

**INTERLOCAL AGREEMENT FOR THE
SMITHVILLE WATER SYSTEM IMPROVEMENT PROJECT**

This Interlocal Agreement for the Smithville Water System Improvements Project (the "Agreement") is entered into and agreed upon as of _____, 2026, (the "Effective Date"), by and between the TOWN OF CORNELIUS (the "Town"), a municipal corporation organized under the laws of the State of North Carolina and the CITY OF CHARLOTTE (the "City"), a municipal corporation organized under the laws of the State of North Carolina (together, hereinafter the "Parties").

WITNESSETH:

WHEREAS, the Town owns and operates rights-of-way of South Hill Street, Weathers Street, Vivian Lane, Smithville Lane, South Ferry Street, North Ferry Street, and Burton Lane in Cornelius, North Carolina (hereinafter the "Rights-of-Way");

WHEREAS, the City intends to make certain improvements to the water distribution system in said Rights-of-Way (hereinafter the "City Project");

WHEREAS, the Town intends to make certain roadway improvements in the Rights-of-Way (hereinafter the "Town Project");

WHEREAS, it is in the Parties' mutual best interest to make the City Project and Town Project improvements concurrently by developing and coordinating design plans, site improvements, and construction activities for both the City Project and the Town Project (hereinafter the "Combined Project");

WHEREAS, the Parties desire to enter into a funding and development agreement that sets out the respective rights and responsibilities with respect to the Combined Project;

NOW, THEREFORE, in consideration of the premises and the fulfillment of the terms of this Agreement, the Town and the City agree as follows:

1. Exhibit List. The following Exhibits are attached to this Agreement and incorporated herein by reference:

Exhibit A: Map of the Property.

2. Appointment Of Personnel.

a. The City shall have the power to hire, fire, and supervise all employees necessary for the operation of this Agreement.

- b. The Town shall have the power to hire, fire, and supervise all employees necessary for the operation of this Agreement.
3. Establishment Of Joint Agency. Nothing in this Agreement shall establish a joint agency between the parties, and nothing contained in this Agreement shall be construed to (i) give any Party the power to direct or control the day-to-day administrative activities of the other; or (ii) constitute such Parties as partners, joint venturers, co-owners or otherwise as participants in a joint ventures or common undertaking; or (iii) make either Party an agent or employee of the other, for any purpose whatsoever. Neither Party nor its agents or employees is the representative of the other for any purpose, and neither has power or authority to act as agent or employee to represent, to act for, bind, or otherwise create or assume any obligation on behalf of the other.
4. Combined Project Description. The Combined Project includes design and construction of the following: water distribution system improvements and roadway improvements.
5. Design. The City and Town conducted separate designs for the City Project and the Town Project, respectively. Designs have been coordinated to create one set of combined plans to be used for construction of the Combined Project.
6. Permits. The City and Town shall each be responsible for obtaining all State and local permits necessary to construct their respective designs within the Combined Project.
7. Construction Contract. The Town shall solicit and obtain bids for the construction of the Combined Project, including all labor, materials and services necessary to execute the work associated with the approved design plans and construction documents, and award the contract for such Combined Project to a qualified contractor (hereinafter the "Contractor") in accordance with applicable law. The City's project manager, or designated representative, shall attend the bid opening and evaluate all bids received with Town staff. The City will be responsible for supporting the Town in its administration of the construction contract by managing aspects of the City Project such as construction inspection, coordination between the Town and Contractor, review and respond to requests for information and submittals, attendance at construction meetings, pay application review and approval, project punch list, as-built and/or final walkthroughs and closeout for the purpose of construction QA/QC of the City Project, and all other tasks typically associated with a construction project.

