CITY of Statesville NORTH CAROLINA

STATESVILLE CITY COUNCIL MEETING

Statesville City Hall – 227 S. Center Street
November 12, 2026 - 4:00 p.m. - Pre-Agenda Meeting – 2nd Floor Conference Room
November 16, 2026 – 6:00 p.m. – Regular Meeting – City Council Chambers

I. **Call to Order**

II. **Invocation**

III. **Pledge of Allegiance**

IV. **Adoption of the Agenda**

V. **2026 Code of Ethics and the Front and Center Strategic Plan** p. 3

VI. **Presentations & Recognitions** p. 9

1. **National Hospice and Palliative Care Month & Child Grief Awareness Day Proclamation**

VII. **Public Comment**

VIII. **CONSENT AGENDA**

All items below are considered to be routine by City Council and will be enacted by one motion. There will be no separate discussion on these items unless a Council member requests, in which event, the item will be removed from the Consent Agenda and considered with the other items listed in the Regular Agenda.

A. **Consider approving the October 22 Fall Planning Session Minutes, October 29 Pre-Agenda Meeting Minutes and November 2, 2026, Regular Meeting Minutes.** (E. Campbell) p. 11

B. **Consider approving Budget Amendment #2027-11 to accept a grant from the Department of Justice Byrne COPS Technology Equipment award for up to $573,779.** (Onley) p. 23

C. **Consider approving Budget Amendment #2027-12 to accept and appropriate HOME grant funds awarded by the U.S. Department of Housing and Urban Development through the Cabarrus/Iredell/Rowan HOME Consortium for the purpose of subcontracting with qualified organizations that specialize in the construction and rehabilitation of affordable and attainable housing within the City limits.** (Lawrence) p. 59

D. **Consider appointing Donna Thomas to the Stormwater Advisory Commission (SWAC).**(Moore) p. 63

E. **Consider awarding the bid for the purchase of 115kV circuit breakers for the new substation to the lowest responsive, responsible bidder, National Transformer Sales.**(Leis) p. 67

REGULAR AGENDA

IX. Conduct a public hearing and consider approving an economic incentive for an expansion project and consider approving a resolution approving application for and acceptance of a Rural Building Reuse Grant for Project Art. (Bosser) p. 105

X. Conduct a Public Hearing for Conditional Rezoning Amendment: ZC26-06 (A) Turnersburg Hwy (Quick Trip) to rezone one parcel at 824 Turnersburg Hwy from Iredell County GB CUD (General Business) Conditional Use District and to City of Statesville B-4 CZ (Highway Business) Conditional Zoning District. (J. Campbell) p. 109

XI. Conduct a public hearing and consider passing the first reading of an ordinance of annexation petition AX26-14: 824 Turnersburg Hwy, filed QuikTrip Corporation. (J. Campbell) p. 123

XII. Conduct a public hearing for a rezoning request, initiated by Timothy Self, on behalf of ASelf Properties LLC, for an approximately 10.40-acre site located along Peachtree Rd and Maple Care Ln. (Martin) p. 135

XIII. Consider approving an annexation waiver request from Accuma at 133 Fanjoy Road to connect to City Sewer. (Vaughan) p. 149

XIV. Consider approving a resolution authorizing the City of Statesville to increase its occupancy tax rate on short-term lodging from the current 5% to 6%, contingent upon securing state legislative approval. (Hills) p. 159

XV. Other Business

XVI. Advisory Board Meeting Minutes

XVII. Closed Session (After Pre- Agenda)

1. G.S. 143-318.11(a)(3), Attorney-Client Privilege

XVIII. Adjournment

RESOLUTION 01-26

CODE OF ETHICS FOR THE CITY OF STATESVILLE

PREAMBLE

WHEREAS, the Constitution of North Carolina, Article 1, Section 35, reminds us that a "frequent recurrence to fundamental principles is absolutely necessary to preserve the blessings of liberty"; and

WHEREAS, a spirit of honesty and forthrightness is reflected in North Carolina's state motto *Esse quam videri*, "To be rather than to seem"; and

WHEREAS, Section 160A-86 of the North Carolina General Statutes requires local governing boards to adopt a code of ethics; and

WHEREAS, as public officials we are charged with upholding the trust of the citizens of this city, and which obeying the law; and

NOW, THEREFORE, in recognition of our blessings and obligations as citizens of the State of North Carolina and as public officials representing the citizens of the City of Statesville, and acting pursuant to the requirements of Section 160A-86 of the North Carolina General Statutes, we, the Statesville City Council, do hereby adopt the following General Principles and Code of Ethics to guide the City Council in its lawful decision-making.

GENERAL PRINCIPLES UNDERLYING THE CODE OF ETHICS

- The stability and proper operation of democratic, representative government depend upon public confidence in the integrity of the government and upon responsible exercise of the trust conferred by the people upon their elected officials.

- Governmental decisions and policy must be made and implemented through proper channels and processes of the governmental structure.

- Board members must be able to act in a manner that maintains their integrity and independence yet is responsive to the interests and needs of those they represent.

- Board members must always remain aware that at various times they play different roles:

    - As advocates, who strive to advance the legitimate needs of their citizens
    - As legislators, who balance the public interest and private rights in considering and enacting ordinances, orders, and resolutions
    - As decision-makers, who arrive at fair and impartial quasi-judicial and administrative determinations

- Board members must know how to distinguish among these roles, to determine when each role is appropriate, and to act accordingly.

- Board members must be aware of their obligation to conform their behavior to standards of ethical conduct that warrant the trust of their constituents. Each official must find within his or her own conscience the touchstone by which to determine what conduct is appropriate.

CODE OF ETHICS

The purpose of this Code of Ethics is to establish guidelines for ethical standards of conduct for the City of Statesville and to help determine what conduct is appropriate in particular cases. It should not be considered a substitute for the law or for a board member's best judgment.

Section 1. Board members should obey all laws applicable to their official actions as members of the board. Board members should be guided by the spirit as well as the letter of the law in whatever they do.

At the same time, board members should feel free to assert policy positions and opinions without fear of reprisal from fellow board members or citizens. To declare that a board member is behaving unethically because one disagrees with that board member on a question of policy (and not because of the board member's behavior) is unfair, dishonest, irresponsible, and itself unethical.

Board members should endeavor to keep up to date, through the board's attorney and other sources, about new or ongoing and pertinent constitutional, statutory, or other legal requirements

or ethical issues they may face in their official positions. This educational function is in addition to the day-to-day legal advice the board may receive concerning specific situations that arise.

Section 2. Board members should act with integrity and independence from improper influence as they exercise the duties of their offices. Characteristics and behaviors consistent with this standard include the following:

- Adhering firmly to a code of sound values
- Behaving consistently and with respect toward everyone with whom they interact
- Exhibiting trustworthiness
- Living as if they are on duty as elected officials regardless of where they are or what they are doing
- Using their best independent judgment to pursue the common good as they see it, presenting their opinions to all in a reasonable, forthright, consistent manner
- Remaining incorruptible, self-governing, and unaffected by improper influence while at the same time being able to consider the opinions and ideas of others
- Disclosing contacts and information about issues that they receive outside of public meetings and refraining from seeking or receiving information about quasi-judicial matters outside of the quasi-judicial proceedings themselves
- Treating other board members, staff and the public with respect and honoring the opinions of others even when the board members disagree with those opinions
- Not reaching conclusions on issues until all sides have been heard
- Showing respect for their offices and not behaving in ways that reflect badly on those offices
- Recognizing that they are part of a larger group and acting accordingly
- Recognizing that individual board members are not generally allowed to act on behalf of the board but may only do so if the board specifically authorizes it, and that the board must take official action as a body.

Section 3. Board members should avoid impropriety in the exercise of their official duties. Their official actions should be above reproach. Although opinions may vary about what behavior is inappropriate, this board will consider impropriety in terms of whether a reasonable person who

is aware of all of the relevant facts and circumstances surrounding the board member's action would conclude that the action was inappropriate.

If a board member believes that his or her actions, while legal and ethical, may be misunderstood, the member should seek the advice of the board's attorney and should consider publicly disclosing the facts of the situation and the steps taken to resolve it (such as consulting with the attorney).

Section 4. Board members should faithfully perform the duties of their offices. They should act as the especially responsible citizens whom others can trust and respect. They should set a good example for others in the community, keeping in mind that trust and respect must continually be earned.

Board members should faithfully attend and prepare for meetings. They should carefully analyze all credible information properly submitted to them, mindful of the need not to engage in communications outside the meeting in quasi-judicial matters. They should demand full accountability from those over whom the board has authority.

Board members should be willing to bear their fair share of the board's workload. To the extent appropriate, they should be willing to put the board's interests ahead of their own,

Section 5. Board members should conduct the affairs of the board in an open and public manner. They should comply with all applicable laws governing open meetings and public records, recognizing that doing so is an important way to be worthy of the public's trust. They should remember when they meet that they are conducting the public's business. They should also remember that local government records belong to the public and not to board members or their employees.

In order to ensure strict compliance with the laws concerning openness, board members should make clear that an environment of transparency and candor is to be maintained at all times in the governmental unit. They should prohibit unjustified delay in fulfilling public records requests. They should take deliberate steps to make certain that any closed sessions held by the board are lawfully conducted and that such sessions do not stray from the purposes for which they are called.

Section 6. This Code of Ethics should be re-executed by each sitting Council member during the first meeting in January each calendar year.

Section 7. At a Special Meeting held on December 2, 2025, the City Council developed the following list of "Norms", which they agreed to exercise in their duties as elected officials:

- Transparency
- Open-mindedness
- Honesty
- Everyone has a voice
- Dedication
- Respect
- Council self-regulation

The City Council also agreed to the following actions:

- Foster frequent communication and collaboration between the Council and City Manager/staff
- Agree to disagree when necessary
- Attend, be punctual, and prepare for meetings
- Be informed and participate in meetings and events

I affirm that I have read and understand the City of Statesville Code of Ethics

J. Douglas Hendrix, Mayor

David Jones, Mayor Pro Tem – Ward One

Kristi Madison Pfeufer – Ward Two

Doris Allison – Ward Three

Amy Lawton – Ward Four

Tip Nicholson – Ward Five

Lisa Pearson – Ward Six

Trey Robertson – At-Large

James Pressly – At-Large

FRONT & CENTER

VISION

Statesville will be a vibrant regional center that provides a higher quality of life for ALL.

MISSION

City of Statesville will serve with integrity, provide sound resource management, and equitably deliver high-quality public services.

our core values

we value our city staff

we value quality & creativity

we value & encourage opportunity

we value integrity

we value engagement



DEVELOPING OUR TEAM

Description: The City of Statesville recognizes that its employees are its most valuable asset and resource for realizing the city's vision. Capable and professional employees are essential for delivering high-quality customer service and managing the long-term needs of the community.

STRATEGIC INITIATIVES

1. Attract and retain a talented, engaged workforce responsive to the needs of our growing community.
2. Invest in employee professional development to promote continuous learning and improvement in our service delivery.



CONNECTING OUR CITY

Description: The City of Statesville strives to provide high-quality services and utilities for today's needs while also planning for the future needs of residents, businesses, and industry.

STRATEGIC INITIATIVES

1. Proactively maintain existing infrastructure assets and systems to ensure current quality and long-term viability.
2. Invest in critical public infrastructure to align with land use plan goals and accommodate future growth citywide.



CONNECTING OUR COMMUNITIES

Description: The City of Statesville supports vibrant communities and safe neighborhoods with opportunities for employment, recreation, engagement, and housing.

STRATEGIC INITIATIVES

1. Provide reliable, high-quality public safety to ensure the wellbeing of residents, businesses, and visitors.
2. Expand access to enriching cultural, recreational, and open space amenities.
3. Promote the development of a range of housing types throughout our community and housing stability for residents.

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City of Statesville, North Carolina

Office of the Mayor

Proclamation

National Hospice and Palliative Care Month
Children's Grief Awareness Day
November 2026

WHEREAS, November is recognized as National Hospice and Palliative Care Month, honoring the dedicated professionals and volunteers who provide compassionate care, comfort, and dignity to individuals and families facing serious illness or the end of life; and

WHEREAS, the 2026 theme, "Care You Can Trust," highlights the importance of dependable, high-quality care that provides patients and families with comfort, confidence, and peace of mind during life's most difficult moments; and

WHEREAS, Hospice & Palliative Care of Iredell County (HPCIC) has served our community for more than four decades, providing expert medical care, emotional support, and spiritual comfort, regardless of ability to pay; and

WHEREAS, November 19, 2026, is Children's Grief Awareness Day, recognizing children who have experienced the loss of a loved one and the importance of providing support, understanding, and opportunities for healing; and

WHEREAS, through its Rainbow Kidz program, HPCIC provides free grief counseling, school-based support groups, and specialized programs to help children navigate grief and find hope; and

WHEREAS, the dedication of HPCIC's staff and volunteers reflects the spirit of "Care You Can Trust," ensuring that individuals and families throughout our community receive compassionate care and support when they need it most;

NOW, THEREFORE, I, J. Douglas Hendrix, Mayor of the City of Statesville, do hereby proclaim **November 2026** as **NATIONAL HOSPICE AND PALLIATIVE CARE MONTH** and **November 19, 2026, as CHILDREN'S GRIEF AWARENESS DAY** in the City of Statesville and encourage all residents to recognize and support the important work of Hospice & Palliative Care of Iredell County and its Rainbow Kidz program.

IN WITNESS WHEREOF, I have set my hand and caused the Great Seal of the City of Statesville to be affixed this 16th day of November 2026.

_____

J. Douglas Hendrix, Mayor

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MINUTE BOOK 32, PAGE
STATESVILLE CITY COUNCIL FALL PLANNING SESSION MINUTES – OCTOBER 22, 2026
STATESVILLE REGIONAL AIRPORT – 227 S. CENTER STREET, STATESVILLE, NC – 9:00 A.M.

Council Present: Mayor Hendrix presiding, Pearson, Allison, Pressly, Pfeufer, Nicholson, Jones, Lawton, Robertson

Council Absent: None

Staff Present: Ron Smith, Messick, E. Campbell, Everette, Hubert, Griggs, G. Kurfees, Nesbit, Martin, Ferguson, Bridges, Lawrence, Harrell, Ivarrson, Adkins, Messick, Hatcher

I. Breakfast and Welcome
Mayor Hendrix called the meeting to order.

Smith provided an overview of the agenda.

II. Strategic Plan (Memo #1)
Hills reviewed the Strategic Plan.

She reviewed Developing Our Team and each strategy.
Council Member Robertson asked about the turnover numbers for full time employees. Everette stated that we are competitive with our neighbors.

Everette stated that the Employee Engagement score this year was 88%.

Council Member Pearson asked if the staff are planning to implement merit based raises. Smith stated that we will be bringing that to you at the Winter Retreat.

Everette said that we want to move employees in the low point of the grade to be in the mid point if the person is in the position for 7 years. Smith stated that salaries are a large part of our budget.

Connecting Our City
Council Member Jones stated that we should incentize smart growth and send out utilities in the direction where we want our growth.

Council Member Jones stated that to have a vibrant downtown means more parking and the 2nd and 3rd floor is fire suppression. We need to identify things that are catilist for development.

Council Member Robertson would like to forclose on vacant or abandon properties to put them back into circulation.

Council member Jones would like to find a way to incentivize growth and it does not cost the tax payers any direct funds.

Council Member Pearson asked when the last survey was completed. Smith stated that the last survey was in 2023 when the Strategic Plan was completed. We only received 800 responses.

Council Member Pfeufer stated that her ward is half residents and then half businesses. She would like to see a survey for businesses as well.

Council Member Pearson would like to see more public enangements, especially in each ward.

Council Member Pfeufer would like to have some sort of engagement for business and the EDC could assist with that.

Lawrence asked if the survey questions were asked.

Council asked for a plan for a public engagement session.

Connecting our City
Mayor Hendrix stated that the we need to do a better job at thanking community partners who help us, like Broad Street Methodist Church.

Statesville Thrives
Council Member Pressly would like to see what types of jobs and salary as well as the number for Strategy 1. Council Member Robertson agreed with Pressly.

Council Member Pressly stated that if we can bring up our median household income, then the private sector development will come organically.

Council Member Pearson asked if the debt capacity utilization ratio tracking has begun yet. We are working on these things.

Council Member Pressly thanked staff for all their work to incorporate Council's thoughts into the plan. **He is concerned about the sewer line coming up Jennings Road. He would like the anaylsis to be included into a plan. He would like the staff to help provide guardrails for Council to use. We do not want to go to the 5th creek watershed.**

Mayor Hendrix stated that any development would like to have multiuse, but he would like to have more information on this idea. Vaughan stated that a devleoper has come to discuss residential and commercial.

Council Member Robertson stated that we need a growth boundary in the North towards the 5th Creek development.

Council Member Jones would like to have a process to evaluate how we did with the Strategic Plan. He would like to evaluate how we performed to help facilitate the budget process.

Council Member Nicholson believes the fall retreat is the best place to evaluate this process.

Smith stated that the capacity or cost could be an issue.

Council Member Pearson stated that we may need to think outside the box and we don't want to limit the next councils.

III. FY27 Current View (Memo #2)
Lawrence provided a first quarter review of the City Financials.

Council Member Robertson would like to see a line on where the General Fund budget should be at this point in the year.

Council Member Jones would like to see us to do an RFP for auditors

IV. Property Tax Limit Legislation (Memo #3)

Smith provided an overview of the referendum that is on the ballot in November.

Council Member Robertson asked if when large industrial companies come, then we need to reduce the rate? Smith said that is his understanding.

Council Member Jones asked how it would come into play with an economic incentive. Smith stated that he is unsure how that would work.

Smith stated that with a tax levy limit, there are significant impacts.

Council Member Jones asked if you do a bond, does the rate automatically go down. Smith stated that you always have the option, but you are not required.

Council member Pfeufer asked if it included personal property. Smith stated that is his impression.

Council Member Jones stated that he is concerned about increasing fees because of the solid waste fee. Smith stated that there was no justification for the solid waste fee. Council Member Jones are concerned about fees in the General Fund.

Mayor Hendrix asked about the fees in the general fund. Smith stated Civil Citations, planning fees, recreation fees, fire and police fees, etc.

Council Member Allison asked about the Powell bill funds. Smith stated that the Powell Bill is about $1 million and we need at least double that. The Powell bill covers sidewalks on DOT streets and resurfacing of city streets. We have added additional funds from the General Fund to augment the Powell Bill.

Council Member Nicholson stated that the GO Bonds on referendum would be the best option for our worst case scinario.

Council Member Pressly stated that this is a large issue and it can impact every operation in the City. Smith stated that he would like the individuals in the NC Legislature to understand the impacts of the bill.

Council Memebr Allison stated that the timing of this bill is a main concern.

V. Lunch / Offsite Retreat Discussion

Smith reviewed the options of offsite retreats.

Danville
Wilson
Spartanburg

Mayor Hendrix stated that Wilson has a good Main Street program as well.

Council Member Nicholson stated that his idea is that Wilson is in NC and the other communities may have some other rules.

Council member Pearson stated that Wilson has really grown.

Mayor Hendrix said we got some our ideas from Greenville, but Spartenburg is like us. He believes getting away is a good idea.

Council Member Pressly likes the idea of Danville to get inspriation and vision.

Council Member Robertson stated that he would be fine with it as long as we can tie the locations to agenda items.

Council Member Pressly would like to see the 4th Creek Wastewater Treatment Plant.

The Council is in favor of going out of the city.

After a sticker vote, Danville, VA is the location of the off site retreat.

VI. CVB/TDA Discussion (Memo #4)

Hills reviewed the overview of the funding for the Event Center and what it would look like with a change to the Occupancy Tax formula.

Council Member Pearson asked how the feedback has been due to the demoval of the nonprofit rate. Griggs stated that the nonprofit rate has not been used with the spirit it was adopted. There has been no negative feedback.

Council Member Jones asked if the property tax bill would also effect the general fund if the Event Center moves to the General Fund. Smith stated that if the Event Center rentals and Occupancy Tax does not meet the expenditures, then it would be a major problem for the General Fund.

Lawrence stated that the capital budget is needed for the Event Center.

Council Member Jones is leary to move the Event Center to the General Fund. He is in favor of the 6%.

Council Member Pearson is for moving to the 6%. She said that we cannot stop how we do business because of the property tax legislation.

Council Member Jones is concerned that the Event Center will be at a loss and be a burden on the General Fund.

Council Member Pressly stated that the Event Center is flawed from the beginning. He is in favor of moving to the 6%.

Griggs stated that the previous councils did not want to price out locals from using the Event Center.

Council Member Allison would like to keep the rates for locals could use the Event Center.

Sutton stated that there are 4 new hotels coming to Statesville.

Council Member Pfeufer stated that she wants the Event Center to be affordable to locals, but wants to move forward with the 6%.

Council member Nicholson wants to move from 5% to 6%.

Council Member Lawton supports moving to 6%.

The majority of the Council supported a resolution to move to 6%.

VII. Countywide Fire Discussion (Memo #5)

Chief Kurfees stated that the County is looking at doing Option A.

Council Member Robertson asked if we would need to purchase tanker trucks. Chief Kurfees stated that we may ask the County for some if they begin to combine districts.

Council Member Jones asked about Troutman. Chief Kurfees stated that the Troutman fire department is a volunteer department. The funding level has gone past the level the County can be. The line between Troutman and Statesville is the annexation boundary.

Council member Jones asked about the ISO rating. Chief Kurfees said the rural rating would be different than the municipality. It would not affect our current ISO Rating.

Mayor Hendrix asked if we could share a station with Troutman. Chief Kurfees stated that the discussion is in the works.

Council Member Jones asked about the call volume and population equates to funding. Chief Kurfees stated that there would be 2 response units and a second battalion chief. The formula shows that the county should pay the City approximately $3 million.

Council Member Pressly does not see this as a positive for City residents.

Mayor Hendrix stated that we need to keep the discussions going.

Council Member Allison wants to move forward with discussion with the County. She asked what would happen to Troutman fire department if the County removes some of their funding. Chief Kurfees stated that they will have to go back to volunteer basis.

VIII. BUILD and Brownfields Grants (Memo #6) and CRTTPO Discretionary Grants (Tab #8)

Hatcher stated that there are 2 grant applicantions opening within 60 days.

Council Member Nicholson asked if we should ask for a smaller amount and do another another grant for the next section. Hatcher said we can do that but the next year NC got $72 million in grant funds.

Smith said that consistency is key in these sort of projects.

Hatcher stated that the last year that the return on investment formula was different.

Council Member Pearson is in support of applying for the BUILD Grant.

Council Member Allison stated that she is in support of reapplying for the BUILD Grant.

Mayor Hendrix stated that he is in favor of applying for the BUILD Grant.

The Council is in favor of applying for the BUILD Grant.

Hatcher reviewed the EPA Brownfields Assessment and Clean Up Grants.

Mayor Hendrix stated that our relationships with partners, it could be good to apply for both to put properties back into the economy.

The Council agreed to apply for both the grants.

CRTPO
Martin reviewed the Simeonton Road Sidewalk project. Council Pfeufer and Mayor Hendrix are in favor of this project

Martin reviewed the road projects.

Council Member Pressly asked staff which one they think is most important. Martin stated that the Gardner, Front St. Road Diet then Center St. Absher will probably receive the least.

Council Member Robertson asked if we want to do 25% match to get some points.

Hubert stated that Center Street is good for PE funds.

Mayor Hendrix stated that sidewalk is needed on Simeton.

Council agreed to do the Simeton sidewalk project at 45% match, 20% match on Gardner and Front Street, PE only funds for Center St. with a 25% match, and a 20% match on Absher Park connector.

Council member Allison made a motion to approve the projects as agreed. Council Member Pressly seconded the motion. The motion passed unanimously.

IX. Observations from the day, takeaways

Council Member Pressly asked what we are doing to protect the city from hackers as well as Flock Cameras. Smith suggested that he produce a white paper on these topics.

Council member Jones asked about the moratorium. Martin stated that they have a draft text amendment to the Land Use Committee in November.

X. *Conclusion and Adjourn*

Council Member Allison made a motion to adjourn the meeting. Council Member Lawton seconded the motion. The motion passed unanimously.

MINUTE BOOK 32, PAGE
STATESVILLE CITY COUNCIL PRE-AGENDA MEETING MINUTES – October 29, 2026
CITY HALL – 227 S. CENTER STREET, STATESVILLE, NC – 4:00 P.M.

Council Present: Mayor Hendrix presiding, Pearson, Allison, Pressly, Pfeufer, Nicholson, Jones, Robertson, Lawton

Council Absent: None

Staff Present: Ron Smith, Messick, E. Campbell, G. Kurfees, Harrell, Vaughan, Martin, Hills, Nesbit, Ivarrson, Griggs, Hubert, Leis, Amos

Media: Donna

I. Call to Order
Mayor Hendrix called the meeting to order.

II. Invocation

III. Pledge of Allegiance

IV. Adoption of the Agenda

V. 2026 Code of Ethics and the Front and Center Strategic Plan

VI. Presentations & Recognitions

VII. City Manager Report

VIII. CONSENT AGENDA
All items below are considered to be routine by City Council and will be enacted by one motion. There will be no separate discussion on these items unless a Council member requests, in which event, the item will be removed from the Consent Agenda and considered with the other items listed in the Regular Agenda.

A. Consider approving the October 15 Pre-Agenda Meeting Minutes and the October 19 Regular Meeting Minutes. (E. Campbell)

B. Consider approving an order to permanently close a portion of Free Nancy Avenue. (E. Campbell)

C. Consider approving a Resolution to adopt the 2027 Statesville City Council Regular Meeting Schedule. (E. Campbell)
Campbell stated that the winter retreat will be two days and the Pre-Agenda in November will be held on the Monday of the meeting instead on Veterans Day.

D. Consider passing a resolution directing the City Clerk to investigate a petition of annexation AX26-14 824 Turnersburg Hwy, filed by Thomas Donton on behalf of QuikTrip Corporation for the parcel(s) located at 824 Turnersburg Hwy (Us Hwy 21), receive City Clerk's Certificate of Sufficiency, and consider passing a resolution fixing a date of November 16, 2026, for a public hearing for the petition for annexation. (J. Campbell)

E. Consider approving Budget Amendment #2027-09 to accept a Bureau of Justice Assistance (BJA/JAG) Local Funding award JAGX-16PBJA-25-GG-03164 in the amount of $24,793. (Lawrence)

F. Consider approving Budget Amendment #2027-10 to accept $168,437.71 from the North Carolina State Bureau of Investigation for one-time law enforcement bonus payments, as authorized under Session Bill 257 (2026 Appropriations Act). (Lawrence)
Mayor Hendrix stated that each police officer received approximately $6,000.

REGULAR AGENDA

IX. Consider passing the second reading of rezoning request ZC26-09 Moose Club Road (Novel Holdings) Subdivision, to rezone from the Town of Troutman RS and Iredell County RA Jurisdiction to the City of Statesville's R-8 CZ Conditional Zoning District, filed on behalf of the property owner(s), Jeffrey S. Troutman et al, for approximately 19 acres located along Moose Club Road near the Wildewood Subdivision. (Kirkendall)

X. Consider passing the second reading of annexation request AX26-09 Moose Club Road (Novel Holdings), filed on behalf of the property owner, Jeffrey S. Troutman et al, for an approximately 19 acre site located along Moose Club Road. (Kirkendall)

XI. Advisory Boards Meeting Minutes

1. Stormwater Advisory Commission August 20, 2026 Meeting Minutes
2. Planning Board September 22, 2026 Meeting Minutes

XII. Other Business
Mayor Hendrix stated that he wanted to discuss a grocery store. Council Member Jones stated that is a privately funded report, but you can say that we tried and will keep trying to get a grocery store in South Statesville.

Council Member Jones stated that the Dollar General should be up for sale soon.

XIII. Closed Session (After Pre- Agenda)

XIV. Adjournment
Council Member Allison made a motion to adjourn. Council Member Robertson seconded the motion. The motion passed unanimiously.

MINUTE BOOK 32, PAGE
STATESVILLE CITY COUNCIL MEETING MINUTES – November 2, 2026
CITY HALL – 227 S. CENTER STREET, STATESVILLE, NC – 4:00 P.M.

Council Present: Mayor Hendrix presiding, Pearson, Allison, Pressly, Pfeufer, Nicholson, Jones, Robertson, Lawton

Council Absent: None

Staff Present: Ron Smith, Messick, E. Campbell, G. Kurfees, Harrell, Vaughan, Martin, Hills, Nesbit, Ivarrson, Griggs, Hubert, Leis, Amos

I. Call to Order
Mayor Hendrix called the meeting to order.

II. Invocation
The City Clerk led the invocation.

III. Pledge of Allegiance
Mayor Hendrix led the Pledge of Allegiance.

IV. Adoption of the Agenda

Council Member Allison made a motion to approve the agenda. Council member Lawton seconded the motion. The motion carries unanimously.

V. 2026 Code of Ethics and the Front and Center Strategic Plan

VI. Presentations & Recognitions

VII. City Manager Report
Smith thanked staff and the community who came to the S. Statesville Community Meeting. He provided updates on the major projects. PD expansion is coming together. With the parking deck, the internal streets are taking shape, and the landscaping is coming soon. The Municipal Operations Center will be discussed at our winter retreat. The Cochran Street Rec Center is coming together. The fitness equipment is scheduled for delivery next week. Newtonville Park bathroom pad is being poured, and the disc golf course will be installed this month. He reviewed the airport projects. The Victory Air Hangar will begin in spring once the steel comes in. Smith reviewed our street lighting project. SPP replaced 23 lights on Garner Bagnal. He discussed the waterline spline. There are some road closures at Meeting and Front Streets next few weeks. We are close to the end of the project.

Smith reviewed the first properties of the IF District that the Council approved.

Smith reviewed the US 21 Greenway. We are still working with Duke Power on the easement revision. He reviewed the resurfacing project streets this spring.

Council Member Pressly asked to see a map of the condition of the roads.

Mayor Hendrix asked about the Food Desert in South Statesville. Smith stated that there the City paid for a grocery store study. Both studies stated that we have too much supply. It does not bode well for any other grocery stores in Statesville.

VIII. CONSENT AGENDA

All items below are considered to be routine by City Council and will be enacted by one motion. There will be no separate discussion on these items unless a Council member requests, in which event, the item will be removed from the Consent Agenda and considered with the other items listed in the Regular Agenda.

A. Consider approving the October 15 Pre-Agenda Meeting Minutes and the October 19 Regular Meeting Minutes. (E. Campbell)

B. Consider approving an order to permanently close a portion of Free Nancy Avenue. (E. Campbell)

C. Consider approving a Resolution to adopt the 2027 Statesville City Council Regular Meeting Schedule. (E. Campbell)

D. Consider passing a resolution directing the City Clerk to investigate a petition of annexation AX26-14 824 Turnersburg Hwy, filed by Thomas Donton on behalf of QuikTrip Corporation for the parcel(s) located at 824 Turnersburg Hwy (Us Hwy 21), receive City Clerk's Certificate of Sufficiency, and consider passing a resolution fixing a date of November 16, 2026, for a public hearing for the petition for annexation. (J. Campbell)

E. Consider approving Budget Amendment #2027-09 to accept a Bureau of Justice Assistance (BJA/JAG) Local Funding award JAGX-16PBJA-25-GG-03164 in the amount of $24,793. (Lawrence)

F. Consider approving Budget Amendment #2027-10 to accept $168,437.71 from the North Carolina State Bureau of Investigation for one-time law enforcement bonus payments, as authorized under Session Bill 257 (2026 Appropriations Act). (Lawrence)

Mayor Hendrix asked for a motion on the Consent Agenda.

Council member Allison made a motion to approve the consent agenda. Council Member Robertson seconded the motion. The motion passed unanimously.

REGULAR AGENDA

IX. Consider passing the second reading of rezoning request ZC26-09 Moose Club Road (Novel Holdings) Subdivision, to rezone from the Town of Troutman RS and Iredell County RA Jurisdiction to the City of Statesville's R-8 CZ Conditional Zoning District, filed on behalf of the property owner(s), Jeffrey S. Troutman et al, for approximately 19 acres located along Moose Club Road near the Wildewood Subdivision.** (Kirkendall)

Council member Jones made a motion to approve the second reading as presented. Council Member Nicholson seconded the motion.

Council Member Pressly stated that he is for the project to support the family but is against the rezoning and annexation. He is concerned about the satellite annexation.

Council Member Robertson agrees with Council Member Pressly as it is not the right time for this project. He urged the Council to deny this second reading.

Council Member Jones stated that the project is not that far from other city limit parcels.

Council Member Robertson is against this project because he was voted to reverse bad decisions of the last council.

Mayor Hendrix called for a raise hand vote
Aye: Jones, Allison, Lawton, Nicholson, Pearson
Nay: Robertson, Pfeufer, Pressly

The motion passed 5 to 3.

X. Consider passing the second reading of annexation request AX26-09 Moose Club Road (Novel Holdings), filed on behalf of the property owner, Jeffrey S. Troutman et al, for an approximately 19 acre site located along Moose Club Road. (Kirkendall)
Council Member Jones made a motion to approve the request. Council Member Pearson seconded the motion.

Mayor Hendrix called for a raise hand vote
Aye: Jones, Allison, Lawton, Nicholson, Pearson
Nay: Robertson, Pfeufer, Pressly

The motion passed 5 to 3.

XI. Advisory Boards Meeting Minutes

1. Stormwater Advisory Commission August 20, 2026 Meeting Minutes
2. Planning Board September 22, 2026 Meeting Minutes

XII. Other Business
Council Member Allison stated that the City is not giving up about the grocery store in South Statesville.

XIII. Closed Session (After Pre- Agenda)

XIV. Adjournment
Council Member Pressly made a motion to adjourn. Council Member Robertson seconded the motion. The motion passed unanimously.

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CITY COUNCIL ACTION REQUEST

TO: Ron Smith, City Manager

FROM: David Onley, Police Chief

DATE: 11/3/2026 5:21 PM

ACTION NEEDED ON: **November 2, 2026**
(Date of Council Meeting)

COUNCIL ACTION REQUESTED:

Consider approving Budget Amendment #2027-11 to accept a grant from the Department of Justice Byrne COPS Technology Equipment award for up to $573,779.

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1. **Summary of Information:**
   The Statesville Police Department was notified of a $573,779 awarded in federal appropriations funds through the Byrne COPS Technology & Equipment award program to purchase two (2) dispatch communications platforms for $$233,279 and a BATT- X2 tactical response vehicle for $340,500. The funding will be used to purchase 100% of the equipment and there is no city match.

2. **Previous Council or Relevant Actions:**
   N/A

3. **Strategic Initiatives Supported/Impacted:**
   Developing Our City: N/A
   Connecting Our City: N/A
   Connecting Our Communities: Provide reliable, high-quality public safety to ensure the wellbeing of residents, businesses, and visitors.
   Strategic Plan Values: We value Quality and Creativity

   The Statesville Police department requires safe and reliable equipment to provide the public with law enforcement activity.

4. **Budget/Funding Implications:**
   No impact on the budget as there is no match on the award.

5. **Consequences for Not Acting:**
   Funds will not be utilized.

6. **Department Recommendation:**
   Accept the funds for the grant award.

7. **Manager Comments:**
   Recommend for approval.

8. **Next Steps:**

Approve award and the funds will be used to purchase the identified equipment.

9. Attachments:

1. The Armored Group BATT-X2
2. Dispatch Communication Platform Estimate
3. Accepted Award Package_15JCOPS-26-GG-00426-TECP_180628_FAW-192462
4. BA Form 2027-11 Accept COPS Technology Equipment Grant for $573,779

BATT - X2

THE ARMORED GROUP

2501 W. Dixon Blvd
Shelby, NC 28152
Contact: Jeremy Johnson
Office: 602-840-2271 Cell: 817-291-4956
Email: jeremy@armoredcars.com
Quote #: JJ240910A



CUSTOMER:

Statesville Police Department
Sgt. Michael Mitchell
330 S. Tradd St
Statesville, NC 28677
Phone: 828-228-4035
Email: mmitchell@statesvillenc.net

BATT - X2

CHASSIS & MAINTENANCE SPECIFICATIONS

- Ford F-600 Super Duty Commercial Chassis
- 6.7L Turbo Diesel Engine
- Wheelbase: 131"
- 22,000lbs GVW
- Heavy Duty Steel Rims
- 4-wheel drive (4X4)
- Automatic transmission with overdrive
- OEM in dash air conditioning, heating and defrost
- Mono-beam leaf spring suspension with rear stabilizer bar
- Am-Fm Stereo Radio with clock
- Sealed halogen headlamps
- Tilt wheel
- 4.88 LTD Slip Rears
- Heated and Power Mirrors
- Drains, Filler Plugs, Grease Fittings, hydraulic lines, bleeders and check points for all components located so are readily accessible; Do not require special tools for servicing.

ARMOR LEVEL

- NIJ IV +.50 Cal Ball Ammo
- 46100 Mil Spec Steel
    - Cabin, Officer vertical panels
    - One Piece Side Walls from Headlights to Rear of BATT

(4) CABIN DOOR DESIGN

- 4 Door Design for Cabin Entry
- Double Rear Doors
- Front Cabin Doors offer 90° & 45° Lock Outs
- Rear Doors Lock out at 90°
- TAG Exclusive exterior Door Gap Protection at all doors

FLOOR

- Floor is armored with a blast mitigating floor

WINDOWS

- Bullet resistant glass-clad polycarbonate with-Low Spall Liner
    - 2 Piece windshield
    - Two (2) Front door windows
    - Two (2) Side Door Windows
    - (4) Horizontal windows in side walls
        - (2) Driver's Side
        - (2) Passenger Side
    - Two (2) Rear Door Windows
    - (1) Turret Lid View Window Above Gun Port

BATT - X2

FIREWALL PROTECTION PACKAGE

- Complete firewall protection against shots or blast fragmentation



ENGINE BAY ARMOR PROTECTION PACKAGE

- Full Hood Armor Protection Package
- Traditional Opening Hood



FUEL TANK ARMOR

- Fuel tanks include locking armored door
- Armored vertical protection and skid plate on both tanks

TOW HOOKS

- (2) on front of BATT; (2) on rear of BATT
- Hooks installed on Roof

CUSTOM RUNNING BOARDS

- Heavy Duty Running Boards

REAR PLATFORM/STEP/BUMPER

- Heavy Duty Rear Platform
- Includes additional rear bumper light; Allows for bumper illumination

GRAB HANDLES & REAR ROOF ACCESS

- Interior grab handles for stabilization inside cabin and rear officer's area
- Exterior steel grab handles for riding on running boards
  - Grab handles all around roof, on A Pillar, Located at all doors
- Rear mounted roof access steps

BATT - X2

FRONT SEATS

- (2) Front seats
- Driver's seat is high back adjustable
- Passenger seat is high back adjustable
- Covered with Heavy Duty Nylon

REAR SEATING

- Bench seating with enclosed under seat storage
  - Seats are padded and have padded back rests
  - Cut Outs for back board slats

BUCKET REAR SEATS

- (2) Rearward facing flip up seats

SEAT BELTS

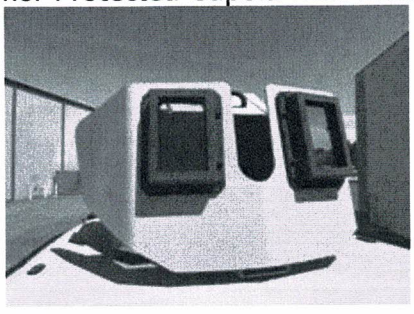
- Seat Belts for all seats

GUN PORT PACKAGE

- Optic Ready Gun Ports Each Cabin Door
- Optic Ready Gun Port in Additional Passenger Side Door
- Optic Ready Gun Port in each Rear Door
- (3) Optic Ready Gun Ports in Driver's Side Wall
- (3) Optic Ready Gun Ports in Passenger's Side Wall
- (12) Total Gun Ports – All Optic Ready

ROTATING ROOF HATCH w/CUPOLA

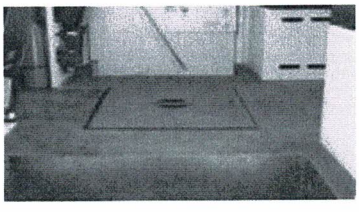
- 360 Degree Rotation with multiple locking positions
- NIJ IV+ Armor Protected Cupola with Glass on Sides & Front

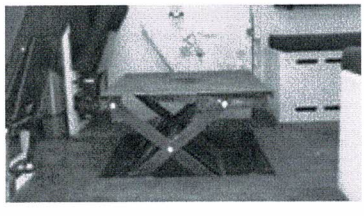




ROOF HATCH STEP

- Stored Flat in Floor when not in use to allow for easy entry and exit from rear and passenger side door





BATT - X2

REAR HVAC and REAR COOLING SYSTEM

- Large Additional rear Air Conditioning and Heating unit mounted in rear officer's area for additional cooling and heating

BASE INSULATION PACKAGE

- Dual Layer Ceramic-Based Insulated Coating

BATT V OFF ROAD UPGRADE PACKAGE & 335/80R20 QUAD TIRE/RIM PACKAGE UPGRADE

- Includes Conversion to Single Rear Wheel 20" Rim and Tires (385/80R20 Off Road Tires)

Suspension System

-Heavy-Duty Off-Road Shocks Designed for Armored Vehicles
-Installed on Front and Rear of BATT; Increases stability and ruggedness
-Front Coils Upgraded
- Rear Suspension has Additional Leafs Installed for support
-Upgraded Bump Stops at all Wheel Positions (Front & Rear)
-Heavy Duty Sway Bars Added

- Upgraded Suspension to improve handling and maneuverability
  - Includes upgraded steering stabilizer, sway bars, shocks, springs

RUN FLAT TIRE PACKAGE

- Includes addition of 4 Hutchinson static mounted run flats
- Rated for Km/h for distance of 50 km, if tire is punctured (dependent on terrain)

CONTROL SYSTEM

- All Switches have Backlit Control Panel for ease of reading at night
- Easy to read and use by both driver and passenger
- All wiring performed to work in high heat, dusty, and sandy environments

EMERGENCY SYSTEM & ELECTRICAL

- LED Emergency Lights in Grill and on Rear of Unit (Red and Blue)
- Multi Sound Horn/Siren with 100W Speaker

(2) REMOTE CONTROL SPOT LIGHTS

- (2) Remote Control LED Go Lights Installed on front corners of BATT
- (2) Pre-Cut Locations for Remote Control LED Go Lights on rear corners

INTERNAL LIGHTING

- Red/White Internal ceiling mounted lights
  - Allows for either White or Red or Both; Master switch in cabin; Also can control light from seat



BATT - X2

BACK-UP CAMERA

- Color Back Up Camera with Color Monitor

EXHAUST FANS

- 2 Exhaust fans installed in rear compartment

PRE-CUT OPTIONS ON BATT – X2

- Winch Cut-Out in Bumper
- Intercom System

PAINT

- Exterior
  - Black
- Interior
  - Gray Paint

Options

6.7L Turbo Diesel
Cupola Turret (Listed in Spec Above)
Base Hydraulic Ram (Up & Down Only)
2 x 12V Outlets
2 x USB Outlets
Radio Prep Package
2000W Power Inverter Package
2 x LED Remote Control Spotlights Rear of BATT
2 x Additional Red/White Dome Lights (Location TBD)
Interior Weapons Mount for 2 Rifles
Skid Plate Under Oil Pan

BATT - X2

#370,000

PRICING

BATT – X2: $324,000.00

Payment Terms Preferred: 50% Deposit with Remainder Due Before Shipment

Payment Terms Accepted: **Net 30**

*Price includes Ford F600 4x4 Diesel Chassis

*Price does not include freight to Statesville Police Department

-BATT built at our Shelby, NC Location

*Price does not include sales tax (The Armored Group does not collect sales tax)

September 11, 2024

Jeremy Johnson
Director, Law Enforcement Division
The Armored Group LLC

_____, _____ _____, 2024

Authorized Signature

ARMOR WARRANTY

Armor Basic ..... 24 Months/Unlimited Miles

BATT X OPTIONS

THE ARMORED GROUP

OEM/Chassis Upgrade Options	
6.7L Turbo Diesel Engine	$ 9,500.00
Ford Service Manuals	$ 632.00
Tire Upgrade 265/70R19.5 tire - set of six	$ 1,800.00
19.5" run flat insert- set of six	$ 5,860.00
19.5 spare wheel assembly- includes tire, rim and runflat - each	$ 1,250.00
20" spare wheel assembly - includes tire, rim and runflat	$ 4,556.00
22.5" Wheels and tires x 6 - will only fit on OEM axles - must have adaptor plates - no run flats	$ 7,200.00
22.5" Run Flats (QTY: 6)	$ 8,000.00
Snorkel and deep fording preparation - includes raised air intake, exhaust extention	$ 17,800.00
RHD conversion for F550	$ 35,000.00
"Dirty Diesel " conversion for F550	$ 6,000.00
Water Monitor Package with Joystick Control	$ 35,000.00
Structural Options	
Medivac Package	$ 39,375.00
Open type cupola turret with view windows and reduction gear. Protection level NIJ IV +.50 Cal ball ammo, manual rotation	$ 23,850.00
Ballistic Skip Round Shields	$ 7,990.00
Manual Ram, 2-Position Fixed	$ 5,175.00
Basic hydraulic operated front ram (up and down only)	$ 12,000.00
Hydraulically operated front ram (multi-position)	$ 16,500.00
Gas Needle Ram package	$ 6,500.00
Drako Preperation Package	$ 1,850.00
Spare Tire Mount on the vehicle roof (includes manual hoist)	$ 3,500.00
Rear Tow Hitch with Brake Control	$ 1,500.00
Gunner's sling seat and harness	$ 1,500.00
Anti-riot wire mesh protection for windows and lights	$ 5,830.00



AVTEC'S SCOUT

Dispatch Communications Platform

AVTEC

TWO WAY RADIO OF CAROLINA, INC.
704-372-3444
TWOWAYRADIO.ORG
2016 WEST MOREHEAD, ST. CHARLOTTE, NC 28208
MOTOROLA

Jonathan Sable
Mobile Phone / Voice Mail: 704-361-6224
2132 W. Morehead Street, Charlotte, N.C. 28208
800-372-DIGITAL (3444) 704-372-3444 Fax: 704-372-7059

Statesville Police Department **8/6/2024**
Attn: Chief David Onley
330 South Tradd St.
Statesville, NC 28677
704-878-3425

City of Statesville

QTY	DESCRIPTION	EACH	AMOUNT
	AVTEC DISPATCH CONSOLE		
	Console (Operator) Position Hardware/Software		
7	**Scout EX Console** Includes license , Tier 2 includes a license for a Schout Enterprise Console with Software Audio Package that enables access to Conventional and Trunked radios. Includes IRR. Software Key	$17,757.00	$ 124,299.00
7	Mini PC, hardened OS for Console Position	$2,595.00	$ 18,165.00
7	LED Display, 22" Widescreen HDMI input	$244.00	$ 1,708.00
7	Avtec USB Desk Mic for software console	$776.00	$ 5,432.00
7	Avtec USB Dual speaker kit, Scout Software Media Workstation	$1,162.00	$ 8,134.00
7	Avtec USB Headset/handset jack box (single Jack), Integrates NENA phone at the operators poition with Scout. Requires Scout version 4.11. or later running Software Media Workstation.	$1,033.00	$ 7,231.00
7	10 Port USB 3.0 Hub with Power Adapter. Mounting kit included. Installs on/under a desk, to a wall or DIN rail using the hardware & Included DIN brackets 3ft USB 3.0 cable included	$464.00	$ 3,248.00
7	Complete 6W Headset, Plantronics EncorePro HW510 Noise Cancelling Microphone with plug-prong base	$366.00	$ 2,562.00
	Gateways and Endpoint Hardware/Software		
1	Redundant VP Gate Software License for a maximum of 40 endpoints; Software Key	$33,106.00	$ 33,106.00
2	Standard Server hardened OS for Back end Components. Windows OS, TPM 2.0, 1RU, SSD. Rackmount	$7,675.00	$ 15,350.00
1	MC-Edge I/O Cable Cover, protects connections	$20.00	$ 20.00
1	MC-Edge I/O Low Expansion Module, for use with MCEdge Main, 16 inputs and 8 Outputs, 5-18V, Up to 5 expansion modules per MCEdge-Main	$795.00	$ 795.00
1	MC-Edge Main Module CPU, Configured for Aux I/O. 3 Inputs & 1 Output. Includes Pwr Supply w/ AC/DC cables	$2,095.00	$ 2,095.00
1	MC-Edge Rack Mount Adapter for 19" EIA racks. Supports up to 10 modules via DIN Rail, 5 on the rear. 4U tall. Includes 2 stops to keep the modules in place on the rail.	$595.00	$ 595.00
1	24G-Port PoE* 1U Managed Ethernet Switch with 4 SFP Slots	$6,539.00	$ 6,539.00
	Avtec products include a 12-month warranty. The warranty covers hardware repairs, software defect fixes, and include the ScoutCare program of Software Maintenance, Business hour remote support, 24x7 emergency support, and Technical Training. After the warranty period, Customer may renew Scout Care and as an additional add-on ScoutCare HW.		
	Professional Services and Expenses		
1	Professional Services and Expenses	$34,000.00	$ 34,000.00
1	Trade-in Discount	($30,000.00)	$ (30,000.00)

Total Avtec Console Including ScoutCare $ 233,279.00

TWO WAY RADIO OF CAROLINA, INC.

