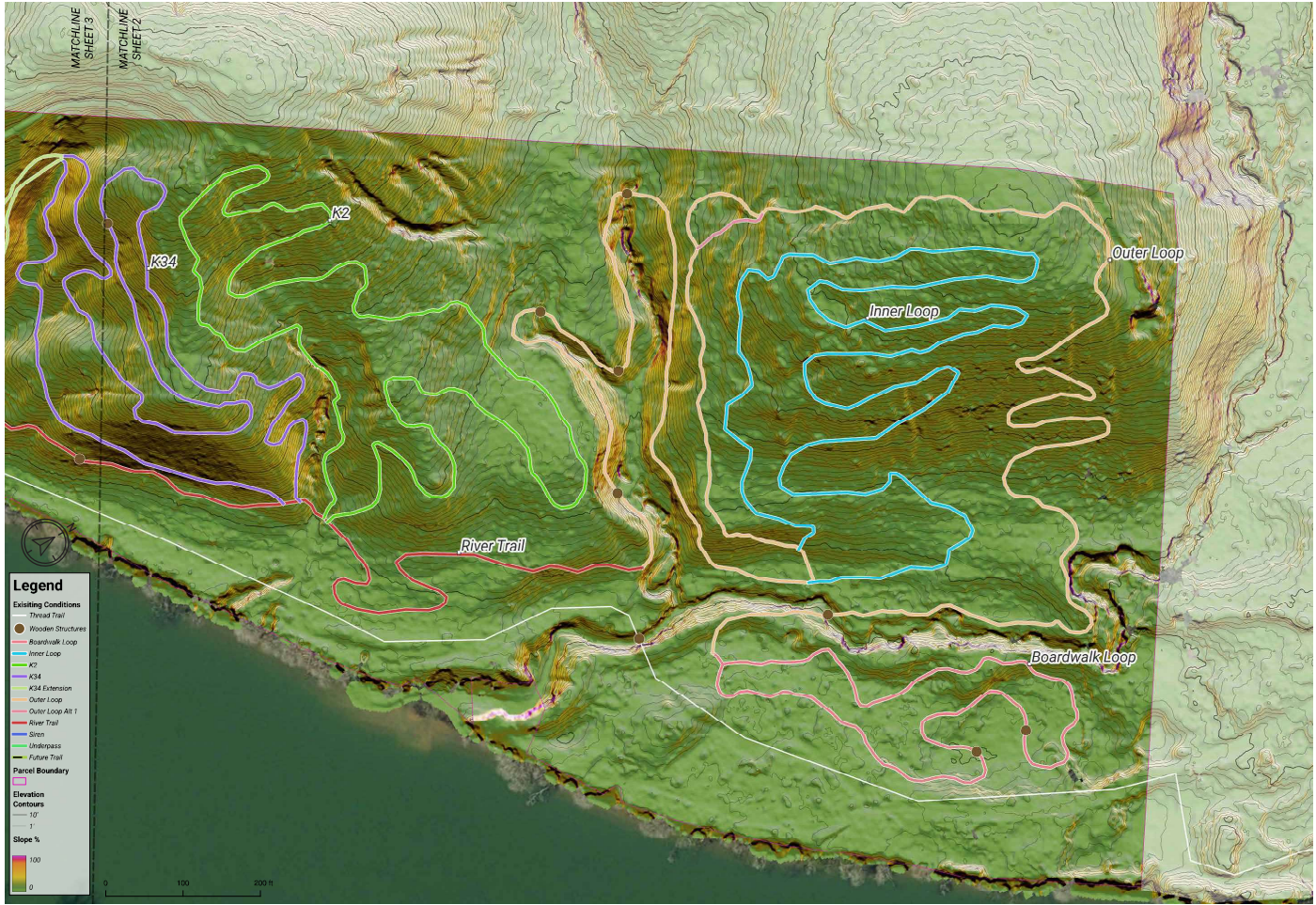


NTS



MOUNT HOLLY
MOUNTAIN ISLAND PARK
COVER SHEET

Sheet Number
S-1



DATE
8/8/2025

REVISION

DRAFT



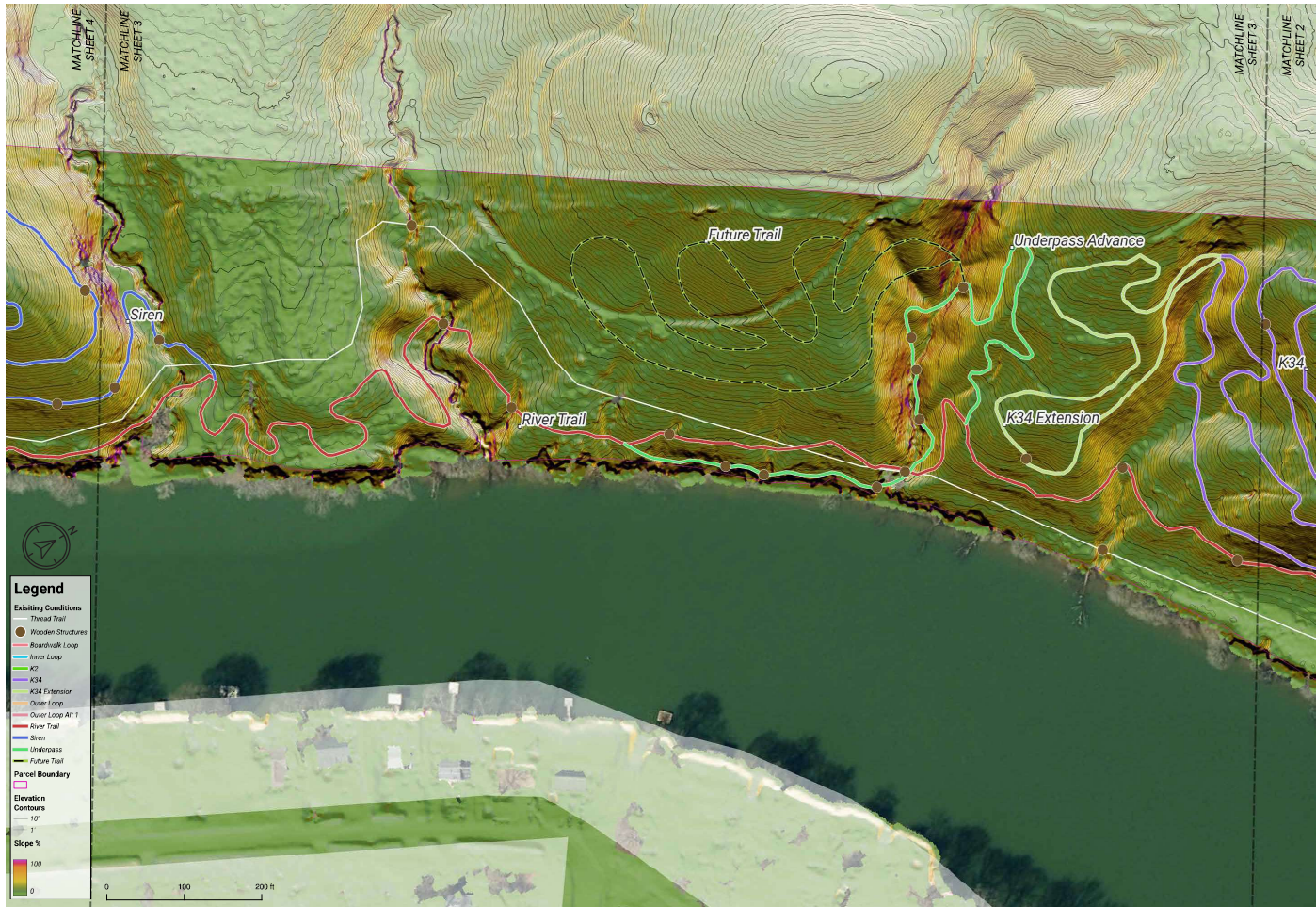
CONSERVATION THROUGH RESTORATION
1000 S. Main St., Suite 100
P.O. Box 100, Mount Holly, NC 27556
Phone: 919.237.1212

MOUNT HOLLY
MOUNTAIN ISLAND PARK

EXISTING CONDITIONS - SLOPE

Sheet Number

S-2



DATE
8/8/2025

REVISION
DRAFT

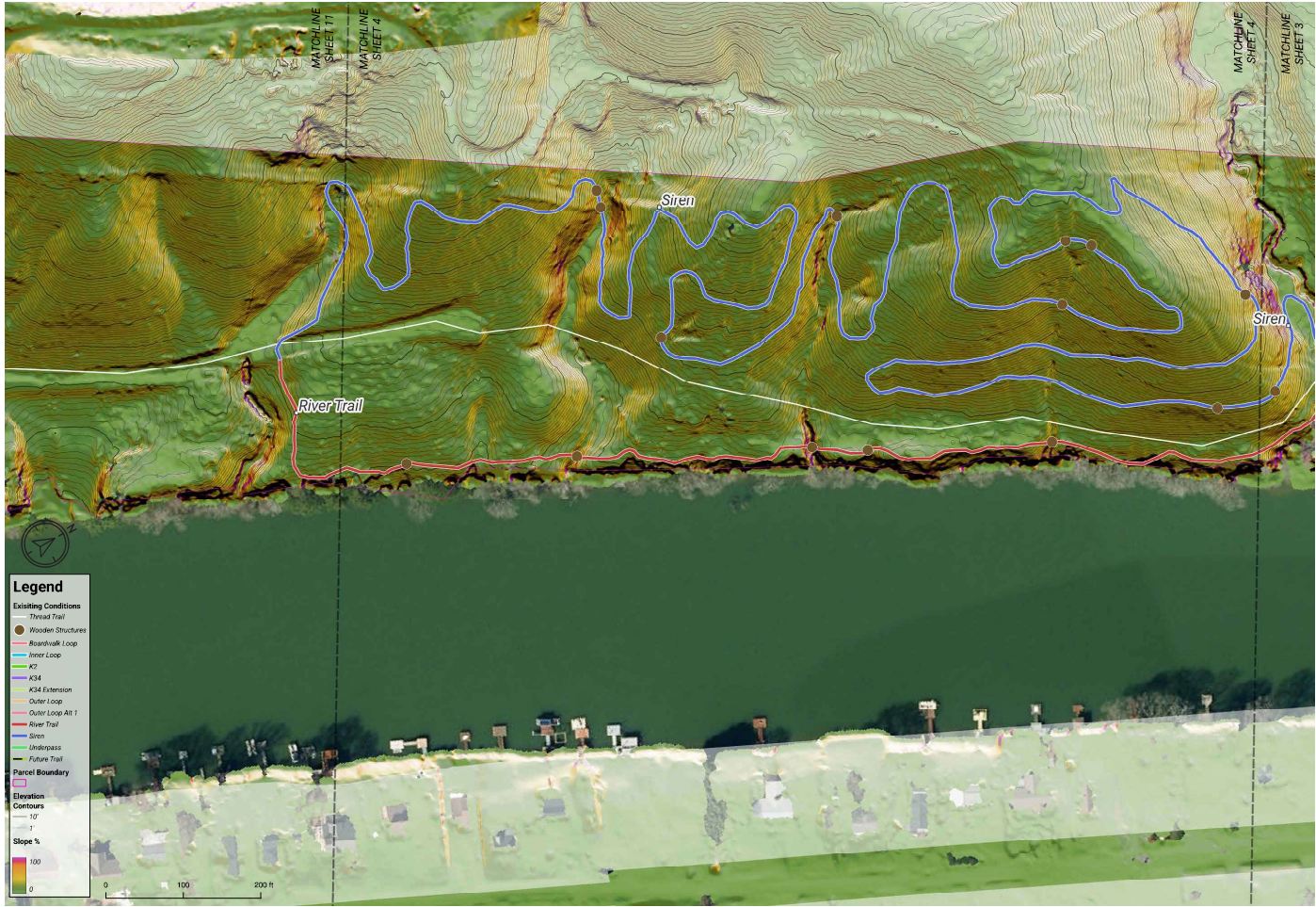


CONSERVATION THROUGH RESTORATION
1000 S. Main St., Suite 100
P.O. Box 1000
Pittsboro, NC 27312

