



JULY 26, 2010
5:30 PM

Opening of Meeting

Nondenominational Invocation

Roll Call

Approval of Minutes from May 24, June 1, June 14, and June 21, 2010 **(pg. 6)**

Approval/Amendments to Agenda

PRESENTATIONS:

Ms. Beth Batchelor – Washington Daily News Athlete of the Year

Ms. Hanna Copeland, Ms. Janella Thompson, Ms. Kiara Smith and Ms. Crystal Martinez – Award Winning Public Service Announcement for Stormwater Project

Gratitude to Lee Chevrolet – Donation Fire Works Display

Honoring Mr. Linley Gibbs - Dedicated member of the Washington Tourism Development Authority

NC Department of Labor Safety Awards and Electricities Safety Award: Electric Department, Fire Department and Public Works Department

I. Consent Agenda:

- A. Adopt – Administrative Guidelines and Program Policies for the City's FY09 CDBG – HD program **(pg. 57)**
- B. Reporting – Reallocation of funding 2009/2010 Budget – General Fund, Water Fund, Sewer Fund, Storm Water Fund, Electric Fund, and Airport Fund **(pg. 80)**
- C. Accept – Donation from Lee Chevrolet Buick **and** Adopt Budget Ordinance Amendment for the donation (\$10,000) **(pg. 82)**
- D. Adopt – Budget Ordinance Amendment for Sewer Improvements along Pennsylvania Avenue (\$15,000) **(pg. 84)**



JULY 26, 2010

- E. Authorize – City Manager to sign Release, Hold harmless and Indemnification Agreement with Bridge Harbor, LLC (Fireworks) **(pg. 86)**
- F. Authorize – City Manager to Refund Ms. Sina Thurman Sewer Charges Beyond that Allowed by City Code (\$703.51) **(pg. 89)**
- II. Comments from the Public:
- III. Public Hearing on Zoning: **6:00 PM**
 - A. Accept – Zoning change consisting of 7.78 acres of property located at the intersection of Hwy 17 N & New Hope Road **(pg. 90)**
- IV. Public Hearing – Other:
 - A. Accept – A program amendment to the project description for Community Development Block Grant: 08-C-1812- Capacity Building eliminating the training and hiring of new staff as a function of the grant **(pg. 104)**
 - B. Approve – The application to the Bureau of Justice through the Edward Byrne Memorial Justice Grant, local solicitation direct appropriations (\$12,852) **(pg. 113)**
 - C. Approve – Conversion Process for Havens Gardens DOT proceeds **(pg. 120)**
- V. Scheduled Public Appearances:
 - A. Ms. Pat Mansfield – Update Blackbeard Alliance
 - B. Ms. Stacey Vandermeeden – 14th/Nicholson Street Stop Sign Request
 - C. Ms. Susan Zachary – Street Closing Main/Stewart Parkway
 - D. Mr. Allen Pittman – Excel T-Ball **(pg. 123)**



JULY 26, 2010

VI. Correspondence and Special Reports:

- A. Discussion – Status of current grants (2010 Departmental American Recovery and Reinvestment Act (ARRA) and Non-ARRA funding opportunities) **(pg. 124)**

VII. Reports from Boards, Commissions and Committees:

- A. Human Relations Council**(pg. 126)**
- B. Tourism Development Authority**(pg.127)**
- C. Washington Harbor District Alliance (WHDA) **(pg.128)**
- D. Financial Reports (as available)
1. General
 2. Enterprise Funds

VIII. Appointments:

- A. Appointments – Various Boards, Commissions and Committees **(pg. 130)**

IX. Old Business:

- A. Update – 2008 BIG-P Grant (docks) - Timetable **(pg. 148)**
- B. Memo – Airfield Facilities to support Field Carrier Landing practice**(pg. 151)**
- C. Memo – HealthPlus Therapeutic Services purchase and sales agreement (\$175,000) **(pg. 154)**
- D. Memo – Agreement to purchase property located on the Corner of Bridge and Second Streets**(pg. 167)**
- E. Memo – Proposed Lease Agreement with Impressions Marketing Group, Inc. for the property located at 234 Springs Road**(pg. 179)**
- F. Approve & Authorize –Execute a one-year extended agreement (novation) to replace current agreement **and** Authorize the Mayor to execute contract with Tradewind of New Bern, NC to operate Warren Field Airport**(pg. 211)**



JULY 26, 2010

- G. Accept & Authorize – Agreement to purchase the Annie Mayo’s Property at Springs Road(**pg. 232**)
- H. Adopt – Final Budget Ordinance Amendment for FY 09/10 (\$102,678) (**pg. 241**)
- X. New Business:
 - A. Memo – Moss Landing Marina pets on boardwalk(**pg. 244**)
 - B. Memo – Easement to U.S. Cellular for Communications Antenna Tower(**pg. 248**)
 - C. Adopt – Resolution designating support for the proposed access enhancement project at Havens Gardens from Marine Resources Funds(**pg. 266**)
 - D. Authorize – Sale and consumption of alcohol at WHDA’s 5th Annual Pickin’ on the Pamlico(**pg. 270**)
 - E. Adopt – Resolution directing City Clerk to investigate a petition for a contiguous annexation of Wheatfield Subdivision (**pg. 271**)
 - F. Amend – Chapter 8, Section 18 – Restriction of animals in cemeteries(**pg. 278**)
 - G. Award – Contract for 2010-2011 Street Improvements and Resurfacing (\$288,480) (**pg. 280**)
 - H. Adopt – Budget Ordinance Amendment to appropriate funds for the replacement of the HVAC system @ the Water Treatment Plant (**pg. 284**)
 - I. Memo – License Assignment Agreement with Md7 Capital Three, LLC renew cell tower on 3rd Street water tank(**pg. 286**)
- XI. Any Other Items From City Manager:
 - A. None



JULY 26, 2010

- XII. Any Other Business from the Mayor or Other Members of Council
- A. Discussed – City-owned vehicles authorized to be driven home 2010-2011 and Justifications **(pg. 341)**
- XIII. Closed Session – Under NCGS 143-318.11(a)(1) Disclosure of confidential information and NCGS 143-318.10(e) the public records act
- XIV. Adjourn - Until Monday, August 9, 2010 at 5:30 pm, in the Council Chambers at the Municipal Building.

**CITY COUNCIL MINUTES
WASHINGTON, NORTH CAROLINA**

MAY 24, 2010

The Washington City Council met in a continued session on Monday, May 24, 2010 at 4:30pm in the City Council Chambers at the Municipal Building. Present were: Archie Jennings, Mayor; Doug Mercer, Councilman; Ed Moultrie, Councilman; William Pitt, Councilman; Gil Davis, Councilman; Bobby Roberson, Mayor Pro tem; Jim Smith, City Manager; Cynthia Bennett, City Clerk and Franz Holscher, City Attorney.

Also present were: Matt Rauschenbach, Chief Financial Officer; Robbie Rose, Fire Chief; Allen Lewis, Public Works Director; John Rodman, Planning Director; Keith Hardt, Electric Director; Ray Midgett, Information Technology Director; Mike Voss, of the Washington Daily News; and Delma Blinson of the Beaufort Observer.

Mayor Jennings called the meeting to order and Councilman Moultrie delivered the invocation.

APPROVAL/AMENDMENTS TO AGENDA

The following amendments were made to the order of the agenda:

- (1) WHDA – Umbrellas on Market Street
- (2) Public Works Budget (Water/Sewer/Stormwater/Solid Waste/Cemetery Funds)
- (3) Recovery Zone Economic Development Bonds
- (4) Revenue Neutral Tax Rate
- (5) Public Hearing: Budget
- (6) Public Hearing: Adoption of a temporary moratorium on electronic gaming operations (internet sweepstakes cafes)
- (7) Health Insurance – 401k – 457
- (8) Approve – Load Management Switch Purchase

By motion of Mayor Pro tem Roberson, seconded by Councilman Pitt, Council approved the agenda as amended.

WHDA - UMBRELLAS ON MARKET STREET

Ross Hammory stated the Downtown Merchants representative; Bob Henkel is requesting permission to install exterior umbrellas on each park bench on Main and Market Streets. The merchants would install an umbrella behind each park bench and would be responsible for maintaining and removing them. The umbrellas would be lime green, turquoise, rust and yellow. Installation by Bob Henkel would be free of charge and there would be a total of 20 umbrellas. An additional five umbrellas would be purchased for replacement purposes.

Mayor Pro tem Roberson and Councilman Mercer stated the request should go before the Historic Preservation Commission.

By motion of Councilman Mercer, seconded by Councilman Pitt, Council sent the request for the installation of umbrellas behind each park bench on Main and Market Street to the Historic Preservation Commission.

Dee Congelton, Washington Area Historic Foundation commended Council for taking the correct steps with the request regarding the installation of umbrellas. The request should have gone before the Historic Preservation Commission and not the City Council.

John Rodman, Planning Director noted to Council the request would be heard by the HPC and would not need to come back before the Council.

STORMWATER

Allen Lewis, Public Works Director stated all salaries and benefits have been removed from the Stormwater Budget. The only thing left in this budget is materials and things of that nature that would be paid for with Stormwater fees. This amounted to approximately \$300,000 that is now under the General Fund. Mr. Lewis discussed removing the culverts at Charlotte Street once the Brown Street bridge project is completed. An automated bar screen was also included in the budget for the pumps located at Park Drive. Discussion was held regarding storm water development and possible funding by Recovery Zone Economic Development Bonds.

A motion was made by Mayor Pro tem Roberson, seconded by Councilman Davis to pursue a \$4 million allocation of Recovery Zone Economic Development Bonds. Such bonds would be earmarked for use in the storm water funds, serviced by the cash flow in the storm water fund as well as include the fire station repairs using the fire station as collateral for those repairs. The motion passed 4-1 with Councilman Mercer voting against the motion.

Mr. Lewis updated Council on the status of the Brown Street bridge project, stating we have received grant funding from NCDOT 80%-20% match from the City. The bridge should be complete by late spring 2011.

WATER FUND

Mr. Lewis stated the Water Fund is doing relatively well. The debt service will drop substantially next year. Mr. Lewis discussed the possibility of principal forgiveness loans as well as 0% interest loans for capital projects such as installation of a parallel line from the water plant and the installation of a pump station at Main and Respass Street. Neither of the items are in the budget but we can apply for these grants if Council approves with 50% principal forgiveness loans and 50% - 0% interest loans. Costs for the projects are: water line installation \$800,000 and pump station installation \$600,000.

By motion of Councilman Davis, seconded by Councilman Moultrie, Council approved the Public Works Director and City Manager to move forward with applying for funding for the parallel water line installation and Main/Respass pump station installation projects and allocated \$20,000 to be used for the application process.

SEWER FUND

Mr. Lewis stated the Sewer Fund is doing well and all of the capital projects in the budget are in the Capital Improvement Plan. Debt service is dropping off in this fund as well.

AIRPORT FUND

Jim Smith, City Manager discussed the current agreement with Tradewind and said we asked them to submit a new proposal as the agreement was set to expire soon. We haven't received a proposal from them yet. The discussion has been to maintain the current procedure with them operating the airport on a day to day basis. Mr. Smith suggested entering a one year extension with Tradewind. Mayor Jennings discussed the new airport advisory board and that we are still seeking applicants for that board.

SOLID WASTE FUND

Mr. Lewis proposed adding one position to this fund, which is actually a reallocation of a position from another fund. Mayor Pro tem Roberson voiced concern over adding a position. Mr. Smith reiterated that an additional position is not added, one position is being eliminated from the garage and the position reallocated to the solid waste fund. This fund is totally self-supporting.

CEMETERY FUND

Mr. Lewis noted revenues this past year in the cemetery were down, due to the number of lots sold as well as grave openings. There is a transfer of funds from the General Fund to the Cemetery Fund as workers from the cemetery do additional work at other city locations. Councilman Mercer stated if these locations need additional workers, we may need to hire part time people to assist the departments instead of pulling the cemetery workers to do the work. Mr. Lewis stated with the current cemetery rates we can't cover expenses, but if we raise the rates we will put ourselves out of business. Our rates are comparable to the other cemetery in town. If the City hadn't stopped collecting perpetual care fees many years ago, we would be in better shape than we are now. Mr. Lewis stated the cemetery was under the General Fund up until this past year.

REVENUE NEUTRAL TAX RATE

Mr. Rauschenbach discussed the revenue neutral tax rate and noted the airport needs to be removed from the gross numbers since it was de-annexed. This item will be discussed during the next budget session on June 1st. The revenue neutral rate would be \$0.485 to be revised with the airport being removed from the numbers.

Council convened for a break at 5:55pm and reconvened at 6:00pm for the budget public hearing.

PUBLIC HEARING – BUDGET

Mayor Jennings opened the public hearing.

Mark Wesley, Public Works Department has worked with the City almost 31 years, addressed the Council regarding budget cuts and the effects it has on employees and the equipment they use. Mr. Wesley further voiced concern over aging and failing equipment and

the need to have such equipment replaced. He remarked Council should be spending funds on keeping the equipment safe and up to date instead of spending money on another park downtown. Mr. Wesley also discussed the concerns with health insurance, funding for required licenses, continuing education and training.

Shane Lewis, Electric Utilities Department has worked with the City for 10 years, addressed the Council regarding job maturity, merit raises and the MAPPS salary study from 2003. Mr. Lewis stated "Service is what we sell". It was requested to keep the job maturity and merit raises in the budget to keep our salaries in line with other communities and not to implement a onetime 1 1/2% bonus. Mr. Lewis stated, "We work with our hats on; don't throw a tip in it." Mr. Lewis wants people to know when they see him in his uniform; he is a friend and not an enemy and is proud to work for the City.

There being no further comments, the public hearing was closed.

Councilman Moultrie stated he feels the employee's pain and agony and hopes Council takes heed to the very strong message the employees have delivered.

Councilman Mercer inquired about the license that Mr. Wesley holds. Mr. Allen Lewis stated the City pays for the training, but the employee holds the license in their name and are held responsible for it. Mr. Smith stated some employees were concerned that training would be cut. Councilman Mercer stated if a license is legally required, the City is responsible for paying for the training.

Mayor Pro tem Roberson stated he is not trying to eliminate employees. He further challenged staff to further reduce overtime expenditures. Mr. Smith stated overtime has been cut about 50% over the past few years.

Mayor Jennings stated we value all employees and we have not had a reduction in force and we are proud of that. We draw a safety circle around our employees and try to find reductions in other places.

Councilman Pitt asked the employees to be patient with the Council. It is Council's intention not to do any harm to the employees or to take their money.

PUBLIC HEARING: ADOPTION OF A TEMPORARY MORATORIUM ON ELECTRONIC GAMING OPERATIONS (INTERNET SWEEPSTAKES CAFES)

Mayor Jennings opened the public hearing at 6:25pm.

John Rodman, Planning Director stated the Planning Board has recommended that Council implement a 90 day moratorium on electronic gaming operations/internet sweepstakes cafes. The moratorium would allow the Planning Board time to review these operations to determine where they would be best suited in the City's Land Use Plan.

Robert Salinger, owner of Pamlico Internet Café stated he is not opposed or against the moratorium. He is here to offer his assistance as a resource to the City in helping to figure out the concerns they may have regarding internet sweepstakes cafés.

There being no further comments, the public hearing was closed.

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council accepted the recommendation of the Planning Board and adopted an Ordinance placing a temporary moratorium on the use of electronic gaming operations (internet sweepstakes cafés) in the City of Washington's jurisdiction for a period of ninety (90) days.

**Ordinance Establishing a Ninety Day Moratorium on Expansion of Electronic Gaming Operations
(aka Internet Sweepstakes Operations)
Within the City of Washington Jurisdiction**

WHEREAS, the City of Washington (hereafter "the City") is a municipal corporation organized under the laws of North Carolina, invested with the powers enumerated in Chapter 160A of the North Carolina General Statutes; and

WHEREAS, the City is authorized by North Carolina General Statutes Chapter 160A, Article 19 to plan and regulate development and the uses of buildings, structures and land within its corporate limits, and pursuant to North Carolina General Statutes Chapter 160A-381(e), the City is authorized, under certain circumstances, to impose a development moratorium; and

WHEREAS, pursuant to North Carolina General Statutes Chapter 160A, Article 8, the City is given authority to prohibit, regulate and abate acts, omissions, or conditions detrimental to the health, safety or welfare of its citizens; and

WHEREAS, an "internet café," "cybercafé," "electronic gaming operations, "internet sweepstakes" or similar activity, by whatever name it might be known, (hereinafter "internet sweepstakes operations") in a place where a patron can use a computer with internet access, usually for a fee based on time of usage, to participate in games of chance or sweepstakes; and

WHEREAS, internet sweepstakes operations are not specifically listed as a permitted use in the City's zoning ordinance nor is it naturally incident or accessory to any other permitted use; and

WHEREAS, the State Legislature is scheduled to address internet sweepstakes operations during its upcoming short session in May 2010 and may be able to offer some guidance as to the legality of these operations.

WHEREAS, the City needs to consider how internet sweepstakes operations should be classified under current City code and what protections should be associated with these activities including but not limited to spacing requirements, parking requirements, regulations relating to hours of operation, and advertising and marketing regulations.

WHEREAS, the City would like the opportunity to amend its current zoning ordinance to address these issues before additional internet sweepstakes operations begin operation or the current ones expand.

THEREFORE, BE IT RESOLVED:

1. THAT a ninety (90) day moratorium is adopted immediately on the establishment, creation, opening or expansion of an internet sweepstakes operation, or similar activity, whether independent or incidental to or accessory to any other permitted use;
2. THAT this ninety (90) day moratorium shall apply throughout the City's Jurisdiction;
3. THAT this ordinance shall become effective immediately upon its adoption.

Adopted on May 24, 2010

ATTEST:

s/Cynthia S. Bennett,
City Clerk

s/ N. Archie Jennings III,
Mayor

HEALTH INSURANCE – 401K – 457

Mr. Smith stated we are facing a major increase in our health care premiums for the employees, approximately \$470,000. We have worked with our consultants to come up with an alternative plan to mitigate the impact on the employees. We are suggesting that employees can take \$40 of the \$50 that goes into their 401k and place those funds in a health spending account or part of that \$40 to be placed in a 457 retirement account. This is for all non-law enforcement employees. This item will be discussed fully during the June 1st budget meeting. Benefits meetings will be held next week to review the plans with employees.

By motion of Mayor Pro tem Roberson, seconded by Councilman Davis, Council adopted a resolution to establish the North Carolina Employee Deferred Compensation Plan, also known as "NC Deferred Comp: for City of Washington employees effective July 1, 2010.

RESOLUTION

Whereas, the City of Washington wishes to provide a qualified defined contribution plan to the employees of the City of Washington, and;

Whereas, the State of North Carolina has established the North Carolina Public Employee Deferred Compensation Plan, a qualified governmental Deferred Compensation Plan under the Internal Revenue Code § 457 (b) for public employees of North Carolina.

Therefore, be it resolved that the City of Washington has adopted the North Carolina Public Employee Deferred Compensation Plan also known as "NC Deferred Comp" under the terms of the Plan Document and the Third Party Administrator Agreement. All employees shall become eligible to defer compensation effective July 1, 2010.

Signed this the 24th day of May 2010.

s/N. Archie Jennings, III
Mayor

APPROVE – LOAD MANAGEMENT SWITCH PURCHASE

Council appropriated \$300,000 for the first phase of the system wide load management initiative. Purchases are to be approved by Council. Councilman Mercer inquired where the other \$200,000 was from the total \$300,000 that was allotted for load management switches being we only purchased 1500 switches at a cost of \$98,800. Mr. Smith stated we do not have the exact numbers for the installation of the meters and the inspections, thus we did not spend all the money for purchases of switches. The bid we received was substantially less than the ones we received in the past. Ed Pruden, Electric Department stated we have put out bids for the installation of the switches. We may be able to purchase more switches if the bid comes in less than we expect, due to the reduced cost of the switches. The 1500 quantity produces a lower purchase price and the price remains in effect until the end of 2010.

By motion of Councilman Pitt, seconded by Mayor Pro tem Roberson, Council approved the purchase of 1,500 load management switches and 2 field test units from Comverge for \$98,800.

Mr. Pruden stated we need to remove the term in our marketing that load management is “mandatory”. We need to use less harsh wording and suggest using terms such as energy management credit instead of load management.

ADJOURN

By motion of Mayor Pro tem Roberson, seconded by Councilman Davis, Council adjourned the meeting at 7:00pm until June 1, 2010 at 4:30pm at the Municipal Building.

(Subject to the Approval of the City Council)

**Cynthia S. Bennett
City Clerk**

The Washington City Council met in a continued session on Monday, June 1, 2010 at 4:30pm in the City Council Chambers at the Municipal Building. Present were: Archie Jennings, Mayor; Bobby Roberson, Mayor Pro tem; Doug Mercer, Councilman; Ed Moultrie, Councilman; William Pitt, Councilman; Gil Davis, Councilman; Jim Smith, City Manager; and Cynthia Bennett, City Clerk.

Also present were: Matt Rauschenbach, Chief Financial Officer; Robbie Rose, Fire Chief; Allen Lewis, Public Works Director; Gloria Moore, Library Director; John Rodman, Planning Director; Keith Hardt, Electric Director; Philip Mobley, Parks & Recreation Director; Mick Reed, Police Chief; Ray Midgett, Information Technology Director; Susan Hodges, Human Resource Director, Lynn Lewis; Tourism Director, Mike Voss, of the Washington Daily News and Delma Blinson, of the Beaufort Observer.

Mayor Jennings called the meeting to order and Councilman Moultrie delivered the invocation.

APPROVAL/AMENDMENTS TO AGENDA

By motion of Councilman Pitt, seconded by Councilman Moultrie, Council approved the agenda as presented by a vote of 4-1. Councilman Mercer opposed.

COUNCIL REQUEST ADDITIONAL \$1.2 MILLION BUDGET REDUCTION

City Manager, James C. Smith stated the presentation was being presented in two forms: (1) Council's request to have the \$500,000 reduction in the Electric Fund as part of the 2% reduction and (2) the 2% reduction in all funds. Councilman Mercer noted the overall budget would be reduced by 2% and this 2% would include the reduction in revenues in the Electric Fund by approximately \$500,000 which left approximately \$700,000 to come from the rest of the funds; therefore, he considers this presentation to be unacceptable. Councilman Mercer felt that staff had not accomplish what Council directed them to do. Mayor Jennings emphasized Councilman Mercer's point, when Council has given a directive; it needs to be adhered to.

Councilman Mercer suggested the ultimate exercise was to reduce cost of electricity to our consumers. Mr. Smith noted the cost includes cost of NCEMPA plus cost to maintain lines, debt service, etc, the markup on our cost is very small. Councilman Mercer suggested we could reduce operating expenses to reduce cost to our customers and Mr. Smith suggested we have presented a 10% reduction of non-fixed cost.

Councilman Mercer stated he was opposed to staff cutting the \$122,000 allocated to help facilitate the transfer of E911 from the proposed budget and Councilman Davis agreed. Mr. Rauschenbach advised Council that appropriations for E-911 could be cut because the transfer likely would not occur in the next fiscal year and would likely take place in the fiscal year 2011-12. Council rejected the \$122,000 cut.

Money given to outside agencies has been reduced by 2% in the proposed budget. Mayor Pro tem Roberson expressed his concerns over funding any new request from outside agencies and stated Council should review all funding in the upcoming years from outside agencies. Mayor Jennings inquired if the Arts Council number was inclusive of the rent and Mr. Smith replied 'no'. Mayor Jennings recommended this be reflective for in the budget. Councilman Mercer was concerned about the E-911 transfer of \$122,000 when Council had approved the transfer to the County and asked to have it stricken from the budget. Mr. Smith stated that it was not logical to do that transfer at this time. Funding was reduced for street paving and a full-time Police Officer was removed from the budget.

Mayor Pro tem Roberson noted the staff's proposed budget includes "the best numbers I've ever seen" in regard to revenue projections. Mayor Pro tem Roberson believes the proposed spending plan does not over-estimate projected revenues as previous budgets have done and was happy no positions had been cut.

Discussion followed concerning whether Council could proceed without Mr. Rauschenbach doing Revenue reductions according to Councilman Mercer's statement "reduce revenue for sale of electricity". Councilman Mercer suggested removing the \$10,000 going to the Salvation Army and the Catholic Church and combine the contributions..

Following discussion, Mayor Jennings recapped the following items of discussion: Revenue as stated in the Electric Fund, \$122,000 E-911, Outside Agencies, \$10,000 allocation to the Salvation Army and the two scenarios presented by the City Manager. Mayor Jennings called for a vote from Council members for the final directive to be given to staff: Mayor Pro tem Roberson stated he would like to go with the Manager's recommendation of the 2% minus the items discussed. Councilman Davis agreed with Mayor Pro tem Roberson, Councilman Moultrie and Councilman Pitt agreed with the City Manager's proposed budget recommendations. Councilman Mercer asked to have the grant positions included in the funding scenario (Project Next Step & Special Projects). Mayor Jennings suggested if we have a good program and funds are available why would we want stop the program in order to honor a policy. Mayor Jennings stated to place on record the partial year funding for current grant funded positions.

By consensus, Council was in agreement to use the yellow scenario as a base and work out the contingencies. Contingencies consisted of \$500,000 as stated in the Electric Fund, \$10,000 Salvation Army for Project Help, \$122,000 E-911 and Outside Agencies or accept the 1.88% reduced budget vs. 2% proposed reduction (approximately \$76,000 for E-911 with Mr. Rauschenbach explaining that it won't be a full year and it would be 1.88%). Councilman Mercer suggested the 1.9% budget with the \$122,000 for E-911 staying in the budget and not the \$76,000.

By motion of Mayor Pro tem Roberson, seconded by Councilman Mercer, Council unanimously accepted the yellow scenario with an amendment of 1.9% challenge providing that the \$122,000 remains in E-911 when the final budget is presented. If there is an amended amount then the dollar amount will come back before Council. Also, Council agreed to leave in the \$10,000 for Project Help simply because it is in the yellow scenario. Comments received by Councilman Davis will happen after the budget is approved.

2010/2011 2% Budget Reduction

6/1/2010

		Budgeted	2% Reduction	\$500k EL Reduction	2.00% Target	Budget
2% Reduction Target					1,242,989	62,149,438
Upfront Reductions:						
County 911	ES11	122,014	(122,014)	(122,014)		
Outside Agencies	OS Agencies	183,940	(8,547)	(4,110)		-4.65%
Harbor District Alliance	Electric	60,000	(3,000)	(3,000)		5.00%
RZEDB vs Cash Capital						
Fire Dept Roof	General Fund	42,000	(42,000)	(42,000)		
Charlotte Street/Jacks Creek	Storm Water	465,000	(465,000)	(465,000)		
City Hall Maintenance (Municipal Building)	General Fund	25,000				
Old City Hall Structural (Misc.)	General Fund	25,000				
Facade Grant	Econ. Devl.	15,000	(5,000)	0		
BB&T Note (unspent escrow)	Electric	160,000	(160,000)	(160,000)		
Landlord Weatherization	Electric	40,000	(40,000)	(40,000)		
Total Upfront Reductions			(845,561)	(836,124)		
Remaining Target					397,428	0.64%
HR						
10-00-4123		Budgeted	2% Reduction	\$500k EL Reduction	2.00% Target	Budget
	3000 Department Supplies	3,000	(500)	(100)	2,768	276,821
	6500 Welfare	15,000	(1,500)			
	1401 Employee Development	3,500	(500)	(100)		
	1200 Printing & Publishing	1,000	(267)	0		
	Total		(2,767)	(200)		
Council						
10-00-4110		Budgeted	2% Reduction	\$500k EL Reduction	2.00% Target	Budget
Mayor						60,117
10-00-4111						13,539
City Manager						288,584
10-00-4120					3,623	362,250
10-00-4120	7000 Non-capitalized Purchases	1,500	(1,500)	(1,500)		
10-00-4110	3000 Dept. Supplies	3,600	(600)			
	0400 Professional Services	10,050	(3,761)			
	Total		(5,860)	(1,500)		
Library						
10-00-6110		Budgeted	2% Reduction	\$500k EL Reduction	2.00% Target	Budget
	3000 Dept. Supplies	10,000	(2,385)	(500)	3,885	388,504
	7000 Non-capitalized Purchases	1,500	(1,500)	0		
	Total		(3,885)	(500)		
Finance						
10-00-4130		Budgeted	2% Reduction	\$500k EL Reduction	2.00% Target	Budget
Billing						477,502
10-00-4134						158,599
Customer Service						697,015
10-00-4130					13,331	1,333,116
10-00-4130	1201 Marketing	22,000	(7,000)			
10-00-4130	4902 CC Processing Fees	70,000	(2,000)			
10-00-4130	4504 Software Maintenance	46,030	(2,060)	(2,060)		
10-00-4130	1400 Employee Development	6,000	(1,000)	(1,000)		
10-00-4130	0400 Professional Services	11,500	(1,275)	(1,275)		
	Total		(13,355)	(4,355)		

Budget 2011CRAB

2010/2011 2% Budget Reduction

6/1/2010

			Budgeted	2% Reduction	\$500k EI Reduction	2.00% Target	Budget
Planning	10-10-4910	0800 Professional Services	15,000	(1,750)	(1,000)	3,186	318,555
		1200 Printing & Publishing	6,000	(500)	(500)		
		1400 Employee Development	2,500	(336)	(336)		
		3000 Departmental Supplies	4,000	(300)			
		4202 Contract Services- Zoning Map	1,000	(100)			
		3300 Dues & Subscriptions	1,600	(100)			
		3704 Association Expenses	1,000	(100)	0		
		Total		(3,186)	(1,836)		
Code Enforcement	10-10-4330	1400 Employee Development	1,800	(300)	(300)	2,035	203,547
		3000 Departmental Supplies	700	(36)	(36)		
		4200 CS- Planning Dues	15,000	(1,000)			
		4201 CS Vacant Lots	9,000	(500)			
		7000 Non Capitalized Purchases	3,043	(200)	(200)		
		Total		(2,035)	(536)		
IT	10-10-4132	4200 CS- GIS Map Layer	48,070	(2,822)	0	2,822	252,244
		Total		(2,822)	0	2,822	252,244
Summary:			Budgeted	2% Reduction	\$500k EI Reduction	2.00% Target	Budget
General Fund				(411,400)	(231,115)		
Water				(30,263)	(30,263)		
Sewer				(16,611)	(16,611)		
Storm Water				(465,000)	(465,000)		
Airport				0	0		
Solid Waste				0	0		
Cemetery				0	0		
Electric				(319,715)	(500,000)		
Special Revenue Funds				0	0		
Total				(1,242,369)	(1,242,369)		

2010/2011 2% Budget Reduction

6/1/2010

			Budgeted	2% Reduction	\$500k EI Reduction	2.00% Target	Budget	
Parks & Recreation	10-40-6121	0000 Part Time Salaries	37,000	(3,060)	(400)	13,963	1,396,329	
	10-40-6122	0000 Part Time Salaries	15,450	(3,000)	(500)			
	10-40-6124	0000 Part Time Salaries	52,754	(3,160)	(500)			
	10-40-6130	4201 Contract Services Grounds	11,850	(4,740)	0			
		Total		(14,000)	(1,400)			
Public Works			Budgeted	2% Reduction	\$500k EI Reduction	2.00% Target	Budget	
	Street Maintenance	10-20-4510					462,262	
	Power Bill	10-20-4511					271,916	
	Street Lighting	10-20-4512					131,600	
	Storm Water	10-20-5710					250,944	
	Public Works Director	10-20-4700					78,347	
	Garage	10-20-4200					147,205	
	Street Maintenance	10-20-4510	201 SALARIES - OVERTIME	13,000	(3,000)	0	13,822	1,382,174
	Power Bill	10-20-4511	2620 Power Bill Materials	63,964	(63,964)	0		
		4200 STREET PAVING	80,000	(53,273)	0			
	Water	30-90-6200	8000 Debt Service- Hwy 17	30,263	(30,263)	(30,263)	29,585	2,958,537
		30-90-6610	9200 Admits Charges to GP	273,570				
	Sewer	32-90-6200	8000 Debt Service- Hwy 17	16,611	(16,611)	(16,611)	29,850	2,985,014
		32-90-6610	9201 Admits Charges to GP	28,055				
	Storm Water	34-90-5710	9210 Admits Charges to GP	100,955			8,695	959,500
	Airport	37-90-4530	9710 Admits Charges to GP	29,746			4,379	437,911
	Solid Waste	38-90-4710	9200 Admits Charges to GP	184,802			14,135	1,413,500
	Cemetery						2,600	250,036
	Total Public Works				(157,111)	(46,874)	103,067	10,306,672

Outside Agencies

6/1/2010

Fund #	ID	Pc. Year Actual	Amended Budget	Expended/ Encumbered	% Spent	Est. Exp. Entire Year	Dept Head Request	Manager Recommends	2% Reduction	\$500k El. Reduction
		08-09		08-10	09-10	09-10	10-11	10-11		
		GENERAL FUND								
		OUTSIDE AGENCIES								
		CULTURAL & LEISURE								
9100	TOURISM AUTHORITY	247,622	0	0	0.00					
9101	ARTS COUNCIL	25,900	22,500	22,500	100.00	22,500	20,000	20,000	1,000	500
9102	B.E.M. LIBRARY	7,800	0	0	0.00					
9104	ARTS COUNCIL CONCERTS	6,000	5,600	5,600	100.00	5,600	6,000	6,000	400	200
9105	BOYS & GIRLS CLUB	25,000	23,250	23,250	100.00	23,250	33,100	23,250	1,162	500
9107	ZION SHELTER	10,500	10,500	10,500	100.00	10,500	10,500	10,500		
9108	WRIGHT FLIGHT	5,000	0	0	0.00		4,250	4,250	4,250	2,125
9109	EAST CAROLINA WILDLIFE GUILD	1,900	7,650	8,743	114.29	8,743	8,750	8,750	450	
9110	THE BLIND CENTER	3,000	2,800	2,800	100.00	2,800	3,500	2,800		
9111	VIETNAM MOVING WALL		2,950	5,474	183.56	2,950				
9112	CHRISTMAS PARADE	2,500	2,325	2,325	100.00	2,325	2,800	2,325	120	120
9113	TURNGAGE THEATER PROJECT	160,248	100,000	100,000	100.00	100,000	100,000	100,000		
9116	EAGLE WINGS	2,000	2,000	2,000	100.00	2,000	5,000	2,000	100	100
9117	DWOW	0	0	0	0.00					
9120	HUMAN RELATIONS COUNCIL	925	1,265	753	39.53	1,265	1,265	1,265	65	65
9131	HIGHWAY 17 ASSOCIATION	7,500	0	0	0.00					
9136	PURPOSE OF GOD	2,000	1,800	1,800	100.00	1,800	5,000	1,800		
9137	ALBEMARLE FOOD BANK				0.00			1,000	1,000	500
	TOTAL	507,895	182,640	185,745	101.70	183,733	200,165	183,940	8,547	4,110

Council recessed for a break and reconvened at 6:10 pm.