Avtec Console $ 233,279.00

WHEN MINUTES MATTER

You need to know that your communications system can handle whatever challenges it will face in today's complex world. At the center of the most demanding communications environments, you'll find an Avtec Scout™ dispatch console—protecting people, assets, and livelihoods. When a call comes in, you can feel confident that you've selected a reliable and efficient communications system from a company that understands what is important to you.

PROVEN

When you choose Avtec to be your communications partner, you're joining more than 75 utilities, six major U.S. airlines, hundreds of public safety agencies and dozens of Fortune 500 companies that have deployed a Scout dispatch console for their mission-critical communications.

SCALABLE

Build for now, but be prepared for later—your investment is always safe with Avtec, since Scout enterprise systems can grow in both capacity and capabilities as your needs dictate. And, as your requirements change over time, systems can be consolidated to one location, redistributed to many locations, or augmented to accommodate growth.

RELIABLE

Avtec Scout console systems are built on open standards and integrate seamlessly with the leading radio, telephony, push-to-talk over cellular (PoC), and broadband technologies. And since they are fully redundant, you can trust Avtec systems to deliver exceptional audio quality during standard operations, or during mutual aid situations such as natural or man-made disasters.



Avtec Scout EX Dispatch Console

WHY AVTEC SCOUT?

When your dispatchers are called into action, you want the best tools at their fingertips. Avtec's Scout consoles can handle a broad range of business and mission-critical communications needs—consolidating your radio, telephony, and broadband/LTE technologies into a best-in-class communications solution that offers exceptional audio quality, protection from cybersecurity threats, and virtually endless configurability.

Count on Avtec Scout for:

MISSION-CRITICAL RELIABILITY

Whether your dispatchers are dealing with a life-saving emergency or coordinating business-critical resources for your enterprise, you can count on Avtec to provide:

- Dispatch consoles with built-in redundancies for high availability and stability.
- Communications solutions with exceptional audio quality.
- ScoutCare™ licensed, post-warranty software maintenance and U.S.-based support 24/7/365 to protect against unforeseen issues and to deploy regular system enhancements.

A COMMITMENT TO CYBERSECURITY

Today's hackers target third-party applications as a pathway to gain access to your primary control systems. Avtec's Scout dispatch consoles are rigorously tested for vulnerabilities prior to each software release.

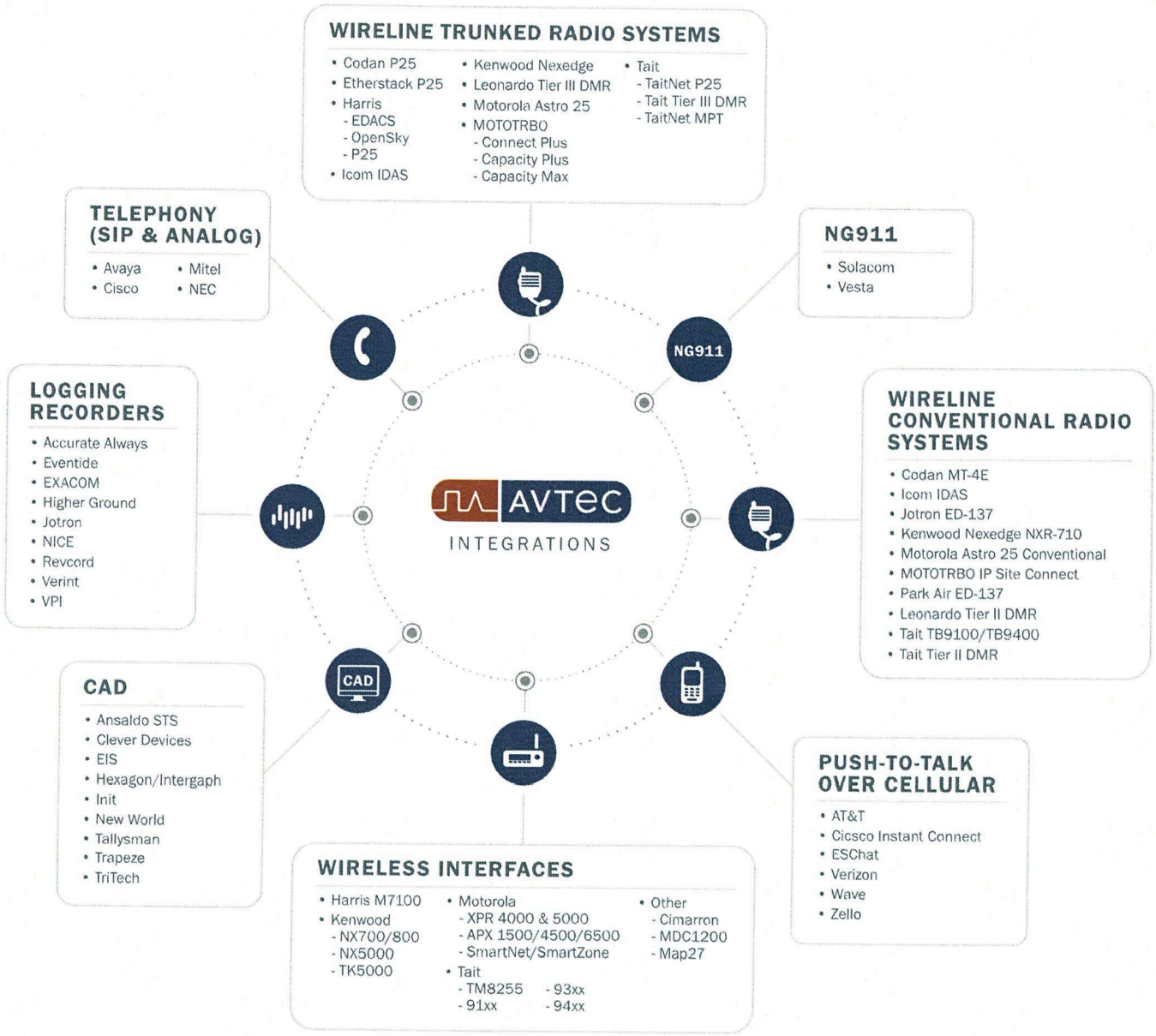
EASE OF USE

You need technology to bend and flex to meet your changing requirements. Avtec Scout's Enterprise Management Tools enable you to configure your console to your unique business needs, including:

- Customizable screens for role-specific preferences or to mirror legacy systems.
- Quick and intuitive connectivity to all voice resources.

INTEGRATION FLEXIBILITY

You need the freedom to select the right communication tools for the job based on what is most efficient and effective for your team. Avtec Scout's single-source code platform allows you to integrate legacy and next generation radio, telephony and PoC technologies in both fixed and mobile dispatch environments.





"Being able to reliably share information in a timely fashion is absolutely critical...Avtec custom-built the new system using screen configurations we sent. Our dispatchers were using the system comfortably within 10 minutes."

—JENNIFER WHITE
E-911 DIRECTOR
LOUDON COUNTY, TENNESSEE

AVTEC

1.800.310.7045
1.803.358.3620
www.avtecinc.com/demo

sales@avtecinc.com
100 Innovation Place
Lexington, SC 29072 USA

11.2020

Department of Justice (DOJ)

Office of Community Oriented Policing Services (COPS Office)

Washington, D.C. 20531

Name and Address of Recipient:	CITY OF STATESVILLE 301 S CENTER ST
City, State and Zip:	STATESVILLE, NC 28677
Recipient UEI:	TJL4XPRPFDS3

Project Title: City of Statesville Tactical Multipurpose Response and Rescue Vehicle and Dispatching Consoles Project	**Award Number:** 15JCOPS-26-GG-00426-TECP
Solicitation Title: FY26 COPS Technology and Equipment Program	
Federal Award Amount: $573,779.00	**Federal Award Date:** 9/25/26
Awarding Agency:	Office of Community Oriented Policing Services
Award Type:	Initial
Funding Instrument Type:	Grant
Opportunity Category: D **Assistance Listing:** 16.710 - Public Safety Partnership and Community Policing Grants	
Project Period Start Date: 1/23/26	**Project Period End Date:** 1/31/28
Budget Period Start Date: 1/23/26	**Budget Period End Date**: 1/31/28

Project Description:
The FY26 Technology and Equipment Program (TEP) provides funding to state, territorial, local, Tribal, and other entities designated under the heading Community Oriented Policing Services, Technology and Equipment Community Projects / COPS Law Enforcement Technology and Equipment in the Congressional Joint Explanatory Statement – Division C, which is incorporated by reference into Public Law 119-74, to develop and acquire effective law enforcement equipment, technologies and interoperable communications that assist in responding to and preventing crime and expand the implementation of community policing. Equipment funded under this program should meet any applicable requirements of the National Institute of Standards and Technology's Office of Law Enforcement Standards.

Award Letter

September 25, 2026

Dear David Onley,

On behalf of the Attorney General, it is my pleasure to inform you the Office of Community Oriented Policing Services (the COPS Office) has approved the application submitted by CITY OF STATESVILLE for an award under the funding opportunity entitled 2026 FY26 COPS Technology and Equipment Program. The approved award amount is $573,779.
Review the Award Instrument below carefully and familiarize yourself with all conditions and requirements before accepting your award. The Award Instrument includes the Award Offer (Award Information, Project Information, Financial Information, and Award Conditions) and Award Acceptance. For COPS Office and OVW funding the Award Offer also includes any Other Award Documents.

Please note that award requirements include not only the conditions and limitations set forth in the Award Offer, but also compliance with assurances and certifications that relate to conduct during the period of performance for the award. These requirements encompass financial, administrative, and programmatic matters, as well as other important matters (e.g., specific restrictions on use of funds). Therefore, all key staff should receive the award conditions, the assurances and certifications, and the application as approved by the COPS Office, so that they understand the award requirements. Information on all pertinent award requirements also must be provided to any subrecipient of the award.

Should you accept the award and then fail to comply with an award requirement, DOJ will pursue appropriate remedies for non-compliance, which may include termination of the award and/or a requirement to repay award funds.

Prior to accepting the award, your Entity Administrator must assign a Financial Manager, Grant Award Administrator, and Authorized Representative(s) in the Justice Grants System (JustGrants). The Entity Administrator will need to ensure the assigned Authorized Representative(s) is current and has the legal authority to accept awards and bind the entity to the award terms and conditions. To accept the award, the Authorized Representative(s) must accept all parts of the Award Offer in the Justice Grants System (JustGrants), including by executing the required declaration and certification, within 45 days from the award date.

To access your funds, you will need to enroll in the Automated Standard Application for Payments (ASAP) system, if you haven't already completed the enrollment process in ASAP. The Entity Administrator should have already received an email from ASAP to initiate this process.

Congratulations, and we look forward to working with you.

Cory D. Randolph
COPS Office Deputy Director

Office for Civil Rights Notice for All Recipients

The Office for Civil Rights (OCR), Office of Justice Programs (OJP), U.S. Department of Justice (DOJ) enforces federal civil rights laws and other provisions that prohibit discrimination by recipients of federal financial assistance from OJP, the Office of Community Oriented Policing Services (COPS), and the Office on Violence Against Women (OVW).

Several civil rights laws, including Title VI of the Civil Rights Act of 1964 and Section 504 of the Rehabilitation Act of 1973, require recipients of federal financial assistance (recipients) to give assurances that they will comply with those laws. Taken together, these and other civil rights laws prohibit recipients from discriminating in the provision of services and employment because of race, color, national origin, religion, disability, and sex or from discriminating in the provision of services on the bases of age.

Some recipients of DOJ financial assistance have additional obligations to comply with other applicable nondiscrimination provisions like the Omnibus Crime Control and Safe Streets Act of 1968, which prohibits discrimination on the basis of religion in addition to race, color, national origin, and sex. Recipients may also have related requirements regarding the development and implementation of equal employment opportunity programs.

OCR provides technical assistance, training, and other resources to help recipients comply with civil rights obligations. Further, OCR administratively enforces civil rights laws and nondiscrimination provisions by investigating DOJ recipients that are the subject of discrimination complaints. In addition, OCR conducts compliance reviews of DOJ recipients based on regulatory criteria. These investigations and compliance reviews permit OCR to evaluate whether DOJ recipients are providing services to the public and engaging in employment practices in a nondiscriminatory manner.

For more information about OCR, your civil rights and nondiscrimination responsibilities, how to notify your employees or beneficiaries of their civil rights protections and responsibilities and how to file a complaint, as well as technical assistance, training, and other resources, please visit www.ojp.gov/program/civil-rights-office/outreach. If you would like OCR to assist you in fulfilling your civil rights or nondiscrimination responsibilities, please contact us at askOCR@ojp.usdoj.gov or www.ojp.gov/program/civil-rights-office/about#ocr-contacts.

Award Information

This award is offered subject to the conditions or limitations set forth in the Award Information, Project Information, Financial Information, and Award Conditions.

Recipient Information

Recipient Name
CITY OF STATESVILLE

UEI
TJL4XPRPFDS3

ORI Number
NC04902

Street 1
301 S CENTER ST

Street 2

City
STATESVILLE

State/U.S. Territory
North Carolina

Zip/Postal Code
28677

Country
United States

County/Parish

Province

Award Details

Federal Award Date
9/25/26

Award Type
Initial

Award Number
15JCOPS-26-GG-00426-TECP

Supplement Number
00

Federal Award Amount
$573,779.00

Funding Instrument Type
Grant

Assistance Listing Number	Assistance Listings Program Title
16.710	Public Safety Partnership and Community Policing Grants

Statutory Authority

Omnibus Crime Control and Safe Streets Act of 1968, as amended, and the Violent Crime Control and Law Enforcement Act of 1994, Title I, Part Q, Public Law 103-322, 34 U.S.C. § 10381 et seq.

[X] *I have read and understand the information presented in this section of the Federal Award Instrument.*

Project Information

This award is offered subject to the conditions or limitations set forth in the Award Information, Project Information, Financial Information, and Award Conditions.

Solicitation Title
2026 FY26 COPS Technology and Equipment Program

Awarding Agency
COPS

Application Number
GRANT14679718

Grant Manager Name	Phone Number	E-mail Address
Chanell Jones	202-598-9180	chanell.l.jones@usdoj.gov

Project Title
City of Statesville Tactical Multipurpose Response and Rescue Vehicle and Dispatching Consoles Project

Performance Period Start Date	Performance Period End Date
01/23/2026	01/31/2028

Budget Period Start Date	Budget Period End Date
01/23/2026	01/31/2028

Project Description
The FY26 Technology and Equipment Program (TEP) provides funding to state, territorial, local, Tribal, and other entities designated under the heading Community Oriented Policing Services, Technology and Equipment Community Projects / COPS Law Enforcement Technology and Equipment in the Congressional Joint Explanatory Statement – Division C, which is incorporated by reference into Public Law 119-74, to develop and acquire effective law enforcement equipment, technologies and interoperable communications that assist in responding to and preventing crime and expand the implementation of community policing. Equipment funded under this program should meet any applicable requirements of the National Institute of Standards and Technology's Office of Law Enforcement Standards.

[X] *I have read and understand the information presented in this section of the Federal Award Instrument.*

Financial Information

This award is offered subject to the conditions or limitations set forth in the Award Information, Project Information, Financial Information, and Award Conditions.

A financial analysis of budgeted costs has been completed. All costs listed in the approved budget below were programmatically approved based on the final proposed detailed budget and budget narratives submitted by your agency to the COPS Office. Any adjustments or edits to the proposed budget are explained below.

Budget Clearance Date: 7/30/26 4:21 PM

Budget Summary

Budget Category	Proposed Budget	Change	Approved Budget	Percentages
Sworn Officer Positions:	$0	$0	$0	
Civilian or Non-Sworn Personnel:	$0	$0	$0	
Travel:	$0	$0	$0	

Equipment:	$573,779	$0	$573,779	
Supplies:	$0	$0	$0	
SubAwards:	$0	$0	$0	
Procurement Contracts:	$0	$0	$0	
Other Costs:	$0	$0	$0	
Total Direct Costs:	$573,779	$0	$573,779	
Indirect Costs:	$0	$0	$0	
Total Project Costs:	$573,779	$0	$573,779	
Federal Funds:	$573,779	$0	$573,779	100.00%
Match Amount:	$0	$0	$0	0.00%
Program Income:	$0	$0	$0	0.00%

[X] *I have read and understand the information presented in this section of the Federal Award Instrument.*

Other Award Documents

No other award documents have been added.

Award Conditions

This award is offered subject to the conditions or limitations set forth in the Award Information, Project Information, Financial Information, and Award Conditions.

Condition 1
Restrictions on Internal Confidentiality Agreements: No recipient or subrecipient under this award, or entity that receives a contract or subcontract with any funds under this award, may require any employee or contractor to sign an internal confidentiality agreement or statement that prohibits or otherwise restricts the lawful reporting of waste, fraud, or abuse to an investigative or law enforcement representative of a federal department or agency authorized to receive such information. Consolidated Appropriations Act, 2026, Public Law 119-75, Division E, Title VII, Section 742.

Condition 2
Compliance with 8 U.S.C. § 1373: Authority to obligate or expend contingent on compliance with this condition. State or local government entity recipients of this award, and any subrecipient of this award at any tier that is an entity of a State or of a unit of local government, must comply with 8 U.S.C. §1373, which provides that such entities may not prohibit, or in any way restrict, any government entity or official from sending to, receiving from, maintaining, or exchanging information regarding citizenship or immigration status, lawful or unlawful, of any individual with components of the U.S. Department of Homeland Security or any other federal, state or local government entity. This includes any prohibitions or restrictions imposed or established by a State or local government entity or official.

Any obligations or expenditures of a recipient or subrecipient that are impermissible under this condition shall be unallowable costs for purposes of this award.

References to the Immigration and Naturalization Service in 8 U.S.C. 1373 are to be read, as a legal matter, as

references to components of the U.S. Department of Homeland Security.

Condition 3
Federal Civil Rights and Nondiscrimination Laws (certification): The recipient agrees that its compliance with all applicable Federal civil rights and nondiscrimination laws is material to the government's decision to make this award and any payment thereunder, including for purposes of the False Claims Act (31 U.S.C. 3729-3730 and 3801-3812), and, by accepting this award, certifies that it does not operate any programs (including any such programs having components relating to diversity, equity, and inclusion) that violate any applicable Federal civil rights or nondiscrimination laws.

Condition 4
Federal Laws, Presidential Memoranda, and Executive Orders: Recipients of grant funding must comply with all applicable federal laws and Presidential Memoranda and all Executive Orders by the President.

Condition 5
Award Monitoring Activities: Federal law requires that recipients receiving federal funding from the COPS Office must be monitored to ensure compliance with their award conditions and other applicable statutes and regulations. The COPS Office is also interested in tracking the progress of our programs and the advancement of community policing. Both aspects of award implementation—compliance and programmatic benefits—are part of the monitoring process coordinated by the U.S. Department of Justice. Award monitoring activities conducted by the COPS Office include site visits, enhanced office-based grant reviews, alleged noncompliance reviews, financial and programmatic reporting, and audit resolution. As a COPS Office award recipient, you agree to cooperate with and respond to any requests for information pertaining to your award. This includes all financial records, such as general accounting ledgers and all supporting documents. All information pertinent to the implementation of the award is subject to agency review throughout the life of the award, during the close-out process and for three-years after the submission of the final expenditure report. 2 C.F.R. §§ 200.334 and 200.337, and, as applicable, 34 U.S.C. § 10385(a).

Condition 6
Authorized Representative Responsibility: The recipient understands that, in accepting this award, the Authorized Representatives declare and certify, among other things, that they possess the requisite legal authority to accept the award on behalf of the recipient entity and, in so doing, accept (or adopt) all material requirements throughout the period of performance under this award. The recipient further understands, and agrees, that it will not assign anyone to the role of Authorized Representative during the period of performance under the award without first ensuring that the individual has the requisite legal authority.

Condition 7
Contract Provision: All contracts made by the award recipients under the federal award must contain the provisions required under 2 C.F.R. Part 200, Appendix II to Part 200—Contract Provisions for Non-Federal Entity Contracts Under Federal Awards. Please see appendices in the Award Owner's Manual for a full text of the contract provisions.

Condition 8
Award Owner's Manual: The recipient agrees to comply with the terms and conditions in the applicable award year COPS Office Program Award Owner's Manual; DOJ Grants Financial Guide; COPS Office statute (34 U.S.C. § 10381, et seq.) as applicable; Students, Teachers, and Officers Preventing (STOP) School Violence Act of 2018 (34 U.S.C. § 10551, et seq.) as applicable; the requirements of 2 C.F.R. Part 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards), including subsequent changes, as adopted by the U.S. Department of Justice in 2 C.F.R. § 2800.101; 48 C.F.R. Part 31 (FAR Part 31) as applicable (Contract Cost Principles and Procedures); the Cooperative Agreement as applicable; representations made in the application; and all other applicable program requirements, laws, orders, regulations, or circulars.

Failure to comply with one or more award requirements may result in remedial action including, but not limited to, withholding award funds, disallowing costs, suspending, or terminating the
award, or other legal action as appropriate.

Should any provision of a condition of this award be held to be invalid or unenforceable by its terms, then that provision shall first be applied with a limited construction so as to give it the maximum effect permitted by law (to any person or

circumstance) under this award. Should it be held, instead, that a condition (or a provision thereof) is of utter invalidity or unenforceability, such condition (or such provision) shall be deemed severable from this award.

Condition 9
Federal Civil Rights: The recipient and any subrecipient must comply with applicable federal civil rights and nondiscrimination statutes and regulations including: Section 601 of the Civil Rights Act of 1964 (42 U.S.C. § 2000d), as implemented in Subparts C and D of 28 C.F.R. Part 42; section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794), as implemented in Subpart G of 28 C.F.R. Part 42; section 901 of the Education Amendments of 1972 (20 U.S.C. § 1681), as implemented in Subpart D of 28 C.F.R. Parts 42 and 54; section 303 of the Age Discrimination Act of 1975 (42 U.S.C. § 6102), as implemented in Subpart I of 28 C.F.R. Part 42; and section 809(c) of Title I of the Omnibus Crime Control and Safe Streets Act of 1968 (34 U.S.C. § 10228(c)), as implemented in Subpart D of 28 C.F.R. Part 42. In addition to applicable federal statutes and regulations that pertain to civil rights and nondiscrimination, the recipient and any subrecipient must comply with the requirements in 28 C.F.R. Parts 22 (Confidentiality of Identifiable Research and Statistical Information); 28 C.F.R. Part 23 (Criminal Intelligence Systems Operating Policies); 28 C.F.R. Part 38 (Partnerships with Faith-Based and Other Neighborhood Organizations); and 28 C.F.R. Part 46 (Protection of Human Subjects). For an overview of the civil rights laws and nondiscrimination requirements in connection with your award, please see https://www.ojp.gov/program/civil-rights/overview.

Condition 10
Duplicative Funding: The recipient understands and agrees to notify the COPS Office if it receives, from any other source, funding for the same item or service also funded under this award.

Condition 11
Prohibited conduct by recipients and subrecipients related to trafficking in persons (including reporting requirements and COPS Office authority to terminate award): The recipient and subrecipient agree to comply with the following requirements of 2 C.F.R. Part 175, Appendix A to Part 175 – Award Term:
I. Trafficking in Persons
(a) Provisions applicable to a recipient that is a private entity. (1) Under this award, the
recipient, its employees, subrecipients under this award, and subrecipient's employees must not engage in:
(i) Severe forms of trafficking in persons;
(ii) The procurement of a commercial sex act during the period of time that this award
or any subaward is in effect;
(iii) The use of forced labor in the performance of this award or any subaward; or
(iv) Acts that directly support or advance trafficking in persons, including the following acts:
(A) Destroying, concealing, removing, confiscating, or otherwise denying an employee access to that employee's identity or immigration documents;
(B) Failing to provide return transportation or pay for return transportation costs to an employee from a country outside the United States to the country from which the employee was recruited upon the end of employment if requested by the employee, unless:
(1) Exempted from the requirement to provide or pay for such return transportation by the Federal department or agency providing or entering into the grant or cooperative agreement; or
(2) The employee is a victim of human trafficking seeking victim services or legal redress in the country of employment or a witness in a human trafficking enforcement action;
(C) Soliciting a person for the purpose of employment, or offering employment, by means of materially false or fraudulent pretenses, representations, or promises regarding that employment;
(D) Charging recruited employees a placement or recruitment fee; or
(E) Providing or arranging housing that fails to meet the host country's housing and safety standards.
(2) The Federal agency may unilaterally terminate this award or take any remedial
actions authorized by 22 U.S.C. 7104b(c), without penalty, if any private entity under this award:
(i) Is determined to have violated a prohibition in paragraph (a)(1) of this appendix; or
(ii) Has an employee that is determined to have violated a prohibition in paragraph
(a)(1) of this this appendix through conduct that is either:
(A) Associated with the performance under this award; or
(B) Imputed to the recipient or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, ''OMB
Guidelines to Agencies on Government-wide Debarment and Suspension (Nonprocurement),'' as implemented by DOJ at 2 C.F.R. Part 2867.
(b) Provision applicable to a recipient other than a private entity. (1) The Federal agency

may unilaterally terminate this award or take any remedial actions authorized by 22 U.S.C. 7104b(c), without penalty, if a subrecipient that is a private entity under this award:
(i) Is determined to have violated a prohibition in paragraph (a)(1) of this appendix; or
(ii) Has an employee that is determined to have violated a prohibition in paragraph (a)(1) of this appendix through conduct that is either:
(A) Associated with the performance under this award; or
(B) Imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, ''OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Nonprocurement),'' as implemented by 2 C.F.R. Part 2867.
(c) Provisions applicable to any recipient.
(1) The recipient must inform the Federal agency and the Inspector General of the Federal agency immediately of any information you receive from any source alleging a violation of a prohibition in paragraph (a)(1) of this appendix.
(2) The Federal agency's right to unilaterally terminate this award as described in paragraphs (a)(2) or (b)(1) of this appendix:
(i) Implements the requirements of 22 U.S.C. 78, and
(ii) Is in addition to all other remedies for noncompliance that are available to the Federal agency under this award.
(3) The recipient must include the requirements of paragraph (a)(1) of this award term in any subaward it makes to a private entity.
(4) If applicable, the recipient must also comply with the compliance plan and certification requirements in 2 CFR 175.105(b).
(d) Definitions. For purposes of this award term:
Employee means either:
(1) An individual employed by the recipient or a subrecipient who is engaged in the performance of the project or program under this award; or
(2) Another person engaged in the performance of the project or program under this award and not compensated by the recipient including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing requirements.
Private Entity means any entity, including for-profit organizations, nonprofit organizations, institutions of higher education, and hospitals. The term does not include foreign public entities, Indian Tribes, local governments, or states as defined in 2 CFR 200.1.
The terms ''severe forms of trafficking in persons,'' ''commercial sex act,'' ''sex trafficking,'' ''Abuse or threatened abuse of law or legal process,'' ''coercion,'' ''debt bondage,'' and ''involuntary servitude'' have the meanings given at section 103 of the TVPA, as amended (22 U.S.C. 7102).

Condition 12
Termination: Recipient understands and agrees that the COPS Office may terminate funding, in whole or in part, for the following reasons:
(1) When the recipient fails to comply with the terms and conditions of a Federal award.
(2) When the recipient agrees to the termination and termination conditions.
(3) When the recipient provides the COPS Office written notification requesting termination including the reasons, effective date, and the portion of the award to be terminated. The COPS Office may terminate the entire award if the remaining portion will not accomplish the purposes of the award.
(4) Pursuant to any other award terms and conditions, including, when an award no longer effectuates the program goals or agency priorities to the extent such termination is authorized by law.
2. C.F.R. § 200.340.

Condition 13
Recipient Integrity and Performance Matters: For awards over $500,000, the recipient agrees to comply with the following requirements of 2 C.F.R. Part 200, Appendix XII to Part 200 – Award Term and Condition for Recipient Integrity and Performance Matters:
I. Reporting of Matters Related to Recipient Integrity and Performance
(a) General Reporting Requirement.
(1) If the total value of your active grants, cooperative agreements, and procurement contracts from all Federal agencies exceeds $10,000,000 for any period of time during the period of performance of this Federal award, then you as the recipient must ensure the information available in the responsibility/qualification records through the System for

Award Management (SAM.gov), about civil, criminal, or administrative proceedings described in paragraph (b) of this award term is current and complete. This is a statutory requirement under section 872 of Public Law 110–417, as amended (41 U.S.C. 2313). As required by section 3010 of Public Law 111– 212, all information posted in responsibility/qualification records in SAM.gov on or after April 15, 2011 (except past performance reviews required for Federal procurement contracts) will be publicly available.
(b) Proceedings About Which You Must Report.
(1) You must submit the required information about each proceeding that—
(i) Is in connection with the award or performance of a grant, cooperative agreement, or procurement contract from the Federal Government;
(ii) Reached its final disposition during the most recent five-year period; and
(iii) Is one of the following—
(A) A criminal proceeding that resulted in a conviction;
(B) A civil proceeding that resulted in a finding of fault and liability and payment of a monetary fine, penalty, reimbursement, restitution, or damages of $5,000 or more;
(C) An administrative proceeding that resulted in a finding of fault and liability and your payment of either a monetary fine or penalty of $5,000 or more or reimbursement, restitution, or damages in excess of $100,000; or
(D) Any other criminal, civil, or administrative proceeding if—
(1) It could have led to an outcome described in paragraph (b)(1)(iii)(A) through (C);
(2) It had a different disposition arrived at by consent or compromise with an acknowledgment of fault on your part; and
(3) The requirement in this award term to disclose information about the proceeding does not conflict with applicable laws and regulations.
(c) Reporting Procedures. Enter the required information in SAM.gov for each proceeding described in paragraph (b) of this award term. You do not need to submit the information a second time under grants and cooperative agreements that you received if you already provided the information in SAM.gov because you were required to do so under Federal procurement contracts that you were awarded.
(d) Reporting Frequency. During any period of time when you are subject to the requirement in paragraph (a) of this award term, you must report proceedings information in SAM.gov for the most recent five-year period, either to report new information about a proceeding that you have not reported previously or affirm that there is no new information to report. If you have Federal contract, grant, and cooperative agreement awards with a cumulative total value greater than $10,000,000, you must disclose semiannually any information about the criminal, civil, and administrative proceedings.
(e) Definitions. For purposes of this award term—
Administrative proceeding means a nonjudicial process that is adjudicatory in nature to make a determination of fault or liability (for example, Securities and Exchange Commission Administrative proceedings, Civilian Board of Contract Appeals proceedings, and Armed Services Board of Contract Appeals proceedings). This includes proceedings at the Federal and State level but only in connection with the performance of a Federal contract or grant. It does not include audits, site visits, corrective plans, or inspection of deliverables.
Conviction means a judgment or conviction of a criminal offense by any court of competent jurisdiction, whether entered upon a verdict or a plea, and includes a conviction entered upon a plea of nolo contendere. Total value of currently active grants, cooperative agreements, and procurement contracts includes the value of the Federal share already received plus any anticipated Federal share under those awards (such as continuation funding).

Condition 14
Reporting Subawards and Executive Compensation: The recipient agrees to comply with the following requirements of 2 C.F.R. Part 170, Appendix A to Part 170 – Award Term:
I. Reporting Subawards and Executive Compensation
(a) Reporting of first-tier subawards—(1) Applicability. Unless the recipient is exempt as provided in paragraph (d) of this award term, the recipient must report each subaward that equals or exceeds $30,000 in Federal funds for a subaward to an entity or Federal agency. The recipient must also report a subaward if a modification increases the Federal funding to an amount that equals or exceeds $30,000. All reported subawards should reflect the total amount of the
subaward.
(2) Reporting Requirements. (i) The entity or Federal agency must report each subaward
described in paragraph (a)(1) of this award term to the Federal Funding Accountability
and Transparency Act Subaward Reporting System (FSRS) at http://www.fsrs.gov.
(ii) For subaward information, report no later than the end of the month following the month in which the subaward was issued. (For example, if the subaward was made on November 7, 2025, the subaward must be reported by no later than December 31, 2025).
(b) Reporting total compensation of recipient executives for entities—(1) Applicability. The recipient must report the

total compensation for each of the recipient's five most highly compensated executives for the preceding completed fiscal year if:
(i) The total Federal funding authorized to date under this Federal award equals or
exceeds $30,000;
(ii) in the preceding fiscal year, the recipient received:
(A) 80 percent or more of the recipient's annual gross revenues from Federal procurement contracts (and subcontracts) and Federal awards (and subawards) subject to the Transparency Act; and
(B) $25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal awards (and subawards) subject to the Transparency Act; and,
(iii) The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986 after receiving this subaward. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at http://www.sec.gov/answers/execomp.htm.)
(2) Reporting Requirements. The recipient must report executive total compensation described in paragraph (b)(1) of this appendix:
(i) As part of the recipient's registration profile at https://www.sam.gov.
(ii) No later than the month following the month in which this Federal award is made, and annually after that. (For example, if this Federal award was made on November 7,
2025, the executive total compensation must be reported by no later than December 31,
2025.)
(c) Reporting of total compensation of subrecipient executives—(1) Applicability. Unless a first-tier subrecipient is exempt as provided in paragraph (d) of this appendix, the recipient must report the executive total compensation of each of the subrecipient's five most highly compensated executives for the subrecipient's preceding completed fiscal year, if:
(i) The total Federal funding authorized to date under the subaward equals or exceeds
$30,000;
(ii) In the subrecipient's preceding fiscal year, the subrecipient received:
(A) 80 percent or more of its annual gross revenues from Federal procurement contracts
(and subcontracts) and Federal awards (and subawards) subject to the Transparency Act; and,
(B) $25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal awards (and subawards) subject to the Transparency Act; and
(iii) The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986 after receiving this subaward. (To determine if the public has access to the compensation information, see
the U.S. Security and Exchange Commission total compensation filings at http://www.sec.gov/answers/execomp.htm.)
(2) Reporting Requirements. Subrecipients must report to the recipient their executive total compensation described in paragraph
(c)(1) of this appendix. The recipient is required to submit this information to the
Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) at http://www.fsrs.gov no later than the end of the month following the month in which the subaward was made. (For example, if the subaward was made on November 7, 2025, the subaward must be reported by no later than December 31, 2025).
(d) Exemptions. (1) A recipient with gross income under $300,000 in the previous tax year is exempt from the requirements to report:
(i) Subawards, and
(ii) The total compensation of the five most highly compensated executives of any subrecipient.
(e) Definitions. For purposes of this award term:
Entity includes:
(1) Whether for profit or nonprofit:
(i) A corporation;
(ii) An association;
(iii) A partnership;
(iv) A limited liability company;
(v) A limited liability partnership;
(vi) A sole proprietorship;
(vii) Any other legal business entity;
(viii) Another grantee or contractor that is not excluded by subparagraph (2); and
(ix) Any State or locality;

(2) Does not include:
(i) An individual recipient of Federal financial assistance; or
(ii) A Federal employee.
Executive means an officer, managing partner, or any other employee holding a management position.
Subaward has the meaning given in 2 CFR200.1.
Subrecipient has the meaning given in 2CFR 200.1.
Total Compensation means the cash and noncash dollar value an executive earns during an entity's preceding fiscal year. This includes all items of compensation as prescribed in 17 CFR 229.402(c)(2).

Condition 15
Assurances and Certifications: The recipient acknowledges its agreement to comply with the Assurances and Certifications forms that were signed as part of its application.

Condition 16
Conflict of Interest: Recipients and subrecipients must disclose in writing to the COPS Office or pass-through entity, as applicable, any potential conflict of interest affecting the awarded federal funding in 2 C.F.R. § 200.112.

Condition 17
Debarment and Suspension: The recipient agrees not to award federal funds under this program to any party which is debarred or suspended from participation in federal assistance programs. 2 C.F.R. Part 180 (Government-wide Nonprocurement Debarment and Suspension) and 2 C.F.R. Part 2867 (DOJ Nonprocurement Debarment and Suspension).

Condition 18
Equal Employment Opportunity Plan (EEOP): Please see the Office for Civil Rights website https://www.ojp.gov/eeop-notice for current information on the recipient's responsibilities related to the federal regulations pertaining to the development and implementation of an Equal Employment Opportunity Plan.

Condition 19
Employment Eligibility: The recipient agrees to complete and keep on file, as appropriate, the Department of Homeland Security, U.S. Citizenship and Immigration Services (USCIS) Employment Eligibility Verification Form (I-9). This form is to be used by recipients of federal funds to verify that persons are eligible to work in the United States. Immigration Reform and Control Act of 1986 (IRCA), Public Law 99-603.

Condition 20
Enhancement of Contractor Protection from Reprisal for Disclosure of Certain Information: Recipients and subrecipients agree not to discharge, demote, or otherwise discriminate against an employee as reprisal for the employee disclosing information that he or she reasonably believes is evidence of gross mismanagement of a federal contract or award, a gross waste of federal funds, an abuse of authority relating to a federal contract or award, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a Federal contract (including the competition for or negotiation of a contract) or award. Recipients and subrecipients also agree to provide to their employees in writing (in the predominant native language of the workforce) of the rights and remedies provided in 41 U.S.C. § 4712. Please see appendices in the Award Owner's Manual for a full text of the statute.

Condition 21
False Statements: False statements or claims made in connection with COPS Office awards may result in fines, imprisonment, debarment from participating in federal awards or contracts, and/or any other remedy available by law. 31 U.S.C. § 3729-3733.

Condition 22
Mandatory Disclosure: Recipients and subrecipients must timely disclose in writing to the Federal awarding agency or pass-through entity, as applicable, all federal criminal law violations involving fraud, bribery, or gratuity that may potentially affect the awarded federal funding. Recipients that receive an award over $500,000 must also report certain civil, criminal, or administrative proceedings in SAM and are required to comply with the Term and Condition for Recipient Integrity and Performance Matters as set out in 2 C.F.R. Part 200, Appendix XII to Part 200. Failure to make

required disclosures can result in any of the remedies, including suspension and debarment, described in 2 C.F.R. § 200.339. 2 C.F.R. § 200.113.

Condition 23
Reports/Performance Goals: To assist the COPS Office in monitoring and tracking the performance of your award, your agency will be responsible for submitting semi-annual programmatic performance reports that describe project activities during the reporting period and quarterly Federal Financial Reports using Standard Form 425 (SF-425). 2 C.F.R. §§ 200.328 - 200.329. The performance report is used to track your agency's progress in implementing the award, and, as applicable, community policing strategies including gauging the effectiveness of your agency's community policing capacity. The Federal Financial Report is used to track the expenditures of the recipient's award funds on a cumulative basis throughout the life of the award.

Condition 24
System for Award Management (SAM.gov) and Universal Identifier Requirements: The recipient agrees to comply with the following requirements of 2 C.F.R. Part 25, Appendix A to Part 25 – Award Term:
I. System for Award Management (SAM.gov) and Universal Identifier Requirements
(a) Requirement for System for Award Management. (1) Unless exempt from this requirement under 2 CFR 25.110, the recipient must maintain a current and active registration in SAM.gov. The recipient's registration must always be current and active until the recipient submits all final reports required under this Federal award or receives the final payment, whichever is later. The recipient must review and update its information in SAM.gov at least annually from the date of its initial registration or any subsequent updates to ensure it is current, accurate, and complete. If applicable, this includes identifying the recipient's immediate and highest-level owner and subsidiaries and providing information about the recipient's predecessors that have received a Federal award or contract within the last three years.
(b) Requirement for Unique Entity Identifier (UEI). (1) If the recipient is authorized to make subawards under this Federal award, the recipient:
(i) Must notify potential subrecipients that no entity may receive a subaward until the entity has provided its UEI to the recipient.
(ii) Must not make a subaward to an entity unless the entity has provided its UEI to the recipient. Subrecipients are not required to complete full registration in SAM.gov to obtain a UEI.
(c) Definitions. For the purposes of this award term:
System for Award Management (SAM.gov) means the Federal repository into which a recipient must provide the information required for the conduct of business as a recipient. Additional information about registration procedures may be found in SAM.gov (currently at https://www.sam.gov).
Unique entity identifier means the universal identifier assigned by SAM.gov to uniquely identify an entity.
Entity is defined at 2 CFR 25.400 and includes all of the following types as defined in 2 CFR 200.1:
(1) Non-Federal entity;
(2) Foreign organization;
(3) Foreign public entity;
(4) Domestic for-profit organization; and
(5) Federal agency.
Subaward has the meaning given in 2 CFR 200.1.
Subrecipient has the meaning given in 2 CFR 200.1.

Condition 25
Additional High-Risk Recipient Requirements: The recipient agrees to comply with any additional requirements that may be imposed during the award performance period if the awarding agency determines that the recipient is a high-risk recipient. 2 C.F.R. § 200.208.

Condition 26
Criminal Intelligence Systems: Recipients using award funds to operate an interjurisdictional criminal intelligence system must comply with the operating principles of 28 C.F.R. Part 23. At the time of application, the recipient assured the COPS Office that it will comply with the requirements of 28 C.F.R. Part 23.

Condition 27
Allowable Costs: The funding under this award is for the payment of approved costs for program-specific purposes.

The allowable costs approved for your agency's award are limited to those listed in your agency's award package. In accordance with 2 C.F.R. § 200.400(g), the recipient or subrecipient must not earn or keep any profit resulting from the award. Your agency may not use award funds for any costs not identified as allowable in the award package.

Condition 28
Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment: Recipient agrees that it, and its subrecipients, will not use award funds to extend, renew, or enter into any contract to procure or obtain any covered telecommunication and video surveillance services or equipment as described in 2 CFR §200.216. Covered services and equipment include telecommunications or video surveillance services or equipment produced or provided by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities); Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities); or an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of China. The use of award funds on covered telecommunications or video surveillance services or equipment are unallowable.
2. C.F.R. § § 200.216 & 471. See also Section 889 of the John S. McCain National Defense Authorization Act of Fiscal Year 2019, Public Law 115-232.

Condition 29
Sole Source Justification: Recipients who have been awarded funding for the procurement of an item (or group of items) or service in excess of the simplified acquisition threshold (currently, $350,000) and who plan to seek approval for use of a noncompetitive procurement process must provide a written sole source justification to the COPS Office for approval prior to obligating, expending, or drawing down award funds for that item or service. 2 C.F.R. § 200.325(b)(2).