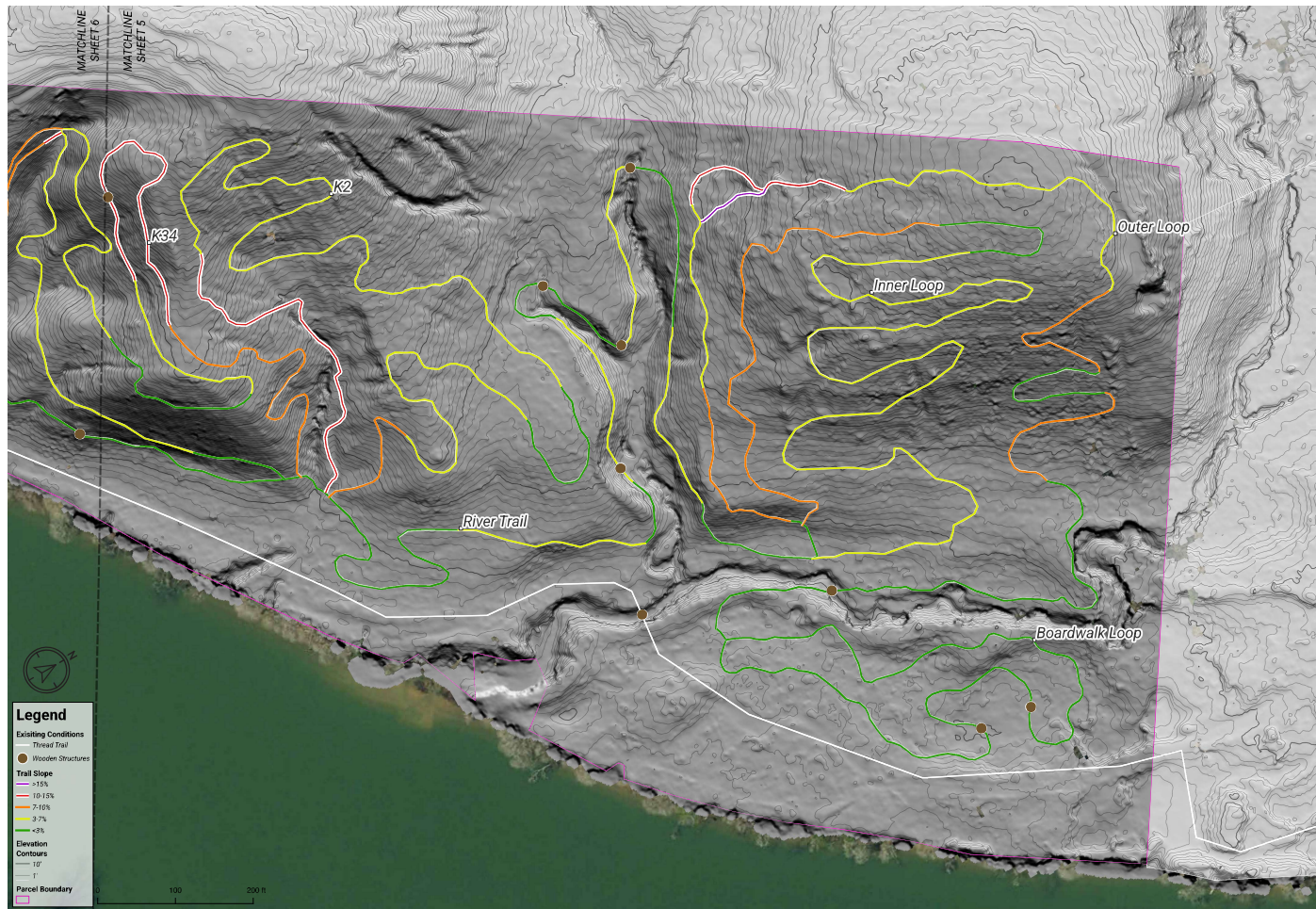
MOUNT HOLLY
MOUNTAIN ISLAND PARK
EXISTING CONDITIONS - SLOPE

Sheet Number

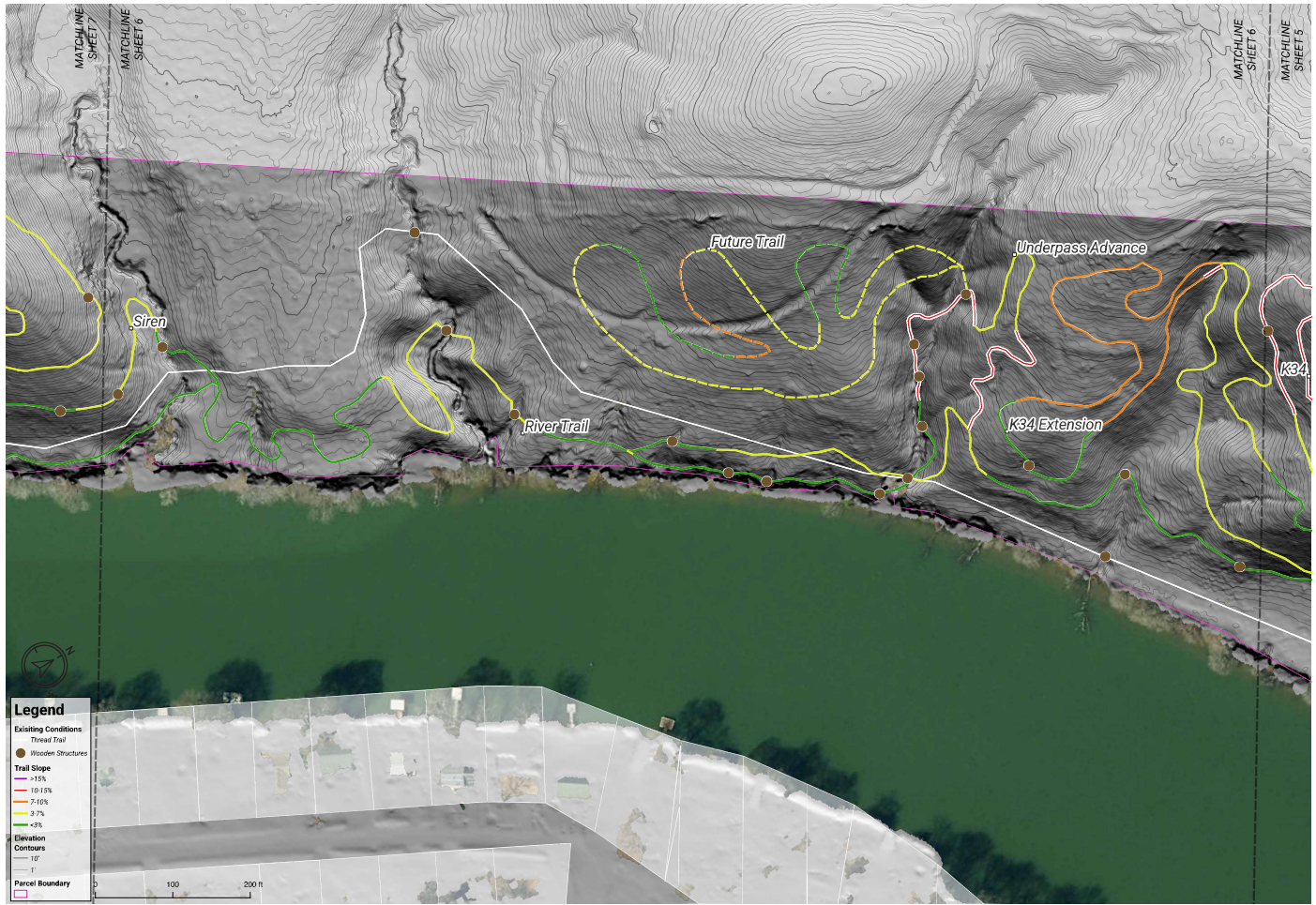
S-3



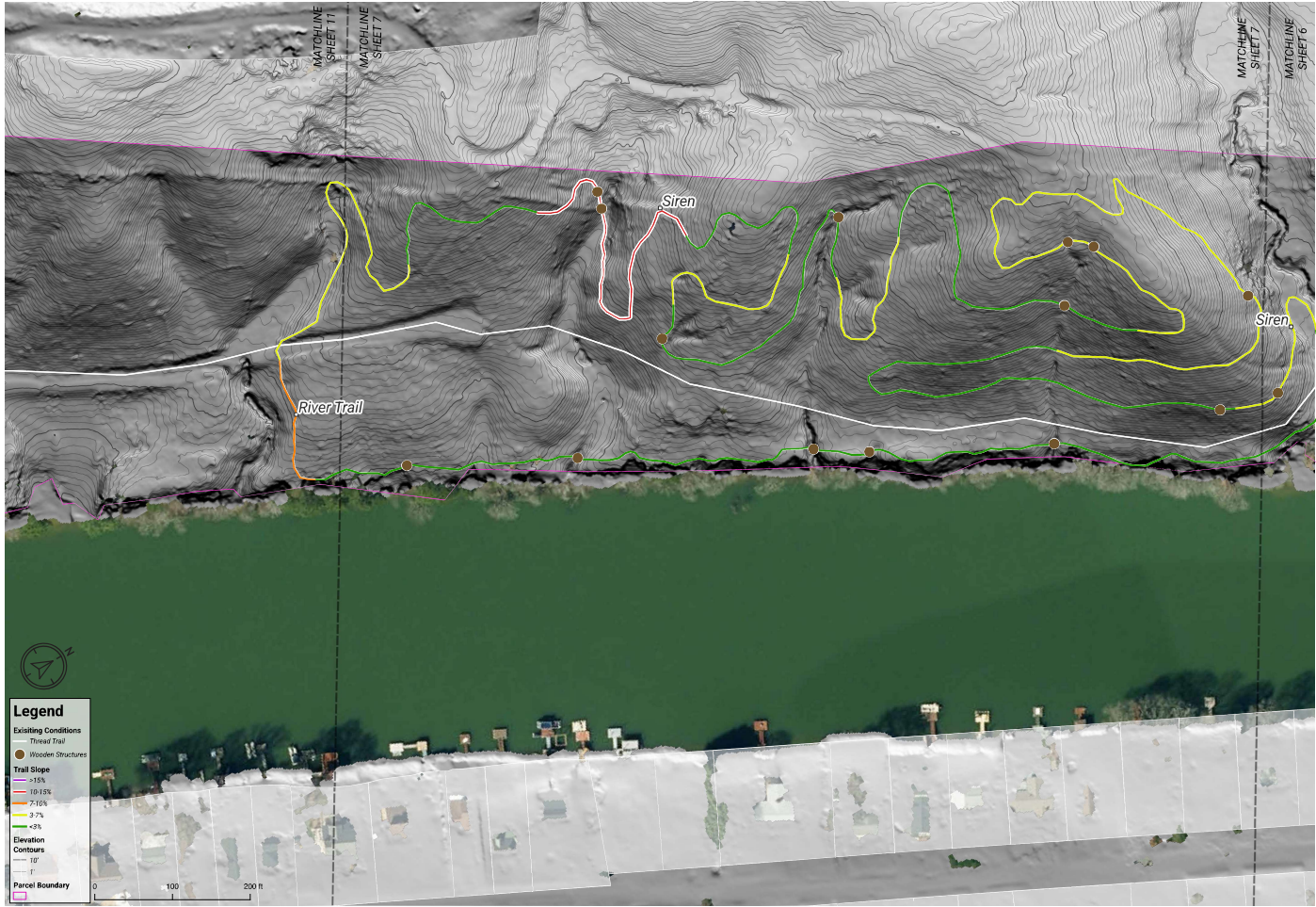
 CONSERVATION THROUGH RESTORATION 1001 E. Main Street, Suite 200, Asheville, NC 28801 Phone: 828.252.7122		DATE 8/8/2025	REVISION DRAFT
MOUNT HOLLY MOUNTAIN ISLAND PARK EXISTING CONDITIONS - SLOPE		Sheet Number S-4	



MOUNT HOLLY MOUNTAIN ISLAND PARK			DATE
			8/8/2025
			REVISION
EXISTING CONDITIONS - TRAIL GRADE			DRAFT
Sheet Number			
S-5			



DATE 8/8/2025		REVISION DRAFT	
MOUNT HOLLY MOUNTAIN ISLAND PARK		EXISTING CONDITIONS - TRAIL GRADE	
Sheet Number S-6		 CONSERVATION THROUGH RESTORATION 1000 N. Highway 100, Suite 100 Pine Bluff, NC 27155	



DATE
8/8/2025

REVISION

DRAFT



CONSERVATION THROUGH RESTORATION
1000 N. 10th St., Suite 100
Mount Holly, NC 28120
Phone: 704.237.1212

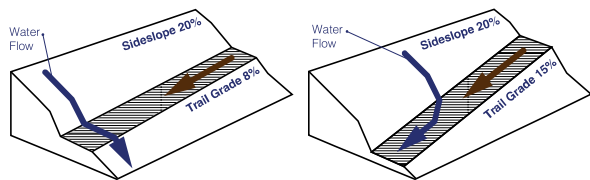
MOUNT HOLLY
MOUNTAIN ISLAND PARK

EXISTING CONDITIONS -
TRAIL GRADE

Sheet Number

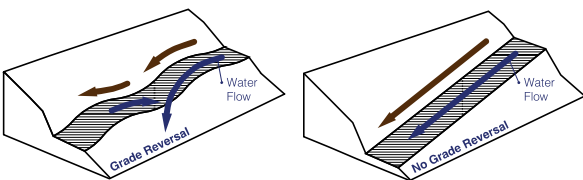
S-7

PRINCIPLES OF SUSTAINABLE TRAIL DESIGN



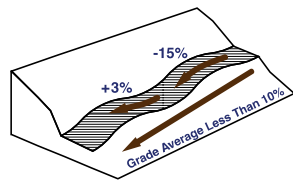
The Half Rule

The Half Rule says that the trail's slope (or grade) should be no more than half the steepness of the hillside it's crossing. If the trail is too steep—more than half the slope of the hill—it becomes a fall-line trail, which means water will run straight down the trail instead of across it. This can cause serious erosion over time. For example, if the hillside has a 6% sideslope, the trail grade should be less than 3%.



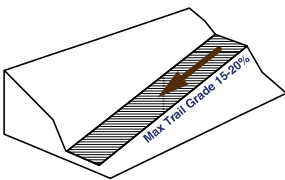
Grade Reversals

Grade reversals are intentional, strategic changes in the trail's slope designed to manage water flow and reduce erosion. This subtle change in grade creates a low point where water can naturally drain off the trail, rather than continuing to flow down its length and causing soil displacement. To be effective, grade reversals are typically recommended every 50 to 100 feet, depending on the terrain, soil type, and expected user traffic.



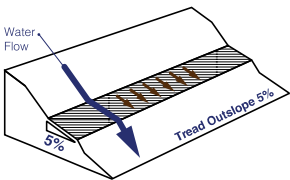
The Ten Percent Rule

An average trail grade of 10% or less is considered the most sustainable for long-term use and minimal environmental impact. In practice, trail alignments often include natural variations in elevation, with short segments that may exceed 10% to navigate terrain features or enhance user experience. However, trails in open skies and/or with aggregate surfaces should average less than 6%.



Maximum Sustainable Grade

Maximum sustainable trail grade—typically between 15% and 20%—is the steepest short pitch allowable slope based on site-specific factors such as the Half Rule, soil type, rock availability, rainfall, grade reversals, user type, user volume, and intended difficulty. This is applied to sections less than 50 ft in length. Grades exceeding this threshold for long distances risk creating fall-line trails, which are highly prone to erosion.



Outslope

When a trail contours along a hillside, the outer (downhill) edge of the trail tread should be constructed with a slight outslope—typically around 5%—lower than the inner (hillslope) edge. This subtle grade encourages water to sheet flow across the trail and off the tread, rather than channeling down the center. Grade reversals work in tandem with outslope to reduce long-term maintenance needs.

DATE
8/8/2025

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MOUNT HOLLY
MOUNTAIN ISLAND PARK
SUSTAINABLE TRAIL DESIGN
PRINCIPLES

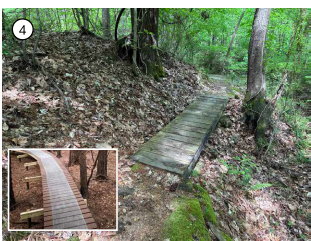
Sheet Number

S-8

EXISTING TRAIL CONDITIONS



- 1. Unconventional Construction**
This is an example where a section should be a machine bench cut for longterm stability. It is recommended to follow USFS / IMBA trail construction guidelines for natural surface singletrack.
Standard details for US Forest Service trail construction can be found at this link: <https://www.fs.usda.gov/managing-land/trails-trail-management-tools/trailplans>
- 2. Features not of Industrial Size**
Features should be constructed of a significant amount of mineral soil. This will maintain the shape of a feature for a longer period of time while being safer for riders to use.
- 3. Embedded Trail Surface**
The existing trail tread is inset to the surrounding terrain. This leads to ponding and promotes erosion.
- 4. Slippery Wood Surfaces**
We recommend rough cut pressure treated lumber for feature decking as it keeps traction much longer then store bough pressure treated lumber. A stucco mesh that is stapled or nailed to the surface is our preferred solution to modify existing features.
- 5. Wayfinding Design**
The current wayfinding is confusing to read and hard to interpret at speed. It is recommended to update the wayfinding design with a professional designer to improve clarity and legibility.
- 6. Trail Creep**
Without a bench cut trail roots are exposed during use and the trail tread slowly creeps lower until an anchor point pinches the trail.



SIGNAGE RECOMMENDATIONS

EXISTING SIGNAGE



ELEVATED EXAMPLES



DATE
8/8/2025

REVISION

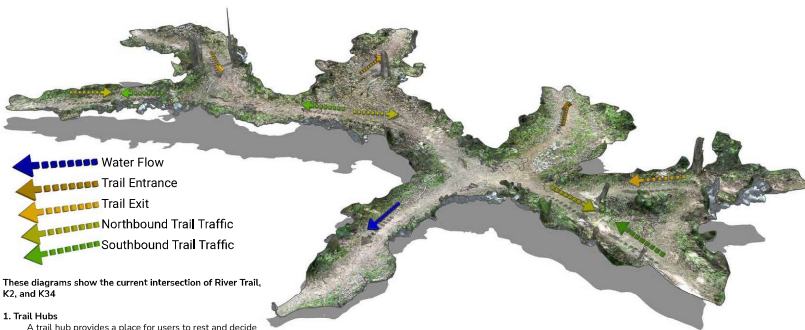
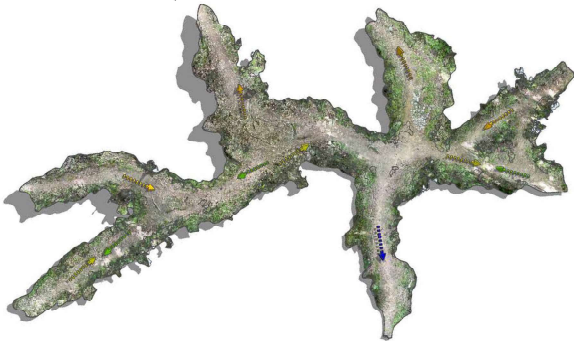
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MOUNT HOLLY
MOUNTAIN ISLAND PARK
EXISTING CONDITIONS -
TRAIL CONSTRUCTION

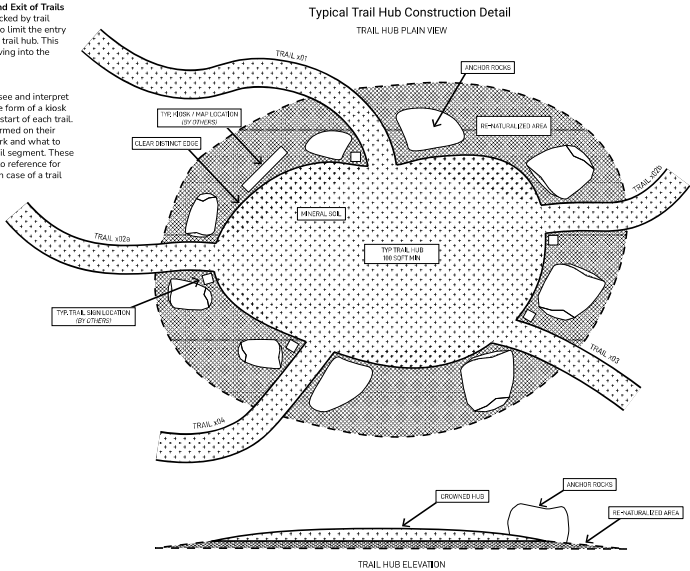
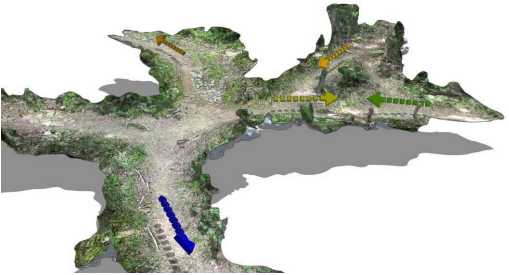
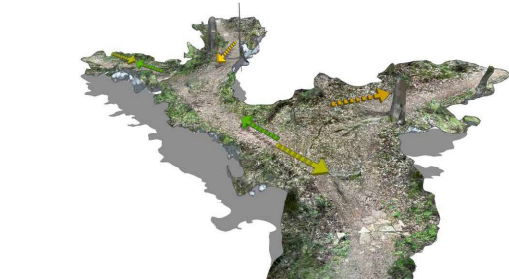
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S-9

TRAIL HUB AND INTERSECTION FLOW



These diagrams show the current intersection of River Trail, K2, and K34

- 1. Trail Hubs
A trail hub provides a place for users to rest and decide which trail they want to tackle next. They also provide a space for users to slow down while limiting possible collisions from intersecting user flow.
- 2. Water Flow
Water flow is currently directed to the center of the trail intersection and shares a path with connection to the Carolina Thread Trail.
- 3. Limit Speed on Entry and Exit of Trails
Speed should be checked by trail design and features to limit the entry and exit speed to the trail hub. This helps slow users moving into the shared area.
- 4. Hub Wayfinding
Hubs allow users to see and interpret trail wayfinding in the form of a kiosk or small maps at the start of each trail. This keeps users informed on their location in the network and what to expect in the next trail segment. These Hubs are also areas to reference for emergency workers in case of a trail rescue.