REVENUE NEUTRAL TAX RATE

Mr. Smith explained how they arrived at an equivalency of 48.56 cents. Mr. Smith and Chief Financial Officer, Matt Rauschenbach reviewed the proposed tax rate of 0.5002. Mr. Rauschenbach determined that the revenue-neutral tax rate for the City in the upcoming fiscal year would be 47.44 cents per \$100 valuation.

Mr. Rauschenbach suggested they are targeting 50 cents per \$100 valuation as the City's property-tax rate for fiscal year 2010-2011. Mr. Rauschenbach's calculations show that the revenue-neutral tax rate, adjusted for growth, comes to 48.56 cents per \$100 valuation. The target property-tax rate of 50 cents per \$100 valuation reflects concerns the City could see some of its revenue sources not generate as much revenue as expected. The new tax rate includes 2 cents per \$100 valuation that's earmarked to provide revenue for the City's public-safety Capital Reserve Fund, used to help pay for items such as new public-safety buildings and equipment. Mr. Rauschenbach noted several scenarios as a result of revaluation.

Councilman Davis addressed concerns that not knowing what the County and the General Assembly might do leaves "a lot of question marks" surrounding some of the City's revenue sources.

Councilman Mercer suggested that allocation, now at slightly more than \$120,000 a year, should be derived from the 48.56 cents per \$100 valuation tax rate instead of the 50 cents per \$100 valuation tax rate.

Mayor Pro tem Roberson expressed concern that the Beaufort County Board of Commissioners may change the way it distributes sales-tax income to the municipalities in the County. That change could result in those municipalities receiving less in sales-tax revenues. Mayor Pro tem Roberson suggested the City might need that difference between the 50 cents per \$100 valuation rate and the 48.56 cents per \$100 valuation to offset possible loss of revenue from other sources.

By motion of Councilman Davis, seconded by Mayor Pro tem Roberson, Council set the tax rate for FY 10-11 at 0.5002. Councilman Mercer opposed the 0.5002 because it is inappropriate to set the tax rate before we have a budget and know the numbers we a shooting for.

Amended motion: By motion of Councilman Davis, seconded by Mayor Pro tem Roberson, amended the motion to set the 0.5002 as a target rate and set the tax rate when the budget has been officially adopted. Motion passed by 4-1 vote with Councilman Mercer voting against. Council Mercer did not have a problem with the target concept but his problem was with the 0.5002.

Neutral Property Tax Increase		City of Washington				
Revaluations as of: January 1, 2010 and 2002						
Fiscal year	Assessed Valuation as of June 30	Annexation (Deannexation)	Total Adjusted for Annexation or Deannexation	Valuation Increase	Percentage change	
2010-11	623,609,391	(1,934,897)	09-10 08-09	625,544,288 651,166,443		
2009-10	651,166,443	160,482	08-09 07-08	651,025,961 638,275,270	11,730,691	1.83%
2008-09	638,275,270	333,750	08-09 07-08	638,941,520 619,572,410	18,969,110	3.06%
2007-08	619,572,410	343,932	08-09 07-08	619,628,478 605,185,152	14,443,326	2.36%
2006-07	605,185,152	613,699	08-09 07-08	604,371,453 589,114,135	15,257,318	2.53%
2005-06	589,114,135	111,830	08-09 07-08	589,002,305 577,120,521	11,881,784	2.05%
2004-05	577,120,521	177,882	07-08	576,942,629	2,372,586	0.41%
2003-04	574,570,043	598,040	06-07 05-06	574,570,043 573,971,003	23,393,902	4.25%
2002-03	550,577,101	804,711				2.37% Average growth % Doesn't include revaluation increase
Last year prior to revaluation				Tax rate	Estimated tax levy	
2008-10	651,166,443			0.6000	3,906,999	
First year of revaluation				Tax rate to produce equivalent levy		
2010-11	623,609,391			0.4744	3,906,999	
Increase tax rate for average growth rate				Revenue neutral tax rate, to be included in budget ordinance, adjusted for growth		
2010-11	623,609,391			0.4856	3,999,605	
128,000	2002 Public Safety Capital Reserve			Increase in Tax Levy	92,605	
82,581	0.81 of Property Taxes			Average Percentage Increase	2.37%	
0.9148	Capital Reserve					
0.4856	Revenue Neutral Tax Rate					
0.6002	Proposed Tax Rate					

Revenue Neutral Tax Rate

GS 159-11(e):

In each year in which a general reappraisal of real property has been conducted, the budget officer shall include in the budget, for comparison purposes, a statement of the revenue-neutral tax rate for the budget. The revenue-neutral property tax rate is the rate that is estimated to produce revenue for the next fiscal year equal to the revenue that would have been produced for the next fiscal year by the current tax rate if no reappraisal had occurred. To calculate the revenue-neutral tax rate, the budget officer shall first determine a rate that would produce revenues equal to those produced for the current fiscal year and then increase the rate by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general reappraisal. This growth factor represents the expected percentage increase in the value of the tax base due to

improvements during the next fiscal year. The budget officer shall further adjust the rate to account for any annexation, deannexation, merger, or similar event.

Summary:

1. Determine a rate that would produce revenues equal to those produced for the current year using the reappraisal valuation.
2. Increase that rate by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general reappraisal
3. Adjust the rate to account for any annexation, deannexation, merger, or similar event.

Property Owner Impact:

While the revenue neutral rate will generate the same revenue as the previous year adjusted for average growth it will not result in the same real property tax bill as the previous year for each property owner for the following reasons:

1. Real property owner's change in valuation is more or less than the City wide average change of 35.87%.
2. Average rate of growth of 2.37% is included in revenue-neutral tax rate
3. In a revaluation year, the assessed value of real property equals its market value as of January 1 of that year. In each subsequent year, the assessed value of real property (other than new construction) remains constant, though its market value typically increases. Personal property, in contrast, is valued at its market value each year. In a revaluation year realignment occurs in the tax burden between real and personal property when both are reset to current market value. As a result, many individual real property owners receive increased tax bills in revaluation years. (UNC School of Government Property Tax Bulletin #144)

By motion of Councilman Pitt, seconded by Councilman Moultrie, Council set the 50 cents per \$100 valuation as its preferred property tax rate.

The new property-tax rate is scheduled to be set later this month when the City Council adopts the FY 2010-2011 budget.

Property Valuation

6/1/2x

2009 Property Valuation						Total	\$ Levy
Description	Real	Personal	Public	Vehicles			
Tax Billing	492,364,969	103,988,813	9,770,794	56,599,303	662,723,879	3,976,343	
Real Deferred	(1,381,586)				(1,381,586)	(8,290)	
Personal Exemptions	(4,797,048)				(4,797,048)	(28,782)	
Tax Releases		(4,453,412)		(912,837)	(5,366,248)	(32,197)	
Tax Misc. Dr. Cr.				(4,570)	(4,570)	(27)	
Write-off		(2,666)			(2,666)	(16)	
Tax Refund	0	(5,318)	0	0	(5,318)	(32)	
Total	486,186,335	99,527,417	9,770,794	55,681,897	651,166,443	3,906,999	
% of Total	74.7%	15.3%	1.5%	8.6%	100.0%		
Subtotal Adj. Above	(6,178,634)	(4,461,396)	0	(917,407)	(11,557,437)		

2010 Property Valuation					
Description	Real	Personal	Public	Vehicles	Total
Property Valuation	683,628,243	103,988,813	9,770,794	56,599,303	853,987,153
-3.370% Appeal Adjustments	(23,038,272)				(23,038,272)
Warren Airport		(1,960,688)			
Tax Releases & Other Ad	0	(4,461,396)	0	(917,407)	(5,378,803)
Net 2010 Property Valuation	660,589,971	97,566,729	9,770,794	55,681,897	823,609,391
% of Total	80.2%	11.8%	1.2%	6.8%	100.0%
% Change	35.87%	-1.97%	0.00%	0.00%	25.48%

2009 65,117 =.01
 2010 82,361 =.01

GENERAL FUND REVENUE ESTIMATES

This item was addressed during the Revenue Neutral Tax Rate discussion.

ADOPT – BUDGET ORDINANCE AMENDMENT FOR LOAN APPLICATION FOR THE MAIN AND RESPESS PUMP STATION IMPROVEMENTS (\$10,000)

Public Works Director, Allen Lewis stated as discussed at the May 24 council meeting, we have the opportunity to pursue State Revolving Loan funds, including principal forgiveness for up to 50% of the project, for the Main and Respepp pump station improvements. Originally we were under the impression that the other 50% of the project would be available for 0% interest loan. Unfortunately, the only projects funded with the 0% interest are “green” projects. Still, with the interest rate being half of the prime, this potentially will allow us to construct this project at a total cost less than the current dollars with a 20-year pay back. At 3% interest (current rate is only 2.22%) and half the estimated cost being financed (\$300,000), the annual payments are approximately \$20,165.

Unfortunately, the parallel water line project out of the water treatment plant that was also discussed at the May 24 meeting is not eligible for the same type of funding. The only funding available at this time for this project is the low interest loan for the entire amount. As a result, we have decided not to pursue these funds at this time.

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council unanimously adopted the Budget Ordinance Amendment for loan application for the Main and Respepp pump station improvements in the amount of \$10,000.

AN ORDINANCE TO AMEND THE BUDGET ORDINANCE OF THE CITY OF WASHINGTON, N.C. FOR THE FISCAL YEAR 2009-2010

BE IT ORDAINED by the City Council of the City of Washington, North Carolina:

Section 1. That the Estimated Revenues in the Sewer Fund be increased in the amount of \$10,000 in the account Fund Balance Appropriated, account number 32-90-3991-9910.

Section 2. That account number 32-90-8230-0400, Professional Services, Lift Station Department portion of the Sewer Fund appropriations budget is increased in the amount of \$10,000 to provide funds for Main and Respepp pump station grant application.

Section 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 4. This ordinance shall become effective upon its adoption.

Adopted this the 1st day of June, 2010.

ATTEST:

s/Cynthia S. Bennett
City Clerk

s/N. Archie Jennings
Mayor

REPORT – REALLOCATION OF FUNDING – GENERAL FUND (\$6,000)

Mr. Smith shared this was a standard form. The following reallocation of funding between divisions within the General Fund had been approved by the City Manager: This was FYI information presented to Council no action required.

- Decreased Senior Programs Department (10-40-6123-0200 by \$6,000)
- Increased Parks & Grounds Maintenance Department (10-40-6130-1502 by \$6,000)

Shelters at Havens Gardens were in need of emergency repairs.

Councilman Mercer noted the Department Head should sign off on the Transfer of Funds form.

INFORMATION RECEIVED FROM CITY COUNCIL AND THE CITY MANAGER

- Opportunity for question on the meeting of June 14 concerning the Aquatic Center fees.
- Councilman Mercer mentioned WITN web cam, can we do without this – if so we could be saving approximately \$500-\$600 per month.

ADJOURN

By motion of Councilman Pitt, seconded by Councilman Moultrie, Council adjourned the meeting @ 6:45 pm until June 14, 2010 at 5:30 pm in the Council Chambers at the Municipal Building for a Regular meeting and to Adopt the Budget.

(Subject to the Approval of the City Council)

**Cynthia S. Bennett
City Clerk**

**CITY COUNCIL MINUTES
WASHINGTON, NORTH CAROLINA**

JUNE 14, 2010

The Washington City Council met in a regular session on Monday, June 14, 2010 at 5:30pm in the City Council Chambers at the Municipal Building. Present were: Archie Jennings, Mayor; Doug Mercer, Councilman; Ed Moultrie, Councilman; William Pitt, Councilman; Gil Davis, Councilman; Bobby Roberson, Mayor Pro tem; Jim Smith, City Manager; Cynthia Bennett, City Clerk and Franz Holscher, City Attorney.

Also present were: Matt Rauschenbach, Chief Financial Officer; Robbie Rose, Fire Chief; Allen Lewis, Public Works Director; John Rodman, Planning Director; Keith Hardt, Electric Director; David Carraway, Information Technology; Gloria Moore, Library Director; Philip Mobley, Parks & Recreation Director; Mick Reed, Police Chief; Lynn Lewis, Tourism Director; Mike Voss, of the Washington Daily News and Delma Blinson of the Beaufort Observer.

Mayor Jennings called the meeting to order and Councilman Pitt delivered the invocation.

APPROVAL OF MINUTES

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council unanimously approved the minutes of May 3, May 10, and May 17, 2010 as presented.

APPROVAL/AMENDMENTS TO AGENDA

Councilman Moultrie requested to add a discussion of fireworks for July 4th in conjunction with item IX.D Adopt Budget. Mayor Jennings added XII.B. Discussion of Town Hall Day, Raleigh.

By motion of Councilman Mercer, seconded by Councilman Moultrie, Council approved the agenda as amended.

PRESENTATION BY GEORGE SCHYER – VFW

Mr. Schyer, Commander VFW Post 6088 presented a report on the "The Traveling Vietnam Memorial Wall" which was in Washington in April. Approximately \$11,000 in donations and in-kind service was provided to make this project a success. Mr. Schyer presented a Citation on behalf of the Veterans of Foreign Wars of the United States of America to the City of Washington as an expression of sincere appreciation for services rendered to the community. Mr. Schyer thanked the many volunteers that assisted with this project. It was estimated that over 4000 people visited the memorial. The donations box at the wall for the Vietnam Veterans Memorial Fund received approximately \$5127; our wall representative team stated they had never seen a relatively small city like ours with the visitor count and donation amount that was obtained. Mayor Jennings thanked Mr. Schyer for the part he played in bringing the wall to Washington.

PRESENTATION OF ELECTRIC DEPARTMENT SAFETY AWARDS

Cecil Rhodes, ElectricCities, presented the Electric Department a safety award from ElectricCities of North Carolina for their continued safety record and experiencing no reportable lost time accidents in 2009. For the fourth year in a row the Electric Department

employees have completed all their work with zero lost time accidents. In addition, the employees have been awarded a safety award from the North Carolina Department of Labor for their continued safety record and experiencing no reportable lost time accidents in 2009.

CONSENT AGENDA

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council approved the Consent Agenda as presented.

- A. Adopt – Budget Ordinance for 2009 Assistance to Fire Fighters (AFG) Funds to reflect distribution of funds from the FEMA fire (\$48,384)

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2009-2010**

BE IT ORDAINED by the City Council of the City of Washington, North Carolina:

Section 1. That the Estimated Revenues in the General Fund be increased in the amount of \$48,384 in the account FEMA Fire Grant, account number 10-10-3431-2302.

Section 2. That account number 10-10-4340-3602, Safety Equipment, Fire Department portion of the General Fund appropriations budget be increased in the amount of \$48,384 to provide funds for purchase of fire fighter gear.

Section 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 4. This ordinance shall become effective upon its adoption.

Adopted this the 14th day of June, 2010.

**s/Cynthia S. Bennett
City Clerk**

**s/N. Archie Jennings, III
Mayor**

- B. Adopt – Budget Ordinance Amendment for Recycling Roll-Out Cart Purchase (\$100,000)

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2009-2010**

BE IT ORDAINED by the City Council of the City of Washington, North Carolina:

Section 1. That the Estimated Revenues in the Solid Waste Fund be increased in the amount of \$100,000 in the account Curbside Recycling Grant, account number 38-90-3490-0010.

Section 2. That the Estimated Revenues in the Solid Waste Fund be increased in the amount of \$100,000 in the account Fund Balance Appropriated, account number 38-90-3991-0000.

Section 3. That account number 38-90-4710-7000, Non-Capitalized Purchases, portion of the Solid Waste Fund appropriations budget be increased in the amount of \$200,000 to provide funds for the purchase of roll out carts.

Section 4. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 5. This ordinance shall become effective upon its adoption.

Adopted this the 14th day of June, 2010.

s/Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

C. Declare Surplus/Authorize – Sale of City vehicles through Electronic Auction using GovDeals (page 50)

Vehicle #	Make/Model/Description	Serial#	Odometer Reading
#431	1994 Ford Rescue #1 EMS	1 FDKE30M6RHB63857	65,992
#485	1990 International Load 4900 Heil Formula 4000 body, 20 yd.	1 HTSDDBN5LH694917	112,330
#144	2002 Chevrolet Impala	2G1WF55K629308940	74,247

D. Accept – Emerson Square Project letter of Recommendation

COMMENTS FROM THE PUBLIC

Chris Jarman, National Spinning Company stated the construction and opening of the new Highway 17 Bypass has presented a unique advertising opportunity for their company. Their facility is positioned in a location that appears to be ideal for outdoor advertising due to the increased visibility created by the new bypass. However the Zoning Ordinance does not permit outdoor advertising signs(Billboards) at this location. Mr. Jarman requested the outdoor advertising signs be added as a permitted use in the I-2(Light Industrial Zoning District) with a minimum of 10 acres and that the size restrictions be amended to reflect a maximum height of 50 feet and a maximum square footage of 200 square feet.

Mayor Jennings stated he received an invitation to drive over the bypass and look at the property with this topic in mind. Mayor Pro tem Roberson voiced concern over the lack of control the City would have over what goes on the billboard. Mr. Jarman stated the sign would be controlled by National Spinning. Council, by consensus sent this topic back to the Planning Board for their review.

Louise Buffalo came forward to voice her concern over dogs on the waterfront. She stated she didn't want dogs allowed on the waterfront because people don't clean up after them or keep them under control.

Dot Moate stated today was the first day for the sailing club with six students. All the students passed their swim test and look forward to continuing the sailing lessons.

RECESS: 5:55pm-6:00pm

CONSIDER – A PRELIMINARY SUBDIVISION PLAT APPROVAL OF WOODSFIELD SUBDIVISION LOCATED OFF CORSICA ROAD (SR 1518) (PAGE 53)

Mayor Jennings opened the public hearing. Steve Moler, Planning Board representative stated the property is currently owned by Mr. Tubaugh and contains approximately 52 acres which will create 10 lots. The subdivision will be located within the City's ETJ and will be served by county water and individual septic tank systems. The property is currently zoned RA-20 (Residential Agricultural). The recommendation for approval by the Planning Board was unanimous with the conditions that sidewalks will not be required along Corsica Road nor in the subdivision. Also the neighborhood association will be developed for the maintenance and improvements along Tubaugh Lane and any future right-of-ways in this subdivision.

Mayor Pro tem Roberson had concerns over the common area behind lot 10 and inquired why it wasn't included in the development, he also had concern over the area noted as future development adjacent to lot 9. The future development is a designated right-of-way to another property. John Rodman stated the common area is a setback of a blue line stream, hence the reason it is not included in lot 10. Jim Smith, City Manager stated the common area is not a separate lot; it is undivided interest by all the homeowners. Councilman Davis asked why sidewalks were not required. Mr. Moler stated Corsica Road is a busy road and there would only be two lots to front on sidewalks. The subdivision rules don't require sidewalks if the lots are of a certain size, hence the reason sidewalks are not required.

Comments:

Harry Tubaugh came forward and stated the lots range from 4-6 acres and there will be a total of 10 lots.

There being no further comments, the public hearing was closed.

By motion of Councilman Mercer, seconded by Councilman Davis, Council accepted the recommendation of the Planning Board and approved the preliminary subdivision plat of Woodsfield Subdivision subject to the conditions presented by the Subdivision Review Board as well as the conditions placed by the Planning Board that sidewalks will not be required and that a homeowner's association will be formed.

CONSIDER –USDA'S LETTER OF INTENT TO MEET CONDITIONS FOR THE CONSTRUCTION OF A POLICE FACILITY AND ADOPT LOAN RESOLUTIONS

Mayor Jennings opened the public hearing. Jim Smith, City Manager explained that after a comprehensive, citizen-led site selection process the site selection is now complete. Council members directed staff to reduce the project's parameters, which has been completed. These new factors included a reduction in the project's budget, facility size, lot size and total review of all municipally held properties. The Market Street site construction costs estimated at \$2,756,840 or \$178/SF, nearly \$250,000 below Council's \$3,000,000 goal. The building's square footage is less than 15,000SF. at 14,483SF with an additional 1,200SF in shell space-

that would extend the building's useful life. Moreover, the site is located in the "x" zone, which is entirely out of the flood zone. Based on the guidance offered by Council, criteria have been met. USDA has approved the Market Street feasibility report, and the Letter of Conditions represents USDA's commitment to the City of Washington for financing the construction of the new police facility. The City has over the years set aside \$1million in the Public Safety Capital Reserve Fund to help construct the new police facility. The goal is to raise another \$1million through other funding opportunities. The balance of the project will be funded through USDA.

Mayor Pro tem Roberson inquired about site improvements to the tract of land. The information shows \$466,000 and he feels the amount needs to be recalculated since the site has changed. Mr. Smith stated this number was based on the earlier site and the amount will be recalculated to reflect the current location.

Public Comments

Tom Anglim, Assistant District Attorney is here on behalf of District Attorney Seth Edwards to offer support of the project. Mr. Anglim stated the law changed a few years ago regarding interviewing suspects and the current police station offers very limited space for performing such interviews. There is also a lack of current space for evidence storage, document storage and juvenile investigations. The Washington Police Department is in desperate need of a new facility and the District Attorney's office supports this project.

Mark Recko, Executive Director of Washington Housing Authority stated he was a member of the site selection committee. There is a great need for a modern facility for meeting space as well as "community policing and prevention". This is a great time to build the new facility.

Evelyne Roberson, Chairperson Human Relations Council and a member of the site selection committee stated the new facility could increase programs for the youth in Washington to help prevent crime.

There being no further comments, the public hearing was closed.

Councilman Mercer stated he agrees there is need for improvements for the police facility but voiced concern over the \$4million figure as it doesn't follow guidance provided to staff. He is opposed to endorsing the signatures to borrow \$4million and wants to limit the amount to borrow to \$2million. Councilman Moultrie stated we need to have faith in our staff and not micromanage them. Mayor Pro tem Roberson asked staff to submit a letter of appreciation to USDA for their assistance with the loan application. Mr. Smith thanked Susan Christensen with USDA for her assistance with the project.

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council affirmed its support of the construction of the police facility by signing USDA's Letter of Intent to Meet Conditions and adopted the two loan resolutions. In doing so, Council authorizes Mayor Jennings and the City Clerk to proceed with signing essential documents to obligate funds and move forward with design and bidding. Councilman Mercer opposed and the motion carried 4-1.

MS. DEMETRESS HOWARD – PART TIME EMPLOYMENT

Ms. Howard is a part-time employee with the City of Washington as a Utilities Communication Technician. June marks her fifth year of employment with the City. During her tenure with the City she has worked with the Library and City Manager's office. She is one of the 10-12 part-time employees that are required to participate in the Local Government Retirement System because she works more than 1000 hours per year. Ms. Howard feels it would be beneficial for these 10-12 part-time employees to be allowed a pro-rated share of sick pay and/or medical coverage plan. Her second concern is the employee evaluation of part-time employees. Currently, the evaluation system does not reward part-time employees with a merit or job-maturity increase. Ms. Howard requested this item be reviewed to include merit and job-maturity increases for part-time employees.

Mayor Jennings stated beginning in July we will be reviewing our policies which will include the personnel policy. The meetings will begin on the 3rd Wednesday of the month in the Mayor's office.

MS. JENNIFER SHEA – SCHEDULING

Ms. Jennifer Shea, has been employed with the City of Washington for 12 ½ years as a Utilities Communication Technician and works a twelve hour shift. Her concern is with scheduling and the possibility that it could be changed. Currently there are 3 full time and 2 part-time employees. The current schedule makes it easier to cover shifts due to vacation or sick leave. Her second concern is holiday pay for part-time employees that work on the actual holiday. No one wants to be away from their family on any given holiday. This is the only benefit that part-time employees receive and hopes this will not be a benefit that will be taken away. Ms. Shea stated the morale of City employees is really low at this time. Employees are unsure what their future holds being employed with the City.

Councilman Moultrie stated at the United Way Picnic he noted how the employees are like a family and we should do all we can to protect and look out for our employees.

MS. HEATHER DECK – PRESENTATION OF TROPHY FOR RIVER CLEAN-UP

Ms. Heather Deck presented an award to the citizens of Washington and Beaufort County for their efforts in the river clean up challenge. The PRTF River Clean up challenge began in 2009 and last year Greenville was in competition with Washington to see which municipality could clean the most trash from their river. Greenville won last year by 80 pounds. The challenge this year included: Washington, Greenville, Rocky Mount and Tarboro. With a total of 200 volunteers approximately 2600 pounds of trash was collected. This year the City of Washington won the traveling trophy by collecting a total of 920 pounds of trash from our river area. Ms. Deck presented the trophy to volunteer member Guy Blackwell who then presented the trophy to Mayor Jennings and the citizens of Washington/Beaufort County. The next clean up is October 2, 2010.

WILLIAM BARNVILLE & BIANCA GENTILE - WEATHERIZATION QUARTERLY UPDATE

Bianca Gentile introduced William Barnville who will give an update on the weatherization program. Martin County Community Action Agency's effort is to weatherize 200 homes or 25 per quarter. To date, MCCA has only weatherized 23 homes. Therefore, our constituents have not realized the potential economic benefits of the ARRA funds. It should be noted that MCCA's performance is consistent with other local action agencies delivering weatherization services. Additionally, the slow performance of local programs could be the result of the statewide Weatherization Assistance Program encountering difficulties in finalizing its required "weatherization" plan when the administration of the program was transferred to the State's Department of Commerce in August, 2009. Although North Carolina's original state plan had been approved by the Department in June 2009, the State had to submit an amended plan including budget information, through the Department of Commerce. The amended state plan was ultimately not approved by the Department of Energy until November 2009. Accordingly, North Carolina did not have access to its allocation for the Weatherization Program until that time. Mr. Barnville stated we have been procuring subcontractors and have begun training to provide these services. Also additional auditors has been hired so we can have an auditor in each county to help with the progression of the project. North Carolina can only spend an average of \$4000 per house; an amendment has been applied for to increase the average amount to \$6000 per house.

MR. MICHAEL LOWE – FORMER ED TECH PROPERTY

Mr. Lowe called John Rodman, Planning Director and stated he would not be in attendance at the meeting.

DISCUSSION – STATUS OF CURRENT GRANTS – 2010 DEPARTMENTAL ARRA AND NON-ARRA FUNDING OPPORTUNITIES

Bianca Gentile, Special Projects Coordinator presented a summary of potential grant funding.

Notifications and Awards:

- Department of Homeland Security: Emergency Operations Center Grant, funds would have been used to construct an EOC within the new police facility. Total request \$457,000-declined.
- NC Department of Energy, Energy Efficiency Conservation Block Grant Program. Funds would have been used to conduct lighting retrofits in 9 municipal buildings and 2 nonprofits, request \$188,000- declined.
- NC Department of Transportation, Bike and Pedestrian Planning Grant. Funds would have been used to develop a conceptual plan to provide a coordinated non-vehicular transportation system. The proposed Bicycle Master Plan would've tied into the adopted Comprehensive Pedestrian Master Plan that is in the early stages of implementation and eventually assist the City in linking to a regional bicycle planning initiative, request \$27,000- declined.

Submittals:

- The Department of Homeland Security: 2010 Assistance to Firefighters Grants (AFG) Proposal

submitted: May 28, 2010. 95% grant, 5% match (Request, \$15,200/match \$800). Applied for funds to purchase industrial washing/drying machine.

- FEMA: Hazard Mitigation Grant Program: Letter of Intent submitted June 1, 2010. Grant application due September, 2010. Funds will be used to demolish the Old Police Department.
- CDBG Housing Development Grant, submitted May, 2010. Funds will be used to assist with the cost of installing infrastructure to complement the construction of 56 affordable housing units (Request: \$250,000, no match)

Potential projects:

- Department of Environment and Natural Resources: Planning Access Grant. Funds will be used to construct restrooms and showers as proposed in the Revitalization Strategy (90% grant, 5% cash match, 5% in-kind match). Pre-application due: July 26, 2010 and if invited to apply for funds formal application is due September 26, 2010.
- Department of Environment and Natural Resources: Boating Infrastructure Grant (BIG). Funds could be used to offset the cost of constructing bathrooms and shower facilities as proposed in the Revitalization Strategy. These funds can only be used for the “transient” boater population, or roughly 25% of the total project cost. Deadline: August 17, 2010.

Council FYI: N/A

- NC APA: Marvin Coffins Planning Awards, nomination submitted in the community planning category per Land Design’s Revitalization Strategy.
- Main Street Energy Fund: STILL AWAITING RFP. The State Energy Office is set to release a Request for Proposals in near future. Program is designed to assist NC Main Street municipalities with energy upgrades in the central business district. SIX local businesses received FREE energy audits and will likely apply: Inner Banks Arts Center, Fire Station Lofts, Ward Photography, RuffKutz and Dr. McCoy and 21st Century Realty Group.

Bianca Gentile, Special Projects Coordinator requested permission to apply for the Boating Infrastructure Grant program. The funds could be used to offset the cost of constructing bathroom and shower facilities as proposed in the Revitalization Strategy. These funds can only be used for the “transient” boater population, or roughly 25% of the total project cost for east and west side bathroom facilities. Application deadline is August 2010. The BIG program will fund west end and east end bathroom facilities. We will go after CAMA funds as well as BIG program funds for the west end bathroom project, the match would be \$34,000 for the \$300,000 project. With respect to the east end project it is estimated to cost \$200,000 with the City’s cash match of \$50,000. The total City cash match would be \$84,000 with \$16,000 in-kind match.

The Public Access Grant funds will be used to construct restrooms and showers as proposed in the Revitalization Strategy (90% grant, 5% cash match, 5% in-kind match). Pre-application due: July 26, 2010 and if invited to apply for funds final application is due September 26, 2010.

By motion of Councilman Davis, seconded by Councilman Moultrie, Council authorized the submittal of the Boating Infrastructure Grant(BIG) sponsored by DENR and the CAMA Public Access Grant to construct restroom and shower facilities at the east end and west end of Stewart Parkway.

HUMAN RELATIONS COUNCIL

Human Relations Council (HRC) Report

“FAIR HOUSING FORUM”

PRESENTERS:

Ms. Sara Bocanegra, Equal Opportunity Specialist, HUD FHEO —What is Fair Housing

Ms. Sally Lind, Fair Housing Community Relations Unit, NC Human Relation Commission

Mr. David Caddigan, Managing Attorney, Legal Aid Assistance for Low Income

Mr. Larry Lang, First Bank, Fair Lending - Affordable Housing

Ms. Shanetta Move, Dir. Of Special Programs, Washington Housing and Mid-East Regional Housing Authority — Self Sufficiency and Fair Housing

Ms. Maria Castro, Latino Fair Housing Business Community

Ms. Pam Nuckols, Eastern North Carolina Council for Independent Living (ENCIL)

Ms. Marisol Barr, Weatherization Program

There were approximately 38 attendees for the forum. The Board wishes to offer thanks to Councilman Mercer, Councilman Moultrie and Council Pitt for attending the forum and helping to make it a success.