Condition 30
Buy America Preference
Recipients of an award of Federal financial assistance for the construction, alteration, maintenance, or repair of infrastructure are hereby notified that none of the funds provided under this award may be used for an infrastructure project unless:
(1) All iron and steel used in the project are produced in the United States—this means all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States;

(2) All manufactured products used in the project are produced in the United States— this means the manufactured product was manufactured in the United States; and the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product, unless another standard that meets or exceeds this standard has been established under applicable law or regulation for determining the minimum amount of domestic content of the manufactured product; and
(3) All construction materials are manufactured in the United States—this means that all manufacturing processes for the construction material occurred in the United States. The construction material standards are listed below.

Incorporation into an infrastructure project. The Buy America Preference only applies to articles, materials, and supplies that are consumed in, incorporated into, or affixed to an infrastructure project. As such, it does not apply to tools, equipment, and supplies, such as temporary scaffolding, brought to the construction site and removed at or before the completion of the infrastructure project. Nor does a Buy America Preference apply to equipment and furnishings, such as movable chairs, desks, and portable computer equipment, that are used at or within the finished infrastructure project but are not an integral part of the structure or permanently affixed to the infrastructure project.

Categorization of articles, materials, and supplies. An article, material, or supply should only be classified into one of the following categories: (i) Iron or steel products; (ii) Manufactured products; (iii) Construction materials; or (iv) Section 70917(c) materials. An article, material, or supply should not be considered to fall into multiple categories. In some cases, an article, material, or supply may not fall under any of the categories listed in this paragraph. The classification of an article, material, or supply as falling into one of the categories listed in this paragraph must be made based on its status at the time it is brought to the work site for incorporation into an infrastructure project. In general, the work site is the location of the infrastructure project at which the iron, steel, manufactured products, and construction materials will be incorporated.

Application of the Buy America Preference by category. An article, material, or supply incorporated into an infrastructure project must meet the Buy America Preference for only the single category in which it is classified.

Determining the cost of components for manufactured products. In determining whether the cost of components for manufactured products is greater than 55 percent of the total cost of all components, use the following instructions:

(a) For components purchased by the manufacturer, the acquisition cost, including transportation costs to the place of incorporation into the manufactured product (whether or not such costs are paid to a domestic firm), and any applicable duty (whether or not a duty-free entry certificate is issued); or

(b)For components manufactured by the manufacturer, all costs associated with the manufacture of the component, including transportation costs as described in paragraph (a), plus allocable overhead costs, but excluding profit. Cost of components does not include any costs associated with the manufacture of the manufactured product.

Construction material standards. The Buy America Preference applies to the following construction materials incorporated into infrastructure projects. Each construction material is followed by a standard for the material to be considered “produced in the United States.” Except as specifically provided, only a single standard should be applied to a single construction material.

(1) Non-ferrous metals. All manufacturing processes, from initial smelting or melting through final shaping, coating, and assembly, occurred in the United States.

(2) Plastic and polymer-based products. All manufacturing processes, from initial combination of constituent plastic or polymer-based inputs, or, where applicable, constituent composite materials, until the item is in its final form, occurred in the United States.

(3) Glass. All manufacturing processes, from initial batching and melting of raw materials through annealing, cooling, and cutting, occurred in the United States.

(4) Fiber optic cable (including drop cable). All manufacturing processes, from the initial ribboning (if applicable), through buffering, fiber stranding and jacketing, occurred in the United States. All manufacturing processes also include the standards for glass and optical fiber, but not for non-ferrous metals, plastic and polymer-based products, or any others.

(5) Optical fiber. All manufacturing processes, from the initial preform fabrication stage through the completion of the draw, occurred in the United States.

(6) Lumber. All manufacturing processes, from initial debarking through treatment and planing, occurred in the United States.

(7) Drywall. All manufacturing processes, from initial blending of mined or synthetic gypsum plaster and additives through cutting and drying of sandwiched panels, occurred in the United States.

(8) Engineered wood. All manufacturing processes from the initial combination of constituent materials until the wood product is in its final form, occurred in the United States.

Waivers.
When necessary, recipients may apply for, and the Office of Community Oriented Policing Services (COPS Office) may grant, a waiver from these requirements.

The COPS Office may waive the application of the Buy America Preference when it has determined that one of the following exceptions applies:

(1) applying the Buy America Preference would be inconsistent with the public interest;
(2) the types of iron, steel, manufactured products, or construction materials are not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality; or
(3) the inclusion of iron, steel, manufactured products, or construction materials produced in the United States will increase the cost of the overall project by more than 25 percent.

A request to waive the application of the Buy America Preference must be in writing. If requested, the COPS Office will provide instructions on the format, contents, and supporting materials required for any waiver request. Waiver requests

are subject to public comment periods of no less than 15 days and must be reviewed by the Made in America Office.

Recipients do not need to obtain a waiver of the Buy America Preference requirements from the COPS Office if they will use only iron, steel, manufactured products, and construction materials that meet the criteria as specified above for the project.

If a recipient determines a waiver is necessary, an application for a waiver should be submitted as soon as possible and provide detailed information to expedite the COPS Office's review. Recipients agree not to obligate, expend or draw down funds for infrastructure projects or activities unless they comply with the Buy America Preference requirements or request and obtain a waiver of the requirements from the COPS Office.

If you have any questions about this requirement or requesting a waiver of the requirement, please contact your COPS Office Program Manager at 800-421-6770.

Condition 31
Domestic preferences for procurements: Recipient agrees that it, and its subrecipients, to the greatest extent practicable, will provide a preference for the purchase, acquisition, or use of goods, products, and materials produced in, and services offered in, the United States. 2. C.F.R. § 200.322 and Executive Order 14005, Ensuring the Future is Made in All of America by All of America's Workers, January 25, 2021.

Condition 32
Requirement to report actual or imminent breach of personally identifiable information (PII).

The recipient (and any subrecipient at any tier) must have written procedures in place to respond in the event of an actual or imminent breach (as defined in OMB M-17-12) if it (or a subrecipient)-- 1) creates, collects, uses, processes, stores, maintains, disseminates, discloses, or disposes of personally identifiable information (PII) (as defined in 2 C.F.R. 200.1) within the scope of a COPS Office grant-funded program or activity, or 2) uses or operates a Federal information system (as defined in OMB Circular A-130). The recipient's breach procedures must include a requirement to report actual or imminent breach of PII to the recipient's COPS Office Program Manager no later than 24 hours after an occurrence of an actual breach, or the detection of an imminent breach.

Condition 33
Community Policing: Community policing activities to be initiated or enhanced by your agency were identified and described in your award application. All equipment, technology, training, and civilian positions awarded under your agency's COPS Office award must be linked to the implementation or enhancement of community policing. 34 U.S.C. § 10382 (c)(10).

Condition 34
Travel Costs: Travel costs for transportation, lodging and subsistence, and related items are allowable with prior approval from the COPS Office. Payment for allowable travel costs will be in accordance with 2 C.F.R. § 200.475.

Condition 35
The Paperwork Reduction Act Clearance and Privacy Act Review: Recipient agrees, if required, to submit all surveys, interview protocols, and other information collections to the COPS Office for submission to the Office of Management and Budget (OMB) for clearance under the Paperwork Reduction Act (PRA). Before submission to OMB, all information collections that request personally identifiable information must be reviewed by the COPS Office to ensure compliance with the Privacy Act. The Privacy Act compliance review and the PRA clearance process may take several months to complete. 44 U.S.C. §§ 3501-3520 and 5 U.S.C. § 552a.

Condition 36
Evaluations: The COPS Office may conduct monitoring or sponsor national evaluations of its award programs. The recipient agrees to cooperate with the monitors and evaluators. 34 U.S.C. § 10385(b).

Condition 37
Extensions: Recipients may request an extension of the award period to receive additional time to implement their

award program. Such extensions do not provide additional funding. Only those recipients that can provide a reasonable justification for delays will be granted no-cost extensions. Extension requests must be received prior to the end date of the award. 2 C.F.R. §§ 200.308(f)(10) and 200.309.

Condition 38
Supplementing, not Supplanting: State, local, and tribal government recipients must use award funds to supplement, and not supplant, state, local, or Bureau of Indian Affairs (BIA) funds that are already committed or otherwise would have been committed for award purposes (hiring, training, purchases, and/or activities) during the award period. In other words, state, local, and tribal government recipients may not use COPS Office funds to supplant (replace) state, local, or BIA funds that would have been dedicated to the COPS Office-funded item(s) in the absence of the COPS Office award. 34 U.S.C. § 10384(a).

Condition 39
Modifications: Award modifications are evaluated on a case-by-case basis in accordance with 2 C.F.R. § 200.308(i). For federal awards in excess of the simplified acquisition threshold (currently, $350,000), any modification request involving the reallocation of funding between budget categories that exceed or are expected to exceed 10 percent (10%) of the total approved budget requires prior written approval by the COPS Office. Regardless of the federal award amount or budget modification percentage, any reallocation of funding is limited to approved budget categories. In addition, any budget modification that changes the scope of the project requires prior written approval by the COPS Office.

Condition 40
State Information Technology Point of Contact: The recipient agrees to ensure that the appropriate State Information Technology Point of Contact receives written notification regarding any technology or information-sharing project funded by this award during the obligation and expenditure period. This is to facilitate communication among local and state governmental entities regarding various information technology projects being conducted with these award funds. In addition, the recipient agrees to maintain an administrative file documenting the meeting of this requirement. For a list of State Information Technology Points of Contact, go to https://it.ojp.gov/technology-contacts.

Condition 41
Computer Network Requirement: The recipient understands and agrees that no award funds may be used to maintain or establish a computer network unless such network blocks the viewing, downloading, and exchanging of pornography. Nothing in this requirement limits the use of funds necessary for any federal, state, tribal, or local law enforcement agency or any other entity carrying out criminal investigations, prosecution, or adjudication activities. Commerce, Justice, Science; Energy and Water Development; and Interior and Environment Appropriations Act, 2026, Public Law 119-74, Division A, Title V, Section 527.

Condition 42
Contracts and/or MOUs with Other Jurisdictions: Items funded under this award must only be used for law enforcement activities or services that benefit your agency and the population that it serves and cannot be utilized by other agencies unless the items benefit the population that your agency serves.

Condition 43
Unmanned Aircraft Systems: Recipients using award funding for Unmanned Aircraft Systems (UAS) understand and agree to the following:
1. Any UAS purchased must be one manufactured by an entity included, as of the date of purchase on the U.S. Department of War, Defense Contract Management Agency (DCMA) Blue UAS Cleared List (available at https://bluelist.appsplatformportals.us/);
2. Any UAS purchased must not be manufactured by an entity that will be included, as of the date of purchase, on the International Trade Administration of the Department of Commerce's Consolidated Screening List (available at https://www.trade.gov/consolidated-screening-list);
3. No modifications or additional accessories that are not on the DCMA Blue UAS Cleared List will be introduced to the purchased UAS. Further, the applicant understands that the entity operating the UAS must have sufficient policies and procedures regarding privacy, civil liberties, and information technology cybersecurity related to the operation of the UAS; and
4. Counter-UAS or activities are unallowable under this program.

For the purpose of this award condition, the terms “unmanned aircraft system,” “drone,” and “unmanned aerial vehicle” all have the meaning given to the term “unmanned aircraft system” in 49 U.S.C. § 44801(12). The term “counter-UAS” has the meaning given to the term “counter-UAS system “in 49 U.S.C. § 44801(5).

Condition 44
Compliance with National Environmental Policy Act and related statutes: Upon request, the recipient must assist the COPS Office in complying with the National Environmental Policy Act (NEPA), the National Historic Preservation Act, and other related federal environmental impact analyses requirements in the use of these award funds. Accordingly, the recipient agrees to determine if new construction or renovation or remodeling of a property will be funded by the grant, and if so, agrees to comply with all NEPA requirements prior to obligating, expending, or drawing down award funds for any award purposes. The recipient understands and agrees that complying with NEPA may require the preparation of an environmental study, including an Environmental Assessment (EA) and/or an Environmental Impact Statement (EIS), as directed by the COPS Office. The NEPA compliance process may take several months to complete. 42 U.S.C. §§ 4321 et seq.

[X] *I have read and understand the information presented in this section of the Federal Award Instrument.*

Award Acceptance

Declaration and Certification to the U.S. Department of Justice as to Acceptance

By checking the declaration and certification box below, I--

A. Declare to the U.S. Department of Justice (DOJ), under penalty of perjury, that I have authority to make this declaration and certification on behalf of the applicant.

B. Certify to DOJ, under penalty of perjury, on behalf of myself and the applicant, to the best of my knowledge and belief, that the following are true as of the date of this award acceptance: (1) I have conducted or there was conducted (including by applicant’s legal counsel as appropriate and made available to me) a diligent review of all terms and conditions of, and all supporting materials submitted in connection with, this award, including any assurances and certifications (including anything submitted in connection therewith by a person on behalf of the applicant before, after, or at the time of the application submission and any materials that accompany this acceptance and certification); and (2) I have the legal authority to accept this award on behalf of the applicant.

C. Accept this award on behalf of the applicant.

D. Declare the following to DOJ, under penalty of perjury, on behalf of myself and the applicant: (1) I understand that, in taking (or not taking) any action pursuant to this declaration and certification, DOJ will rely upon this declaration and certification as a material representation; and (2) I understand that any materially false, fictitious, or fraudulent information or statement in this declaration and certification (or concealment or omission of a material fact as to either) may be the subject of criminal prosecution (including under 18 U.S.C. §§ 1001 and/or 1621, and/or 34 U.S.C. §§ 10271-10273), and also may subject me and the applicant to civil penalties and administrative remedies under the federal False Claims Act (including under 31 U.S.C. §§ 3729-3730 and/or §§ 3801-3812) or otherwise.

Agency Approval

Title of Approving Official	Name of Approving Official	Signed Date And Time
COPS Office Deputy Director	Cory D. Randolph	9/23/26 3:57 PM

Authorized Representative

☑ Declaration and Certification (Law Enforcement Executive/Program Official)

Entity Acceptance

Title of Authorized Entity Official
Police Chief

Name of Authorized Entity Official
David Onley

Signed Date And Time
10/15/2026 12:08 PM

☑ Declaration and Certification (Government Executive/Financial Official)

Entity Acceptance

Title of Authorized Entity Official
Grants Manager

Name of Authorized Entity Official
John Hatcher

Signed Date And Time
10/15/2026 2:05 PM

CITY OF STATESVILLE

BUDGET AMENDMENT #2027-11

November 2, 2026

FISCAL YEAR 2026-2027

FUND / ACCOUNT #	ACCOUNT TYPE	DESCRIPTION	CURRENT BUDGET	CHANGE (+ / -)	AMENDED BUDGET
General Fund					
010.5100.340.44.00	Revenue	COPS Grant 15JCOPS-26-GG-0426-TECP	-	573,779	573,779
		Total Revenues	-	573,779	573,779
General Fund					
010.5100.74.00	Expense	Capital Outlay-Equipment	1,130,038	573,779	1,703,817
		Total Expenditures	1,130,038	573,779	1,703,817

To accept a grant from the Department of Justice Byrne COPS Technology Equipment 15JCOPS-26-GG-0426-TECP in the amount of $573,779 for dispatch communication platforms and BATT-X2 tactical response vehicle.

_____
Budget Officer

Gina Lawrence
_____
Chief Finance Officer

APPROVED BY CITY COUNCIL:

_____
City Clerk

CITY COUNCIL ACTION REQUEST

TO: Ron Smith, City Manager

FROM: Gina Lawrence, Chief Financial Officer

DATE: 11/4/2026 9:39 AM

ACTION NEEDED ON: **November 16, 2026**
(Date of Council Meeting)

COUNCIL ACTION REQUESTED:

Consider approving Budget Amendment #2027-12 to accept and appropriate HOME grant funds awarded by the U.S. Department of Housing and Urban Development through the Cabarrus/Iredell/Rowan HOME Consortium for the purpose of subcontracting with qualified organizations that specialize in the construction and rehabilitation of affordable and attainable housing within the City limits.

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1. **Summary of Information:**
   The City of Statesville initiated a Request for Proposals (RFP) process for the allocation of $1,354,498 in HOME Investment Partnerships Program funds awarded through the Cabarrus/Iredell/Rowan HOME Consortium. These funds are designated to support the construction and rehabilitation of affordable and attainable housing within City limits.

   The grant requires a 25% local matching contribution of $270,900, resulting in a total program funding amount of $1,354,498, inclusive of $1,083,598 in HOME grant funds. Formal acceptance and appropriation of these funds will authorize the City to proceed with the execution of the contract awarded through the RFP process and facilitate implementation of the proposed housing initiatives.

2. **Previous Council or Relevant Actions:**
   None

3. **Strategic Initiatives Supported/Impacted:**
   Developing Our City: N/A
   Connecting Our City: N/A
   Connecting Our Communities: Promote the development of a range of housing types throughout our community and housing stability for residents.
   Strategic Plan Values: We value and encourage Opportunity

   This initiative aligns with the City of Statesville's Strategic Plan priority of Connecting Our Communities by supporting the development and preservation of affordable and attainable housing opportunities for residents. Through the investment of HOME funds, the City seeks to strengthen neighborhoods, expand access to quality housing, and promote inclusive community development. These efforts will help connect residents to stable housing, employment opportunities, essential services, and community resources while fostering long-term neighborhood revitalization and economic stability.

4. **Budget/Funding Implications:**

The City is required to provide a 25% local matching contribution totaling $270,900.

5. **Consequences for Not Acting:**
   Failure to approve the acceptance and appropriation of HOME funds and the required local matching contribution will delay the City's ability to execute the subrecipient agreement and proceed with the proposed affordable housing initiatives. Such delays could jeopardize the timely utilization of grant funds, potentially impact compliance with grant requirements and expenditure deadlines, and limit the City's ability to expand affordable and attainable housing opportunities within the community.

6. **Department Recommendation:**
   Approve as presented.

7. **Manager Comments:**
   This action will finally move the HOME Funds initiative forward. The city's approval of the I-CARE proposal will result in housing improvements and deployment of these federal funds. Recommend for approval.

8. **Next Steps:**
   Upon approval, the City will be authorized to execute the agreement with the designated subrecipient.

9. **Attachments:**
   1. BA Form 2027-12 Accept HOME Grant Award $1,354,498

CITY OF STATESVILLE

BUDGET AMENDMENT #2027-12

November 16, 2026

FISCAL YEAR 2026-2027

FUND / ACCOUNT #	ACCOUNT TYPE	DESCRIPTION	CURRENT BUDGET	CHANGE (+ / -)	AMENDED BUDGET
General Fund					
010.0000.399.00.00	Revenue	Appropriated Fund Balance	8,644,881	270,900	8,915,781
010.6600.89.00	Expense	Transfer to Other Funds	-	270,900	270,900
		Total Revenues	8,644,881	541,800	9,186,681
HOME Consortium Fund					
215.0000.395.10.00	Revenue	Transfer From General Fund	-	270,900	270,900
215.0000.340.75.00	Revenue	Other Revenue-HOME Consortium Grant	-	1,083,598	1,083,598
		Total Revenues	-	1,354,498	1,354,498
215.5655.90.14	Expense	Community Development -Administration	-	135,450	135,450
215.5655.99.02	Expense	Project Activity-Rehab Dewllings	-	1,219,048	1,219,048
		Total Expeditures	-	1,354,498	1,354,498

Accepting and appropriating HOME grant funds awarded by the U.S. Department of Housing and Urban Development through the Cabarrus/Iredell/Rowan HOME Consortium, of which the City is a member. Grant award amount $1,083,598 and 25% match $270,900

_____

Budget Officer

Gina Lawrence

Chief Finance Officer

APPROVED BY CITY COUNCIL:

_____

City Clerk

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CITY COUNCIL ACTION REQUEST

TO: Ron Smith, City Manager

FROM: Randall Moore, Stormwater Program Manager

DATE: 11/04/2026 10:03 AM

ACTION NEEDED ON: **November 16, 2026**
(Date of Council Meeting)

COUNCIL ACTION REQUESTED:
Re-appoint Donna Thomas to the Stormwater Advisory Commission (SWAC).

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1. **Summary of Information:**
   Donna Thomas is a current member of the Stormwater Advisory Commission (SWAC) and her term expires on December 3, 2026. There are also three (3) vacancies currently on the SWAC. There are no other applications on file. WA

2. **Previous Council or Relevant Actions:**
   Council previously re-appointed Steve Knight and Janice Powell to the SWAC on June 1, 2026.

3. **Strategic Initiatives Supported/Impacted:**
   Developing Our City: N/A
   Connecting Our City: N/A
   Connecting Our Communities: N/A
   Strategic Plan Values: We value Engagement.

   the City encourages residents to participate on local boards and commissions so they can help support and influence decisions made by staff.

4. **Budget/Funding Implications:**
   NA

5. **Consequences for Not Acting:**
   The SWAC will be left with five (5) members and four (4) vacant seats.

6. **Department Recommendation:**
   Staff recommends re-appointing Donna Thomas to the Stormwater Advisory Commission.

7. **Manager Comments:**
   No comments.

8. **Next Steps:**
   Ms. Thomas will serve a three (3) year term ending on December 3, 2029.

9. **Attachments:**
   1. Donna Thomas Application for Appointment

2. Current List of Board Members

APPLICATION FOR APPOINTMENT
TO A BOARD, COMMITTEE OR COMMISSION
FOR THE CITY OF STATESVILLE, NC

The City of Statesville appreciates your interest in serving on a Board, Committee or Commission and requests that you complete the following application. The application will provide general information based on your interest in serving for the Mayor and City Council to consider in making appointments. All members of the City of Statesville Boards, Committees and Commissions are appointed by either the City Council or the Mayor. ***Please print legibly.***

Name: Donna W. Thomas Date of Application: 10 / 18 / 2026

Home Address: 871 Henkel Rd Statesville 28677 WARD: _____

Email Address: lpdw.thomas@Gmail.com Contact Phone No: 704-450-8016

Do you reside in the City of Statesville? **Yes** ✓ **No** ____ Length of Residence: 46 Years 1 Months

Occupation: Retired Employer: _____

Available for Daytime Meetings: **Yes** ✓ **No** ____ Currently Serving on Another Board: **Yes** ____ **No** ✓

Education: High School/Como College/X-Ray School

City Government policy prohibits discrimination based on race, sex, creed, national origin, age or handicap. The following questions regarding date of birth, gender and race are <u>voluntary</u>:

Date of Birth: 09 / 19 / 1939 Male: ____ Female: ✓ Race: White

Please provide a brief statement outlining why you wish to serve:

It has been very interesting for the past three years hearing and seeing what is going on in Statesville with the Storm Water Department

Please list current and previous service to the community, civic clubs, activities, and talents:

Volunteer with Downtown Statesville

Please list any areas of expertise, interests, and skills:

The City of Statesville sincerely appreciates the interest of all citizens in serving their City. If you need more information about a board or the responsibilities, please contact the City Manager's Office at 704-878-3583. The application must be returned to the City Manager's Office to be considered for appointment via one of the methods listed below. The volunteer application will remain on file for three (3) years from the date received.

1. Upload via the City website (fillable PDF available online)
2. Email to ekurfees@statesvillenc.net
3. Mail to Emily Kurfees, City Manager's Office, PO Box 1111, Statesville, NC 28687

City of Statesville Stormwater Advisory Commission

(As of 12/11/2025)

3 Year Terms, City Council Appointment

Meets the 3rd Thursday – Quarterly

		Expires
Dustin Jett 233 N Oakwood Dr Statesville, NC 28677	304-531-4751 Dnjett16@gmail.com	01/07/2027
Dawson Reese 1710 S Chipley Ford Rd Statesville, NC 28625	704-437-2749 Dawsonreese01@gmail.com	02/06/2027
Steven Haber 188 White Apple Way Statesville, NC 28625	561-836-1002 Sah.1911@pm.me	8/18/2028
Steve Knight 1507 Mt. Vernon Avenue Statesville, NC 28677	704-878-2996 steveknightpe@bellsouth.net	6/01/2029
Vacant	Vacant	Vacant
Janice Powell 913 Henkel Road Statesville, NC 28677	704-872-1369 janicepowell2025@icloud.com	06/01/2029
Donna Thomas 871 Henkel Road Statesville, NC 28677	704-450-8016 lpdw.thomas@gmail.com	12/3/2026
Vacant	Vacant	Vacant
Vacant	Vacant	Vacant

Other Contacts

Randall Moore,
Stormwater Program Manager
704-761-2385
rmoore@statesvillenc.net

Matt Hubert,
City Engineer
704-761-2381
mhubert@statesvillenc.net

Ray Allen,
Stormwater Program Specialist
704-761-2378
rallen@statesvillenc.net

Trey Robertson, City Council
980-540-5334
trobertson@statesvillenc.net

Alisha Cordle, Planning Board
704-253-3828
alisha0cordle@gmail.com

Emily Kurfees, Clerk
704-878-3583
ekurfees@statesvillenc.net

Chris Overcash, Staff Engineer
704-768-5585
covercash@statesvillenc.net

CITY COUNCIL ACTION REQUEST

TO: Ron Smith, City Manager

FROM: Cody Leis , Public Power Director

DATE: 11/4/2026 2:29 PM

ACTION NEEDED ON: **November 16, 2026**
(Date of Council Meeting)

COUNCIL ACTION REQUESTED:

Consider awarding the bid for the purchase of 115kV circuit breakers for the new substation to the lowest responsive, responsible bidder, National Transformer Sales.

---

1. **Summary of Information:**
   The City solicited competitive bids for the purchase of 115kV circuit breakers as part of the planned construction of the previously discussed new electric delivery station - Delivery One replacement. These breakers are a necessary component of the station's electrical infrastructure and are included in the normal scope of construction for the project.

   Bids were received and evaluated based on pricing and compliance with the required specifications. National Transformer Sales (NTS) was determined to be the lowest responsive, responsible bidder for this equipment. The bid results are provided for Council's review and consideration.

   Funding for this purchase was included in the approved FY 2026–2027 Capital Purchasing Budget. Staff recommends awarding the bid to National Transformer Sales (NTS).

2. **Previous Council or Relevant Actions:**
   This project was discussed with City Council during the Winter Retreat in February 2026, where SPP staff provided an overview of the project, its purpose, and anticipated improvements to the City's electric infrastructure. The project was also discussed during the South Statesville community meeting on October 24, 2026, providing an opportunity to share project details with the public and address questions regarding the planned improvements.

3. **Strategic Initiatives Supported/Impacted:**
   Developing Our City: N/A
   Connecting Our City: Invest in services and critical public infrastructure to align with land use plan goals and accommodate future growth citywide.
   Connecting Our Communities: N/A
   Strategic Plan Values: We value Quality and Creativity

   The purchase of this necessary equipment supports the City's commitment to quality and creativity through continued investment in reliable, efficient, and modern electrical infrastructure. As part of the new electric delivery station, this equipment will help strengthen system reliability, support future growth, and ensure the continued delivery of safe, dependable electric service to our customers.

4. **Budget/Funding Implications:**
   Funding for the purchase of the 115kV circuit breakers was included in the approved FY 2026–2027 Capital Purchasing Budget as part of the funds allocated this fiscal year under the Delivery One Material Procurement. This expenditure is a planned capital investment and will be funded through the utility's existing capital budget.

5. **Consequences for Not Acting:**
   Failure to approve this bid award could delay the procurement of critical equipment needed for the Delivery One substation replacement project, potentially impacting the overall construction schedule and increasing project costs. With Duke Energy's approval already secured, delays could have impacts at multiple levels, including equipment procurement, project coordination, and construction scheduling. These delays could also postpone planned improvements to system reliability, operational flexibility, and the City's ability to meet future electrical demands.

6. **Department Recommendation:**
   SPP staff recommends that City Council approve the purchase of the 115kV circuit breakers and award the bid to the lowest responsive, responsible bidder. This purchase is necessary to maintain progress on the Delivery One material procurement and support the timely completion of the new electric delivery station.

7. **Manager Comments:**
   Recommend for approval.

8. **Next Steps:**
   Upon approval, SPP staff and Finance will coordinate notifying the successful bidder and proceed with the purchase to initiate the manufacturer's production lead time.

9. **Attachments:**
   1. 101426 115kV SF-6 Circuit Breakers Award
   2. NTS_Quote

Progressive Engineering Consultants, Inc.

P.O. Box 690638, Charlotte, NC 28227-7011
Telephone: (704) 545-7327
progress@pecinc.net

October 14, 2026

City of Statesville
P.O. Box 1111
Statesville, NC 28687-1111
Attn: Cody Leis

Subject: City of Statesville, North Carolina
Purchase of 115 kV SF-6 Circuit Breakers
Award Recommendation

Gentlemen:

Sealed proposals were received, publicly opened and read on Tuesday, October 13, 2026, for the purchase of four (4) - 115 kV SF-6 Circuit Breakers. As shown by the attached bid tabulation of the four proposals received, NTS / Siemens submitted the lowest cost proposal in the total amount of $514,872.00. We have reviewed the proposal and find it to be in compliance with the specifications; therefore, we recommend that the City of Statesville accept the proposal as submitted.

Please advise us of your decision. If you should have questions or comments, please feel free to call.

Regards,

PROGRESSIVE ENGINEERING CONSULTANTS, INC.

Robert F. Thomas, Jr.
Robert F. Thomas, Jr., P.E.

Attachment

City of Statesville, North Carolina

115 kV SF6 Circuit Breakers — Bid Date: Tuesday, October 13, 2026 @ 2p

Bidder		NTS / Siemens	Hitachi	HICO America	Peak Substation Services
Bid Bond		Ck# 3767092027	5%	NO	5%
Section 1	*Qty*				
115 kV SF-6 Circuit Breakers	4	$ 126,455.00 $ 505,820.00	$ 160,817.00 $ 643,268.00	$ 178,500.00 $ 714,000.00	$ 210,137.50 $ 840,550.00
Tariff Adder		$ 9,052.00	$ 12,446.25	$ 21,503.00	$ -
Service Engineer		$ Included	$ Included	$ Included	$ Included
	Total Bid	$ 514,872.00	$ 655,714.25	$ 735,503.00	$ 840,550.00
Manufacturer		Siemens	Hitachi	HICO America	Hitachi
Delivery		85 Weeks	110-114 Weeks	12-14 months	110-114 Weeks
Terms		Net 30	Net 30	Net 30	Net 30
Exceptions		See Proposal	See Proposal	See Proposal	See Proposal

No Bid
R W Chapman
Eaton
MD Henry
Ensales/Mitsubishi
Lekson

BIDDERS PROPOSAL

To: **City of Statesville**
Statesville, North Carolina

Gentlemen:
The undersigned has carefully examined the attached Notice and Instructions, Contract, Bond, and Specifications and hereby declares that he will furnish the material, equipment, and services as specified for the following price:

	Price Each	Extended Price
Section 1		
Four (4) - 115 kV SF-6 Circuit Breaker(s) as specified	$126,455	$ 505,820
Total Cost for Service Engineer		$
	TOTAL PROPOSAL	$ 505,820

	Manufacturer	Delivery
115 kV Circuit Breaker(s):	Siemens Energy	85 weeks

Applicable Price Terms: Net 30

Exceptions: See attached Siemens Energy Proposal

Siemens Energy c/o NTS — Bidder
Jack Markham — By

2613 Discovery Drive — Address
Jack Markham — Print Name

Raleigh — City
NC — State
27616 — Zip
Inside Sales — Title

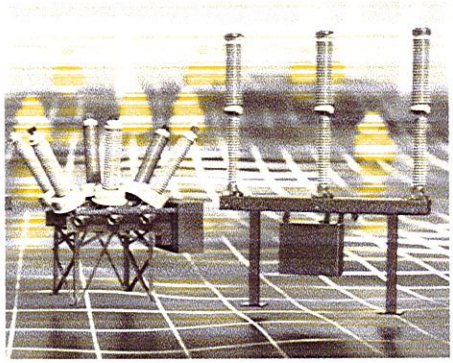
(919) 792-3564 — Telephone
jackmarkhamiii@gmail.com — Email

10/9/2026 — Date

COMPLIANCE STATEMENT
The Bidder shall attach a Statement of Compliance including a list of any and all exceptions referenced by paragraph to the Specifications. If no exception is taken to a paragraph, it shall be deemed that the Bidder meets or exceeds the requirements as stated therein.

SIEMENS energy

We energize society



September 18, 2026

CITY OF STATESVILLE - Delivery #7 - 115 kV Breaker RFP - QT SF262613572

Presented by:
Toups
Applications Engineer HVCB
(601) 9407141

Siemens Energy, Inc.
444 Hwy 49 South
Richland, MS 39218

Dear Customer:

Siemens Energy, Inc. would like to sincerely thank you for the opportunity to provide a proposal to you from our Jackson, MS, USA facility. The SPS2 Gas Circuit Breaker and CPV2 Circuit Switcher product lines have proven to be a successful global product offering. Since the introduction of the SPS2/3AP family in 1997 we have shipped over 50,000 units from our Jackson-MS factory and over 150,000 units globally. Our portfolio of products produced in our facility includes:

SPS2(S) dead tank portfolio:

- 15.5 - 72.5 kV, 1200 - 3000 A, 40 kA
- 123 - 170 kV, 1200 - 3000 A, 40 kA
- 123 - 170 kV, 1200 - 4000 A, 50/63/80kA
- 245 kV, 1200 - 4000 A, 40/50/63/80/90 kA
- 362 kV, 1200 - 5000 A, 63/80 kA
- 550 kV, 2000 - 5000A, 63 kA

CPV2S/3AP2 live tank portfolio:

- 15.5 - 72.5 kV, 1200 - 3000 A, 40 kA
- 123 - 170 kV, 1200 - 3000 A, 40 kA
- 245 kV, 1200 - 3000 A, 40 kA
- 362 kV, 1200 - 4000 A, 63 kA
- 550 kV, 1200 - 4000 A, 63 kA
- 800 kV, 1200 - 4000 A, 63 kA

- No TRV capacitors are required to achieve full kA rating for typical applications!
- Tested in accordance with C37.06.1 High rate of rise for TRV

The major components of these products are standardized across our complete product offering including dead tank breakers, circuit switchers (Siemens Energy switchers are live tank breakers) and GIS. The commonality of parts across all voltage ranges enables customers to reduce cost, minimize spare parts inventory and provides a common platform for product training. The SPS2 and CPV2 families use state of the art "self-extinguishing principal" interrupters in all ratings. The FA-2 spring-spring mechanism is used for 15.5 kV to 170 kV, 40 kA units; the FA-4/5 spring-spring mechanism is used for 121kV to 245kV-3 cycle, 63kA units; and the FA-5 spring-spring mechanism is used for 245kV-2 cycle, 362KV, and 550kV.

Siemens Energy prides itself in providing the highest quality breakers in the industry while maintaining flexibility to customize each unit to meet each customer's unique needs. Some examples of our premium design include: all roller or ball bearings, all sealed bearings, no lubrication needed in the field, no adjustments required in the field. Our breakers and circuit switchers have proven to be easier to put into service, require less maintenance and have a lower total ownership cost over their lifetime than our competition. **All Siemens Energy breakers have a 12-year inspection / 25-year maintenance cycle, minimizing your total cost of ownership! No adjustments or maintenance are required for life of the unit.**

Again, we thank you for the opportunity to provide this proposal and look forward to any feedback or questions which you may have while reviewing our proposal.

Sincerely,

Toups
Applications Engineer
HV Circuit Breaker

This proposal is based on our best interpretation of the request for quotation, bid documents, drawing and specification if provided. Siemens Energy reserves the rights to revise the quotation if our interpretation differs from actual requirements after the approval of drawings by customer. This proposal will supersede any other document, purchasing terms etc. unless agreed and signed by Siemens Energy.

Siemens Energy Offering	Customer Value
Patented high-tech self-compression interrupter with FA operating mechanism	Reliability with Industry-leading mean time failure (MTBF) of 5,000+ years
Standardized platform concept for interrupter and drives	Less inventories of breaker or spares due to very short lead time for replacement parts from factory
Spring-Spring mechanism drive - No maintenance or lubrication required for the operational lifetime of product	Saving of approx. $5-10K depending on rating for no maintenance or replacement of mechanism
63 kA fault duty breakers for all voltage classes 69 thru 550 kV – No external capacitance requirement for full 63 kA fault duty	Saving of approx. $25-50K not installing external capacitors
Similar installation footprints of all 72.5, 145 and 245 kV; 63 kA gang and Independent Pole Operator (IPO) breakers	Saving of approx.$10,000 for installation pad extension for future IPO breakers use
170/80kA gang breaker without any external capacitance for both SLF and TF exposure	Saving of approx. $25-50K not installing external capacitors
Control cabinet orientation same as oil breaker	Can use same wireway when replacing oil breaker resulting is savings of approx. $5K
All ratings C2, M2 and E2 mechanical and electrical endurance tested	Long life of 30+ years and 10,000 operations
SPS2 550 kV dead tank breaker with double break interruption design	Customers can accommodate higher X/R up to 35 (IEEE standard is 17) especially close to generation locations
Circuit Switcher (CPV2S) up to 245 kV are tested with more stringent breaker standard and subjected to breaker production tests including power frequency test on each circuit switcher	Provide extra reliability to customers with reclosing capability within 3 cycle
As part of Siemens Energy Inc.'s ongoing sustainability efforts, recycled materials such as steel, aluminum and SF6 gas will be employed where possible. These materials will have the same quality and performance standards as virgin grades.	Reduction of pollution and global warming components released into the atmosphere

This proposal is based on our best interpretation of the request for quotation, bid documents, drawing and specification if provided. Siemens Energy reserves the rights to revise the quotation if our interpretation differs from actual requirements after the approval of drawings by customer. This proposal will supersede any other document, purchasing terms etc. unless agreed and signed by Siemens Energy.

Siemens Energy, Inc. agrees to sell to Purchaser and Purchaser agrees to purchase from Company the goods described below. All pricing is in USD.

When issuing a PO to Siemens Energy for a circuit breaker:

- **Ensure proposal is still valid**
- **Issue purchase order to Siemens Energy Inc.**
- **Ensure all required documents are provided with PO (examples include but not limited to; W9 that matches bill to party, tax exemptions forms, etc)**
- **Proposal number referenced on PO.**
- **Payment terms are referenced on PO and match what is quoted on the proposal.**
- **If an order acknowledgement is not received within 6 weeks of issuing purchase order, please reach out to your sales contact or factory contact.**

Changes in applicable laws, regulations, executive orders, taxes, tariffs, customs duties, or technical codes and standards or the imposition of new laws, regulations, executive orders, taxes, tariffs, customs duties, or technical codes and standards after the date of the SEI proposal (or the effective date of the Agreement if no proposal was provided) will be treated as changes to the scope of work and Agreement, and SEI will be entitled to an adjustment to the Agreement price and schedule to the extent SEI's cost or time to perform or deliver any Equipment or Services are impacted. This adjustment will be applicable to all agreements and open purchase orders (not delivered).

		Qty	Product	Unit Price
Item 1	Gas Circuit Breaker (DT)	4	SPS2S–145–40–3000–3PST	$126,455 ea

Description:

- 138kV nominal voltage
- 40kA maximum symmetrical interrupting capability
- 3000A maximum continuous current
- Capable of -30°C operation without tank heaters
- 131 inch creep porcelain bushings rated 650kV BIL @ 3300 feet ASL
- 3-cycle, 60Hz, spring-spring operated
- SEL 2533
- Gang Operation, Frame mounted outdoor Circuit Breaker
- Bushing Current Transformers (total 12 BCT's):
  Bushings 1-3-5: (6) 2000:5 MR C800 relay accuracy, RF 2.0
  Bushings 2-4-6: (6) 2000:5 MR C800 relay accuracy, RF 2.0

		Qty	Unit Price
Item 2	Tariffs	4	$2,263 ea

Item-1 and item-2 should make the total price of breaker. Tariff will be assessed 3 months before delivery and adjusted if required.

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Below mentioned optional parts / services can also be purchased with circuit breaker, please indicate as separate line item in purchase order:

Item A: Spare Parts for Circuit Breaker

Qty.	DESCRIPTION	NET UNIT PRICE
1	Y-Relay	$650.00
1	Close Coil	$550.00
1	Trip Coil	$550.00
1	Charging Motor	$1,200.00

NOTE: Above spare parts prices are only valid with the purchase of the Circuit Breaker requested.

Item B: Factory Acceptance Testing (Not included in breaker price)
Should the customer request witness testing, Siemens Energy can accommodate the witness testing by customer only on one of each rating of the purchased breakers for one day. Price for witness testing is $5,500 per day. Siemens Energy is not responsible for the travel or other expenses. Please provide this request in the PO and Siemens will provide the tentative schedule for the test.
Please note that due to high market demand and capacity constraints of test rooms, Siemens Energy is unable to accommodate FAT requests until further notice. A physical inspection of breaker at time of shipment is possible with factory PM coordination.

Item C: Technical Field Assistance (Not included in breaker price)
Siemens Energy Field Service can also support to assist with the breaker installation and or commissioning services at site, below is the contact for Service requirements/offers:

Jerry Clark
Siemens Energy, Inc.
Transmission Services
Cell: +1 (601) 813-7405
jerry.clark@siemens-energy.com

No sales or users tax is included in our prices.

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Siemens Energy circuit breakers are designed and tested according to applicable sections of ANSI/IEEE C37 standard and are not guaranteed to conform to other standards included by reference only.

All Siemens Energy breaker products are type tested or certified according to ANSI/IEEE applicable standards except CPV2 170 & 245 kV / SPS2S-170-40-3000 breakers are not tested to IEEE 693 High Seismic Qualifications

Below are Siemens Energy, Inc. comments and clarifications/exceptions

#	Customer Spec. / Terms Ref. number	Comments/Clarification/Exception
	1.6	See outline to verify dimensional acceptance
	1.8	Siemens standard powdercoat paint to apply

Due to global supply chain issues and subject to material/parts availability at time of manufacturing, Siemens Energy can use substitute parts/components per below table with intention to deliver the order/breaker on time. All substitute parts/components will be fit, form and functionally compliant with original proposed part. In case of drawing change requirement, SE will provide revised drawing(s) with breaker and sending to customer contact person.

Generic Component / part Name	Detail / Functional purpose	Substitute options subject to availability of parts/components			
Bushing Current Transformers (CTs)	Metering and relay CTs	Meramec	Ameran	Narayan	FALCO
Terminal Blocks-1	power terminal	Marathon	Phoenix	GE	States
Terminal Blocks -2	CT testing	Marathon	Phoenix	GE	States
Terminal Blocks-3	Control	Marathon	Phoenix	GE	States
SEL Relays / Breaker monitoring devices	all types / customer specific	No other option available, need to short-ship if breaker is required on scheduled delivery date			
Density Switch	SF6 gas pressure monitoring	Solon	Trafag		
Relays-1	for controls	Square D	Siemens	ABB	
Relays-2	for timing	Agastat	Signaline		

Disclaimer on Global Supply Chain Network:

To meet quoted lead time and pricing, Siemens Energy will be utilizing its global supply chain network of feeder factories located in Mexico, Brazil, China, India, etc. to use major components like interrupter unit, mechanism, cabinets etc.

This proposal is based on our best interpretation of the request for quotation, bid documents, drawing and specification if provided. Siemens Energy reserves the rights to revise the quotation if our interpretation differs from actual requirements after the approval of drawings by customer. This proposal will supersede any other document, purchasing terms etc. unless agreed and signed by Siemens Energy.

Customer drawing approval:

- Customer drawings for approval are in accordance with applicable standards and customer specification for breaker if provided. Any additional mark up and requirement at approval stage will be subjected to price and delivery changes
- Customer approval process is required to be completed within 2 weeks after first submittal to maintain the committed delivery date in order acknowledgement ARO.

Standard Document Submittals:

All electronic drawings will be in AutoCAD or pdf format transmitted via email. Siemens Energy standard final submittal documents are, all other documents will be reviewed and charged separately:

- Breaker outline
- Bushing outline
- Nameplate breaker
- Nameplate operator
- Nameplate BCT
- CT curves
- BCT diagram
- Control diagrams
- Gas Schematic
- Production test report
- Instruction book

Instruction Books:

Siemens Energy standard instruction books will be provided – instruction books, test reports and drawings are separate documents.

Shipping:

Circuit breakers to be fully assembled, tested, and shipped except for the frame legs. Legs and mounting hardware are shipped with breaker as loose parts. Breakers are shipped with positive SF6 gas pressure, gas bottles for filling breaker to operating pressure are shipped loose if required.

Bonds/Guarantees:

Siemens Energy will not issue any type of bonds, corporate guarantees, bank guarantees, etc. for High Voltage Circuit Breakers.

This proposal is based on our best interpretation of the request for quotation, bid documents, drawing and specification if provided. Siemens Energy reserves the rights to revise the quotation if our interpretation differs from actual requirements after the approval of drawings by customer. This proposal will supersede any other document, purchasing terms etc. unless agreed and signed by Siemens Energy.

Circuit breaker(s) will be equipped and furnished as follows:

Control and Operator Power Requirements:

Control supply voltage:	48 VDC
Spring charge motor supply voltage:	48 VDC
Accessory supply voltage:	120 VAC
Heater supply voltage:	240 VAC

Standard components/accessories included:

- One close coil
- Dual trip coils
- Local/remote selector switch
- LED position indicator lights
- GFI outlet inside control cabinet
- Cabinet light with Switch
- Wire markers on CT wiring (printed on wire)
- Breaker frame mounted temperature compensated density switch and gauge
- Anodized aluminum nameplates according to IEEE/ANSI standards
- #14 AWG Type SIS control wiring
- #10 AWG Type AMW-TEW CT wiring
- NEMA type 3R control cabinet painted ANSI 70 grey
- Galvanized frame and leg assemblies
- Standard installation toolkit included
- SF6 fill gas included
- 1 Set of electronic AutoCAD approval drawings
- 1 Set of electronic AutoCAD certified drawings and 1 set shipped in breaker
- 1 Instruction book in PDF format and 1 Instruction book shipped in breaker

This proposal is based on our best interpretation of the request for quotation, bid documents, drawing and specification if provided. Siemens Energy reserves the rights to revise the quotation if our interpretation differs from actual requirements after the approval of drawings by customer. This proposal will supersede any other document, purchasing terms etc. unless agreed and signed by Siemens Energy.