DATE 8/8/2025		REVISION DRAFT
REVISION		
 CONSERVATION THROUGH RESTORATION 1000 N. 10th St., Suite 100 P.O. Box 1000 Pineville, NC 27157		
MOUNT HOLLY MOUNTAIN ISLAND PARK EXISTING CONDITIONS - TRAIL INTERSECTIONS		
Sheet Number S-10		



	DATE	8/8/2025
	REVISION	DRAFT
MOUNT HOLLY MOUNTAIN ISLAND PARK PROPOSED TRAILS NORTHERN PARKING AREA	SHEET NUMBER S-13	

Station No.	Sediment Composition by Weight									
	Gravel (mm > 2.0)	Sand (0.075 - 4.75)	Silt (0.075 - 0.075)	Clay (0.075 - 0.075)	Organic Matter	Water (H ₂ O)	Free Water (H ₂ O)	Bound Water (H ₂ O)	Void Ratio	Unit Weight
100	120	780								
102	120	780			90	100		1		
104	120	780			90			1		
106	120	780						4		
108	120	780								
110	6,400	410	184	100	40					
204.1	175	633								
205	2,400	5,000								
301	304	684								
302	704	768								
303	600	710								
304	800	800								
401	12,000	15,000		228	40	924				
402	1,700	1,800								
403	1,300	1,500		45		1670				
404	1,400	1,400								
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- 1. Phase 1**
Phase 1 is defined as the bike optimized trails at the northern access area off of Mountain Island Rd.
- 2. Phase 2**
Phase 2 is the conceptual trail plan located south of the existing trails.
- 3. Existing**
The existing trails are defined as the current volunteer built mountain bike single track trails

Future Forecasted Costs: With ever increasing cost of goods and labor, we try to predict future project budget needs. This allows for grant applications to be based on projected construction date rather than current estimated costs. We have assumed a 4% increase in year over year project costs.

The breakdown in trail construction budget assigns an estimated cost to each billable unit on each trail segment. This can show where the estimated project budget is being assigned.

This table shows the estimated unit quantities for each segment and phase of construction. These would be the unit quantities used when a completed design goes out for construction bidding. The amount and location of these units would be refined based on field design of the trail system.

Page 64 of 131



Regular Meeting Agenda Action Form

Meeting Date

September 8, 2025

From

Parks and Recreation

CONSENT AGENDA Item # 3

Request to Amend Land Water Conservation Fund (LWCF) Grant Amount

Will this require a public hearing?

No

Background/Purpose of Request

On June 3rd, 2025 the following was requested by staff on the consent agenda:

It is staff's intention to apply for funding to build out the trail system and other outdoor recreation amenities in Mountain Island Park after the completion of the park Master Plan. This is a 50/50 match, reimbursement grant and staff is planning on applying for \$100,000.00 in grant funding, which means there will be a \$100,000.00 match required by the City if awarded the grant.

Plans for Mountain Island Park would include enhancements and accessibility improvements to the existing Carolina Thread Trail, a connection from the existing northern section of the park to the undeveloped southern section of the park that is bisected by the city property, development of professionally built trails in the southern section of the park, and recreation amenities to highlight the river.

After discussions with our Recreation Resource Services consultant and our Master Planning firm, staff is requesting to amend the grant application to \$300,000.00. This will require a \$300,000.00 match from the City if awarded.

We also have the opportunity once the PARTF (Parks and Recreation Trust Fund) Grant is closed out for Ransom Hunter Park to apply for another PARTF Grant for \$300,000.00. If awarded the PARTF Grant, these two grants can serve as each other's match and there will be no required match from the City.

Fiscal Impact

Will Item affect current budget?

Reviewed by Finance Director?

Preaudit Certification Required?

Capital Project Ordinance
Required?

Budget Transfer Required?

Total City Dollars:

Budget Code:

Reviewed by City Attorney?

Manager/Staff Recommendation

Attachments

1. LWCF GRANT MEMO (2)

Memo

To: City of Mount Holly Mayor and City Council

From: Eric Smallwood, Parks and Recreation Director

cc: Jonathan Blanton, City Manager & Brian DuPont, Assistant City Manager

Date: 8/18/2025

Re: Request to Apply for LWCF Grant

The Land and Water Conservation Fund has historically been a primary funding source of the U.S. Department of the Interior for outdoor recreation development and land acquisition by local governments and state agencies. In 2019, Congress permanently reauthorized the fund and then permanently funded the program the following year with the passage of the Great Outdoors Act.

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awarded the PARTF Grant, these two grants can serve as each other's match and there will be no required match from the City.



Regular Meeting Agenda Action Form

Meeting Date

September 8, 2025

From

Tara Douglas, City Clerk
City Clerk

CONSENT AGENDA Item # 4

Approval of Minutes: City Council Meeting-August 25, 2025

Will this require a public hearing?

No

Background/Purpose of Request

Approval of Minutes

Fiscal Impact

Will Item affect current budget?
Reviewed by Finance Director?
Preaudit Certification Required?
Capital Project Ordinance
Required?
Budget Transfer Required?
Total City Dollars:
Budget Code:
Reviewed by City Attorney?

Manager/Staff Recommendation

Attachments

1. CCM 8-25-2025_Draft

CITY OF MOUNT HOLLY
CITY COUNCIL MEETING MINUTES
MONDAY, AUGUST 25, 2025
COUNCIL CHAMBERS
6:30 PM

CALL TO ORDER

Mayor Moore called the meeting to order at 6:30 pm. The following were present:

Mayor David Moore	Jonathan Blanton, City Manager
Mayor Pro Tem Lauren Shoemaker	Brian DuPont, Assistant City Manager
Councilman Ivory Craig	Alexis Hines, Human Resources Director
Councilman Jeff Meadows	Brian Reagan, Police Chief
Councilman Bryan Hough	Greg Beal, Planning Director
Councilwoman Phyllis Harris	Ryan Baker, Fire Chief
Councilman Kenneth Reeves	Jason Green, Public Works Director
Marie M. Anders, City Attorney	Eric Smallwood, Parks\Recreation Director
Tara Douglas, City Clerk	Michelle Wood, Finance Director
	Matt Black, Economic Development Director
	Jon Ford, City Engineer

INVOCATION

Councilman Reeves led the Council, Staff, and attendees in prayer.

PLEDGE OF ALLEGIANCE

Councilwoman Harris led the Council, Staff, and attendees in the Pledge of Allegiance.

SET THE AGENDA

Mayor Moore entertained a motion to approve the agenda.

Motion: Councilman Hough made a motion to approve the agenda as presented. Mayor Pro Tem Shoemaker seconded the motion.

All Council members present and voting, voted in favor 5-0. (Motion Carried).

CONSENT AGENDA

1. Approval of Budget Amendment- Ransom Hunter Park
2. Approval of Budget Amendment- Riverfront Sewer Improvement/Lift Station Upgrade
3. Resolution to Ratify Existing City Policy Regarding Extension of Water and Sewer Service to Proposed Residential Subdivisions Outside the City Limits

CITY OF MOUNT HOLLY
CITY COUNCIL MEETING MINUTES
MONDAY, AUGUST 25, 2025
COUNCIL CHAMBERS
6:30 PM

4. Digital Sign Usage Policy
5. Acceptance of Lead and Copper Grant Award and Agreement with Harvin Engineering
6. Call for a public hearing to consider approval of a fourth amendment to the development agreement with OMBMH,LLC.
7. Call for a public hearing to consider an update to section 153.056 € of the Subdivision and Land Development ordinance to create safer standards for trail construction and emergency response. TA-25-9
8. Call for a public hearing to consider and update to Chapter 3, Section 3.11 of the Zoning Ordinance to provide more detailed regulations of accessory buildings and structures. Case4 # TA-25-10.
9. Approval of Minutes- City Council Meeting-August 11, 2025.
10. Approval of Minutes -Closed Session- August 11, 2025.

Mayor Moore entertained a motion to approve the Consent Agenda as presented.

Motion: Councilwoman Harris made a motion to approve the Consent Agenda as presented after the changes. Councilman Craig seconded the motion.

All Council members present and voting, voted in favor 5 -0. (Motion Carried)

Note: Councilman Meadows arrived at 6:33 pm after the previous voting took place and after the below presentation began.

PRESENTATIONS

1. Update and Discussion of potential changes to the Mobile, Coexisting and Temporary Use (Good Truck) Ordinance. ***Greg Beal***

Mr. Beal stated that this presentation on the Coexisting, Mobile and Temporary Use Ordinance was a continuation from the discussion and direction provided by City Council at the 2025 Annual Retreat. Mr. Beal noted that there were five items that City Council wanted staff to research, which are the following:

1. Allow administrative permit approvals vs Special Use Permits for mobile or temporary uses.
2. Require permits for on-street parking of mobile uses.
3. Require business owner information, if sponsoring a mobile or temporary use.
4. Require display of proper permits from Gaston County Health Department.
5. Explore options for reserving public parallel parking spaces.

Mr. Beal noted that Planning staff had prepared red lines in the current ordinance, adopted in 2003, in the agenda packet, to address all the items requested from Council. Mr. Beal stated that

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COUNCIL CHAMBERS
6:30 PM

Council could decide whether or not they want to allow a mobile vendor to block off up to two parking spaces in the City's public parallel parking spaces in downtown. Mr. Beal stated that he staff suggested language that would allow for such no more than two hours before the scheduled start of business for that vendor each day. Mr. Beal also noted that staff wanted to make it clear, as they routinely receive questions from the public, that City-sponsored events and one-time special events on private property, such as a church having a food truck for Vacation Bible School, would be exempt from the requirements of the ordinance.

Councilman Meadows stated that while it may be tough to enforce, having standards to reflect that a vendor cannot block off more than two spaces, two hours ahead of their start time provided good guidance. Councilman Hough noted that an example like Local Logic, not serving food, would want a sponsored food truck in front of their business, so he added that this does make sense.

Mr. Beal asked Council for permission to have the public hearings in October, due to a busy schedule for the September Planning Commission meetings. The City Council came to a unanimous consensus to have the hearings in October before the Planning Commission and City Council.

Councilwoman Harris concluded by stating that these proposed changes are a step in the right direction, as she receives questions on food trucks parking along the street. She added that if these changes are adopted, it would require a permit from vendors in the future and a response to such could be given to people asking these questions.

PUBLIC HEARINGS

1. Public Hearing to consider the conveyance of 131 South Main Street for redevelopment pursuant to NCGS 158-7.1 ***Jonathan Blanton and Marie Anders***

Mr. Blanton stated that at the August 11, 2025 meeting, Council called a public hearing for the August 25, 2025 meeting on the question of conveying the property owned by the City located at 131 S. Main Street to RTR Property Management, LLC through private negotiations as economic development property under NCGS 158-7.1. Mr. Blanton stated that before Council is the proposed resolution, proposed purchase and sale agreement, development agreement, and special warranty deed with restrictive covenants. Mr. Blanton stated that the development agreement contains an 'Optional Alternative Section A' noting that Mr. Rick has requested that in the event that he is required to upsize the water and/or sewer lines serving the building, that the City waive any water tap fee, sewer tap fee, and system development fee.

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Motion: Mayor Pro Tem Shoemaker made a motion to come out of the regular meeting and go into the public hearing. Councilman Craig seconded the motion.

All Council members present and voting, voted in favor 6-0. (Motion Carried)

Mayor Moore stated that no one signed up to speak at this public hearing.

Motion: Councilman Meadows made a motion to come out of the public hearing and go back into the regular meeting. Mayor Pro Tem Shoemaker seconded the motion.

All Council members present and voting, voted in favor 6-0. (Motion Carried)

Mayor Moore stated that he knows that Mr. Rick will do a good job rehabbing this building. Mayor Moore wanted the following points noted:

- RTR Property is purchasing the property for \$600,000
- City rejected the Historical Society's offer of \$815,000 which is a difference of \$215,000
- City is paying \$787,784 to relocate the museum
- City rejected J&M Holding's offer of \$762,500 which is a difference of \$162,500.
- Costs of \$21,500 to remove and relocate electrical hookups for downtown events.
- Loss of public restrooms, space for staff meals during events, and space for bands to change/prepare for concerts.
- Loss of revenue by leasing new location for Historical Society = At least \$30,000/year

Mayor Moore stated that he believes in the end, the City will regret selling this building. Mayor Moore stated that in his view, the City could have renovated this building for much less than the proposed \$3 million, kept the historical society in place, and leased out the remainder of the building.

Councilman Reeves thanked Mayor Moore for his statement and reiterated his concerns for the event staff and band needs during downtown events. Councilman Reeves stated that in addition to the costs that Mayor Moore listed, the City has spent \$68,000.00 in design expenses, \$94,449.00 in demolition expenses, \$2500.00 for a previous appraisal, \$3495.00 in marketing expenses, and \$12,501.00 for an environmental review.

Councilman Reeves asked Mrs. Anders about Option A.

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Mrs. Anders explained that Mr. Rick has requested that in the event that he is required to upsize the water and/or sewer lines serving the building, that the City waive any water tap fee, sewer tap fee, and system development fee. Mrs. Anders stated that she did not think that the City had the legal authority to waive these fees.

Councilwoman Harris stated that this proposal had a restaurant as part of the submission that the City did not require.

Councilman Hough stated that the City should help businesses be successful.

Mrs. Anders stated that the City could investigate Economic Development Incentives.

Motion: Mayor Pro Tem Shoemaker made motion to approve the conveyance of 131 South Main Street and investigate Option A further as outlined in the development agreement pursuant to NCGS 158-7.1. Councilman Hough seconded the motion.

All Council members present and voting, voted in favor 5-1. (Motion Carried)

Councilman Reeves voted no.

NEW BUSINESS

1. City Manager Report

Jonathan Blanton

Mr. Blanton stated that the Second Annual Legislative Day was held at The Holland Restaurant and was a great success. Mr. Blanton stated that Tim Moore and Centralina held a Town Hall at The Grand Hall on August 15, 2025. Mr. Blanton noted that OMB is requesting a fourth extension to their development agreement, and the public hearing will be held on September 22, 2025. Mr. Blanton stated that the Small Business Networking Event will be held on Thursday August 28, 2025 at Local Logic. Mr. Blanton stated that the City offices are closed for Labor Day on September 1, 2025. Lastly, Mr. Blanton stated that Mount Holly Nights will be on September 12, 2025. Mr. Blanton noted that the Decommissioning Ceremony will be on September 16, 2025. Mr. Blanton stated that the Ransom Hunter Ribbon Cutting will be on September 20, 2025. Mr. Blanton stated that the CRO Taste of the Town will be held on September 13, 2025. Mr. Blanton gave thanks to the police and fire departments for their assistance during several difficult recent events.