All of our presenters demonstrated the broad range of topics and cultures which come together in Washington to form our community.

TOURISM DEVELOPMENT AUTHORIT

Tourism Development Authority Director’s Report May-June 2010

- Conducted volunteer orientation for 7 potential volunteers. The first volunteers started the week of June 1. The volunteers are enthusiastic and should provide a good representation for this area.
- Have been involved in several statewide legislative issues that will have an impact on local tourism. One issue also has the interest and involvement of the NCLM. That is the Online Travel Company issue of collecting and remitting the occupancy tax they collect. Presently the companies are collecting a tax, but not remitting it to the local municipalities.
- Participated in preliminary meeting with David Winslow to discuss the Blackbeard Adventure fundraising feasibility project. He will begin work on the project immediately.
- Most of the work on the July-December printed calendar of events has been completed. Each time this project is done, it is easier because more and more event planners recognize the importance of being included on our calendars.
- Participated in several conference calls related to the planning of the upcoming Tourism Leadership Conference that is a joint meeting of Destination Marketing Association of NC and the NC Tourism Industry Association. I serve on the executive committee of both

organizations. Education sessions include: tourism policy panel, sports marketing, social media, and economic impact of tourism.

- Funds have been secured for use to hire/contract with an organization or individual to act as a sales representative for the Civic Center. Formal advertising for proposals will begin in the next week, with the intent to have work begin in July. We are presently working with our CPA and the HR department to determine the best approach that will satisfy IRS requirements.
- Worked on a punch-list related to outstanding issues on our website. Many of the items have been rectified.
- Working with the City Manager, USPS, and baseball/softball leagues to coordinate details related to the new stamp honoring the Negro Baseball League.
- Have begun preliminary research related to the economics/importance of the wedding industry in the area. This is a niche that many destinations are working on to increase visitation and revenues.
- Continue to be involved with issues related to signage in and around Washington. A template for downtown directional signage has been developed for possible use as a temporary solution to downtown signage issues.
- Met with Bath area businesses in the Bath Business Alliance to discuss ways to enhance their businesses as related to tourism.
- Have begun discussions with a local travel planner regarding packaging and how that can be facilitated by a 3rd party, as the bookkeeping for us would be cumbersome. This will allow the promotion of travel packages on our website to increase visitor traffic for specific periods.

APPOINTMENTS – VARIOUS BOARDS, COMMISSIONS AND COMMITTEES

Mayor Jennings noted that several people may be nominated for a vacant position and each of the nominees will be voted on. Council will make appointments to the Tourism Development Authority, Historic Preservation Commission and Airport Advisory Committee. All other appointments will be continued until July 26th.

By motion of Mayor Pro tem Roberson, seconded by Councilman Pitt, Council made the following appointments to the Tourism Development Board:

City Council reappointed Nan McLendon to the Washington Tourism Development Authority with a term to expire June 30, 2013.

City Council reappointed Jackie Peoples Woolard to the Washington Tourism Development Authority with a term to expire June 30, 2013.

City Council reappointed Piyush Bhagat to the Washington Tourism Development Authority, with a term to expire June 30, 2013.

City Council appointed Fred Watkins to the Washington Tourism Development Authority, to fill the expiring term of **Linley Gibbs**, term to expire June 30, 2013.

Council will present a certificate to Linley Gibbs at the July 26th meeting for his many years of dedicated service to the Tourism Development Authority.

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council made the following appointments to the Historic Preservation Commission:

City Council appointed Rebecca Clark to the Historic Preservation Commission to fill the expiring term of **Katherine Tate** term to expire June 30, 2013.

City Council appointed Victoria Rolinsky-Radar to the Historic Preservation Commission to fill the expiring term of **Ann Stuart Rumley**, term to expire June 30, 2013.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council appointed Jack Hill and Paul Hale to the Airport Advisory Committee.

NOMINATIONS – COASTAL RESOURCES COMMITTEE

Councilman Mercer stated the County has nominated him as the representative for Beaufort County. Councilman Davis stated he would like to suggest Will Peele as the agriculture representative. Mayor Pro tem Roberson stated he would like to serve as the government representative for the City. The City may only nominate one individual from one category.

By motion of Councilman Mercer, seconded by Councilman Moultrie, Council nominated Mayor Pro tem Bobby Roberson to serve as the local government representative on the Coastal Resources Committee.

UPDATE (JASON BRILEY) –NORTHGATE QUARTERLY REPORT

Mr. Briley was absent. John Rodman stated Mr. Briley was out of town and would be in attendance at the next meeting.

APPROVE & AUTHORIZE – DIRECTOR TO EXECUTE WATERFRONT DOCKING AGREEMENT WITH BELLE OF WASHINGTON, LLC

Franz Holscher, City Attorney, explained the history of the agreement and the changes since the agreement was last presented to Council. Mr. Holscher met with the boat owner and an agreement was made in regard to the curfew and vehicles allowed beyond Water Street. The boat owner wanted the curfew at 1:00am and wanted three vehicles allowed beyond Water Street. A consensus was reached with the boat owner regarding curfew and vehicles. The curfew has been moved from 11pm to 12midnight and one vehicle with access beyond Water Street has been increased to two vehicles.

By motion of Councilman Davis, seconded by Councilman Mercer, Council approved and authorized the Director of Parks and Recreation or his designee to execute the Waterfront

Docking Agreement with Belle of Washington, LLC and further authorize the Director of Parks and Recreation or his designee to negotiate, enter and execute future Waterfront Docking Agreements with Belle of Washington, LLC so long as such future Agreements are substantially similar to the Agreement approved hereby and Council receives an annual report concerning the relationship with Belle of Washington, LLC, including a notice regarding the intention to enter and term for such future Agreements.

ADOPT – YOUTH SPORTS AGREEMENT

Kristi Hardison, Special Events Coordinator, reviewed the history of the Youth Sports Agreement with Council. At the Regular City Council meeting on April 12, 2010, the subject of the Youth Sports Agreement was discussed. After some discussion by City Council and with new recommendations from Councilman Davis, City Council asked the City Attorney to meet with Parks and Recreation staff to review the Agreement and Councilman Davis' recommendations, to see if they could be incorporated into a new Youth Sports Agreement. This new Agreement was presented to the Washington Recreation Advisory Committee on May 18, 2010. After discussion, the committee had no objection to the new proposed Agreement. What you have before you is the product from those meetings with the City Attorney, Parks and Recreation staff members and Councilman Davis.

By motion of Councilman Davis, seconded by Mayor Pro tem Roberson, Council adopted the Youth Sports Agreement between youth sports leagues and the City of Washington.

ADOPT – COUNCIL ADOPTS BUDGET ORDINANCE, SET ADVALOREM TAX RATE, ADOPTS USER FEES FOR FISCAL YEAR 2010-2011

Jim Smith, City Manager, stated we've been working internally on this budget since February; Council has worked on it actively since April. When the budget was presented to Council it was a balanced budget. Council asked that an additional \$1.25million in further reductions, which was accomplished.

Councilman Mercer recommended that an item be added to the budget, which would increase efforts to "sell Washington" beyond Beaufort County. Additional funding of \$18,000 should be appropriated under the line item "Outside Agencies" specifically to the Washington Harbor District Alliance to fund advertising outside of Beaufort County.

Councilman Moultrie suggested that funding be included for fireworks for the 4th of July for 2011. Chief Robbie Rose stated it would be nearly impossible to achieve a fireworks display for this year as a 90 day advance notice if required by the Coast Guard. Kristi Hardison stated the minimum amount for a display as of two years ago is \$10,000. Councilman Mercer suggested allotting \$15,000 for the fireworks display.

Mayor Jennings requested that the Wright Flight program be sponsored in the amount of \$4,250. Last year they didn't come to the City for assistance as they received funding from other locations. This year their funding source has been cut and need the assistance from the City. Mayor Pro tem Roberson stated he has some real issues regarding funding outside agencies.

Councilman Mercer discussed the Electric Department positions that were transferred to install load management switches in the amount of \$90,000 and \$10,000 in overtime pay. Mr. Rauschenbach stated this item was funded through the FY 09-10 budget. Mayor Pro tem Roberson suggested running an ad in the paper displaying a pie-chart showing where the funds are allotted once the budget is adopted. Councilman Mercer noted a correction to the fee schedule regarding Electric Fund Deposits and suggested the deposit rate be returned to the prior amounts that were in last year's budget with the suggested changes by the Utilities Advisory Board. Mayor Pro tem Roberson suggested removing the title UDAG Fund and renaming that line item as that program was closed out years ago. Mr. Rauschenbach stated that was for the façade grant program.

Mr. Rauschenbach stated the requested budget changes could be made with a budget amendment in July and this would allow Council to continue with the adoption of the presented budget. Council continued to discuss the budget and whether they felt comfortable adopting the budget tonight. Council by consensus decided there was a need for another budget workshop to be held on June 21st at 4:30pm.

**APPROVE – LEASE EXTENSION FOR IMPRESSION MARKETING GROUP, INC.
FOR THE PROPERTY AT 234 SPRINGS ROAD**

Jim Smith, City Manager, stated in 2007 the City Council authorized the City Manager to enter into a letter agreement with Impressions Marketing Group to occupy the property at 234 Springs Road under the terms of the former lease with Hamilton Beach Proctor Silex. They have occupied the property over the past several years. The current letter agreement will expire on June 30, 2010. A new Lease Agreement will not be finalized by that time. The request is to extend the agreement for an additional 90 days. Mr. Holscher stated we are on the second draft and it should be finalized in the next few days. Councilman Mercer requested that Council have a final lease to approve by the October meeting. Mr. Holscher stated the terms of the agreement have changed as it was anticipated the lease would have been taken over by the Committee of 100.

By motion of Mayor Pro tem Roberson, seconded by Councilman Davis, Council authorized the City Manager to enter into a 90 day lease extension with Impressions Marketing Group, Inc. with the understanding the final lease will be provided to Council at the by the October meeting.

**AUTHORIZE – CITY MANAGER TO SIGN AN ENGINEERING AGREEMENT TO
PERFORM ENGINEERING SERVICES NECESSARY FOR DRAINAGE IMPROVEMENTS**

Allen Lewis, Public Works Director presented background information for this request. At the May 24, 2010 Council meeting, Council authorized the use of up to \$3,958,000 in Recovery Zone Economic Development Bonds for drainage improvements throughout Washington. The specific areas to be addressed were discussed and include the Jack's Creek drainage area south of 8th Street, Smallwood south of the intersection of Reed and Lawson south and east toward Keysville Road and the airport canal district from Minuteman Lane towards Whispering Pines Road.

At that same meeting, staff was asked to consider more than one engineering firm. Due to the time constraints of the RZED Bonds, we did not have time to advertise and request proposals from several engineering firms. However, we did contact another firm that was very familiar with the Jack's Creek drainage basin. After reviewing their proposal along with Rivers, we felt that the schedule of events that Rivers proposed better lends itself, by approximately four (4) weeks, to meeting the extremely stringent time constraints presented with this funding process. Rivers is also more familiar with the City's entire drainage area that the work will take place in. Both firms were in the 7.4% - 10 % of total cost of project in estimated fees for design and construction admin services which is well within the numbers deemed acceptable by NC Division of Water Quality Construction Grants and Loans Section and American Society of Civil Engineers.

By motion of Councilman Davis, seconded by Councilman Moultrie, Council authorized the City Manager to enter into an engineering agreement with Rivers and Associates, Inc., to perform engineering and other services necessary for drainage improvements throughout Washington.

AWARD –CONTRACT FOR KEYS LANDING INFRASTRUCTURE

Chris Hilbert, Holland Consulting Planners explained that the City of Washington was awarded a Community Development Block Grant from the Division of Community Assistance for acquisition of property and to construct street and utility improvements to Keys Landing Subdivision located off Keysville Road. A bid opening was held on May 11, 2010. The low bid was \$266,962.57. DCA has recommended we award the bid in order to hold the price but delay execution subject to further funding discussions. The original grant was \$250,000 which included the acquisition of the parcel and engineering design with \$60,000 in City funds budgeted in FY06-06. Metropolitan Housing provided the housing portion of the grant. Mr. Hilbert stated this contract award hinges on CDBG funding being available. Durk Tyson with Rivers and Associates says the price is good for sixty days.

Councilman Mercer made a motion to table this request until clarification is received on the total funding available for the project. Motion dies for lack of second.

Mr. Smith stated that DCA recommends that in order to preserve the contract price, we award the bid, but not execute the contract until CDBG funding is in place.

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council awarded the Street and Utility Improvements contract to the low bidder, Burney & Burney Construction Co., based upon bids received May 11, 2010 for the City of Washington CDBG-HD Project Keys Landing Subdivision (Phase 1). However, Council does not authorize the entrance or execution of the contract until such time as sufficient funds are received either through the Department of HUD or from the project sponsor.

*9:10pm -By motion of Councilman Davis, seconded by Mayor Pro tem Roberson, Councilman Mercer was excused from the remainder of the meeting as he was not feeling well.

MEMO – GENERAL CAMA PERMIT

Philip Mobley, Parks and Recreation Director explained that on June 7, 2010, he and Teresa Hamilton met with Tom Stroud of the NC Estuarium and Mr. Kelly Spivey from Div. of CAMA of the local NCDENR Office, down at the slips by the Estuarium to discuss a General CAMA Permit. The Estuarium is seeking a General CAMA Permit, which would allow the Estuarium to remove and relocate approximately (6) pilings and install (2) dolphins to accommodate and protect the ECU Research Vessel and City docks. In ECU communication with the NC Estuarium, ECU stated they will assume the total cost for this upgrade within this waterfront area, but they need to start this work by June 2010. Mr. Spivey of CAMA stated to us that once all paperwork is completed and fees paid, he could issue the General CAMA Permit to the City of Washington on site. Tom is working on acquiring all required paperwork by CAMA and the City of Washington along with fees for this General Permit.

By motion of Councilman Davis, seconded by Councilman Moultrie, Council approved Tom Stroud, NC Estuarium to sign the Authorized Agent Consent Agreement with CAMA which will allow the NC Estuarium to apply for the General CAMA Permit on behalf of the City of Washington.

MEMO – ECU RESEARCH VESSEL AND THE NC ESTUARIMUM DOCKS

Mr. Mobley reviewed a letter from John Rummel to the City Manager proposing that ECU bring another research vessel to the City's waterfront, staff recommended the research vessel use the dock space at the NC Estuarium, beside the River Rover tour pontoon boat. This new ECU Research Vessel is only 36' and can fit within that slip which is unused at this time. The Estuarium is in favor of an operational partnership with ECU. After evaluating, with the Estuarium, the electrical service needs of the research vessel, (which ECU will pay for); the service located at the dock could service the River Rover Pontoon Boat also. While in discussions with the Estuarium, we were reminded that this area is owned by the City of Washington and the City is the responsible party of this area of waterfront. To the best of our understanding, the Estuarium has an easement area which does not encompass the boardwalk area or the waterfront dock area south of the Estuarium. Therefore, the City needs to have an agreement with the Estuarium giving them permission to use the waterfront dock area, which would allow them to partner with ECU, for dockage south of the Estuarium on and in docks on the waterfront. Mr. Smith asked if an agreement could be drafted to clarify the dock status.

The space of the agreement would be the wooden decks and wooden piles for the dockage area south of the boardwalk which is south of the Estuarium and between the brick promenade on the west and the boardwalk of the wetlands on the east.

Staff recommends that City's Parks and Recreation Department, Risk Manager, City Attorney and possibly an NC Estuarium Staff person work on drawing up an agreement for future usage of the docks south of the Estuarium.

AUTHORIZE – MAYOR JENNINGS TO EXECUTE A CONTRACT FOR ADMINISTRATIVE SERVICES WITH HOLLAND CONSULTING PLANNERS FOR THE 2009 CDBG GRANT, HOUSING DEVELOPMENT PROGRAM

Bianca Gentile, Special Projects Coordinator stated after being awarded funds, the Department of Planning and Development advertised for the procurement of administrative services. Out of the two respondents, Holland Consulting Planners is recommended based on (1) hourly rates- was \$10/hr less, (2) firm has a local office and is easily accessible, and (3) Prior related experience. The recommendation of the planning staff is to negotiate a professional services contract to administer the Northgate, Old Fort Initiative (NOFI) Housing Development project for the Community Development Block Grant in an amount not to exceed \$20,000.

Franz Holscher, City Attorney stated the terms of the grant and contract will be incorporated into the document as well as extending the time frame to mirror the grant from 18 months to 36 months and all subcontractors will comply with those terms.

By motion of Mayor Pro tem Roberson, seconded by Councilman Davis, Council authorized Mayor Jennings to negotiate and execute the contract for administrative services with Holland Consulting Planners for the 2009 Community Development Block Grant, Housing Development program. The goal of this project is to construct 15 affordable housing units in the Northgate, Old Fort area and deliver pre and post housing/financial counseling services to potential buyers. The contract will incorporate necessary corrections by the City Attorney.

ADOPT – BUDGET ORDINANCE FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) 14 AFFORDABLE HOUSING UNITS IN NORTHGATE AND OLD FORT NEIGHBORHOODS (\$227,700)

Bianca Gentile, Special Projects Coordinator stated the goal of this project will be construct 14 affordable housing units in the Northgate and Old Fort neighborhoods. Housing and Credit counseling services will be offered to program participants to ensure they are mortgage ready by Washington Housing Incorporated, our sub-grantee.

By motion of Councilman Pitt, seconded by Councilman Moultrie, Council adopted the project budget ordinance for Community Development Block Grant, Housing Development 09-C-2050, total-\$227,700.

**A GRANT PROJECT ORDINANCE FOR
COMMUNITY DEVELOPMENT BLOCK GRANT
PROJECT #09-C-2050
CITY OF WASHINGTON, N.C.
FOR FISCAL YEAR 2009-2010**

BE IT ORDAINED, by the City Council of the City of Washington, North Carolina, that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby amended:

Section 1. The project authorized is for housing development and is to be financed with grant funds.

Section 2. The officers of this unit are hereby directed to proceed with the project within the terms of the grant agreements.

Section 3. The following amounts are appropriated for the project:

50-60-4930-0400 Administration \$20,700
 50-60-4930-0405 Planning 60,000
 50-60-4930-7100 Acquisitions 147,000
 Total \$227,700

Section 4. The following revenue is anticipated to be available to complete this project:
 50-60-3470-0000 CDBG Grant Funds \$227,700

Section 5. The Finance Director is hereby directed to maintain within the Grant Project Fund sufficient specific detailed accounting records to satisfy the requirements of the grant agreements.

Section 6. Funds may be advanced by the General Fund for the purpose of making payments as due. Reimbursement requests should be made to the grant agencies in an orderly and timely manner.

Section 7. The Finance Director is directed to report, on a monthly basis, on the financial status of each project element in Section 3 and on the total grant revenues received or claimed.

Section 8. The Budget Officer is directed to include a detail analysis of past and future costs and revenues on this grant project in every budget submission made to the City Council.

Section 9. Copies of this grant project ordinance shall be furnished to the City Clerk, and to the Budget Officer, and to the Finance Director for direction in carrying out this project.

Section 10. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 11. This ordinance shall become effective upon its adoption.

This the 14th day of June, 2010.

s/Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

MEMO - CONTRACTS FOR PETROLEUM PRODUCTS

<u>Vendor</u>	<u>OPIS</u>	<u>Margin</u>	<u>Cost per Gallon</u>	<u>Estimated Usage</u>
A. <u>Potter Oil & Tire</u>				
Gasoline 87 Octane (Tankwagon)	\$2.2755	\$0.16	\$2.4355	\$1,217.75
Kerosene 1-K Grade (Tankwagon)	N/A	N/A	\$2.7250	\$2,725.00

B.	<u>Seeco-Eastern</u>				
	Hydraulic Oil (Bulk)	N/A	N/A	\$5.25	\$15,750.00
	Motor Oil (Bulk)	N/A	N/A	\$7.01	\$10,515.00
C.	<u>Pitt Country Mart</u>				
	B20Bio-Diesel (Transport)	\$2.2943	\$.0404	\$2.3347	\$186,776.00
	Diesel 40 Cetane (Tankwagon)	\$2.3258	\$.135	\$2.4608	\$316,212.80
D.	<u>Petroleum Traders</u>				
	Gasohol, E10 (Transport)	\$2.2380	\$.0318	\$2.2698	\$340,470.00
TOTAL					\$ 873,666.55

The City will pay the Average Rack price for the commodity on the day of delivery plus or minus the margin bid on May 25, 2010.

ADOPT – CODE AMENDMENT: TO ALLOW LAW ENFORCEMENT OFFICERS TO RIDE BICYCLES ON THE BOARDWALK AND PROMENADE WHILE PERFORMING THEIR OFFICIAL DUTIES

Chief Mick Reed stated the Washington Police Department, in its efforts to provide an efficient and professional level of service to the area of the waterfront, parkway, and downtown area, has instituted a bicycle patrol program in this area to accomplish this. By amending the current Code of Ordinances to allow Law Enforcement Officers to ride a bicycle on the promenade and boardwalk, while performing their official duties; we feel this will allow the officers better interaction with the citizens and the ability to move more freely and efficiently.

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council amended Chapter 22, Parks and Recreation, Article IV, Use of Waterways, Docks, Boardwalk, and Promenade, of the Code of City of Washington, North Carolina to allow law enforcement officers to ride bicycles on the Boardwalk and Promenade while performing their official duties.

AN ORDINANCE AMENDING CHAPTER 22, PARKS AND RECREATION, ARTICLE IV, USE OF WATERWAYS, WHARVES, DOCKS, BOARDWALK AND PROMENADE, OF THE CODE OF THE CITY OF WASHINGTON, NORTH CAROLINA TO ALLOW LAW ENFORCEMENT OFFICERS TO RIDE BICYCLES ON THE BOARDWALK AND PROMENADE WHILE PERFORMING THEIR OFFICIAL DUTIES

WHEREAS, North Carolina General Statute Chapter 1 60A, Cities and Towns, Article 18, Parks and Recreation, authorizes cities and towns to, among other things, operate parks and recreation programs;

WHEREAS, North Carolina General Statute Chapter 1 60A, Cities and Towns, Article 8, Delegation and Exercise of the General Police Power, authorizes cities and towns to, among other things, regulate certain acts;

WHEREAS, North Carolina General Statute Chapter 1 60A, Cities and Towns, Article 15, Streets, Traffic, and Parking, authorizes cities and towns to, among other things, regulate the use of public streets, sidewalks, alleys and bridges;

WHEREAS, the Charter of the City of Washington grants the City of Washington the authority to exercise all of the powers, duties, rights, privileges and immunities conferred upon it by North Carolina General Statute Chapter 160A; and

NOW, THEREFORE, BE IT ORDAINED by the City Council for the City of Washington, North Carolina that Chapter 22, Parks and Recreation, Article IV, Use of Waterways, Wharves, Docks, Boardwalk and Promenade, of the Code of the City of Washington shall be revised as follows.

Section 1. Section 22-97, Unlawful Acts, subsection (e) is hereby revised as follows.

(c) Skateboards, roller skates, roller blades, or similar devices and bicycles. It shall be unlawful to ride in, upon or by means of skateboards, roller skates, roller blades, or similar devices in the Business District which includes Stewart Parkway, the adjacent parking lots, the Promenade and the Boardwalk. Wheelchairs and strollers are permitted in said above areas. With the exception of law enforcement officers performing their official duties, it shall be unlawful to ride bicycles on the Promenade and Boardwalk.

Section 2: All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 3: Should any provision of this ordinance be declared invalid or unconstitutional by any court of any competent jurisdiction, such declaration shall not affect the validity of the ordinance as a whole or any part thereof which is not specifically declared to be invalid or unconstitutional.

Section 4: This ordinance shall take effect and be in force from and after the date of its adoption.

This the 14th day of June, 2010.

ATTEST:
s/Cynthia S. Bennett
City Clerk

s/N. Archie Jennings,
Mayor

APPROVE – COOPERATIVE BID AGREEMENT THROUGH ELECTRICITIES

Jim Smith, City Manager stated approval of this Cooperative Bid Agreement allows ElectriCities to bid utility material supplies, and equipment for the City as a group which will lead to lower costs for the City. We currently use this contract to bid our power poles. We have been using this contract for the past three (3) years.

By motion of Mayor Pro tem Roberson, seconded by Councilman Davis, Council approved the Cooperative Bid Agreement through Electricities and allow the Purchasing Agent to sign this agreement for an additional three (3) years.

ADOPT – A DECLARATION OF OFFICIAL INTENT TO REIMBURSE ITSELF FOR EXPENDITURES RELATED TO THE RECOVERY ZONE ECONOMIC DEVELOPMENT BOND PROJECTS INCURRED PRIOR TO THE ISSUANCE OF DEBT

Mr. Smith stated expenditures will be incurred prior to the December 2010 issuance of debt for these projects. This declaration authorizes the City to reimburse itself for these expenditures.

By motion of Mayor Pro tem Roberson, seconded by Councilman Davis, Council adopted a Declaration of Official Intent to Reimburse itself for expenditures related to the Recovery Zone Economic Development Bond Projects incurred prior to the issuance of debt.

DECLARATION OF OFFICIAL INTENT TO REIMBURSE

This declaration (the “Declaration”) is made pursuant to the requirements of the United States Treasury Regulations Section 1.150-2 and is intended to constitute a Declaration of Official Intent to Reimburse under such Treasury Regulations Section.

The undersigned is authorized to declare the official intent of the City of Washington, North Carolina (the “Issuer”) with respect to the matters contained herein.

1. Expenditures to be Incurred. The issuer anticipates incurring expenditures (the “Expenditures”) for the Recovery Zone Economic Development projects (the “Projects”).

2. Plan of Finance. The issuer intends to finance the costs of the Projects with the proceeds of debt to be issued by the Issuer (the “Borrowing”), the interest on which is to be excluded from gross income for Federal income tax purposes.

3. Maximum Principal Amount of Debt to be Issued. The maximum principal amount of the Borrowing to be incurred by the Issuer to finance the Projects is \$5,977,984.

4. Declaration of Official Intent to Reimburse. The Issuer hereby declares its official intent to reimburse itself with the proceeds of the Borrowing for any of the Expenditures incurred by it prior to the issuance of the Borrowing.

Adopted this the 14th day of June, 2010

s/Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

**MEMO – CAMA PUBLIC BEACH & WATERFRONT ACCESS GRANT
INTENT TO APPLY**

John Rodman, Planning Director stated this item was approved earlier this evening during Bianca Gentile's grant presentation and update.

MEMO AND LETTER – TRADEWIND LETTER REGARDING WARREN FIELD AIRPORT

Mr. Smith explained that Tradewind Aviation has found that what they have been able to earn and the compensation from the City does not allow them to break even with their management of Warren Field Airport. Tradewind has made a recommendation to the City requesting the City takeover paying the compensation for the employee that is there five days a week. Mr. Smith suggested we find out what is in the market and issue an RFP for managing the airport.

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council authorized the City Manager to issue RFP's for managing the airport.

MEMO – AIRFIELD FACILITIES TO SUPPORT FIELD CARRIER LANDING PRACTICE

Mr. Smith explained the Navy has issued an RFP soliciting airports that would allow them to have practice with turboprop airplanes. Mr. Smith felt the volume of practicing would cause a negative impact on the surrounding neighborhood and he recommended that we not respond to the RFP. Councilman Davis voiced concern not allowing this and suggested we look into this topic further as the City would receive compensation from the Navy for the use of the airfield.

By motion of Mayor Pro tem Roberson, seconded by Councilman Davis, Council continued the request until July 26, 2010.

DISCUSSION – PITT BULLS IN CORPORATE LIMITS

Chief Mick Reed explained he has had discussions with Beaufort County Animal Control Officers and discussed some options that may be available to us. Their concern was that when you create an ordinance that is breed specific it creates an enforcement issue as there are a lot of mixed breed dogs. They are currently working on a county wide ordinance that may help address Council's concerns. Discussions with the Animal Control Officers will continue.

TOWN HALL DAY-RALEIGH

Mayor Jennings discussed Town Hall Day in Raleigh on Wednesday, June 16th. Council members will ride in the City van to Raleigh and meet at City Hall at 7:30am to depart. The City Clerk will try to coordinate a meeting with Representative Arthur Williams around 10:00am.

CLOSED SESSION – UNDER NCGS 143-318.11(A)(6) PERSONNEL/ATTORNEY CLIENT PRIVILEGE, RUBEN HASSELL vs. WASHINGTON POLICE DEPARTMENT, EEOC #846-2009-10555; JAMES TRIPP vs. CITY OF WASHINGTON, 09-CVS-1298; NCGS 143-318.11(A)(1) DISCLOSURE OF CONFIDENTIAL INFORMATION; NCGS 143-318.10(E) THE PUBLIC RECORDS ACT; NCGS 143-318.11(A)(5) POTENTIAL ACQUISITION OF REAL PROPERTY LOCATED AT 131 NORTH BRIDGE STREET AND OWNED BY FLOYD BANKS FOR GENERAL ADMINISTRATIVE PURPOSES

By motion of Councilman Pitt, seconded by Councilman Davis, Council entered into closed session under NCGS 143-318.11(A)(6) Personnel/Attorney Client Privilege, Ruben Hassell vs. Washington Police Department, EEOC #846-2009-10555; James Tripp vs. City Of Washington, 09-CVS-1298; NCGS 143-318.11(A)(1) Disclosure Of Confidential Information; NCGS 143-318.10(E) The Public Records Act; NCGS 143-318.11(a)(5) Potential Acquisition Of Real Property Located At 131 North Bridge Street And Owned By Floyd Banks For General Administrative Purposes

By motion of Councilman Pitt, seconded by Councilman Moultrie, Council agreed to come out of closed session at 9:46pm.

ADJOURN

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council moved the regular July meeting to July 26th at 5:30pm, subsequently there will not be a meeting on June 28th nor July 12th, but a final budget meeting will be held on June 21st at 4:30pm.

By motion of Councilman Davis, seconded by Councilman Pitt, Council adjourned the meeting at until June 21, 2010 at 4:30pm at the Municipal Building.

(Subject to the Approval of the City Council)

**Cynthia S. Bennett
City Clerk**

The Washington City Council met in a continued session on Monday, June 21, 2010 at 4:30pm in the City Council Chambers at the Municipal Building. Present were: Archie Jennings, Mayor; Bobby Roberson, Mayor Pro tem; Doug Mercer, Councilman; Ed Moultrie, Councilman; William Pitt, Councilman; Gil Davis, Councilman; Jim Smith, City Manager; and Reatha Johnson, Assistant City Clerk.

Also present were: Matt Rauschenbach, Chief Financial Officer; Robbie Rose, Fire Chief; Allen Lewis, Public Works Director; Gloria Moore, Library Director; John Rodman, Planning Director; Keith Hardt, Electric Director; Philip Mobley, Parks & Recreation Director; Mick Reed, Police Chief; Ray Midgett, Information Technology Director; Susan Hodges, Human Resource Director, Lynn Lewis; Tourism Director and Mike Voss, of the Washington Daily News.

Mayor Jennings called the meeting to order and Mayor Pro tem Roberson delivered the invocation.

APPROVAL/AMENDMENTS TO AGENDA

Councilman Mercer requested tabling item 3: Adopting list of City owned vehicles driven home per personnel policy until July 26, 2010. Mayor Jennings requested moving item 2: to item 1: Adopt – User Fees for Fiscal Year 2010-2011, set Advalorem Tax Rate and Adopt Budget ordinance and item 1: to item 2: Update – Jason Briley, Northgate Quarterly Report. Mayor Jennings noted that Mr. Smith requested adding two closed session items as item 3.

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council approved the agenda as amended.

ADOPT – USER FEES FOR FISCAL YEAR 2010-2011, SET ADVALOREM TAX RATE AND ADOPT BUDGET ORDINANCE

Mayor Jennings noted he requested a printed hard copy of the user fee manual and Council will be able to work from the hard copy during the next several months. Also, he noted the reinsertion of the old Electric Fund fee language which was ratified by the Advisory Board and the new language was to cap fees at \$200 - \$300 as recommended by the Advisory Board. Chief Financial Officer, Matt Rauschenbach noted the fee scheduled referred to some of the old City Code and several sections will be updated to reflect the appropriate reference. Mayor Jennings requested Council's support on getting the manual cleaned up.