TERMS OF PAYMENT:

All Spot/renewables/industrial/export quotes of a Value >$0.5M:
30% of PO value with PO submission
70% of PO value after shipment per agreed incoterm
All invoices should be paid Net 30 days (subject to credit approval)

If Not:
All invoices should be paid Net 30 days after delivery (subject to credit approval)

DRAWING LEAD TIME:

Drawings	Lead Time
Approval drawings (if req'd) will be transmitted:	8 months prior to delivery
Failure to approve drawings within two (2) weeks after submittal may delay shipment	

SHIPPING LEAD TIME:

Typical current lead times are given in below table, however, to be confirmed at time of order and subject to drawing approvals:

Breaker Rating	Lead Time
72.5kV – 40 kA Dead Tank	XX – XX weeks
115 – 145 – 170kV – 40 kA Dead Tank	85 weeks
72.5 – 145 - 170 kV – 63 kA Dead Tank	XX – XX weeks
245 kV – 63 kA Dead Tank	XX – XX weeks
362 kV – 63 kA Dead Tank	XX – XX weeks
550 kV – 63 kA Dead Tank	XX – XX weeks
Independent Pole Operator (IPO) – All ratings	XX – XX weeks
Circuit Switcher / CPV2S - All ratings	XX – XX weeks

DELIVERY TERMS:

Freight is included in the quoted price for shipments within the contiguous 48 United States. Additional shipping charges may apply if conditions do not permit Seller to utilize its standard delivery methods to the requested delivery destination.

WARRANTY:

The warranty period covers the equipment for twelve (12) months after being placed in service or eighteen (18) months after shipment, whichever expires first.

Bid Validity

60 days from offer submittal date

CONDITIONS:

This proposal is quoted using Siemens Energy Standard Terms and Conditions of Sale for Products. Siemens Energy hereby takes exception to any additional or different terms set forth in purchaser's request for proposal, specification, purchase order or any other document of purchaser. Acceptance of additional or different terms must be specifically agreed to in writing by Siemens Energy.

See attached ("Siemens Energy Standard Terms and Conditions of Sale")

This proposal is based on our best interpretation of the request for quotation, bid documents, drawing and specification if provided. Siemens Energy reserves the rights to revise the quotation if our interpretation differs from actual requirements after the approval of drawings by customer. This proposal will supersede any other document, purchasing terms etc. unless agreed and signed by Siemens Energy.

Cancellation Policy

Cancellation of equipment for High Voltage circuit breakers will be subject to cancellation charges based on the following policies: (all percentages refer to contract price):

Cancellation Schedule	Percentage
After receipt of order, but before approval drawings submission	30%
After submission of approval drawings, but before production release	40% + Cost of any special & customized parts
After release to manufacturing, but before shipment	75%
Scheduled to ship in less than thirty (30) days are non-cancellable	100%

Termination as Consequence of Force Majeure

If circumstances of Force Majeure have occurred and shall continue for a period of 182 days then, either Party shall be entitled after written notice to the other party to serve upon the other 30 days' notice to terminate the Contract. If at the expiry of the period of 30 days Force Majeure continued, the Contract shall terminate. Regarding the part of the work scope not yet delivered, Siemens Energy shall be entitled to reimbursement from the Customer of its unavoidable costs related to such termination.

Hardship Clause

If the economic conditions or geopolitical developments that may affect this Agreement, and such frame parameters should substantially change after conclusion of the contract, thereby causing a material hardship to Siemens Energy, Siemens Energy shall be entitled to demand adjustments to the conditions of the Agreement. Siemens Energy shall notify the Seller of the grounds of such hardship and its intention to negotiate an adjustment of the conditions in writing. The Parties shall commit in good faith to negotiate and agree on such an adjustment within four weeks after Siemens Energy`s notification. If the parties fail to agree on such an adjustment within such period, Siemens Energy shall be entitled to terminate the Agreement with immediate effect.

Liquidated damages for Delays

If required by purchase order, Supplier agrees that it shall pay liquidated damages for failure to deliver the Goods. Beginning on the thirty first (31st) calendar day after the acknowledged delivery date by supplier and continuing until delivery of the equipment is completed, whichever is earlier, delay liquidated damages will be assessed at the rate of one half of one percent (0.5%) of the late delivery line item of equipment's price in the Purchase Order per full calendar week. The maximum cap on liquidated damages under this Article is five percent (5%) of the Purchase Order item Price that was delayed. Supplier shall pay such liquidated damages as a reasonable compensation to purchaser against documentation for delay damages and not as a penalty.

UNLESS OTHERWISE AGREED BY THE PARTIES EXPRESSLY IN THE AGREEMENT, THE REMEDIES OF PURCHASER SET FORTH ABOVE AND/OR IN THE SEI PROPOSAL FOR DELAY IN SHIPMENT/DELIVERY OR COMPLETION OF SERVICES CAUSED BY SEI ARE PURCHASER'S SOLE AND EXCLUSIVE REMEDIES AND NO OTHER REMEDIES OF ANY KIND WHATSOEVER SHALL APPLY.

Delays or Suspension by purchaser

If shipments are delayed by Purchaser, affected payments shall become due based on the date SEI is prepared to make shipment. Suspension on purchase order work scope is not allowed after engineering work. Before engineering, maximum time of work suspension should not exceed 12 weeks and will be subjected to recalculate the delivery. All SEI expenses associated with any such suspension shall be for the account of Purchaser.

This proposal is based on our best interpretation of the request for quotation, bid documents, drawing and specification if provided. Siemens Energy reserves the rights to revise the quotation if our interpretation differs from actual requirements after the approval of drawings by customer. This proposal will supersede any other document, purchasing terms etc. unless agreed and signed by Siemens Energy.

Price Adjustment Policy

If required, the applicable purchase and invoice price for each Product that is a High Voltage Circuit Breaker and is accepted by customer, shall be established using the following formula six (6) months or earlier before delivery of circuit breaker:

$$P1 = PO * \{(0.0375 * m) + (X1/XO)\}$$

Pursuant to the foregoing formula, the Base Price for each Product that is a High Voltage Circuit Breaker shall be adjusted based on the change in the Producer Price Index for switchgear and switchboard apparatus manufacturer, not seasonally adjusted (PCU3353133335313, found at bls.gov) six (6) months or earlier before delivery of circuit breakers.

PO	Initial base price from proposal / PO
P1	Adjusted price six (6) months or earlier before delivery of circuit breaker(s)
m	No. of completed year from date of Supplier's proposal.
X1	Index value at time of price adjustment (whichever last month is published)
XO	Index value at time of proposal month

Reservation Clause

The Parties acknowledge that the outbreak of the military conflict and / or any events related thereto (the "Conflict") between Ukraine and Russia is likely to negatively affect usual business activities around the globe and / or the execution of the Contract in various ways, whether known, unknown, whether foreseeable or unforeseeable. Therefore, the Parties agree that the Contractor shall not be liable for any negative impact or impediment of its performance obligations under or in connection with this Contract arising or being aggravated in connection with the Conflict (the "Impact"). In particular, without limiting the generality of the foregoing, unmanageable and unforeseeable disruptions in the availability of critical materials (e.g. steel products almost exclusively produced in the region of the Conflict) and unpredictable price increases for certain materials, energy and transportation are already visible in the global markets. Therefore, the Contractor shall be entitled to an extension of time for execution and / or an adjustment of the contract price and / or other reasonable adjustments to the Contract to the extent required to mitigate and / or compensate the Impact. However, the Contractor shall remain obliged to exercise reasonable efforts to mitigate the Impact.

The parties are aware of the current situation in the Middle East prevailing as of 28th of February 2026 (the "Exceptional Circumstances") which qualifies (or may evolve) as a Force Majeure event under the terms and conditions submitted with this bid. However, both parties hope that these Exceptional Circumstances will be resolved in due course and will thus not impact the execution of this project.

However, if in Siemens Energy's reasonable opinion, the Exceptional Circumstances continue and directly or indirectly affect or are likely to affect Siemens Energy's performance as set forth in this bid, Siemens Energy shall be entitled to adjust the bid, the contract and its performance, including adjustments to price and delivery and/or completion dates to the extent reasonably necessitated as a result of the Exceptional Circumstances. For the avoidance of doubt, even after signature of a contract based on this bid, the Exceptional Circumstances shall continue to constitute a Force Majeure Event under the contract, entitling Siemens Energy to invoke Force Majeure and claim all associated rights and reliefs.

Export Compliance

Offer validity is subject to compliance with applicable export laws and regulations relating to the sale, exportation, transfer, assignment, disposal and usage of the goods provided under this agreement, including any export license requirements and a successful screening within DAMEX-E system.

This proposal is based on our best interpretation of the request for quotation, bid documents, drawing and specification if provided. Siemens Energy reserves the rights to revise the quotation if our interpretation differs from actual requirements after the approval of drawings by customer. This proposal will supersede any other document, purchasing terms etc. unless agreed and signed by Siemens Energy.

Order Reassignments

All reassignments must take place 12 months prior to shipment. Any reassignment request that is made shorter than 12 months prior to shipment is subject to delays in delivery.

Case – 1 (Reassignment Without PO Change)

- Full quantity reassignment
- Advance payment is paid
- Drawings are submitted
- No change in original PO (full invoice will be paid by original issuer of PO)
- Tax liability and payment liability remain with original purchaser
- Assignee is affiliate company / project

Solution / Process:

1. One pager letter from the original buyer with detail of PO, new assignee, new shipping address and acknowledgment block for SEI
2. SEI will acknowledge the letter
3. No change of drawings
4. No impact on delivery time

Case – 2 (Full Reassignment Before Delivery)

- Subject to credit approval
- Full quantity reassignment
- Advance payment is paid
- Drawings are submitted/not submitted
- Cancellation of original PO
- Assignee is a separate company / project

Solution / Process:

1. Subject to credit approval. Assignee W9 needs to be sent ASAP for credit check
2. Reassignment admin fee applies per contract - $9,450 reassignment fee
3. Original buyer will issue cancellation
4. Sales for new customers to modify original SF.com opportunity with new PO and reassignment letter entered and change to order pending status for entry
5. Assignee will issue new PO + $9,450 reassignment admin fee on separate line item
6. SEI will complete the order entry, contract review, production order creation processes
7. SEI will change the drawings
8. No impact on delivery time

This proposal is based on our best interpretation of the request for quotation, bid documents, drawing and specification if provided. Siemens Energy reserves the rights to revise the quotation if our interpretation differs from actual requirements after the approval of drawings by customer. This proposal will supersede any other document, purchasing terms etc. unless agreed and signed by Siemens Energy.

Case – 3 (Partial Reassignment Before Delivery)

- Partial quantity reassignment
- Advance payment is paid
- Drawings are submitted/not submitted
- Change of PO by original buyer reducing quantity on original PO
- Assignee is a separate company

Solution / Process:

1. Assignee will provide purchase order, W9, and all other info needed for credit check and order entry
2. Once the assignee purchase order is entered, the original buyer will issue change order reducing quantity on original purchase order
3. One page letter from the original buyer with details of PO, new assignee, new shipping address and acknowledgment block for SEI
4. SEI will acknowledge the letter
5. SEI will issue a credit (to original buyer) of advance payment paid for the partial quantity or original buyer can provide approval to apply advance payment to new customer's order
6. Sales for new customer will create a new SF.com opportunity with new PO and reassignment letter entered
7. Reassignment letter and revised PO need to be uploaded into original SF.com opportunity by sales
8. SEI will update SF.com record for products and commercial fields
9. New PO from assignee with unit price + $9,450 reassignment fee per reassignment occurrence
10. SEI will issue a new sales order
11. AEs will do the contract review checklist
12. SEI will change the drawings with new sales order, assignee PO # and name
13. Manufacturing will issue the new production order
14. No impact on delivery time

This proposal is based on our best interpretation of the request for quotation, bid documents, drawing and specification if provided. Siemens Energy reserves the rights to revise the quotation if our interpretation differs from actual requirements after the approval of drawings by customer. This proposal will supersede any other document, purchasing terms etc. unless agreed and signed by Siemens Energy.

The terms and conditions set forth in the Siemens Energy proposal and these terms and conditions govern the Siemens Energy proposal and any Agreement between the parties for the Equipment and/or Services covered by such proposal. Each proposal is valid for thirty (30) days from the date of the proposal unless extended or withdrawn in writing by Siemens Energy. The issuance of a Purchaser purchase order or any other reasonable manner of acceptance by Purchaser communicated to Siemens Energy during such validity period will form an Agreement based upon the terms and conditions of the Siemens Energy proposal and these terms and conditions. The following order of precedence shall prevail: (i) an integrated agreement, if any, signed by Siemens Energy and Purchaser; (ii) any change orders executed by the Parties; (iii) Siemens Energy proposal; (iv) these terms and conditions; (v) Purchaser's purchase order (as accepted by Siemens Energy and excluding those items noted in Article 1(b) below).

1. Definitions

Whenever used in this document with initial capitalization, the following definitions shall be applicable:

(a) "ACM" as used herein shall mean Asbestos and Presumed Asbestos Containing Materials.

(b) "Agreement" means the Siemens Energy proposal, these terms and conditions, Purchaser's purchase order, as accepted by Siemens Energy, (excluding any preprinted terms and conditions on said purchase order and in any attachments to or Purchaser documents referenced in said purchase order) or other document evidencing acceptance of the Siemens Energy offer as set forth in the Siemens Energy proposal; or an integrated agreement signed by Siemens Energy and Purchaser; for the Equipment, and/or Services.

(c) "Asbestos" shall have the meaning set forth in United States Code of Federal Regulations Chapter 29, Sections 1926.1101 et seq.

(d) "Delivery" is defined in Article 5(A) below or, unless otherwise provided in the proposal.

(e) "Equipment" means equipment, components, parts, materials and Software provided by Siemens Energy pursuant to the Agreement.

(f) "Field Installation Services" means the installation by Siemens Energy of Purchaser's Material at the Site.

(g) "Field Repair and Modernization Services" means the repair, modification or modernization work, or some or all of them, performed by Siemens Energy on Purchaser's Material at the Site and for certain activities at a repair facility selected by Siemens Energy.

(h) "Hazardous Material" means any material listed in the "Hazardous Material Table" set forth in 49 CFR 172.101 as amended.

(i) "Maintenance Services" means the disassembly, inspection and reassembly of Purchaser's Material at the Site.

(j) "Nuclear Incident" shall have the meaning set forth in the Atomic Energy Act of 1954, 42 U.S.C. 2011, et seq., as amended.

(k) "Party" means individually either Siemens Energy or Purchaser.

(l) "Parties" means collectively both Siemens Energy and Purchaser.

(m) "Presumed Asbestos Containing Material" shall have the meaning set forth in United States Code of Federal Regulations Chapter 29, Sections 1926.1101 et seq.

(n) "Purchaser" means the entity purchasing Equipment and/or Services, as well as any other owners of the facility where the Equipment or Purchaser's Material is or will be situated.

(o) "Purchaser's Material" means the equipment, materials, components and items of any kind owned by Purchaser or any other owner of the Site for which Services are to be provided or are provided under the Agreement.

(p) "Resultant Data" means data or information that is generated or derived from or a result of any modification, adaption, revision, translation, abridgement, condensation, compilation, evaluation, expansion or other recasting or processing of the Purchaser's data.

(q) "Services" means Shop Repair and Modernization Services, Field Installation Services, Field Repair and Modernization Services, Maintenance Services, Training Services and Technical Services; or some or all of them provided by Siemens Energy pursuant to the Agreement.

(r) "Services on Third Party Parts" means Services in connection with Third Party Parts.

(s) "Shop Repair and Modernization Services" means work performed by Siemens Energy on Purchaser's Material at a Siemens Energy manufacturing plant, a Siemens Energy repair facility or another suitable facility selected by Siemens Energy.

(t) "Siemens Energy" means Siemens Energy, Inc. or its affiliated companies and subsidiaries (including but not limited to Siemens Energy Demag Delaval Turbomachinery, Inc.) as set forth in the Agreement, and their respective successors and assigns, and each of their partners, principals, shareholders, directors, officers, employees, and agents.

(u) "Site" means the Purchaser's facility where the Equipment or Purchaser's Material is or will be situated.

(v) "Special Services" means the performance by a Siemens Energy field service representative of diagnostic and operational troubleshooting on Purchaser's Material, both online and offline. This work may be conducted on Site or by telecommunication.

(w) "Software" means instructions in machine readable form, other than source code, and associated documentation delivered by Siemens Energy to Purchaser in chip, disk and/or tape format.

(x) "Subsupplier" means any subcontractor or supplier of any tier who supplies goods and services to Siemens Energy in connection with the obligations of Siemens Energy under the Agreement.

(y) "Technical Field Advice" (sometimes referred to as Technical Field Assistance) means the advice and consultation given to Purchaser's personnel by a field service representative of Siemens Energy with respect to:

a. installation, inspection, repair and/or maintenance activities performed by others at the Site, and

b. any Siemens Energy recommended quality assurance procedures for activities performed at the Site.

Technical Field Advice does not include management, supervision or regulation of Purchaser's personnel, agents or contractors.

(z) "Technical Services" means (i) Technical Field Advice; (ii) Special Services; (iii) inspection of equipment which has been disassembled by Purchaser or others; (iv) technical evaluation of inspections performed by Siemens Energy, Purchaser or others; (v) technical information provided by Siemens Energy, including data interpretation and reports; (vi) inspections, technical evaluation of inspections, technical analysis of materials and technical recommendations related to Shop Repair and Modernization Services; (vii) advice and consultation given to Purchaser's personnel at the Site or at a Siemens Energy facility by a Siemens Energy engineer or technician; and/or (viii) advice and guidance given to Purchaser by Siemens Energy field engineer(s) regarding methods and procedures for installation, maintenance and/or calibration of the Equipment or Purchaser's Material.

(aa) "Third Party Parts" means parts, components, equipment or materials provided by Purchaser under the Agreement or that exist in the Purchaser's Material which were not manufactured or supplied by Siemens Energy or the predecessors of Siemens Energy or which were originally supplied by Siemens Energy or the predecessors of Siemens Energy and subsequently repaired, serviced or otherwise modified or altered by any party not affiliated with Siemens Energy or with a predecessor of Siemens Energy.

This proposal is based on our best interpretation of the request for quotation, bid documents, drawing and specification if provided. Siemens Energy reserves the rights to revise the quotation if our interpretation differs from actual requirements after the approval of drawings by customer. This proposal will supersede any other document, purchasing terms etc. unless agreed and signed by Siemens Energy.

(bb)"Training Services" means training and consultation services given to Purchaser's personnel or Purchaser subcontractor at the Site or at a Siemens Energy facility by a Siemens Energy trainer or technical advisor.

2. Scope

Siemens Energy will furnish to Purchaser Equipment, and/or Services as specified in and pursuant to the Agreement.

3. Price Policy

Unless otherwise stated in the Siemens Energy proposal, the price does not include unloading, disassembly and reassembly of Purchaser equipment or Equipment and/or installation of Software at the Site. The price for the Equipment and/or Services is set forth in the proposal, which amount shall be adjusted as expressly provided in the Agreement.

4. Terms of Payment

A. Unless otherwise specified, Siemens Energy shall issue invoices in accordance with the schedule set forth in the Siemens Energy proposal. If an invoice schedule is not set forth in the Siemens Energy proposal, Siemens Energy shall issue invoices as the work is completed. In any event, all invoices shall be paid by Purchaser within thirty (30) days of the date of the invoice.

B. In any instance where Purchaser is unable to return Equipment or components to Siemens Energy for fitting or for coordination with other assemblies by the specific date agreed to in the Agreement or where a portion of the work is to be performed by Siemens Energy at a later date, Siemens Energy reserves the right to invoice Purchaser for work performed to date and either ship the components to Purchaser in their existing state or hold the components in storage at Purchaser's risk and expense. That portion of the work which is to be performed by Siemens Energy at a later date will be performed as a Purchaser requested change under Article 18, Changes.

C. If shipments are delayed by Purchaser, affected payments shall become due based on the date Siemens Energy is prepared to make shipment.

D. Any past due amounts shall, without prejudice to the right of Siemens Energy to payment when due, bear interest at a floating rate equivalent to one-twelfth (1/12) of the per annum prime rate charged by JPMorgan Chase Bank, New York, New York, U.S.A., as such prime rate is published on the first banking day following the date payment is due, plus an additional one-half of one percent (0.5%), payable each month or portion thereof that payment is delayed. If payments are not made when due Siemens Energy may, upon fifteen (15) days written notice and at its option, (i) terminate this Agreement (which termination shall be treated as a termination pursuant to Article 11(C), Termination) or (ii) suspend all further work hereunder. Resumption of work thereafter is contingent upon correction of the payment deficiency by Purchaser. The schedule for the resumed work will be established by Siemens Energy based on its then current workload and the availability of other resources. All Siemens Energy expenses associated with any such suspension shall be for the account of Purchaser.

E. If a good faith dispute exists over the amounts to be paid, Purchaser shall notify Siemens Energy in writing of such dispute and Purchaser shall pay the undisputed amount. The disputed portion may be held in abeyance until resolution of the dispute with the disputed portion, together with interest as specified in subsection D above, due thirty (30) days after said resolution.

F. Unless otherwise set forth in the Siemens Energy proposal, if shipment (from the manufacturing plant or repair facility where the work is performed) and/or Delivery of an item of the Equipment or completion of a portion of the Services is delayed for causes which are within the reasonable control of Siemens Energy, issuance of the invoice covering the final five percent (5%) payment for the delayed work will be deferred for twice the number of months by which shipment/Delivery of such item of the Equipment or completion of such portion such Services is delayed; provided, however, that such deferral of the final invoice shall only be applicable if the delay in shipment and/or Delivery of the Equipment or the delay in completion of the Services has actually delayed the Purchaser's project for which the Equipment and/or Services were purchased.

G. UNLESS OTHERWISE AGREED BY THE PARTIES EXPRESSLY IN THE AGREEMENT, THE REMEDIES OF PURCHASER SET FORTH ABOVE AND/OR IN THE SIEMENS ENERGY PROPOSAL FOR DELAY IN SHIPMENT/DELIVERY OR COMPLETION OF SERVICES CAUSED BY SIEMENS ENERGY ARE PURCHASER'S SOLE AND EXCLUSIVE REMEDIES AND NO OTHER REMEDIES OF ANY KIND WHATSOEVER SHALL APPLY. Deferral of the issuance of the final five percent (5%) invoice as set forth above or provision of the remedy set forth in the Siemens Energy proposal shall constitute complete fulfillment of all liabilities of Siemens Energy to Purchaser for delay in shipment/Delivery of Equipment or completion of Services whether based in contract, in tort (including negligence and strict liability), or any other theory of recovery. Further, the Parties agree that such deferral or any other option noted in Siemens Energy's proposal are a

reasonable determination of the damages that Purchaser would incur as a result of the delay in Delivery of the Equipment or in completion of the Services and do not constitute a penalty.

5. Delivery, Title and Risk of Loss or Damage

A. Unless otherwise stated in the Siemens Energy proposal, delivery of each component of Equipment shall be made FCA (Incoterms 2020) at the manufacturing plant ("Delivery"). Subject to the provisions of subsection B below, legal and equitable title and risk of loss or damage to each such component of the Equipment shall pass from Siemens Energy to Purchaser upon Delivery. Upon Delivery, the Equipment shall be deemed accepted if Purchaser does not, in writing, reject such Delivery within forty-eight (48) hours.

B. Title to and right of possession of any Software licensed hereunder, without legal process, shall remain with Siemens Energy or its licensor, except that Purchaser shall have the right of possession and use of the Software provided hereunder for the terms of the corresponding license provided herein, so long as no breach of this Agreement has been made by Purchaser and all payments due Siemens Energy have been paid. Nothing in this Agreement shall be construed as giving Purchaser any right to sell, assign, lease or in any other manner transfer or encumber Siemens Energy's or its licensor's ownership of the Software, or as limiting Siemens Energy or its licensor from using and licensing the Software to any third party.

C. Purchaser's Material sent to Siemens Energy for Shop Repair and Modernization Services or Purchaser's Material or Equipment being returned pursuant to the provisions of the Warranty or Intellectual Property Infringement Articles of the Agreement will be delivered by Purchaser at its expense to the repair or manufacturing plant designated by Siemens Energy where the work is to be performed. Title to such Equipment or Purchaser's Material will remain at all times with Purchaser. Risk of loss or damage to such Equipment or Purchaser's Material will transfer to Siemens Energy upon its arrival on board the carrier at the repair or manufacturing plant. Risk of loss or damage to such Equipment or Purchaser's Material will transfer back to Purchaser once such Equipment or Purchaser's Material is loaded on board the carrier at the repair or manufacturing plant for return to Purchaser. Unless otherwise stated in the Siemens Energy proposal, delivery of Purchaser's Material shall be made when the item is placed on board carrier at the repair or manufacturing plant. When repair work is performed by Siemens Energy at the Site, title and risk of loss or damage to the Equipment, to Purchaser's Material and to other property shall remain at all times with Purchaser. Title to any defective or nonconforming components of the Equipment that are replaced by Siemens Energy, as part of its warranty obligations or as part of the Shop Repair and Modernization Services shall, at Siemens Energy's option, revert back to Siemens Energy upon completion of the replacement, with a deemed value of zero.

D. Risk of loss of or damage to Purchaser's Material or other property located at the Site shall remain with Purchaser at all times during the performance of work hereunder. If Purchaser procures or has procured property damage insurance applicable to occurrences at the Site, Purchaser shall obtain a waiver by the insurers of all subrogation rights against Siemens Energy and its Subsuppliers.

6. Transportation

A. Transportation and Storage: Unless otherwise stated in the Siemens Energy proposal, when items of Equipment are ready for shipment or Shop Repair and Modernization Services are completed on Purchaser's Material, Siemens Energy will notify Purchaser that the Equipment or Purchaser's Material is available for carrier pick-up at the location designated by Siemens Energy, and Purchaser shall transport such items from the location designated by Siemens Energy at Purchaser's expense. If Siemens Energy has agreed in the Siemens Energy proposal to transport Equipment or Purchaser's Material, when items of Equipment are ready for shipment or Shop Repair and Modernization Services is completed on Purchaser's Material, Siemens Energy will (i) in the absence of shipping instructions, inform Purchaser of pending shipment and Purchaser will thereafter promptly give shipping instructions to Siemens Energy; (ii) determine the method of transportation and the routing of the shipment and (iii) ship the Equipment or Purchaser's Material by Normal Carriage with all transportation expenses thereby incurred by Siemens Energy, including but not limited to, handling, transportation, taxes, and insurance, payable by Purchaser on a cost-plus fee basis:

(1) to Purchaser's designated destination when shipped by highway transport; or

(2) to the nearest suitable rail siding to Purchaser's designated destination when shipped by rail transport.

In the event that Purchaser fails to provide Siemens Energy with timely shipping instructions, Siemens Energy will ship the Equipment or Purchaser's Material by Normal Carriage to Purchaser or to a suitable storage location selected by Siemens Energy. If the Equipment and/or Purchaser's Material is to be placed into storage in accordance with the above, Delivery of the Equipment or Purchaser's Material shall be deemed to have occurred for all purposes under the Agreement, including any payment due upon

Delivery, at the time the Equipment or Purchaser's Material is placed on board the carrier for shipment to the storage location. If the Equipment and/or Purchaser's Material is to be stored in the facility where manufactured, or where Shop Repair and Modernization Services are performed, Delivery shall be deemed to have occurred when the Equipment and/or Purchaser's Material is placed into the storage location at such facility.
In the event of storage pursuant to the preceding paragraph, all expenses thereby incurred by Siemens Energy, such as preparation for and placement into storage, handling, freight, storage, inspection, preservation, and taxes, shall be payable by Purchaser upon receipt of an invoice(s) from Siemens Energy. When conditions permit and upon payment to Siemens Energy of any additional amounts due hereunder, Purchaser shall arrange, at its expense, for removing the Equipment and/or Purchaser's Material from storage. Purchaser shall be responsible for insuring the Equipment and Purchaser's Material while in storage.

B. Normal Carriage: When Siemens Energy is providing the transportation of the Equipment and/or Purchaser's Material, Siemens Energy shall make every reasonable effort to ship by highway transport unless rail transport is required. Normal Carriage means carriage either by highway transport (provided this does not necessitate use of specialized riggers trailers) or by rail transport, on normal routing from the repair facility or manufacturing plant to (i) Purchaser's designated destination when shipped by highway transport or (ii) the nearest accessible suitable rail siding to Purchaser's designated destination when shipped by rail transport or (iii) the port of export selected by Siemens Energy in the forty-eight (48) continental United States if Purchaser's designated destination is outside the United States or is in Alaska or Hawaii.

C. Special Transportation and Services: Purchaser agrees to pay or to reimburse Siemens Energy for any transportation charges in excess of regular charges for Normal Carriage, including, but not limited to, excess charges for special routing, special trains, specialized riggers trailers, lighterage, barging and air transport.

Purchaser also agrees to pay or to reimburse Siemens Energy for any cost incurred or charge resulting from special services performed in connection with the transportation of the Equipment or Purchaser's Material, including, but not limited to, the construction and repair of transportation and handling facilities, bridges and roadways, of whatever kind and wherever located.

7. Warranty

A. Equipment Warranty and Exclusive Remedy (excluding Software): Siemens Energy warrants that each component of the Equipment (excluding Software and consumables) furnished to Purchaser will be free of defects in workmanship and materials until the earlier of eighteen (18) months after the Delivery of such component of the Equipment or one (1) year from the date of first use of such component of the Equipment (the "Equipment Warranty Period").

If during the Equipment Warranty Period (or the Warranty Repair Warranty Period per Article 7(H), if applicable), Siemens Energy is promptly notified in writing that the Equipment or any component thereof fails to conform to the Equipment Warranty, Siemens Energy will at its option and expense correct such nonconformity by repair or replacement.

B. Software Warranty and Exclusive Remedy: Siemens Energy also warrants that the Software will comply with the functional specifications as set forth in this Agreement until the earlier of eighteen (18) months after the Delivery of such Software or one (1) year from the date of first use of the Software (the "Software Warranty Period"). Siemens Energy does not warrant that the Software will be error free or that Purchaser will experience uninterrupted performance.

If during the Software Warranty Period (or the Warranty Repair Warranty Period per Article 7(H), if applicable), Siemens Energy is promptly notified in writing that the Software fails to conform to its warranty, and such failure is reproducible Siemens Energy will at its option and expense correct the nonconformity by correction or deployment of an updated version, or patch in the medium originally supplied, or by providing a procedure to Purchaser for correction of the nonconformity. The obligations to provide software updates hereunder shall not include any obligation on Siemens Energy to provide software upgrades without entitlement to a change order. Third party Software shall be warranted on a pass-through basis in the same manner and for the same period and extent provided to Siemens Energy by the entity which supplied said third party software.

C. Field Installation Services, Field Repair and Modernization Services, Maintenance Services, and/or Shop Repair and Modernization Services Warranty and Exclusive Remedy: Siemens Energy warrants that the work performed by Siemens Energy on Purchaser's Material, including any materials (excluding consumables) supplied by Siemens Energy in connection therewith (hereinafter in this subsection C referred to as the "Work"), will be free of defects in, workmanship and materials until one (1) year after the completion of such Work (the "Field and Shop Repair and Modernization Services Warranty Period").

If during the Field and Shop Repair and Modernization Services Warranty Period (or the Warranty Repair Warranty Period per Article 7(H), if applicable), Siemens Energy is promptly notified in writing that the Work or any part thereof fails to conform to the Field Installation Services, Field Repair and Modernization Services, Maintenance Services, and/or Shop Repair and Modernization Services Warranty, Siemens Energy will at its option and expense correct such nonconformity by repair, replacement or reperformance of the defective portion of the Work. If repair, replacement or reperformance is impracticable, Siemens Energy will refund the amount of the compensation paid to Siemens Energy by Purchaser for such nonconforming portion of the Work.

D. Technical Services and Training Services Warranties and Exclusive Remedy: Siemens Energy warrants for each item of Technical Services that (i) the advice, recommendations and performance of its personnel will reflect competent professional knowledge and judgment and (ii) the technical information, reports and analyses transmitted by Siemens Energy in connection therewith will reflect competent professional knowledge and judgment, beginning with the start of the item of Technical Services and ending one (1) year after completion of said item of Technical Services by Siemens Energy (the "Technical Services Warranty Period"). Siemens Energy warrants that for each item of Training Services that such shall be performed in a professional and workmanlike manner beginning with the start of the item of Training Services and ending ninety (90) days after completion of said item of Training Services by Siemens Energy (the "Training Services Warranty Period").

If during the Technical Services Warranty Period or Training Services Warranty Period (or the Warranty Repair Warranty Period per Article 7(H), if applicable), Siemens Energy is promptly notified in writing that any portion of the Technical Services or Training Services fails to conform to the Technical Services Warranty or Training Services Warranty, Siemens Energy will promptly reperform such nonconforming portion of the Technical Services or Training Services. If reperformance is impracticable Siemens Energy will refund the amount of the compensation paid to Siemens Energy for such nonconforming portion of the Technical Services or Training Services.

E. Title: Siemens Energy warrants that the Equipment, upon Delivery, shall not be subject to any encumbrances, liens, security interests, or other defects in title. In the event of any failure to conform to this warranty, Siemens Energy, upon prompt written notice of such failure, shall defend the title to the Equipment.

F. Warranty Conditions: The warranties and remedies set forth in this Article are conditioned upon:

(1) Purchaser's receipt, handling, storage, installation, testing, operation and maintenance, including tasks incidental thereto, of the Equipment, Purchaser's Material or Purchaser's equipment, in accordance with the recommendations of Siemens Energy to the extent applicable or, in the absence of such recommendations or to the extent not applicable, in accordance with the generally accepted practices of the industry. In addition, such Equipment, Purchaser's Material or Purchaser's equipment shall not have been operated in excess of limitations specified in writing by Siemens Energy and not have been subjected to accident, alteration, abuse or misuse;

(2) For all warranty work, Purchaser shall provide access to any operating and maintenance data as requested by Siemens Energy, which may include broadband connection;

(3) For all warranty work where disassembly, removal, replacement and reinstallation of Equipment, materials, structures or Purchaser's Material was not part of the Siemens Energy scope of work under the Agreement, Purchaser providing, without cost to Siemens Energy, access to the nonconformity by disassembling, removing, replacing and reinstalling any Equipment, materials, structures or Purchaser's Material to the extent necessary to permit Siemens Energy to perform its warranty obligations;

(4) All warranty work being performed on a single-shift straight-time basis, Monday through Friday. In the event Purchaser requests correction of warranty items on an overtime or multiple shift schedule, the premium portion of such overtime or multiple shift shall be to Purchaser's account;

(5) Purchaser, without cost to Siemens Energy, making its Site facilities and personnel (to the extent consistent with personnel job classifications) available to assist Siemens Energy in the performance of its warranty obligations;

(6) Purchaser, with respect to subsection 5 above, reimbursing Siemens Energy for all costs incurred in the transportation of personnel and defective, repaired or replacement parts to and from the Site;

(7) Prior to the return of any Equipment or Purchaser's Material to Siemens Energy, the Purchaser must obtain authorization and shipping instructions from Siemens Energy. The Equipment or Purchaser's Material must be returned with complete identification in accordance with instructions furnished by Siemens Energy. In no event will Siemens Energy be

responsible for Equipment or Purchaser's Material returned without proper authorization and identification. Siemens Energy reserves the right to reject any unauthorized returns and/or Hazardous Material;

(8) Siemens Energy will have no warranty responsibility for any Software, or portion thereof, which has been modified or merged with another computer program without the prior written consent of Siemens Energy to such modification or merger. Further, Purchaser shall indemnify, hold harmless and defend Siemens Energy from any claims, demands, suits, liabilities, judgments, losses, damages, costs or expenses (including reasonable legal fees, costs and charges) resulting from any unauthorized Software modifications; and

(9) Siemens Energy shall be entitled to issue updates, upgrades and/ or changes to the Software solutions and applications or to provide functionally equivalent replacements during the term of this Agreement.

G. For the avoidance of doubt, in the event that physical loss or damage to the Purchaser's property results from the failure of a warranted defective portion of the Equipment or Services to conform to its respective warranty during the applicable warranty period, should Siemens Energy have any liability at all, Siemens Energy's liability shall in no case exceed Siemens Energy's obligation to perform the warranty remedies specified in Article 7 subsections A, B, C, or D, as applicable, which Siemens Energy would have had to perform if such warranty remedy had been carried out immediately prior to the occurrence of the physical loss or damage.

H. The warranty period for any Services or Equipment (except Software) repaired or replaced by Siemens Energy pursuant to this Article 7 shall not exceed the earlier of (i) twelve (12) months after the date of completion of the item of repaired, replaced or reperformed Equipment or Services or (ii) six (6) months after the expiration of the original warranty period (the "Warranty Repair Warranty Period").

I. Additional Conditions Applicable to the Sale of Monitoring Devices: Monitoring devices supplied by Siemens Energy pursuant to the Agreement may enable users to better diagnose and control conditions within the monitored equipment. While such monitors may permit earlier detection of harmful conditions, Siemens Energy does not warrant or represent that the use of such monitors will prevent failure or detect all harmful conditions in the monitored equipment and Purchaser acknowledges the same.

J. Additional Conditions Applicable to Diagnostic and Non-Destructive Examination and Testing: Diagnostic and non-destructive examination and testing techniques employed by Siemens Energy may not detect all of the defects in Purchaser's Material (including indications of cracking) and such failure shall not constitute a breach by Siemens Energy of its warranty obligations. Purchaser acknowledges that Siemens Energy will not be responsible for the consequences of undetected defects including undetected cracks.

K. Additional Conditions Applicable to Technical Field Advice: Where Siemens Energy furnishes Technical Field Advice under the Agreement, Purchaser is responsible for (i) the supervision, management, regulation, arbitration and determination of the number of its personnel, agents, or contractors and their work and (ii) the planning, scheduling, management and progress of the work. Unless expressly agreed to in writing by Siemens Energy, under no circumstances shall Siemens Energy provide or be obligated to provide Technical Field Advice directly or indirectly to any competitor of Siemens Energy or their employees, representatives, or consultants.

L. Additional Conditions Applicable to Remote Services: Where Siemens Energy furnishes Services remotely under the Agreement, Siemens Energy relies upon the proper and correct transmission of information from the Purchaser personnel. Prior to executing any advice given by Siemens Energy remotely, the Purchaser personnel shall repeat the advice given. The Purchaser represents and warrants that any user using a Siemens Energy application for the Services provided under a Purchaser account or using Purchaser's log-in credentials duly acts on behalf of the Purchaser and accepts the terms of use which will be made accessible to such user, e.g. on the landing page of an application. The terms of use published on any landing page of an application shall apply in their then current version with respect to the use of the application. The Purchaser shall be responsible for the acts and omissions of any such user as if they were the Purchaser's own acts and omissions.

M. Siemens Energy does not warrant or guarantee that any Equipment or Software will be secure from or protect against all cyber threats, hacking or similar malicious activity. Equipment or Software that is networked, connected to the internet, or otherwise connected to computers or other devices must be appropriately protected by Purchaser and owner/end-user against unauthorized access and for implementing product updates, and using the latest product versions, performing regular

vulnerability scanning, implementing and maintaining appropriate password policy and using appropriate network security measures such as firewalls, network client authentication and/or network segmentation.

N. Exclusivity of Warranties and Remedies: THE WARRANTIES PROVIDED BY SIEMENS ENERGY AS SET FORTH IN THIS ARTICLE ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER WARRANTIES WHETHER STATUTORY, EXPRESS, OR IMPLIED (INCLUDING ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND ALL WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE). Correction of nonconformities in the manner and for the period of time provided above constitute Siemens Energy's sole and exclusive liability and Purchaser's sole and exclusive remedy for defective or nonconforming Equipment and/or Services whether claims of the Purchaser are based in contract, in tort (including negligence and strict liability), or any other theory of recovery.

8. Taxes

The price paid or to be paid to Siemens Energy under the Agreement does not include any federal, state, or local property, license, privilege, sales, use, excise, value added, gross receipts, or similar taxes (other than federal and state income taxes imposed on Siemens Energy) now or hereafter applicable to, measured by, or imposed upon or with respect to the transaction, the Equipment and Purchaser's Material, its or their sale, their value or their use, or any Services performed in connection therewith. Purchaser agrees to defend, pay, and reimburse Siemens Energy for any such taxes or costs, expenses, claims, liabilities, or losses including without limitation tax liabilities, penalties, and interest as a result of Purchaser's acts or omissions related to such taxes, which Siemens Energy or its Subsuppliers are required to pay or are incurred by Siemens Energy and its Subsuppliers. Should Purchaser be exempted from any such tax(es) it shall provide Siemens Energy certification thereof within the earlier of thirty (30) days after the effective date of the Agreement or the time the exemption is obtained.

9. Additional Conditions Applicable to Nuclear Facilities

In the event the Services and/or the Equipment provided under the Agreement are to be performed and/or supplied at or in connection with a nuclear facility, the following conditions shall apply:

A. Purchaser Insurance

(1) Purchaser shall procure property damage insurance applicable to occurrences at the Site and/or third party non-nuclear liability insurance, and such insurance will include Siemens Energy and its Subsuppliers as additional insureds.

(2) Purchaser shall have at its own cost, prior to the arrival of nuclear fuel at the Site, secured and shall thereafter maintain protection against liability arising out of or resulting from a Nuclear Incident as required by the Nuclear Regulatory Commission; provided, however, that if the nuclear liability protection system in effect on the date of the Agreement expires or is repealed, changed, or modified, Purchaser will, without cost to Siemens Energy, maintain liability protection through government indemnity, limitation of liability, and/or liability insurance which will not result in a material impairment of the protection afforded Siemens Energy and its Subsuppliers by such nuclear liability protection system which is in effect as of the date of the Agreement, taking into account the availability of insurance, customary practice in the industry for plants of similar size and character, and other relevant factors in light of then existing conditions. In any event, the protection provided pursuant to this Article shall remain in effect until the decommissioning of the nuclear facility is complete.

B. Waivers by Purchaser: Neither Siemens Energy nor its Subsuppliers shall be liable for any loss of, damage to, or loss of use of property or equipment wherever located, arising out of or resulting from a Nuclear Incident. Purchaser waives and will require its insurers to waive all rights of recovery or subrogation against Siemens Energy and its Subsuppliers on account of any such loss, damage, or loss of use. Purchaser waives and will require its insurers to waive all rights of recovery or subrogation against Siemens Energy and its Subsuppliers, for any and all costs or expenses arising out of or in connection with the investigation and settlement of claims or the defense of suits for damage resulting from the Nuclear Incident. All such waivers shall be full and unrestricted and provided to Siemens Energy in a form acceptable to Siemens Energy, and will take precedent over any other clauses in the Agreement.

C. Indemnification: Purchaser will indemnify, defend and hold harmless Siemens Energy and its Subsuppliers from and against any claims, demands, suits, liabilities, judgments, losses, damages, costs or expenses (including reasonable legal fees, charges, and costs) for personal injury or death or loss of or damage to property (including but not limited to property of Siemens Energy and its Subsuppliers) which arises out of or results from a Nuclear Incident at the Site. In addition, Purchaser shall obtain for the benefit of Siemens Energy and its Subsuppliers, protection against liability for, arising out of, or resulting from damage to

any property or equipment located at the Site which is used or intended for use by Purchaser in connection with the operation of the nuclear power plant (including but not limited to fuel) and which is owned by parties other than Purchaser. In the event that the Nuclear Incident at the Site results in delay or additional cost to Siemens Energy, Siemens Energy shall be entitled to an equitable adjustment in the schedule, price and other provisions of the Agreement affected thereby or otherwise affected.

D. Decontamination: Purchaser shall, without cost to Siemens Energy, perform any required decontamination, disposal and health physics necessary for, related to or resulting from Siemens Energy performance of its contractual obligations. This includes but is not limited to decontamination of any Siemens Energy or its Subsuppliers property, equipment or tools used in or in connection with the performance thereof. Purchaser shall provide documentation demonstrating that components or parts being returned to Siemens Energy (or its Subsuppliers, as the case may be) after such decontamination meet the requirements designated for unrestricted release as set forth in the United States Code of Federal Regulations, Title 10 Part 20. If decontamination cannot be achieved, then Purchaser shall be responsible for, and pay to Siemens Energy, the full replacement cost value of any such property, equipment, or tools. In the event of any delay(s) caused by the required decontamination, disposal and/or health physics, the time for performance of the work will be extended by a period of time reasonably necessary to overcome the effect of any such delay(s), and Purchaser will reimburse Siemens Energy for its additional costs and expenses resulting from any such delay(s).

10. Force Majeure and Delays

A. Siemens Energy will not be liable for failure to perform, delay in performance, or for additional costs incurred resulting from or contributed to by any cause, whether known or unknown, which is beyond the reasonable control of Siemens Energy or its Subsuppliers or from any act of God; act of civil or military authority; act of war or military conflict whether declared or undeclared; act (including but not limited to delay, failure to act or priority, governmental allocations or restrictions upon the use of transportation, materials or labor, public curfews, shelters in place, shut-ins, or lock-downs) of any governmental authority; act of terrorism or threat thereof; civil disturbance, rebellion, insurrection, riot or sabotage; cyber threats, hacking or similar malicious activity; fire, inclement weather conditions, earthquake, flood or natural disaster; strike, work stoppage or other labor difficulty; sanctions, embargo, public health event, contagion, epidemic, endemic, pandemic, or outbreak; quarantine; breakdown or unavailability of telecommunication networks; attacks on Siemens Energy's or a Subsuppliers' digital infrastructure (such as malware, virus attacks, hacker attacks, or exploitation of vulnerabilities); railroad car, fuel or energy shortage; uncertain geopolitical and security situations in the world which can directly and indirectly affect the execution of this Agreement, including, but not limited to, the disruption of supply chains, price fluctuations and availability of certain equipment, materials, commodities, and metals as well as availability of transportation routes, transportation means and services and the supply of gas; major equipment breakdown; delay or accident in shipping or transportation; or failure or delay beyond its reasonable control in obtaining necessary manufacturing facilities, labor, work permits or working visas for Siemens Energy's personnel or its Subsuppliers' personnel, necessary import or export licenses, or materials, equipment, commodities, and metals as well as transportation means and services from usual sources.

