

STATE OF NORTH CAROLINA
COUNTY OF GASTON

UTILITY INFRASTRUCTURE
INTERLOCAL AGREEMENT

This Agreement, made effective this the ____ day of _____, 2025, by and between the City of Gastonia, a North Carolina Municipal Corporation (hereinafter referred to as “City”); the City of High Shoals a North Carolina Municipal Corporation (hereinafter referred to as “ High Shoals”), and Gaston County, a body politic and a subdivision of the State of North Carolina, (hereinafter referred to as “County”).

W I T N E S S E T H:

WHEREAS, North Carolina General Statute 160A-461 authorizes units of local government to enter into agreements with each other in order to execute any undertaking; and,

WHEREAS, the County has agreed under certain conditions to construct sanitary sewer lines and related appurtenances along with upgrades to existing sewer lines and pump stations located as shown on that map which is attached hereto as Exhibit “A” and incorporated herein by reference (the “Project”) to serve customers and citizens in and around High Shoals; and

WHEREAS, it is the expressed hope and expectation of the parties that construction of the Project will facilitate the extension of sanitary sewer services to other parts of the County in the future; and

WHEREAS, the parties wish to enter into this agreement to promote and strengthen local industrial, residential and utility infrastructure development;

NOW, THEREFORE, in consideration of, and subject to, the terms and conditions hereinafter set forth, the parties covenant and agree as follows:

1. Purpose. The purpose of this Agreement is to provide for the completion of the Project, to support local industrial and residential economic and community development, and to further strengthen the utility infrastructure within Gaston County.
2. No Joint Agency Established. No joint agency under G.S. 160A-464(3) or a joint venture under any circumstances is to be established as a result of the execution of this Agreement, and each municipality or body politic shall manage its own personnel, respectively, as necessary for the execution of this undertaking.
3. Construction of Project. County shall, at its cost, construct or cause to be constructed the Project and act as lead agency responsible for said construction. City shall waive plan review fees as in-kind services. City shall pay the portion of the costs of construction of the new parallel forcemain as shown on Exhibit A, which costs are associated with the City’s required upsizing of said forcemain. If construction bids related to the upsize costs to be paid by City exceed \$500,000.00, the County will notify the City as soon as possible after bid opening and prior to execution of any construction contract. City shall have, in City’s sole discretion, the option to either (a) terminate City’s obligations to pay any construction costs hereunder; or, (b) to proceed with this agreement and pay the full costs of the construction bids related to the upsize costs to be paid by City. County shall be solely responsible for all other construction costs associated with the Project. Upon completion City and High Shoals shall own and be responsible for the future maintenance and repair of their portions of the Project. High

Shoals shall own and be responsible for the future maintenance and repair for portions of the project upstream from the existing master sewer meter near Hardin Rd. as shown on Exhibit A. City shall own and be responsible for the future maintenance and repair for the master sewer meter and the portions of the project downstream of the master sewer meter near Hardin Rd. as shown on Exhibit A. County and High Shoals shall be responsible for all the required permitting associated with the Project. The parties acknowledge that Exhibit A is attached to show the general location of the Project and that the final location of the Project and/or any portion thereof shall be in the sole discretion of the City as to the portion to be owned by the City and High Shoals as to the portion to be owned by High Shoals. The parties further acknowledge that detailed engineering design drawings will be prepared by the County for the Project in accordance with the design standards of City for that portion to be owned by City and in accordance with the design standards of High Shoals for that portion to be owned by High Shoals. Said engineering design drawings shall determine the final location of the Project and shall become the property of the City and High Shoals upon completion of the Project. City and High Shoals shall have the right to access and inspect their respective portions of the Project during construction in order to ensure all construction is completed in accordance with their respective specifications. In the event City or High Shoals determines that construction is not in compliance with their respective specifications, they may instruct County and County shall ensure that construction is brought into compliance with said specifications.

In the event that new easements or right of way must be acquired in order to construct the Project, High Shoals shall be solely responsible for the acquisition of said easements or right of way for that portion of the Project to be owned by High Shoals and the County and/or High Shoals shall be solely responsible for the acquisition of said easements or right of way for that portion of the Project to be owned by the City.