Councilman Mercer addressed several observations:

1. Service organizations: the fee schedule was increased from a maximum of \$750 for service establishments for those with gross sales in excess of \$25,000 to a maximum of \$1,000. He is not aware of any discussions held regarding the increase and would like to know why the fee was increased by 1/3. Mr. Smith recalled the discussions held last year on privilege license and one of the

recommendations directed by the committee to keep in line with the other categories by getting them to the maximum of \$1,500. Mr. Rauschenbach noted this is the second year and it will take approximately four years of implementation at \$250 a year. The committee felt \$1,500 would be too much of an increase at one time.

- 2: Changes to the Aquatic Fees and no discussion held. Kristi Hardison updated Council on the process behind the fee schedule.

Mayor Jennings polled Council for any specific fees they would like discussed at this time. Council was in agreement to take the hard copy of the manual home and bring back any questions for follow up.

Mayor Jennings noted all changes that had been requested since the last meeting has been incorporated into the final budget. Mayor Pro tem Roberson suggested renaming UDAG Fund.

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council adopted the user fee schedule included in the appendix of the budget, set 2010 Advalorem Tax rate at \$0.50 per \$100.00 value which represents a revenue neutral rate of \$.4856 and an additional amount for public facilities, and adopted Budget Ordinance for Fiscal Year 2010-2011 by 4-1 vote. Councilman Mercer opposed.

Discussions ensue: Councilman Mercer stated he was in opposition with the budget and cited several reasons: Councilman Mercer felt staff had not met the directive given by City Council to reduce the overall budget by 2% inclusive of the \$500,000 given earlier, he could not vote for the spending plan because he felt there was a "substantial tax increase in this budget". Councilman Mercer questioned the figures that City staff used to develop a revenue-neutral tax rate. He shared his calculation with Council and Mr. Rauschenbach noted the Local Government Commission, an agency that oversees the fiscal affairs of local governments, agrees with the figures that City staff used in reaching the recommended tax rate of \$ 0.50 cents per \$100 valuation. Mr. Rauschenbach determined that the revenue-neutral tax rate for the City in the upcoming Fiscal Year would be 47.44 cents per \$100 valuation. Mr. Rauschenbach's calculations show that the revenue-neutral tax rate, adjusted for growth, comes to 48.56 cents per \$100 valuation. The target property-tax rate of 50 cents per \$100 valuation reflects City officials' concerns the City could see some of its revenue sources not generate as much revenue as expected. Mayor Pro tem Roberson expressed concern that the Beaufort County Board of Commissioners may change the way it distributes sales-tax income to the municipalities in the county. Mayor Jennings stated the tax bills that City taxpayers will receive matters more than the tax rate because they will have to pay the tax bills. Mayor Jennings explained that with the new tax rate set, about a third of City taxpayers will pay more in property taxes during the next fiscal year, approximately a third will pay less and the remaining third will pay about the same.

Mayor Pro tem Roberson stated the newly adopted tax rate provides the City a safety margin that likely will carry it through the upcoming fiscal year, especially with the economy trying to recover from the recession and Councilman Davis agreed. Also, Councilman Davis noted he did not want to raise the Enterprise fees or have layoffs. Councilman Moultrie and Councilman Pitt felt staff was on the right track and there is a need for some type of cushion. Mr. Smith expressed his appreciation towards staff during this budget process and stated staff had accomplished more with fewer people. Mayor Jennings indicated his appreciation with Council members, staff and employees creativity, noting everyone had a hand in this budget process. Council and staff worked closely together and staff understood the direction that Council was trying to head. Council objective was to protect the jobs.

**CITY OF WASHINGTON, NORTH CAROLINA
BUDGET ORDINANCE FOR FISCAL YEAR 2010-2011**

BE IT ORDAINED by the City Council of the City of Washington, North Carolina, as follows:

Section 1. The following amounts are hereby appropriated for the operation of the City of Washington government and its activities for the fiscal year beginning July 1, 2010, and ending June 30, 2011, according to the following schedules:

Schedule A. General Fund

General Government

City Council	55,757
Mayor	13,539
City Manager	287,440
Legal	250,000
TDA Director	110,081
Human Resources	272,684
Finance	473,405
Purchasing	136,849
Information Systems	278,650
Revenue Collections	-
Billing	158,344
Customer Services	688,506
Municipal Building	149,603
Miscellaneous	955,309
Economic Development	174,235
Debt Service	537,506

Public Safety

Police	2,861,957
E-911 Communication	441,488
Fire	1,633,979

Emergency Medical Services	651,149
Code Enforcement	201,666
Planning/Zoning	315,831

Public Works

Administration	78,099
Equipment Services	140,610
Storm Water Improvements	292,289
Street Lighting	131,500
Street Maintenance	459,921
Powell Bill Allocation	154,808

Cultural and Leisure

Brown Library	384,826
Recreation Administration	166,227
Recreation Events & Facilities	161,370
Athletics and Programs	33,337
Senior Programs	186,229
Waterfront Docks	98,125
Civic Center	126,920
Aquatic Center	321,889
Parks and Grounds	430,267
Agency Contributions	179,643

Contingency

Contingency	<u>213,363</u>
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Total General Fund Appropriations	\$14,207,401
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Schedule B. Water Fund

Administration	81,696
Debt Services	303,992
Miscellaneous	452,686
Water Meter Services	239,160
Water Treatment	1,415,776
Water Distribution Maintenance	204,419
Water Distribution Construction	103,205
Contingency	<u>157,603</u>
Total Water Fund Appropriations	\$2,958,537

Schedule C. Sewer Fund

Administration	80,972
Debt Service	577,953
Miscellaneous	407,356
Wastewater Collection Maintenance	237,518
Wastewater Collection Construction	174,937
Wastewater Treatment	1,102,196
Wastewater Stations	375,159
Contingency	<u>0</u>
Total Sewer Fund Appropriations	\$2,956,091

Schedule D. Storm Water Management Fund

Operations	4,250,038
Debt Payment	195,862
Storm Water Sampling	0
Nutrient Control	6,600
Contingency	<u>0</u>
Total Storm Water Management Fund Appropriations	\$4,452,500

Schedule E. Electric Fund

Administration	467,872
Debt Service	853,393
Miscellaneous	2,712,922
Electric Meter Services	468,455
Utility Communications	293,472
Substation Maintenance	1,032,511
Power Line Maintenance	1,200,927
Power Line Construction	1,686,616
Purchase Power	28,569,299
Contingency	<u>0</u>
Total Electric Fund Appropriations	\$37,285,467

Schedule F. Airport Fund

Operational Expenses	435,907
Contingency	<u>0</u>
Total Airport Fund Appropriations	\$435,907

Schedule G. Solid Waste Fund

Debt Service	83,436
Solid Waste Operations	1,279,912
Contingency	<u>50,152</u>
Total Solid Waste Fund Appropriations	\$1,413,500

Schedule H. Cemetery Fund

Operational Expenses	260,442
Contingency	<u>0</u>
Total Cemetery Fund Appropriations	\$260,442

Schedule I. Library Trust Fund

Administration Charges to General Fund for Library Operations	<u>800</u>
Total Library Trust Fund Appropriations	\$800

Schedule J. Cemetery Trust Fund

Administration Charges to General Fund for Cemetery Operations	<u>1,800</u>
Total Cemetery Trust Fund Appropriations	\$1,800

Schedule K. E-911 Surcharge Fund

Contract Services	0
Contingency	<u>0</u>
Total E-911 Surcharge Fund Appropriations	\$0

Schedule L. Public Safety Capital Reserve Fund

Transfer to General Fund	<u>180,000</u>
Total Public Safety Capital Reserve Fund Appropriations	\$180,000

Schedule M. Economic Development/Capital Reserve Fund

Transfer to General Fund	<u>185,000</u>
Total Economic Development/Capital Reserve Fund	

Appropriations **\$185,000**

Schedule N. Façade Grant Program Fund

Economic Development-Façade Grant	10,000
Total Façade Grant Program Fund	<u>10,000</u>
Appropriations	

Schedule O. Worker’s Compensation Fund

Worker’s Compensation Claims	65,000
Total Worker’s Compensation	<u>65,000</u>
Appropriations	

Total Appropriations for all Funds **\$64,412,445**

Section 2. It is estimated that the following revenue will be available during the year beginning July 1, 2010, and ending June 30, 2011, to meet the foregoing appropriations according to the following schedule:

Schedule A. General Fund

Ad Valorem Taxes	4,105,577
Other Taxes	2,387,000
Restricted Intergovernmental Revenue	732,906
Unrestricted Intergovernmental Revenue	1,639,745
Licenses and Permits	73,500
Sales and Services	1,285,695
Interest Earnings	45,000
RZEDB Proceeds	42,000
Lease Purchase Proceeds	225,050
Private Contributions	5,000
Miscellaneous	30,000
Fund Balance Appropriated	0
Administrative Charges to Other Funds for Services:	
Electric Fund	1,321,816
Water Fund	257,679
Sewer Fund	261,982
Solid Waste Fund	173,494
Storm Water	94,708
Airport	

Library Trust Fund	800
Tourism Development Authority	110,081
Civic Center	77,218
Transfers from Other Funds:	
Electric	973,150
Capital Reserves	<u>365,000</u>
Total General Fund Revenues	\$14,207,401

Schedule B. Water Fund

Water Charges	2,840,000
Sales and Services	76,260
Interest Earnings	2,500
Miscellaneous	5,000
Installment Note Proceeds	0
Rents	34,777
Fund Balance Appropriated	<u>0</u>
Total Water Fund Revenues	\$2,958,537

Schedule C. Sewer Fund

Wastewater Charges	2,900,000
Sales and Services	37,675
Interest Earnings	7,500
Installment Note Proceeds	0
Fund Balance Appropriated	<u>10,916</u>
Total Sewer Fund Revenues	\$2,956,091

Schedule D. Storm Water Management Fund

Interest Earnings	1,500
Sales & Service	7,000
Storm Water Charges	486,000
RZED Bond Proceeds	<u>3,958,000</u>
Total Storm Water Management Fund Revenues	\$4,452,500

Schedule E. Electric Fund

Electric Charges	35,282,107
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Sales and Services	451,720
Interest Earnings	10,000
Miscellaneous	8,000
Installment Note Proceeds	891,000
Administration Charges From Other Funds:	
Water	82,208
Sewer	49,675
Fund Balance Appropriated	360,757
NC DOT Reimbursement	<u>150,000</u>
Total Electric Fund Revenues	\$37,285,467

Schedule F. Airport Fund

Interest Earnings	1,500
Rentals	62,000
Sales & Services	102,300
Grants	150,000
Fund Balance Appropriated	24,474
Transfer from Other Funds:	
General Fund	<u>95,633</u>
Total Airport Fund Revenues	\$435,907

Schedule G. Solid Waste Fund

Interest Earnings	400
Installment Note Proceeds	140,000
Solid Waste Tax	5,600
Fees	<u>1,267,500</u>
Total Solid Waste Fund Revenues	\$1,413,500

Schedule H. Cemetery Fund

Interest Earnings	0
Sales & Services	198,000
Transfer from G/F	38,142
Payments from Other Funds	22,500
Adm. Charges from Cemetery Trust	<u>1,800</u>
Total Cemetery Fund Revenues	\$260,442

Schedule I. Library Trust Fund

Interest Earnings	<u>800</u>
Total Library Trust Fund Revenues	\$800

Schedule J. Cemetery Trust Fund

Interest Earnings	<u>1,800</u>
Total Cemetery Trust Fund Revenues	\$1,800

Schedule K. E-911 Surcharge Fund

Surcharge Collections	0
Interest Earnings	<u>0</u>
Total E-911 Surcharge Fund Revenues	\$0

Schedule L. Public Safety Capital Reserve Fund

Transfer from G/F	120,000	
Interest Earnings		1,000
Fund Balance Appropriated		<u>59,000</u>
Total Public Safety Capital Reserve Fund Revenues		\$180,000

Schedule M. Economic Development /Capital Reserve Fund

Fund Balance Appropriated	110,000
Payment From Electric Fund	<u>75,000</u>
Total Economic Development/Capital Reserve Fund Revenues	\$185,000

Schedule N. Façade Grant Program Fund

Transfer from General Fund	<u>10,000</u>
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Total Façade Grant Program Fund
\$10,000

Schedule O. Worker’s Compensation Fund

Fund Balance Appropriated
65,000
Total Worker’s Compensation Fund
\$65,000

Total Estimated Revenues for all Funds **\$64,412,445**

Section 3. There is hereby levied the following rate of tax on each one hundred dollars (\$100.00) valuation of estimated taxable property listed for taxes as of January 1, 2010, for the purpose of raising the revenues from property taxes, as set forth in the foregoing estimates, and in order to finance the foregoing appropriations:

General Fund	
Total Rate per \$100 of	
Valuation of Taxable Property	.50

Such rate of tax is based on an estimated total assessed valuation of property tax for the purpose of taxation of \$823,609,391 with an estimated rate of collections of ninety-four and a half percent (94.50%).

Section 4. The fees and rates contained in the fee schedule section of the budget document are adopted for FY 10/11 for the purpose of raising funds to support City operations.

Section 5. Some estimates of revenue other than the property tax exceed the amount actually realized in cash from each source in the preceding fiscal year, but the facts warrant the expectations that in each case the estimated amount will actually be realized in cash during the budget year.

Section 6. Appropriations are authorized by department totals. The Finance Officer is authorized to reallocate departmental appropriations among various line item objects of expenditures and revenues as necessary during the budget year. The City Manager is authorized to reallocate appropriations among the various departmental totals of expenditures within the General Fund, Water Fund, Sewer Fund, Electric Fund, Storm Water Management Fund, Airport Fund, Solid Waste Fund, and Cemetery Fund as allowed by North Carolina General Statute 159-15. Any such transfers between departments shall be reported to the City Council at its next regular meeting following the transfer and shall be entered into the official minutes of the City of Washington.

Section 7. Copies of this ordinance shall be filed with the Finance Director of the City of Washington, to be kept on file by him for his direction in the disbursement of City funds.

Section 8. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 9. This ordinance shall become effective July 1, 2010.

Adopted this the 21st day of June, 2010.

s/Cynthia S. Bennett
Jennings III
Cynthia S. Bennett
City Clerk

s/N. Archie
N. Archie Jennings III
Mayor

Council members requested the following:

- Receive any budget changes two weeks in advance
- Separate line item in the budget for Purchase Orders carried forward – need visibility (Mr. Rauschenbach will look at this and determine if it can be executed).
- Summary Report (be prepared to discuss at the July meeting (7-26-10))

UPDATE – JASON BRILEY, NORTHGATE QUARTERLY REPORT

Mr. Briley update included the following:

- Currently 68 homes sold in Northgate
- Completed (6) six homes for sale and in addition (3) three homes under contract to be sold by June 30
- (9) Nine homes under construction of which (4) four will be low income to help with the grant
- Currently low to moderate income (LMI) homes to be sold are now at (21) twenty one which leave approximately (11) eleven left to do. Mr. Briley noted he has (1) one coming up that should qualify for low income and (1) one pending. If this happens he will be down to (9) nine homes left

City Attorney, Franz Holscher stated Cheryl Berry with the Department of Justice, confirmed that (18) eighteen had been sold to LMI purchasers and (14) fourteen qualifying conveyances remained to be consummated. Mr. Briley agreed but suggested he had turned in (3) three additional homes to the Department and they sent (3) three more up. Mr. Rodman, Planning & Development Director did not have a copy but shared they did send them up and he has not received approval. Mr. Holscher asked Mr. Rodman to follow-up and received documentation confirming qualifications.

Mr. Holscher stated the deadline is 12-31, and Mayor Pro tem Roberson added if the City of Washington has not fulfilled its obligation for the amount of

lots Mr. Briley sold, the City will receive a letter stating its due and payable by this date (you get 10 days) and on 1-10-11 the State of North Carolina will want all of their money and if they don't receive it, a hold will be placed on all our grants. Mr. Briley stated that before, when it was coming into a deadline, Ms. Abram gave them sixty days after the deadline to process everything.

Mayor Jennings informed Mr. Briley that the City will execute its interest per the State letter because of all the other obligations the City has out there to protect (the Council will need to do and perform inside its time line). The City will continue to work with him on the project but when the City role ends then their business arrangement will have to fold in as well. Mr. Briley suggested another update before it reaches that point.

CLOSED SESSION – UNDER NCGS 143-318.11(a)(5) ACQUISITION OF PROPERTY LOCATED: 131 NORTH BRIDGE STREET AND OWNED BY FORD BANKS AND PROPERTY LOCATED @ 233 EAST 7TH STREET AND OWNED BY MICHAEL LOWE

A motion was made by Councilman Davis, seconded by Mayor Pro tem Roberson, Council agreed to go into closed session @5:20 pm under NCGS 143-318.11(a)(5) Acquisition of property located @ 131 North Bridge Street and owned by Ford Banks and property located @ 233 East 7th Street and owned by Michael Lowe.

A motion was made by Councilman Mercer, seconded by Councilman Pitt, Council agreed to come out of closed session at 5:30 pm.

ADJOURN

By motion of Councilman Davis, seconded by Councilman Pitt, Council adjourned the meeting @ 5:35 pm until July 26, 2010 at 5:30 pm in the Council Chambers at the Municipal Building
(Subject to the Approval of the City Council)

**Reatha B. Johnson
Assistant City Clerk**



City of Washington **REQUEST FOR CITY COUNCIL ACTION**

To: Mayor Jennings & Members of the City Council
From: John Rodman, Planning & Development
Date: July 15, 2010
Subject: Adopt Administrative Guidelines and Program Policies for the City's FY09 CDBG – HD program.
Applicant Presentation: Chris Hilbert – Holland Consulting Planners
Staff Presentation: John Rodman, Planning and Development

RECOMMENDATION:

I move that the City Council adopt the Administrative Guidelines and Program Policies for the City of Washington's FY09 CDBG Housing Development Grant #09-C-2050 and authorize the Mayor to sign the documents on behalf of the City.

BACKGROUND AND FINDINGS:

The purpose of this Council Action is to adopt the necessary administrative guidelines and program policies in order to implement the FY09 CDBG Housing Development Grant in conjunction with Washington Housing Incorporated.

The City of Washington wishes to carry out its FY09 Housing Development program #09-C-2050 in accordance with the established state and federal administrative guidelines.

Attached for Council consideration and approval are the following administrative guidelines and program policies for the project:

- | | |
|-------------------------------------------|------------------------------------|
| 1. Financial Management Resolution | 6. Policy Prohibiting Use of Force |
| 2. Citizen Participation Plan | 7. Legally Binding Commitment |
| 3. Local Economic Benefit for LMI persons | 8. Floodplain Certification |
| 4. Equal Employment & Procurement Policy | 9. Release of Funding Conditions |
| 5. Policy Concerning Code of Conduct | 10. Implementation Schedule |

PREVIOUS LEGISLATIVE ACTION

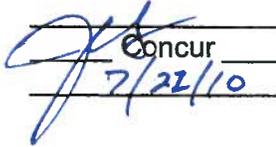
Grant Approval April 2010

FISCAL IMPACT

Currently Budgeted (Account _____) _____ requires additional appropriation
 No Fiscal Impact

SUPPORTING DOCUMENTS

Above referenced documents.

City Attorney Review:	_____	Date By: _____	(if applicable)
Finance Dept Review:	_____	Date By: _____	(if applicable)
City Manager Review:		Concur _____	Recommend Denial _____ No Recommendation
		7/22/10	Date

CITY OF WASHINGTON
RESOLUTION APPROVING ADMINISTRATIVE GUIDELINES AND POLICIES
FOR THE FY2009 CDBG HOUSING DEVELOPMENT PROGRAM

WHEREAS, the City of Washington wishes to carry out its FY2009 CDBG program in accordance with established state and federal administrative guidelines.

NOW, THEREFORE, the Washington City Council hereby collectively adopts the following resolutions, guidelines, plans and policies, and resolves that they be utilized during the administration of the city's FY2009 CDBG-HD program:

1. Financial Management Resolution
2. Citizen Participation Plan
3. Local Economic Benefit for LMI Persons (Section 3) Plan
4. Equal Employment and Procurement Policy
5. Policy Concerning Code of Conduct
6. Section 519 Policy (Prohibiting Use of Excessive Force)
7. Legally Binding Commitment

Adopted this 26th day of July, 2010.

Archie Jennings, Mayor

ATTEST:

Cynthia Bennett, City Clerk

CITY OF WASHINGTON
FY09 COMMUNITY DEVELOPMENT BLOCK GRANT
HOUSING DEVELOPMENT PROGRAM

FINANCIAL MANAGEMENT RESOLUTION

WHEREAS, the City of Washington has received an FY09 CDBG Housing Development Grant in the amount of \$227,700, and has committed other revenues to the FY09 CDBG-HD program; and

WHEREAS, the North Carolina Administrative Code regulations require that the city designate a Grant Finance Officer and a depository for CDBG funds;

NOW, THEREFORE, the City of Washington hereby resolves the following:

- (1) Matt Rauschenbach, Finance Director, will serve as Grant Finance Officer, and will be responsible for financial management of the program according to the requirements of the North Carolina Administrative Code and North Carolina General Statute requirements.
- (2) First Citizens Bank of Washington, NC, is hereby designated as the official depository for revenues budgeted for the FY09 CDBG-HD program.

Resolved this 26th day of July, 2010.

Archie Jennings, Mayor

ATTEST:

Cynthia Bennett, City Clerk

CITY OF WASHINGTON
FY2009 COMMUNITY DEVELOPMENT BLOCK GRANT
HOUSING DEVELOPMENT PROGRAM

CITIZEN PARTICIPATION PLAN

Introduction

Pursuant to Title I of the Housing and Community Development Act of 1974, as amended, the City of Washington, which receives Community Development Block Grant (CDBG) funds, has prepared a written citizen participation plan. Through this plan, citizens will be provided adequate opportunity for meaningful involvement on a continuing basis and for participation in planning, implementation, and assessment of the city's community development activities. The city shall provide adequate information to citizens, hold public hearings at the initial stage of the planning process and throughout all CDBG projects to obtain the views and proposals of citizens, and provide citizens an opportunity to comment on the city's past performance. This plan is to serve as a citizens' guide to interacting with CDBG projects in a meaningful way and to establish a process whereby citizen participation requirements will be met.

Objectives of the Plan

The objectives of this Citizen Participation Plan are to:

1. Provide citizens with adequate information on a timely basis concerning the amount of funds available for proposed community development and housing activities, the range of activities that may be undertaken, and other important project requirements;
2. Provide citizens an opportunity to (i) participate in the development of the application and encourage the submission of written views and proposals particularly by residents of blighted neighborhoods or citizens of low/moderate income; (ii) provide for timely responses to the proposals submitted; and (iii) schedule hearings at times and locations which permit broad participation;
3. Provide for public hearings to obtain the views of citizens on community development and housing needs and a timetable specifying when and how the objectives of this plan will be achieved;
4. Provide for timely and responsive answers to written complaints and give citizens an opportunity to submit comments concerning the city's community development performance;
5. Provide technical assistance on a timely basis through staff or other resources to citizen advisory groups, and upon request of groups of low/moderate income persons and groups of residents in blighted neighborhoods; and,
6. Assure record keeping to document that this plan has been followed in a manner to achieve full involvement of citizens in all stages of CDBG projects, and provide documents relevant to CDBG projects for public view.

Citizen Involvement

Citizen level of participation will be city-wide in scope. City-wide participation will be accomplished through public hearings and solicitation of written views and proposals. By this method, all citizens will be afforded an opportunity to present their housing and community development needs, suggestions, and comments on the city's past performance.

Citizen Access to Records

The City of Washington will provide for full and timely disclosure of information and CDBG project records consistent with 4 NCAC 19L, the North Carolina CDBG Program Regulations, Subchapter .0911. Such records and information relevant to the CDBG project will be made available in the City of Washington CDBG Program Office, 102 East Second Street, PO Box 1988, Washington, North Carolina 27889, during regular office hours for citizens' review. Documents to be made available include:

1. All mailings and promotional materials;
2. Records of public hearings;
3. All key documents such as prior applications, letters of approval, grant agreements, this plan, performance reports, progress reports, other reports and documentation required by the North Carolina Department of Commerce (DOC), and the proposed and approved application for the current year; and,
4. Copies of regulations and program bulletins governing the project.

Timely Information and Submission of Views and Proposals

The citizen participation process will begin approximately 90-120 days prior to the established deadline for submission of an application. The Washington Daily News, in Washington, NC, will be the primary medium for dissemination of important project information. All advertisements for public notices will be published in this newspaper. At a minimum, the city shall provide adequate information to citizens, hold a public hearing at the initial stage of the planning process, hold a public hearing prior to submission of the application, and hold a public hearing prior to closeout of the project to provide an opportunity for citizens to comment on the city's CDBG performance. The purpose of the first public hearing at the planning stage of the application will be to disseminate program information, obtain citizen views on community development and housing needs, priorities, and comments on the city's past performance. A second public hearing will be held prior to the submission of the full application for additional written comments and review of the application. Persons wishing to object to the approval of an application by the North Carolina Department of Commerce (DOC) shall make such objection in writing. DOC will consider objections made only on the following grounds:

1. The city's description of the needs and objectives is plainly inconsistent with available facts and data;
2. The activities to be undertaken are plainly inappropriate to meeting the needs and objectives identified by the city; and,

3. The application does not comply with the requirements of Subchapter .1002 of the North Carolina Community Development Block Grant Program Regulations or other applicable laws and regulations.

All objections shall include an identification of the requirements not met. In case of objections made on the grounds that the description of needs and objectives is plainly inconsistent with significant, generally available facts and data, the objections shall include the data upon which the objection is based.

Citizen participation in the project amendment process shall include the following:

1. When proposing amendments which require prior DOC approval in accordance with Subchapter .0910 (Program Amendments) of the North Carolina CDBG Program Regulations, the city will be required to hold one public hearing prior to the submission of the amendment to DOC;
2. The city shall respond to written citizen objections and comments within ten working days of receipt of the citizen comment;
3. Persons wishing to object to the approval of an amendment by DOC shall make such objection in writing. DOC will consider objections made only on the following grounds:
 - a. The city's description of the needs and objectives is plainly inconsistent with available facts and data;
 - b. The amendment to be undertaken is plainly inappropriate to meeting the needs and objectives identified by the city; and,
 - c. The amendment does not comply with the requirements of Subchapter .1002 of the North Carolina CDBG Program Regulations or other applicable laws and regulations.

All objections shall include an identification of the requirements not met. In case of objections made on the grounds that the description of needs and objectives is plainly inconsistent with significant, generally available facts and data, the objections shall include the data upon which the objection is based.

Citizen participation in the project closeout process shall include the following:

1. When proposing the closeout of the CDBG project in accordance with Subchapter .0913 of the North Carolina CDBG Program Regulations, the city will be required to hold one public hearing to assess project performance during the closeout process and prior to the actual closeout of the grant; and,
2. The city shall continue to solicit and respond to written citizen objections and comments until such time as the project is closed.

Citizens shall have the opportunity to comment on the implementation of the project throughout the term of the project. The city shall solicit and respond to written views and proposals of citizens in writing within ten working days of receipt of the citizen comment. Citizen participation concerning project implementation and compliance shall include the following:

1. Persons may submit written comments to DOC at any time concerning the city's failure to comply with the requirements contained in the plan; and,
2. All records of public hearings, citizen comments, responses to comments and other relevant documents and papers shall be kept in accordance with Subchapter .0911 of the North Carolina CDBG Program Regulations.

All public hearings will be held in the City Council Chambers in the Washington Municipal Building before the Washington City Council. Notice of the hearings will be given by advertisement once in the non-legal section of the local newspaper not less than 10 days nor more than 25 days before the date of the meeting. The advertisement will indicate the date, time, place, and procedures of the hearing and topics that will be considered. In the event that a significant number of non-English speaking residents can be reasonably expected to participate in a public hearing, the city will arrange to provide an interpreter at the hearing to ensure the participation of and dissemination of information to the non-English speaking persons. Public hearings will be held at times and locations convenient to actual or potential beneficiaries and will be held in facilities that are accessible to the handicapped.

Response to Proposals or Complaints

Written complaints received by the city during the implementation of the community development program will be handled in the following manner:

1. In the event of a contractual dispute, or a written complaint from a program recipient concerning the community development program, the Program Administrator shall respond to the parties in question in writing within ten (10) calendar days after receipt of a complaint or comment. The Program Administrator may elect to inform the parties of a time and place for a meeting of the Project Advisory Committee (PAC) to discuss the complaint, dispute, or comment; a citizen may specifically request the PAC to review the complaint/dispute at any time prior to referral of the complaint/dispute to the Washington City Council. If PAC review is necessary, the PAC meeting shall be held within fifteen (15) calendar days following either the Program Administrator's referral, or receipt of a written request by a citizen for PAC review. The Program Administrator shall provide a written statement of the finding of the PAC to the parties in question within ten (10) calendar days after the PAC meeting.
2. If the parties in question do not agree with the findings of the PAC, an appeal shall be submitted to the Washington City Council. The appeal shall be filed in writing, stating that basis for differences, no less than ten (10) calendar days prior to a regularly scheduled meeting of the Washington City Council. After considering the basis for the differences, the city shall provide a written statement of findings to each party within ten (10) calendar days after the consideration of the appeal.
3. If the citizen is dissatisfied with the local response, he or she may write to the North Carolina Department of Commerce, Division of Community Assistance, 4313 Mail Service Center, Raleigh, NC 27699-4313, Telephone (919) 733-2850; TDD # 1-800-735-2962. The Division of Community Assistance will respond only to written comments within ten (10) calendar days of the receipt of the comments.

Citizen Participation Plan Certification

The City of Washington hereby assures and certifies that a Citizen Participation Plan has been written and will be followed as required by federal law in Title I of the Housing and Community Development Act, Section 104(a)(3).

The city's Citizen Participation Plan accomplishes the following:

1. Provides for citizen participation, with particular emphasis on participation by persons of low/moderate income who are residents of slum and blighted areas, and provides for participation of residents of low/moderate income neighborhoods as defined by local jurisdiction;
2. Provides citizens with reasonable and timely access to local meetings, information, and records relating to the city's proposed use of funds;
3. Provides for technical assistance to groups representative of persons of low/moderate income that request such assistance in developing proposals with the level and type of assistance to be determined by the city;
4. Provides for public hearings to obtain citizen views and to respond to proposals and questions to all stages of the community development program, including at least the development of needs, the review of proposed activities, and review of program performance. Hearings shall be held after adequate notice, at times and locations convenient to potential or actual beneficiaries, and with accommodation for the handicapped;
5. Provides for a timely answer to written complaints and grievances, within ten working days; and,
6. Identifies how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents are reasonably expected to participate.

Adopted this 26th day of July, 2010.

Archie Jennings, Mayor

ATTEST:

Cynthia Bennett, City Clerk

CITY OF WASHINGTON
FY2009 COMMUNITY DEVELOPMENT BLOCK GRANT
HOUSING DEVELOPMENT PROGRAM

LOCAL ECONOMIC BENEFIT FOR
LOW AND VERY LOW INCOME PERSONS PLAN

To insure that to the greatest extent possible contracts for work are awarded to business concerns located in or owned in substantial part by persons residing in the Section 3 covered area, as required by Section 3 of the Housing and Urban Development Act of 1968, the City of Washington (hereinafter called the city) has developed and hereby adopts the following Section 3 Plan:

1. This Section 3 Plan shall apply to services needed in connection with the FY2009 CDBG-HD grant including, but not limited to, businesses in the fields of planning, consulting, design, building construction/renovation, maintenance and repair, etc.
2. The Section 3 project area for the purpose of the FY2009 CDBG-HD grant program shall include all of Beaufort County, including the City of Washington.
3. When in need of a service, the city will identify suppliers, contractors, or subcontractors located in the Section 3 area. Resources for this identification shall include the Minority Business Directory published through the State Department of Commerce, local directories and the Small Business Administration local offices. Word of mouth recommendations shall also be used as a source. Where deemed necessary, listings from any agency noted above shall be distributed to prime contractors as potential sources of subcontractors and suppliers.
4. The city will include required Section 3 clauses in all contracts executed under this CDBG Program. Where deemed necessary, listings from any agency noted in No. 3 above shall be included as well as sources of subcontracts and suppliers.
5. The prime contractor selected for major public works construction work will be required to submit a Section 3 Plan which will outline his/her work needs in connection with the project. Should a need exist to hire any additional personnel, the Beaufort County Employment Security Commission shall be notified and referred to the contractor.
6. Each housing rehabilitation, demolition, and replacement housing contractor shall be required to submit a Section 3 Plan. This Plan will be maintained on file in the grant office and shall be updated from time to time or as the grant staff may deem necessary.
7. All jobs will be listed through and hiring will be done through the local office of the North Carolina Employment Security Commission; all contracts will be listed with the North Carolina Division of Purchase and Contracts; potential employees and businesses may seek development and training assistance through various state and local agencies.