B. Additionally, Siemens Energy will not be liable for failure to perform or delay in performance of any obligation resulting from or contributed to by the acts, omissions, neglect, delay or fault of parties outside of Siemens Energy's control including, but not limited to, Purchaser and Purchaser's contractors, subcontractors, representatives or agents.

C. In the event of an excusable circumstance under this Article, the date of Delivery or time for performance of the work will be extended by a period of time reasonably necessary to overcome the effect of such circumstance, and Purchaser will reimburse Siemens Energy for its additional costs and expenses resulting from the circumstance.

11. Termination

A. Purchaser may terminate the Agreement for convenience upon thirty (30) days prior written notice to Siemens Energy, subject to Purchaser's payment of Termination Charges. For purposes hereof, "Termination Charges" means either: (a) the applicable termination fee from the termination fee schedule set forth in the Siemens Energy proposal; or (b) in the absence of a termination fee schedule, the portion of the purchase price for the work performed, man hours expended and materials acquired as of the date of termination plus the expenses associated with the termination, including, but not limited to, any cancellation fee, any additional expense incurred by reason of termination or cancellation of agreements between Siemens Energy and its Subsuppliers, and any applicable cost allocated in contemplation of performance. The Parties agree that such Termination Charges, including termination fees set forth in the termination fee schedule, are a reasonable determination of the damages that

Siemens Energy would incur as a result of such termination and do not constitute a penalty. All Termination Charges shall be due and payable thirty (30) days from the date of the Siemens Energy invoice.

B. Purchaser may terminate the Agreement for cause in the event of (i) an act of insolvency or bankruptcy by Siemens Energy; or (ii) a material breach of the Agreement by Siemens Energy, which Siemens Energy fails to commence to cure within thirty (30) days after notice thereof from Purchaser and fails to diligently pursue thereafter. In such event, as Purchaser's sole remedy for such default, Siemens Energy will reimburse Purchaser for its additional, reasonable and verifiable costs to complete the Services or obtain replacement Equipment, meaning the amount, if any, paid by the Purchaser in excess of the price Purchaser would otherwise have paid Siemens Energy for such item of Equipment or Services under the Agreement. Purchaser shall pay Siemens Energy for all work performed up until the date of such termination by Purchaser.

C. In the event of any breach of the Agreement by Purchaser, Siemens Energy shall be entitled to an adjustment to the pertinent provisions of the Agreement, including but not limited to an extension of time to the extent necessitated by the breach, and to reimbursement for all costs and expenses ("Breach Costs") incurred by Siemens Energy as a result of such breach. Siemens Energy may terminate the Agreement if (i) the work is delayed for a period in excess of three (3) months in the aggregate for any reason attributable to Purchaser and/or force majeure, (ii) any payment from Purchaser is thirty (30) days or more past due, or (iii) Purchaser materially breaches this Agreement. If Siemens Energy terminates the Agreement pursuant to this Article 11(C), Purchaser shall pay Siemens Energy the Termination Charges (as defined in Article 11(A)) plus any Breach Costs within thirty (30) days from the date of the Siemens Energy invoice.

D. In addition, if at any time during the performance of its work under the Agreement Siemens Energy reasonably determines that the Purchaser's financial condition may render it insolvent or unable to make future payments under the Agreement, then Siemens Energy shall be entitled to one or more of the following at Siemens Energy's option: (i) adequate written assurances, supported by documentation, of Purchaser's ability to pay; (ii) payment in advance for any further work; (iii) future payments against an irrevocable Letter of Credit on terms, and from an issuing bank, acceptable to Siemens Energy; (iv) other payment security or credit support mutually agreed by Purchaser and Siemens Energy.

12. Intellectual Property Infringement

A. Siemens Energy will, at its own expense, defend or at its option settle any suit or proceeding brought against Purchaser so far as based on an allegation that any Services on Purchaser's Material or the Equipment (including parts thereof), or use thereof for its intended purpose, constitutes an infringement of any United States patent, copyright or misappropriation of a third party's trade secret, so long as Siemens Energy is notified promptly in writing, has the exclusive right to conduct the legal defense, and given full authority, information, and assistance in a timely manner for the defense of said suit or proceeding. Siemens Energy will pay the damages and costs awarded in any suit or proceeding so defended. Siemens Energy will not be responsible for any settlement of such suit or proceeding made without its prior written consent. In case the Services on Purchaser's Material or the Equipment, or any part thereof, as a result of any suit or proceeding so defended is held to constitute infringement of any such United States patent, copyright or misappropriation of a third party's trade secret, or its use by Purchaser is enjoined, Siemens Energy will, at its option and its own expense, either: (a) procure for Purchaser the right to continue using said Equipment or Purchaser's Material; (b) replace it with substantially equivalent non-infringing equipment; or (c) modify it so it becomes non-infringing.

B. Siemens Energy will have no duty or obligation to Purchaser under this Article to the extent that the Services on Purchaser's Material or Equipment is (a) supplied according to Purchaser's design or instructions wherein compliance therewith has caused Siemens Energy to deviate from its normal course of performance, (b) modified by Purchaser or its contractors after Delivery by Siemens Energy, (c) used in a manner or for a purpose not intended by Siemens Energy or (d) combined by Purchaser or its contractors with items not furnished hereunder and by reason of said design, instruction, modification, or combination a suit is brought against Purchaser. In addition, if by reason of such design, instruction, modification, use or combination, a suit or proceeding is brought against Siemens Energy, Purchaser shall protect Siemens Energy in the same manner and to the same extent that Siemens Energy has agreed to protect Purchaser under the provisions of Article 12(A) above.

C. THIS ARTICLE IS AN EXCLUSIVE STATEMENT OF ALL THE DUTIES OF THE PARTIES RELATING TO PATENTS, COPYRIGHTS OR TRADE SECRETS AND DIRECT OR CONTRIBUTORY INFRINGEMENT THEREOF AND OF ALL THE REMEDIES OF PURCHASER RELATING TO ANY CLAIMS, SUITS, OR PROCEEDINGS INVOLVING PATENTS, COPYRIGHTS OR TRADE SECRETS. Compliance with this Article as provided herein shall constitute fulfillment of all liabilities of the parties under the Agreement with respect to patents, copyrights or trade secrets.

13. Confidential Information

A. Siemens Energy may have a proprietary interest in information that is furnished pursuant to or in connection with the Agreement. Purchaser shall keep in confidence and shall not disclose any such information, or any of Siemens Energy's intellectual property (including, but not limited to, any patents, copyrights or trade secrets), which is specifically designated as being confidential by Siemens Energy, or is accessed through an Siemens Energy secured or restricted access computer network or server, nor use any such information for other than the purpose for which it is supplied without the prior written permission of Siemens Energy. Purchaser shall not input, upload, or otherwise provide such confidential information into any artificial intelligence program, machine learning model, large language model, or similar technology. The provisions of this paragraph shall not apply to information, notwithstanding any confidential designation thereof, which the Purchaser can prove was known to Purchaser without any restriction as to disclosure or use at the time it is furnished, which is or becomes generally available to the public without breach of any confidentiality obligation of Purchaser, or which is received from a third party, including Purchaser's subsidiaries or affiliates, without limitation or restriction on said third party or Purchaser at the time of disclosure.

B. Siemens Energy also has a proprietary interest in (i) its proposal and the Agreement and (ii) the processes and procedures used by its personnel in performance of the Agreement. Accordingly, the quotation, the Agreement and such processes and procedures shall not be disclosed or viewed in whole or in part by third parties without the prior written permission of Siemens Energy.

C. Siemens Energy also has a proprietary interest in the manner of performance of the work, including but not limited to the know-how, processes, methods and techniques employed by Siemens Energy in connection therewith. The observing or recording of the work or any part thereof, whether by photographic, video or audio devices or in any other manner is prohibited. In the event any such prohibited observation or recording occurs, any and all recording(s) and copies thereof shall be turned over to Siemens Energy for destruction by Siemens Energy. Siemens Energy may (in addition to any other legal or equitable rights and remedies) stop the work until Siemens Energy has satisfied itself that the prohibited conduct has ceased, and in such event (a) the date of delivery or time for performance will be extended by a period of time which Siemens Energy determines necessary and (b) Purchaser will reimburse Siemens Energy for Siemens Energy's and its Subsuppliers' additional costs and expenses resulting from such delay, including but not limited to any for demobilization or remobilization.

D. Without limiting its obligations pursuant to Articles 13(A) and 13(B) above, Purchaser agrees that Purchaser, its suppliers, contractors and affiliates shall not reverse engineer, modify, improve, or make derivative works of Siemens Energy's confidential information or intellectual property. Purchaser further agrees not to seek any intellectual property rights directly or indirectly based in whole or part on Siemens Energy's confidential information or intellectual property without Siemens Energy's prior written consent. Purchaser further agrees that if it obtains any such intellectual property rights, it has acted or will act as an agent for the benefit of Siemens Energy for the limited purpose of obtaining and securing such intellectual property rights and will upon written direction from Siemens Energy assign the same to Siemens Energy.

E. Purchaser shall indemnify and hold Siemens Energy harmless from and against any loss, damage or liability arising or resulting from non-compliance with the provisions of this Article 13.

F. When required by appropriate governmental authority, including governmental regulations, applicable law or regulation, by order of a court of competent jurisdiction or lawful subpoena (hereinafter collectively referred to as "Governmental Authority"), Purchaser may disclose such confidential information to such Governmental Authority; provided, however, that prior to making any such disclosure, Purchaser will: (a) provide Siemens Energy with timely advance written notice of the proprietary information requested by such Governmental Authority and Purchaser's intent to so disclose; (b) minimize the amount of proprietary information to be provided consonant with the interests of Siemens Energy and its Subsuppliers and the requirements of the Governmental Authority involved; and (c) make every reasonable effort (which shall include participation by Siemens Energy in discussions with the Governmental Authority involved) to secure confidential treatment and minimization of the proprietary information to be provided. In the event that efforts to secure confidential treatment are unsuccessful, Siemens Energy shall have the prior right to revise such information to minimize the disclosure of such information in a manner consonant with its interests and the requirements of the Governmental Authority involved.

14. Limitation of Liability

A. PURCHASER EXPRESSLY AGREES THAT NEITHER SIEMENS ENERGY NOR ITS SUBSUPPLIERS WILL UNDER ANY CIRCUMSTANCES BE LIABLE UNDER ANY THEORY OF RECOVERY, WHETHER BASED IN CONTRACT, IN TORT (INCLUDING BUT NOT LIMITED TO NEGLIGENCE AND STRICT LIABILITY), UNDER WARRANTY, OR OTHERWISE, FOR: ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL LOSS OR DAMAGE OR PUNITIVE DAMAGES WHATSOEVER; DAMAGE TO OR LOSS OF ANY PROPERTY OR EQUIPMENT

(EXCEPT AS OTHERWISE SET FORTH IN ARTICLE 14(C) BELOW); LOSS OF INTEREST OR PROFITS OR REVENUE OR LOSS OF USE THEREOF; INTERRUPTION OF OPERATIONS; LOSS OF USE OF PURCHASER'S MATERIAL, EQUIPMENT OR POWER SYSTEM; LOSS OF, ALTERATION OR INABILITY TO ACCESS OR USE INFORMATION OR DATA; LOSS OF PRODUCTION (INCLUDING LOSS OF HYDROCARBONS); LOSS OF POWER; INCREASED COSTS OF ANY KIND, INCLUDING BUT NOT LIMITED TO CAPITAL COST, FUEL COST AND COST OF PURCHASED OR REPLACEMENT POWER; OR ANY CLAIMS OR DAMAGES OF CUSTOMERS OF PURCHASER.

B. PURCHASER EXPRESSLY AGREES THAT THE REMEDIES PROVIDED IT IN THE AGREEMENT ARE EXCLUSIVE, AND THAT UNDER NO CIRCUMSTANCES SHALL THE TOTAL AGGREGATE LIABILITY OF SIEMENS ENERGY OR ITS SUBSUPPLIERS UNDER ANY THEORY OF RECOVERY, WHETHER BASED IN CONTRACT, IN TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY), UNDER WARRANTY, OR OTHERWISE, EXCEED THE TOTAL PRICE PAID TO SIEMENS ENERGY UNDER THE APPLICABLE PURCHASE ORDER.

C. SIEMENS ENERGY'S LIABILITY FOR DAMAGE TO PURCHASER'S PROPERTY TO THE EXTENT DIRECTLY RESULTING FROM SIEMENS ENERGY, ITS AFFILIATES AND ITS SUBSUPPLIERS NEGLIGENT ACTS OR OMISSIONS AT THE SITE OR WARRANTED DEFECT SHALL NOT EXCEED IN THE AGGREGATE THE LESSER OF (i) THE PURCHASER'S INSURANCE DEDUCTIBLE, (ii) THE DIRECT COST OF REPAIRING OR REPLACING SAID PROPERTY, (iii) THE LIMITATIONS IDENTIFIED IN ARTICLES 14 (A)&(B), OR (iv) FIVE HUNDRED THOUSAND DOLLARS ($500,000). PURCHASER WILL WAIVE AND REQUIRE ITS PROPERTY INSURER TO WAIVE ALL RIGHTS OF RECOVERY AGAINST SIEMENS ENERGY AND ITS SUBSUPPLIERS OF ANY TIER FOR LOSS OF OR DAMAGE TO PROPERTY AND EQUIPMENT OF PURCHASER IN EXCESS OF THE FINANCIAL OBLIGATION ASSUMED BY SIEMENS ENERGY HEREUNDER. IN ADDITION, SIEMENS ENERGY SHALL HAVE NO LIABILITY FOR DAMAGE TO PURCHASER'S PROPERTY AS THE RESULT OF ANY TECHNICAL FIELD ADVICE OR TRAINING SERVICES.

D. ALL LIABILITY OF SIEMENS ENERGY AND ITS SUBSUPPLIERS UNDER THIS AGREEMENT SHALL TERMINATE NO LATER THAN THE EXPIRATION OF THE WARRANTY PERIOD.

E. THE PROVISIONS OF THIS ARTICLE SHALL PREVAIL OVER ANY CONFLICTING OR INCONSISTENT PROVISIONS SET FORTH ELSEWHERE IN THIS AGREEMENT.

15. Transfer; Ownership and Export Compliance

A. Prior to the transfer to another party of any Equipment, Purchaser's Material, work product furnished hereunder by Siemens Energy's or its Subsuppliers, or the transfer of any interest in said Equipment, Purchaser's Material or work product, or the facility in which or the site on which said Equipment, Purchaser's Material or work product is or will be installed or furnished, Purchaser shall obtain for Siemens Energy written assurances from the transferee of limitation of and protection against liability following the proposed transfer at least equivalent to that afforded Siemens Energy and its Subsuppliers under the Agreement.

B. If Purchaser is not the sole owner of the Equipment, Purchaser's Material, work product furnished hereunder by Siemens Energy or its Subsuppliers, or the facility in which or the site on which the Equipment, Purchaser's Material or work product is or will be installed or furnished, Purchaser represents and warrants that it has (and will maintain) written assurances from each and every other owner of limitation of and protection against liability of Siemens Energy and its Subsuppliers with respect to each and every such other owner at least equivalent to that afforded Siemens Energy and its Subsuppliers under the Agreement.

C. If Purchaser transfers goods (hardware and/ or software and/ or technology as well as corresponding documentation, regardless of the mode of provision) delivered by Siemens Energy or works and services (including all kinds of technical support) performed by Siemens Energy to a third party worldwide, Purchaser shall comply with all applicable national and international (re-) export control regulations. In any event Purchaser shall comply with the (re-) export control regulations of the Federal Republic of Germany, of the European Union and of the United States of America.

D. If required to conduct export control or sanctions checks, Purchaser, upon request by Siemens Energy, shall promptly provide Siemens Energy with all information pertaining to particular end customer, destination and intended use of goods, works and services provided by Siemens Energy, as well as any export control restrictions existing.

E. PURCHASER SHALL INDEMNIFY AND HOLD HARMLESS SIEMENS ENERGY FROM AND AGAINST ANY CLAIM, PROCEEDING, ACTION, FINE, LOSS, COST AND DAMAGES ARISING OUT OF OR RELATING TO ANY NONCOMPLIANCE WITH EXPORT CONTROL REGULATIONS BY PURCHASER, AND PURCHASER SHALL COMPENSATE SIEMENS ENERGY FOR ALL LOSSES AND EXPENSES RESULTING THEREOF, UNLESS SUCH

NONCOMPLIANCE WAS NOT CAUSED BY FAULT OF THE PURCHASER. THIS PROVISION DOES NOT IMPLY A CHANGE IN BURDEN OF PROOF.

F. Siemens Energy shall not be obligated to fulfill this agreement if such fulfillment is prevented by what it determines to be any impediments arising out of national or international foreign trade or customs requirements or any embargoes or other sanctions.

G. Purchaser shall be liable for, and shall indemnify and hold harmless Siemens Energy and its Subsuppliers from and against, any damages, losses, or liabilities resulting from a transfer contrary to the provisions of Article 15 or in breach thereof to the extent such damages, losses, or liabilities are in excess of those that would have been incurred had no such transfer or breach, as the case may be, taken place.

16. *Software License*

To the extent set forth in the Agreement, Siemens Energy grants to Purchaser a nonexclusive, nontransferable license to utilize the Siemens Energy Software furnished hereunder solely for Purchaser's internal use in connection with the Siemens Energy equipment for which it is supplied or in which such Software is incorporated. All title and ownership of the Siemens Energy Software, including, without limitation, the copyright to such Software and any improvement or development thereof, shall remain exclusively with Siemens Energy. Purchaser may make one backup copy of the Software for the sole purpose of replacement of a worn, impaired, damaged, or destroyed original copy. Purchaser shall not itself, or with the assistance of others, reverse compile, reverse engineer, or in any other manner attempt to decipher in whole or in part the logic or coherence, underlying ideas, or algorithms of any Software licensed hereunder. Third party Software provided by Siemens Energy may be subject to a separate license agreement and /or registration requirements and limitations on copying and use.
Insofar as the Software contains Open Source Software ("OSS"), Siemens Energy will provide the applicable OSS license terms together with the Services. The OSS license terms shall prevail over this Agreement. Details regarding any third-party software and OSS contained in the Services are available in the software documentation (e.g. README_OSS).
The Purchaser shall notify Siemens Energy promptly about any possible misuse of its accounts or authentication credentials or any security incident related to the provided Software or associated application.

17. Compliance with Laws

In the performance of work under the Agreement, Siemens Energy and its Subsuppliers shall comply with all applicable provisions of Executive Order 14173, Executive Order 13496, the Fair Labor Standards Act of 1933 and the Occupational Safety and Health Act of 1970. The price for the work is based on compliance by Siemens Energy with applicable laws, regulations and technical codes and standards as they are in effect on the date of the Siemens Energy proposal (or the effective date of the Agreement if no proposal was provided).
Purchaser shall be responsible for identifying to Siemens Energy all applicable laws, regulations, codes and standards of state, provincial or local authorities, or any subdivision thereof, and shall bear the expense if Equipment modifications or changes to Services are necessary to comply with such laws, regulations, codes or standards. Any such modifications shall be made under the terms of Article 18, Changes. The work will comply with Siemens Energy's standards which meet the intent of the applicable industry codes as of the date of the Siemens Energy proposal (or the effective date of the Agreement if no proposal was provided). Purchaser agrees that it and its employees or representatives will not, directly or indirectly, in the name of, on behalf of, or for the benefit of Siemens Energy, offer, pay, promise to pay, or authorize the payment of any money or offer, give, promise to give or authorize the giving of anything of value, to (i) any official, agent or employee or any government or governmental agency, or to any political party or official, employee or agent thereof, or any candidate for political office, for the purpose of influencing any act or decision of such person in their or their official capacity, or for the purpose of inducing such persons to use their official capacity to influence any act or decision of their government or any instrumentality thereof; or (ii) to any private person, in order to obtain or retain business, or provide a business advantage related to this Agreement or in any way violate any provision of the US Foreign Corrupt Practices Act, or any applicable law related to bribery or corruption. If Purchaser fails to honor its obligations in this paragraph, and in addition to Purchaser defending, indemnifying, and holding Siemens Energy harmless from and against any fines, penalties and/or damages resulting from the same, Siemens Energy may, at its discretion, terminate in accordance with Article 11(c) above.

18. Changes

A. Purchaser may request changes within the scope of the Agreement and, if accepted by Siemens Energy, the price, performance, schedule and other pertinent provisions of the Agreement will be adjusted by mutual agreement of the parties prior to implementation of the change.

B. Changes in applicable laws, regulations, executive orders, taxes, tariffs, customs duties, or technical codes and standards or the imposition of new laws, regulations, executive orders, taxes, tariffs, customs duties, or technical codes and standards

announced, implemented, or revised after the date of the Siemens Energy proposal (or the effective date of the Agreement if no proposal was provided) will be treated as changes to the scope of work and Agreement, and Siemens Energy will be entitled to an adjustment to the Agreement price and schedule to the extent Siemens Energy's cost or time to perform or deliver any Equipment or Services are impacted.

C. Siemens Energy may make a change(s) in the Equipment, Services on Purchaser's Material or the other Services without additional compensation from Purchaser if such change(s) does not adversely affect the warranties, the interface with Purchaser's equipment, materials and plant, the technical soundness of the work, the operability of the facility where the Equipment or Purchaser's Material is installed or for which Siemens Energy is providing Services under the Agreement, or the schedule.

19. Inspection by Purchaser

Purchaser shall have reasonable access to the areas of the Siemens Energy plants where work under the Agreement is being performed to enable Purchaser to observe tests on the work. Siemens Energy, if requested, will inform the Purchaser of those tests and procedures which can be witnessed. Should Purchaser elect to witness specific tests, Purchaser must so specify such requirement in ample time to permit Siemens Energy to include said witness tests in the schedule. Siemens Energy, if requested, will advise Purchaser of the schedule of such tests. However, no rescheduling of tests or delays in manufacturing or shipment will be made to accommodate such inspection. Siemens Energy will exercise reasonable efforts to secure similar rights with respect to the inspection of the work at Subsupplier's premises.

20. Purchaser Data Usage

Purchaser acknowledges that in order to perform certain Services, Siemens Energy may require access to Purchaser's non-personal data. Purchaser hereby grants Siemens Energy a limited worldwide, perpetual, irrevocable, transferable, sub-licensable, royalty-free license to access, collect, store, compile and use the Purchaser's data for the purposes of providing Services to Purchaser and for purposes of generally improving Siemens Energy services or products. Siemens Energy's use of the Purchaser data to improve Siemens Energy's services or products shall be in such manner as to provide anonymity as to the Purchaser. Siemens Energy shall own all right, title and interest in and to the Resultant Data. In the event that Resultant Data is incorporated in a report or other document generated by and output from software or hardware provided by Siemens Energy as a feature of such software or hardware, the Purchaser shall own only personal title to any such report or document upon output thereof and have the right to make copies of, modify and distribute such report or document for the sole purpose for which the report has been created, and shall not share it with any third-parties without Siemens Energy's consent.

21. Removal of Hazardous Material

Prior to the shipment of any Equipment or Purchaser's Material to Siemens Energy for Services at Siemens Energy's or its Subsuppliers' manufacturing plant or repair facility, Purchaser must ensure the Equipment or Purchaser's Material meets any radiological requirements provided by Siemens Energy to Purchaser for unrestricted release but at a minimum as set forth in the United States Code of Federal Regulations, Title 10 Part 20 and remove all Hazardous Material and ACM. In the event that Hazardous Materials and such removal results in delay or additional cost to Siemens Energy, Siemens Energy shall be entitled to an equitable adjustment in the schedule, price and other provisions of the Agreement affected thereby or otherwise affected by Purchaser's non-compliance.

22. Purchaser's Third-Party Parts Warranty

Purchaser warrants that any and all Third Party Parts which may be the subject of any Services shall (a) be fully compatible with the corresponding part, component, equipment or material of the Original Equipment Manufacturer ("OEM") in terms of form, fit, and function; (b) shall be timely provided to Siemens Energy hereunder; and (c) shall be capable of installation in the same manner and within the same time as the corresponding OEM part, component, equipment, or material.
Purchaser assumes the entire liability and risk arising out of or resulting from Third Party Parts and Services on Third Party Parts. Siemens Energy's warranties set forth in Article 7 do not apply to any Third Party Parts or Services on Third Party Parts, and SIEMENS ENERGY DISCLAIMS ANY AND ALL WARRANTIES AND REMEDIES, WHETHER STATUTORY, EXPRESS OR IMPLIED (INCLUDING ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND ALL WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE), OR OTHERWISE, FOR OR WITH RESPECT TO THIRD PARTY PARTS OR SERVICES ON THIRD PARTY PARTS.

23. Indemnity

Until the expiration of the applicable Warranty Period, Siemens Energy shall indemnify, hold harmless and defend Purchaser its officers, directors and employees from and against any claims, demands, suits, liabilities, judgments, losses, damages, costs or expenses (including reasonable legal fees, costs and charges) for bodily injury or death or loss of or damage to third party property (except property of customers of Purchaser or property incorporated in or intended to be incorporated in the project), to the extent

caused by or arising out of any negligent act or omission or willful misconduct of Siemens Energy, or any of its officers, directors, agents, employees or Subsuppliers in connection with performance of work at Purchaser's Site under the Agreement ("Purchaser Indemnity Claim"). Siemens Energy's indemnification obligations under this Article 23 are conditioned upon Purchaser providing Siemens Energy with: (i) prompt notice of any Purchaser Indemnity Claim; (ii) the unrestricted and exclusive right to defend and/or settle any Purchaser Indemnity Claim; and (iii) full cooperation and support in the investigation, defense and/or settlement of the Purchaser Indemnity Claim. In no event shall this indemnity apply to loss, damage, expense, or liability arising from a Nuclear Incident.

Purchaser shall indemnify, hold harmless and defend Siemens Energy its officers, directors and employees from and against any claims, demands, suits, liabilities, judgments, losses, damages, costs or expenses (including reasonable legal fees, costs and charges) for bodily injury or death or loss of or damage to third party property to the extent caused by or arising out of any negligent act or omission or willful misconduct of Purchaser, or any of its officers, directors, agents, employees or subcontractors in connection with performance of work under the Agreement ("Siemens Energy Indemnity Claim"). Purchaser's indemnification obligations under this Article 23 are conditioned upon Siemens Energy providing Purchaser with: (i) prompt notice of any Siemens Energy Indemnity Claim; (ii) the unrestricted and exclusive right to defend and/or settle any Siemens Energy Indemnity Claim; and (iii) full cooperation and support in the investigation, defense and/or settlement of the Siemens Energy Indemnity Claim.

For the avoidance of doubt, any property of the Purchaser, any owner, end-user or the final recipient of any Equipment, Services or Software provided under this Agreement is not considered third party property as per any of the indemnity obligations in the foregoing.

24. Siemens Energy's Insurance

In connection with the Agreement, Siemens Energy shall maintain insurance (or self-insurance) as specified below:

A. Workers' Compensation: Siemens Energy shall comply with workers' compensation laws (or equivalent) in each jurisdiction where work is performed, and shall maintain a Workers' Compensation and Employer's Liability insurance policy. If any work is to be performed on or near navigable waters, the policy shall include coverage for United States Longshoreman's and Harbor Worker's Act, Death on the High Seas Act, Jones Act, or their equivalent as required by the applicable law in the jurisdiction where such work is performed. The limits of such insurance shall be as follows:

Workers' Compensation: Statutory

Employer's Liability: $1,000,000 each accident
$1,000,000 disease each employee
$1,000,000 policy aggregate for disease

B. Commercial General Liability: Siemens Energy shall maintain Commercial General Liability insurance on an occurrence basis to provide coverage for bodily injury; personal injury; property damage; explosion, collapse and underground hazards (XCU); contractual liability (applicable to Siemens Energy's obligations under Article 23 of this Agreement); and products/completed operations. Such policy shall provide limits of $1,000,000 each occurrence and in the aggregate.

C. Business Automobile Liability: Siemens Energy shall maintain business automobile liability insurance which shall include coverage for all owned, non-owned and hired vehicles with a $1,000,000 Combined Single Limit.

D. Excess Liability: Siemens Energy shall maintain excess liability insurance with a limit of $4,000,000 each occurrence and in the aggregate. The policy shall be excess over the Commercial General Liability, Business Automobile Liability, and Employer's Liability coverages.

E. The coverages set forth in B, C and D above shall include Purchaser as additional insured to the extent that bodily injury, death and third-party property damage are caused by the negligent acts or omissions of Siemens Energy or its Subsuppliers. The coverage afforded to Purchaser as an additional insured shall apply on a primary basis.

25. Purchaser's Insurance

In connection with the Agreement, Purchaser shall purchase and maintain insurance as specified below:

A. Property Insurance: Purchaser shall purchase and maintain property insurance (including builder's risk, if applicable) on an all-risks basis covering physical loss or damage to the property at the Site (including the Equipment and Purchaser's Material

after Delivery thereof), which coverage shall be maintained until the expiration of the last of the applicable Warranty Periods. Such insurance will include Siemens Energy and its Subsuppliers as an additional insured, with a waiver of subrogation.

B. Workers' Compensation: Purchaser shall comply with applicable workers' compensation laws (or equivalent) and shall maintain a Workers' Compensation and Employer's Liability insurance policy. If the Site is on or near navigable waters, the policy shall include coverage for United States Longshoreman's and Harbor Worker's Act, Death on the High Seas Act, Jones Act, or their equivalent as required by the applicable law in the jurisdiction where the Site is located. The limits of such insurance shall be as follows:

Workers' Compensation: Statutory

Employer's Liability: $1,000,000 each accident
$1,000,000 disease each employee
$1,000,000 policy aggregate for disease

C. Commercial General Liability: Purchaser shall maintain Commercial General Liability insurance on an occurrence basis to provide coverage for: bodily injury; personal injury; property damage; explosion, collapse, and underground (XCU) hazards; contractual liability (applicable to Purchaser's obligations under Article 23 of this Agreement); and products/completed operations. Such policy shall provide limits of $1,000,000 each occurrence and in the aggregate.

D. Business Automobile Liability: Purchaser shall maintain Business Automobile Liability insurance which shall include coverage for all owned, non-owned and hired vehicles with a $1,000,000 Combined Single Limit.

E. Excess Liability: Purchaser shall maintain Excess Liability insurance with a limit of $4,000,000 each occurrence and in the aggregate. The policy shall be excess over the Commercial General Liability, Business Automobile Liability, and Employer's Liability coverages.

F. The coverages set forth in subsections C, D, and E above shall include Siemens Energy as additional insured to the extent that bodily injury, death and third-party property damage are caused by the negligent acts or omissions of Purchaser or its subcontractors. The coverage afforded to Siemens Energy as an additional insured shall apply on a primary basis.

26. Miscellaneous Provisions

A. Shipment Dates: Shipment dates are the dates the Equipment or Purchaser's Material will be ready for shipment from the manufacturing plant, Siemens Energy repair facility or other facility where the Services are performed and are predicated on the prompt receipt by Siemens Energy from Purchaser of all information necessary to commence and complete the work without delay or interruption. Unless otherwise stated in a Purchase Order, shipment dates are not guaranteed. Should Purchaser request Siemens Energy to ship any Equipment or Purchaser's Material prior to a date established based on Siemens Energy standard lead time for such Equipment or Purchaser's Material, and provided Siemens Energy accepts in writing the earlier date, an additional fee will be applied to cover the costs associated with such expedited shipment.

B. Waivers: The failure of either Party to enforce at any time any of the provisions of the Agreement or to require at any time performance by the other Party of any of such provisions, shall in no way be construed to be a waiver of such provision, nor in any way to affect the validity of the Agreement or any parts thereof, or the right of either Party thereafter to enforce each and every provision.

C. Modification: No waiver, modification, or amendment of any of the provisions of the Agreement shall be binding unless it is in writing and signed by duly authorized representatives of both parties.

D. Headings: The headings used in the Agreement are not to be construed as modifying, limiting or expanding in any way the scope or extent of the provisions in the Agreement.

E. Assignment & Subcontracting: The Agreement may not be assigned by either Party without the prior written consent of the other Party, which consent will not be unreasonably withheld. Any purported assignment without such prior written consent shall be null and void. Notwithstanding the foregoing, Siemens Energy may assign or novate the Agreement, in whole or in part,

to any of its affiliates or subsidiaries without Purchaser's consent and further may subcontract the same as Siemens Energy may deem reasonably necessary for the fulfilment of the Agreement.

F. Governing Law: The Agreement will be construed and interpreted in accordance with the laws of the State of Texas without application of its choice of law or conflict of law rules. The parties agree that the United Nations Convention on Contracts for the International Sale of Goods does not apply to any Agreement.

G. Personnel: Siemens Energy reserves the right to change any of its personnel performing Services under the Agreement. In the event of changing personnel, Siemens Energy will provide replacement personnel of equivalent capabilities and bear the additional travel expense associated with such replacement.

H. Performance Guarantee(s) and Exclusive Remedy: There are no performance guarantees of the Equipment, Software and/or Services unless specifically set forth in the Siemens Energy proposal. In the event any performance guarantees are provided in the Siemens Energy proposal, Purchaser's sole and exclusive remedy and Siemens Energy's sole and exclusive liability for any failure of the Equipment, Software and/or Services to comply with such performance guarantees under any theory of recovery shall be the liquidated damages specified in such Siemens Energy proposal up to the limit specified therein, which liquidated damages shall only be paid on a "no harm, no foul" basis. The Parties agree that such liquidated are a reasonable determination of the damages that Purchaser would incur as a result of the failure of the Equipment and/or Services to meet the Performance Guarantees and do not constitute a penalty.

I. Environmental Compliance: Purchaser recognizes that the performance of Services at the Site may involve the generation of Hazardous Material. Purchaser shall at its expense furnish Siemens Energy with containers for Hazardous Material and shall designate a waste storage facility at the Site where such containers are to be placed by Siemens Energy. Purchaser shall handle, store, and dispose of Hazardous Material in accordance with all applicable federal, state, and local laws, rules, regulations and ordinances. Purchaser shall reimburse Siemens Energy for additional costs, if any, incurred in complying with any such laws, regulations, rules and/or ordinances.

Siemens Energy shall have no responsibility or liability with regard to any Hazardous Material, including any hazardous waste, which it does not know or have reason to know will be generated in the performance of the Services, and Purchaser shall be liable for, and shall indemnify and hold Siemens Energy harmless for, all pollution and environmental impairment to the extent arising from the Purchaser's property or with respect to Purchaser's negligent acts or omissions relating to the Equipment or the Services. If this indemnity provision is deemed contrary to the applicable law, then the Purchaser's obligation shall be enforceable to the maximum extent allowed by such applicable law, and this provision shall be deemed amended to the extent necessary for such maximum enforceability.

TO THE EXTENT THAT PURCHASER ASSUMES AN OBLIGATION TO INDEMNIFY SIEMENS ENERGY UNDER THIS SECTION 26.I., PURCHASER DOES SO EVEN IN THE CASE OF NEGLIGENCE OR OTHER FAULT OF SIEMENS ENERGY. PURCHASER AND SIEMENS ENERGY INTEND THAT THIS STATEMENT COMPLIES WITH THE EXPRESS NEGLIGENCE RULE AND CONSTITUTES CONSPICUOUS NOTICE.

J. Asbestos and Thermal Insulation:

(1) The Purchaser warrants, represents, and certifies that, in any areas which may be accessed by Siemens Energy or its Subsuppliers, any ACM which is or is contained in thermal insulation or sprayed-on surfacing material is conspicuously and specifically marked as ACM, and any other ACM is in a lawful condition, intact and undisturbed.

(2) Prior to Siemens Energy's commencement of Services at the Site:

(a) The Purchaser shall, at Purchaser's expense instruct a licensed asbestos abatement professional to remove all thermal insulation, sprayed-on surfacing material, and/or ACM, including ACM which may be disturbed during or removal of which is required for the performance of the Services; and

(b) The Purchaser shall ensure that any areas where any activities involving the abatement or removal of thermal insulation, sprayed-on surfacing material or ACM shall be conspicuously identified, posted and isolated, all as required by applicable law.

PURCHASER EXPRESSLY ACKNOWLEDGES AND AGREES THAT SIEMENS ENERGY IN PERFORMING THE SERVICES AND PERMITTING EMPLOYEES TO ENTER THE WORK AREAS IS RELYING UPON THE COVENANTS, AGREEMENTS, WARRANTIES, CERTIFICATIONS AND REPRESENTATIONS MADE BY PURCHASER ABOVE.
Without limiting its other rights and remedies Siemens Energy shall not be obligated to commence or may stop any work in any Work Areas unless fully satisfied that the Purchaser is in compliance with Article 26.J(1) above and this Article 26.J(2), and shall be entitled to an equitable adjustment in the schedule, price and other provisions of the Agreement affected thereby or otherwise affected by Purchaser's non-compliance.

(3) In no event shall Siemens Energy be obligated to install, disturb, handle, or remove any thermal insulation, sprayed-on surfacing material, or ACM except as specifically agreed in writing by Siemens Energy and only after Siemens Energy has been provided acceptable chemical analyses verifying that the same are not ACM.

(4) Siemens Energy makes no representation that it is licensed to abate ACM. Notwithstanding anything set forth in the Agreement and unless Siemens Energy is provided satisfactory written evidence that such GPW is not ACM, Siemens Energy shall be obligated to handle, remove, or reinstall generator wedges, packing, or high temperature gaskets (such materials herein "GPW") only if such activities are within the scope of the Services and only then to the extent that:

(a) such activities would be classified as Class II or Class III activity under United States Code of Federal Regulations Chapter 29 Section
CFR 1926.1101 et seq.;

(b) such activities do not require a permit, license, or authorization;

(c) such activities are not likely to generate airborne asbestos fibers, and

(d) all such GPW is non-friable.

In all other cases, such activities shall be Purchaser's responsibility and Siemens Energy shall be entitled to an equitable adjustment in the schedule, price and other pertinent affected provisions of the Agreement should the same not be performed in a timely manner. The disposal of any GPW or scrap or waste material resulting from its disturbance or removal shall in all cases be the Purchaser's responsibility.

(5) Purchaser shall defend, indemnify and hold Siemens Energy and its Subsuppliers harmless against any and all claims, demands, damages, losses, liabilities, fines, penalties, costs or expenses, including without limitation any clean up or remedial measures arising out of, connected with, or resulting from the Purchaser's failure to comply with the provisions of this Article 26.J.

K. Radiological Exposure:

(1) Purchaser warrants, represents, and certifies that, in any areas which may be accessed by Siemens Energy or its Subsuppliers, any radiological hazards are conspicuously and specifically marked as radiological hazards, and, along with any other radioactive material, are in a lawful condition.

(2) Prior to Siemens Energy's commencement of Services at the Site:

(a) Purchaser shall, at Purchaser's expense, secure all radiological hazards which may be involved for the performance of the Services; and

(b) Purchaser shall ensure that any areas involving radiological hazards shall be conspicuously identified, posted and isolated, all as required by applicable law.

PURCHASER EXPRESSLY ACKNOWLEDGES AND AGREES THAT SIEMENS ENERGY IN PERFORMING THE SERVICES AND PERMITTING EMPLOYEES TO ENTER THE WORK AREAS IS RELYING UPON THE COVENANTS, AGREEMENTS, WARRANTIES, CERTIFICATIONS AND REPRESENTATIONS MADE BY PURCHASER ABOVE.
Without limiting its other rights and remedies Siemens Energy shall not be obligated to commence or may stop any work in any Work Areas unless fully satisfied that Purchaser is in compliance with Article 26.K(1) above and this Article

26.K(2), and shall be entitled to an equitable adjustment in the schedule, price and other provisions of the Agreement affected thereby or otherwise affected by Purchaser's non-compliance.

(3) In no event shall Siemens Energy be obligated engage in any work that exposes its employees or those of its Subsuppliers to radiological hazards or equipment/materials contaminated with radioactive material or radiological pollution.

(4) Siemens Energy makes no representation that it is licensed to work with radioactive materials or radiological containment in any way. Such activities shall be Purchaser's responsibility and Siemens Energy shall be entitled to an equitable adjustment in the schedule, price and other pertinent affected provisions of the Agreement should the same not be performed in a timely manner. The disposal of any radiological or scrap or waste material resulting shall in all cases be Purchaser's responsibility.

(5) Purchaser shall defend, indemnify and hold Siemens Energy and its Subsuppliers harmless against any and all claims, demands, damages, losses, liabilities, fines, penalties, costs or expenses, including without limitation any clean up or remedial measures arising out of, connected with, or resulting from Purchaser's failure to comply with the provisions of this Article 26.K.

L. Integration: The Agreement contains the entire agreement and understanding between the parties as to the subject matter of the Agreement, and merges and supersedes all prior or contemporaneous agreements, commitments, representations, writings, and discussions between them. Neither of the parties will be bound by any prior or contemporaneous obligations, conditions, warranties, or representations with respect to the subject matter of the Agreement.

M. Dispute Resolution: All disputes, controversies, or claims arising out of or related to this Agreement shall first require good faith amicable negotiations between the Parties' respective executives having settlement authority before being submitted to arbitration. If the Parties are unable to reach a resolution within a period of sixty (60) days from the start of the amicable negotiation period, then upon notice by either Party, all disputes will be settled by arbitration. All disputes, controversies, and/or claims arising out of or relating to this Agreement, including any disputes relating to the validity, interpretation, or enforcement of this arbitration clause and/or the jurisdiction of the arbitral tribunal, shall be exclusively and finally settled under the Rules of Arbitration of the International Chamber of Commerce ("ICC") in force as of the date of commencement of the arbitration. If the total claim value (including counterclaims but excluding costs and legal fees) is less than two million US dollars ($2,000,000 USD) and the Parties seek only monetary relief, the arbitral tribunal shall consist of a single arbitrator appointed by the ICC in accordance with its rules. If the total claim value (including counterclaims but excluding costs and legal fees) is equal to or greater than two million US dollars ($2,000,000 USD) or any Party seeks non-monetary relief, the arbitral tribunal shall consist of three arbitrators. In such case, the claimant(s) shall nominate one arbitrator in its request for arbitration, the respondent(s) shall nominate one arbitrator within thirty (30) days of the commencement of the arbitration, and the two party-nominated arbitrators, in consultation with the Party that nominated them, shall within thirty (30) days of their confirmation, nominate the third arbitrator, who, once confirmed, shall serve as chair of the arbitral tribunal. If the two party-nominated arbitrators are unable to agree on a third arbitrator within thirty (30) days, the third arbitrator will be appointed by the ICC in accordance with its rules. The arbitration will be seated in Houston, Texas and will apply Texas law, will be confidential, and will be conducted in the English language. The Parties agree that information exchange, if required by the arbitral tribunal, will be conducted pursuant to the IBA Rules on the Taking of Evidence with a view towards the efficient resolution of the dispute. At the conclusion of the arbitration, the arbitral tribunal will render a reasoned award, which shall be enforceable in any court having jurisdiction.

N. Survival: The provisions entitled "Intellectual Property," "Additional Conditions Applicable to Nuclear Facilities," "Confidential Information," "Limitation of Liability," "Transfer; Ownership and Export Compliance," "Software License," the second paragraph of "Delivery, Title and Risk of Loss or Damage," Article 26.J.(5) of the provision entitled "Asbestos and Thermal Insulation", Article 26.K.(5) of the provision entitled "Radiological Exposure," and "Dispute Resolution" shall survive termination, expiration or cancellation of the Agreement.

O. Site Safety: Purchaser shall comply with all federal, state, and local safety regulations and standards applicable to the site and to the equipment on which Siemens Energy will perform the work. Siemens Energy shall not be obligated to commence or perform work unless Purchaser's site complies with all applicable safety requirements. Should Siemens Energy require use of Purchaser's equipment, including lifting devices, in performance of the Services, Purchaser shall ensure that such equipment complies with all applicable laws, including all OSHA regulations and certifications, and is capable of performance of the Services. If requested by Siemens Energy, Purchaser shall provide Siemens Energy with documentation confirming Purchaser's equipment's compliance with applicable law. In the event Purchaser's site safety is non-compliant, Siemens Energy may suspend

work until such time as Purchaser corrects the noncompliance. To the extent Siemens Energy incurs additional time and expense as the result of Purchaser's non-compliance, Siemens Energy shall be entitled to an equitable adjustment in the schedule, price and other affected provisions of the Agreement. Purchaser shall defend, indemnify and hold harmless Siemens Energy from and against all damages, losses, costs and expenses (including attorneys' fees and litigation expenses) arising out of or resulting from injury or death, or damage to property due to Purchaser's non-compliance with this Article or due to the condition of, defects, deficiencies, or non-conformities in Purchaser's equipment.

P. Severability: In the event that any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had never been contained herein, unless the deletion of such provision or provisions would result in such a material change so as to cause completion of the transactions contemplated herein to be unreasonable.

Q. Publicity: Neither Party shall, without the prior written consent of the other Party, issue any public statement, press release, publicity hand-out or other material relating to the Equipment and Services performed.

CITY COUNCIL ACTION REQUEST

TO: Ron Smith, City Manager

FROM: Jenn Bosser, Iredell EDC

DATE: 11/3/2026 5:22 PM

ACTION NEEDED ON: **November 16, 2026**
(Date of Council Meeting)

COUNCIL ACTION REQUESTED:

Conduct a public hearing and consider approving an economic incentive for an expansion project and consider approving a resolution approving application for and acceptance of a Rural Building Reuse Grant for Project Art.