4. Extension of Project. The parties agree that, in consideration of the County providing the funds set forth herein, the portion of the project including the High Shoals sewer force mains and pump stations, the City's new gravity outfall, improvements at the Landfill Pump Station, and new Landfill Pump Station forcemain shall not be accepted for operation and maintenance until the new 12-inch parallel forcemain shown on Exhibit A has been constructed and accepted for operation and maintenance by the City. Upon completion of the Project and its connection to the City's system, City shall provide wastewater treatment services to the City of High Shoals in accordance with the existing Sanitary Sewer Service Utility Agreement executed on January 28, 2011 and any subsequent amendments to said agreement.
5. Insurance and Indemnity. City shall maintain and operate the portion of the Project to be owned by the City and provide public liability insurance coverage against any and all damages that may be incurred through injury or accident by reason of the City's negligent operation of that portion of the Project. High Shoals shall maintain and operate the portion of the Project to be owned by High Shoals and provide public liability insurance coverage against any and all damages that may be incurred through injury or accident by reason of High Shoals negligent operation of that portion of the Project. County shall provide such insurance coverages, including, but not limited to, public liability insurance coverage, on the Project during its construction as mutually agreed upon by all parties to this agreement.

To the extent permitted by law, County shall at all times indemnify, save, protect, and keep harmless the City and High shoals from all costs, loss, damage, liability, expense, penalty, and fines which may arise from or be claimed against the City or High Shoals by any person or persons, firms or corporation, for any injuries to persons or property, or damage of whatever kind or character consequent upon or arising from the construction of the Project by the County.

To the extent permitted by law, City and High Shoals shall at all times indemnify, save, protect, and keep harmless the County from all costs, loss, damage, liability, expense, penalty and fines which may arise from or be claimed against County by any person or persons, firms or corporations, for any injuries to persons or property, or damage of whatever kind or character consequent upon or arising from the use or operation of the completed Project unless such claim arises by reason of any negligent act of County, its agents or employees.

To the extent permitted by law, City shall at all times indemnify, save, protect, and keep harmless High Shoals from all costs, loss, damage, liability, expense, penalty and fines which may arise from or be claimed against High Shoals by any person or persons, firms or corporations, for any injuries to persons or property, or damage of whatever kind or character consequent upon or arising from the use or operation of the portion of the Project to be owned by City unless such claim arises by reason of any negligent act of High Shoals, its agents or employees.

To the extent permitted by law, High Shoals shall at all times indemnify, save, protect and keep harmless the City from all costs, loss, damage, liability, expense, penalty and fines which may arise from or be claimed against the City by any person or persons, firms or corporations, for any injuries to persons or property, or damage of whatever kind or character consequent upon or arising from the use or operation of the portion of the Project to be owned by High Shoals unless such claim arises by reason of any negligent act of the City, its agents or employees.

6. Waivers. Neither the failure nor delay on the part of any party hereto to exercise any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise hereof or the exercise of any other right, power or privilege, and no custom or practice at variance with the terms of the Agreement shall constitute a waiver of the right of any other party to demand exact compliance with such terms.
7. Invalid Terms. Should any one or more of the provisions contained in this Agreement be held invalid, illegal, or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in the Agreement shall not in any way be affected or impaired thereby, and this Agreement shall otherwise remain in full force and effect. If any such provision is held to be invalid or unenforceable, then upon the request of any party, all parties shall attempt in good faith to negotiate and agree upon a replacement provision.
8. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original.
9. Notices. Any notices required or permitted in this Agreement, including address changes, shall be made in writing and shall be made either by mailing registered or certified mail, return receipt requested, and postage prepaid, to the other party at the address shown herein for that party or at such different address for that party, notice of which has been properly given hereunder, or by personally delivering such notice to an officer or other party. The notice, if mailed as provided for herein, shall be deemed given on the day of receipt or refusal to accept receipt, and if personally delivered, on the date of delivery. The addresses are as follows:

TO THE CITY:
City Manager
City of Gastonia
P.O. Box 1748
Gastonia, NC 28053-1748

TO THE COUNTY:
County Manager
Gaston County
PO Box 1578
Gastonia, NC 28053-1578

WITH A COPY TO:
Director of Public Utilities
Two Rivers Utilities
P.O. Box 1748
Gastonia, NC 28053