8. Early in the project, prior to any contracting, major purchases or hiring, the city will develop a listing of jobs, supplies and contracts likely to be utilized during the project. The city will advertise in a local newspaper. This advertisement will be placed prominently in the newspaper as a display ad and contain the following information:
 - a. A brief description of the project.
 - b. A listing of jobs, contracts, and supplies likely to be utilized in carrying out the project.
 - c. An acknowledgment that under Section 3 of the Housing and Community Development Act, local persons and businesses will be utilized for jobs, contracts, and supplies in carrying out the CDBG project to the greatest extent feasible.

Adopted this 26th day of July, 2010.

Archie Jennings, Mayor

Attest:

Cynthia Bennett, City Clerk

CITY OF WASHINGTON
FY2009 COMMUNITY DEVELOPMENT BLOCK GRANT
HOUSING DEVELOPMENT PROGRAM

EQUAL EMPLOYMENT AND PROCUREMENT POLICY

A. GENERAL EQUAL EMPLOYMENT AND PROCUREMENT POLICY

The City of Washington maintains the policy of providing equal employment opportunities for all persons regardless of race, color, religion, sex, national origin, handicap, age, political affiliation, or any other non-merit factor, except where religion, sex, national origin, or age are bona fide occupation qualifications for employment.

In furtherance of this policy, the city prohibits any retaliatory action of any kind taken by any employee of the city against any other employee or applicant for employment because that person made a charge, testified, assisted or participated in any manner in a hearing, proceeding or investigation of employment discrimination.

The city shall strive for greater utilization of all persons by identifying previously under utilized groups in the work force, such as minorities, women, and the handicapped, and by making special efforts toward their recruitment, selection, development, upward mobility, and any other term, condition, or privilege of employment.

Responsibility for implementing equal opportunities and affirmative action measures is hereby assigned to the City Manager and/or other persons designated by the Washington City Council to assist in the implementation of this policy statement.

The city shall develop a self-evaluation mechanism to provide for periodic examination and evaluation. Periodic reports as requested on the progress of equal employment opportunity and affirmative action will be presented to the Washington City Council by the City Manager.

The city is committed to this policy and is aware that with its implementation the city will receive positive benefits through the greater utilization and development of all its human resources.

B. PROCUREMENT POLICY FOR FEDERAL GRANT PROGRAMS

All procurement of goods and services by the City of Washington with CDBG grant funds shall be accomplished in accordance with the regulations of either Section 85.36 of 24CFR85, "Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments," or the North Carolina General Statutes applying to procurement in general by North Carolina municipalities/ counties.

When the federal and state regulations are different, the more restrictive regulations shall apply to the procurement in question. Additionally, the city will adhere to the following guidelines during procurement of goods and services with federal funds:

1. In all cases where goods or services are procured on the basis of one bid or proposal received, the city will follow established principles included in OMB Circular

July 26, 2010

Page 68 of 345

A-87 to verify the reasonable cost of the procurement, and shall contact the state agency supervising the grant program before making any contract award on the basis of non-competitive negotiation.

2. Disadvantaged, women-owned, and minority-owned enterprises shall be included on bidders' or professional services' lists maintained by the city, and such firm(s) shall be solicited for all competitive negotiations, small purchases, and informal and formal bids when such firms are potential competitive sources for goods and services.
3. The city shall develop a written statement of work for each service to be awarded on the basis of competitive negotiation, which shall include descriptions of tasks to be completed, project timetables, and an outline of fee proposal requirements. The statement of work shall also include a written selection procedure. All competitive negotiations shall be awarded strictly on the basis of written selection procedures, and cost shall not be the sole or more important factor in selection of services through the use of competitive negotiation.
4. Prior to any contract award, the city shall verify the contractor's eligibility to participate in a federally-assisted program.
5. No consultant or bidder shall assist in evaluation of proposals or bid packages for contracts in which that consultant or bidder has an indirect or direct interest. The city shall adhere to all applicable federal and state conflict of interest regulations in making contract awards.
6. The city shall request references, or check references, of contractors or firms who are awarded contracts with federal grant funds, and will request a written warranty for all goods and services provided through small purchase requests.
7. The city shall not award any contracts for federally-assisted projects on a contingency or cost plus percentage of cost basis.

Adopted this 26th day of July, 2010.

Archie Jennings, Mayor

ATTEST:

Cynthia Bennett, City Clerk (SEAL)

CITY OF WASHINGTON
FY2009 COMMUNITY DEVELOPMENT BLOCK GRANT
HOUSING DEVELOPMENT PROGRAM

POLICY CONCERNING CODE OF CONDUCT FOR OFFICERS, EMPLOYEES OR AGENTS

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WASHINGTON:

Section 1: No employee, officer or agent of the City of Washington shall knowingly solicit or accept any form of gratuity from any person, firm or organization whereby such gratuity shall in any way persuade or affect the outcome of the award of any contract of which any part is supported by federal funds.

Section 2: No employee, officer or agent of the City of Washington shall participate in the selection, or in the award or administration of a contract supported by federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when the employee, officer or agent, member of his/her immediate family, his/her partner, or an organization which employs, or is about to employ, any of the above individuals, has a financial or other interest in the firm selected for award.

Section 3: No employee, officer or agent of the City of Washington shall solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subagreements.

Section 4: If any employee, officer or agent shall knowingly violate any of the provisions of this policy, such employee, officer or agent will be subject to such disciplinary measures as may be deemed appropriate by the Washington City Council or City Manager including, but not limited to, suspension without pay, demotion, or dismissal.

Section 5: If any contractor or his agent violates any provision of this policy, such violation will constitute grounds for action deemed appropriate by the City Manager including, but not limited to, withdrawal from consideration of any proposal or bid submitted by such contractor, withdrawal of award, or rescission of contract.

This policy shall become effective from and after its adoption by the Washington City Council in an open meeting.

If any part of this policy shall be found to be in conflict with any federal or State of North Carolina law, then that portion of the policy can be amended to comply with the federal or state law without affecting the validity of the other portions.

Adopted this 26th day of July, 2010.

Archie Jennings, Mayor

ATTEST:

Cynthia Bennett, City Clerk

(SEAL)
July 26, 2010
Page 70 of 345

CITY OF WASHINGTON
FY2009 COMMUNITY DEVELOPMENT BLOCK GRANT
HOUSING DEVELOPMENT PROGRAM

POLICY PROHIBITING THE USE OF EXCESSIVE FORCE
BY LAW ENFORCEMENT OFFICIALS AGAINST INDIVIDUALS
ENGAGED IN NONVIOLENT CIVIL RIGHTS DEMONSTRATIONS

WHEREAS, the City of Washington wishes to carry out its existing and subsequent CDBG programs in accordance with Section 519 of Public Law 101-144 (the 1990 HUD Appropriations Act),

NOW, THEREFORE, the City of Washington adopts the following policy: The use of excessive physical force by law enforcement agencies within its jurisdiction against any individual engaged in nonviolent civil rights demonstrations is prohibited.

The use of excessive force is any degree of physical action beyond mere restraint. The use of physical force shall be restricted to the amount of force which is reasonable and apparently necessary to effect a lawful arrest or in defense of self or others.

Striking or any form of restraint in which injury occurs shall be considered use of force. Additionally, the pointing of any firearm directly at any person shall be deemed use of force.

Mere restraint is defined as physically overpowering without striking or using weapons. Scuffling, holding, tackling, etc., may or may not be mere restraint, depending upon the circumstances. Whenever doubt exists as to whether the level of restraint used constitutes use of force, the immediate supervisor will be notified of the incident and will make a determination.

Additionally, the City of Washington will pursue a policy of enforcing applicable state laws against physically barring entrance to or exit from a facility or location that is the subject of a nonviolent civil rights demonstration within its jurisdiction and in accordance with Section 519 of P.L. 101-144.

Adopted this 26th day of July, 2010.

Archie Jennings, Mayor

ATTEST:

Cynthia Bennett, City Clerk

CITY OF WASHINGTON
SECTION 519 CERTIFICATION

City of Washington

Grantee

102 East Second Street, PO Box 1988, Washington NC 27889

Grantee's Address

09-C-2050

Grant Number

I hereby certify that the City of Washington has adopted and will enforce a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations and has adopted and is enforcing a policy of enforcing applicable state and local laws against physically barring entrance to or exit from a facility or location which is the subject of such nonviolent civil rights demonstration within its jurisdiction in accordance with Section 519 of Public Law 101-144 (the 1990 HUD Appropriations Act).

Archie Jennings, Mayor

Typed Name and Title of Certifying Official

Signature of Certifying Official

Date

City of Washington FY09 CDBG Housing Development Project
Floodplain Certification

The housing construction activities included in the City of Washington FY09 CDBG Housing Development project are located in the 100-year floodplain. As Mayor of the City of Washington, I hereby certify that the City of Washington is an active participant in the National Flood Insurance Program, and that all project activities will be conducted in strict compliance with the city's Flood Damage Prevention Ordinance and the Beaufort County Multi-Jurisdictional Hazard Mitigation Plan. I further certify that all CDBG-assisted residential properties constructed in the flood hazard area will have finished floor elevations above the 100-year flood level as required by the City Inspections Department.

Certified this 9th day of July, 2010.

Archie Jennings, Mayor

ATTEST



City of Washington

P. O. Box 1988, Washington, NC 27889-1988

July 9, 2010

Mr. Dennis Branch
NC Division of Community Assistance
4313 Mail Service Center
Raleigh, North Carolina 27699-4313

Re: City of Washington FY09 CDBG-HD
Grant #09-C-2050
Release of Funding Approval Conditions

Dear Mr. Branch:

Enclosed are the following documents and statements required to release of the funding approval conditions for the above-referenced grant:

Condition A - Environmental Condition

- The required Environmental Review Record has been submitted to Ms. Pauline High with your agency under separate cover.

Condition B - Citizen Participation and Compliance

- Copy of publisher affidavits and certified minutes from two required public hearings.

Condition C - Floodplain Condition

- See attached Floodplain Certification.

Condition D - Performance Based Contract

- Two copies of executed Performance Based Contract. (Please return one fully executed copy to the city).

Condition E - Administration Contracts/Inter-local Agreements

- Copy of Contract for Administrative Services with Holland Consulting Planners, Inc.

Condition F - Use of Experienced CDBG Administrator

- As Chief Elected Official for the City of Washington and by affixing my signature to this letter, I hereby certify that the City of Washington will be using Holland

July 26, 2010
Page 74 of 345

Consulting Planners, Inc. (HCP) as the CDBG Administrator for this program. HCP has over 20 years of experience in administering various CDBG programs.

Condition G - Legally Binding Commitment Condition

- The City Council will approve the LBC between Washington Housing Incorporated and the City of Washington on July 26, 2010, and the LBC will be forwarded to DCA by July 31st.

If you have any questions regarding these items, please feel free to contact our CDBG Program Administrator, Reed Whitesell, at (910) 392-0060.

Sincerely,

Archie Jennings, Mayor
City of Washington

Encls.

Performance Based Contract: Implementation Schedule

Name of Grantee: City of Washington FY09 CDBG-HD Grant Number: 09-C-2050

First quarter begins on the date of DCA Director's signature on the Grant Agreement and Funding Approval.

List goals to be accomplished each Quarter.

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	5th Quarter	6th Quarter	7th Quarter	8th Quarter	9th Quarter	10th Quarter
	% Process Completed Description									
1. Administrative Activities a. Grant Agreement/Funding Approval	100%									
b. Environmental Condition	75%	100%								
c. Citizen Participation Condition	100%									
d. Flood Plain Compliance Condition	100%									
e. Other Conditions	100%									

Performance Based Contract: Implementation Schedule

Name of Grantee: City of Washington FY09 CDBG-HD Grant Number: 09-C-2050

First quarter begins on the date of DCA Director's signature on the Grant Agreement and Funding Approval.

List goals to be accomplished each Quarter. Activities should correspond to those on the Budget and National Objectives Part A Benefit: Low and Moderate Income forms in application approved for funding.

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	5th Quarter	6th Quarter	7th Quarter	8th Quarter	9th Quarter	10th Quarter
	% Units									
2. Housing Activities										
a. Relocation										
b. Acquisition		25%	100%							
c. Disposition										
d. Clearance										
e. Rehabilitation of privately-owned dwellings (Includes any on-site installations; e.g., septic tanks, wells)										
f. Units constructed (WHI)				10%	20%	40%	60%	80%	100%	
g. Units occupied					10%	20%	40%	60%	80%	100%

Performance Based Contract: Implementation Schedule

Name of Grantee: City of Washington FY09 CDBG-HD Grant Number: 09-C-2050

First quarter begins on the date of DCA Director's signature on the Grant Agreement and Funding Approval.

List goals to be accomplished each Quarter. Activities should correspond to those on the Budget and National Objectives Part A Benefit: Low and Moderate Income forms in application approved for funding.

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	5th Quarter	6th Quarter	7th Quarter	8th Quarter	9th Quarter	10th Quarter
	% Process Completed Description									
3. Water Improvements Engineering Bidding Process Contract Awarding Construction/Installation Work Completed										
4. Sewer Improvements Engineering Bidding Process Contract Awarding Work Construction Work Completed										
5. Street Improvements Engineering Bidding Process Contract Awarding Construction/Installation Work Completed										
6. Drainage Improvements Engineering Bidding Process Contract Awarding Construction/Installation Work Completed										
7. Other Improvements Work Completed										

8. Signature of Authorized Local Official

Name Archie Jennings

Mayor, City of Washington

Title

July 9, 2010

Date

9. Signature of Authorized DCA Official

Gloria Nance-Sims

Director, Division of Community Assistance

Date



City of Washington
MEMORANDUM

To: Mayor Jennings & Members of the City Council
From: Matt Rauschenbach, CFO
Date: July 26, 2010
Subject: Reporting of reallocation of funding 2009/2010 Budget– General Fund, Water Fund, Sewer Fund, Storm Water Fund, Electric Fund, and Airport Fund.

The following reallocations of funding between divisions within the General Fund, Water Fund, Sewer Fund, Storm Water Fund, Electric Fund, and Airport Fund have been approved by the City Manager in order to cover departmental deficiencies with inter-departmental funds, thus avoiding additional appropriations:

General Fund:

-Decreased Miscellaneous	\$41,629
-Decreased Economic Development	\$9,375
-Decreased EMS	\$52,175
-Increased Mayor	\$940
-Increased Human Resources	\$1,650
-Increased Finance	\$2,660
-Increased Billing	\$12,680
-Increased Customer Service	\$8,142
-Increased Legal Services	\$29,000
-Increased Municipal Building	\$8,280
-Increased Code Enforcement/Inspections	\$7,025
-Increased Street Maintenance	\$9,926
-Increased Street Lighting	\$2,000
-Increased Public Works Director	\$2,380
-Increased Brown Library	\$4,532
-Increased Recreation Administration	\$5,929
-Increased Events & Facilities	\$6,585
-Increased Civic Center	\$350
-Increased Outside Agencies	\$1,100

Water Fund:

-Decreased Water Treatment	\$8,755
-Increased Public Works Director	\$1,385
-Increased Water Construction	\$7,370

Sewer Fund:

-Decreased Wastewater Treatment Plant	\$1,510
-Increased Public Works Director	\$1,510

Storm Water Fund:

-Decrease Contingency	\$5,275
-Increase Administration and Operations	\$5,275

Electric Fund:

-Decreased Power Line Construction	\$105,460
-Increased Misc. Non-Departmental	\$7,310
-Increased Utility Communications	\$28,650
-Increased Purchase Power	\$69,500

Warren Field Airport Fund:

-Increased Airport Operations	\$14,590
-Decreased Airport Contingency	\$14,590



Jim Heath
City Manager



City of Washington REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
 From: Philip Mobley, Director Parks and Recreation *PWM*
 Date: July 26, 2010
 Subject: Accept- Donation from Lee Chevrolet Buick (\$10,000)
 and Adopt-Budget Ordinance Amendment for the donation (\$10,000)

Applicant Presentation:

Staff Presentation:

RECOMMENDATION:

- (1) I move that City Council accept a donation in the amount of \$10,000 from Lee Chevrolet Buick.
- (2) I move that City Council adopt a Budget Ordinance Amendment in the amount of \$10,000 for funding the July 4, 2010 fireworks in the Special Events Division of the Parks and Recreation Department.

BACKGROUND AND FINDINGS:

In late June 2010 the Chamber of Commerce Contacted Parks and Recreation Department saying that Lee Chevrolet Buick was interested in sponsoring the Waterfront Fireworks display in the amount of \$10,000. Kristi Hardison, Events & Facilities Manager, facilitated this in a three day period of time along with help from other departments; Fire, Police, Public Works, Electric and other agencies; Tourism Development Authority, Chamber of Commerce, Washington Harbor District Alliance, NC Wildlife Commission, US Coast Guard, and Bunyan Volunteer Fire Department.

We thank Lee Chevrolet Buick for sponsoring the 2010 Fireworks.

PREVIOUS LEGISLATIVE ACTION

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

City Attorney Review: _____ Date By: _____ (if applicable)
 Finance Dept Review: _____ Date By: _____ (if applicable)
 City Manager Review: *JCS* Concur _____ Recommend Denial _____ No Recommendation *7/22/10* Date

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2009-2010**

BE IT ORDAINED by the City Council of the City of Washington, North Carolina:

Section 1. That account number 10-40-3612-4802, Recreation Fees Special Events portion of the General Fund revenue budget, be increased in the amount of \$10,000.

Section 2. That account number 10-40-6121-3403, Special Events portion of the General Fund appropriations budget, be increased in the amount of \$10,000.

Section 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 4. This ordinance shall become effective upon its adoption.

Adopted this the 26th day of July, 2010

MAYOR

ATTEST:

CITY CLERK



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Allen Lewis, Public Works Director *AL*
Date: 07-13-10
Subject: Adopt Budget Ordinance Amendment for Sewer Improvements Along Pennsylvania Avenue (\$15,000).
Applicant Presentation: N/A
Staff Presentation: Allen Lewis

RECOMMENDATION:

I move that Council adopt a budget ordinance amendment to re-allocate funds for sewer improvements along Pennsylvania Avenue in the amount of \$15,000.

BACKGROUND AND FINDINGS:

This project is complete and operational in the field. However, there are ongoing issues with the contractor finishing up paper work for this project, including paying their vendors/subcontractors, that has prohibited us from closing this project out. Along with the project not being finished by the construction deadline, this has caused the need for additional engineering services. As a result, we are requesting the above mentioned funds being moved from the construction part of project to the engineering services portion. These additional costs will be recouped in the form of liquidated damages against the contractor. As such, the total overall cost of the project should be less than budgeted and there should be no additional costs incurred by the City.

PREVIOUS LEGISLATIVE ACTION

Last action item included budget ordinance amendment on January 19, 2010.

FISCAL IMPACT

Currently Budgeted (Account 71-90-8000-4500) Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

See attached Budget Ordinance Amendment.

City Attorney Review: _____ Date By: _____ (if applicable)
 Finance Dept Review: _____ Date By: July 26, 2010 (if applicable)
 City Manager Review: *AL* Concur Page 84 of 345 Denial No Recommendation 7/22/10 Date

**AN ORDINANCE TO AMEND THE PROJECT ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2009-2010**

BE IT ORDAINED by the City Council of the City of Washington, North Carolina:

Section 1. That the Construction portion of the CDBG Grant Fund Pennsylvania Avenue Sewer Extension project be decreased in the amount of \$15,000, account number 71-90-8000-4500.

Section 2. That account number 71-90-8000-0405, Engineering portion of the CDBG Grant Fund Pennsylvania Avenue Sewer Extension project be increased in the amount of \$15,000.

Section 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 4. This ordinance shall become effective upon its adoption.

Adopted this the 26th day of July, 2010.

MAYOR

ATTEST:

CITY CLERK



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Philip Mobley, Director, Parks and Recreation
Date: July 26, 2010
Subject: Authorize the City Manager to sign Release, Hold harmless and Indemnification Agreement with Bridge Harbor, LLC (Fireworks)
Applicant Presentation: None
Staff Presentation: Philip Mobley

RECOMMENDATION:

I move that City Council authorize the City Manager to sign the Release, Hold Harmless and Indemnification agreement with Bridge Harbor, LLC.

BACKGROUND AND FINDINGS:

On July 4, 2010 the City of Washington celebrated the evening on the waterfront with a fireworks show for the public.

Mr. Parker Overton, of Bridge Harbor, LLC, allowed this property to be used again this year for the City's fireworks show for the public.

This agreement is to release, hold harmless and indemnify Bridge Harbor, LLC.

All City departments in connection with this event have signed off on the location. This is the old location used in past years.

PREVIOUS LEGISLATIVE ACTION

On March 9, 2009 City Council Authorized the City Manager to sign the Release, Hold Harmless and Indemnification agreement with Bridge Harbor, LLC for the July 4, 2009 fireworks display.

On March 17, 2008 City Council Authorized the City Manager to sign the Release, Hold Harmless and Indemnification agreement with Bridge Harbor, LLC for the July 4, 2008 fireworks display.

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: July 26, 2010 (if applicable)
City Manager Review: *JM* Concur _____ Recommendation _____ Denial _____ No Recommendation *7/22/10* Date

**NORTH CAROLINA
BEAUFORT COUNTY**

RELEASE, HOLD HARMLESS AND INDEMNIFICATION AGREEMENT

WHEREAS, the City of Washington ("City") has contracted with East Coast Pyrotechnics, Inc. to provide a fireworks show for the public on July 4, 2010;

WHEREAS, the City has requested Bridge Harbor, LLC to allow its property to be used in conjunction with the above; and

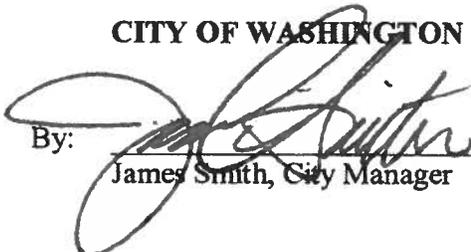
WHEREAS, Bridge Harbor, LLC desires to permit its property to be used in conjunction with the above upon the condition that the City furnish it with this Release, Hold Harmless and Indemnification Agreement ("Release").

NOW THEREFORE, know all persons by these presents, upon execution of this Release and in consideration of the foregoing, which consideration is acknowledged to be sufficient and legally binding, the City does hereby agree to unconditionally release, hold harmless, indemnify, acquit and forever discharge Bridge Harbor, LLC, and its respective agents, representatives, insurers, successors, and assigns, and each of them, respectively, of and from all and any manner of action or actions, cause and causes of actions, claims, demands, costs, expenses, attorney's fees, and consequential, general, special, and punitive damages or liabilities, known or unknown, on account of, or in any way related to or growing out of the use of Bridge Harbor, LLC's property to produce a firework show for the public on July 4, 2010 as more particularly described hereinabove.

IN WITNESS WHEREOF, the City has caused this instrument to be executed in its name by its City Manager, attested by its City Clerk, and its corporate seal to be hereunto affixed, all by proper corporate authority duly given.

This the 28 day of June, 2010.

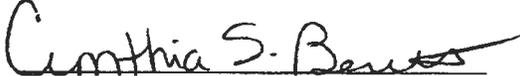
CITY OF WASHINGTON

By: 

James Smith, City Manager

(Seal)

ATTEST:



STATE OF NORTH CAROLINA
COUNTY OF BEAUFORT

I, Reatha B. Johnson, a Notary Public of the State and County aforesaid, do hereby certify that CYNTHIA S. BENNETT personally appeared before me this day and acknowledged that she is the City Clerk of the CITY OF WASHINGTON, a body politic and corporate, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Manager, sealed with its corporate seal and attested by herself as its City Clerk.

WITNESS my hand and Notarial seal, this the 28 day of June, 2010.

Reatha B. Johnson
NOTARY PUBLIC

My Commission expires: 12/14/2014.



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Allen Lewis, Public Works Director *alw*
Date: 07-16-10
Subject: Authorize Manager to Refund Ms. Sina Thurman Sewer Charges Beyond that Allowed by City Code.

Applicant Presentation: N/A
Staff Presentation: Allen Lewis

RECOMMENDATIONS:

I move that Council authorize the manager to refund Ms. Sina Thurman sewer charges beyond that allowed by City Code.

BACKGROUND AND FINDINGS:

Ms. Thurman lives outside the City on a private road just off of Highland Drive. She is an outside city water customer who has also been charged outside city sewer since January of 2005. She was informed by her landlord last month that she had a septic tank and was not on city sewer. Staff has confirmed this on the ground and authorized a refund of 12 months worth of sewer charges, the maximum permitted per city code sec. 38-217(a)(1) which states, "If the city determines that it has overcharged or undercharged a customer on account of its error, the city shall refund or recover the difference subject to the following: The adjustment period shall be limited to the lesser of the actual period during which the error occurred or twelve (12) months". This amounted to a \$703.51 adjustment.

While Ms. Thurman is familiar with the above noted portion of the City Code, she is not satisfied with the adjustment thus far and feels that she is due an adjustment from January of 2005. This would result, by my calculations, in an additional adjustment of \$2,618.14.

Thus, based on recent precedent by Council, staff is asking Council to authorize us to refund the balance noted above.

PREVIOUS LEGISLATIVE ACTION

N/A

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: July 26, 2010 (if applicable)
City Manager Review: _____ Concur _____ Page 2 of 4 Denial _____ No Recommendation _____ Date _____



City of Washington REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: John Rodman, Planning & Development
Date: July 15, 2010
Subject: Public hearing: Consider a zoning change consisting of 7.78 acres of property located at the intersection of Hwy 17 N & New Hope Road

Applicant Presentation: Jason Briley, Northgate Homes
Staff Presentation: Dot Moate, Planning Board Chairman
 John Rodman, Planning and Development

RECOMMENDATION:

I move that the City Council accept the recommendation of the Planning Board and approve the rezoning of the property located at the intersection of Hwy 17 N and New Hope Road (SR 1439) containing 7.78 acres, from RA-20 (Residential Agricultural) to B-4 (Neighborhood Business) based on the enclosed statement of findings by the Planning Board.

BACKGROUND AND FINDINGS:

A request has been made by Mr. Jason Briley, representing Northgate Homes, to rezone approximately 7.78 acres of property located at the intersection of Hwy 17 N and New Hope Road (SR 1439). The property is currently zoned RA-20 (Residential Agricultural) and the request is to rezone the property to B-4 (Neighborhood Business). The Planning Board voted 7-0 to recommend to City Council to approve the rezoning of the 7.78 acres.

PREVIOUS LEGISLATIVE ACTION

Planning Board meeting – April 27, 2010
 Planning Board meeting – June 22, 2010 – Planning Board recommended approval

FISCAL IMPACT

Currently Budgeted (Account _____) _____ requires additional appropriation
 No Fiscal Impact

SUPPORTING DOCUMENTS

Application for the rezoning	Planning Board report
Maps of the subject property	Permitted Uses

City Attorney Review: _____	Date By: _____	(if applicable)
Finance Dept Review: _____	Date By: _____	(if applicable)
City Manager Review: <i>[Signature]</i>	Concur _____	Recommend Denial _____ No Recommendation

7/22/10 Date
Recommend access from New Hope Rd only and setbacks consistent with US 17 plans by DOT

CITY OF WASHINGTON
DEPARTMENT OF PLANNING AND DEVELOPMENT
REZONING REQUEST APPLICATION

Date 3-10-10

Fee \$ 625.00

OWNERSHIP INFORMATION

Applicant: Northgate Homes LLC

Address: 25601 West 5th St Washington NC 27889

Phone No: 252-341-0723

Applicant's Legal Interest in the Property: _____

Owner: Northgate Homes LLC

Address: "

Phone No. "

Date Property Acquired: 1-25-08 Deed Reference: 1679-808 Lot 4
1626-392 Lot 3

PROPERTY INFORMATION

Tax Map: 5677-48-0451 Parcel Number: 15025221 Lot 3
5677-48-0185 15025222 Lot 4

Area (square feet or acres): 7.78 Acres

Current Land Use: RA20

Location of Property: South corner of New Hope Rd + Hwy 17 North

ZONING REQUEST

Existing Zoning: RA20 Requested Zoning: B-4

Reason for zoning change and a statement regarding the changing conditions, in the area and in the City, that makes the proposed amendment reasonably necessary to the promotion of the public health, safety, and general welfare.

With the growing up Northgate Sub. would like
to have services for the subdivision.

PROPERTY OWNERS WITHIN 100 FEET

LIST THE ADJOINING PROPERTY OWNERS WITHIN 100 FEET OF THE PROPERTY IN QUESTION. (NOTE: WHERE THE PROPERTY IS BOUND BY A STREET, ALLEY, STREAM, OR SIMILAR BOUNDARY, THE LAND OWNER ACROSS SUCH BOUNDARY SHALL ALSO BE CONSIDERED AS AN ADJOINING LAND OWNER.)

TO FIND LISTINGS OF ADJOINING PROPERTY OWNERS, FOLLOW THESE STEPS.

- STEP 1. Locate the subject property on the map in the City Planning Office and write down the entire parcel number. Be sure to write down the map number, section number, and individual parcel number, in that order. (Example: 5675-06-3291)
- STEP 2. Go to the Beaufort County Land Records Office at 220 N. Market Street, show the attendant the parcel number, and ask the attendant to run off a map of the property that shows the adjacent property for at least 100 feet on all sides. The attendant can look up the owners names, parcel numbers, and addresses for the lots within 100 feet of the subject property, or show you how to find the information on the land records computer. (In the Beaufort County records, the parcel number is called the "alternate parcel number.")
- STEP 3. Write down the name(s) of the owner of each of the adjacent lots within 100 feet, the parcel number of the lot, and the owner's entire address. If no address is listed, make a note to that effect.

❖ PLEASE NOTE: ACCURACY IS VERY IMPORTANT BECAUSE IF SOMEONE WITHIN 100 FEET OF THE PROPERTY IN QUESTION FAILS TO GET NOTIFIED, THE REQUEST MAY BE VOIDED EVEN IF THE BOARD VOTES IN YOUR FAVOR.

	<u>NAME</u>	<u>PARCEL NUMBER</u>	<u>ADDRESS</u>
1.	Donald Manning	15015095	3502 US Hwy 17 North Watington NC 27131
2.	" "	02032413	" "
3.	Haywood Moore	02002073	322 New Hope Rd "
4.	Russ Blount	02024722	602 New Hope Rd "
5.	Mary Moore Blount Hts.	15006057	3625 US Hwy 17 North "
6.	East Carolina Farms LLC	02006541	1905 Charleston Dr Greenville NC 27
7.	"	15022851	" "
8.	NCDOT	15015908	105 Eastbrook Dr Greenville, NC 27
9.			
10.			
11.			
12.			
13.			
14.			
15.			

LEGAL DESCRIPTION (Metes and Bounds Description):

To Wit: See map.

Location: _____

OWNER/AGENT STATEMENT

I, James D. Dilley, being the Owner or Agent acting on behalf of the owner request that the attached rezoning request of _____ be placed on the agenda of the Planning Board meeting scheduled for ____ / ____ / ____.