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1. **Summary of Information:**
   Project Art is an existing, privately owned manufacturing company currently in North Carolina. The company is looking at expanding to 125 Lulu Lane in Statesville. They are asking for an economic incentive to expand to the additional facility and apply for the Rural Building Reuse Grant.

   Project is expected to include a total capital investment of approximately $8,000,000, consisting of approximately $4,000,000 in real-property improvements and $4,000,000 in tangible personal property.

   Company proposes to retain ninety-three (93) existing North Carolina jobs and create twelve (12) new permanent, full-time jobs, with six (6) new jobs anticipated during the first year and six (6) additional new jobs anticipated during the second year, at an anticipated average annual wage of $75,833.

   North Carolina Rural Building Reuse Grant Program provides competitive grants to eligible units of local government to support qualifying building improvements that lead to the creation of new, full-time employment. Funding up to $60,000 has been identified as potentially available.

2. **Previous Council or Relevant Actions:**
   City Council approved the Economic Incentive Policy in 2022.

3. **Strategic Initiatives Supported/Impacted:**
   Developing Our City: N/A
   Connecting Our City: N/A
   Connecting Our Communities: N/A
   Strategic Plan Values: We value and encourage Opportunity

   Approving this incentive brings at a minimum of 12 new jobs to the City.

4. **Budget/Funding Implications:**
   - 80% grant based on real property and 50% grant based on Tangible Personal Property of an investment of $8,000,000.
   - Up to $125,208 over 5 years

- 5% match on the awarded grant amount of $3,000.

5. **Consequences for Not Acting:**
   The company may not expand their facility in Statesville.

6. **Department Recommendation:**
   Approve the incentive agreement and resolution as presented.

7. **Manager Comments:**
   Recommend for approval.

8. **Next Steps:**
   If approved, staff will have legal draft the incentive agreement.

9. **Attachments:**
   1. Resolution approving grant for Project Art

Resolution No. _____

RESOLUTION APPROVING APPLICATION FOR AND ACCEPTANCE OF A RURAL BUILDING REUSE GRANT FOR PROJECT ART

WHEREAS, Speedball Art Products, LLC (the "Company") proposes to expand its manufacturing operations at 125 Lulu Lane, Statesville, North Carolina 28625, through the lease and improvement of an existing industrial facility (the "Project Site"), as part of an economic development project known as "Project Art" (the "Project"); and

WHEREAS, the Project is expected to include an aggregate capital investment of approximately Eight Million Dollars ($8,000,000), consisting of approximately Four Million Dollars ($4,000,000) in real-property improvements and Four Million Dollars ($4,000,000) in tangible personal property; and

WHEREAS, the Company proposes to retain ninety-three (93) existing North Carolina jobs and create twelve (12) new permanent, full-time jobs, with six (6) new jobs anticipated during the first year and six (6) additional new jobs anticipated during the second year, at an anticipated average annual wage of Seventy-Five Thousand Eight Hundred Thirty-Three Dollars ($75,833); and

WHEREAS, the North Carolina Rural Building Reuse Grant Program provides competitive grants to eligible units of local government to support qualifying building improvements that lead to the creation of new, full-time employment; and

WHEREAS, grant funding of up to Sixty Thousand Dollars ($60,000) has been identified as potentially available for the Project, subject to the submission and approval of an application, satisfaction of all program requirements, availability of funds, and formal action by the appropriate State authorities; and

WHEREAS, the grant program requires a dollar-for-dollar cash match equal to the grant request and an additional local-government cash match equal to five percent (5%) of the grant amount, from local resources that are not derived from other State or federal grant funds; and

WHEREAS, the City Council finds that facilitating the productive reuse of the Project Site, retaining existing manufacturing employment, creating new full-time jobs, and supporting additional private capital investment will promote the economic development and general welfare of the City of Statesville; and

WHEREAS, the City Council desires to authorize the submission of an application for the Building Reuse Grant, the acceptance of any resulting award, and the execution and administration of the documents necessary to implement the grant and the Project.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Statesville, North Carolina, as follows:

1. **Approval of Grant Application.** The City Council approves application to the North Carolina Department of Commerce, Rural Economic Development Division, or other responsible State agency or authority, for a Rural Building Reuse Grant in an amount not to exceed Sixty Thousand Dollars ($60,000) for Project Art.
2. **Acceptance of Grant.** Subject to the conditions of the grant, the City Council authorizes the City to accept a Building Reuse Grant award in an amount not to exceed Sixty Thousand Dollars ($60,000) and to receive, administer, and disburse the grant proceeds solely for eligible Project costs in accordance with the final grant award, grant agreement, approved project budget, and applicable program requirements.
3. **Local Match.** The City Council approves a local cash match in an amount not to exceed Three Thousand Dollars ($3,000), representing five percent (5%) of the maximum grant amount requested, subject to appropriation and confirmation that the expenditure complies with all applicable requirements. The Company shall provide, or cause to be provided, the required dollar-for-dollar cash match and any additional Project funding required by the final grant award and related agreements.
4. **Conditions of City Participation.** The approvals granted by this Resolution are expressly conditioned upon the execution of a grant agreement between the City and the State agency or authority responsible in a form acceptable to the City Attorney.
5. **Effective Date.** This Resolution shall become effective immediately upon its adoption.

Adopted by the City Council of the City of Statesville, North Carolina, in open session on _____.

CITY OF STATESVILLE, NORTH CAROLINA

By: _____
Doug Hendrix, Mayor

ATTEST:

By: _____
Emily K. Campbell, City Clerk

APPROVED AS TO FORM:

By: _____
Leah Gaines Messick, City Attorney

CITY COUNCIL ACTION REQUEST

TO: Ron Smith, City Manager

FROM: Joseph Campbell, Planner II

DATE: 11/4/2026 9:35 AM

ACTION NEEDED ON: **November 16, 2026**
(Date of Council Meeting)

COUNCIL ACTION REQUESTED:

Conduct a Public Hearing for Conditional Rezoning Amendment: ZC26-06 (A) Turnersburg Hwy (Quick Trip) to rezone one parcel from Iredell County GB CUD (General Business) Conditional Use District and to City of Statesville B-4 CZ (Highway Business) Conditional Zoning District.

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1. **Summary of Information:**
   This request, initiated by Mr. Thomas Donton on behalf of QuikTrip Corporation, is to rezone 0.07 acres located at 824 Turnersburg Highway adjacent to Interstate 77. The request adds additional acreage to a future commercial development site. The broader conditional district also includes nearly 8 acres for a convenience store/gas station (QuikTrip).

   This is a conditional rezoning, meaning the project will be tied to the concept plan, along with any conditions agreed upon by the applicant and City Council. Previously, six parcels included in this request totaling approximately 24.1 acres were approved for rezoning and annexation in May 2026. The project includes a future convenience store/fueling station and future conditionally restricted commercial development. One other parcel with an existing food establishment was also included in the commercial rezoning (Arby's). Since then, one additional property has been purchased by the applicant, and is requesting to conditionally rezone that lot to match the original request. The request is to rezone this 0.7 acre parcel from Iredell County GB CUD (General Business) Conditional Use District to City of Statesville B-4 CZ (Highway Business) Conditional Zoning District. This property would be included in the future development parcel. The B-4 district generally allows intensive retail sales and services that depend upon high traffic volumes. The applicant is also seeking annexation of the additional property concurrently into the City of Statesville.

   A Traffic Impact Analysis (TIA) was completed with Iredell County and NCDOT, prior to annexing into the City. The mitigations identified are listed below. The TIA is being updated with the City and may include additional mitigations.
   - Install signal at I-77 NB ramp with queue detector loops placed approximately 700’ from intersection.
   - Construct SB left turn lane on US 21 at site driveway 1/Exxon Drive with 100’ storage and appropriate tapers
   - Construct 3-lane cross section on US 21 between driveway 1 & driveway 2. Stripe for SB left turn into driveway 2.
   - Construct NB right turn lane on US 21 at site driveway 2/Arby’s drive with 100’ storage and appropriate storage.

The 2045 Land Development Plan shows the property to be in a Tier 2 Growth Area suitable for Activity Corridor character intent. The surrounding zoning districts and current land uses are as follows:

North of the Site: City of Statesville B-4 (Highway Business) CZ
East of the Site: City of Statesville B-4 (Highway Business) CZ and Interstate 77
South of the Site: City of Statesville B-4 (Highway Business) CZ
West of the Site: Iredell County RA (Residential Agricultural)

2. **Previous Council or Relevant Actions:**
   Six parcels surrounding this property (ZC26-06 Turnersburg Hwy QuikTrip) were rezoned and annexed in May 2026.

3. **Strategic Initiatives Supported/Impacted:**
   Developing Our City: N/A
   Connecting Our City: N/A
   Connecting Our Communities: N/A
   Strategic Plan Values: We value and encourage Opportunity

4. **Budget/Funding Implications:**
   The current tax value of the parcel is $223,120 and the estimated value at full buildout is to be determined.

5. **Consequences for Not Acting:**
   The properties would remain in Iredell County's jurisdiction.

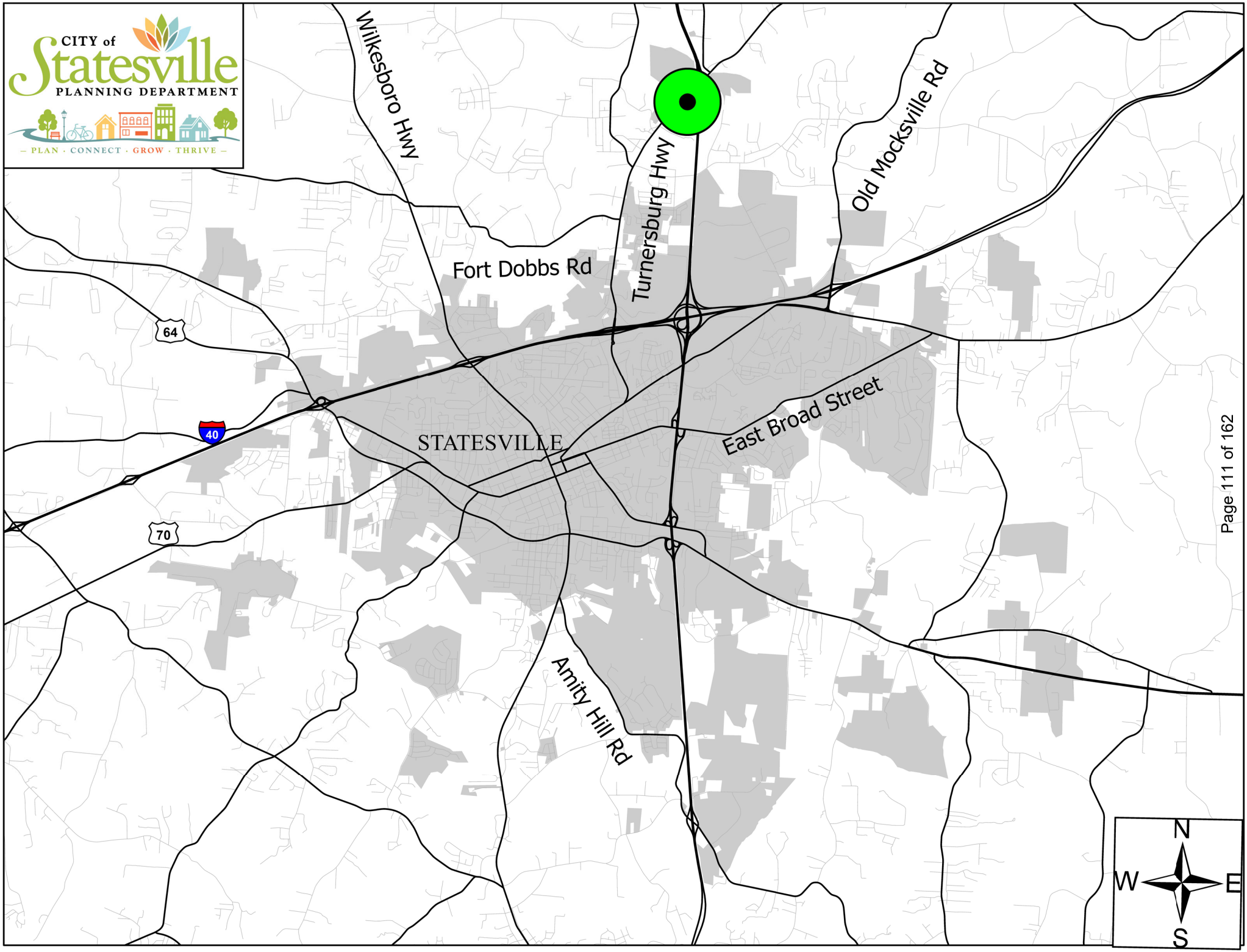
6. **Department Recommendation:**
   The 2045 Land Development Plan is supportive of this request, as it shows these parcels to be in the Activity Corridor intent area, which provides opportunities for a mix of commercial retail along the corridor. The Tier 2 Growth Area shows this site as suitable for development which supports this request.

   Therefore, staff and Planning Board recommend approval – option 1 to approve the requested rezoning.

7. **Manager Comments:**
   Concur with the department recommendation.

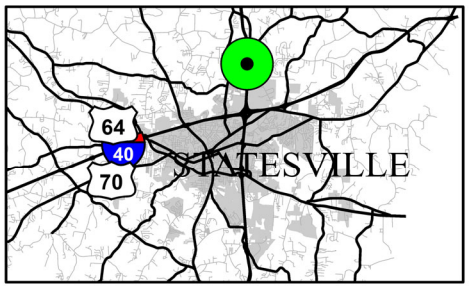
8. **Next Steps:**
   If approved, the second reading will be December 14, 2026.

9. **Attachments:**
   1. ZC26-06(A) PH CAR Items


CITY of
Statesville
PLANNING DEPARTMENT
– PLAN · CONNECT · GROW · THRIVE –
Wilkesboro Hwy
Turnersburg Hwy
Old Mocksville Rd
Fort Dobbs Rd
64
40
70
STATESVILLE
East Broad Street
Amity Hill Rd
N
W
E
S

CITY of Statesville
PLANNING DEPARTMENT
– PLAN · CONNECT · GROW · THRIVE –

ZC26-06 (A): Turnersburg Hwy (QuikTrip) Amendment





N
W E
S

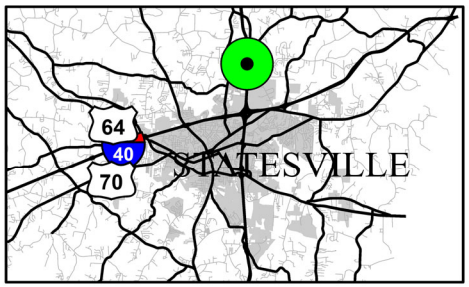
0 0.01 0.02 0.04 Miles



Site Photo – 824 Turnersburg Hwy

CITY of Statesville
PLANNING DEPARTMENT
– PLAN · CONNECT · GROW · THRIVE –

ZC26-06 (A): Turnersburg Hwy (QuikTrip) Amendment

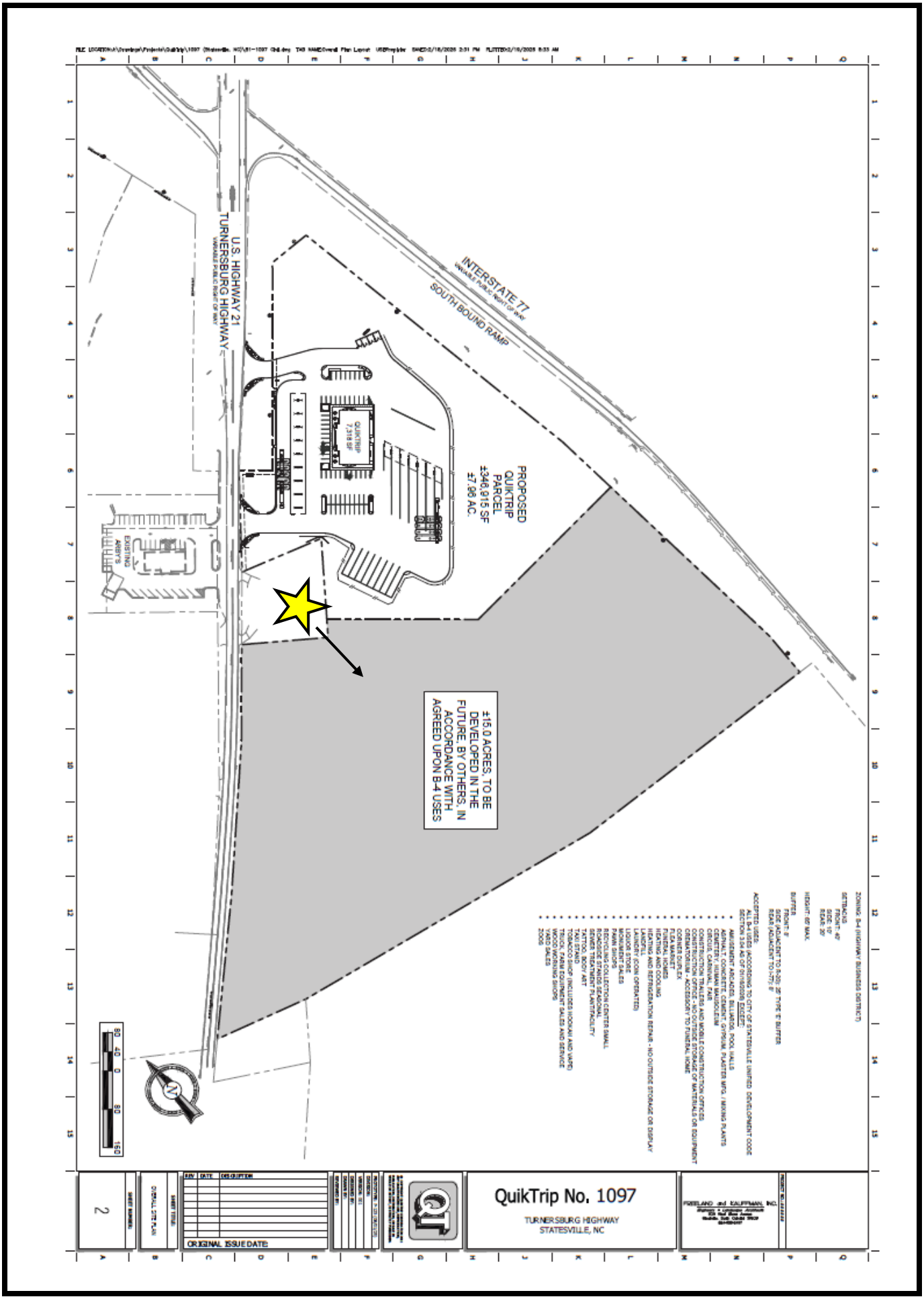


Legend

Zoning Districts		
ZONING		
3RD	HI	R-5MF
4CRK	LI	R-8
AIRPT	MIXED	R-8CZ
B-1	O+I-2	R-8M
B-2	O-1	R-8MF
B-2CZ	PUD	R-A
B-3	R-10	R5CZ
B-4	R-10CZ	R5MFCZ
B-5	R-10M	Subject Property
CB	R-15	Parcels previously rezoned and annexed
CBP	R-15M	
H-115	R-20	
	R-5	
	R-5M	

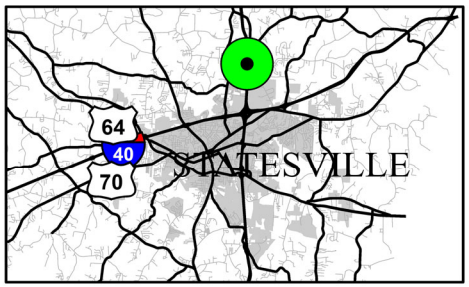
0 0.01 0.03 0.05 Miles

Original Concept Plan



CITY of Statesville
PLANNING DEPARTMENT
– PLAN · CONNECT · GROW · THRIVE –

ZC26-06 (A): Turnersburg Hwy (QuikTrip) Amendment



Legend

2045 LDP

Activity Areas
- Activity Center
- Activity Corridor

Downtown and Core Neighborhoods
- Downtown Center
- Downtown Neighborhood 1
- Downtown Neighborhood 2

City Neighborhoods
- Complete Neighborhood 1
- Complete Neighborhood 2

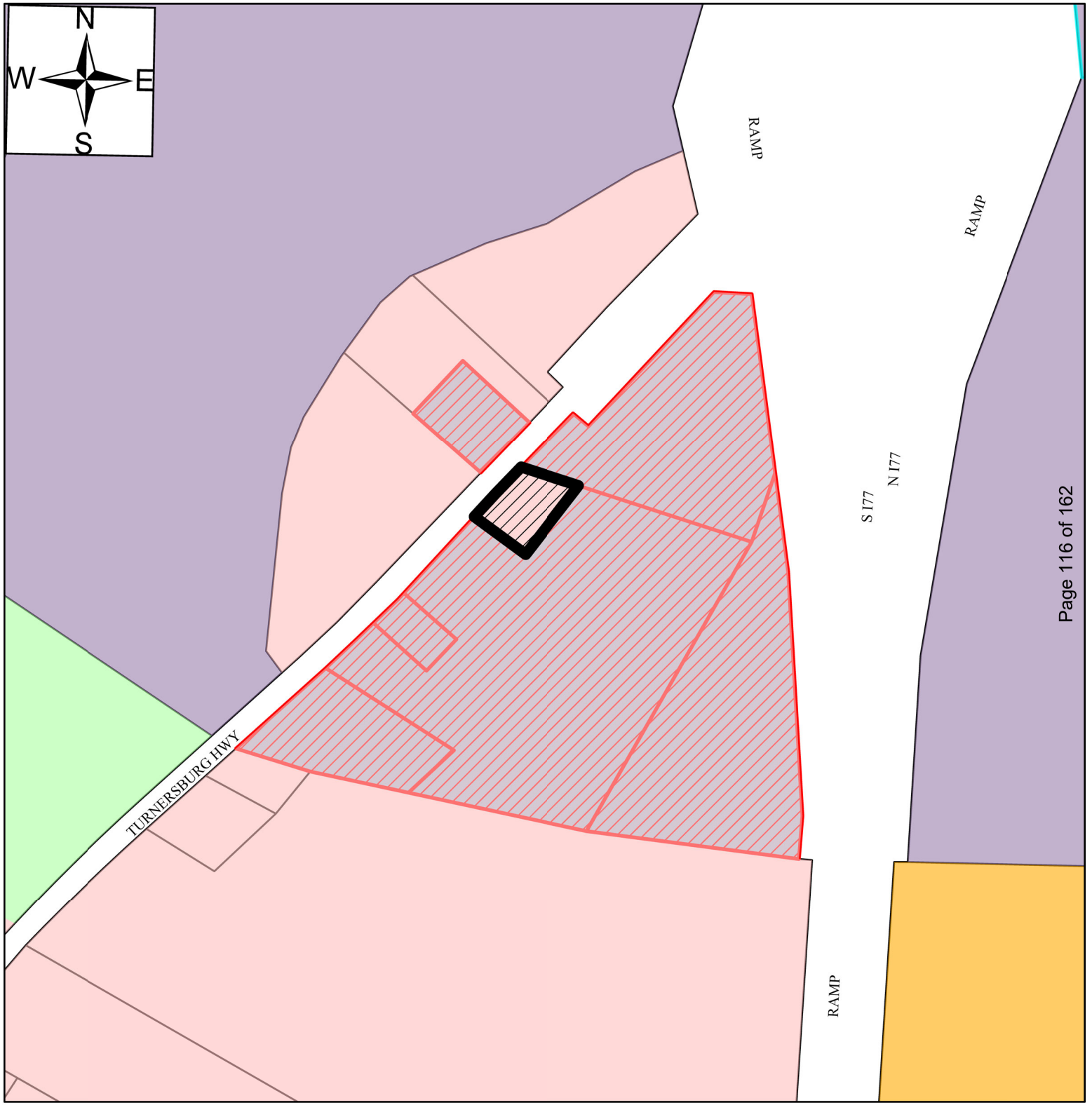
Rural Areas
- Rural

Employment Areas
- Employment Center / Industrial Flex
- Redevelopment Corridor

Special Areas and Institutions
- Medical Core
- Medical Support
- Institutional
- Recreational Open Space

- Subject Property
- Parcels previously rezoned and annexed

0 0.03 0.05 0.1 Miles



Activity Corridor

Character Intent

Activity Corridors provide opportunities for a mix of retail commercial and office uses along several of the city's main commercial corridors. Activity Corridors are opportunities to develop new commercial spaces within strategic focus areas or redevelop existing strip commercial centers that serve as gateways into Statesville. The unifying characteristic of future uses within this area is an attractive frontage toward the primary street and connectivity between adjacent uses through sidewalks or internal walkways. Joint planning of adjacent sites along corridors is recommended to achieve design cohesion, connectivity, and to maximize use of land. Developments should face the primary gateway street and present an attractive facade or landscaping with parking located to the side or rear. Driveways and parking lots should be consolidated with adjacent uses and maximize shared parking opportunities. Residential uses are not preferred for this character area.

Pattern & Form

Mid-length blocks of commercial uses separated by parking or side streets.

Opportunities

Redevelopment of strip commercial centers, new office and commercial space; improved visual quality of city gateway streets, transit supportive designs.

Primary Uses

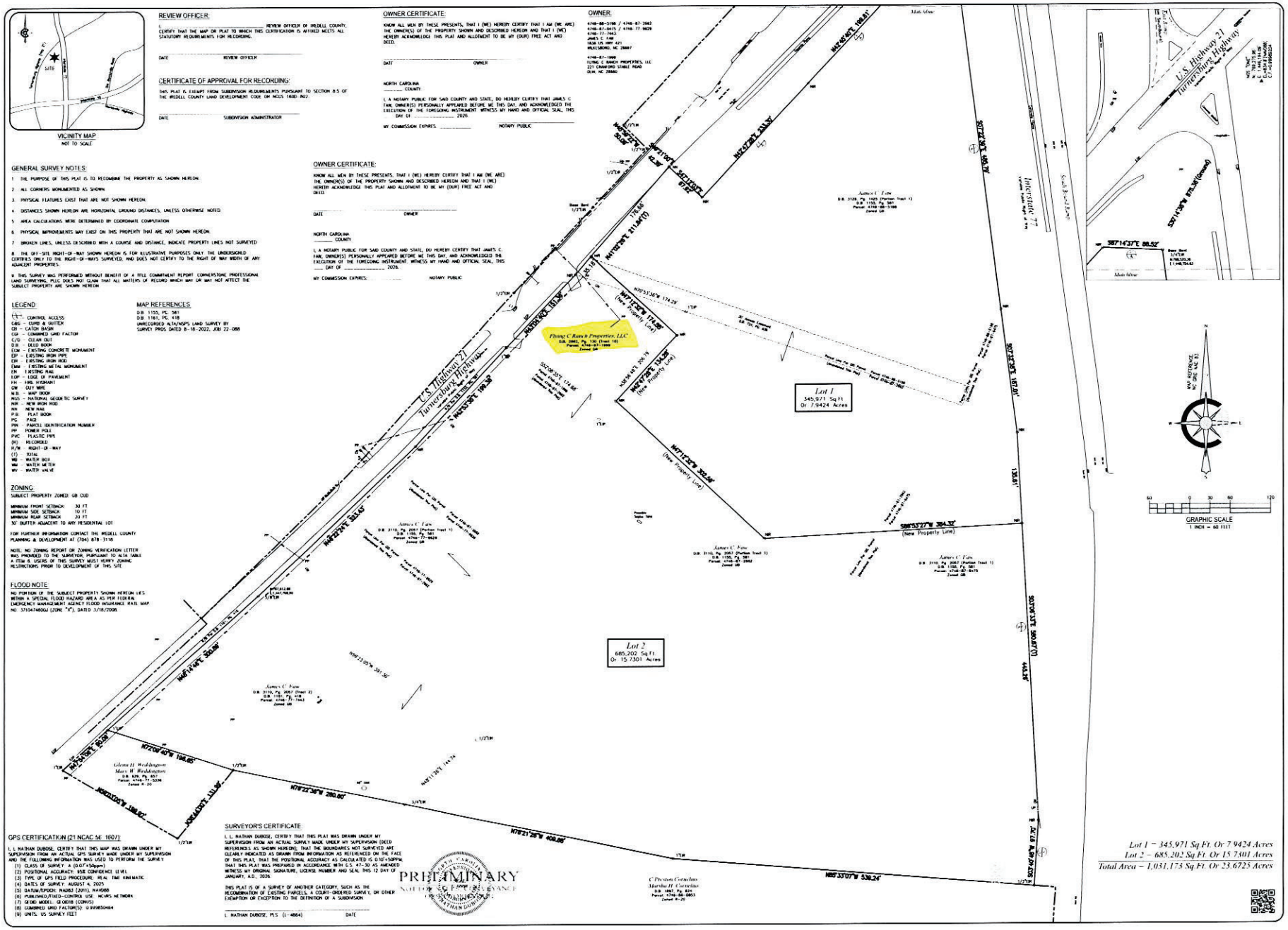
Retail, restaurants and bars, breweries and distilleries, hotels, entertainment, personal services, and office.

Form Characteristics

Building Height	One to three stories
Building Orientation	Front of buildings oriented to the gateway street, setbacks allow for sidewalks and necessary driveways, 5-30 ft setbacks
Building Types	Large and small footprint office or commercial
Street Character	Arterial and access streets, with pedestrian facilities along the main frontage
Parking Character	Parking to the side or rear of buildings, street parking on side streets as appropriate






VICINITY MAP
NOT TO SCALE
REVIEW OFFICER:
DATE REVIEW OFFICER
CERTIFICATE OF APPROVAL FOR RECORDING:
DATE SUBDIVISION ADMINISTRATOR
OWNER CERTIFICATE:
DATE OWNER
NORTH CAROLINA COUNTY
NOTARY PUBLIC
MY COMMISSION EXPIRES:
OWNER:
4746-88-5198 / 4746-87-2662
4746-87-8475 / 4746-77-9629
4746-87-7443
4746-77-3629
4746-87-1999
FLYNG C RANCH PROPERTIES, LLC
221 CHAMBORD STABLE ROAD
OLIN, NC 28660
OWNER CERTIFICATE:
DATE OWNER
NORTH CAROLINA COUNTY
NOTARY PUBLIC
MY COMMISSION EXPIRES:
GENERAL SURVEY NOTES:
1. THE PURPOSE OF THIS PLAT IS TO RECOMBINE THE PROPERTY AS SHOWN HEREON.
2. ALL CORNERS MONUMENTED AS SHOWN.
3. PHYSICAL FEATURES EXIST THAT ARE NOT SHOWN HEREON.
4. DISTANCES SHOWN HEREON ARE HORIZONTAL GROUND DISTANCES, UNLESS OTHERWISE NOTED.
5. AREA CALCULATIONS WERE DETERMINED BY COORDINATE COMPUTATION.
6. PHYSICAL IMPROVEMENTS MAY EXIST ON THIS PROPERTY THAT ARE NOT SHOWN HEREON.
7. BROKEN LINES, UNLESS DESCRIBED WITH A COURSE AND DISTANCE, INDICATE PROPERTY LINES NOT SURVEYED.
8. THE OFF-SITE RIGHT-OF-WAY SHOWN HEREON IS FOR ILLUSTRATIVE PURPOSES ONLY. THE UNDERSIGNED CERTIFIES ONLY TO THE RIGHT-OF-WAYS SURVEYED, AND DOES NOT CERTIFY TO THE RIGHT OF WAY WIDTH OF ANY ADJACENT PROPERTIES.
9. THIS SURVEY WAS PERFORMED WITHOUT BENEFIT OF A TITLE COMMITMENT REPORT. CORNERSTONE PROFESSIONAL LAND SURVEYING, PLLC DOES NOT CLAIM THAT ALL MATTERS OF RECORD WHICH MAY OR MAY NOT AFFECT THE SUBJECT PROPERTY ARE SHOWN HEREON.
LEGEND:
CA – CONTROL ACCESS
C&G – CURB & GUTTER
CB – CATCH BASIN
CCF – COMBINED GRID FACTOR
C/O – CLEAN OUT
D.B. – DEED BOOK
CCM – EXISTING CONCRETE MONUMENT
EIP – EXISTING IRON PIPE
EIR – EXISTING IRON ROD
EMM – EXISTING METAL MONUMENT
EN – EXISTING NAIL
EOP – EDGE OF PAVEMENT
FH – FIRE HYDRANT
GW – GUY WIRE
M.B. – MAP BOOK
NGS – NATIONAL GEODETIC SURVEY
NIR – NEW IRON ROD
NN – NEW NAIL
P.B. – PLAT BOOK
PG – PAGE
PIN – PARCEL IDENTIFICATION NUMBER
PP – POWER POLE
PVC – PLASTIC PIPE
(R) – RECORDED
R/W – RIGHT-OF-WAY
(T) – TOTAL
WB – WATER BOX
WM – WATER METER
WV – WATER VALVE
MAP REFERENCES
D.B. 1155, PG. 581
D.B. 1161, PG. 418
UNRECORDED ALTA/NSPS LAND SURVEY BY
SURVEY PROS DATED 8-18-2022, JOB 22-088
ZONING:
SUBJECT PROPERTY ZONED: GB CUD
MINIMUM FRONT SETBACK: 30 FT
MINIMUM SIDE SETBACK: 10 FT
MINIMUM REAR SETBACK: 20 FT
50' BUFFER ADJACENT TO ANY RESIDENTIAL LOT
FOR FURTHER INFORMATION CONTACT THE IREDELL COUNTY PLANNING & DEVELOPMENT AT (704) 878-5116
NOTE: NO ZONING REPORT OR ZONING VERIFICATION LETTER WAS PROVIDED TO THE SURVEYOR, PURSUANT TO ALTA TABLE A ITEM 6. USERS OF THIS SURVEY MUST VERIFY ZONING RESTRICTIONS PRIOR TO DEVELOPMENT OF THIS SITE.
FLOOD NOTE:
NO PORTION OF THE SUBJECT PROPERTY SHOWN HEREON LIES WITHIN A SPECIAL FLOOD HAZARD AREA AS PER FEDERAL EMERGENCY MANAGEMENT AGENCY FLOOD INSURANCE RATE MAP NO. 3710474600J (ZONE "X"), DATED 3/18/2008.
GPS CERTIFICATION (21 NCAC 56 .1607)
I, L. NATHAN DUBOSE, CERTIFY THAT THIS MAP WAS DRAWN UNDER MY SUPERVISION FROM AN ACTUAL GPS SURVEY MADE UNDER MY SUPERVISION AND THE FOLLOWING INFORMATION WAS USED TO PERFORM THE SURVEY
(1) CLASS OF SURVEY: A (0.07'+50ppm)
(2) POSITIONAL ACCURACY: 0.06 CONFIDENCE LEVEL
(3) TYPE OF GPS FIELD PROCEDURE: REAL TIME KINEMATIC
(4) DATES OF SURVEY: AUGUST 4, 2025
(5) DATUM/EPOCH: NAD83 (2011), NAVD88
(6) PUBLISHED/FIXED-CONTROL USE: NCWS NETWORK
(7) GEOID MODEL: GEOID18 (COMBO)
(8) COMBINED GRID FACTOR(S): 0.999850484
(9) UNITS: US SURVEY FEET
SURVEYOR'S CERTIFICATE:
I, L. NATHAN DUBOSE, CERTIFY THAT THIS PLAT WAS DRAWN UNDER MY SUPERVISION FROM AN ACTUAL SURVEY MADE UNDER MY SUPERVISION (DEED REFERENCES AS SHOWN HEREON); THAT THE BOUNDARIES NOT SURVEYED ARE CLEARLY INDICATED AS DRAWN FROM INFORMATION AS REFERENCED ON THE FACE OF THIS PLAT; THAT THE POSITIONAL ACCURACY AS CALCULATED IS 0.10'+50PPM; THAT THIS PLAT WAS PREPARED IN ACCORDANCE WITH G.S. 47-30 AS AMENDED. WITNESS MY ORIGINAL SIGNATURE, LICENSE NUMBER AND SEAL THIS 12 DAY OF JANUARY, A.D., 2026.
THIS PLAT IS OF A SURVEY OF ANOTHER CATEGORY, SUCH AS THE RECOMBINATION OF EXISTING PARCELS, A COURT-ORDERED SURVEY, OR OTHER EXEMPTION OR EXCEPTION TO THE DEFINITION OF A SUBDIVISION.
L. NATHAN DUBOSE, PLS (L-4864) DATE
PRELIMINARY
NOT FOR RECORDATION, CONVEYANCE, OR SALES
L. NATHAN DUBOSE
L-4864
Flyng C Ranch Properties, LLC
D.B. 3983, Pg. 130 (Tract 10)
Parcel: 4746-87-1999
Zoned GB
Lot 1
345,971 Sq.Ft.
Or 7.9424 Acres
Lot 2
685,202 Sq.Ft.
Or 15.7301 Acres
U.S. Highway 21
Turnersburg Highway
Interstate 77
James C Cain
D.B. 3120, Pg. 1425 (Portion Tract 1)
D.B. 1155, Pg. 581
Parcel: 4746-88-5198
Zoned GB
Glenn H Weddington
Mary W Weddington
D.B. 829, Pg. 857
Parcel: 4746-77-5206
Zoned R-20
C Preston Caroline
Martha H Caroline
D.B. 1867, Pg. 824
Parcel: 4746-88-0853
Zoned R-20
N87°14'37"E 88.52'
S87°14'37"W 88.52'
S37°14'37"W 875.58' (Ground)
N87°14'37"E 174.28'
(New Property Line)
N02°45'23"W 174.28'
(New Property Line)
N87°14'37"E 134.28'
(New Property Line)
N01°12'32"W 302.28'
(New Property Line)
S88°53'27"W 384.32'
(New Property Line)
N87°22'57"E 361.47'
N87°14'37"E 50.00'
N87°54'37"E 50.00'
N27°08'40"W 198.65'
N01°22'36"W 280.00'
N01°21'26"W 408.88'
N89°33'07"W 538.24'
S03°40'46"W 87.70'
S03°40'46"E 1031.73'
S03°40'46"E 1031.73'
S03°40'46"E 1031.73'
N87°14'37"E 1031.73'
N87°14'37"E 1031.73'
N87°14'37

To: Statesville City Council

From: Joseph Campbell, Planner II

Date: November 16, 2026

Subject: Conditional Rezoning Amendment

Case: ZC26-06 (A) Turnersburg Hwy (QuikTrip)

Address: 824 Turnersburg Hwy.

☐ **Option 1: Approve (Staff & Planning Board Recommendation)**

The zoning amendment is **hereby approved** with the agreed upon conditions and is consistent with the City's comprehensive land use plan because the site is designated as Activity Corridor. The request is reasonable, and in the public interest because the request provides convenient commercial services along a gateway corridor.

☐ **Option 2: Deny**

The zoning amendment is **hereby denied** even though it is consistent with the City's comprehensive land plan. However, the request is not reasonable, nor in the public interest. Specifically, this development is not in harmony with the surrounding rural area.

Date: J. Douglas Hendrix, Mayor

Date: Joseph Campbell, Planner II

ORDINANCE NO._____

AN ORDINANCE AMENDING THE ZONING CLASSIFICATION OF THE AFTER DESCRIBED PROPERTIES FROM IREDELL COUNTY GB (GENERAL BUSINESS) CONDITIONAL ZONING DISTRICT AND IREDELL COUNTY HB (HIGHWAY BUSINESS) CONDITIONAL ZONING DISTRICT TO CITY OF STATESVILLE B-4 (HIGHWAY BUSINESS) CONDITIONAL ZONING DISTRICT.

ZC26-06 (A) Turnersburg Hwy (QuikTrip)
24.8 acres off of Turnersburg Hwy, Statesville, NC
Iredell County Tax Map Parcel #'s 4746-88-5198, 4746-87-2662, 4746-77-9629, 4746-87-6475, 4746-77-7443, 4746-88-0197, & 4746-87-1999.000

WHEREAS, A NOTICE TO THE GENERAL PUBLIC AND PARTICULARLY THE CITIZENS OF THE CITY OF STATESVILLE'S PLANNING JURISDICTION WAS DULY GIVEN, notifying them of a public hearing to be held on November 16, 2026 at 6:00 p.m. in the Council Chambers at City Hall, 227 South Center Street, Statesville, North Carolina, for the purpose of considering a proposed ordinance to change the zoning classification of the after described properties from Iredell County GB CUD (General Business) Conditional Use District and Iredell County HB CUD (Highway Business) Conditional Use District to City of Statesville B-4 CZ (Highway Business) Conditional Zoning District; said notice having been published in the Statesville Record and Landmark, a newspaper having general circulation in this area on November 5, 2026 and November 12, 2026, all in accordance with the procedure set forth in N.C.G.S. 160D-601; and

WHEREAS, said public hearing was duly held in accordance with law, and all persons present were given an opportunity to be heard on said proposed ordinance prior to any action being taken thereon by the City Council;

WHEREAS, the property is subject to the following conditions:

1. Provide an enhanced landscape buffer (30' Type F) along property adjacent to I-77.

2. Reserve 55' of ROW from centerline along Turnersburg Hwy (except for landscaping, parking, paving, and signage).

3. The Concept Plan and subsequent submittals to the City for plan review shall list the approved conditions as listed in this Ordinance.

4. Convenience Store/Fueling Station site to stub to future development (location to be determined at time of construction document submittal).

5. Any use that requires Traffic Impact Analysis (TIA) shall construct improvements as identified in the Mitigations Measures Agreement (MMA).

6. All B-4 uses may be permitted with the exception of the following prohibited uses: (Amusement Arcades, Billiards, Pool Halls), (Asphalt, Concrete, Cement, Gypsum, Plaster Manufacturing/Mixing Plants), Cemetery/Human Mausoleum, (Circus, Carnival, Fair), Construction Trailers and Mobile Construction Offices, Crematorium and Funeral Homes, Corner Duplex, Flea Market, Heating and Cooling, Heating and Refrigeration Repair, Pawn Shops, Landfill, Laundry (Coin Operated), Liquor Store, Monument Sales, Recycling Collection Center (Small), Seasonal Roadside Stands, Sewer Treatment Plant/Facility, Tattoo (Body Art), Taxi Stand, Tobacco Shop (Including Hookah and Vape),Truck Stop/Travel Plaza, Truck/Farm Equipment Sales and Services, Wood Working Shops, Yard Sales, and Zoos.

7. The following uses are expressly approved: Eating Establishments (existing) and Gas Station/Convenience Store. (The proposed use meets the definition of a Convenience Store/Gas Station under the UDO and is not a Truck Stop/Travel Plaza as the use will not allow on-premise showers and no more than five (5) designated overnight parking spaces for tractor trailers or heavy trucks).

NOW, THEREFORE, BE IT ORDAINED, that the zoning classification of the after described properties be changed as particularly set out below, said property being more particularly described as follows:

Description

Lying and being situated in Statesville, Iredell County, North Carolina, and being more particularly described as follows:

Tract 1
BEGINNING at an existing iron rod having coordinates of North: 767,612.68’ and East: 1,447,708.50’ being on the southeastern right of way of U.S. Highway 21 (variable public right of way) and also being the northwestern corner of James C. Faw as described in Deed Book 3110, Page 2057 (Tract 2) recorded in the Iredell County Register of Deeds and running with the southeastern right of way of U.S. Highway 21 the following two (2) courses and distances:
1) North 46°22'24" East a distance of 323.43' to a new iron rod;
2) North 42°53'35" East a distance of 199.38' to an existing iron pipe being the southwestern corner of Flying C Ranch Properties, LLC as described in Deed Book 2862, Page 130 (Tract 10); thence with the line of Flying C Ranch Properties, LLC the following three (3) courses and distances:
1) South 52°08'35" East a distance of 174.88' to an existing iron pipe;
2) North 38°56'48" East a distance of 206.79' to an existing iron pipe;
3) North 70°53'36" West a distance of 174.29' to a new iron rod being on the southeaster right of way of aforementioned U.S. Highway 21; thence with the southeastern right of way of U.S. Highway 21 the following four (4) courses and distances:
1) North 41°02'26" East a distance of 211.84' to a new nail;
2) South 47°12'03" East a distance of 67.92' to a new iron rod;
3) North 42°47'28" East a distance of 233.30' too a new iron rod;
4) North 42°45'40" East a distance of 199.81' to a new iron rod being on the western right of way margin of Interstate 77; thence with the western right of way of Interstate 77 the following five (5) courses and distances:
1) South 87°14'37" East a distance of 88.52' to an existing iron rod;
2) South 07°22'39" East a distance of 485.79' to a new iron rod;
3) South 07°32'38" East a distance of 187.01' to a new iron rod;
4) South 03°06'33" East a distance of 580.87' to a new iron rod;
5) South 03°40'48" West a distance of 97.70' to an existing iron rod being on the northern line of C. Preston & Marsha Cornelius as described in Deed Book 1897, Page 824; thence with the northern line of C. Preston & Marsha Cornelius the following two (2) courses and distances:
1) North 85°33'07" West a distance of 539.24' to an existing iron rod;
2) North 78°21'26" West a distance of 409.68' to an existing iron rod being the southeastern corner of aforementioned James C. Faw as described in Deed Book 3110, Page 2057 (Tract 2); thence with the line of Tract 2 the following two (2) courses and distances:
1) North 48°11'26" East a distance of 144.74' to an existing iron rod;
2) North 56°23'05" West a distance of 391.30' to the **POINT OF BEGINNING**, having an area of 913,878 Sq.Ft. square feet, or 20.9797 acres of land as shown on a survey prepared by Cornerstone Professional Land Surveying, PLLC dated August 18, 2025 (Job Number 2025-247).

