

STATE OF NORTH CAROLINA
ONSLOW COUNTY

MUTUAL RELEASE AGREEMENT

This Settlement and Mutual Release Agreement ("Agreement") is made and entered into this 15 day of August, 2025, by and between the **Town of North Topsail Beach**, a municipal corporation organized under the laws of the State of North Carolina ("Town"), and **C.M. Mitchell Construction Company, Inc. ("CMM")** (together, the "Parties").

RECITALS

WHEREAS, the Parties entered into a contract for a federally grant-funded beach renourishment project known as "North Topsail Beach Phase/Reach 5 Shoreline Beach Truck Haul – Tranche Two" (the "Phase 5 Contract");

WHEREAS, disputes have arisen between the Parties regarding payment for sand volumes and sand unit pricing, including claims for additional compensation totaling more than \$2 million, which the Parties have discussed extensively during settlement negotiations;

WHEREAS, CMM has provided the Town with job cost detail reports reflecting a project loss of over \$1,800,000, and the Parties desire to avoid the expense and uncertainty of continued litigation and resolve all claims and potential claims between them;

WHEREAS, the Parties have reached a compromise settlement of all disputes and claims, without admission of liability, for the sum of One Million and Two Hundred Thousand Dollars (\$1,200,000.00);

NOW, THEREFORE, in consideration of the mutual covenants herein and the payment set forth below, the Parties agree as follows:

1. **Settlement Payment.** Within seven (7) business days after execution of this Agreement by both Parties, the Town shall pay CMM the sum of One Million and Two Hundred Thousand Dollars (\$1,200,000.00), which the Parties agree constitutes full and final payment for all claims, costs, damages, or amounts of any kind arising out of or related to the Phase 5 Contract. This payment is allocated as follows: \$865,504.10 toward the remaining contract balance and increased sand volume claim, with the remainder of the funds (\$334,495.90) to be allocated as reimbursement of a portion of the unit price increase in materials.

2. **Full and Final Mutual Release.** Except for the obligations expressly set forth in this Agreement, the Parties, on behalf of themselves and their respective successors, assigns, officers, employees, agents, attorneys, insurers, and sureties, hereby fully, finally, and forever release, acquit, and discharge one another from any and all past, present, and future actions, causes of action, suits, debts, sums of money, accounts, reckonings, bonds, bills, covenants, contracts, controversies, agreements, promises, damages, judgments, executions, claims, and demands of any kind whatsoever, whether known or unknown, contingent or fixed, suspected or unsuspected, arising out of or in any way related to the Phase 5 Contract. Within five (5) business days from the payment of the funds contemplated herein, CMM agrees to execute and file a voluntary dismissal with prejudice of any and all claims or actions filed in any court or administrative forum arising out of or relating to the Phase 5 Contract, including the pending action in Onslow County Superior Court No. 25-CV-003507-660.

3. **No Admission of Liability.** This Agreement is a compromise of disputed claims and shall not be construed as an admission of liability or wrongdoing by either Party.

4. **Costs and Fees.** Each Party shall bear its own attorneys' fees, expert fees, costs, and expenses incurred in connection with the Phase 5 Contract and the negotiation of this Agreement.

5. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties regarding the subject matter hereof, and no other promises or agreements, written or oral, exist between the Parties except as set forth herein. This Agreement may be amended only in a writing signed by both Parties.

6. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, executors, administrators, successors, and assigns.


7. **Governing Law.** This Agreement shall be governed by and construed under the laws of the State of North Carolina. Any action to enforce this Agreement shall be brought in a court of competent jurisdiction in Onslow County, North Carolina.

8. **FEMA Reimbursement Assistance.** CMM shall provide the Town with reasonable assistance, at no additional cost, in preparing, supporting, and submitting any applications, documentation, or other materials necessary for the Town to seek reimbursement from the Federal Emergency Management Agency ("FEMA") for amounts paid under this Agreement under the Contract. Such assistance shall include, without limitation, providing relevant records, invoices, purchase and haul tickets, cost reports, and other project documentation in CMM's possession, and responding in a timely manner to reasonable requests from the Town or its consultants.

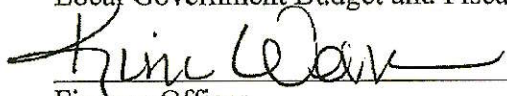
[signature page to follow]

TOWN OF NORTH TOPSAIL BEACH

By:


ALICE DERIAN, Town Manager

This Agreement, and only this Agreement, has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.


Finance Officer

C.M. MITCHELL CONSTRUCTION COMPANY, INC.

By: 

Printed Name: Charles M Mitchell

Title: President

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