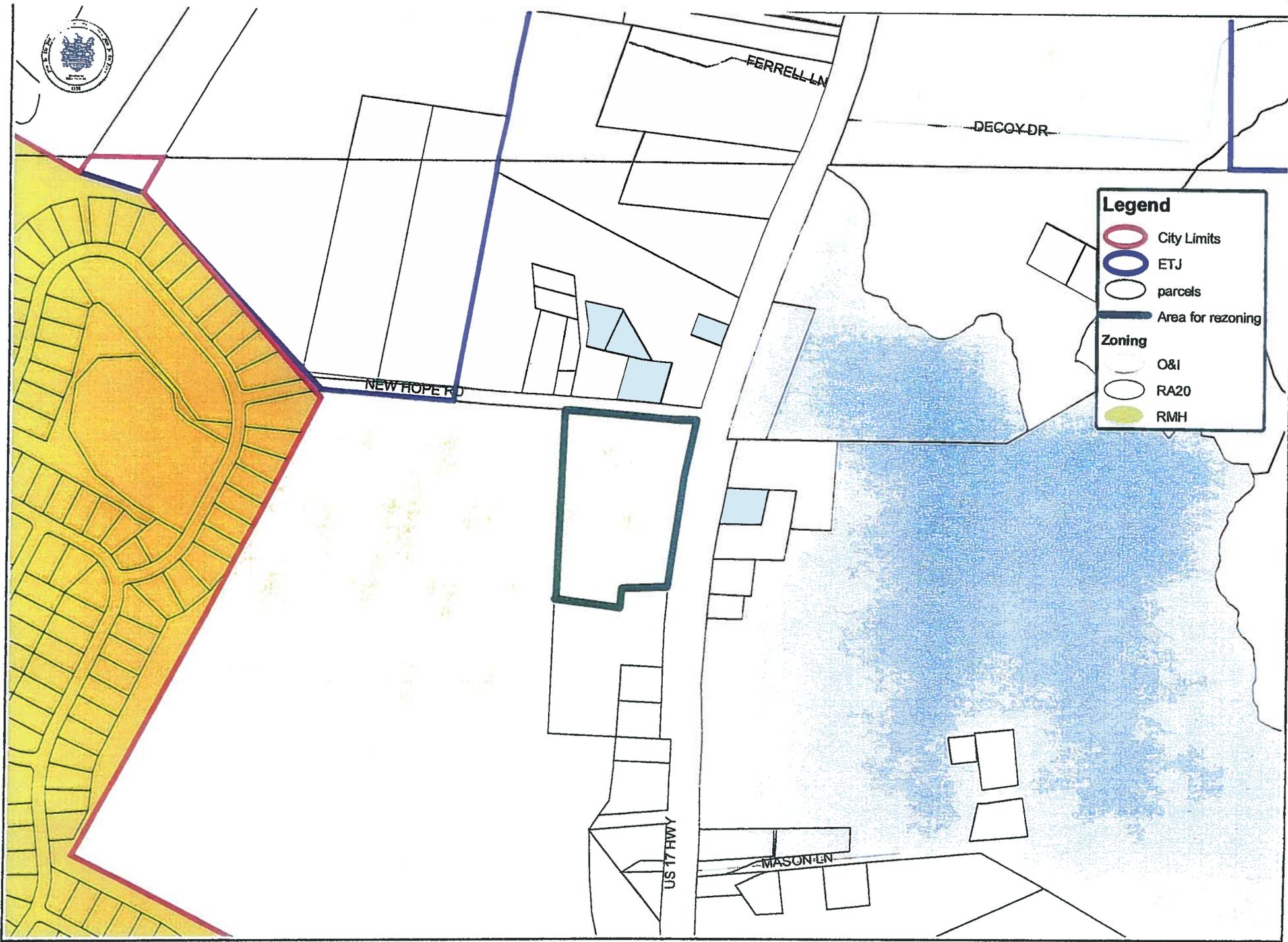
I certify that all of the information presented by me in this application is accurate to the best of my knowledge, information, and belief. I authorize the City of Washington to place a sign on the property in question for the purpose of alerting the general public of my request, no less than seven (7) days prior to the meeting.

I understand that failure to address any item in these requirements may result in the rezoning not meeting the minimum submission requirements and will be returned to me for the revision and resubmission at the next regular review cycle.

James D. Dilley
Signature

3-10-10
Date

NOTE: Agents acting on behalf of property owners must submit a notarized letter from the property owner which gives them the authority to act on their behalf.

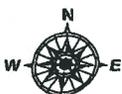


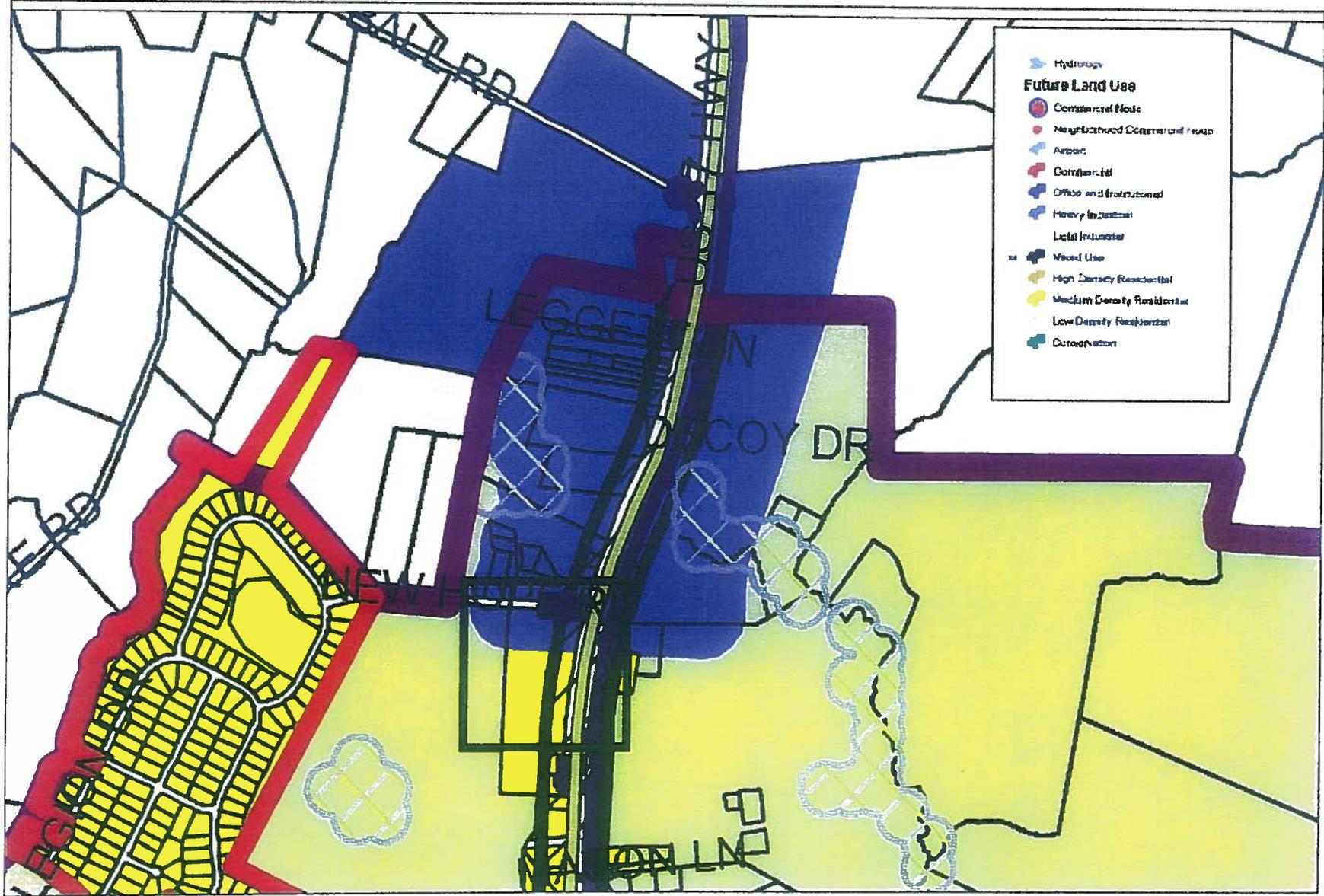
Legend

- City Limits
- ETJ
- parcels
- Area for rezoning

Zoning

- O&I
- RA20
- RMH





 Area for rezoning

B4 NEIGHBORHOOD BUSINESS DISTRICT

B4		
Permitted Uses	Developmental Standards	Special Use Permits
Accessory Uses and Structures	Government Offices	Clubs or Lodges
Account, Audit or Bookkeeping	Libraries	Convenience Store (gas pumps)
Ad Agencies or Representatives	Public Parks	Restaurants, Conventional
Admin or Management Services	Public Recreation Facilities	Service Stations, Gasoline
Ambulance Services	Satellite Dishes/T.V. & Radio Ant.	Telecommunication Towers
Arts and Crafts	Swimming Pools	
Auditor, Coliseums, or Stadiums	Temporary Events	
Auto Park Lots, Grade Level		
Bakeries		
Banks, Savings or Credit Unions		
Barber Shops		
Beauty Shops		
Bookstores		
Cake Decorating Supply Stores		
Camera Stores		
Candle Shops		
Candy Stores		
Churches		
Coin, Stamp or Collectable Shop		
Computer Services		
Convenience Store (no gas)		
Cosmetic Shops		
Dairy Products Stores		
Dance Schools		
Drugstores		
Econ, Soci, & Educ Research		
Employment Agencies		
Engineer, Architect, or Survey		
Finance or Loan Offices		
Fire Stations		
Florists		
Food Stores		
Gardens		
Gift or Card Shops		
Hardware Stores		
Hobby Shops		
Insurance Agencies (no on site)		
Laundromats, Coin Operated		
Laundry or Dry Cleaning Plants		
Laundry or Dry Cleaning Subst		
Law Offices		
Medical, Dental, or Related Off		
Museums or Art Galleries		
Musical Instrument Sales		
Newsstands		
Noncommercial Research Org.		
Office Uses Not Classified		
Optical Goods Sales		
Photocopying & Dupl Services		

WORKSHEET FOR REZONING REQUESTS

Applicant: Northgate Homes LLC
 Property Location: US Hwy 17 N & New Hope Road
 Parcel ID: 5677-48-0457 5677-48-0785
 Lot Size: 7.78 acres
 Existing Zoning Designation: RA-20 (Residential Agricultural)
 Proposed Zoning Designation: B-4 (Neighborhood Business)
 Meeting Date: June 22, 2010

REASONABLE FINDINGS OF FACT

A. Size of the tract- The overall size of the tract of land proposed for rezoning is reasonable when compared to the size of the zoning district in which the subject property is located.	<input checked="" type="radio"/> Yes	No
B. Compatibility with a comprehensive plan- The proposed rezoning is consistent with any comprehensive plan, area plan or elements thereof.	<input checked="" type="radio"/> Yes	No
C. Impact- The impact to the adjacent property owners and the surrounding community is reasonable, and the benefits of the rezoning outweigh any potential inconvenience or harm to the community.	<input checked="" type="radio"/> Yes	No
D. Comparison of uses- The allowed uses within the proposed zoning district are similar or compatible to the surrounding area and zoning district.	<input checked="" type="radio"/> Yes	No

X GRANTING THE REZONING REQUEST

Motion to grant the rezoning request upon finding that the rezoning is reasonable considering one or more of the above findings of fact A-D being found in the affirmative and that the rezoning advances the public interest.

DENYING THE REZONING REQUEST

Motion to deny the rezoning upon finding that the proposed rezoning does not advance the public interest and is unreasonable due to the following:

- A. The size of the tract.
- B. Incompatibility with the comprehensive plan or other adopted plan.
- C. Impact to surrounding community and immediate neighbors
- D. Permitted or special uses are not consistent with surrounding uses.



RESOLUTION OF THE CITY OF WASHINGTON PLANNING BOARD
CONTAINING A RECOMMENDATION TO THE
WASHINGTON CITY COUNCIL CONCERNING A PROPOSED
ZONING MAP AMENDMENT

WHEREAS, the City of Washington received a request to rezone certain property from RA-20 (Residential Agricultural) to B-4 (Neighborhood Business) which property is specifically identified as Beaufort County Parcel Identification Numbers 5677-48-0457 and 5677-48-0785; and

WHEREAS, North Carolina General Statute § 160A-383 states, in pertinent part "... the planning board shall advise and comment on whether the proposed amendment is consistent with any comprehensive plan that has been adopted and any other officially adopted plan that is applicable. The planning board shall provide a written recommendation to the governing board that addresses plan consistency and other matters as deemed appropriate by the planning board ...";

WHEREAS, the rezoning request was duly advertised and the subject of a public hearing by the Planning Board of the City of Washington on June 22, 2010; and

WHEREAS, the City of Washington Planning Board made the following findings and conclusions:

1. The subject parcels and rezoning request are subject to the Comprehensive Land Use Plan and other officially adopted plans by the City of Washington.
2. The rezoning request is not consistent with the City of Washington's Future Land Use Map because said map designates the subject parcels as an area suitable for an O & I (Office and Institutional) zoning classification.
3. The rezoning request is not unreasonable because of the inconsistency with said map because the land uses in close proximity to the proposed rezoning are compatible with the rezoning requests and the adjacent zoning district.
4. The rezoning request is consistent with the Comprehensive Plan which states that the demand for regional commercial nodes exist or will exist along the northern ETJ extent of the US Hwy 17 Bypass.
5. The rezoning request is in the public interest due to the change of land use activities in the area and because of the positive impact to the surrounding community and immediate neighbors.

NOW, THEREFORE, BE IT RESOLVED, on the basis of the foregoing findings and conclusions, the Planning Board does hereby recommend to the City Council that the rezoning request be **APPROVED**.

Dot Moate, Chair
City of Washington Planning Board

Date

Northgate Homes, LLC
Jason Briley



City of Washington
REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Bianca Gentile, Special Projects
Date: July 26, 2010
Subject: Public Hearing for the City of Washington's Capacity Building Grant # 08-C-1812
Applicant Presentation: N/A
Staff Presentation: N/A

RECOMMENDATION:

I move that Council support a program amendment to the project description for Community Development Block Grant: 08-C-1812- Capacity Building that eliminates the training and hiring of new staff as a function of the grant.

BACKGROUND AND FINDINGS:

The current economic crisis and the lack of private foundation support (Z. Smith Reynolds foundation declined their application to expand staff levels) negates the addition of a new staff as a prudent move for the sub-grantee, Washington Housing Incorporated (WHI). WHI's grant match remains the same and no budget revisions are required. This action will not have a negative effect on the project timeline or budget.

PREVIOUS LEGISLATIVE ACTION:

None

FISCAL IMPACT:

X Currently Budgeted (57 3470 000) ___ Requires Additional Appropriation ___ No Fiscal Impact

SUPPORTING DOCUMENTS:

A copy of the complete CDBG grant files are available in the Planning Department.

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review:  Concur _____ Rejected _____ Denial _____ No Recommendation 7/22/10 Date
Page 104 of 345



CITY OF WASHINGTON

July 26, 2010

Susan Nolan

NC Department of Commerce
1307 Glenwood Avenue, Suite 250
4313 Mail Service Center
Raleigh, NC 27699-4313

Subject: Capacity Building Grant, 08-C-1812, Program amendment

Dear Ms. Nolan,

This letter serves to inform the NC Department of Commerce, Division of Community Assistance of the change in the scope of services offered by the City of Washington per grant 08-C-1812. Washington Housing Incorporated, due to the current economic crisis, proposes to eliminate the hiring of a new staff member as a function of the grant. The proposed change does not affect the grant's estimated completion date or budget.

The following items have been included in the hopes of completing the CDBG project amendment process:

- An Application Summary Form signed by the chief elected official
- Revised project description
- Evidence of Public Hearing including certified minutes and affidavit of publication

Please feel free to contact me under any circumstances,

Sincerely,

N. Archie Jennings, III

**I. Application Summary
Capacity Building**

1. Applicant's name		City of Washington	2. Date
a. Mailing Address		102 East 2 nd Street	7/14/08 Original, dated: 7/26/2010 Amendment, dated:
b. City and Zip Code		Washington, NC 27889	
c. County		Beaufort County	
d. Contact Person		Bianca Gentile, Special Projects	
e. Telephone Number		252.402.6888	
f. Fax Number		252.946.1965	
g. e-mail address		bgentile@washingtonnc.gov	
3. Preparer's Name		Bianca Gentile	c. Telephone Number
a. Firm's Name		City of Washington	252.402.6888
b. Mailing Address		102 East Second Street	f. Fax Number
c. City and Zip Code		Washington, NC 27889	
d. e-mail address		bgentile@washingtonnc.gov	
4. Program Category	5. Project Number	6. Project Name	7. CDBG Funds Requested
C	1	Washington Housing Capacity Building	\$ 75,000.00
Total			\$ 75,000.00
10. Certification by the Chief Elected Official			
a) I certify that to the best of my knowledge and belief:			
(1) Data in this application is true and correct,			
(2) Opportunities have been provided for citizen participation and access to information concerning the proposed activities,			
(3) This document has been duly authorized by the governing body of the applicant and the applicant will comply with the attached certifications and state standards if the assistance is approved.			
b) I acknowledge that, if funded, this application is part of the Grant Agreement.			
c) Typed Name of Chief Elected Official >		N. Archie Jennings, III	
d) Typed Title >		Mayor	
e) Signature >			
f) Typed Date >		July 26, 2010	
For DCA Use Only		Date Received:	Application Number:

II. Non-Profit Partner

A. Certification Form

1. Name of Non- Profit: Washington Housing Incorporated
PO Office Box 2312
Address of Non-Profit: Washington, NC 27889
252.974.1810
Telephone Number: _____
Fax Number: 252.946.8700
E-mail Address: Housingcounsel@yahoo.com
2. Number of years non-profit has existed as an organization: 10
10
3. Number of years organization has had its 501 (c) 3 designation: _____

4. Certification by the Executive Director

- a) I certify that information provided on the non-profit organization is true and to the following statements:
- (1) The capacity building funds to be provided to the organization as a subrecipient will enable the organization to undertake activities heretofore not viable because of a lack of capacity in the organization;
 - (2) If funded, the organization and its Board understand that as a subrecipient of Small Cities CDBG funds, it will inherit the same federal and state requirements and responsibilities as the applicant/grantee.
 - (3) The organization's role in this application has been duly authorized by the governing board of the organization and the organization will comply with the attached certifications and all other **federal and state requirements**

- | | |
|-------------------------------------|--------------------|
| b) Typed Name of Executive Director | Marc Recko |
| c) Typed Title | Executive Director |
| d) Signature | |
| e) Typed Date | July 26, 2010 |

Project Description Narrative

1. How sub-recipient will use capacity building funds

Washington Housing Inc. will use the capacity building funds to inquire and secure necessary steps to make a smooth transition into the next phase of business for the nonprofit which is asset development for moderate to low income residents. Funds from the capacity grant will help set the stage for the new endeavors of WHI.

2. How funds will enable sub-recipient to undertake new activities

Reaching new heights of service will require additional funding to be certain that the very successful programs that are currently run by WHI do not suffer. These include the IDA Program for Homeownership, credit counseling, financial literacy classes, EITC Program and the FSS Program. WHI has a very strong match for the IDA Program for Homeownership of 4:1 and is in the second year of a \$50K grant from Z Smith Reynolds Foundation. The Housing Authority kicked in some seed money for the nonprofit when they took the asset building program over to be run out of their nonprofit, WHI. Nevertheless, in order to move to the new level that is desired and desperately needed in our community, the nonprofit is in need of the capacity funds to firmly plant its feet on new ground for a secure future.

3. CDBG financial assistance is needed to undertake these new activities

The capacity funds will allow aid for salary of existing staff as well as give the nonprofit the boost it needs to expand services and programs. Washington Housing Authority does manage the nonprofit, however, as with most Public Housing Authorities, most funds are designated to services that are approved by HUD and this allows for little outward growth of the Housing Authority or it's nonprofit without seeking outside funds to begin new endeavors such as the one that WHI is pursuing. WHI is embracing all necessary steps at this stage to allow for the purchase of 25 lots at Northgate subdivision with the HD grant offered by the state at a little later date. The hopes of the nonprofit is that this will only be the beginning of a very successful future in the business of asset development for WHI in that WHI will become self-sustaining enough through this first project to finance or to receive financing for the next project.

4. Short and long term goals of sub-recipient

Short term goals:

WHI has worked hard to establish a firm foundation from the first thought of the proposed new project with its working partners such as financial institutions, the City of Washington and other nonprofits. WHI has worked effectively over the past 2 years to bring its board into the work of the nonprofit and will continue to work closely with the board on all new endeavors of the nonprofit in the future. WHI is working to become a HUD approved Counseling Agency which will bring additional funds into the nonprofit. This will allow for further expansion of WHI's already structured counseling program that is currently offered by WHI's Certified Housing Counselor and partners. WHI has and will continue to assess needs of homeownership thru programs that are already in place such as the IDA, FSS and annual reviews of public housing and Section 8 residents. The Northgate project is an opportunity that presented itself to the nonprofit and is a wonderful chance for the nonprofit to take a leap of faith in an area that has been a goal of WHI for some time. This would be the first project of the construction phase of WHI of single family homes. Although Washington Housing Authority has many years experience in construction and management of public housing, this would be the housing authorities first ever project of single family homes. With WHI having many avenues to properly access needs of homeownership and with the resources WHI has available to provide down payment assistance to many potential home buyers through funding partners there is a strong consensus that WHI is ready to move toward providing affordable homes to the citizens that we serve.

Long term goals:

As said in the above paragraph, WHI has been preparing to construct affordable single family homes for 2 years and has worked with all vital entities to lay the ground work for success. WHI has plans to grow the nonprofit in such a way that many opportunities for wealth and housing can be obtained from "just one stop". Currently, Washington Housing Authority owns land in several counties that can easily be transformed into neighborhoods consisting of single family and multi family homes. If WHI receives funding from the Capacity Grant and hopefully the HD grant to follow, this will allow WHI to build up a nice reserve through the homes WHI sells so that in the future when WHI goes before a bank for development needs, WHI can stand on its own to secure financing for future developments.

5. Project expected to result from the CB assistance

The nonprofit, WHI has an opportunity to purchase 25 lots at Northgate sub-division in Washington at well below market price. The lots are owned by a developer and WHI has worked tirelessly over the past year to obtain the right to purchase these 25 lots for the purpose of constructing single family homes on the ½ acre lots. This would be a golden opportunity for WHI to become self sustaining with the sale of each home and ultimately will allow for WHI to secure it's own financing in the future. WHI has researched the project very well, and along the way of administering the IDA Program for Homeownership, WHI has discovered that Washington is vastly lacking in newer affordable homes. Often the government loans that WHI works with as far as down payment assistance and which offer the best interest rates for first time home buyers usually have the stipulation attached that the home being purchased must be newer than 1978. With Washington being the historic waterfront town that it is, home prices are often driven up by the market. So, the need is there to be innovative in meeting construction needs of moderate to low income residents. WHI realized several years ago that we need to be an active player in the establishment of affordable homes for the residents of Beaufort County.

6. Target market

The nonprofit, WHI belongs to The Washington Housing Authority and both entities operate to serve the needs of moderate to low income residents. The Housing Authority meets the basic needs of individuals through providing subsidized housing and the WHI has worked over the last 4 years to assist in building wealth for citizens who have been "left behind" by the changing economy through financial literacy classes, EITC tax program, increased assets through the purchase of a home upon completion or WHI's homeownership program.

7. How sub-recipient works with potential applicants/clients

WHI has operated an IDA program for homeownership for 4 years with its main goal of increasing wealth and building assets for residents who have been affected by the changing economy. In order to reach as many potential citizens as possible, WHI has participated in several housing fairs over the last 4 years and actually spear-headed a county wide Housing Summit for Homeownership just last November with the help of several speakers on a state level as well as presiding county and city officials. The event was well received as it brought over 90 residents to hear various speakers on the subject surrounding homeownership. In addition to being actively involved in the community, WHI strives to participate in financial education of residents as WHI holds 4 classes twice a year on credit repair, pre-homeownership, financial literacy and

increasing assets. Over 60 active partners have been trained to participate in teaching the classes. The FDIC trained over 54 people to teach the "Money Smart" class here in Washington and WHI has established a very close working relationship with The Cooperative Extension's family and consumer education agent. WHI partners with Susan Chase, agent of Cooperative Extension to teach a class called "Money In and Money Out". Another class that WHI offers is the pre-homeownership class where 4 professionals in their respective fields are brought in to talk to the class. All classes are always advertised, free and open to the public at large. WHI takes the opportunity to talk about the IDA Program for Homeownership at each class offered as well as at other events throughout the year. WHI has a certified housing counselor on staff and maintains a set goal of increasing wealth through increased credit scores for citizens of Beaufort and surrounding counties, thus conducting a high degree of one on one counseling with individuals wishing to improve credit by pulling credit reports and counseling on how to repair credit and the impact higher credit scores will ultimately have on increasing one's wealth. Also, WHI has just completed the 4th year of partnering with AARP during tax season where AARP volunteers prepare taxes free for low income and seniors while pressing to take advantage of EITC and other Tax Credits offered which result in increased income for residents. WHI encourages residents to save whether it be their tax refund or whether a participant is in the IDA Program for homeownership, which is a matched savings program. In the IDA Program for the \$1000 that the IDA participant saves in a cooperating bank's saving account, the nonprofit through affiliates match the savings upon graduation of the IDA participant for the purpose of applying the funds to down payment on the participants first home. The Housing Authority also has it's FSS program for qualifying residents, which is money placed in an interest bearing savings account as part of the program which allows the housing authority resident to set specific goals for homeownership or other goals, and upon completion of the program, the entire balance in the savings account can be used toward the down payment of a home. WHI is also a member of the loan pool with North Carolina Housing Finance Agency where participants who have graduated from the IDA program are eligible to receive a soft second loan from NCHFA of up to \$20K at no interest and no payment for up to 30 years as long as the home owner stays in the home. WHI works to layer the down payment assistance as much as possible to help the home buyer purchase an affordable mortgage for years to come.

8. Plans/strategies on developing relationships with partners that lead to future funding sources for future CDBG projects

WHA has a great relationship with Wachovia Bank on operations involving the housing authority. WHI has very strong partnerships with financial

institutions as far as the IDA program and over the last year, WHI began conversing with a few of the banks that are aware of the work WHI is involved with to explore financing opportunities for future construction of single family homes. WHI was told basically the same thing from the banks. While WHA is very strong financially, all money is tied to HUD funds which are untouchable for exploring new opportunities in construction of homes under the nonprofit and while the nonprofit has been in operation for several years and has a proven track record, WHI has not built up the reserve it needs to stand alone in the construction phase of new projects at this time. It has been communicated that with a reserve established in WHI's bank account which would become a reality if WHI receives the capacity and HD grant from NC Department of Commerce, then WHI will be strong enough to stand alone for future financing. To date WHI has met with Wachovia and First Citizens Bank, however, plans do include meetings with BB&T and First South Bank as well. First South Bank is a local bank and has been instrumental in supporting the IDA Program for Homeownership from its beginning and currently holds most of the IDA savings accounts for participants.

9. Other funding sources for activities the sub-recipient plans to undertake in future CDBG project

As stated earlier, WHI is working to complete an application to become a HUD approved counseling agency which will bring additional funding to expand the counseling capabilities of the nonprofit. WHI would hire an additional person to become a certified housing counselor upon receiving funds from the Super Nova which will expand efforts into the 6 surrounding counties served by Washington Housing Authority and further expand upon the already successful counseling program created by the nonprofit. WHI is currently in year 2 of a grant applied for and received by Z Smith Reynolds Foundation and will possibly apply for another round of funding from Z Smith next year. In addition, profits realized from the project at hand will allow the nonprofit additional resources in which to build staff to handle expected growth in WHI. Washington Housing Authority is applying to HUD to receive a grant for the FSS program. This will allow for unification of the Housing Authority and the nonprofit, as WHI works to monitor operations of the FSS program. Additional staff will be brought aboard as needed.



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: G. Mitchell Reed, Chief of Police
Date: June 26, 2010
Subject: Public Comment Period and action to approve application for 2010 Edward Byrne Memorial Justice Assistance Grant (\$12,852)

Applicant Presentation:
Staff Presentation: N/A

RECOMMENDATION:

I move that the Washington City Council hold a public comment period and, upon conclusion, approve the application to the Bureau of Justice through the Edward Byrne Memorial Justice Grant opportunity, local solicitation direct appropriations.

BACKGROUND AND FINDINGS:

- \$12,852 is available to the City of Washington in non-competitive, direct appropriation funds through the Edward Byrne Memorial Justice Assistance Grant (JAG) Program.
- The City proposes to use the funds to purchase essential police gear.
- Participation in the program requires no local match.

PREVIOUS LEGISLATIVE ACTION

FISCAL IMPACT

Currently Budgeted Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

Page 2 of the Budget Detail Worksheet.

City Attorney Review: _____ Date By: _____ (if applicable)
 Finance Dept Review: _____ Date By: _____ (if applicable)
 City Manager Review:  Concur _____ Recommend Denial _____ No Recommendation  Date _____

Budget Detail Worksheet

Purpose: The Budget Detail Worksheet may be used as a guide to assist you in the preparation of the budget and budget narrative. You may submit the budget and budget narrative using this form or in the format of your choice (plain sheets, your own form, or a variation of this form). However, all required information (including the budget narrative) must be provided. Any category of expense not applicable to your budget may be deleted.

A. Personnel - List each position by title and name of employee, if available. Show the annual salary rate and the percentage of time to be devoted to the project. Compensation paid for employees engaged in grant activities must be consistent with that paid for similar work within the applicant organization.

Name/Position	Computation	Cost
Position 1, each position entry limited to one line		
Position 2		
Position 3		
Position 4		
Position 5		
Position 6		
SUB-TOTAL		\$0.00

B. Fringe Benefits - Fringe benefits should be based on actual known costs or an established formula. Fringe benefits are for the personnel listed in budget category (A) and only for the percentage of time devoted to the project. Fringe benefits on overtime hours are limited to FICA, Workman's Compensation, and Unemployment Compensation.

Name/Position	Computation	Cost
Fringe benefit 1, each benefit entry is limited to one line		
Fringe benefit 2		
Fringe benefit 3		
Fringe benefit 4		
Fringe benefit 5		
SUB-TOTAL		\$0.00
Total Personnel & Fringe Benefits		\$0.00

C. Travel - Itemize travel expenses of project personnel by purpose (e.g., staff to training, field interviews, advisory group meeting, etc.). Show the basis of computation (e.g., six people to 3-day training at \$X airfare, \$X lodging, \$X subsistence). In training projects, travel and meals for trainees should be listed separately. Show the number of trainees and the unit costs involved. Identify the location of travel, if known. Indicate source of Travel Policies applied, Applicant or Federal Travel Regulations.

Purpose of Travel	Location	Item	Computation	Cost
Travel entry 1, two lines per entry				
Travel entry 2				
Travel entry 3				
Travel entry 4				
Travel entry 5				
Travel entry 6				
Travel entry 7				
TOTAL				\$0.00

D. Equipment - List non-expendable items that are to be purchased. Non-expendable equipment is tangible property having a useful life of more than two years and an acquisition cost of \$5,000 or more per unit. (Note: Organization's own capitalization policy may be used for items costing less than \$5,000). Expendable items should be included either in the "supplies" category or in the "Other" category. Applicants should analyze the cost benefits of purchasing versus leasing equipment, especially high cost items and those subject to rapid technical advances. Rented or leased equipment costs should be listed in the "Contractual" category. Explain how the equipment is necessary for the success of the project. Attach a narrative describing the procurement method to be used.

Item	Computation	Cost
Light Weight Duty Gear (belt, holster, handcuff case, etc.)	\$200 each for 37 sworn officers	\$7,400.00
Uniform Shirt Badges	\$71.20 each for 35 sworn officers	\$2,492.00
Special Event Uniform Shirts	\$40 each for 37 sworn officers	\$1,480.00
Special Event Uniform Pants	\$40 each for 37 sworn officers	\$1,480.00
equipment entry 5		
TOTAL		\$12,852.00

E. Supplies - List items by type (office supplies, postage, training materials, copying paper, and expendable equipment items costing less than \$5,000, such as books, hand held tape recorders) and show the basis for computation. (Note: Organization's own capitalization policy may be used for items costing less than \$5,000). Generally, supplies include any materials that are expendable or consumed during the course of the project.

Supply Items	Computation	Cost
Supply item 1, one line per entry		
supply item 2		
supply item 3		
supply item 4		
supply item 5		
supply item 6		
supply item 7		
supply item 8		
supply item 9		
TOTAL		<u>\$0.00</u>

F. Construction - As a rule, construction costs are not allowable. In some cases, minor repairs or renovations may be allowable. Check with the program office before budgeting funds in this category.

Purpose	Description of Work	Cost
four lines per entry, use boxes below or an additional page for more space if required		
TOTAL		<u>\$0.00</u>

G. Consultants/Contracts - Indicate whether applicant's formal, written Procurement Policy or the Federal Acquisition Regulations are followed.

Consultant Fees: For each consultant enter the name, if known, service to be provided, hourly or daily fee (8-hour day), and estimated time on the project. Consultant fees in excess of \$450 per day require additional justification and prior approval from OJP.

Name of Consultant	Service Provided	Computation	Cost
Supply item 1, one line per entry	maximum of three lines		
Supply item 1, one line per entry			
Supply item 1, one line per entry			
Supply item 1, one line per entry			
<i>Subtotal</i>			\$0.00

Consultant Expenses: List all expenses to be paid from the grant to the individual consultants in addition to their fees (i.e., travel, meals, lodging, etc.)

Item	Location	Computation	Cost
Consultant expense entry 1, one line per	maximum of three lines		
	maximum of three lines		
Consultant expense entry 1, one line per	maximum of three lines		
<i>Subtotal</i>			\$0.00

Contracts: Provide a description of the product or service to be procured by contract and an estimate of the cost. Applicants are encouraged to promote free and open competition in awarding contracts. A separate justification must be provided for sole source contracts in excess of \$100,000.