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6:30 PM

CLOSED SESSION

1. Closed Session Pursuant to N.C.G.S. 143-318.11 (a)(3 and 5)

Mayor Moore entertained a motion to go out of the regular meeting and into closed session.

Motion: Councilman Hough made a motion to go out of the regular meeting and into closed session at 7:28 PM. Councilman Reeves seconded the motion.

All Council members present and voting, voted in favor 6-0. (Motion Carried)

Motion: Councilman Craig made a motion to go out of closed session and back into the regular meeting at 8:51 PM. Councilman Hough seconded the motion.

All Council members present and voting, voted in favor 6-0. (Motion Carried)

ADJOURN

Motion: Councilman Hough made a motion to adjourn the August 25 , 2025 City Council Meeting at 8:52 PM. Councilman Craig seconded the motion.

All Council members present and voting, voted in favor 6-0. (Motion Carried)

The meeting adjourned at 8:52 PM

NOTE: Technical IT difficulties prevented this meeting from being streamed and recorded live.



Regular Meeting Agenda Action Form

Meeting Date

September 8, 2025

From

Tara Douglas, City Clerk
City Clerk

CONSENT AGENDA Item # 5

Approval of Minutes: Closed Session - August 25, 2025

Will this require a public hearing?

No

Background/Purpose of Request

Per the internal staff policy shared with Council, approval of closed session minutes will be part of the consent agenda. A copy of the minutes will be provided under a separate cover to the Council as part of the closed session information packet.

Fiscal Impact

Will Item affect current budget?
Reviewed by Finance Director?
Preaudit Certification Required?
Capital Project Ordinance
Required?
Budget Transfer Required?
Total City Dollars:
Budget Code:
Reviewed by City Attorney?

Manager/Staff Recommendation

Attachments

None



Regular Meeting Agenda Action Form

Meeting Date

September 8, 2025

From

Tara Douglas, City Clerk
City Clerk

PRESENTATIONS Item # 1

Presentation by Arts on the Greenway-Labyrinth Project

Will this require a public hearing?

No

Background/Purpose of Request

Presentation by Arts on the Greenway-Labyrinth Project

Fiscal Impact

Will Item affect current budget?

Reviewed by Finance Director?

Preaudit Certification Required?

Capital Project Ordinance
Required?

Budget Transfer Required?

Total City Dollars:

Budget Code:

Reviewed by City Attorney?

Manager/Staff Recommendation**Attachments**

None



Regular Meeting Agenda Action Form

Meeting Date

September 8, 2025

From

Joshua Blackwell, Planner I
Planning

PUBLIC HEARING Item # 1

Public hearing to consider an update to section 153.056 (E) of the Subdivision & Land Development Ordinance to create safer standards for trail construction and emergency response. Case # TA-25-9.

Will this require a public hearing?

Yes

Background/Purpose of Request

This proposed text amendment has been submitted by staff and would update standards for trail construction and emergency response.

This amendment to Sections 153.056 (E) of the Subdivision and Land Development Ordinance. Trails will be required to be eight (8) feet wide with six (6) inches of compacted ABC "crush & run" stone or paved with concrete or asphalt. Standards for trail design will be referenced in the City Public Works Standard Detail R-141 and R-142 established by the City Engineer. Dirt or natural surface trails may be approved by staff as part of a quid pro quo negotiation with the developer. Foot bridges will be required to have an eight (8) foot wide clearance to allow for emergency UTV's to pass. A smooth transition from bridge to trail will be required. Mile markers will be required every 0.2 miles (1/5 of a mile). Trail markers shall be installed on both sides of a 4" X 4" post and the post shall be painted safety yellow. Trail markers shall be made of reflective material and be at least 3.5" in diameter. Trail kiosk standards will be implemented, and kiosks will be required at all trail heads and intersections of trails and roads. Standards for drainage pipes under the trail will be established. A maximum trail slope of twelve (12) percent will be required. Trails shall have switchbacks and rounding turns that allow a UTV to pass without making multipoint turns. At the end of trails a method for turning around a UTV will be required. New standards were based on recent experiences that Police, Fire and Planning staff had while inspecting trails in new subdivisions.

The Planning Commission heard the case on September 2nd, 2025 and recommended that City Council approve the text amendment.

Fiscal Impact

Will Item affect current budget? No.
Reviewed by Finance Director? No.
Preaudit Certification Required? No.

Capital Project Ordinance Required?	No.
Budget Transfer Required?	No.
Total City Dollars:	NA
Budget Code:	NA
Reviewed by City Attorney?	No.

Manager/Staff Recommendation

Staff recommends that City Council approve the text amendment.

Attachments

1. TA-25-9 Red Lines
2. TA-25-9 Application

TA-25-9 Redlines

§ 153.056 (E) *Emergency response requirements for trail system.*

The purpose of the trail system requirements is to assure that when off road amenities are provided by a development that public health, safety, and welfare are appropriately assured during the review and approval by the City of Mount Holly.

If a developer proposes or is required to provide any trail system or network as part of the development, then the following items will be required at a minimum and will be included as part of the Greenway Response Map for the City of Mount Holly:

1. Private greenways or trails ~~need to be a minimum of eight (8) feet wide and at a minimum gravel surface for emergency response trucks or all terrain vehicles. If dirt or natural surface trails are proposed the developer will need to provide other measures in order to assure appropriate response can be maintained.~~ **shall be 8' wide with 6" of compacted ABC "crush & run" stone or paved with concrete or asphalt. Must meet standards in City Public Works Standard Detail R-141. Dirt or natural surface trails may be approved by staff as part of a quid pro quo negotiation with the developer.**
2. If foot bridges are proposed it is required that a vehicle access point is provided if the distance between them exceeds two miles. **Bridges shall have an 8-foot-wide clearance between the side rails to allow for emergency UTV's to cross the bridge. There shall be a smooth transition from trail to bridge to allow emergency UTV's to traverse from trail to bridge without being impeded by sudden changes in grade. Must meet standards in City Public Works Standard Detail R-142.**
3. ~~Trail marking on routes will be required with a maximum of ¼ mile between markers, and;~~ **City staff are responsible for regulating the naming, signage & trail markers that are associated & installed with newly developed trails. Markers & naming conventions will be assigned based on a project's location on the Greenway Response Map. Trail markers will display a City assigned three letter abbreviation unique to the development, followed by the mile marker based on Item 3 above. Contact Planning Department staff for information regarding trail marker abbreviation assignment. Trail markers shall be installed on both sides of a**

4" X 4" post with the marker easily visible when walking along the trail from either direction. The post shall be painted bright "safety" yellow. Trail marker posts should be of uniform height with the bottom of trail markers posted at 4' above grade. Trail markers shall be made of reflective materials, circular, and have a minimum diameter of 3.5 inches. Markers shall be easily readable, display the three-letter abbreviation for the trails system, have the background color be the same as the trail color shown on the kiosk map and display the mileage distance from the trail origin. Trail markers shall be located every 0.2 miles or less from the trail origin and no greater than 0.2 miles from the previous trail marker or kiosk with mile marker.

~~4. City staff are responsible for regulating the naming, signage & trail markers that are associated & installed with newly developed trails. Markers & naming conventions will be assigned based on a project's location on the Greenway Response Map. Trail markers will display a City assigned three letter abbreviation unique to the development, followed by the mile marker based on Item 3 above. Contact Planning Department staff for information regarding trail marker abbreviation assignment.~~ A kiosk with a trail map must be located at the origin of each trail and at any intersection of the trail and a road. Kiosks shall be water tight and kiosks maps shall be located no greater than 4 feet from grade. All trail kiosks shall have a mileage marker. If there are different color trail systems in the development the kiosk should have maps labeled by the color of the trail system it represents and the kiosk mile marker. For example: "Blue Trail – Mile 0.0". Trail maps must show the location where the map is posted indicated by a "you are here" indicator, the origin of each trail, and the location of trail marker posts along the trail with their mileage.

5. Developer will provide global positioning system (GPS) coordinate of the trail to be placed on the Greenway Response Map, which is maintained by the GIS ~~Department~~ Division. All kiosks, bridges and trail markers shall be located along with the entirety of the trail.

~~6. Developer is required to provide a kiosk at all trail heads referencing specific information to that trail including but not limited to how markers on the trail can be used when contacting Emergency 911 Services, provide map of trail with~~

~~reference to kiosk location ('You are Here' indicator), map will need to show access points along the trail to be used for emergency services.~~

~~7.~~ 6. All trail markers and kiosks will be constructed and placed in a permanent nature in order to assure high visibility and awareness for all users of the trails.

~~8.~~ 7. The City may require other information be provided that is specific to the project.

~~9.~~ 8. ~~Any associated signage be maintained by the developer or home owners association.~~ All trails, kiosks and trail marking systems shall be maintained by the neighborhood association including trash removal, debris removal (limbs and leaves), clearing downed trees, maintaining drainage and repairing eroded areas.

9. All drainage pipes underneath the trail shall be constructed with rigid concrete or HDPE pipe and have a minimum inside diameter of twelve inches.

10. The maximum allowed slope for trails is twelve degrees or 3:25 (rise: run). Trails should utilize switchbacks with rounding turns to allow utility terrain vehicles to navigate the trail without making multi point turns. At the end of each trail there should be a method for easily turning around a UTV.



APPLICATION FOR TEXT AMENDMENT
CITY OF MOUNT HOLLY, NORTH CAROLINA

Date Filed: **8-6-2025**. Application Number: **TA-25-9**.

I, the undersigned, do hereby respectfully make a formal application for your review of my request concerning the text amendment described below:

1. The amendment is found in the City of Mount Holly Zoning Ordinance relating to: **Amend the Subdivision and Land Development Ordinance Sections 153.056(E) to update standards for trail construction and emergency response.**
2. The following statement best describes what you would like the text amendment to reflect: **This proposed text amendment has been submitted by staff and would specify the requirements for trail designs, trail mile markers and trail maps.**
3. Name: **Josh Blackwell, Planner I.**
Address: **400 E Central Avenue Mount Holly, NC 28120.**

980-525-9041
Phone Number

Joshua Blackwell
Signature of Applicant

INSTRUCTIONS: Applications must be TYPED or LEGIBLE and filed with the City of Mount Holly Planning and Zoning Department, together with the application fee in the amount of **\$250.00** (See **Fee Schedule**) at least 30 days prior to the Planning Commission meeting for initial consideration.



Regular Meeting Agenda Action Form

Meeting Date

September 8, 2025

From

Joshua Blackwell, Planner I
Planning

PUBLIC HEARING Item # 2

Public hearing to consider an update to Chapter 3, Section 3.11 of the Zoning Ordinance to provide more detailed regulations of accessory buildings and structures. Case # TA-25-10

Will this require a public hearing?

Yes

Background/Purpose of Request

This proposed text amendment has been submitted by staff and would provide further guidance on the regulation of accessory buildings and structures.

This amendment to Chapter 3, Section 3.11 of the Zoning Ordinance would specify that no accessory building or structure shall be constructed without the existence of a primary structure except on lots greater than one (1) acre for the purpose of storing equipment for property maintenance. A new table will be added to the section that defines the maximum number and combined square footage of all accessory buildings and structures. The height of an accessory building or structure will be limited to the height of the principal structure. A separation requirement of three (3) feet will be required between all new accessory buildings or structures. Accessory buildings or structures will not be allowed between the right of way and the side yard setback line on the street side of a corner lot. On lots greater than one (1) acre in size accessory buildings will be allowed in the front yard at a minimum of 150 feet from the right of way and thirty feet from any property line.

The Planning Commission heard the case on September 2nd, 2025 and recommended that City Council approve the text amendment. As a note, the Planning Commission made suggested updates to the proposed redlines, which are provided in purple in the redlines file, which were supported by both members and staff alike.

Fiscal Impact

Will Item affect current budget?

No.

Reviewed by Finance Director? No.

Preaudit Certification Required? No.

Capital Project Ordinance No.

Required?

Budget Transfer Required? No.

Total City Dollars:	NA
Budget Code:	NA
Reviewed by City Attorney?	No.

Manager/Staff Recommendation

Staff recommends that City Council approve the text amendment.

Attachments

1. TA-25-10 Redlines-Updated per PC Recommendations
2. TA-25-10 Application

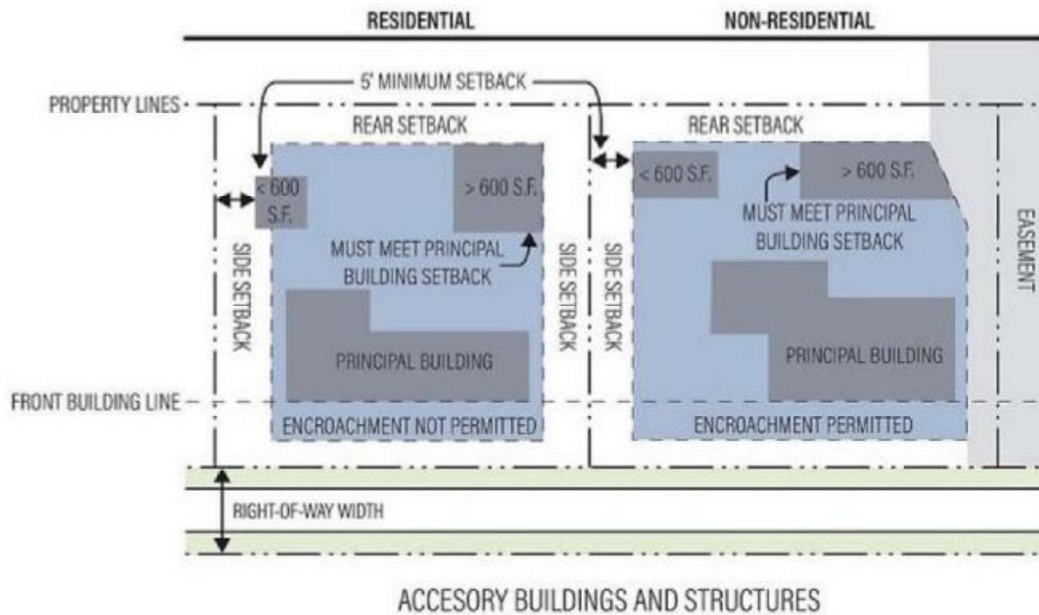
TA-25-10 Redlines

§ 3.11 ACCESSORY BUILDINGS AND STRUCTURES.

Accessory buildings and structures shall be exempt from setback and yard requirements provided they are located in accordance with the following requirements. (See Appendix Illustration [A-2](#).)

(A) Accessory buildings and structures shall not be erected in any required front or side yard or any required street side setback on a corner lot. **No accessory building or structure shall be constructed prior to the existence of a principal structure. Construction of an accessory structure may be approved in conjunction with approval of construction of the principal use.**

(B) Accessory buildings shall be located ~~in the rear or in the side yard, if the proposed accessory structure is located~~ behind the front building line of the home. **Accessory buildings or structures on corner lots shall be no closer to the street than the side yard setback line on the street side of the lot.** Accessory buildings of 600 sq. ft. or less can be erected five feet from any side or rear property line. Accessory buildings greater than 600 sq. ft. must meet the underlying setback standards of the zoning district in which the property is located. **Accessory buildings or structures must be located at least three feet from other accessory buildings.** Accessory buildings shall not be located within platted or deeded utility or access easements or within five feet of a principal structure. The placement of an accessory building on a property, located within the city limits, first requires the application and issuance of a zoning compliance permit through the City of Mount Holly Planning Department and possibly the application and issuance of a building permit through the Gaston County Building Inspections Department.



(C) Accessory buildings and structures shall not be erected in either front yard of any double frontage lot as set forth in § 3.13 of this chapter.

(D) ~~No accessory building shall exceed the height limitation of the district in which located.~~ The height of an accessory building or structure shall not exceed the height of the principal structure.

(E) No mobile home shall be used as an accessory building.

(F) No residential accessory building or structure shall be larger than the principal structure.

(G) (1) The U.S. Postal Office will work with builders and developers to determine the best mode for mail delivery, prior to extending or establishing delivery service.