Tract 2
BEGINNING at an existing iron rod having coordinates of North: 767,612.68’ and East: 1,447,708.50’ being on the southeastern right of way of U.S. Highway 21 (variable public right of way) and also being a southwestern corner of James C. Faw as described in Deed Book 3110, Page 2057 (Tract 1) recorded in the Iredell County Register of Deeds and running with the line of Tract 1 the following two (2) courses and distances:
1) South 56°23'05" East a distance of 391.30' to an existing iron rod;
2) South 48°11'26" West a distance of 144.74' to an existing iron rod being on the northern line of C. Preston & Marsha Cornelius as described in Deed Book 1897, Page 824; thence with the northern line of C. Preston & Marsha Cornelius North 78°22'36" West a distance of 260.60' to an existing iron rod being on the northern line of Glenn & Mary Weddington as described in Deed Book 629, Page 657; thence with the northern line of Glenn & Mary Weddington North 72°09'40" West a distance of 196.65' to an existing iron pipe being on the southeastern right of way of U.S. Highway 29; thence with the right of way of U.S. Highway 29 North 48°14'46" East a distance of 300.89' to the **POINT OF BEGINNING**, having an area of 87,163 Sq.Ft. square feet, or 2.0010 acres of land as shown on a survey prepared by Cornerstone Professional Land Surveying, PLLC dated August 18, 2025 (Job Number 2025-247).

BEGINNING at an existing iron pin on the northern right of way line of Turnersburg Highway, U. S. Highway 21, the southeast corner of Rose Chapel United Methodist Church as described in Deed Book 911 at Page 1580 in the Iredell County Registry, said iron pin being located S 42-15-26 W 1,347.17 feet and S 42-50-30 W 292.14 feet from North Carolina Geodetic Survey (NCGS) monument "ONE (1983)" which has North Carolina Grid coordinates of North = 769,276.75 feet and East = 1,449,193.13 feet, thence running with the eastern boundary line of Rose Chapel United Methodist Church N 47-47-12 W 224.53 feet to an iron pin set in the

eastern boundary line of Rose Chapel United Methodist Church, a new corner of J. C. Faw; thence running with a new line of J. C. Faw N 43-13-53 E 176.18 feet to an iron pin set, a new corner of J. C. Faw; thence running with a new line of J. C. Faw S 47-09-34 E 223.32 feet to an iron pin set on the northern right of way line of Turnersburg Highway, a new corner of J. C. Faw; thence running with the northern right of way line of Turnersburg Highway S 42-50-30 W 173.72 feet to the point and place of BEGINNING, containing 0.899 acres , more or less, and being a portion of the property conveyed from John Robert Graham and wife, Louise O. Graham to J. C. Faw in Deed Book 800 at Page 214 dated February 28, 1990, in the Iredell County Registry and being drawn according to a Survey Map prepared by Gerald V. Grant, Professional Surveyor, dated January 28, 2003.

Tract 10:

Parcel ID: 4746871999
824 Turnersburg Highway
Statesville, NC 28625

Lying and being in Bethany Township, Iredell County, North Carolina, and being more particularly described as follows:

BEGINNING at an iron stake in the East margin of said N.C. Highway 21 at Roy Thomas' corner; thence with the East margin of said highway South 43 deg. 30 min. West 150 feet to an iron stake; thence South 51 deg. 20 min. East 175 feet to an iron stake; thence North 39 deg. 40 min. East 207 feet to an iron stake; thence with the line of Roy Thomas North 70 deg. 20 min. West 175 feet to the BEGINNING POINT, containing 0.7 acres, more or less, as surveyed by J. S. Wilson, Surveyor, on January 30, 1959 and being the identical property conveyed to C. A. Laws and wife, Helen C. Laws, by deed of Ebenezer Voluntary Fire Department, Inc., dated October 2, 1979 and recorded in Book 643, page 609, Iredell County Registry.

This ordinance was introduced for first reading by Councilmember_____, seconded by Councilmember_____, and unanimously carried on the 16th day of November 2026.

Ayes:
Nayes:

The second and final reading of this ordinance was heard on the 14th day of December 2026 and upon motion of Councilmember_____, seconded by Councilmember _____, and unanimously carried, was adopted.

Ayes:
Nayes:

This ordinance is to be in full force and effect from and after the 14th day of December, 2026.

CITY OF STATESVILLE

_____
J. Douglas Hendrix, Mayor

APPROVED AS TO FORM:

By: _____
City Attorney

ATTEST:

_____
City Clerk

CITY COUNCIL ACTION REQUEST

TO: Ron Smith, City Manager

FROM: Joseph Campbell, Planner II

DATE: 11/4/2026 9:35 AM

ACTION NEEDED ON: **November 16, 2026**
(Date of Council Meeting)

COUNCIL ACTION REQUESTED:

Conduct a public hearing and consider passing the first reading of an ordinance of annexation petition AX26-14: 824 Turnersburg Hwy, filed by QuikTrip Corporation for the parcel located at 824 Turnersburg Hwy.

---

1. **Summary of Information:**
   The property(s) are approximately 0.7 acres located at 824 Turnersburg Hwy. The applicant is requesting the annexation of the properties concurrently with a conditional rezoning request amendment to build a new convenience store/fueling station and future commercial development. This parcel would be included with the future commercial development.

   - Ward: If annexed into the City, this property should be designated as Ward 4.
   - Engineering: Turnersburg Highway is maintained by NCDOT.
   - Stormwater: No concerns currently.
   - Planning: The site is currently located in Iredell County's Zoning Jurisdiction. The 2045 Land Development Plan shows the property to be in an area suitable for Activity Corridor which includes commercial uses. This is within the Tier 2 Growth Area, indicating it is a preferred area for utility and service extension, and where expansion is expected in the planning horizon.
   - Fire: The site is outside of the 4-minute response from Station 5. Additionally, staff will eventually need another station in the 21 North area, potentially around Strawberry Lane and I-77.
   - Police: No concerns at this time, additional staffing will be requested as population rises.
   - Water/Sewer: Water will be serviced by Iredell Water Corporation and City of Statesville Sewer will be available January 2027.
   - Electricity: Serviced by Duke Energy.

2. **Previous Council or Relevant Actions:**
   City Council will hear the public hearing and consider passing the first reading of the conditional rezoning amendment and annexation (ZC26-06 (A) and AX26-14) on November 16, 2026.

3. **Strategic Initiatives Supported/Impacted:**
   Developing Our City: N/A
   Connecting Our City: N/A
   Connecting Our Communities: N/A
   Strategic Plan Values: We value and encourage Opportunity

4. **Budget/Funding Implications:**
   The current tax value of the parcel is $223,120. The estimated tax value at full build-out is to be determined.

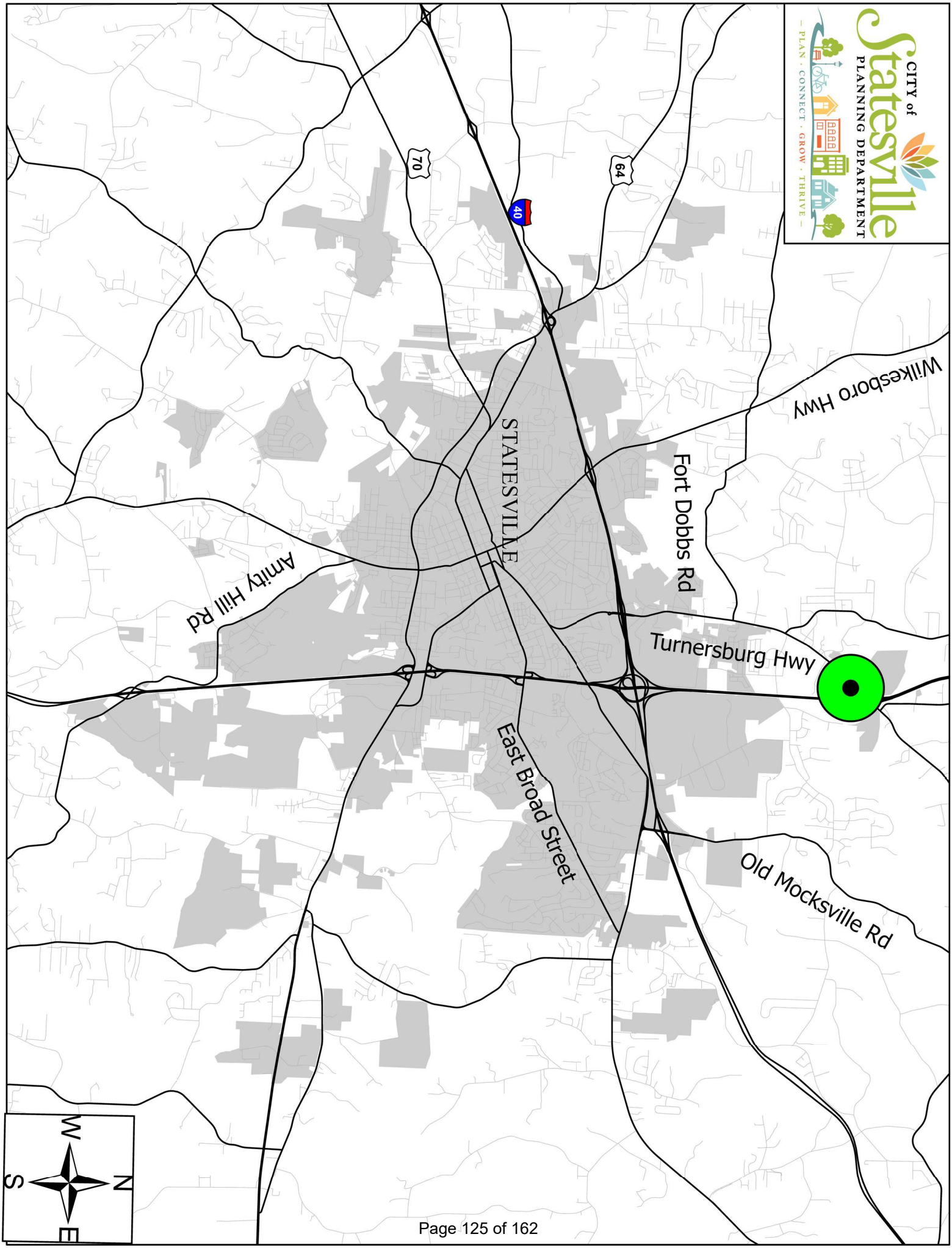
5. **Consequences for Not Acting:**
   The property owner(s) may explore by-right development.

6. **Department Recommendation:**
   The site meets the statutory requirements for annexation.

7. **Manager Comments:**
   Concur with the department recommendation.

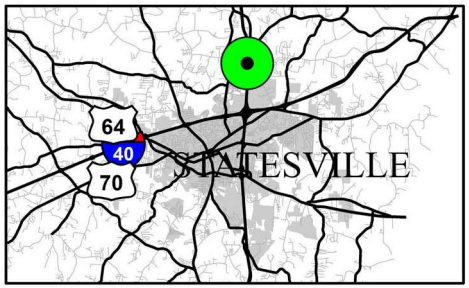
8. **Next Steps:**
   If approved, the second reading will be December 14, 2026.

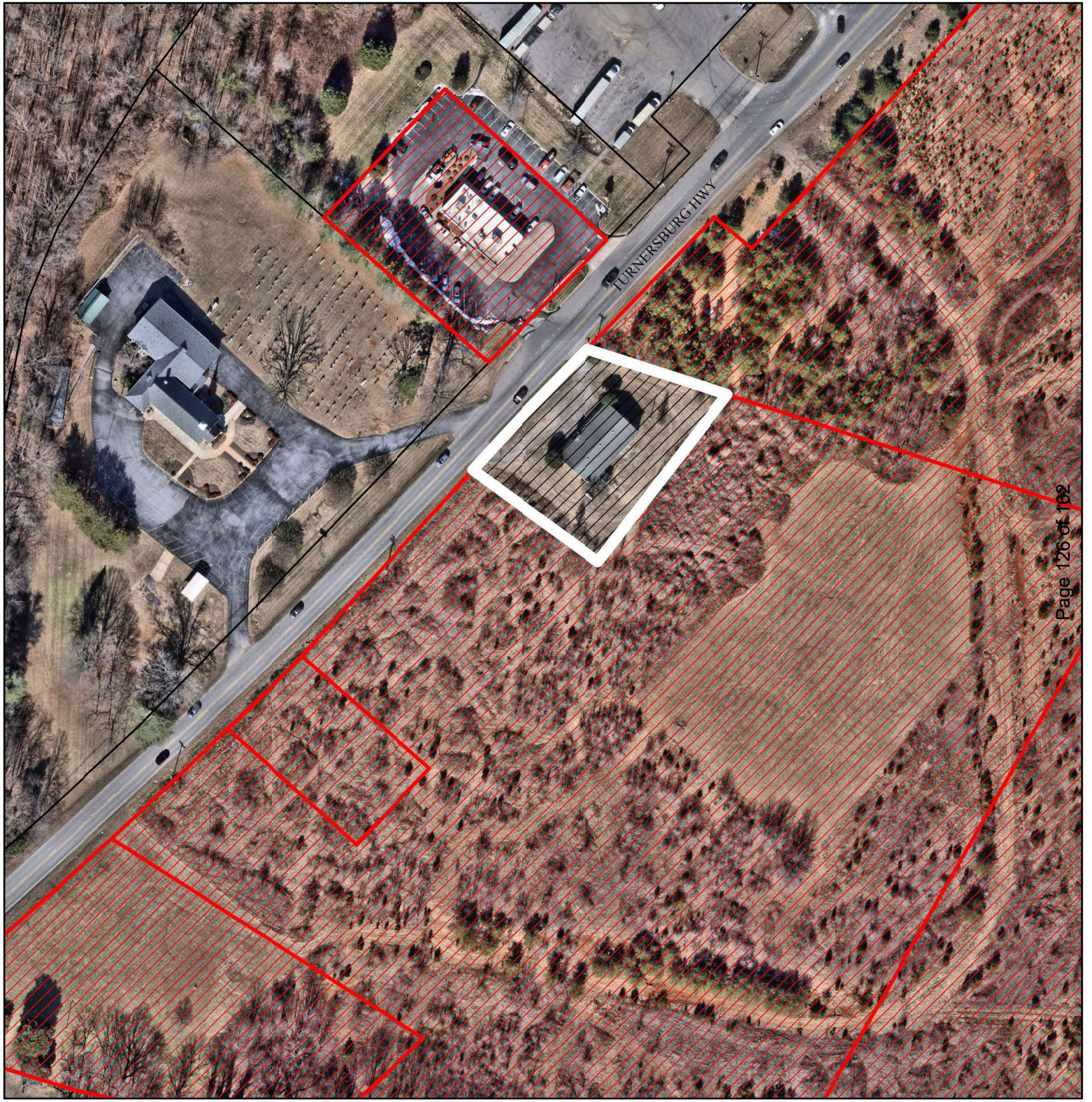
9. **Attachments:**
   1. CAR PH Items


CITY of Statesville
PLANNING DEPARTMENT
– PLAN · CONNECT · GROW · THRIVE –
70
64
40
STATESVILLE
Wilkesboro Hwy
Fort Dobbs Rd
Amity Hill Rd
Turnersburg Hwy
East Broad Street
Old Mocksville Rd
W
S
N
E

CITY of Statesville
PLANNING DEPARTMENT
– PLAN · CONNECT · GROW · THRIVE –

AX26-14
824 Turnersburg Hwy



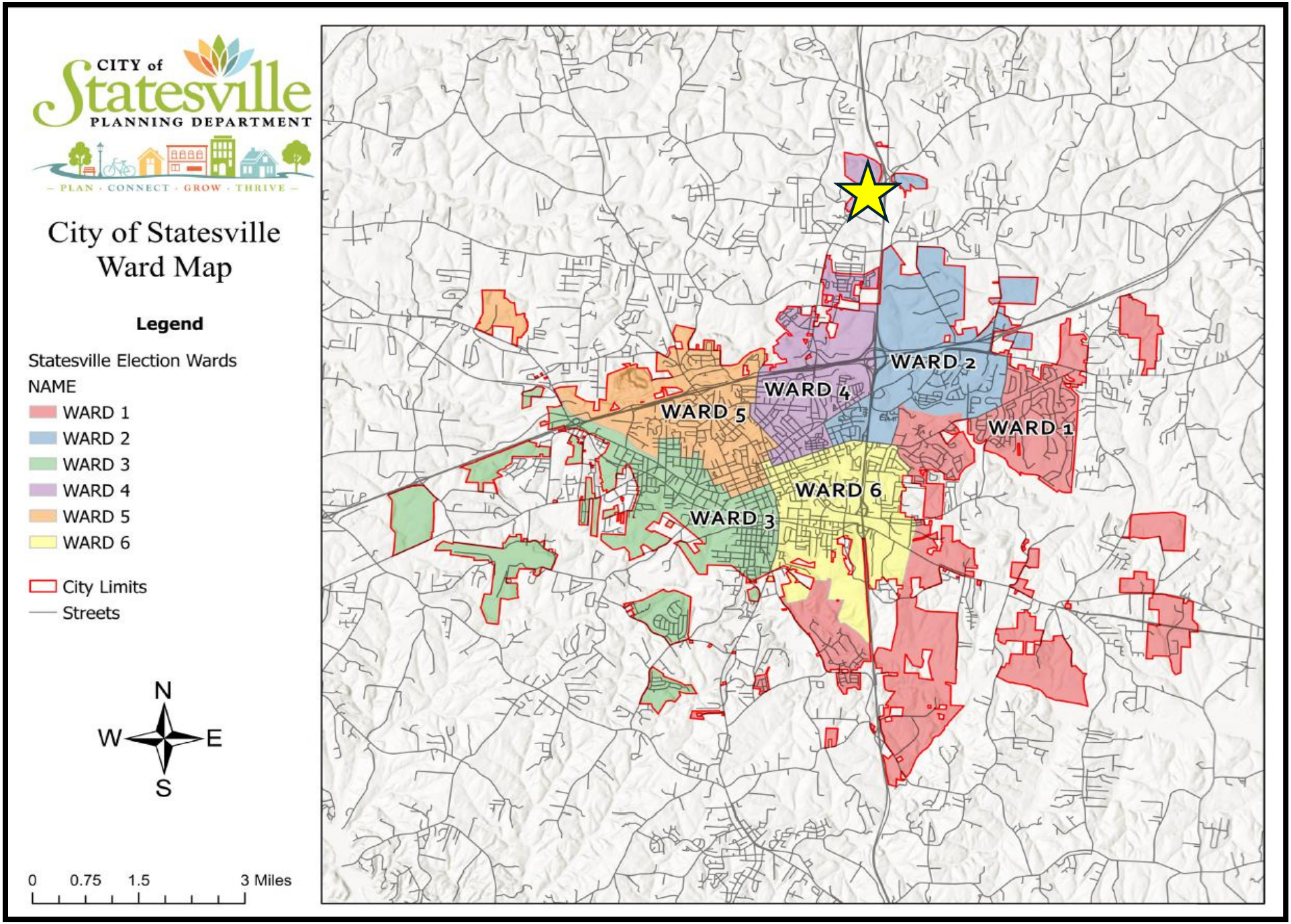


N
W E
S

0 0.01 0.02 0.04 Miles

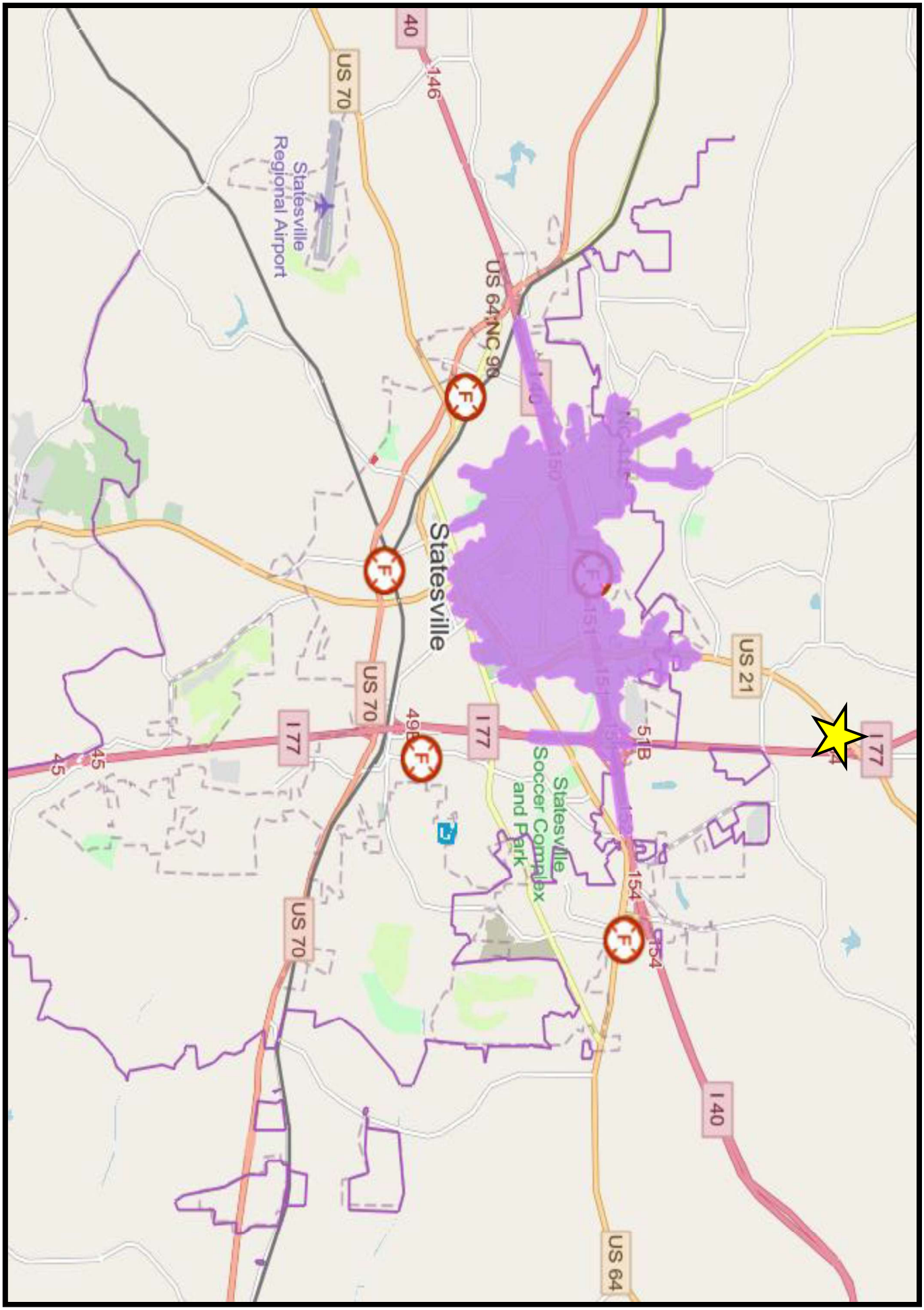


Site Photo – 824 Turnersburg Hwy



City of Statesville Ward Map

Fire Station 5: 4-minute response time Map



Industrial/Commercial Summary Sheet

Quick Trip

Planning	Recommendation	Approve
	Growth Tier	2
	2045 Plan	Yes
Finance	Cash Flow	
	Year 1	$ 18,035.66
	Year 2	$ 18,035.66
	Year 3	$ 18,035.66
	Year 4	$ 18,035.66
	Year 5	$ 18,035.66
Fire	Fire Station #	Station 5
	4 Min. Response	No
Police	Approve/Deny	Approve
Utilities		
	Water	Iredell Water
	Wastewater	COS
	Electric	Duke
TIA Required?		**See Note Below**

***Note:** A TIA was already required for the project when initially approved. There is a condition on this amendment stating: "Any use that requires a TIA shall construct improvements as identified in the Mitigations Measures Agreement (MMA).

Industrial Data Sheet

General Informantion			Infrastructure Additions			Legend	What You Do:
Name of Development	Quick Trip		Road Additions (linear feet)	-		Grey	Leave Alone
Developer Name	Quick Trip Corpoation		Sidewalk, curb, gutter Additions (linear feet)	-		Yellow	Enter a Number
2045 Plan Compliance	Yes		Water Line Extensions (linear feet)	-		White	Enter Information
Growth Tier	2		Sewer Line Extensions (linear feet)	-		Orange	Drop Down Menu
Planning Recommendation	Approve		Pump Stations	0		Blue	Total Amounts (leave alone)
Largest PIN #	4746-87-1999		Power Line Extensions (linear feet)	-			
Total Parcels	6		Greenways (linear feet)	-			
Project Acreage	23						
Current Zoning	County GB CUD						
Requested Zoning	B-4 CZ						
Street Name	Turnersburg Hwy.						
Current Use	Vacant						
Proposed Use	Gas Station/Convenience Store						
Water/Sewer Flow (gallons per day)	4,800	Available Capacity	78%	Capacity w/Developr	7,804,800	78.05%	
Waste Water Plant Basin	Fourth Creek	drop down menu					
Water Territory	Iredell Water						
Sewer Territory	COS						
Power Territory	Duke						
Fire Station	Station 5	drop down menu					Total Number of Buildings
Inside 4 Minute Response Time ?	No	drop down menu				See Note Below	1
Police	Approve	drop down menu					

	Build All At Once	Phases	Year 1	Year 2	Year3	Year 4	Year 5
Number of Buildings	1		1	0	0	0	0
Floor Space (sqrare feet)	7,300		7,300.00	-	-	-	-
Real Property Value	$ 2,376,820		$ 2,376,820	$ 2,376,820	$ 2,376,820	$ 2,376,820	$ 2,376,820
Personal Property Value	$ -		$ -	$ -	$ -	$ -	$ -
Land Value	$ 2,123,180		$ 2,123,180	$ 2,123,180	$ 2,123,180	$ 2,123,180	$ 2,123,180
Total Property Investment	$ 4,500,000.00		$ 4,500,000	$ 4,500,000	$ 4,500,000	$ 4,500,000	$ 4,500,000
Annual Revenues							
Property Taxes	$ 23,292.00		$ 23,292.00	$ 23,292.00	$ 23,292.00	$ 23,292.00	$ 23,292.00
User Fees	$ 13.09		$ 13.09	$ 13.09	$ 13.09	$ 13.09	$ 13.09
Public Works	$ 106.50		$ 106.50	$ 106.50	$ 106.50	$ 106.50	$ 106.50
General Revenues (See Raw Data)	$ 308.02		$ 308.02	$ 308.02	$ 308.02	$ 308.02	$ 308.02
Total Revenues	$ 23,719.61		$ 23,719.61	$ 23,719.61	$ 23,719.61	$ 23,719.61	$ 23,719.61
Annual Expenditures							
Police Services	$ 1,715.56		$ 1,715.56	$ 1,715.56	$ 1,715.56	$ 1,715.56	$ 1,715.56
Fire	$ 1,236.86		$ 1,236.86	$ 1,236.86	$ 1,236.86	$ 1,236.86	$ 1,236.86
Public Works	$ 423.00		$ 423.00	$ 423.00	$ 423.00	$ 423.00	$ 423.00
Parks & Recreation	$ 745.44		$ 745.44	$ 745.44	$ 745.44	$ 745.44	$ 745.44
Engineering	$ 397.35		$ 397.35	$ 397.35	$ 397.35	$ 397.35	$ 397.35
Planning	$ 163.84		$ 163.84	$ 163.84	$ 163.84	$ 163.84	$ 163.84
Information Technology	$ 271.80		$ 271.80	$ 271.80	$ 271.80	$ 271.80	$ 271.80
Administration	$ 600.29		$ 600.29	$ 600.29	$ 600.29	$ 600.29	$ 600.29
Principal Payments	$ 129.81		$ 129.81	$ 129.81	$ 129.81	$ 129.81	$ 129.81
Total Expenditures	*$ 5,684*		*$ 5,684*	*$ 5,684*	*$ 5,684*	*$ 5,684*	*$ 5,684*
Revenue/Expenditures	$ 18,035.66		$ 18,035.66	$ 18,035.66	$ 18,035.66	$ 18,035.66	$ 18,035.66

ORDINANCE NO. _____

AN ORDINANCE TO EXTEND THE CORPORATE LIMITS OF THE CITY OF STATESVILLE, NORTH CAROLINA
AX26-14: 824 Turnersburg Hwy
Parcel #'s: 4746-87-1999.000

WHEREAS, the Statesville City Council has petitioned under G.S. 160A-58.1, to annex the non-contiguous area described below; and

WHEREAS, the Statesville City Council has by resolution directed the Clerk to investigate the sufficiency of the petition; and

WHEREAS, the City Clerk has certified the sufficiency of said petition and a public hearing on the question of this annexation was held at Statesville City Hall at 6:00 o'clock p.m. on the 16th day of November 2026 after due notice by publication on the 5th day of November 2026; and

WHEREAS, the Statesville City Council finds that the petition meets the requirements of G.S. 160A-58.1:

WHEREAS, the Statesville City Council further finds that the petition has been signed by all the owners of real property in the area who are required by law to sign; and

WHEREAS, the Statesville City Council further finds that the petition is otherwise valid, and that the public health, safety, and welfare of the City and of the area proposed for annexation will be best served by annexing the area described.

NOW, THEREFORE, BE IT ORDAINED BY the Statesville City Council of the City of Statesville, North Carolina that:

Section 1. By virtue of the authority granted by G.S. 160A-58.1, the following described non-contiguous territory is hereby annexed and made part of the City of Statesville, as of December 31, 2026, at 11:59 p.m.

Lying and being situated in Statesville, Iredell County, North Carolina, and being more particularly described as follows:

Tract 10:

Parcel ID: 4746871999
824 Turnersburg Highway
Statesville, NC 28625

Lying and being in Bethany Township, Iredell County, North Carolina, and being more particularly described as follows:

BEGINNING at an iron stake in the East margin of said N.C. Highway 21 at Roy Thomas' corner; thence with the East margin of said highway South 43 deg. 30 min. West 150 feet to an iron stake; thence South 51 deg. 20 min. East 175 feet to an iron stake; thence North 39 deg. 40 min. East 207 feet to an iron stake; thence with the line of Roy Thomas North 70 deg. 20 min. West 175 feet to the BEGINNING POINT, containing 0.7 acres, more or less, as surveyed by J. S. Wilson, Surveyor, on January 30, 1959 and being the identical property conveyed to C. A. Laws and wife, Helen C. Laws, by deed of Ebenezer Voluntary Fire Department, Inc., dated October 2, 1979 and recorded in Book 643, page 609, Iredell County Registry.

The Ordinance was introduced by a first reading by Councilmember _____, seconded by Councilmember _____, and carried on the 16th day of November 2026.

AYES:

NAYES:

The second and final reading of this ordinance was heard on the 14th day of December 2026 and upon motion of Councilmember _____, seconded by Councilmember _____, and unanimously carried, was adopted.

AYES:

NAYES:

The Ordinance to be in full force and effect from and after the 31st day of December 2026 at 11:59 p.m.

City of Statesville

_____
MAYOR

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

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CITY COUNCIL ACTION REQUEST

TO: Ron Smith, City Manager

FROM: Erika Martin, Planning Director

DATE: 11/5/2026 8:09 AM

ACTION NEEDED ON: **November 16, 2026**
(Date of Council Meeting)

COUNCIL ACTION REQUESTED:

Conduct a public hearing for a rezoning request ZC26-14, initiated by ASelf Properties LLC, for an approximately 10.40-acre site located along Peachtree Rd and Maple Care Ln to rezone from R-15 to B-5.

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1. **Summary of Information:**
   The request is to rezone two split zoned parcels from R-15 (Urban Fringe Low Density Residential) District to B-5 (General Business) Zoning District. This is a straight rezoning, meaning all permitted uses (257) within the B-5 Zoning District would be allowed and no conditions may be applied. The subject properties are located within City Limits.

   The 2045 Land Development Plan shows the property to be in an area suitable for Medical Support Character Intent which includes commercial uses. This is also with the Tier 1 Growth Area.

   The applicant for this request, AirBox Air Purifiers, intends to purchase and develop these two parcels as an expansion of their existing business located at 2668 Peachtree Rd. AirBox manufactures and markets premier commercial grade portable plug in air purifiers. Since this is a by-right request, if approved, any of the (257) permitted uses in the B-5 zoning district would be permitted at this location. The property is currently wooded with some topography constraints towards the southern end of the property impacting buildable area.

   The surrounding zoning districts and land uses are as follows:

   North of the Site: B-5 (General Business) District with existing businesses (Race Shop and Airbox Manufacturing.
   East of the Site: R-15 (Urban Fringe Low Density) District with existing single-family homes.
   South of the Site: R-8 (Medium Density Single Family) Conditional Zoning District with an existing single-family homes.
   West of the Site: R-15 (Urban Fringe Low Density) District with existing nursing facility.

2. **Previous Council or Relevant Actions:**
   N/A

3. **Strategic Initiatives Supported/Impacted:**
   Developing Our City: N/A
   Connecting Our City: N/A

Connecting Our Communities: N/A
Strategic Plan Values: We value and encourage Opportunity

4. **Budget/Funding Implications:**
   N/A

5. **Consequences for Not Acting:**
   The business (Airbox) may not be able to expand.

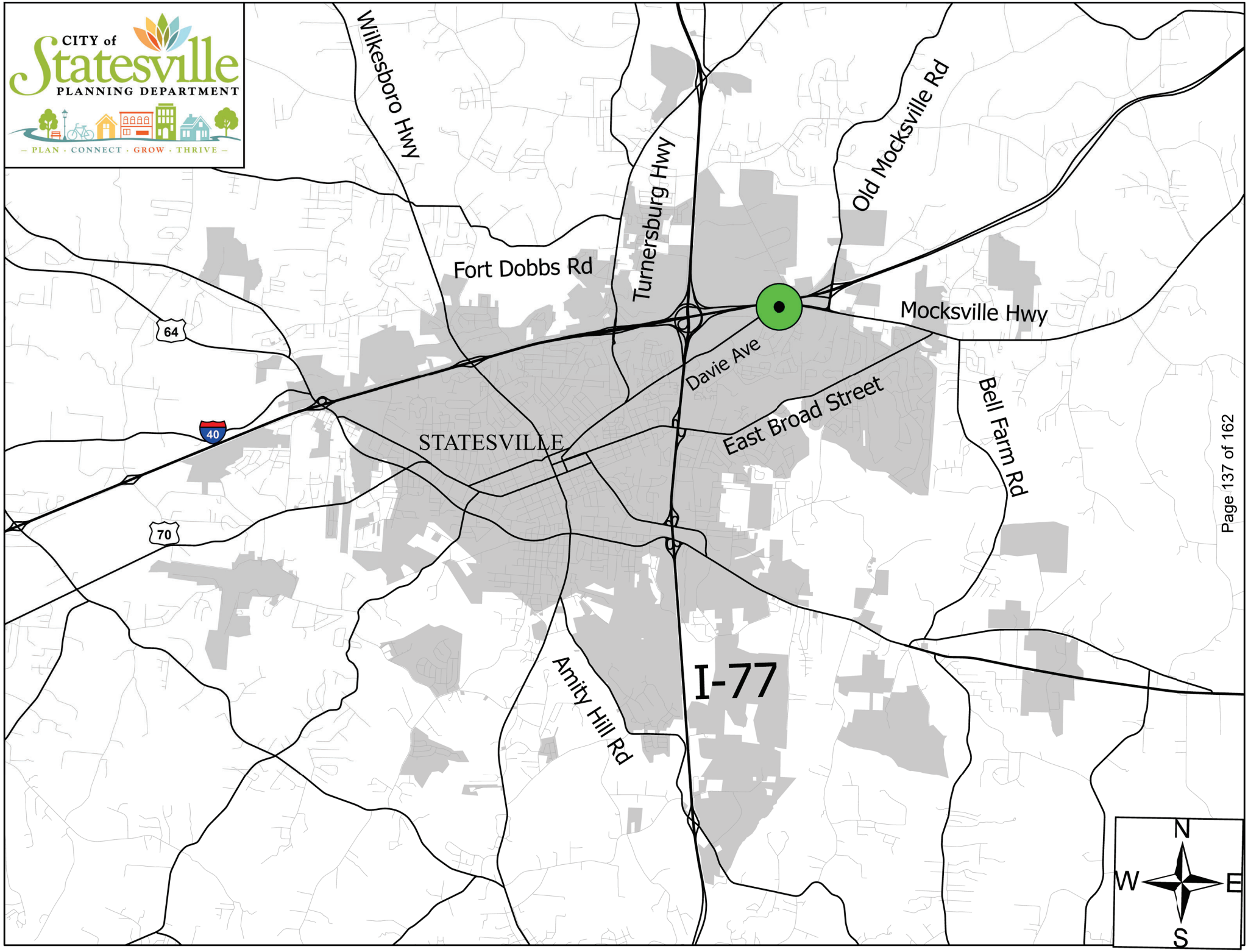
6. **Department Recommendation:**
   Staff recommends approval of the rezoning request for the subject property from R-15/B-5 to B-5. The request is consistent with the 2045 Land Development Plan and resolves split zoning. Rezoning the base district to B-5 will allow long-term flexibility of uses permitted at this site which is along the Highway 70 corridor.

   Planning Board unanimously recommended denial of the request, stating it was not in the public interest nor reasonable because of the number of potential uses and proximity to an established residential neighborhood.

7. **Manager Comments:**
   My first inclination is always to support the city's professional staff. However, in this case, I disagree with the recommendation and feel the open ended nature of this rezoning COULD pose problems for the neighborhood, if not now, possibly in the future. In my opinion, this should come back to through as a conditional zoning request.

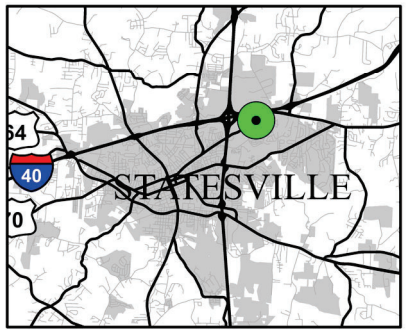
8. **Next Steps:**
   If approved, the second reading will be held on December 14, 2026.

9. **Attachments:**
   1. CAR PH ZC26-14 Attachments


CITY of Statesville
PLANNING DEPARTMENT
– PLAN · CONNECT · GROW · THRIVE –
Wilkesboro Hwy
Turnersburg Hwy
Old Mocksville Rd
Fort Dobbs Rd
Mocksville Hwy
64
Davie Ave
East Broad Street
Bell Farm Rd
40
STATESVILLE
70
Amity Hill Rd
I-77
N
W
E
S

CITY of Statesville
PLANNING DEPARTMENT
– PLAN · CONNECT · GROW · THRIVE –

ZC26-14: Peachtree Rd Airbox Site

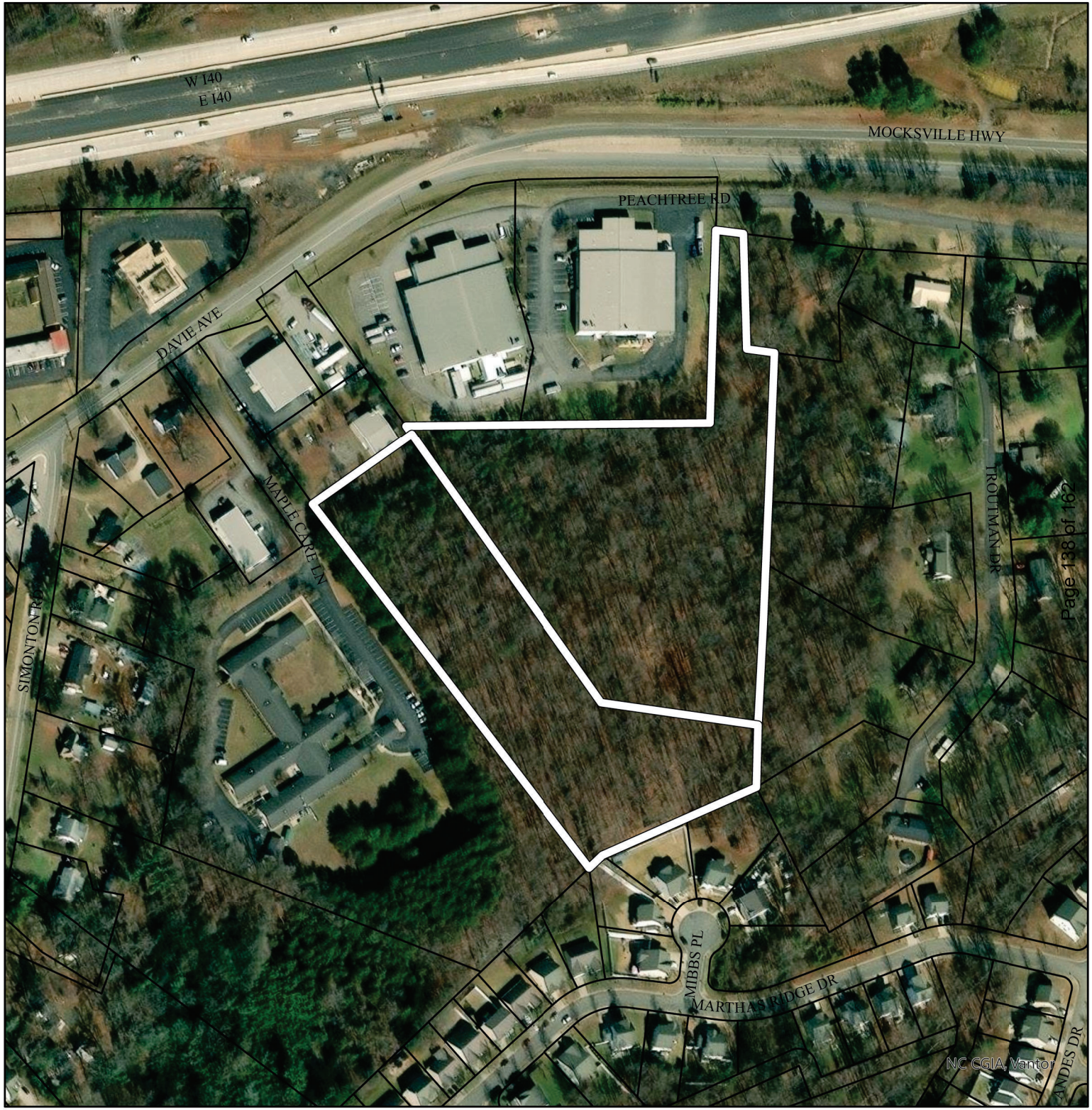


Legend

Subject Parcels

N
W E
S

0 87.5 175 350 US Feet



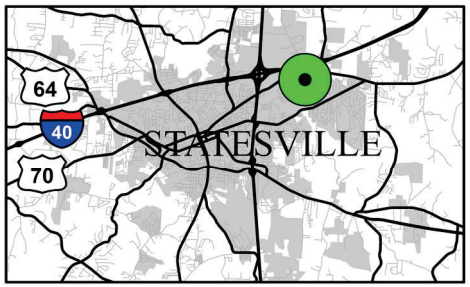


Peachtree Rd Side

Maple Care Ln Side

CITY of Statesville
PLANNING DEPARTMENT
– PLAN · CONNECT · GROW · THRIVE –

ZC26-14: Peachtree Rd (Airbox)



Legend

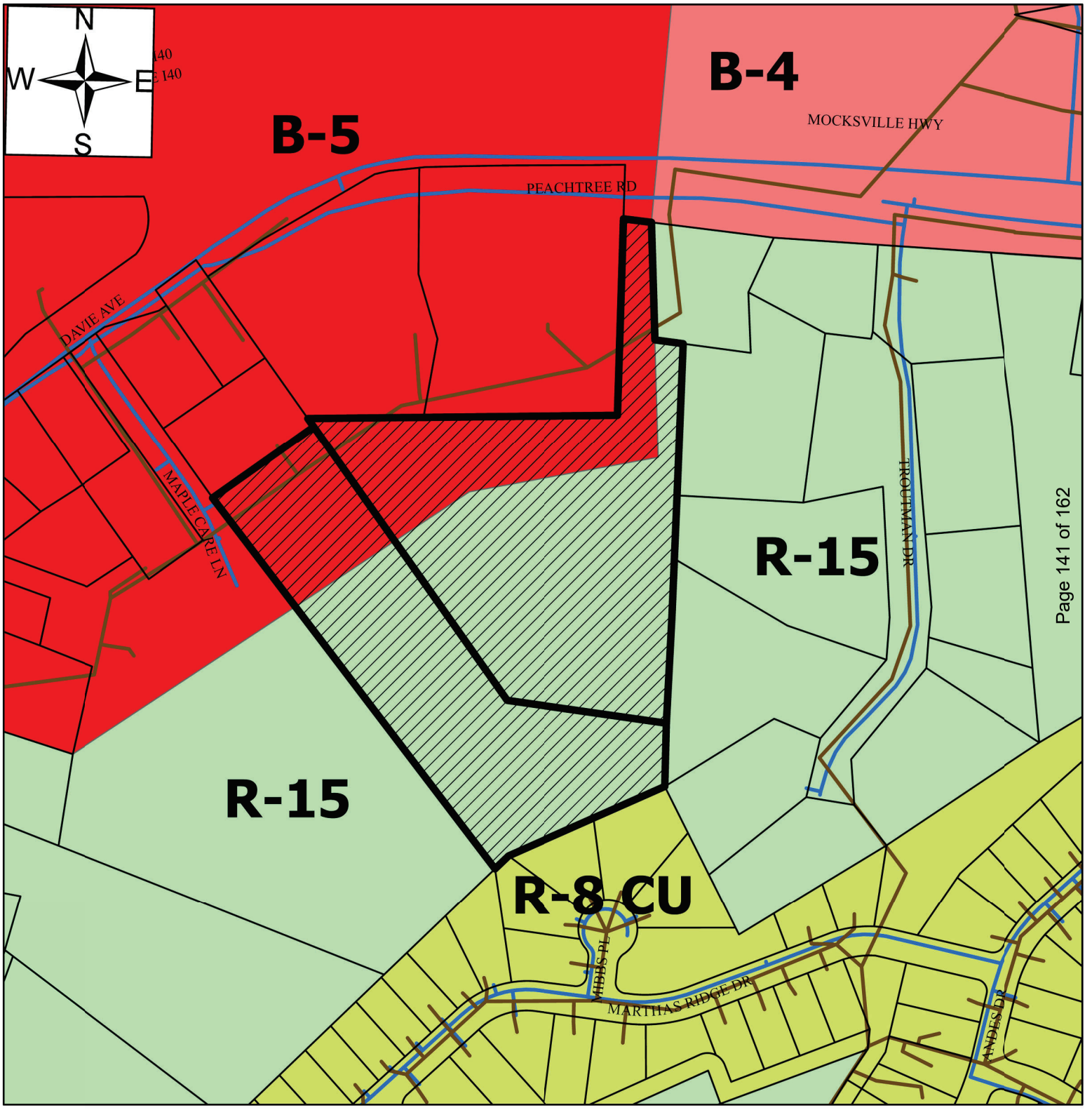
- Sewer
- Water

Zoning Districts

ZONING

- 3RD
- 4CRK
- AIRPT
- B-1
- B-2
- B-2CZ
- B-3
- B-4
- B-5
- CB
- CBP
- H-115
- HI
- LI
- MIXED
- O+I-2
- O-1
- PUD
- R-10
- R-10CZ
- R-10M
- R-15
- R-15M
- R-20
- R-5
- R-5M
- R-5MF
- R-8
- R-8CZ
- R-8M
- R-8MF
- R-A
- R5CZ
- R5MFCZ
- Subject Parcels

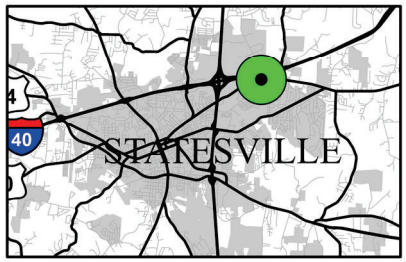
0 0.02 0.04 0.08 Miles



CITY of Statesville
PLANNING DEPARTMENT
– PLAN · CONNECT · GROW · THRIVE –

ZC26-14: Peachtree Rd Airbox Site

2045 LDP Map



Legend

2045 LDP

Activity Areas
- Activity Center

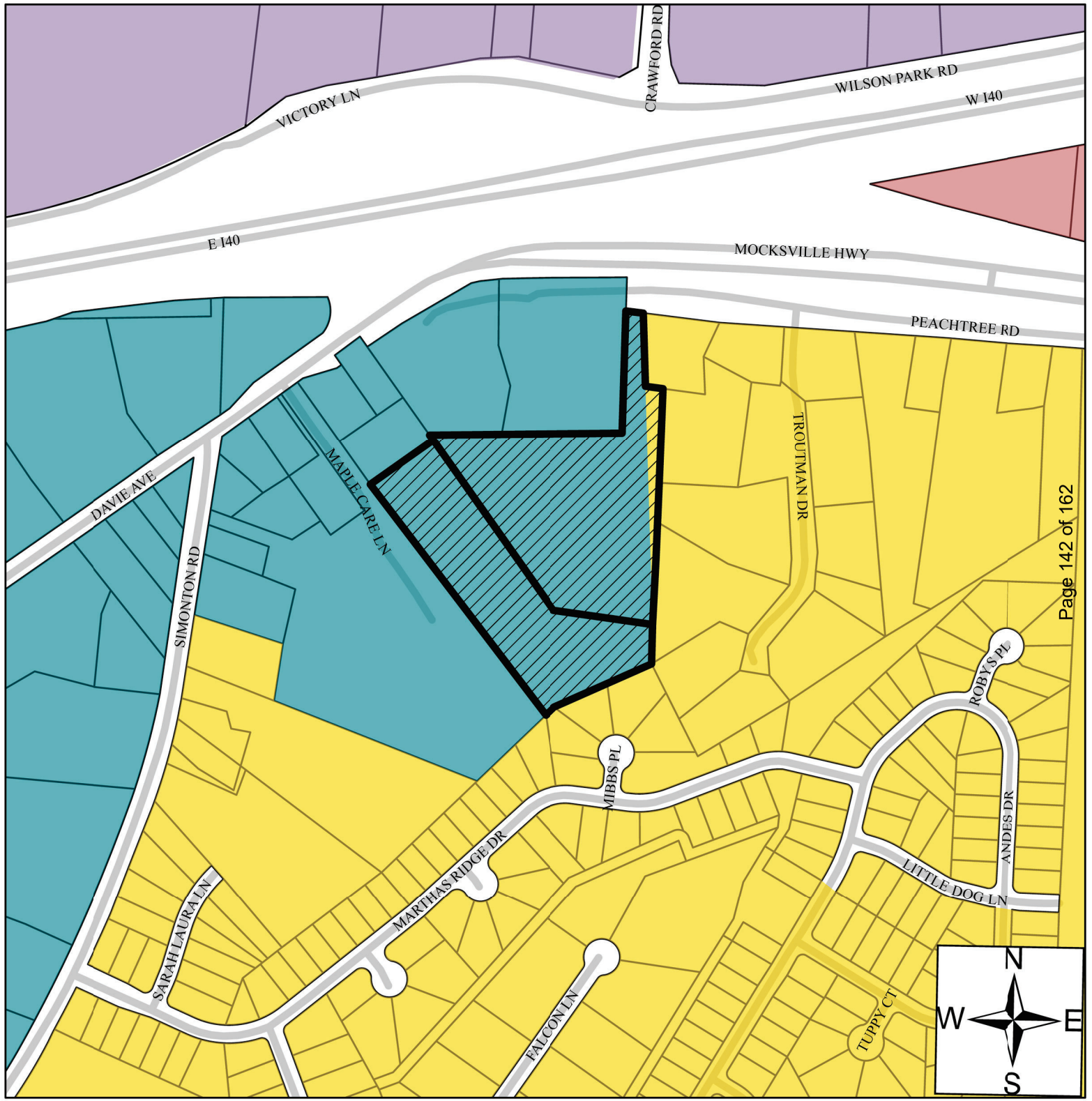
City Neighborhoods
- Complete Neighborhood 2

Employment Areas
- Employment Center / Industrial Flex

Special Areas and Institutions
- Medical Support

Subject Parcels

0 135 270 540 US Feet



Medical Support

Character Intent

The Medical Support character and land use area helps to support a medical sector ecosystem and is located adjacent to Medical Core, including an emerging healthcare services area southeast of the I-40/I-77 interchange. Additional medical office facilities, satellite labs and clinics, pharmacies, and medical sector offices for suppliers and services to the industry are appropriately located in this area. A large hospital is also a large workplace and a significant hub for patients in need of care and their families. Limited restaurants and hotels are appropriate in this area to serve employee and patient needs. Design guidance provided in the Brookdale Drive, Oakdale Drive, and Hartness Road Corridors Small Area Plan should be adhered, including the addition of sidewalks, landscaping, and low keystone walls located along Oakdale Drive and Springdale Road. Sidewalks should be on both sides of thoroughfares, and on at least one side of side streets. Where the Medical Support area is adjacent to residences, height should be used as a transition where necessary, with no elevation higher than 40 feet for the portions of buildings closest to the residential areas.