Item	Cost	
maximum of four lines, additional information should be attached on a separate sheet(s)		
maximum of four lines		
<i>Subtotal</i>		\$0.00
TOTAL		\$0.00

H. Other Costs - List items (e.g., rent, reproduction, telephone, janitorial or security services, and investigative or confidential funds) by major type and the basis of the computation. For example, provide the square footage and the cost per square foot for rent, or provide a monthly rental cost and how many months to rent.

Description	Computation	Cost
four lines per entry, use boxes below or an additional page for more space if required		
TOTAL		\$0.00

I. Indirect Costs - Indirect costs are allowed only if the applicant has a Federally approved indirect cost rate. A copy of the rate approval, (a fully executed, negotiated agreement), must be attached. If the applicant does not have an approved rate, one can be requested by contacting the applicant's cognizant Federal agency, which will review all documentation and approve a rate for the applicant organization, or if the applicant's accounting system permits, costs may be allocated in the direct costs categories.

Description	Computation	Cost
one line per entry		
one line per entry		
TOTAL		\$0.00

Budget Summary- When you have completed the budget worksheet, transfer the totals for each category to the spaces below. Compute the total direct costs and the total project costs. Indicate the amount of Federal requested and the amount of non-Federal funds that will support the project.

Budget Category	Amount
A. Personnel	\$0.00
B. Fringe Benefits	\$0.00
C. Travel	\$0.00
D. Equipment	\$12,852.00
E. Supplies	\$0.00
F. Construction	\$0.00
G. Consultants/Contracts	\$0.00
H. Other	\$0.00
Total Direct Costs	\$12,852.00
I. Indirect Costs	\$0.00
TOTAL PROJECT COSTS	\$12,852.00
Federal Request	\$12,852.00
Non-Federal Amount	_____



City of Washington REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Philip Mobley, Director Parks and Recreation *pwm*
Date: July 26, 2010
Subject: Public comment Period and action to approve Conversion Process for Havens Gardens
Applicant Presentation: None
Staff Presentation: Philip Mobley, Director Parks and Recreation

RECOMMENDATION:

I move that the Washington City Council hold a public comment period and, upon conclusion, approve the Conversion process for Havens Gardens

BACKGROUND AND FINDINGS:

Because Havens Gardens was remodeled using a grant from the Land and Water Conservation Fund (LWCF) in the late 1980's, the City must always use this area for Parks and Recreation.

When NCDOT widened the Park Drive Hwy 32 Road and Bridge, they had to use part of Havens Gardens buffer areas on the park side and the boat ramp side.

NCDOT paid the City the appraised value of the land which was \$145,200, two parcels of approximately .5 acres, total. See Attachment # 1.

The City purchased Tract (1) on 9/9/09 for \$67,150 and Tract (2) with its 2 parcels on 7/21/10 for \$60,000 from Ms. Mayo. See Attachment # 2.

Mr. Thomas Moore, owner of Tract (3), and the City of Washington are starting to negotiate.

We are holding a Public Meeting because it is a requirement for the Conversion process. The City Attorney and City Staff are diligently working to compile the necessary support documentation to be submitted to the National Park Service, Southeast Regional Office in Atlanta, GA by August 21, 2010.

PREVIOUS LEGISLATIVE ACTION

FISCAL IMPACT

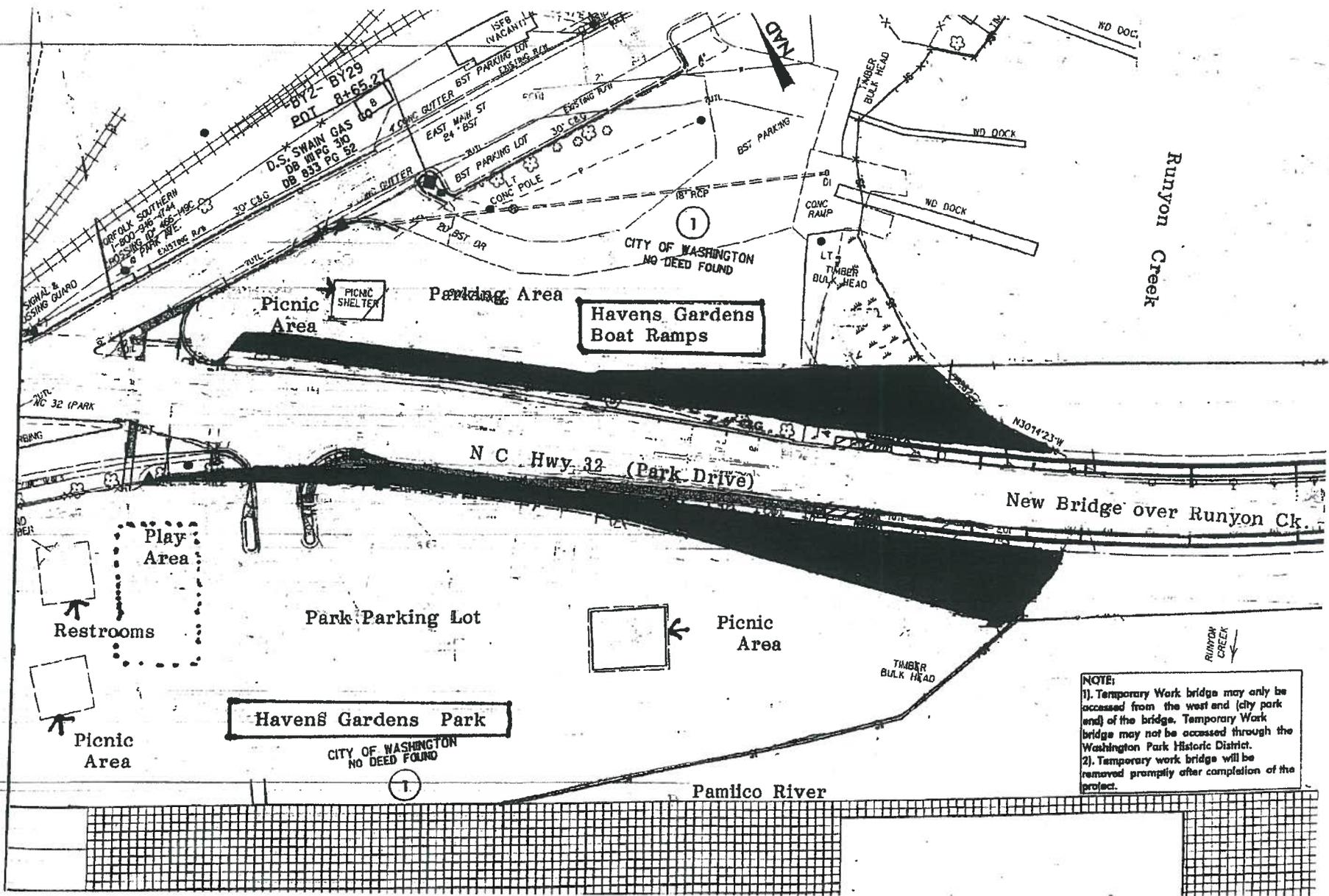
Currently Budgeted (Account _____) Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

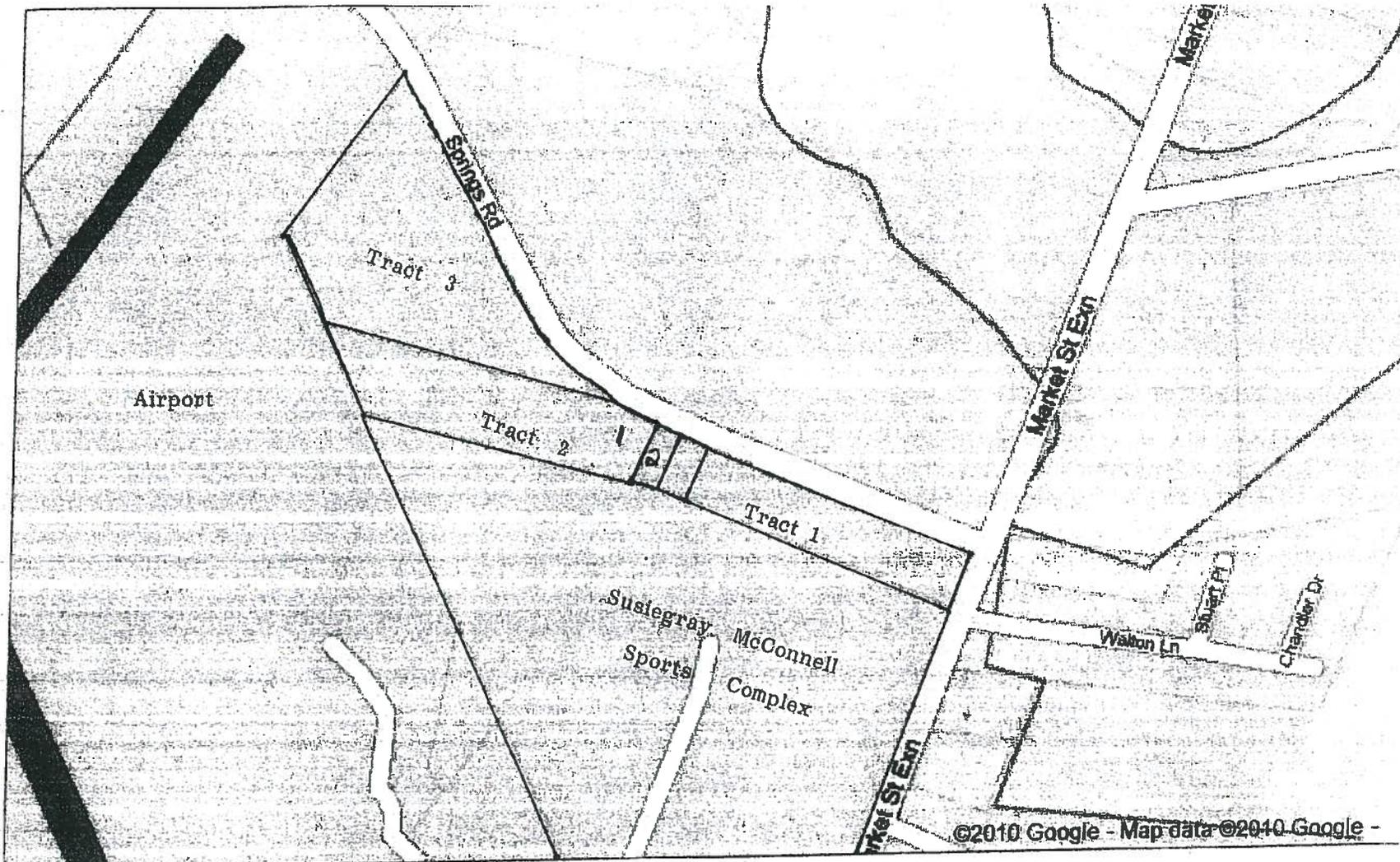
Attachment # 1 - Blackened areas - New NCDOT purchase of right of ways

Attachment # 2 - Tracts (1&2) - Purchased from Ms. Mayo
Tract (3) - Mr. Moore willing to negotiate

City Attorney Review: _____ Date By: _____ (if applicable)
 Finance Dept Review: _____ Date By: _____ (if applicable)
 City Manager Review: *Jet* Concur _____ Recommend Denial _____ No Recommendation *7/22/10* Date



Attachment # 1:
 Blackened areas - New NCDOT purchase right of ways



Attachment # 2:

Tract # 1 - Purchased from Ms. Mayo (9/09/2009)

Tract # 2 - Purchased from Ms. Mayo (7/21/2010)

Tract # 3 - Mr. Thomas Moore willing to negotiate

(Two Parcels 1 & 2)



Mr. James Smith
PO BOX 1988
Washington, NC 27889

6/16/2010

Dear Mr. Smith

Exceptional Children Enjoying Life (ExCEL) is a Tee ball league for children with special needs. ExCEL will be starting its 2010 season on September 12, 2010. The season will feature 6 games. The games will be held on Sunday afternoons at 2:30 Pm at the McConnell Sports Complex. I am writing to you today to request assistance with the \$300.00 field rental fee.

Exceptional Children Enjoying Life was founded to provide special needs children a way to "enjoy" the types of recreational activities that most other children take for granted. We provide this league at no cost to the children who participate. Volunteers and donations are always needed and appreciated for this program to be a success.

I will be happy to provide you with any information needed to help you with this. Please consider helping these kids "enjoy life". Any and all help will be appreciated.

Thank you for all of your help.

Respectfully,

Allen

Allen Pittman

Exceptional Children Enjoying Life, INC

123 Hillingdale Drive

Washington, NC 27889

(252)975-1012



CITY OF WASHINGTON

MEMORANDUM

DATE: 20 July 2010
TO: Mayor and City Council
FROM: Bianca Gentile, Special Projects
SUBJ: 2010 Departmental, American Recovery and Reinvestment Act (ARRA) and Non-ARRA funding opportunities

Respectfully submitted is a departmental and ARRA project update.

Notifications and Awards:

- **NC Department of Energy, Energy Interns:** The City of Washington will use two interns from East Carolina University to work with city staff and the staff of Martin County Community Action Agency which provides weatherization services locally. The analysis will establish the most effective weatherization measures and review the minimum housing code. **Grant award amount: \$30,000;** Total project cost: \$49,960 (city and ECU match with in-kind services).

Submittals:

- **Department of Environment and Natural Resources: Planning Access Grant.** Funds will be used to construct restrooms and showers as proposed in the Revitalization Strategy (90% grant, 5% cash match, 5% in-kind match). Pre-application due: July 26, 2010 and if invited to apply for funds final application is due September 26, 2010.
- **Department of Environment and Natural Resources: Boating Infrastructure Grant (BIG).** Funds will be used to offset the cost of constructing bathrooms and shower facilities as proposed in the Revitalization Strategy. These funds can only be used for the “transient” boater population, or roughly 25% of the total project cost. Deadline: July, 2010. Written by Michele Oros on behalf of planning and parks and recreation departments.
- **Main Street Energy Fund:** The State Energy Office is releasing the Request for Proposals just as I went out on maternity leave. DWOW has contracted the services of Ellen Hoj to assist with grant preparation. This program is designed to assist NC Main Street municipalities with energy upgrades in the central business district. Eleven local businesses received FREE energy audits and five will likely apply: Inner Banks Arts Center, Fire Station Lofts, The Moss House, Ruff Kuttz and Haven’s Wharf. Application will be submitted August 2nd, 2010.

Potential projects:

- The North Carolina State Energy Office (SEO) is soliciting proposals from local governments, public K-12 schools and community colleges for energy efficiency upgrade projects using commercially available technologies that reduce energy consumption and reduce emissions. All facilities must be located in North Carolina. Funds for this Funding Opportunity come from the American Recovery and Reinvestment Act of 2009 and are intended to result in significant and sustained job creation and energy efficiency. The SEO is requesting Projects that are cost effective and can be quickly implemented while attaining the job creation and retention, and achieve energy efficiency goals. Institutions must follow competitive bid process requirements for proposed projects. The focus of this grant is to reduce energy consumption and provide jobs or retain existing jobs.

Building retrofits must result in sustainable energy savings. The successful Applicant must manage and monitor the retrofit work, verify energy savings and verify economic benefits including job creation and retention. Eligible projects are limited to:

- lighting retrofits, such as switching T-12 to T-8 or T-5;
- installation of lighting control technology, including occupancy sensors;
- retro-commissioning of HVAC equipment and energy management systems;
- installation of premium efficient motors and/or drives;
- basic weatherization; and
- heating and air conditioning analysis, optimization, repair and replacement (boilers are excluded).

REQUESTING PERMISSION TO SUBMIT AN APPLICATION ON AUGUST 10th, 2010 to SEO to conduct a lighting retrofit on 9 municipal buildings and the Impression's Building.

• The North Carolina State Energy Office (SEO) will award a portion of its Energy Efficiency Community Block Grants (EECBG) American Recovery and Reinvestment Act (ARRA) funding to City and County governments, public schools K-12, and community colleges for Projects in the **transportation sectors**. Awards may be made for Projects that further the goals stated below:

- ✓ Improving energy efficiency and reducing energy consumption;
- ✓ Displacing petroleum usage;
- ✓ Creating and/or retaining jobs;
- ✓ Reducing greenhouse gas (GHG) and criteria pollutant emissions; and
- ✓ Implementing Projects that could be replicated around the state.

The following projects are eligible for funding at the levels indicated below. See pages nine through twelve for detailed definitions of alternative fuel projects, advanced vehicle technologies, LEDs, and incremental costs.

Project Description Eligible Amount

- ✓ Installation of refueling/recharging infrastructure for alternative fuel vehicles up to 50% of cost
- ✓ Conversion of existing fuel storage tanks to ethanol or biodiesel up to 100% of cost
- ✓ Purchase of advanced technology vehicles up to 50% of incremental cost
- ✓ Lease of advanced technology vehicles up to 50% of incremental cost
- ✓ Installation of idle reduction mechanisms Up to 50% of cost
- ✓ Vehicle conversions, repowers, and retrofits up to 100% of cost
- ✓ Installation of LED street lighting, LED traffic signals, or signal synchronization up to 100% of cost

REQUESTING PERMISSION TO SUBMIT AN APPLICATION ON AUGUST 27th, 2010 to SEO, should a project be identified



HUMAN RELATIONS COUNCIL

102 East 2nd Street

Washington, NC 27889

Phone: 252-975-1280

Fax: 252-974-6461

Human Relations Council (HRC) Report Monday July 26, 2010 City Council Meeting

Postmaster Ms. Myra Lynn discussed the need for support of the promotion of the Negro Leagues Baseball Stamp official pre-issuance. This event will be coming to Washington on July 2, 2010. Sponsors include: U. S. Postal Service, Beaufort County Human Relations, the City of Washington and Metropolitan AME Zion Church. The Human Relations Council succeeded in collecting over \$3,000 in sponsorship for this event. Also, with the help of Mr. James C. Smith, City Manager, Ms. Lynn was pointed in the right direction for any assistance she would be in need of.

Mayor Jennings presented the first key to the city to the Negro Leagues members at the luncheon held at Metropolitan.

Joint meeting with Greenville HRC Broad – Board members suggested Councilman Pitt arrange a meeting with Ms. Cassandra Daniels and the board will finalize the date at the July meeting.

Appropriation of funding – The remaining account balance was distributed between the Negro Leagues Baseball Stamp official pre-issuance and Martin Luther King Jr. National Memorial.

Tourism Development Authority Director's Report JUNE-JULY 2010

- Met with NCDOT officials to discuss safety and signage concerns along the bypass. Because there is no opportunity for private billboards (2+ miles of bridge), a plea has been made for special consideration for signage along the bypass. While it is doubtful that we will be successful, they have ensured their assistance when/where possible.
- Banner ad on www.cruisersnet.net can now be found on a premium page, rather than just the NC page it was previously on. Have been discussing additional free opportunities within this site with their marketing people.
- Met with Eye Integrated to determine our course of action for the next 6 months, including media placements, billboard needs, and additional opportunities. They will present our plan at the July meeting.
- July-December calendars are completed and are presently being distributed.
- Met with a representative from Journal Communications to discuss the marketing opportunities available with www.VisitNC.com and the NC Travel Guide. The print component includes considerable added value on the website (video, banner ad, and brochure downloads). These opportunities will begin January 2011. We are presently considering the options that will ultimately be selected.
- Began employee evaluations for all employees (full-time and part-time).
- Re-supplied sales inventory for the Visitor Center and introduced new post cards and decals.
- Sent correspondence to local merchants letting them know of items available for wholesale and reminding them of opportunities to promote their businesses on the visitor website.
- With the intention of attracting room nights for Washington hotels, I have initiated conversations with the baseball and softball leagues to offer assistance and support for hosting tournaments. I have also pitched this idea to the Mayor and am encouraged that the parties will begin working together towards a common goal of economic development.
- Request for proposals for Civic Center sales has been distributed to several interested parties. A more concentrated distribution will take place in the next week.
- Attended the City's quarterly supervisor's update. The City Manager reviewed the adopted budget and departments shared updates.
- Met with Bill Sykes of the Harbor Commission to discuss marketing of the waterfront docks. This was a great sharing of ideas and opportunities. We will be exploring some cross promotion of the docks on the website, perhaps with a page dedicated to the docks. He is also going to propose to the WHDA that a rack card be developed and printed for distribution at other marinas along the ICW.
- Locations, funding and "owners" of the brick signs are presently being sought. Initial discussions indicate the possibility of locating one sign (the one that has been erected but moved) south of the Highway 17 bridge. It has been suggested that area civic groups and garden clubs be contacted to assist with funding the cost to erect the remaining sign.
- New signage for the Visitor Center is in the works. We were able to acquire a sandwich board from a neighboring business that was closing and door signage will be improved. We have noticed that pedestrians have difficulty determining what the visitor center is, as there is no signage at eye level.

Washington Harbor District Alliance Report
Monday, July 28th, 2010 City of Washington Council Meeting

Main Street Energy Grant Round II

With the delayed release on round two of the Main Street Energy Grant and the fact that the release coincided with Bianca Gentile's maternity leave WHDA was faced with possibly having to cancel the grant application. This would be very disappointing since over 9 businesses have shown interest in using the State's 50% match to improve the energy efficiency in their downtown properties. WHDA sought assistance by contacting Ellen Hoj, who had just moved to Washington and had expressed an interest in getting involved in WHDA. Ellen has an impressive resume in city planning and grant writing. With Bianca's assistance, Ellen has taken over the project which involves much detail because of the 9 different businesses applying. Ellen Hoj is now about two-thirds of the way through with the grant writing/coordinating process and should be able to meet the August 6th deadline.

NDC - National Development Council

Chris Furlough, Ross Hamory and Beth Byrd are in communication with Hank Coleman, and are finalizing the NDC contract. Plans have been made for the first onsite visit which will be sometime in August.

Downtown Business Analysis and Development Plan

Many of the issues facing economic restructuring of the downtown were discussed during the process of creating the *Washington Visualization & Reinvestment Strategy* for the Washington waterfront last fall. The Chamber of Commerce and WHDA brought Bob Murphrey, NC Main Street Coordinator to town June 30th, when he presented the detailed steps of creating a Downtown Development plan for Washington. The purpose of this plan is to identify the opportunities for business and real estate development in downtown Washington. By producing this analysis of Washington's strengths, weaknesses and opportunities, it will help us all to understand what direction should be forged in the future. Trent Tetterton has stepped forward and offered his assistance to WHDA and the Chamber in acquiring the myriad of information needed. Work is underway and should be completed by the September 1st deadline.

Pickin' On the Pamlico

Please mark you calendars to attend the 5th Annual Pickin' on the Pamlico which will be held Saturday, August 14th at Festival Park. The crabs are running great this year – we'll have additional tents in case of rain and we will be dancing to the sounds of Billy Holton and the Soul Shakers who are from Oriental and will make their premiere in Washington. Tickets are 40.00 and are available at the Visitors Center and Charisma Boutique. Please support WHDA by attending this fundraiser.

Movies in the Park (MITP)

MITP have proven to be a popular event with at least 80 to 100 people attending each movie. Next movies will be August 20th featuring the **Eagles Farewell Tour**, Sept. 17th when the Chamber of Commerce presents **A Bug's Life**. We are hoping to add a football game on Oct. 9th when we invite all ECU fans out to watch the 7:30 game against Southern Miss. WHDA will wrap up the season on October 22nd when we will show **We Are Marshall**.

Music In The Streets (MITS)

MITS continues to be popular even with the summer heat. The committee is dedicated to bringing varying acts and new participants to keep the event fresh. We were proud to be able to entice the National Guard to participate when they brought out their climbing rock wall in July (and have plans for August too). The kids were thrilled. We would like to encourage the Police, Fire Departments and any other City agency to get involved as well.

Continued...

Pirates Beach Music Festival

Plans are well underway for the Beach Music Festival which will be held Sunday, Sept. 12th at Festival Park. Half of the funds raised will go towards expenses incurred in the design and build of the permanent music pavilion on the festival park grounds.

Smoke On The Water is now a production of the Noon Rotary Club with Spencer Stanley of BCDC as the Chair.

Washington Harbor District Board

We are proud to announce a few new members that have joined the WHDA Board.

Garleen Woolard and Rebecca Clark have agreed to share the VP of Organization Chair.

Russell Smith has agreed to join the Board in the At-Large position.

The WHDA Board:

President - Ross Hamory

VP Economic Restructuring – Chris Furlough

VP Promotions – Mac Hodges

VP Design – Scott Campbell

VP Organization – Garleen Woolard & Rebecca Clark

Merchants Rep. – Bob Henkel

At Large – Russell Smith

Secretary – Sharon Pettey

Treasurer – Bill Sykes



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Cynthia S. Bennett, City Clerk
Date: July 15, 2010
Subject: Appointments to Various Boards, Commissions, and Committees
Applicant Presentation: N/A
Staff Presentation: N/A

RECOMMENDATION:

See attached recommended motions

BACKGROUND AND FINDINGS:

Advertisements were placed in the Washington Daily News for vacancies for expiring terms on various boards, commissions, and committees. Copies of all applications received were distributed to department heads to allow them time to meet with their Council liaison.

Council continued several appointments from the June 14th meeting to allow additional time for applications to be received.

Recommendations will be made by the Council Liaisons.

PREVIOUS LEGISLATIVE ACTION

N/A

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

Applications

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: _____ Concur July 26, 2010 Denial n/a No Recommendation 7-15-10 Date
Page 130 of 345

ACTIONS SUGGESTED:

A. *no applications were received*Planning Board – To fill expiring term of Dan McNeil

I move that the City Council appoint/reappoint _____ to the Planning Board, to fill the expiring term of **Dan McNeil** term to expire June 30, 2013.

B. *1 application was received*Board of Adjustment – To fill the expiring term of Chris Tkach

I move that the City Council appoint/reappoint _____ to the Board of Adjustment, to fill the expiring term of **Chris Tkach**, term to expire June 30, 2013.

C. *no applications were received*Alternate Member - Enlarged Board of Adjustment – To fill the expiring term of Ronald Price

I move that the City Council appoint/reappoint _____ to the Enlarged Board of Adjustment, to fill the expiring term of **Ronald Price**, term to expire June 30, 2013, subject to the concurrence of the Beaufort County Board of Commissioners.

D. *2 applications were received*Board of Library Trustees - To fill the unexpired term of David McNeil

I move that the City Council appoint _____ to the Board of Library Trustees, to fill the unexpired term of _____, term to expire June 30, 2013.

E. *3 applications were received*Recreation Advisory Committee - To fill the expiring terms of Tim Ware, Cindy Cochran and Joe Taylor

I move that the City Council appoint/reappoint _____ to the Recreation Advisory Committee to fill the expiring term of **Tim Ware(outside)**, term to expire June 30, 2013.

I move that the City Council appoint/reappoint _____ to the Recreation Advisory Committee to fill the expiring term of **Cindy Cochran(inside)** term to expire June 30, 2013.

I move that the City Council appoint/reappoint _____ to the Recreation Advisory Committee to fill the expiring term of **Joe Taylor(inside)**, term to expire June 30, 2013.

F. *3 applications were received*Human Relations Council – To appoint/reappoint William O’Pharrow, Cynthia Lovick, Alice Moore.

I move that the City Council appoint/reappoint _____ to the Human Relations Council, to fill the expiring term of **William O’Pharrow**, term to expire June 30, 2013.

I move that the City Council appoint/reappoint _____ to the Human Relations Council, to fill the expiring term of **Cynthia Lovick**, term to expire June 30, 2013.

I move that the City Council appoint _____ to the Human Relations Council, to fill the expiring term of **Alice Moore**, term to expire June 30, 2012.

G. *1 application was received* Animal Control Appeal Board – To fill the expiring term of Doug Mercer and to fill a vacant position

I move that the City Council appoint/reappoint _____ to the Animal Control Appeal Board, to fill the expiring term of **Doug Mercer**, term to expire June 30, 2013.

I move that the City Council appoint _____ to the Animal Control Board to fill a vacant position with a term to expire June 30, 2013.

H. *1 application was received* Washington Electric Utilities Advisory Commission – To fill the expiring term of Antromeed Johnson(inside)

I move that the City Council appoint/reappoint _____ to the Washington Electric Utilities Advisory Commission to fill the expiring term of **Antromeed Johnson**, term to expire June 30, 2013.

I. *no applications were received* Alternate At Large - Washington Electric Utilities Advisory Commission- To fill the expiring term of Garleen Woolard

I move that the City Council appoint/reappoint _____ to the Washington Electric Utilities Advisory Commission to fill the expiring term of **Garleen Woolard**, term to expire June 30, 2012.

J. *no applications were received* Airport Advisory Committee – To fill one vacancy on the newly established Airport Advisory Committee

I move that the City Council appoint _____ to the Airport Advisory Committee.

Primary Board Adjustment Other Boards _____

**CANDIDATES REQUEST FOR APPOINTMENT TO BOARDS, COMMISSIONS,
AND/OR AUTHORITY OF THE CITY OF WASHINGTON**

NAME Claud Hodges
(Please Print)

ADDRESS 208 W. 12th St., Washington NC 27889

PHONE NO. (BUSINESS) (252) 946-0101 (HOME) (252) 402-8913

DO YOU LIVE WITHIN THE CORPORATE LIMITS OF WASHINGTON? YES () NO ()

HOW LONG HAVE YOU BEEN A RESIDENT OF BEAUFORT COUNTY? 47 YEARS

YEARS OF EDUCATION bachelor's degree

HAVE YOU SERVED ON A BOARD/COMMISSION OF THE CITY? YES () NO ()
IF YES, PLEASE INDICATE Board of Adjustment

DO YOU ANTICIPATE A CONFLICT OF INTEREST BY SERVING AS A MEMBER OF A
BOARD/COMMISSION? no IF YES, EXPLAIN _____

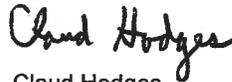
STATE REASONS WHY YOU FEEL QUALIFIED FOR THIS APPOINTMENT(S)
(OPTIONAL): Use back of sheet if additional space is needed

* former member of Board of Adjustment

* life-long resident of Washington

* newspaper reporter for several years covering Washington City Council

NOTE: This information will be used by the City Council in making appointments to Boards and Commissions AND, in the event you are appointed, it may be used as a news release to identify you to the community.



Claud Hodges

Signature

May 26, 2010

Date

Digitally signed by Claud Hodges
DN: cn=Claud Hodges, o=nc, email=claudhodges@ncbeauregaff.com, c=US
Date: 2010.05.26 16:51:48 -0400

NOTE: Application will remain on file for six (6) months Expiration Date: Nov. 25, 2010

Primary Board Library Other Boards _____

CANDIDATES REQUEST FOR APPOINTMENT TO BOARDS, COMMISSIONS,
AND/OR AUTHORITY OF THE CITY OF WASHINGTON

NAME Sharon Harding Brown

ADDRESS 816 Isabella Avenue Ext, Washington, NC 27889

PHONE NO. (BUSINESS) _____ (HOME) 252-946-5463

DO YOU LIVE WITHIN THE CORPORATE LIMITS OF WASHINGTON? YES () NO ()

HOW LONG HAVE YOU BEEN A RESIDENT OF BEAUFORT COUNTY? Since Nov 2009 YEARS
(born in Washington, NC 1950, moved to Greenville 1971)

YEARS OF EDUCATION HS grad + 3 yrs college

HAVE YOU SERVED ON A BOARD/COMMISSION OF THE CITY? YES () NO ()
IF YES, PLEASE INDICATE _____

DO YOU ANTICIPATE A CONFLICT OF INTEREST BY SERVING AS A MEMBER OF A
BOARD/COMMISSION? no IF YES, EXPLAIN _____

STATE REASONS WHY YOU FEEL QUALIFIED FOR THIS APPOINTMENT (s)

(OPTIONAL): Use back of sheet if additional space is needed.

I love to read and grew up using Brown Library resources. I remember when the
current building was new. I feel I would be an asset to the Board as a past and present
user of the library in order to improve its services to the public, especially the baby boomers.

NOTE: This information will be used by the City Council in making appointments to Boards and
Commissions AND, in the event you are appointed, it may be used as a news release to identify you to the
community.

Sharon H. Brown
Signature

5-27-10
Date

NOTE: Application will remain on file for six (6) months. Expiration Date: _____

I have 26 years experience as a secretary at ECU, the last 12 as secretary to a surgeon in the Med. School. The Library should be an important part of everyone's life. I would welcome the opportunity to serve on this Board. Thank you for your consideration.