(2) Evergreen shrubs shall be provided in the vicinity of each cluster mailbox(es) to promote high quality appearance and good design. The number, location and height of such landscape material shall be appropriate to the specific location, based on available planting area, topography and safety considerations, as determined by the Planning Director or designee. The maximum height of any such shrubs located in the public right-of-way or within a sight triangle shall follow § 3.15 of this chapter.

(3) Location of the cluster mailbox(es) shall take into consideration and promote non-motorist access as much as possible, as determined by the Planning Director or designee.

(4) The following table will help guide the number of required off-street parking spaces based on the number of mailboxes:

<i>Number of Mailboxes</i>	<i>Parking Spaces Required</i>
0 - 20	1
21 - 60	2
61 - 80	3
81 - 100	4
101 or more	4, plus 1 per each additional 50 mailboxes or portion thereof above 100

(H) No shipping container shall be used as an accessory building for any residential or commercial property, excluding industrial-zoned property, which includes H-I, Heavy Industrial, L-I, Light Industrial, or CD, Industrial Zoning.

(I) Shipping containers shall be allowed as temporary uses for normal residential and commercial moving operations, **or for renovations**, where a contractor brings a shipping container onsite. ~~for the storage of items to be taken to an offsite location for unloading.~~

(J) No accessory building or structure shall be greater than fifty (50) percent of the square footage of the principal structure. The size and number of accessory structures shall be limited according to the following table. A pool or accessory dwelling unit shall not be counted towards the maximum size or number of allowed accessory buildings or structures. The regulations in this subsection only apply to accessory buildings or structures on residentially zoned properties.

Lot Size in Acres	# Allowed	Combined Total Square Footage
Under 0.25	2	600
0.25 – 0.5	2	800
0.5-1	3	1200
1-3	3	1800
3-5	4	2400
5+	6	Not regulated (see J. above)

(K) On lots of one (1) acre in area or greater, accessory buildings or structures may be located in the front yard, a minimum of one hundred fifty (150) feet from any edge of the street right-of-way line and thirty (30) feet from any property line.



APPLICATION FOR TEXT AMENDMENT
CITY OF MOUNT HOLLY, NORTH CAROLINA

Date Filed: **8-6-2025**. Application Number: **TA-25-10**.

I, the undersigned, do hereby respectfully make a formal application for your review of my request concerning the text amendment described below:

1. The amendment is found in the City of Mount Holly Zoning Ordinance relating to: **Amend the Zoning Ordinance, Chapter 3, Section 3.11 Accessory Buildings and Structures to provide more detailed regulation of accessory buildings and structures.**
2. The following statement best describes what you would like the text amendment to reflect: **This amendment would specify that no accessory building or structure shall be constructed without the existence of a primary structure except on lots greater than one (1) acre for the purpose of storing equipment for property maintenance. A new table will be added to the section that defines the maximum number and combined square footage of all accessory buildings and structures. The height of an accessory building or structure will be limited to the height of the principal structure. A separation requirement of three (3) feet will be required between all new accessory buildings or structures. Accessory buildings or structures will not be allowed between the right of way and the side yard setback line on the street side of a corner lot. On lots greater than one (1) acre in size accessory buildings will be allowed in the front yard at a minimum of 150 feet from the right of way and thirty feet from any property line.**
3. Name: **Josh Blackwell, Planner I.**
Address: **400 E Central Avenue Mount Holly, NC 28120.**

980-525-9041
Phone Number

Joshua Blackwell
Signature of Applicant

INSTRUCTIONS: Applications must be TYPED or LEGIBLE and filed with the City of Mount Holly Planning and Zoning Department, together with the application fee in the amount of **\$250.00** (See Fee Schedule) at least 30 days prior to the Planning Commission meeting for initial consideration.



Regular Meeting Agenda Action Form

Meeting Date

September 8, 2025

From

Nathaniel Jones, Planning Technician
Planning

PUBLIC HEARING Item # 3

Public Hearing to update Chapter 6: Table of Permitted and Special Uses, and to Chapter 7: Notes to the Table: Note 3 to the City's Zoning Ordinance to Update Regulations Regarding Home Occupations. Case # TA-25-7.

Will this require a public hearing?

Yes

Background/Purpose of Request

This proposed text amendment has been submitted by staff and would update the process for how Home Occupations are permitted in the City, by removing the necessity of obtaining a special use permit (SUP), and move this approval to staff via the issuance of a permit. The approval process update would allow staff to review home occupation permits, associated site plans which would address parking, and any needed improvements. The update would amend Chapter 6 Table of Permitted and Special Uses- Section 6.1 Residential Uses to remove the need for a SUP, while the updates to Chapter 7 Notes to a Table: Note 3 would specify how an application is submitted, the fee for submittal -\$50.00, the regulations governing this use, as well as the process for recalling permits if, and when regulations are not followed. As a note, permit applications will be followed up by inspections by staff, and the City will coordinate with the County, and State for permit applications that require additional review.

The Planning Commission discussed the matter at the September 2nd meeting and recommended that City Council approves the text amendment.

Fiscal Impact

Will Item affect current budget?	No.
Reviewed by Finance Director?	No.
Preaudit Certification Required?	No.
Capital Project Ordinance Required?	No.
Budget Transfer Required?	No.
Total City Dollars:	N/A
Budget Code:	N/A
Reviewed by City Attorney?	No.

Manager/Staff Recommendation

Staff recommends approval of the text amendment.

Attachments

1. Application & Redlines



**APPLICATION FOR TEXT AMENDMENT
CITY OF MOUNT HOLLY, NORTH CAROLINA**

Date Filed: 7/22/2025. Application Number: TA-25-7.

I, the undersigned, do hereby respectfully make a formal application for your review of my request concerning the text amendment described below:

1. The amendment is found in the City of Mount Holly Zoning Ordinance relating to:
Chapter 6 Table of uses and Chapter 7 Notes to a table. Regarding Home Occupation
2. The following statement best describes what you would like the text amendment to reflect: \
This proposed text amendment has been submitted by staff and would update the process for Home Occupations. This will remove the need for a special use permit, changing it to a standard application through the planning department with inspections and proof of state and county permits.
- 3.

Name: Nathaniel Jones.

Address: 400 E Central Avenue Mount Holly, NC 28120.

704-616-4758

Phone Number

nathaniel.jones@mtholly.us

Email

Nathaniel Jones

Signature of Applicant

INSTRUCTIONS: Applications must be TYPED or LEGIBLE and filed with the City of Mount Holly Planning & Development Department, together with the application fee in the amount of **\$250.00- (See Fee Schedule)** at least 30 days prior to the Planning Commission meeting for initial consideration.

§ 6.1 RESIDENTIAL USES.

<i>Use Types</i>	<i>Not e</i>	<i>R- A</i>	<i>R- 20</i>	<i>R - 1 2</i>	<i>R-10</i>	<i>R-8 SF</i>	<i>R- 8MF</i>	<i>R D</i>	<i>MHM U</i>	<i>O &I</i>	<i>B- 1</i>	<i>B- 2</i>	<i>B- 3</i>	<i>L- I</i>	<i>H- I</i>
Accessory dwelling unit	38	X	X	X	X	X		X							
Accessory use or building (non-commercial)		X	X	X	X	X	X	X	X	X					
Bed and breakfast	1									X					
Dwelling, apartment	5						X		S	X	X				
Dwelling, condominium	5						X	X	S	X	X				
Dwelling, duplex	40						X	X							
Dwelling, mixed-use								X	X	X	X				
Dwelling, multi-family	5						X		S	X	X				
Dwelling, single-family detached		X	X	X	X	X	X	X							
Dwelling, townhome	5, 39						X	X	S	X	X				
Family care home (6 or less)	2	X	X	X	X	X	X	X	X	X					
Family day-care home (5 or less)	2	S	S	S	S	S	S	S	S	X					
Home occupation	3	S X	S X	S X	S X	S X	S X	S X	S X	X					

CHAPTER 7: SPECIAL REQUIREMENT NOTES TO THE TABLE OF PERMITTED AND SPECIAL USES

Section

7.1 Notes to table

Editor's note:

The following sections provide the special requirement notes for the use indicated in the Table of Permitted and Special Uses. The development of the use must be in accordance with the notes.

§ 7.1 NOTES TO TABLE.

Note 3, Home Occupation.

- (1) General. A Home Occupation is an accessory use that allows the operation of selected businesses within a residence, which requires the issuance of a Home Occupations Permit. Home Occupations are permitted in residential zoning districts after applications are processed, deemed complete, and are approved by staff, after all inspections are completed. The application process will be administered by the Mount Holly Planning Department-which requires the applicant to submit a home occupation permit for consideration to staff, with the fee of payment of \$50.00. Along with the application, and the fee, a simple site plan would also be required. The site plan would highlight all plan elements, including parking that are associated with the proposed home occupation. Once the application is deemed complete & the fee received, staff will review the application packet. When the application packet meets the standards that the City has outlined below in Section 2 of this note, then the permit will be issued. Staff may conduct inspections to verify the veracity of the information presented on the application.
- (2) Requirements. Home Occupations must meet the standards listed below before a permit is issued, and follow these requirements during the entirety of the operation of the home-based business. Again, staff may do in-person inspections during the application process to determine whether all requirements are met. Once all standards met, and the fee is paid the permit shall be issued.
- (A) No person other than members of the immediate family occupying such dwelling shall be employed, and no one who does not reside in the home full time should be employed by the home occupation, or report to the home occupation for work.
- (B) No stock in trade (except articles produced by the members of the immediate family residing on the premises) shall be displayed or sold upon the premises.
- (C) No alteration of the principal building shall be made which changes the character thereof as a dwelling.
- (D) No more than 25% of the area of the dwelling shall be devoted to any home occupation.
- (E) The home occupations shall be conducted entirely within the principal building that is used as the residential dwelling. Home occupation shall not be operated out of an accessory building, ADU, or commercial vehicle. Commercial vehicles cannot be associated with the home occupation or stored on the property.
- (F) No chemical, mechanical or electrical equipment that creates odors, light emissions, noises or interference in radio or television reception detectable outside the dwelling shall be permitted.

(G) Only vehicles used primarily as passenger vehicles (e.g., automobiles, vans, pick-up trucks) shall be permitted in connection with the conduct of the home occupation.

(H) Only one visitor or patron shall be permitted at one time with no on-street parking. All parking should be provided entirely by the lot of the principle building that is used as the residential dwelling. Home occupations cannot use neighbor or public parking for their business.

(I) No outdoor storage shall be permitted.

(J) No home occupation shall be operated in such a manner as to cause a visual, audible, sensory or physical nuisance.

- (3) Violations and Revocation of permit. A violation of the approved home occupation permit could occur by not following all requirements found in Section 2 of this note. If a violation is reported or suspected, it will be investigated, if the violation is confirmed, then a violation letter will be sent through regular mail, and/or posted on the property to the registered owner(s) that is listed on the Gaston County GIS website. If three violations are substantiated by the staff against a permit holder, then, the permit will be revoked and the business will have to cease operations. If the home occupation does not cease operation as ordered to, then the City of Mount Holly may issue fines up to \$50 per day until the home occupation ceases. Staff also has the right to revoke an issued home occupation permit, if the structure or property associated with the home occupation is determined to be a public nuisance, as outlined in the City's Code of Laws. In both cases, City staff will send a letter to the owner(s) of record if a permit has been revoked. Once a permit has been revoked, regardless of the reason, no new home occupation shall be established until such time as the property is sold to a new owner. As a note, a change in ownership, type of business, etc. would require the new property owner or/and business to reach out to staff, and a new permit application would need to be applied for, paid for, reviewed, and issued by City staff.



Regular Meeting Agenda Action Form

Meeting Date

September 8, 2025

From

Jonathan Blanton, City Manager
City Management

OLD BUSINESS Item # 1

Approval of Development Agreement with RTR Property Management LLC for 131 South Main Street

Will this require a public hearing?

No

Background/Purpose of Request

Fiscal Impact

Will Item affect current budget?
Reviewed by Finance Director?
Preaudit Certification Required?
Capital Project Ordinance
Required?
Budget Transfer Required?
Total City Dollars:
Budget Code:
Reviewed by City Attorney?

Manager/Staff Recommendation

Attachments

1. Draft deed 131 S. Main St
2. RTR Property Management Economic Development Agreement draft MMA 9-3-25

NORTH CAROLINA SPECIAL WARRANTY DEED

Excise Tax: \$exempt

Tax Parcel ID#: 123809

Mail after Recording to: Grantee, _____

Prepared by: Marie M. Anders, Atty., Michael, Elting, & Anders, PLLC, 124 W. Catawba Ave., Mount Holly, NC 28120 NO TITLE SEARCH BY PREPARER

Property Address: 131 South Main St., Mount Holly, NC 28120

The property conveyed is NOT the primary residence of the Grantor

THIS DEED, made this _____ day of _____, 2025, by and between

CITY OF MOUNT HOLLY

(a North Carolina Municipal Corporation)

400 East Central Avenue, Mount Holly, NC 28120,

Party of the first part, Grantor herein,

And

RTR PROPERTY MANAGEMENT LLC

(a North Carolina limited liability company),

125 S. Main St., Mount Holly, NC 28120,

Party of the second part, Grantee herein,

(The designation Grantor and Grantee as used herein shall include such parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.)

WITNESSETH:

THAT, the Grantor, for a valuable consideration paid to it by the Grantee, the receipt of which is hereby acknowledged, has bargained and sold and by these presents does grant, bargain, sell and convey unto the Grantee, its heirs, successors, and assigns, in fee simple, all that certain lot or parcel of land situated in City of Mount Holly, Riverbend Township, Gaston County, North Carolina, and more particularly described as follows:

See attached sheet marked "Exhibit A" for description incorporated herein by reference.

BEING the full contents of the property conveyed to the Grantor herein by Deed recorded in Book 958, Page 614, Gaston County Public Registry.

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee and its heirs, successors, and assigns, in fee simple forever.

And the Grantor covenants with the Grantee that Grantor is seized of said premises in fee and has the right to convey the same in fee simple; that it has done nothing to impair such title as Grantor received, and that Grantor will warrant and defend the title to the same against the lawful claims of all persons claiming by, under or through Grantor, other than the following exceptions:

1. Subject to all covenants, restrictions, reservations, easements, conditions, and rights appearing of record; and subject to any matters that a current and accurate survey would reveal.
2. Grantee shall comply with the following terms, provisions, conditions, covenants, and requirements entered into by and between the parties hereto, which terms, provisions, conditions, covenants, and requirements shall be covenants of this deed and this conveyance, running with the land until such time as the same may be terminated or may expire as provided for herein.
 - a. Grantee shall redevelop ("Redevelopment") the Property and cause to be issued a final Certificate of Occupancy within thirty-six (36) months of the day and year first above written in accordance with a Development Agreement ("Development Agreement") entered into by the parties hereto dated _____, as amended from time to time, and incorporated herein by reference.
 - b. Grantee shall comply with the zoning ordinance for the City, as the same may be amended.
 - c. Grantee shall close, within twelve (12) months of the day and year first above written, on a construction loan ("Construction Loan") or other financing approved by the City Manager that allows periodic withdrawals based upon completion of the work in furtherance of the Redevelopment.
 - d. Until the Redevelopment is complete and a final Certificate of Occupancy is issued in accordance with the Development Agreement (the "Restriction Period"), Grantee shall not permit, suffer, or allow any mortgage, loan, or other lien whatsoever to be held by any mortgagee or other lien holder against the Property and will not enter or be a party to any type of financing, transaction, or other relationship that would result in a lien against the Property except for the Construction Loan, or a permanent loan that refinances the Construction Loan ("Permanent Loan").
 - e. Until the Redevelopment is complete a final Certificate of Occupancy is issued, and the Restriction Period has ended, Grantee shall not sell or transfer, except in accordance with the terms and conditions of the Development Agreement, all or any part of the Property or any interest in the Property. A sale or transfer means the conveyance of the Property or any right, title or interest in the Property. If Grantee is a corporation, partnership or limited liability company, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock, partnership interests, or limited liability company interests, as the case may be, of Grantee.