8. Funding Administration. The Town shall be responsible for contract administration for the construction contract. The Town agrees to fund all of the Town Project construction. City agrees to fund all of the City Project construction. The parties agree that individual project components will be divided into independent bid tabs prior to any bid solicitation and shall be responsible for separating all costs associated with the Combined Project in accordance with the approved bid form and Contractor's pay application. No payment will be made to the Contractor, by the Town, for work that is deemed not acceptable to the City or their designated representative.
9. Payment Responsibilities of the City. The City agrees to make payment to the Town for construction of the City Project per the following conditions: the Town will encumber the total amount of the Combined Project from Town funds. The City will remit its funding upon substantial completion of the Combined Project and a final invoice. The final invoice will be preceded by the City's final acceptance of the City Project including a review and approval by the City or its designated representative, and upon the Town causing the Contractor to correct any defects associated with the City Project. Payment schedule may be suspended or modified in the event of a cessation or revision of work schedule by the Contractor. The payment schedule will be resumed when work by the Contractor resumes. The City's payment(s) to the Town shall be made within thirty (30) days of receipt of invoice for work completed in accordance with all applicable standards set forth in contract documents, plans, and specifications. Should a contract change order requiring additional funding to complete the City Project be deemed necessary by the City, the City shall provide written authorization for the Town to approve such change order request and the City shall provide the additional funding to the Town prior to execution of the change order on behalf of the City.
10. Notices. All notices required or permitted to be given hereunder shall be in writing and shall be deemed given if (i) emailed, (ii) delivered personally or by courier, (iii) faxed with confirmation of receipt, or (iv) mailed in a sealed wrapper and deposited in the United States Mail, registered or certified, return receipt requested, postage prepaid, properly addressed as follows:

If to the Town: Town of Cornelius
Town Manager's Office
21445 Catawba Avenue
PO Box 399
Cornelius, NC 28031
Attention: Tyler Beardsly

If to the City: City of Charlotte
Charlotte Water
5730 General Commerce Drive
Charlotte, NC 28213
Attention: Brian Wilson, PE

Either party may change its notice address by giving written notice of the change to the other party in the manner specified above ten (10) days prior to the effective date of such change.

11. Applicable Law. This agreement shall be enforced, interpreted and construed by and under the laws of the State of North Carolina.

12. Dispute Resolution. The Parties agree that any disputes which cannot be resolved by the City and Town Managers or their designees will first be attempted to be resolved by mediation and if not resolved by mediation, then by binding arbitration. If the Parties cannot agree upon selection of an arbitrator and a process for arbitration, disputes between the parties arising out of or in connection with this agreement or the performance or breach thereof shall be resolved by binding arbitration in accordance with the then-applicable Commercial Arbitration Rules (the "Rules") of the American Arbitration Association. The Rules will apply except as specified in this paragraph. All arbitration proceedings will be held in Mecklenburg County, North Carolina before a single arbitrator. The parties hereto agree to submit to the enforcement of any award resulting therefrom by any court of competent jurisdiction. Judgment upon the award rendered in any such arbitration proceeding may be entered into any court having competent jurisdiction thereof, or application may be made to such court for a judicial acceptance of the award and an order of enforcement as the case may be.

13. Amendment Of Agreement.

- a. The City Manager and Town Manager, or their designees, are authorized to amend any of the existing Exhibits without further authorization of the Charlotte City Council or the Town of Mint Hill Board of Commissioners.
- b. Except as provided herein, this Agreement may not be modified or amended except by subsequent written agreement authorized by the governing bodies of each party and signed by the authorized representative.

14. Termination Of Agreement.

- a. Term. This Agreement shall commence on the Effective Date and shall expire at the conclusion of the one-year construction warranty(ies) period.
- b. Termination by Court. This Agreement may be terminated by a court of competent jurisdiction upon the finding that there has been such a substantial breach of this Agreement by the non-complaining party so as to entitle the complaining party to be relieved of its obligations under this Agreement.
- c. Termination By Parties. This Agreement may be terminated upon mutual consent of the parties.
- d. City Authority To Terminate. The following persons are authorized, consistent with this Agreement, to terminate this Agreement on behalf of the City: (a) the City Manager, or any designee of the City Manager.

- e. Town Authority To Terminate. The following persons are authorized, consistent with this Agreement, to terminate this Agreement on behalf of the Town: (a) the Town Manager, or any designee of the Town Manager.

IN WITNESS WHEREOF, the Parties hereto have caused this agreement to be executed as of the day and year first above written by the authority duly granted by their respective governing bodies.

[Signatures are on following pages]

CITY OF CHARLOTTE

By: _____
Marcus Jones, City Manager

ATTEST:

City Clerk

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

BY: _____
DIRECTOR OF FINANCE
City of Charlotte

Town of Cornelius

By: _____
Tyler Beardsly, Assistant Town Manager

Attest:

Clerk to the Board

APPROVED AS TO FORM

Town Attorney

Exhibit A - MAP OF THE PROPERTY