TO HIGH SHOALS
Town Clerk
P.O. Box 6
High Shoals, NC 28077

14. Entire Agreement. This Agreement reflects and contains the entire and only agreement between the parties relating to the subject matter herein, and as such supersedes all negotiations, commitments, undertakings and agreements, whether oral or otherwise.
15. Amendment or Termination. This Agreement may be amended or terminated only by an instrument in writing executed by all parties hereto.
16. Remedies in the Event of Default. In the event of Default by a party to this agreement, the other party or parties may exercise all legal and equitable remedies to which it is entitled.
17. Waiver. No delay or omission by any party to exercise any right or power it has under this Agreement shall impair or be construed as a waiver of such right or power. A waiver by any party of any covenant or breach of this Agreement shall not constitute or operate as waiver of any succeeding breach of that covenant or of any other covenant. No waiver of any provision of this Agreement shall be effective unless in writing and signed by the party waiving the rights.
18. Binding Nature and Assignment. This Agreement shall bind the parties and their successors and permitted assigns. No party may assign this Agreement without the prior written consent of all of the other parties. Any assignment attempted without the written consent of all other parties shall be void.
19. Governing Law and Jurisdiction. North Carolina law shall govern the interpretation and enforcement of this Agreement, and any other matters relating to this Agreement (all without regard to North Carolina conflicts of law principles). All legal actions or other proceeding relating to this Agreement shall be brought in a state court sitting in Gaston County, North Carolina. By execution of this Agreement, the parties submit to the jurisdiction of said court and hereby irrevocably waive any and all objections that they may have with respect to venue in any court sitting in Gaston County, North Carolina.
20. Force Majeure. Neither party to this Agreement shall be liable for any claims or damages if such claims or damages result or arise out of a failure or delay that is due to any act beyond the control of the party.
21. Titles of Sections. This Agreement embodies the entire agreement between the parties. The section headings inserted herein are convenience only, and not intended to be used as an aid to interpretation and are not binding on the parties.
22. Iran Divestment Act. As of the date of this agreement, no party to this Agreement is listed on the Final Divestment List created by the State Treasurer pursuant to N.C.G.S. 147-86.58. All parties further certify that they will not utilize any subcontractor on the list.
23. E-Verify Requirements. The parties to this agreement certify that they are in compliance with all applicable provisions of Article 2, Chapter 64 of North Carolina General Statues, which generally provides that each employer, after hiring an employee to work in the United States, shall verify the work authorization of the employee through E-Verify. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. The parties to this

agreement further agree that during the term of this Agreement they shall comply and shall require all contractors and subcontractors to comply with any and all applicable provisions of Article 2, Chapter 64 of the North Carolina General Statutes, and the parties agree to incorporate in all further contracts or subcontracts for the Project a provision requiring compliance with Article 2, Chapter 64 of the North Carolina General Statutes.

IN WITNESS WHEREOF, the undersigned parties have caused this Agreement to be executed in their behalf by their duly authorized representatives, having hereunto affixed their signatures and seals, the day and year first above written.

(Seal)

CITY OF GASTONIA

By: _____
Richard Franks, Mayor

ATTEST:

(Asst.) City Clerk

(Seal)

GASTON COUNTY

By: _____
Matthew Rhoten
County Manager

ATTEST:

Clerk to the Board

This document has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

APPROVED AS TO FORM:

County Attorney

Finance Director

(Seal)

CITY OF HIGH SHOALS

ATTEST:

By: _____
PJ Rathbone, Mayor

City Clerk

STATE OF NORTH CAROLINA
COUNTY OF GASTON

I, _____, a Notary Public of the aforesaid County and State, do hereby certify that _____ personally appeared before me this day and acknowledged that she is the City Clerk of the City of Gastonia and that by authority duly given and as the act of the municipal corporation, the foregoing instrument was signed in its name by its Mayor, sealed with its corporate seal and attested by her as its City Clerk.

WITNESS my hand and Notarial Seal, this the ___ day of _____, 2025.

Notary Public

My Commission Expires: _____

STATE OF NORTH CAROLINA
COUNTY OF GASTON

I, _____, a Notary Public of the aforesaid County and State, do hereby certify that _____, this day, personally appeared before me this day and acknowledged that she is the Clerk of the Gaston County Board of Commissioners and that pursuant to the act of Gaston County, the foregoing instrument was signed in its name by Matthew Rhoten, County Manager, sealed with its corporate seal and attested by her as its Clerk.

WITNESS my hand and Notarial Seal, this the ___ day of _____, 2025.

Notary Public

My Commission Expires: _____

STATE OF NORTH CAROLINA
COUNTY OF GASTON

I, _____, a Notary Public of the aforesaid County and State, do hereby certify that _____ personally appeared before me this day and acknowledged that s/he is the Town Clerk of the City of High Shoals and that by authority duly given and as the act of the municipal corporation, the foregoing instrument was signed in its name by its Mayor, sealed with its corporate seal and attested by her as its City Clerk.

WITNESS my hand and Notarial Seal, this the __ day of _____, 2025.

Notary Public

My Commission Expires: _____

HIGH SHOALS SEWER OUTFALL , PUMP STATION, AND PARALLEL FORCE MAIN IMPROVEMENTS

EXHIBIT A