- f. Grantor herein RESERVES the FIRST RIGHT OF REFUSAL to purchase the above-described property. This first right of refusal may be exercised by Grantor upon the same terms and at the lowest sales price which Grantee is willing to accept from a third-party bona fide purchaser. The first right of refusal also includes an offer for any purchase of more than twenty-five percent (25%) of the voting stock, partnership interests, or limited liability company interests, as the case may be, of Grantee. A copy of a written offer from such bona fide purchaser shall be mailed by certified mail return receipt requested to Grantor, who shall have thirty (30) days from the mailing of such notice to exercise its right of refusal by notifying Grantee in writing of its acceptance of the terms of said offer. Grantor shall thereafter have thirty (30) days to complete the sale in accordance with the offer, or such time to close as was specified in the offer, whichever is later. The notice to Grantor shall be deemed complete upon mailing as set forth above to the following address: City of Mount Holly, c/o City Manager, P.O. Box 406, Mount Holly, NC 28120. Grantor may change this address by actual delivery of notice thereof to Grantee. If Grantor does not elect to exercise its option and if the proposed transaction giving rise to the option does not close within one hundred eighty (180) days of the mailing of such offer to Grantor, then notice must once again be provided to Grantor of any proposed sale as described above, and its option is thereby renewed. This first right of refusal shall not arise upon the conveyance, by gift or for a valuable consideration, of the above-described property or any part thereof to entities within the control of the same principal(s) as those of the Grantee or directly to the principal(s) of the Grantee for the purposes of financing or other legal, tax or business matters, but any such transfer shall be subject to this first right of refusal which shall continue to be binding upon the property. This first right of refusal shall not arise upon any intervivos or testamentary transfer to any spouse or lineal descendant of the principal(s) of Grantee, but any such transfer shall be subject to this first right of refusal which shall continue to be binding upon the property. The preemptive rights set forth herein shall be subordinate to any mortgages, deeds of trust or other encumbrances. The preemptive rights set forth herein shall not arise upon the conveyance of easements across any portion of the subject property. If not sooner terminated, the preemptive rights set forth herein shall expire and be void and of no further effect if not exercised within eighty-four (84) months after the day and year first above written. The preemptive rights set forth herein once waived as to any one proposed sale subject to the first right of refusal which is completed are thereafter terminated as to any and all subsequent transfers involving any or all of the subject property.
- g. These restrictions, covenants, and conditions shall run with the land and bind Grantee, Grantee's administrators, successors, and assigns, unless and until the same are terminated by instrument of Grantor duly recorded in the Register of Deeds. Notwithstanding the foregoing, if an institutional lender or other purchaser of the Property obtains title to the Property as a result of foreclosure of the Construction Loan or the Permanent Loan (or by a deed of conveyance in lieu thereof), such acquirer of title, his/her successors and assigns, shall not be bound by these restrictions, covenants, or conditions. If not sooner terminated, these restrictions, covenants, and conditions shall expire and be void and of no further effect after eighty-four (84) months after the day and year first above written.

IN WITNESS WHEREOF, the Grantor has caused this instrument to be executed on this ____ day of _____, 2025.

CITY OF MOUNT HOLLY

By: _____ (SEAL)
David Moore, Mayor

Attest:

City Clerk

STATE OF NORTH CAROLINA

NOTARY ACKNOWLEDGMENT

COUNTY OF GASTON

I, _____, a Notary Public in and for said County and State, do hereby certify that David Moore personally came before me this day and acknowledged that he is Mayor of the CITY OF MOUNT HOLLY, a North Carolina municipal corporation, and that by authority duly given and as the act of the City Council of the City of Mount Holly, NC, the foregoing instrument was signed in its name by David Moore as its Mayor, sealed with its corporate seal, and attested by Tara Douglas as its City Clerk.

Witness my hand and notarial seal, this _____ day of _____, 20__.

Notary Public

My commission expires: _____

(seal)

EXHIBIT "A"

City of Mount Holly, Riverbend Township, Gaston County, North Carolina:

BEGINNING at the corner of the Town Hall lot on the easterly margin of South Main Street and runs thence with said Town Hall lot line South 87 East 264 feet to a corner of said Town Hall lot; thence South 3 West 40 feet to a concrete monument, a corner of the First Presbyterian Church property; thence with a line of said First Presbyterian Church property at right angles and parallel with first line North 87 West 264 feet to a point in the eastern margin of South Main Street; thence with the easterly margin of South Main Street, North 3 East 40 feet to the BEGINNING.

Deed reference: Deed Book 958, Page 614.

PID: 123809

DEVELOPMENT AGREEMENT

This Development Agreement (this “Agreement”) is made and entered into as of _____, 2025, between RTR PROPERTY MANAGEMENT, LLC, a North Carolina limited liability company (“Developer”), and the CITY OF MOUNT HOLLY, NORTH CAROLINA, a public body corporate and politic (“City”) (Developer and City are sometimes referred to in this Agreement collectively as the “Parties” and singularly as a “Party”).

ARTICLE I: RECITALS

- 1.1 City is the owner in fee simple of approximately 0.24 acres of real property, formerly a municipal building, located at 131 South Main Street in the downtown area of Mount Holly (the “Property”) as described on Exhibit A attached and incorporated into this Agreement.
- 1.2 City issued a Redevelopment Request for Proposals issued April 29, 2025, (“RFP”) to develop the Property for commercial mixed-use. The RFP is incorporated into this Agreement by reference.
- 1.3 Developer was selected by City as the development partner for the Property based on Developer’s response to the RFP and proposal dated May 29, 2025, (the “Proposal”). The Proposal is hereby incorporated into this Agreement by reference.
- 1.4 Developer intends to develop the Property to comprise the following improvements, to be developed by Developer: (i) construction of an approximately 1,200 square feet restaurant shell for occupancy by an anchor tenant on the main or ground level and (ii) construction of approximately 5,868 square feet of individual office spaces for occupancy by tenants in the basement level, main level, and a common area/lobby at the entrance of the main level from South Main Street to provide access to both the main level and the basement level (such improvements collectively constituting the “Project”). Developer reserves the right to increase the square footage of the restaurant shell and decrease the square footage of the individual office spaces accordingly during Developer’s design process.
- 1.5 City intends to sell and convey fee simple title to the Property for a price of \$600,000.00 pursuant to that certain Agreement for Purchase and Sale of Improved Real Property dated August 27, 2025, entered into by and between Developer and City (the “Purchase Agreement”), which is incorporated herein by reference, in its AS-IS, WHERE-IS condition and without any representation or warranty other than those set forth expressly in this Agreement, the Purchase Agreement, and the warranties of title in the “Special Warranty Deed” from City to Developer, the form of which is attached hereto as Exhibit C, together with all rights, privileges and easements appurtenant to the Property, to Developer to redevelop the Property in accordance with this Agreement and to improve the economic development of the community.

- 1.6 The purpose of this Agreement is to facilitate the development and construction of the Project in a way that results most effectively in the public benefits intended for the City and the private benefits intended for the Developer. The development and construction of the Project requires a major investment by the Developer in facilities and on-site improvements, and substantial commitment of public and private resources to achieve the benefits of the Project for Developer and City.
- 1.7 The general benefits to be received by City from the implementation of the Project development include, without limitation:
- a) Realization and implementation of the development of the Project for a restaurant tenant and individual office tenants pursuant to the “Development Plan” (defined below and attached and incorporated into this Agreement as Exhibit B) to generate jobs and tax revenue within Historic Downtown Mount Holly;
 - b) Preservation of the historical and architectural integrity of the structure;
 - c) Contributing to the vibrancy of Downtown Mount Holly and attracting pedestrian activity to serve as a catalyst for nearby investment in the central business district.
- 1.8 The general benefits to be received by Developer from the development include, without limitation, integration of site plans, design elements including the branding of the Project land uses, architecture, site engineering, landscape and architecture for the development of the Property in a downtown location with a potentially expanding market for customers.
- 1.9 In exchange for these benefits to City and Developer, City and Developer desire to proceed with the Project in accordance with the terms and conditions contained in this Agreement, subject to any amendments to this Agreement made in accordance with this Agreement.
- 1.10 The City Council of the City of Mount Holly (“City Council”) conducted a public hearing pursuant to NCGS 158-7.1(d) on August 25, 2025, after 10 days’ prior notice published in the Gaston Gazette on August 15, 2025, to consider the approval of this Agreement. The published notice of such public hearing described the interest to be conveyed, the value of the interest, the proposed consideration for the conveyance, the City Council’s intention to approve the conveyance, and all other information required by NCGS 158-7.1(d) for a conveyance of interests in real property pursuant to that section.
- 1.11 On August 25, 2025, the City Council made all determinations required by NCGS 158-7.1(d), including the probable average hourly wage to be paid to workers by the business to be located at the property to be conveyed and the fair market value

of the interest, subject to whatever covenants, conditions, and restrictions the City proposes to subject it to, and authorized the entry of the City into this Agreement.

NOW, THEREFORE, based upon the terms and conditions set forth in this Agreement and in consideration of the mutual promises and assurances provided in this Agreement, City and Developer hereby agree to the Recitals as stated above and the terms as follows:

ARTICLE II: TERMS

2.1 Purchase of Property. Subject to the terms of this Agreement and the satisfaction of the conditions precedent contained in this Agreement, the City will convey the Property to Developer (or one or more entities approved by City within the control of the same principals as those of the Developer as designated by Developer prior to Closing to purchase the Property, and such entities, whether one or more, are hereinafter referred to as “Developer”) as the site of the Project and Developer will pay to City the value of the Property as determined by the City Council in the aggregate combined amount of Six Hundred Thousand Dollars (\$600,000.00) (the “Purchase Price”). The Purchase Price shall be paid by Developer to City at Closing in accordance with the terms of the Purchase Agreement.

2.2 Performance of Governmental Functions. The terms of this Agreement regarding the design and construction of the Project and the role of City in the Project are independent of any obligations binding upon City or Developer pursuant to applicable laws and ordinances. In no event will any approvals given by City pursuant to the terms of this Agreement constitute the performance by City of any review or issuance of any permits, approvals or licenses that it is obligated to conduct or consider pursuant to any law, or ordinance or both. Nothing in this Agreement or any approvals or consents by City in connection with this Agreement will in any way stop, limit or impair City from exercising or performing any regulatory, policing or other governmental function with respect to either Party, including, but not limited to, the review, approval and issuance by City of applications, approvals, permits and licenses regarding the Project pursuant to any law, or ordinance or both. City will, to the extent reasonably appropriate and permitted by applicable laws and ordinances, facilitate Developer's submissions, requests and applications pursuant to the applicable laws and ordinances governing the Project; provided Developer's submissions, requests and applications are complete and include all necessary fees and are otherwise compliant with applicable laws and ordinances.

2.3 Property Documents. The City represents to Developer that City has delivered all the following documents and information regarding the Property to Developer in the City's possession (collectively, the “Property Documents”):

- a) All boundary or other physical surveys;
- b) All title insurance policies with copies of exceptions; and

- c) All environmental site assessments and related documents.

City makes no representation or warranty regarding the currency or accuracy of any of the Property Documents. Developer acknowledges that its receipt of the Property Documents does not in any way relieve Developer from conducting such surveying, title examination, architectural, engineering, environmental, topographical, geological, soil, developmental, inspections and other due diligence reasonably sufficient to determine the condition of the Property (collectively, the “Inspections”).

2.4 Schedule of Development. The Development Plan attached hereto as Exhibit B has been approved by City Council. Material modifications to the Development Plan are subject to City Council and regulatory approval. Developer shall close on any construction financing it intends to secure for the development of the Property within twelve (12) months of the Closing, pursuant to paragraph 2.7 below, or in the alternative present documentation to the City Manager within twelve (12) months of the Closing that it has secured sufficient equity to complete the Project in accordance with this Agreement. Developer shall diligently pursue substantial completion of the development of the Property within thirty-six (36) months of Closing, as evidenced by an issuance of a certificate of occupancy, in compliance with the Development Plan. Developer shall be entitled to a reasonable extension of these development time lines should the Developer be delayed by events beyond the Developer’s reasonable control, which City shall grant in its reasonable discretion for good cause shown.

The Parties agree that a material inducement to City for conveying the Property to Developer is Developer’s commitment to expend its own financial resources to rehabilitate and improve the Property, which will make an overall improvement to the Historical Downtown of the City. Therefore, the Parties agree that the Property will be subject to certain restrictive covenants to be placed in the Deed from the City until the terms of this Agreement have been met (the “Restriction Period”). Upon, the issuance of a Certificate of Occupancy in accordance with the terms above, the Restriction Period shall terminate. In order to evidence the termination of the Restriction Period, the City shall promptly release the restrictive covenants in the public record upon its confirmation, not to be unreasonably withheld, conditioned, or delayed, that the terms of this Agreement have been met

During the Restriction Period, Developer shall not change the uses of the Property from the uses outlined in the Development Plan.

Developer shall develop the Project at its sole expense in accordance with the Development Plan and shall conform to the terms of the Development Plan and the City’s zoning ordinance. Developer shall administer all aspects of the development of the Project subject to all applicable laws, rules and regulations, including the code requirements of the City.

The City Manager, together with his or her duly authorized agents, may inspect and monitor the Project and the work performed on the Project at any time with prior notice to

Developer; provided that the City, and its duly authorized agents and employees shall follow Developer's reasonable safety regulations.

2.5 Development Standards.

a) Developer shall perform the work in accordance with the standard of care and expertise normally employed by development firms, consultants and contractors performing similar services in metropolitan areas in North Carolina, and all duties under this Agreement shall be measured and interpreted in accordance with such standard of performance.

b) Developer covenants with City that the materials and equipment furnished in accordance with this Agreement will be of good quality, that the work will be free from material defects, and that the work will substantially conform with the requirements of the Development Plan.

c) Developer covenants that neither it nor its affiliates shall file a mechanic's lien, materialmen's lien, or other lien against any assets of City, and hereby waives and releases any right it may have or may hereafter acquire to file a lien against any assets of City. Developer shall indemnify and hold harmless City from any losses, damages, and liabilities, to the City as a result of a breach of this provision.

d) Developer shall pay all fees levied by the City in accordance with its Fee Schedule as amended from time to time or any other governmental entity, including, but not limited to, all tap fees, water & sewer fees, and permit fees levied by any other governmental entity. Developer shall plan for all utility services required for the Project and negotiate all necessary agreements with the appropriate municipal authorities and utility companies related to access, utilities, zoning and other design and construction elements pertaining to the Project. Developer shall obtain and pay for all construction related permits and all certificates of occupancy. City shall cooperate with Developer as is reasonably requested by Developer to obtain such approvals, permits, rezoning and certificates of occupancy.

e) Developer shall apply for and maintain in full force and effect any and all governmental permits and approvals required for the lawful construction of the Project and comply with all the terms and conditions applicable to the Project contained in any governmental permit or approval required or obtained for the lawful construction of the Project, or in any insurance policy affecting or covering the Project.

2.6 Ownership of Development Plans; N.C. Public Records Act. If the Project is not constructed (and provided that Developer is not in default), then Developer will retain ownership of the preliminary plans, the Development Plan and other design and construction work product relating to the Project in accordance with this Agreement; provided, however, City shall have the right to acquire the preliminary plans, the Development Plan and all other design and construction work product relating to the Project for an amount equal to out of pocket costs incurred by Developer in connection

therewith in the event the Project is terminated for any reason before or after the Closing. Developer acknowledges that its submissions to City pursuant to this Agreement are “Public Records” subject to the North Carolina Public Records Act, N.C.G.S. § 132-1 et seq. (the “Act”), except to the extent excluded from the disclosure requirements of the Act pursuant to N.C.G.S. § 132-1.2.

2.7 Construction Loan. Developer shall close, within twelve (12) months of purchasing the Property, on a construction loan (“Construction Loan”), or other financing reasonably approved by the City Manager in accordance with the standards provided in Section 4.7 of this Agreement that allows periodic withdrawals based upon completion of the work in furtherance of the Project. In the alternative, Developer shall present documentation to the City Manager within twelve (12) months of the Closing that it has secured sufficient equity to complete the Project in accordance with this Agreement. City agrees that all terms, conditions, and requirements of this Development Agreement are subordinate to the Construction Loan. In the event that Developer can demonstrate to the City that Developer is unable to receive a construction loan as aforesaid due to the terms of this Development Agreement, the Parties agree to negotiate in good faith to revise this Development Agreement as necessary to be acceptable to the Parties and the construction lender, but such an event does not extend or waive the Developer’s responsibility to secure a construction loan, other financing, or equity financing within twelve (12) months of purchasing the Property pursuant to this section.