Pattern & Form

Mid to large block pattern with smaller buildings, complexes, or campuses with prominent patient or visitor entrances facing the street and parking areas.

Opportunities

Recruitment of services that support the medical sector.

Primary Uses

Medical office and suppliers, labs, clinics, pharmacies.

Secondary Uses

Restaurants and bars; hotel/hospitality.

Form Characteristics

Building Height	One to five stories
Building Orientation	Buildings oriented toward primary street with clear patient or visitor entrances, 5-30 ft setbacks
Building Types	Offices, lab buildings, small supply warehouses, clinics
Street Character	Local service streets with sidewalks connected to main arterials
Parking Character	Centralized parking and parking structures for patient care facilities, accommodation for delivery vehicles and regularly used support vehicles





B-5 General Business District — Permitted Uses

City of Statesville UDC, Table 3-1 Use Matrix, pp. 150–157

Designation	Meaning (Sec. 3.03)	Uses
X	Permitted by right	204
SR	Permitted by right, subject to supplemental regulations (Art. 5 or 6)	35
PS	Permitted by right, subject to performance standards (Art. 5 or 6)	18
CZ	Permitted only through conditional zoning	0
S	Special Use Permit required	2

By right (X) — 204 uses

Permitted outright, subject to B-5 dimensional standards and all other UDC provisions.

- Accounting office
- Adult Care Center, Section 5.04
- Advertising agencies
- Alcoholic beverage stores
- Amusement arcades, pool halls & billiards (indoor), Section 5.04
- Animal hospital, large Section 5.04
- Animal husbandry
- Antique shops
- Apparel and footwear
- Appliances < 5000 sq. ft.
- Appliances > 5000 sq. ft.
- Aquariums
- Architect offices
- Armories
- Art galleries
- Art studio
- Arts and graphics supplies (excluding printing)
- Auction houses (indoor)
- Auditors and bookkeepers
- Auto rental
- Auto sales and service
- Auto, truck, boat, motorcycle & trailers sales and services
- Automatic bank tellers
- Automotive supplies, retail sale (no outside storage)
- Bakeries
- Bakeries, wholesale
- Banks and finance companies (branch services < 2,000 sq. ft.)
- Baseball hitting ranges, Section 5.04
- Beauty salons, Barber shops & Spa
- Bicycle repair shops
- Bicycle sales and service
- Blueprinters and drafting supplies
- Boat sales and repair
- Book and stationary stores
- Bowling lanes
- Breweries w or w/o taprooms
- Brewpubs
- Building cleaning and maintenance service
- Bus terminals
- Cabinet shops
- Camera and photo supplies
- Candy, nut and confectionery stores
- Car wash
- Car wash, accessory to auto service station within enclosed structures
- Car wash, hand wash
- Child care centers, Section 5.04
- Clubs, Civic and Private, Section 5.04
- Collector vehicle sales
- Communication tower, Section 5.04
- Community centers, Section 5.04
- Computer and data processing service
- Consultants, management professional
- Contractor's office, including yard maintenance and outside storage
- Convenience stores, Section 5.04
- Country clubs
- Crematorium accessory to funeral homes, Section 5.04
- Cultural facilities
- Dairy bars
- Dairy, meat and seafood markets
- Dance Clubs
- Dance schools or classes, Section 5.02
- Delicatessens
- Department stores
- Designer studios
- Detective agencies
- Discount stores
- Distilleries
- Dressmaking shop
- Drinking establishments
- Drive-in theatre
- Drug stores
- Dry cleaners, large
- Dry cleaners, small
- Dry cleaning and laundry pickup facilities
- Eating establishment, carry- out, drive-in
- Eating establishment, sit- down
- Electrical equipment sales
- Electronic and electrical repair, small equipment
- Employment agencies
- Exterminators
- Fabric stores
- Farm and heavy equipment sales and rental
- Farm/garden supply stores
- Flea market (indoor)
- Flea market (outdoor), Section 5.04
- Floor covering stores
- Florists < 2,000 sq. ft.
- Florists > 2,000 sq. ft.
- Food catering
- Food stores (greater than 10,000 sq. ft.) Section 5.04
- Food stores (under 10,000 sq. ft.)
- Fruit stand, permanent
- Funeral Homes, Parlors and/or Crematoriums, Section 5.04
- Furniture and home furnishings
- Garage/ warehouses (Governmental)
- Gas stations, Section 5.04 (B-1 See Convenience Stores)
- Gift shops < 500 sq. ft.
- Gift shops > 500 sq. ft.
- Glass and mirror sales and repair, Section 5.04
- Golf course (miniature)
- Golf course par 3 no night play
- Golf courses (18 hole) no night play
- Golf driving ranges
- Greenhouses, nurseries commercial wholesale (no retailing)
- Greenways
- Gun, gunpowder and ammunition sales
- Gunsmith
- Gym
- Hardware/ Home Improvement with lumber and building material sales
- Health clubs/diet centers gymnasium
- Heating and refrigeration repair (no outside storage or display)
- Helipad Accessory
- Hobby, toy and craft stores
- Hospitals - (related uses)
- Hotels and motels
- Houses of worship, Section 5.04
- Industrial supplies and equipment (sales)
- Insurance agencies
- Interior decorators and designers
- Interior decorators and designers (no retail sales)
- Jail
- Jewelry stores
- Landfills, Beneficial
- Laundry, coin- operated (automatic)
- Lawn and garden care services
- Lawn and garden supplies
- Legal services
- Linen and uniform supply services
- Liquor stores
- Locksmith
- Lumber and building material sales
- Mail order offices
- Mail order offices (no pick-up/ delivery)
- Manufactured or mobile homes and recreational vehicle sales, minimum lot size 40,000 sq. ft.
- Manufacturer's showrooms
- Medical and dental labs
- Medical facilities, including drug, alcohol and psychotic
- Medical supplies, equipment sales, Section 5.05
- Micro- distilleries
- Microbreweries w or w/o taprooms
- Monument sales
- Movie theaters (drive-in)
- Movie theaters (indoor)

- Music stores/Studios
- News syndicates and publishing
- Newsstands
- Office, General
- Optician and optical supply stores
- Optician, accessory to health practitioner
- Paint and wallpaper stores
- Parking garages
- Parking, off-street, Section 5.02 and 5.04
- Parks and playgrounds
- Pawn shops
- Personnel services
- Pet shops
- Pharmacies
- Philanthropic and eleemosynary institutions, Section 5.04
- Photocopying services no publishing
- Photography studios
- Plant nurseries, Section 5.04
- Plumbing, (no outside storage or display)
- Post office retail units
- Post offices/ distribution
- Pottery ornamental furniture
- Public relations services
- Public utility uses lines/ substations/ water tanks
- Publishing and printing, Section 5.04
- Radio and television receiving antenna and dish, accessory, Section 5.04
- Radio and television sales
- Radio and television stations and studio
- Real estate services
- Recreation Outdoor, Section 5.04
- Rehabilitation centers, Section 5.04
- Rental and leasing of light equipment
- Rental of domestic vehicles
- Schools — Business, Technical, Trade, and Vocational Training, Section 5.04(S)
- Schools — College, University, Community College, Section 5.04(S)
- Schools — Preparatory (Pre-K through 12th grade), Section 5.04(S)
- Sculptor's studio
- Seamstress shops
- Second hand stores and swap shops
- Shoe repair and shining
- Shoe stores
- Shopping centers 25,000 sq. ft. or greater
- Shopping centers 25,000 sq. ft. or less
- Sign painting shops
- Sporting goods stores
- Surveyor offices
- Swimming pools, Tennis courts, etc. (see accessory amenities), Section 5.02
- Tattooing, Body Art
- Taxi stands
- Truck, farm equipment and heavy equipment sales and service
- Variety stores
- Vending companies
- Vet clinic, large animals runs boarding
- Vet clinic, small animals no runs, (See Animal Hospital), Section 5.04
- Warehouses
- Warehouses, mini
- Watch, clock and jewelry repair
- Wood studio
- Woodworking shops, (See Furniture refinishing & Repair), Section 5.02
- Wrecker/Tow Service
- Zoos

Supplemental Regulations (SR) — 35 uses (by right)

Permitted if the use-specific requirements in Article 5 or 6 are met.

- Accessory uses and structures, Section 5.02
- Adult uses, Section 5.04
- Amusement parks, Section 5.04
- Animal hospital, small Section 5.04
- Bus garages/ shelters, Section 5.04
- Camps, Recreational vehicle, Section 5.04
- Cemetery Animal, Section 5.04
- Cemetery, human mausoleum, Section 5.04
- Child care center, Section 5.02
- Child Care, Drop-In/ Short-term, Section 5.04
- Circus, carnival and fairs, Section 5.03
- Construction Trailers and Mobile Construction Offices, Section 5.03
- Dwelling Unit. Multi- family— refer to Sec. 5.04(Y, Z)
- Dwelling Unit. Town home— refer to Sec. 5.04(Y, Z)
- Furniture (Refinishing and repair), Section 5.02
- Labs, research Section 5.04
- Landfills, Clean Material, Section 5.04
- Motor repair, small, Section 5.04
- Motor Vehicle Repair (Major), Section 5.04
- Motor Vehicle Repair (Minor), Section 5.04
- Outdoor Storage, Section 5.02
- Photofinishing labs < 1000 sq. ft. accessory use, Section 5.04
- Places of assembly, Section 5.04
- Public service facility, Section 5.04
- Public use facility, Section 5.04
- Race tracks, Section 5.04
- Recycling collection center (large), Section 5.04
- Recycling collection center (small), Section 5.04
- Roadside stands (seasonal), Section 5.04
- Sewer treatment plant/facility, Section 5.04
- Shooting/Firing Ranges (Indoor), Section 5.04
- Temporary uses, Section 5.03
- Tobacco Shop (includes Hookah and Vape). (see Section 5.05)
- Truck Stop/Travel Plaza
- Yard sales, Section 5.03

Performance Standards (PS) — 18 uses (by right)

Permitted subject to the performance standards in Article 5 or 6, mostly Section 5.05.

- Bottling plants, Section 5.05
- Candy manufacturing, Section 5.05
- Canvas goods manufacturing, Section 5.05
- Dairy, meat and seafood processing and distribution, Section 5.05
- Dental manufacturing, Section 5.05
- Hatcheries, Section 5.05
- Kennels, Section 5.05
- Machine and welding shops, Section 5.05
- Machine tools, Section 5.05
- Medical supplies, equipment sales and manufacturing
- Metal fabricating plants, Section 5.05
- Monument Manufacturing, Section 5.05
- Optical goods manufacturing, Section 5.05
- Race Shops
- Tire recapping shops, Section 5.05
- Transfer/ Trucking companies, Section 5.05
- Truck terminals, Section 5.05
- Wholesale distribution, Section 5.05

Conditional Zoning (CZ) — none

No use carries a CZ designation in the B-5 column. A CZ B-5 district under Sec. 2.07 may still carry any B-5 use with conditions approved by City Council.

Special Use Permit (S) — 2 uses

Allowed only after a Special Use Permit is approved.

- Correctional facilities, Section 2.10
- Photofinishing labs > 1000 sq. ft., Section 2.10

To: Statesville City Council

From: Joseph Campbell, Planner II

Date: November 16, 2026

Subject: Rezoning

Case: ZC26-14 Peachtree Rd (Airbox Site)

☐ **Option 1: Approve (Staff Recommendation)**

The zoning amendment is **hereby approved** and is consistent with the City's comprehensive land use plan, specifically the site is designated at Medical Support. The request is reasonable, and in the public interest because uses within the B-5 district are compatible with the surrounding area.

☐ **Option 2: Deny (Planning Board Recommendation)**

The zoning amendment is **hereby denied** even though it is consistent with the City's comprehensive land plan. However, it is not reasonable, nor in the public interest because the number of uses in the B-5 district may be incompatible with the long-range plan. Therefore, allowing this type of unknown commercial development may be in conflict with this long-term goal.

Date: J. Douglas Hendrix, Mayor

Date: Joseph Campbell, Planner II

ORDINANCE NO._____

AN ORDINANCE AMENDING THE ZONING CLASSIFICATION OF THE DESCRIBED PROPERTIES FROM CITY OF STATESVILLE R-15 (URBAN FRINGE LOW DENSITY RESIDENTIAL) TO CITY OF STATESVILLE B-5 (GENERAL BUSINESS) ZONING DISTRICT

ZC26-14: Peachtree Rd (Airbox Site)
Parcel #'s 4755-34-9972 (portion) and 4755-34-7780 (portion)

WHEREAS, A NOTICE TO THE GENERAL PUBLIC AND PARTICULARLY THE CITIZENS OF THE CITY OF STATESVILLE'S PLANNING JURISDICTION WAS DULY GIVEN, notifying them of a public hearing to be held on November 16th, 2026, at 6:00 p.m. in the Council Chambers at City Hall, 227 South Center Street, Statesville, North Carolina, for the purpose of considering a proposed ordinance to change the zoning classification of portions of the after described property from City of Statesville R-15 (Urban Fringe Low Density Residential) Zoning District to City of Statesville B-5 (General Business); said notice having been published in the Statesville Record and Landmark, a newspaper having general circulation in this area on November 5 and 12, 2026 and all in accordance with the procedure set forth in N.C.G.S. 160D-601; and

WHEREAS, said public hearing was duly held in accordance with law, and all persons present were given an opportunity to be heard on said proposed ordinance prior to any action being taken thereon by the City Council;

NOW, THEREFORE, BE IT ORDAINED, that the zoning classification of the after-described properties be changed as particularly set out below, said property being more particularly described as follows:

All those certain tracts or parcels of land situated in Iredell County, North Carolina, described in the following recorded instruments:

TRACT ONE – Deed Book 1310, Pages 1596–1598 (6 acres, more or less)
BEGINNING at an existing iron pin, such BEGINNING POINT being the Northeast corner of Travis Carter Enterprises (now or formerly) (see Deed Book 1112, page 111, Iredell County Registry); thence South 89 deg. 32 min. 29 sec. East 94.30 feet to an existing iron pin; South 01 deg. 44 min. 05 sec. West passing through an existing iron pin at 60.33 feet for a total distance of 950.08 feet to an iron pin set, a new corner of the Sellers, North 81 deg. 51 min. 14 sec. West 270.55 feet to an iron pin set; North 35 deg. 14 min. 57 sec. West 573.01 feet to an existing iron pin; North 35 deg. 14 min. 57 sec. West 14.49 feet to an existing iron pin; North 89 deg. 20 min. 50 sec. East 528.48 feet to an existing iron pin; North 01 deg. 44 min. 05 sec. East passing through an existing iron pin at 366.56 feet for a total distance of 426.46 feet to an existing iron pin, the POINT OF BEGINNING, containing 6 acres, more or less, and being according to a survey of such property by Kestler Surveying, Inc. dated March 14, 2000.

TRACT TWO – Deed Book 1666, Pages 1487–1491 (4.671 acres, more or less)
BEGINNING at an existing iron pin, such iron pin being located in the Southeast corner of Tract No. 1 as platted and planned in a Plat recorded in Plat Book 34, page 148, Iredell County Registry; thence from such BEGINNING POINT South 35 deg. 14 min. 57 sec. East 573.01 feet to an iron pin set; South 81 deg. 51 min. 14 sec. East 270.55 feet to an iron pin set; South 01 deg. 44 min. 05 sec. West 98.07 feet to an existing iron pin; South 64 deg. 59 min. 56 sec. West 348.44 feet to an existing iron pin; South 40 deg. 47 min. 43 sec.
West 14.06 feet to an existing iron pin; North 35 deg. 17 min. 55 sec. West 728.62 feet to an existing iron pin; North 35 deg. 18 min. 47 sec. West 50 feet to an existing iron pin; North 54 deg. 45 min. 03 sec. East 219.62 feet to an existing iron pin, the POINT OF BEGINNING, containing 4.671 acres, more or less, and being according to a survey of such property by Kestler Surveying, Inc. (Drawing No. R10292BDY) dated March 14, 2000.

This ordinance was introduced for first reading by Councilmember_____, seconded by Councilmember_____, and unanimously carried on the 16th day of November 2026.
Ayes:
Nayes:

The second and final reading of this ordinance was heard on the 14th day of December 2026 and upon motion of Councilmember_____, seconded by Councilmember _____, and unanimously carried, was adopted.
Ayes:
Nayes:

This ordinance is to be in full force and effect from and after the 14nd day of December 2026.

CITY OF STATESVILLE

_____
J. Douglas Hendrix, Mayor

APPROVED AS TO FORM:

By: _____
City Attorney

ATTEST:

_____
City Clerk

CITY COUNCIL ACTION REQUEST

TO: Ron Smith, City Manager

FROM: Wm. E. Vaughan, DOA, PE

DATE: 11/4/2026 2:44 PM

ACTION NEEDED ON: **November 23, 2026**
(Date of Council Meeting)

COUNCIL ACTION REQUESTED:

Consider approving an annexation waiver request from Accuma at 133 Fanjoy Road to connect to City Sewer.

---

1. **Summary of Information:**
Accuma Corporation is requesting a sewer connection waiver in conjunction with a 9,000 SF addition to their facility. The addition plans to add a single restroom facility. If a sewer connection is required, Accuma is requesting a waiver to annexation as required by Ordinance § 23-254 (b)). The County Health Department is coordinating the waiver concurrence because Accuma has applied for a septic permit (this is a pro forma relationship with County). The work is within proximity to city sewer (300 ft +/-). Initially review by the Publice Utilities Director (PUD), he requested an evaluation of the sewer lateral, whether by gravity or force main (simplex pump to service the small rest room) in lieu of a new septic field construction. The facility is currently served by a septic system that was permitted in 1998. The location of the existing septic system precludes connection of the subject restroom.

Accuma Corporation (133 Fanjoy Road) is within the city's ETJ (2,375 ft +/- to contiguous city limits); therefore, the controlling ordinances would require connection to the city system. Also, the parcel is contiguous to the other detached city limits. PUD has determined that that a waiver should not be grantable given the minor cost differences between septic/drain field cost and 2-in force main cost (simplex pump installation) in relation to the overall project construction cost. However, by ordinance, the PUD can only grant connection waivers for single family residences. Other requests must be presented to City Council for resolution.

Analysis.
The difference in distance between the initially proposed septic lateral system and a low-pressure force main is 300 feet +/-. Expected construction costs for a septic tank and drainfield versus a simplex pump and 2-in low pressure force main, 300 additional feet not withstanding, would be minimal.

Accuma initially claimed a much higher cost for a pump system installation (Attachment 3). This higher claim was based on the "usual" regulatory requirements for an industrial facility requiring a duplex-type system ($93,000 to $123,000). PUD investigated and countered with NC DEQ coordination that a simplex pump system (a la residential) would be allowed if the average demand is 600 gpd or less (Attachment 1). The proposed staffing in the addition would not approach the regulatory limit; therefore, the Accuma claim is no longer necessary and the initial PUD position for connection substantiated.

The additional expected cost to install a simplex system would not be much greater than the septic

option estimate of $14,500 when compared to the “investment of approximately $3.27 million” in the project. Also, as outlined in Attachment 2, Accuma should have all the required reliability components necessary for the restroom facility (e.g., emergency power, maintenance staff, and other administrative controls).

2. **Previous Council or Relevant Actions:**
   City ordinances for water and sewer connections:

   23-276 (a) Each lot shall have separate and independent water and sewer service connection if mains are available. If a lot cannot be served as provided for in this chapter, wells and/or septic tanks may be installed only if authorized by the county health department.

   § 8.03 A. All new construction, commercial and residential, within the City limits or the ETJ shall be required to connect to the City's wastewater system. Exceptions may be granted by the Public Utilities Director for single family residential construction not included in a major or minor subdivision application. Such exceptions must be approved prior to plan approval, and all exceptions will be based on the impracticality of location and/or any undue financial hardship imposed by requiring the connection in relation to the value of the property.

   § 23-254 (b). At city council’s option, any property located outside the city limits shall be required to petition for voluntary annexation as a condition of connecting to the water and/or sewer system. Petitions shall be made prior to any taps being made.

3. **Strategic Initiatives Supported/Impacted:**
   Developing Our City: N/A
   Connecting Our City: Invest in services and critical public infrastructure to align with land use plan goals and accommodate future growth citywide.
   Connecting Our Communities: N/A
   Strategic Plan Values: We value Engagement.

4. **Budget/Funding Implications:**
   Loss of revenues resultant from annexation. The property is valued at $4.38M, which would equate to $22,600/year in property tax revenue.

5. **Consequences for Not Acting:**
   Not requiring the connection to the city sewer system would counter ordinance requirements and create an inequity regarding similar situations (especially recent PUD determinations concerning single family housing). Loss of revenues for General fund and Water/Sewer Fund.

6. **Department Recommendation:**
   Regarding the sewer lateral connection, PUD recommends the proposed restroom lateral be connected to the city sewer system due to the minimal cost difference between a septic system and simplex pump systems (i.e., not waived) and Council otherwise consider an annexation waiver based on the sewer connection.

7. **Manager Comments:**
   I agree with the department recommendation and the waiver will set a precedent. However, in this situation I understand that the improvement is minor and the implications of not approving the waiver will be significant (annexation).

8. **Next Steps:**
   Depending on Council action:
   a. Accuma connect to city sewer (tap application process, etc);
   b. If annexation waiver denied, Accuma begin annexation process with Planning.

c. If annexation waiver approved, no further action beyond sewer connection.

9. Attachments:

1. DEQ Pump Waiver Email
2. Policy for Meeting the Reliability Requirements of 15A NCAC 2T
3. accuma letter
4. Accuma addition site plan_sewer location

William Vaughan

From: Lentz, Zac <zac.lentz@deq.nc.gov>
Sent: Thursday, September 17, 2026 8:19 AM
To: William Vaughan; Pitner, Andrew
Cc: Scott Harrell
Subject: RE: [External] WASTEWATER QUESTION: DECEMBER 2011 ADMINISTRATIVE ADJUSTMENT CONCERNING SIMPLEX PUMPS

[**NOTICE:** This message originated outside of the City of Statesville mail system -- **DO NOT CLICK** on **links** or open **attachments** unless you are sure the content is safe.]

It looks like the General Assembly agreed with you back around 2018!

The guidance reflects the old rule language which specified, as the guidance indicates, that a simplex pump station could be used for a single dwelling only. They changed it to allow for any single building with design flow at or below 600 GPD per the rules.

To circle back to your original question, following the guidance (aside from the issue covered above) allows use of a simplex pump station for a single building at or below 600 GPD design flow.

Zac

Zac Lentz, PE
ARPA Engineer
Office of Continuous Improvement (OCI)
Division of Water Resources
NC Department of Environmental Quality
919.707.3620 (Office)
zac.lentz@deq.nc.gov

Get info on ARPA Project Permitting: ARPA Env. Permitting

Search DEQ Permits: NC DEQ Permit Directory

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Search ARPA Project Permitting Information: ARPA Permit Status Table

Please note that staffing levels are presently down and responses to inquiries may be delayed, and I apologize in advance. Many staff have a new email address extension which is "@deq.nc.gov". If you send to the original email address, it will be directed to the correct location.

From: William Vaughan <wvaughan@statesvillenc.net>
Sent: Wednesday, September 16, 2026 4:37 PM
To: Lentz, Zac <zac.lentz@deq.nc.gov>; Pitner, Andrew <andrew.pitner@deq.nc.gov>
Cc: Harrell, Scott <sharrell@statesvillenc.net>

Subject: RE: [External] WASTEWATER QUESTION: DECEMBER 2011 ADMINISTRATIVE ADJUSTMENT CONCERNING SIMPLEX PUMPS

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Thank you, Sir. It does seem somewhat counter intuitive for a "single seater," especially if the facility has backup power and full-time maintenance (and other administrative controls such as "securing the restroom").

'Preciate it!

R, Bill

From: Lentz, Zac <zac.lentz@deq.nc.gov>
Sent: Wednesday, September 16, 2026 3:23 PM
To: William Vaughan <wvaughan@statesvillenc.net>; Pitner, Andrew <andrew.pitner@deq.nc.gov>
Subject: RE: [External] WASTEWATER QUESTION: DECEMBER 2011 ADMINISTRATIVE ADJUSTMENT CONCERNING SIMPLEX PUMPS

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Bill,

I'm following up with some folks internally; this guidance may be outdated with respect to the rules. As it reads, I'd say a simplex station would not be allowed for a non-residential building, but that may have changed. I'll follow up.

Zac

Zac Lentz, PE
ARPA Engineer
Office of Continuous Improvement (OCI)
Division of Water Resources
NC Department of Environmental Quality
919.707.3620 (Office)
zac.lentz@deq.nc.gov

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Please note that staffing levels are presently down and responses to inquiries may be delayed, and I apologize in advance. Many staff have a new email address extension which is "@deq.nc.gov". If you send to the original email address, it will be directed to the correct location.

From: William Vaughan <wvaughan@statesvillenc.net>
Sent: Monday, September 14, 2026 10:34 AM
To: Pitner, Andrew <andrew.pitner@deq.nc.gov>; Lentz, Zac <zac.lentz@deq.nc.gov>
Subject: RE: [External] WASTEWATER QUESTION: DECEMBER 2011 ADMINISTRATIVE ADJUSTMENT CONCERNING SIMPLEX PUMPS

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Thanks!

From: Pitner, Andrew <andrew.pitner@deq.nc.gov>
Sent: Friday, September 11, 2026 3:51 PM
To: William Vaughan <wvaughan@statesvillenc.net>; Lentz, Zac <zac.lentz@deq.nc.gov>
Subject: RE: [External] WASTEWATER QUESTION: DECEMBER 2011 ADMINISTRATIVE ADJUSTMENT CONCERNING SIMPLEX PUMPS

[**NOTICE:** This message originated outside of the City of Statesville mail system -- **DO NOT CLICK** on **links** or open **attachments** unless you are sure the content is safe.]

Hi Bill,
I'm going to defer to our central office staff on this as they're more well versed in alternative designs and what's allowed or not. Copying Zac Lentz so he can help respond to your question.
Andrew

Andrew Pitner, P.G. - Andrew.Pitner@ncdenr.gov
Division of Water Resources - Water Quality Regional Operations
Mooresville Regional Office (MRO)
North Carolina Department of Environment & Natural Resources
610 East Center Avenue, Suite 301, Mooresville, NC 28115
MRO Main Phone: (704) 235-2100
Direct Office Phone: (704) 235-2180
MRO Fax: (704) 663-6040
DWR website: http://www.ncwater.org
NOTICE: Email correspondence to and from this address is subject to the North Carolina Public Records Law and may be disclosed to third parties unless the content is exempt by statute or other regulation.

From: William Vaughan <wvaughan@statesvillenc.net>
Sent: Friday, September 11, 2026 1:55 PM
To: Pitner, Andrew <andrew.pitner@deq.nc.gov>
Subject: [External] WASTEWATER QUESTION: DECEMBER 2011 ADMINISTRATIVE ADJUSTMENT CONCERNING SIMPLEX PUMPS

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Andrew: in addressing a waiver request for connection to the city system, is the attached waiver still in effect? I.e., is reading this to say that a non-residential simplex system could be approved if the enumerated parameters are met (storage; electrical reliability storage considerations; maintenance response).

The first paragraph reads a little "quirky," but I think the intent is the allow a required duplex system to be configured as a simplex if meeting the certain requirements (for example, we have a single bathroom being proposed in a warehouse addition. Operationally, domestic, no different than single family; so, is a duplex for a "one seater" really sensible? I.e., is this a good example of an "all other pump station" from the memo?).

Thanks!

R, B

William E. Vaughan, DPA, PE
Public Utilities Director
Office: (704) 761-2383

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Policy for Meeting the Reliability Requirements of 15A NCAC 2T .305(h)(1)(D) for Pressure Sewers Utilizing Simplex Pump Stations

Modification 12/11

These rules require that multiple pumps be provided with the capacity to pump peak flow with the largest pump out of service and to provide power reliability respectively. Simplex pump stations will only be approved for single family residences, all other pump stations shall be required to meet these rules. To help ensure protection from overflows for simplex pump stations, the following policy will be implemented in lieu of requiring dual pumps and power reliability.

The first option for meeting reliability requirements is to provide 24 hours storage in the wet well above the pump-on elevation as requested in the permit application. However, since this may add to the cost and make installation difficult in certain areas, another option may be pursued.

Alternatively, the applicant may provide documentation regarding both power reliability and response times for pump replacement.

In the case of power reliability, 3 years of power history data in the area from the power company must be provided. The amount of storage required shall be equal to the duration of the longest power outage (minus catastrophic events such hurricanes). Storage shall be provided above the pump-on elevation.

For response times, the applicant shall provide an estimate of the response time to replace a failed pump. The estimate shall include time for answering after hours calls, travel time to maintenance shop, preparing equipment to respond, travel time to site, and time to replace the pump. For existing systems, the Permittee should indicate if they currently maintains a supply of pumps on hand at this time (a permit condition). Also, personnel must be on-call 24 hours a day, 7 days a week as well as a phone number with 24-hour answering service clearly posted on the pump station. Storage shall be provided above the high water alarm.

These storage requirement are not cumulative, rather, the storage which provides the largest wet well shall be specified.

Accuma Corp

Address: 133 Fanjoy Rd Statesville NC 28625

Re: Septic System

Lentz Wastewater technicians made site visit on 10/21/26. Based on our technicians assessment, the pump tank appeared to be in good condition and the septic tank was functioning as designed. The alarm and components were functioning as designed, technicians cycled the pump and the pump achieved 40 gpm. The pressure manifold is functioning correctly and distributing effluent as designed. The drain field was found to be free of effluent surfacing providing confirmation that the current septic system located at 133 Fan Joy Rd in Statesville is performing as it should.

Many thanks,

Lentz Wastewater Management, Inc.

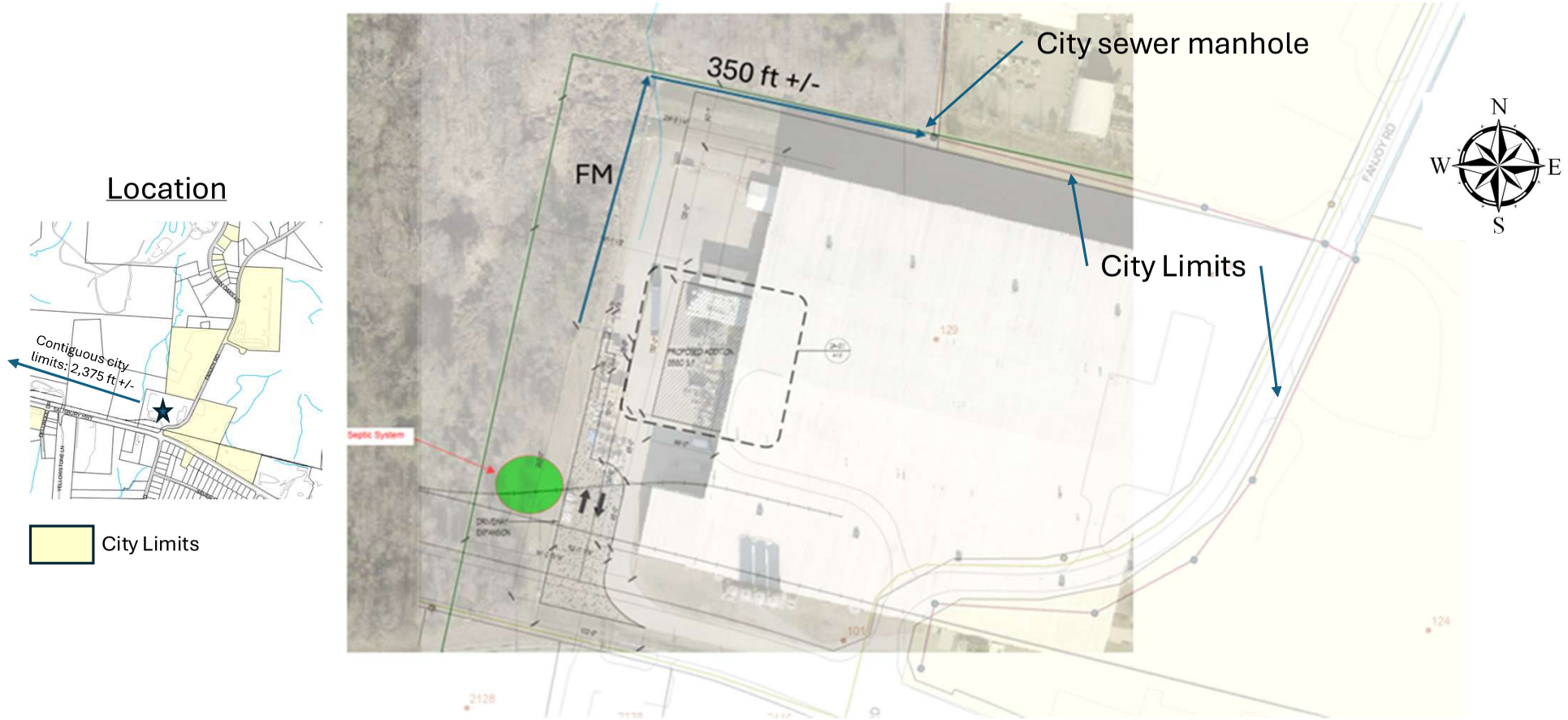
463 Lentz Road
Statesville, NC 28625

980-829-3278

www.lentzwastewater.com

office@lentzwastewater.com

Fanjoy Corp 9,000 SF Addition
Location of City Sewer in Relation to Proposed Septic System



CITY COUNCIL ACTION REQUEST

TO: Ron Smith, City Manager

FROM: Sherisha Hills, Assistant City Manager

DATE: 11/5/2026 10:39 AM

ACTION NEEDED ON: **November 16, 2026**
(Date of Council Meeting)

COUNCIL ACTION REQUESTED:

Consider approving a resolution authorizing the City of Statesville to increase its occupancy tax rate on short-term lodging from the current 5% to 6%, contingent upon securing state legislative approval.

---

1. **Summary of Information:**
   The Statesville Convention and Visitors Bureau (SCVB) began collecting occupancy tax in the FY87. Statesville currently levies a 5% room occupancy tax which operates under a legacy formula. Under North Carolina's occupancy tax framework, Statesville could collect up to 6%, but this would need General Assembly authorization.

   Currently with our 5% occupancy tax, the split of proceeds are a 80/20 split with Event Center being the majority in the formula. Changing the legislation would authorize a total tax rate of up to 6% and provide for occupancy tax proceeds to be used under the standard framework: at least two-thirds of net proceeds for travel and tourism promotion, with the remainder for tourism related expenditures.

2. **Previous Council or Relevant Actions:**
   9/8/26 - Members of the SCVB board presented at the 3x3 meetings to express the need to increase the occupancy tax

   10/22/26 - Council discussed whether to pursue legislation for the increase to the occupancy tax at the fall planning session

3. **Strategic Initiatives Supported/Impacted:**
   Developing Our City: N/A
   Connecting Our City: N/A
   Connecting Our Communities: Expand access to enriching cultural, recreational, and open space amenities.
   Strategic Plan Values:

   The increase in occupancy tax can help fund visitor focused promotion and experiences that advance our goal of Connecting our Community. Specifically the priority area of Recreation and Cultural vibrancy: advance culture and the arts, develop parks and public space while building upon our strength as a destination for culture, arts, conventions and recreation.

4. **Budget/Funding Implications:**

Based on the Adopted Occupancy Tax budget for FY2027, below is what a change in legislation could look like for the tax revenue:

Measure	
Budgeted revenue at 5%	$1,380,000
Estimated revenue at 6%	$1,656,000
Additional revenue	$276,000

With this change, comes changes to the Event Center dedicated funding from this tax. A determination would need to be identified how the funding gap would be handled (i.e., occupancy tax, general fund support).

The first chart below shows the operating gap for the Event Center (with scenarios of operating revenue increases). Capital funding is not included in this chart since capital funding is a variable and no department is guaranteed to receive capital funding year over year.

The second chart shows the various scenarios of revenue the City of Statesville would receive from the occupancy tax; which if chosen, those funds could be utilized to cover any operating gaps at the Event Center.

Event Center - Revenue

$494,816 (FY26)	Revenue	Operating Gap
0% Increase	$494,816.00	$484,438.00
15% Increase	$569,038.40	$410,961.60
20% Increase	$593,779.20	$386,220.80
25% Increase	$618,520.00	$361,480.00

Occupancy Tax (6%)

	CVB	COS
$1,450,000.00	$966,666.67	$483,333.33
$1,500,000.00	$1,000,000.00	$500,000.00
$1,600,000.00	$1,066,666.67	$533,333.33
$1,650,000.00	$1,100,000.00	$550,000.00

5. Consequences for Not Acting:
If this resolution is not approved, then the City will continue moving forward under the current 5% formula and framework.

6. Department Recommendation:
Staff supports pursuing the legislation, while returning to Council with an Event Center funding plan and a proposed SCVB oversight and performance reporting plan.

7. Manager Comments:
This will be the third formal discussion on this topic over the last few months. At the two previous meetings the City Council seemed to favor moving forward with this change. There will be funding changes necessary if this is approved, and I strongly feel the Council needs to have more formal participation (not control) in the decision-making process of the Tourism Development Authority Board moving forward. These details can be developed in the plan referenced in the department recommendation. I recommend moving forward with this request.

8. Next Steps:
The City Clerk will send the resolution to our State Representatives. If approved by the General Assembly, the below are the next steps:

1. Statesville adopts an ordinance implementing the new rate and effective date of change (mandatory two readings)
2. Notify short term lodging operators

9. Attachments:

1. Resolution - CVB

RESOLUTION NO. 2026-_____

RESOLUTION BY THE CITY COUNCIL OF STATEVILLE, NORTH CAROLINA

SUPPORTING LEGISLATION TO AUTHORIZE A SIX PERCENT ROOM OCCUPANCY TAX AND TRANSITION TO THE STANDARD ENABLING FRAMEWORK

WHEREAS, the City of Statesville currently levies a room occupancy tax at a total rate of five percent (5%) pursuant to S.L. 1998-112; and

WHEREAS, the City Council desires to have the General Assembly enact legislation authorizing Statesville to have a total room occupancy tax rate of six percent (6%), transitioning the City to the standard North Carolina occupancy-tax enabling framework found in N.C. Gen. Stat. §160A-215; and

WHEREAS, this Resolution memorializes Statesville's formal request to the General Assembly to amend S.L. 1998-112, allowing Statesville to levy a room occupancy tax rate of six percent (6%).

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Statesville as follows:

1. The City Council approves pursuing local legislation authorizing the City to levy a room occupancy tax rate of six percent (6%) of taxable gross receipts.

2. The City Council supports transitioning Statesville's occupancy-tax authorization to the standard North Carolina enabling framework found in N.C. Gen. Stat. §160A-215. The proposed legislation should provide for at least two-thirds (2/3) of net proceeds to promote travel and tourism and the remainder to be used for tourism-related expenditures, with final statutory language and implementation provisions prepared for Council review.

3. The City Manager and City Attorney are authorized and directed to work with the General Assembly to seek enactment of legislation consistent with this resolution, and to return any material changes in the proposed framework to City Council for direction.

This the 16th day of November, 2026.

CITY OF STATESVILLE

BY:_____
J Doug Hendrix, Mayor

ATTEST:

_____
Emily Kurfees, City Clerk