2.8 No Liens on Property. Until the Project is complete and a certificate of occupancy is issued, Developer shall not permit, suffer, or allow any mortgage, loan, or other lien whatsoever to be held by any mortgagee or other lien holder against the Property and will not enter or be a party to any type of financing, transaction, or other relationship that would result in a lien against the Property except in the case of the Construction Loan, or a permanent loan that refinances the Construction Loan and which does not exceed the repurchase price set forth in paragraph 2.10 below.

2.9 No Transfer of Property or Assignment. Until the Project is complete, a certificate of occupancy is issued, and the Restriction Period has ended, Developer shall not sell or transfer all or any part of the Property or any interest in the Property nor shall Developer assign or transfer this Agreement or delegate any of its obligations or duties under this Agreement, except as provided herein. A sale or transfer means the conveyance of the Property or any right, title, or interest in the Property. If Developer is a corporation, partnership, or limited liability company, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock, partnership interests, or limited liability company interests, as the case may be, of Developer (except for a transfer upon death of a member of Developer or for estate planning purposes).

- a) Developer may freely transfer or assign to entities within the control of the same principals as those of the Developer for the purposes of financing or other legal, tax or business matters. Furthermore, it is expressly agreed that Developer may acquire the Property from City at Closing in one or more separate entities within the control of the same principals as those of the Developer. In addition,

Developer and its transferees and assignees may freely transfer voting stock, partnership interests, or limited liability company interests, as the case may be, of Developer between or among the current principals of Developer as of the date of this Agreement.

- b) Should Developer intend to transfer the Property or assign this Agreement within the Restricted Period other than as aforesaid, then Developer shall deliver written notice thereof to City at least sixty (60) days prior to the proposed transfer or assignment setting forth the particulars of such transfer or assignment, including the name of the transferee and/or assignee, the relationship between the Developer and the transferee/assignee, the proposed uses of the Property by transferee/assignee, and a statement by transferee/assignee agreeing to abide by the terms and conditions of this Agreement. The proposed transfer or assignment shall be subject to review and approval by the City Council, which will carefully consider all aspects of the notice and may give or withhold its approval in accordance with the standards provided in Section 4.7 of this Agreement.
- c) No transfer or assignment, with or without the consent of City, shall be effective unless each transferee or assignee shall assume and agree to perform and observe all the covenants and agreements of Developer being assigned, including the posting of a financial guarantee pursuant to paragraph 2.11 below.
- d) City may not assign, transfer or delegate its rights, duties and obligations under this Agreement without the consent of Developer in its reasonable discretion (which consent shall not be unreasonably withheld or delayed) to any purchaser of the Property who assumes and agrees to perform and observe all the covenants and agreements of City being assigned thereby. No such assignment, with or without the consent of Developer, shall be effective unless each such assignee shall assume and agree to perform and observe all the covenants and agreements of City being assigned thereby. In the event of any assignment of the interest of City under this Agreement, City shall be released and relieved of all liability for the performance and observance of all covenants and agreements of City's covenants and agreements under this Agreement so assigned.

2.10 City First Right of Refusal. City shall reserve a first right of refusal in the Deed to Developer which shall be in full force and effect during the Restriction Period. The City shall promptly release the right of first refusal in the public record upon the termination of the Restriction Period as outlined in Section 2.4 above.

ARTICLE III: DEFAULTS

3.1 Defaults by Developer and Remedies of City. If Developer defaults materially on the performance of any of its obligations to City under this Agreement, then Developer will have thirty (30) days after the delivery of written notice by City of that default to cure the default; however, if the default requires more than thirty (30) days to

cure, Developer shall have such additional time as may be reasonably required to cure the default, provided Developer commences the cure within the initial thirty (30) day cure period and then diligently prosecutes the cure to completion. If Developer fails to cure the material default during the applicable cure period, then City will be entitled to pursue all remedies available to it by law or in equity, including specific performance and the termination of this Agreement.

Notwithstanding anything in this Agreement to the contrary, City shall copy Developer's lender or equity partner in writing (at any address provided for such purpose by Developer or its lender or equity partner) on any default notice City sends to Developer, and Developer's lender or equity partner shall have the same rights to cure Developer's material default as Developer has under this Agreement; provided, however, any failure on the part of the City to copy Developer's lender or equity partner shall accrue only to the benefit of Developer's lender or equity partner and not be a default by the City under this Agreement and shall not affect or extend any cure period for the benefit of Developer.

3.2 Defaults by City and Remedies of Developer. If City defaults materially on the performance of any of its obligations to Developer under this Agreement, then City will have thirty (30) days after the delivery of written notice by Developer of the default to cure such default; however, if the default requires more than thirty (30) days to cure, City shall have such additional time as may be reasonably required to cure the default, provided City commences the cure within the initial thirty (30) day cure period and then diligently prosecutes the cure to completion. If City fails to cure the default during the applicable cure period, then Developer will be entitled to terminate this Agreement and to pursue an action and recover from City all out of pocket actual verifiable costs and expenses incurred in connection with this Agreement, up to the sum of \$10,000, as Developer's sole remedy for default.

3.3 Other Defaults. A Party will be in default of its obligations under this Agreement in the event that it is adjudicated bankrupt or insolvent, makes an assignment for the benefit of creditors or enters into a composition for creditors, or files a voluntary bankruptcy petition or an answer admitting the material allegations of an involuntary bankruptcy petition; or if an order is entered appointing a receiver or trustee for that Party or for a substantial portion of the assets of that Party and the same is not vacated within sixty (60) days after entry, or if that Party applies for or consents to the appointment of any such receiver or trustee. In the event of a default specified in this Section 3.3 then the other Party may immediately pursue all remedies available to it by law or in equity, including specific performance and the termination of this Agreement.

ARTICLE IV: MISCELLANEOUS

4.1 Disclaimer of Joint Venture, Partnership and Agency. This Agreement shall not be interpreted or construed to create an association, joint venture, or partnership between Developer and City, or to impose any partnership obligation or liability upon the Parties. Neither Developer nor City shall have any right, power or authority to enter into

any agreement or undertaking for, or act on behalf of, or to act as or be an agent of representative of, or to otherwise bind, the other.

4.2 No Third-Party Beneficiaries. This Agreement is not intended to and does not confer any right or benefit on any third party.

4.3 Notices. Unless specifically provided otherwise by this Agreement, any notice, demand, request, consent, approval or communication which a signatory Party is required to or may give to another signatory Party under this Agreement shall be in writing and shall be delivered or addressed to the other at the address below set forth or to such other address as such Party may from time to time direct by written notice given in the manner in this Agreement prescribed. The notice or communication shall be deemed to have been given or made when communicated by personal delivery or by independent courier service or by facsimile or by email with a hard copy to be delivered by independent courier service by the next business day. The Parties shall make reasonable inquiry to determine whether the names or titles of the persons listed in this Agreement should be substituted with the name of the listed person's successor.

All notices, demands, requests, consents, approvals or communications to City addressed to:

City Manager
City of Mount Holly
P.O. Box 406
Mount Holly, NC 28120
Attn: Jonathan Blanton
jonathan.blanton@motholly.us

With a copy to:

City Attorney
Michael, Elting, & Anders, PLLC
124 W. Catawba Ave.
Mount Holly, NC 28120
Attn: Marie M. Anders
office@mounthollylaw.com

All notices, demands, requests, consents, approvals or communications to Developer shall be addressed to:

RTR Property Management, LLC
125 S. Main St.
Mount Holly, NC 28120
Attn: Billy Rick
billy.rick@rtrrenovations.com

With a copy to:

W. Porter Rhoton III, Attorney at Law, P.A.
32 East Woodrow Ave.
Belmont NC 28012

Attn: W. Porter Rhoton III
porter@rhotonlaw.com

4.4 Entire Agreement. This Agreement sets forth and incorporates by reference all the agreements, conditions and understandings between the Parties relative to the Project and supersedes all previous agreements, except to the extent those agreements may be specifically incorporated into this Agreement. There are no promises, agreements, conditions or understandings, oral or written, expressed or implied, among the Parties relative to the matters addressed in this Agreement other than as set forth or as referred to in this Agreement or as contained the Development Plan as of the Effective Date.

4.5 Construction. The Parties agree that each Party and its counsel have reviewed and revised this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not apply in the interpretation of this Agreement or any amendments or exhibits to this Agreement.

4.6 Intentionally deleted.

4.7 Terms for Consent or Approval. When this Agreement calls for one Party to seek the approval or consent of the other Party, the Party with the right to grant or deny consent or approval must exercise its reasonable discretion in doing so, unless specified otherwise by the terms of this Agreement. The requesting party must make requests for consent or approval in writing in accordance with the terms for notice in this Agreement and substantiate such request with commercially reasonable documentation unless specified otherwise by the terms of this Agreement. The Party with the right to grant or deny consent or approval shall review each such request diligently, reasonably and in good faith and deliver its decision whether to give or deny consent or approval to the requesting Party in writing in accordance with the terms for notice in this Agreement within thirty (30) business days of the delivery of such a request. If the reviewing Party elects to deny its consent or approval, then it must substantiate that decision with commercially reasonable documentation that enables the requesting Party to comprehend the decision and, if appropriate, modify such request and re-submit it to the reviewing Party for further review pursuant to these terms for consent or approval. A Party reviewing a request for consent to the assignment of rights and obligations by the requesting Party may consider the creditworthiness, financial wherewithal, expertise and experience of the proposed assignee when compared to the requesting Party, in the exercise of reasonable discretion whether to grant or deny consent or approval.

4.8 Terms for Other Response. When this Agreement calls for one Party to notify the other Party of any other election under this Agreement, then the electing Party shall notify the other party of the applicable decision no later than thirty (30) days after the electing Party was notified of its obligation to make such election.

4.9 Governing Law and Alternative Dispute Resolution. This Agreement shall be governed by the laws of the State of North Carolina. It is the Parties' intent to resolve any disputes relating to the interpretation or application of this Agreement informally

through discussions between the Parties, or their authorized designees. If a dispute arises from or relates to this Agreement or a breach thereof and the dispute cannot be resolved through direct discussions, the Parties agree to endeavor to first settle the dispute in an amicable manner by mediation administered by a professional mediator before proceeding to arbitration. All fees and expenses for mediation shall be borne by the Parties equally. However, each Party shall bear the expense of its own counsel, experts, witnesses and preparation and presentation at the mediation. Any arbitrable claim or controversy arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration in accordance with the applicable Arbitration Rules of the American Arbitration Association. The parties hereto agree that any action brought by either party to enforce the terms of this Agreement shall be filed in the Superior Court of Gaston County, State of North Carolina or the Federal Court, Western District of North Carolina, Charlotte Division.

4.10 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and such counterparts shall constitute one and the same instrument.

4.11 Agreement to Cooperate. In the event of any legal action instituted by a third party or other governmental entity or official challenging the validity of any provision of this Agreement, the Participating Parties hereby agree to cooperate in defending that action; provided, however, each Party shall retain the right to pursue its own independent legal defense.

4.12 No Deemed Waiver. Failure of a Party to exercise any right under this Agreement shall not be deemed a waiver of any such right and shall not affect the right of that Party to exercise at some future time said right or any other right it may have under this Agreement.

4.13 Severability. If any term or provision of this Agreement shall be judicially determined to be void or of no effect, that determination shall not affect the validity of the remaining terms and provisions of this Agreement. The Parties agree that if any provision of this Agreement is judicially determined to be invalid because it is inconsistent with a provision of state or federal law, this Agreement shall be amended to the extent necessary to make it consistent with state or federal law and the balance of the Agreement shall remain in full force and effect.

4.14 Authority. Each Party represents that it has undertaken all actions necessary for approval of this Agreement, and that the person signing this Agreement has the authority to bind City and Developer. Notwithstanding the foregoing, with the approval of this Agreement, City Council hereby delegates to the City Manager the authority to execute any supplemental documents required to effectuate the purposes of this Agreement.

4.15 Representations and Warranties of Developer. Developer represents and warrants to City that:

a) Developer is a valid limited liability company duly organized, validly existing and in good standing under the laws of the State of North Carolina;

b) Developer is duly qualified to do business and is in good standing under the laws of the State of North Carolina;

c) Developer has the full right, power, and authority to enter into this Agreement and to perform its obligations under this Agreement without contravention of any obligation on the part of Developer, whether statutory, contractual or otherwise; and

d) Developer will execute, deliver and perform this Agreement in accordance with all applicable laws and ordinances.

4.16 Representations and Warranties of City. City represents and warrants to Developer that:

a) City has the full right, power, and authority to enter into this Agreement and to perform its obligations under this Agreement without contravention of any obligation on the part of Developer, whether statutory, contractual or otherwise;

b) City will execute, deliver and perform this Agreement in accordance with all applicable laws and ordinances;

c) To the actual knowledge of the City Manager and the City Attorney, no modification of the laws and ordinances applicable to the Property, including land development regulations, is necessary for the Project to conform to those laws and ordinances, other than a rezoning to allow the construction of the warehouse and commissary kitchen;

d) To the actual knowledge of the City Manager or the City Attorney, the Property is not the subject of any litigation, pending or overtly threatened, or other judicial or quasi-judicial procedure which would, if determined unfavorably to the City, settled or otherwise resolved by the City, result in any financial liability on the part of Developer or interfere with the development of the Project;

e) To the actual knowledge of the City Manager or the City Attorney, the Property is not the subject of any procedure for the taking of the Property by eminent domain, in whole or in part, pending or overtly threatened by the City or any other governmental authority with the power of eminent domain;

f) To the actual knowledge of the City Manager or the City Attorney, no one has made any claim to title to the Property, in whole or in part, superior to the claim of the City by virtue of its chain of title;

g) To the actual knowledge of the City Manager or the City Attorney, the City has not received any notice from any governmental agency, state, federal or local,

that the Property is in violation of or the subject of an investigation regarding the potential violation of any Laws and Ordinances, including laws of the United States or the State regarding the presence, storage, transport, spillage, removal or remediation of hazardous or harmful substances on the Property, or the presence, storage, transport, spillage, removal or remediation of hazardous or harmful substances on properties adjacent to the Property as a result of their origination on or passage through the Property; and

h) City represents that there is water and wastewater sewer service to the Property.

4.17 Continuing Obligation. From time to time after the Closing Date, through the date of termination of the Restriction Period, the Parties will execute additional instruments of assignment, lease, license, conveyance and other documents and take such other actions that are reasonably necessary to further the purposes of this Agreement.

4.18 Immunity Not Waived. City does not intend to waive its sovereign immunity by reason of this Agreement; provided, however, that the City acknowledges and agrees that by entering into this Agreement, governmental immunity shall not be a valid defense to a breach of contract claim brought under this Agreement.

4.19 Release of Information. City and Developer acknowledge that this Agreement is subject to disclosure under the North Carolina Public Records Act, NCGS § 132-1 et seq. (the “Act”), except for information that is excluded from the disclosure requirements of the Act pursuant to NCGS § 132-1.2. Nothing in this Agreement precludes either party from discussing the terms of this Agreement or its work product with its attorneys, accountants, consultants, contractors, or potential lenders or investors, or prevents the holding of public City meetings in compliance with applicable laws.

4.20 Representations, Warranties and Indemnity Regarding Brokers.

a) City represents to Developer that no real estate broker or agent has rendered a service or represented City in connection with this Agreement or the transaction contemplated in this Agreement for which any brokerage commission or fee is due, other than Sam Kline of Coldwell Banker MECA.

b) Developer represents to City that no real estate broker or agent has rendered a service or represented Developer in connection with this Agreement or the transaction contemplated in this Agreement for which any brokerage commission or fee is due.

c) City and Developer covenant and agree, each to the other, to indemnify the other against any claims based upon or arising out of the employment or use by the indemnifying party of any real estate broker, agent or finder in connection with the purchase and sale of the Property. This Section 4.20 shall survive Closing or any earlier termination of this Agreement.

4.21 IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY (OR TO ANY THIRD PARTY, WHETHER OR NOT CLAIMING THROUGH THAT OTHER PARTY) FOR INDIRECT, CONSEQUENTIAL, SPECIAL, INCIDENTAL, EXEMPLARY OR PUNITIVE DAMAGES (INCLUDING, WITHOUT LIMITATION, LOST PROFITS OF ANY KIND OR NATURE WHATSOEVER).

4.22 Non-Appropriation. No provision of this Agreement shall be construed or interpreted as creating a pledge of the faith and credit of the City within the meaning of any Constitutional debt limitation. No provision of this Agreement shall be construed or interpreted as creating a pledge of the faith and credit of the City within the meaning of the Constitution of the State of North Carolina. No deficiency judgment may be rendered against the City in any action for breach of a contractual obligation under this Agreement and the taxing power of the City is not and may not be pledged directly or indirectly to secure any moneys due under this Agreement. No provision of this Agreement shall be construed to pledge or to create a lien on any class or source of the City's moneys. To the extent of any conflict between this Section and any other provision of this Agreement, this Section shall take priority.

4.23 Amendment. This Agreement shall not be modified or amended in any respect except by a written instrument executed by the Parties.

4.24 Iran Divestment Act Certification. Developer certifies that, if it submitted a successful bid for this Agreement, then as of the date it submitted the bid, Developer was not identified on the Iran List. If it did not submit a bid for this Agreement, Developer certifies that as of the date that this Agreement is entered, Developer is not identified on the Iran List. It is a material breach of this Agreement for Developer to be identified on the Iran List during the term of this Agreement or to utilize on this Agreement any contractor or subcontractor that is identified on the Iran List. In this Iran Divestment Act Certification section — “Iran List” means the Final Divestment List — Iran, the Parent and Subsidiary Guidance List — Iran, and all other lists issued from time to time by the N.C. State Treasurer to comply with N.C.G.S. §143C-6A-4 of the N.C. Iran Divestment Act.

4.25 Survival. All representations, warranties and obligations of the Parties in this Agreement shall survive the consummation or performance of the various transactions contemplated in this Agreement for the respective terms necessary for each of the Parties to realize the benefits contemplated by this Agreement and to enforce the rights provided for in this Agreement.

4.26 Recitals and Exhibits. The Recitals of this Agreement and the Exhibits attached hereto are integral and essential components of this Agreement.

4.27 Defined Terms. All capitalized terms in this Agreement shall have the meaning ascribed to them in this Agreement unless the context clearly indicates another meaning. All terms not defined in this Agreement shall have the usual and customary meaning ascribed to them and found in any modern English dictionary.

[SIGNATURES APPEAR ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the Parties hereby set their hands and seals, effective the date first above written.

CITY OF MOUNT HOLLY, NORTH
CAROLINA
[SEAL]

Jonathan Blanton, City Manager

ATTEST:

Tara Douglas, City Clerk

Approved as to form:

Marie M. Anders, City Attorney

STATE OF NORTH CAROLINA
COUNTY OF GASTON

I, _____, a Notary Public of the State and County aforesaid, certify that Tara Douglas personally came before me this day and acknowledged under seal that she is City Clerk of the City of Mount Holly, and that by authority duly given and as the act of the Council, the foregoing instrument was signed in its name by its City Manager, sealed with its corporate seal and attested by herself as its City Clerk.

WITNESS my hand and official seal, this _____ day of _____, 2025.

Notary Public

My commission expires: _____

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereby set their hands and seals, effective the date first above written.

RTR PROPERTY MANAGEMENT, LLC,
a North Carolina limited liability company

By: _____(SEAL)
Billy Rick, Member/Manager

STATE OF NORTH CAROLINA
COUNTY OF GASTON

I, the undersigned, a Notary Public of _____ County and State aforesaid, do hereby certify that Billy Rick personally came before me this day and acknowledged under seal that he is Member/Manager of RTR PROPERTY MANAGEMENT, LLC, a North Carolina limited liability company, and acknowledged, on behalf of the company, the due execution of the foregoing instrument. Witness my hand and official stamp or seal, this the _____ day of _____, 2025.

Notary Public

My commission expires: _____

EXHIBIT A
PROPERTY DESCRIPTION

City of Mount Holly, Riverbend Township, Gaston County, North Carolina:

BEGINNING at the corner of the Town Hall lot on the easterly margin of South Main Street and runs thence with said Town Hall lot line South 87 East 264 feet to a corner of said Town Hall lot; thence South 3 West 40 feet to a concrete monument, a corner of the First Presbyterian Church property; thence with a line of said First Presbyterian Church property at right angles and parallel with first line North 87 West 264 feet to a point in the eastern margin of South Main Street; thence with the easterly margin of South Main Street, North 3 East 40 feet to the BEGINNING.

Deed reference: Deed Book 958, Page 614.
PID: 123809

EXHIBIT B
DEVELOPMENT PLAN

Developer intends to design and build (i) an approximately 1,200 square feet restaurant shell for occupancy by an anchor tenant on the main or ground level, and (ii) approximately 5,868 square feet of individual office spaces for occupancy by tenants in the basement level, main level, and a common area/lobby at the entrance of the main level from South Main Street to provide access to both the main level and the basement level on property currently owned by the City of Mount Holly containing approximately 0.24 acres and located at 131 South Main Street, Mount Holly, North Carolina, which property will be purchased from the City of Mount Holly. Developer reserves the right to increase the square footage of the restaurant shell and decrease the square footage of the individual office spaces accordingly during Developer's design process. The Project shall be developed substantially in accordance with plans and specifications to be prepared by Developer. Construction will be completed pursuant to the construction schedule set forth in the Development Agreement, and the Project shall be subject to certain restrictions set forth in the Deed for the property to be delivered to Developer by the City of Mount Holly at closing.

After the Development Agreement is finalized and signed, Developer will engage an architect, engineer or similar design professional to design and estimate the costs of the Project.

EXHIBIT C
SPECIAL WARRANTY DEED



Regular Meeting Agenda Action Form

Meeting Date

September 8, 2025

From

Nathaniel Jones, Planning Technician
Planning

NEW BUSINESS Item # 1

Review, and consider approval concerning an ordinance to update Notice of Abatement for Nuisance Violations which is found in Code of Laws Chapter 50 section 50.035

Will this require a public hearing?

No

Background/Purpose of Request

This proposed code of laws change has been submitted by staff and would update the process for how notices of violation are issued in the City by removing the requirement for certified mail and property postings after 10 days, if no evidence of response is made to staff, and allowing multiple legal methods of notification, including first-class mail, electronic delivery, hand delivery, and local publication. The approval process update would streamline code enforcement by reducing costs, improving efficiency, and providing staff with more flexibility in how notices are delivered. The update would amend § 50.036 of the Code of Ordinances to ensure compliance with state law while enhancing the City's ability to notify property owners and occupants in a timely and documented manner.

Fiscal Impact

Will Item affect current budget?	No.
Reviewed by Finance Director?	NA
Preaudit Certification Required?	NA
Capital Project Ordinance Required?	NA
Budget Transfer Required?	NA
Total City Dollars:	NA
Budget Code:	NA
Reviewed by City Attorney?	No.

Manager/Staff Recommendation

Staff recommends Council to adopt the code of laws changes.

Attachments

1. Code of Laws Change - Notice of Abatement Redlines

§ 50.036 NOTICE AND ORDER TO ABATE.

~~(A)~~ For the purposes of this subchapter, the respondent is the person in possession of the property where a public nuisance (as described in § 50.035) is located as well as the owner of such property, if different from the former. The Administrator shall have the responsibility for and the jurisdiction of remediation of conditions constituting a public nuisance under § 50.035 through 50.040 on property within the city.

Except as provided in subsection (B) of this section, it shall be required of the Administrator to give notice of violation and it shall be provided in writing in one or more of the following outlined in (A) to the respondent thereof any violation of the provisions of § 50.035 directing that within 15 days the use or conditions which are in violation shall be abated. If the violation is not corrected within the time specified, the Administrator shall initiate enforcement proceedings as described in this article.

1. (A)

1. (a) Notice of Violation shall be given in writing and mailed or hand delivered to the address where the violation exists and to the parcel owner and/or resident responsible. Service of any written notice of violation is complete by hand delivering the notice or by depositing the notice in first class mail.
2. (b) Additionally, written notice may be sent electronically (fax, e-mail, or similar) to property owner and/or occupant where such connection can be determined
3. (c) Written notice may be posted in a conspicuous location on the property, where it can be expected to be sheltered from wind or rain and remain legible for a period of at least 48 hours;
4. (d) Written notice may be published in a newspaper which covers news in the local Mount Holly area, in print and/or electronic form;
5. (e) Written notice may be sent by first class mail or electronically to any interested parties, including but not limited to a financial institution, mortgage company, attorney, or property management organization. The form or forms of notice delivery shall be documented, along with time and date of posting, mailing, or other method of delivery. Receipt of first-class mailing to the owner as listed in Gaston County real estate tax records shall be assumed completed

in absence of information provided to the Administrator to the contrary. The Administrator shall maintain this documentation, along with any verbal or written response to such notice(s).

2. (B)

Exceptions:

1. (a) Any notice of violation for a junked motor vehicle, abandoned motor vehicle, or hazardous motor vehicle shall conform to Chapter 75: Abandoned, Nuisance and Junked Motor Vehicles in the Mount Holly Code of Ordinances.
2. (b) When a person has failed to comply with a notice of violation as described above, code enforcement shall not be required to provide subsequent further notices of violation to that person with regard to the current violation on the premises before taking any of the enforcement actions authorized by this article.
3. (c) No notice of violation or time to correct a violation shall be provided for any chronic violator or repeat offender for all subsequent violations.
(Reference- NC G.S. § 160A-200.1)

~~—(B) Upon determination by the Administrator that there exists on any property conditions constituting a public nuisance (as described in § 50.035) the Administrator shall notify the respondent by registered or certified mail to the address listed with the County Tax Department or by hand delivery notice of such conditions and shall order the abatement thereof within 15 days of receipt of said notice. Such notice shall include a statement informing the respondent of his or her right to appeal the order within 15 days of receipt of said notice in accordance with § 50.037. If, after due diligence, the respondent fails or refuses to accept the notice by registered mail of the violation within ten days of mailing, cannot be personally served or cannot be determined, then the notice required by this section shall be posted conspicuously on the offending property.~~

~~(Code 2019, § 8-10) (Ord. passed 5-14-1984; Ord. passed 1-28-2019)~~



Regular Meeting Agenda Action Form

Meeting Date

September 8, 2025

From

Matt Black, Economic Development Director
Economic Development

NEW BUSINESS Item # 2

Memorandum of Understanding: Veteran's Park Redevelopment

Will this require a public hearing?

No

Background/Purpose of Request

City Council is requested to consider a Memorandum of Understanding between the City of Mount Holly and StreetLights Residential.

Fiscal Impact

Will Item affect current budget? No
Reviewed by Finance Director? No
Preaudit Certification Required? No
Capital Project Ordinance
Required? No
Budget Transfer Required? No
Total City Dollars: 0
Budget Code: N/A
Reviewed by City Attorney? No

Manager/Staff Recommendation

Attachments

1. MoU

**MEMORANDUM OF UNDERSTANDING:
VETERAN’S PARK REDEVELOPMENT**

This agreement is made and entered into on the ____ day of _____, 2025, by and between:

City of Mount Holly, North Carolina, a municipal entity under the laws of the State of North Carolina (“**the City**”), and **SLRH N Carolina Acquisitions, LLC** , a private real estate development company organized under the laws of the State of Texas (“**the Developer**” or “**StreetLights Residential**”).

Collectively referred to as “**the Parties**” or “**both Parties**”.

WITNESSETH

WHEREAS, the City of Mount Holly owns certain property commonly known as Veteran’s Park and adjacent land suitable for residential and commercial redevelopment and recorded as Parcel Numbers 123829, 123828, 123827, 123826, 123822, 123824, 123820, 123793, 123790, 123789, 123785, 123784, 123780, 123838, 123837, 123836, 123835, 123834, 123786, 123757, 123769 and 123833 (the “**Property**”);

WHEREAS, the Developer has expressed interest in partnering with the City to develop a high-quality mixed-use project that incorporates both public park amenities and a private residential component along with a potential commercial component;

WHEREAS, the City desires to enhance Veteran’s Park with improved recreational and cultural amenities, including but not limited to, gathering spaces, amphitheater programming, and connectivity improvements, while ensuring that the redevelopment contributes to the overall community character;

WHEREAS, the Parties recognize that successful redevelopment requires coordination on design, infrastructure, financing, and community engagement, and further acknowledge that the partnership must balance both public benefit and private investment feasibility;

WHEREAS, it is in the best interest of the citizens of Mount Holly to establish a cooperative framework that clarifies responsibilities and expectations of each Party during the due diligence, design, and development process;

NOW, THEREFORE, the City of Mount Holly and StreetLights Residential enter into this Memorandum of Understanding (“**MOU**”) establishing guidelines for collaboration regarding the redevelopment of Veteran’s Park and associated development.

Scope of the Memorandum of Understanding

This MOU applies to the redevelopment of Veteran’s Park and the surrounding City-owned property identified for residential and commercial use as defined above as the Property. It encompasses the coordination of land planning, infrastructure needs, public amenities, and private development components. This MOU does not alter land ownership and acts as a non-binding agreement but provides a framework for cooperation, due diligence, and negotiation of a future Development Agreement.

Responsibilities of Both Parties

1. **Good Faith Efforts** - Both Parties shall act in good faith to fulfill the purpose, responsibilities, and conditions of this MOU.
 2. **Open Communication** - Both Parties agree to communicate regularly regarding opportunities, concerns, and project milestones.
 3. **Collaboration** - Both Parties will share relevant information, expertise, and resources to avoid duplication of efforts and ensure project success.
 4. **Due Diligence** - Both Parties shall undertake reasonable due diligence in planning, financing, and community engagement to advance the project.
 5. **Acknowledgment** - Public materials and presentations shall reflect a strong working relationship between the City and StreetLights Residential.
-

Responsibilities of the City of Mount Holly

1. Provide access to Veteran's Park and related property for planning, design, and engineering studies.
 2. Coordinate interdepartmental review (Planning, Engineering, Parks & Recreation, and Public Works) to support project due diligence.
 3. Assist in identifying and pursuing public grant funding or financing strategies that may enhance project feasibility.
 4. Ensure zoning, conditional district considerations, and regulatory processes are clearly communicated and advanced in a timely manner.
 5. After completion of the project, the Developer will transfer back to the City for portion of the public park space and the City will be responsible for funding and providing long-term maintenance of City-owned amenities.
-

Responsibilities of StreetLights Residential

1. Lead the preparation of conceptual and detailed development plans, including residential and park integration. This would also include commercial plans if a commercial component is included in the project.
 2. Conduct feasibility analyses (infrastructure capacity, traffic/parking, utilities, stormwater, etc.) in coordination with the City and potential third party consultants.
 3. Following execution of the Development Agreement, assume responsibility for financing, construction, and operation of private residential uses. This would also apply to a commercial component if a commercial use is included in the project.
 4. Collaborate with the City on the design and delivery of public amenities within Veteran's Park, including shared-use infrastructure where feasible.
 5. Provide regular progress updates to City leadership and stakeholders.
 6. Undertake community engagement efforts in alignment with the City's processes.
-

Revision

This Memorandum may be revised or modified only with the written consent of both Parties.

Termination

The MoU remains in effect until either (1) a Development Agreement and a Purchase Sale Agreement are executed or (2) either Party, states in writing, that the feasibility or due diligence will not allow the project to proceed to completion.

Execution

IN WITNESS WHEREOF, each Party has caused this Agreement to be executed on the day and year first written above.

CITY OF MOUNT HOLLY

By: _____
Jonathan Blanton, City Manager
P.O. Box 406
Mount Holly, NC 28120

SLRH N Carolina Acquisitions, LLC

By: _____
Rob Bratton, Authorized Signatory
2300 N Field Street Suite 800
Dallas, TX 75201



Regular Meeting Agenda Action Form

Meeting Date

September 8, 2025

From

Jonathan Blanton, City Manager
City Management

NEW BUSINESS Item # 3

City Manager Report

Will this require a public hearing?

No

Background/Purpose of Request

City Manager to update the Mayor, City Council and citizens.

Fiscal Impact

Will Item affect current budget?

Reviewed by Finance Director?

Preaudit Certification Required?

Capital Project Ordinance
Required?

Budget Transfer Required?

Total City Dollars:

Budget Code:

Reviewed by City Attorney?

Manager/Staff Recommendation

Attachments

None