Primary Board Library Other Boards _____

**CANDIDATES REQUEST FOR APPOINTMENT TO BOARDS, COMMISSIONS,
AND/OR AUTHORITY OF THE CITY OF WASHINGTON**

NAME Crissman H. Blackstone (Criss)
(Please Print)

ADDRESS 170 Washington Harbour, Washington, NC

PHONE NO. (BUSINESS) _____ (HOME) (252) 946-1986

DO YOU LIVE WITHIN THE CORPORATE LIMITS OF WASHINGTON? YES () NO ()

HOW LONG HAVE YOU BEEN A RESIDENT OF BEAUFORT COUNTY? 40 YEARS

YEARS OF EDUCATION B.A. English, MAEd. Counselor, extra Reading cert. (8)
Element. Ed.

HAVE YOU SERVED ON A BOARD/COMMISSION OF THE CITY? YES () NO ()
IF YES, PLEASE INDICATE _____

DO YOU ANTICIPATE A CONFLICT OF INTEREST BY SERVING AS A MEMBER OF A
BOARD/COMMISSION? NO IF YES, EXPLAIN _____

STATE REASONS WHY YOU FEEL QUALIFIED FOR THIS APPOINTMENT(S)

(OPTIONAL): Use back of sheet if additional space is needed

I think to be active on the library board, one has to
understand the purpose of the library, which is to share the
love of learning with others. Of course that has changed

NOTE: This information will be used by the City Council in making appointments to Boards and
Commissions AND, in the event you are appointed, it may be used as a news release to identify you to the
community.

Criss H. Blackstone
Signature

June 20, 2010
Date

NOTE: Application will remain on file for six (6) months Expiration Date: _____

tremendously over the years, so it is not just a love for books. Now it encompasses many other ways of learning. It is a many faceted process.

Many years ago Sally Moler and I helped Mrs. Loy start the Summer Program at the Brown Library, which is still being held each summer. I am very proud of that.

I enjoy being with, and get along well with people.

I think I would be an asset to the Brown Library board.

Primary Board Recreation Advisory Other Boards _____

CANDIDATES REQUEST FOR APPOINTMENT TO BOARDS, COMMISSIONS, AND/OR AUTHORITY OF THE CITY OF WASHINGTON

NAME Cindy Cochran
(Please Print)

ADDRESS 1110 N Respass St Washington NC

PHONE NO. (BUSINESS) 915-3121 (HOME) 944-7954

DO YOU LIVE WITHIN THE CORPORATE LIMITS OF WASHINGTON? YES NO

HOW LONG HAVE YOU BEEN A RESIDENT OF BEAUFORT COUNTY? 40 YEARS

YEARS OF EDUCATION _____

HAVE YOU SERVED ON A BOARD/COMMISSION OF THE CITY? YES NO
IF YES, PLEASE INDICATE Rec Adv.

DO YOU ANTICIPATE A CONFLICT OF INTEREST BY SERVING AS A MEMBER OF A BOARD/COMMISSION? NO IF YES, EXPLAIN _____

STATE REASONS WHY YOU FEEL QUALIFIED FOR THIS APPOINTMENT(S)
(OPTIONAL): Use back of sheet if additional space is needed

I have served 2 terms on this board - was an instrumental part of developing PCM Skatepark from an idea to a completed park. I have a vested interest in the maintenance of existing facilities and development of new parks, as a citizen of Washington

NOTE: This information will be used by the City Council in making appointments to Boards and Commissions AND, in the event you are appointed, it may be used as a news release to identify you to the community.

Cindy W. Cochran
Signature

6/23/10
Date

NOTE: Application will remain on file for six (6) months Expiration Date: _____

Washington Recreation Advisory
Primary Board Committee Other Boards _____

**CANDIDATES REQUEST FOR APPOINTMENT TO BOARDS, COMMISSIONS,
AND/OR AUTHORITY OF THE CITY OF WASHINGTON**

NAME Joseph E Taylor
(Please Print)

ADDRESS 200 Water St

PHONE NO. (BUSINESS) 946-6151 (HOME) 946-1305

DO YOU LIVE WITHIN THE CORPORATE LIMITS OF WASHINGTON? YES NO

HOW LONG HAVE YOU BEEN A RESIDENT OF BEAUFORT COUNTY? 16 YEARS

YEARS OF EDUCATION 16 yrs

HAVE YOU SERVED ON A BOARD/COMMISSION OF THE CITY? YES NO
IF YES, PLEASE INDICATE Washington Recreation Advisory Comm.

DO YOU ANTICIPATE A CONFLICT OF INTEREST BY SERVING AS A MEMBER OF A
BOARD/COMMISSION? No IF YES, EXPLAIN _____

STATE REASONS WHY YOU FEEL QUALIFIED FOR THIS APPOINTMENT(S)
(OPTIONAL): Use back of sheet if additional space is needed
I would like to give back to my
community and help make it a better
place to live.

NOTE: This information will be used by the City Council in making appointments to Boards and
Commissions AND, in the event you are appointed, it may be used as a news release to identify you to the
community.

Joseph Taylor
Signature
6-16-2010
Date

Primary Board Recreation Adv Bd Other Boards _____

**CANDIDATES REQUEST FOR APPOINTMENT TO BOARDS, COMMISSIONS,
AND/OR AUTHORITY OF THE CITY OF WASHINGTON**

NAME Timothy A. Ware
(Please Print)

ADDRESS 104 Salem Rd Washington, NC 27889

PHONE NO. (BUSINESS) 252-974-1825 (HOME) 252-975-4548

DO YOU LIVE WITHIN THE CORPORATE LIMITS OF WASHINGTON? YES NO

HOW LONG HAVE YOU BEEN A RESIDENT OF BEAUFORT COUNTY? 16 YEARS

YEARS OF EDUCATION 18+

HAVE YOU SERVED ON A BOARD/COMMISSION OF THE CITY? YES NO

IF YES, PLEASE INDICATE Recreation Adv. Bd; Washington Housing Authority

DO YOU ANTICIPATE A CONFLICT OF INTEREST BY SERVING AS A MEMBER OF A BOARD/COMMISSION? NO IF YES, EXPLAIN _____

STATE REASONS WHY YOU FEEL QUALIFIED FOR THIS APPOINTMENT(S)

(OPTIONAL): Use back of sheet if additional space is needed

I have served on this Board for 2 terms

My Bachelor's Degree is in Rec & Parks Admin

NOTE: This information will be used by the City Council in making appointments to Boards and Commissions AND, in the event you are appointed, it may be used as a news release to identify you to the community.



Signature

6/16/10
Date

NOTE: Application will remain on file for six (6) months Expiration Date: _____

City of Washington Human Relations Council Application

In the interest of enhancing communication and relationships between all people in the City of Washington, the Washington City Council seeks citizens to serve on the Human Relations Council. Ideal candidates will have a sincere desire to work with all segments of the community to mediate tension and conflict and work to find resourceful solutions to problems.

NAME: William T. O'Pharrow
(please print)

ADDRESS: 1004 Van Norden Street, Washington

PHONE NUMBER (work) _____ (home) 946-3798

Do you live within the corporate limits of Washington? ()yes () no

Have you ever served, or do you currently serve, on a board or commission for the City of Washington? () yes () no

If yes, please indicate the board or commission on which you serve(d).

Recreation

Do you anticipate a conflict of interest by serving as a member of the Human Relations Council? () yes () no

If yes, please explain. _____

Please state the reasons why you fell qualified for this appointment. (Use the back of this form if you need additional space.)

Please note that this information will be used by the City Council in making their appointments to the Human Relations Council. If you are appointed, this information may be used in a news release. It will be remain on file for one year after its submission.

William T. O'Pharrow
(signature)

6-8-10
(date)

City of Washington Human Relations Council Application

In the interest of enhancing communication and relationships between all people in the City of Washington, the Washington City Council seeks citizens to serve on the Human Relations Council. Ideal candidates will have a sincere desire to work with all segments of the community to mediate tension and conflict and work to find resourceful solutions to problems.

NAME: Jeremy Lendon Hewitt
(please print)

ADDRESS: 512 Telfair St. Washington

PHONE NUMBER (work) 252-946-7111 (home) 252-945-3868

Do you live within the corporate limits of Washington? yes no

Have you ever served, or do you currently serve, on a board or commission for the City of Washington? yes no

If yes, please indicate the board or commission on which you serve(d).

Do you anticipate a conflict of interest by serving as a member of the Human Relations Council?
 yes no

If yes, please explain. _____

Please state the reasons why you fell qualified for this appointment. (Use the back of this form if you need additional space.)

I am an active member of the community and I think I can help the community thrive and prosper.

Please note that this information will be used by the City Council in making their appointments to the Human Relations Council. If you are appointed, this information may be used in a news release. It will be remain on file for one year after its submission.

Jeremy Lendon Hewitt
(signature)

6-14-10
(date)

City of Washington Human Relations Council Application

In the interest of enhancing communication and relationships between all people in the City of Washington, the Washington City Council seeks citizens to serve on the Human Relations Council. Ideal candidates will have a sincere desire to work with all segments of the community to mediate tension and conflict and work to find resourceful solutions to problems.

NAME: Marisol Barr
(please print)

ADDRESS: 1591 East Barr Rd. Chocowinity

PHONE NUMBER (work) 946-0479 (home) 946-3948

Do you live within the corporate limits of Washington? () yes (x) no

Have you ever served, or do you currently serve, on a board or commission for the City of Washington? () yes (x) no

If yes, please indicate the board or commission on which you serve(d).

Do you anticipate a conflict of interest by serving as a member of the Human Relations Council? () yes (x) no

If yes, please explain. _____

Please state the reasons why you fell qualified for this appointment. (Use the back of this form if you need additional space.)

Appointed to serve at the Governor's Advisory
Council on Hispanic/Latino Affairs
Appointed to serve at DV Commission representing
minorities.

Please note that this information will be used by the City Council in making their appointments to the Human Relations Council. If you are appointed, this information may be used in a news release. It will be remain on file for one year after its submission.

Marisol D Barr
(signature)

May 28, 2010
(date)

Primary Board Animal Control Appeals Board Other Boards _____

**CANDIDATES REQUEST FOR APPOINTMENT TO BOARDS, COMMISSIONS,
AND/OR AUTHORITY OF THE CITY OF WASHINGTON**

NAME Monica Ferrari
(Please Print)

ADDRESS 604 West 2nd Str.

PHONE NO. (BUSINESS) cell 910-297-0582 (HOME) 975-1698

DO YOU LIVE WITHIN THE CORPORATE LIMITS OF WASHINGTON? YES NO ()

HOW LONG HAVE YOU BEEN A RESIDENT OF BEAUFORT COUNTY? 3 YEARS

YEARS OF EDUCATION B.A. Elem. Ed.

HAVE YOU SERVED ON A BOARD/COMMISSION OF THE CITY? YES () NO
IF YES, PLEASE INDICATE _____

DO YOU ANTICIPATE A CONFLICT OF INTEREST BY SERVING AS A MEMBER OF A
BOARD/COMMISSION? NO IF YES, EXPLAIN _____

STATE REASONS WHY YOU FEEL QUALIFIED FOR THIS APPOINTMENT(S)
(OPTIONAL): Use back of sheet if additional space is needed

I have always been an advocate for animal welfare. I understand that each case has a

NOTE: This information will be used by the City Council in making appointments to Boards and Commissions AND, in the event you are appointed, it may be used as a news release to identify you to the community.

Monica Ferrari
Signature

22 June 2010
Date

NOTE: Application will remain on file for six (6) months Expiration Date: _____

different set of circumstances and I will
be fair in my decisions.

CANDIDATES REQUEST FOR APPOINTMENT TO WASHINGTON ~~TOURISM~~ Electric Utilities ~~DEVELOPMENT~~ AUTHORITY BOARD OF DIRECTORS

NAME Gloria Crenshaw

ADDRESS 429 Camelia Drive

PHONE NO. (BUSINESS) 252-975-4504 (HOME) 252-948-1450

EMAIL ADDRESS: rgcrenshaw1@aol.com

HOW LONG HAVE YOU BEEN A RESIDENT OF BEAUFORT COUNTY? 9 years

EDUCATION AAS. Banking and Finance

HAVE YOU SERVED ON A BOARD/COMMISSION OF THE CITY? YES NO
IF YES, PLEASE INDICATE _____

OTHER VOLUNTEER BOARDS/COMMISSIONS ON WHICH YOU SERVE:
Lions Club International. (Washington Evening Lions Club)

DO YOU ANTICIPATE A CONFLICT OF INTEREST BY SERVING AS A MEMBER OF A BOARD/COMMISSION? YES NO IF YES, EXPLAIN _____

PLEASE STATE ANY RELEVANT TRAVEL AND TOURISM EXPERIENCE THAT MAKES YOU QUALIFIED FOR THIS POSITION. _____

STATE REASONS WHY YOU WISH TO SERVE ON THE ~~WFTA~~ ^{Electric Utilities} BOARD: Use back of sheet if additional space is needed. I am able to utilize my 30 years of Banking experience to help diverse individuals with whom I can share my banking experience as well as life experiences. We are in a time when economic stress is on the forefront of the public minds with a question of what I can do to make my life better and my finances better to be able to help my family

Note: This information will be used by the City Council in making appointments to Boards and Commissions AND, in the event you are appointed, it may be used as a news release to identify you to the community.

Gloria Crenshaw
Signature

6-3-2010
Date

As well as take care of my obligations How
powerful and impactful it would be to effect change.



City of Washington

Department of Parks & Recreation



MEMORANDUM

DATE: July 26, 2010

TO: Mayor and City Council

FROM: Philip W. Mobley, Director Parks and Recreation *PWM*

SUBJ: Update on 2008 BIG-P Grant (docks) - Timetable

At this stage of the process, Bill Forman, Bay Design Group, our Engineer for the waterfront docks, has finished all design work and the project has cleared the Environmental Assessment Clearinghouse by the State.

We had a public notice meeting July 8, 2010 in the Grace Martin Harwell Senior Center showing designs and alternative designs for the 2007 Docks Project and possible locations. We had a very good showing of about 30 plus people, very interested in the waterfront docks. They were positive and asked great questions and gave great comments.

The total plans of the waterfront have been now submitted (July 14, 2010) along with the City's check for \$400 to the Division of Coastal Management for a minimum of 75 days of review in order to obtain the Major CAMA permit.

Bill Forman is in the process of developing the job bid packet for constructors to develop their bid from. We have not set any dates as of this writing.

The deadline (January 31, 2011) has already been extended once because of the need to produce a new Major CAMA Permit and the precursor of the year long Environmental Assessment.

After construction of the 2008 BIGP docks, the number of total docks will be 56. The number of transient docks will be 12. The number of free docks will be 10. The number of Permanent docks will be 34.

The number of docks on the waterfront, if we max out the number of docks that the EA and Major CAMA Permit allows, will be 116.

Once the City receives the Major CAMA Permit, the City only has to renew yearly to keep the Major CAMA Permit in force for future development. Also once we have the permit, we only have to apply to the Division of Coastal Management to change future designs of the Dock Layout.

Please find attached, a proposed copy of the dock design from Bill Forman that was shown and approved by the public at the public showing on July 8, 2010. The Recreation Advisory Committee is on record as approving the proposed plans in their July 2010 meeting.

PROJECT MANAGER: JWF
 DESIGNED: JWF
 CAD: JJW
 CHECKED:
 FILED:
 DATE: 06/17/10
 REVISED:
 REVISED:



PROJECT OFFICE:
 WASHINGTON CITY
 305 COMMERCE AVENUE
 SUITE 201
 WASHINGTON CITY, NC 27857
 (252) 247-4200
 FAX: (252) 247-7300

REGIONAL OFFICES:
 NESTLE FARMVILLE
 2000 FARMVILLE ROAD
 FARMVILLE, VA 22434
 (804) 850-2800
 Fax: (804) 850-2808
 RICHMOND
 6000 WELLS CROSS ROAD
 RICHMOND, VA 23214
 (804) 281-2000
 Fax: (804) 281-2000
 HUNTERSVILLE, NC
 872 HUNTERSVILLE ROAD
 HUNTERSVILLE, VA 22089
 (804) 430-2000
 Fax: (804) 430-1427

CLIENT:
 CITY OF WASHINGTON
 P.O. BOX 1988
 WASHINGTON, NC 27889

Preliminary Drawing
 Not For Construction

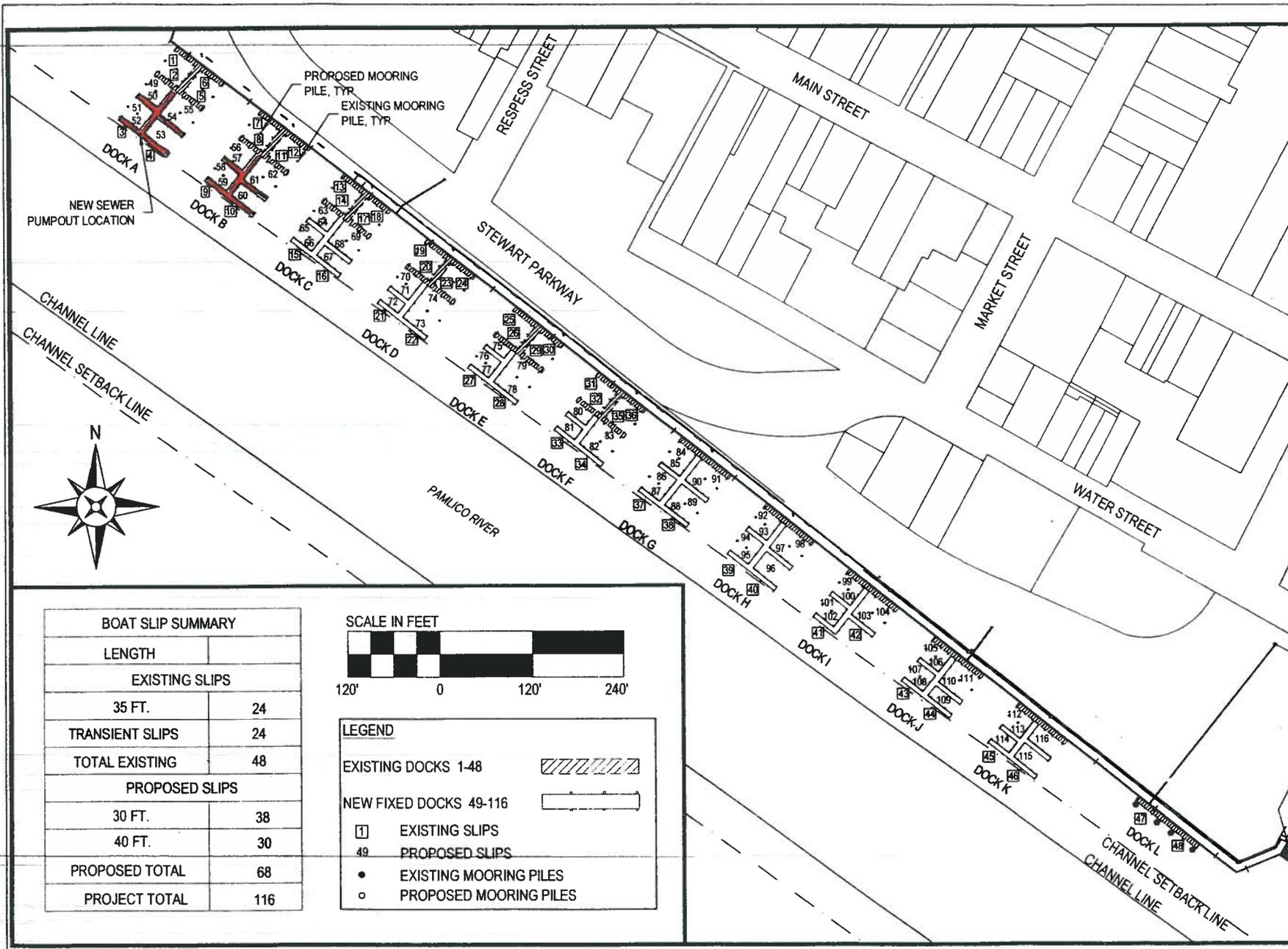
PROJECT:
 CITY OF WASHINGTON
 MARINA - PHASE III
 HEADPORT COUNTY

SITE PLAN -
 EXISTING &
 PROPOSED
 HEADPORT COUNTY, NC

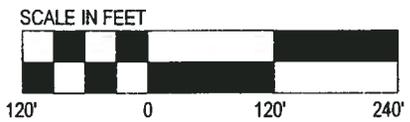
SHEET NO:

4

SCALE: 1" = 120'



BOAT SLIP SUMMARY	
LENGTH	
EXISTING SLIPS	
35 FT.	24
TRANSIENT SLIPS	24
TOTAL EXISTING	48
PROPOSED SLIPS	
30 FT.	38
40 FT.	30
PROPOSED TOTAL	68
PROJECT TOTAL	116



LEGEND

EXISTING DOCKS 1-48

NEW FIXED DOCKS 49-116

EXISTING SLIPS
 PROPOSED SLIPS

• EXISTING MOORING PILES
 ○ PROPOSED MOORING PILES



City of Washington

P. O. Box 1988, Washington, NC 27889-1988

MEMORANDUM

DATE: 16, July 2010

TO: Mayor and City Council

FROM: James C. Smith, City Manager 

SUBJ: Airfield Facilities to support Field Carrier landing practice

Please find attached a communication from the Department of the Navy seeking a local airfield as a training location for field carrier landing practice of turboprop aircraft. Although we obviously need additional activity at Warren Field Airport, I believe that the noise generated by the frequent activity described in this solicitation would not be acceptable.

Unless Council should disagree I suggest that we not respond to this solicitation.



DEPARTMENT OF THE NAVY
 NAVAL FACILITIES ENGINEERING COMMAND, MID-ATLANTIC
 9742 MARYLAND AVENUE
 NORFOLK, VIRGINIA 23511-3095

RECEIVED APR 22 2010

IN REPLY REFER TO:

OPTB1-SW
 April 19, 2010

Mr. Jim Smith, City Manager
 City Of Washington
 PO Box 1988
 Washington, NC 27889

Dear Mr. Smith:

As you may have recently seen or read in the news media, the Navy is examining the leasing of local airfield facilities to support Field Carrier Landing Practice (FCLP) operations for E-2/C-2 turboprop aircraft. Use of a leased airfield would allow the Navy to address, in the near term, periodic shortfalls in current training capacity at NALF Fentress, eliminating the need for out-of area Fleet Replacement Squadron FCLP training detachments, while significantly reducing or eliminating Fleet E-2/C-2 FCLP training at NALF Fentress.

In support of this effort, the Navy is conducting market research of potential airfields. The following are general (minimum) requirements for the airfield.

Airfield Specification	Operational Requirement
Area of Consideration	No more than 90 nautical miles transit distance from Naval Station Norfolk Chambers Field
Pattern width	Left-hand, racetrack pattern, approximately 1.3-1.5 NM wide at the 180 degree or abeam position.
Pattern altitude	600 feet Above Ground Level (AGL) pattern altitude on downwind leg.
Runway length	Minimum 5,000 feet (nearest 100 feet)
Runway width	Minimum 100 feet
Runway weight bearing capacity	25,000 lb single gear load
Runway lighting	Edge lights
Runway orientation	Aligned with prevailing winds
Operations	15 - 20 days per month, six hours of operation during day and/or night
Height and clearance controls	Maintenance of height and clearance controls to support 600 feet AGL FCLP pattern.

Part of the market research effort involves contacting commercial, public, and private airfields to determine interest in leasing airfield facilities to the Navy. To be included in this research effort, please contact:

Commanding Officer
NAVFAC Mid-Atlantic (Attn: AM-1, Matthew Kurtz)
9742 Maryland Ave
Norfolk, VA 23511
Telephone 757-341-0283
Fax 757-341-1500

If the Navy formalizes this requirement, a competitive process will be used to select an appropriate airfield facility.

Thank you for your attention in this matter.

Sincerely,



MATTHEW D. KURTZ
Real Estate Contracting Officer
NAVFAC Mid-Atlantic
By direction

Copy to: Mr. Elmo Carawan
200 Airport Road
Washington, NC 27889



City of Washington

P. O. Box 1988, Washington, NC 27889-1988

MEMORANDUM

DATE: 15, July 2010

TO: Mayor and City Council

FROM: James C. Smith, City Manager 

SUBJ: HealthPlus Therapeutic Services purchase and sales agreement
Agreement in the amount of \$175,000

The purchase and sales agreement for the Old Ed Tech building and property was accepted by Mr. Michael Lowe, owner of HealthPlus Therapeutic Services, Inc. on July 8, 2010.

Please see the attached communication addressed to me from City Attorney Franz Holscher regarding this site. The best information I have from unofficial sources is that the former service station was not on this land. In addition the new sewer line connection to Carver Machine was run in this vicinity also, and to the best of our knowledge did not encounter any petroleum pollution. I would feel comfortable in proceeding with this acquisition without an environmental assessment. However, you should be aware of the risk involved as laid out in the City Attorney's letter.

RODMAN, HOLSCHER, FRANCISCO & PECK, P.A.

ATTORNEYS AT LAW
320 North Market Street
Post Office Box 1747
WASHINGTON, NORTH CAROLINA 27889

RECEIVED JUL 21 2010

Frederick N. Holscher
David C. Francisco
R. Brantley Peck, Jr.
Franz F. Holscher
Charles C. Edwards, Jr.

Telephone (252) 946-3122
Fax (252) 946-3125

Edward N. Rodman -- 1926-2008

Franz F. Holscher
Attorney at Law
e-mail - ffh@rhfp.net

July 20, 2010

VIA HAND DELIVERY

Mr. James C. Smith, City Manager
City of Washington
102 E. 2nd Street
Washington, NC 27889

Re: Purchase of 3.44 Acre Site on John Small Avenue Owned by Healthplus Therapeutic Services, Inc.
File No.: 10-55-19210

Dear Jim:

As you will recall, during closed session on June 21st, the City Council unanimously authorized you to sign an offer to purchase and contract in the amount of \$175,000.00 with HealthPlus Therapeutic Services, Inc. for the acquisition of the above property and to purchase the same contingent on a clean release, clean title and a clean environmental bill of health. It is our understanding that there may have been a service station and/or repair garage located either on or near said property. Councilman Gil Davis has informed our office that he believes the service station/repair garage was located approximately where the basketball courts are currently at the corner of Harvey Street Annex and John Small Avenue. He does not believe that any of the previous service station/repair garage operation was located on the property currently owned by HealthPlus. You requested that our office review any file or other information concerning the property at the State of North Carolina Department of Environment and Natural Resources (NCDENR).

Chip Edwards of our office communicated the local NCDENR office in an attempt to obtain any information it had with regard to environmental issues at the property. Mr. Scott Bullock of the Underground Storage Tanks Division of NCDENR informed our office that it did not have a physical file for this site. However, Mr. Bullock provided Chip with the following information off the computer database. A "Notice of Intent" to remove underground storage tanks was filed in 1993 with NCDENR under File No.: 0-027600. The service station/repair garage was "located on the corner of the Harvey Street Annex and 5th Street", but it is unclear exactly where the operation was located in relation to the HealthPlus property. Mr. Bullock indicated that the Notice of Intent was archived with their main office in Raleigh and no copy was retained because no action was required at the site by the State. In addition, he informed Chip that no assessment or any other information was required or obtained by NCDENR because there were no other requirements or restrictions placed upon the previous property owner(s) with regard to the property. Mr. Bullock could not tell whether any such tanks were registered or unregistered. He advised that a Phase II Environmental

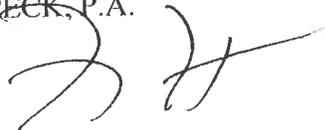
Site Assessment may be necessary for the City to determine whether any environmental issues ever existed at or near the property.

Especially in light of Council's motion and the limited information we have obtained, our office advises that the City needs to make an informed decision concerning whether it desires to obtain a Phase II Environmental Site Assessment prior to purchasing the subject property. The terms of our offer to purchase provide that the City, in its sole discretion, may elect to have an environmental assessment performed on the subject property. The City has 60 days from July 12th (September 10th) to make this election and notify HealthPlus of the same. Such an election and notification would toll the running of any other time periods under the offer, including the time within which to close. If the City decides to obtain an environmental assessment and depending upon the results, the City might also explore whether it would be prudent to acquire environmental contamination insurance and/or a Brownfields Agreement. The City should also consider the possibility of requiring the current owner to execute a proper indemnification agreement with the City should any environmental issues arise in the future.

Please feel free to contact me if you have any questions or if you wish to discuss this matter further.

Yours very truly,

RODMAN, HOLSCHER, FRANCISCO
& PECK, P.A.



Franz F. Holscher

FFH/cws

**NORTH CAROLINA
BEAUFORT COUNTY**

AGREEMENT TO PURCHASE AND CONTRACT

THIS AGREEMENT TO PURCHASE AND CONTRACT, hereinafter referred to as "Agreement", is made and entered into this the 12th day of July, 2010, by and between **HEALTHPLUS THERAPEUTIC SERVICES, INC.**, a North Carolina corporation, hereinafter referred to as "Seller," and **CITY OF WASHINGTON**, a municipal corporation of the State of North Carolina, hereinafter referred to as "Buyer."

W I T N E S S E T H:

NOW, THEREFORE, in consideration of the sum of Ten and no/100 Dollars (\$10.00) and other good and valuable consideration paid by Buyer to Seller, the receipt and legal sufficiency of which are hereby acknowledged, the Seller does hereby agree to sell and Buyer does hereby agree to buy, certain real property located in the City of Washington, subject to the following terms and provisions.

1. **REAL PROPERTY.** Seller agrees to sell Buyer 3.439 acres, more or less, as shown on that certain survey of Mayo and Associates, P.A. and as more fully described in Exhibit "A" attached hereto.

2. **PURCHASE PRICE.** The purchase price for the subject property is ONE HUNDRED AND SEVENTY-FIVE THOUSAND AND NO/100 DOLLARS (\$175,000.00). The parties hereto acknowledge that a FIVE THOUSAND AND NO/100 DOLLARS (\$5,000.00) escrow deposit has been made to the firm of Rodman, Holscher, Francisco & Peck,

P.A.. Said escrow deposit will be credited to Buyer as part of the purchase price at such time as the sale is consummated. By the signature of Frederick N. Holscher below, Frederick N. Holscher of Rodman, Holscher, Francisco & Peck, P.A. acknowledges the receipt of said escrow deposit. In the event of a breach of this Agreement by Seller, upon Buyer's request, all escrow money shall be returned to Buyer and such return shall not affect any other remedies available to Buyer for such breach. In the event Buyer breaches this Agreement, then all escrow money shall be forfeited upon Seller's request, but the receipt of such forfeited escrow monies shall not affect any other remedies available to Seller for such breach. If Buyer and Seller cannot agree as to the disposition of the escrow monies, then Rodman, Holscher, Francisco & Peck, P.A. will make a two party check to Buyer and Seller and Rodman, Holscher, Francisco & Peck, P.A. will be absolved from any further duty with regard to the escrow monies.

3. **REAL ESTATE COMMISSION.** Any real estate commissions owed will be paid by Seller and not by Buyer. Seller represents that there are no real estate agents or brokers involved and that no real estate commission is to be paid at closing.

4. **EXAMINATION PERIOD.** Buyer shall have up to sixty (60) days from the date of the completed execution by Seller and Buyer of this Agreement to perform various examinations with regard to the subject property. Such examinations include, but may not be limited to, title examination, environmental examinations, and/or soil tests. The environmental examinations shall include

examinations for any materials, wastes or substances which are a) Petroleum, b) Asbestos, c) Polychlorinated Biphenyls, d) designated as a Hazardous Substance pursuant to Section 311 of the Clean Water Act of 1977 (33 U.S.C. § 1321) or listed pursuant to Section 307 of the Clean Water Act of 1977 (33 U.S.C. § 1317), e) defined as a Hazardous Waste pursuant to Section 1004 of the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6903) or f) defined as a Hazardous Substance pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. § 9601). Seller has no actual knowledge of any contamination of the subject property, including but not limited to from such substances as may have been disposed of or stored on neighboring tracts. During the examination period, Buyer may, in its sole discretion, elect to have an environmental assessment performed on the subject property. If Buyer elects to have an environmental assessment performed on the subject property, the running of the examination period and any other time period hereunder shall be suspended until Buyer receives the environmental assessment, plus an additional fifteen days. If Buyer determines that there is a title defect or that there are environmental contaminations contained upon said site or if Buyer is dissatisfied with the results of any environmental assessment received, then Buyer shall have the absolute right to cancel this Agreement and have its escrow monies returned or request that Seller cure said defect. If Seller is able to cure such defect within sixty (60) days of notice by Buyer, then Buyer shall be required to complete the transaction pursuant to the

terms and conditions herein.

5. **CLOSING.** Once the sixty (60) day examination period is complete, or upon notice from Buyer that the balance remaining of the examination period is waived, Buyer agrees to "close" said transaction within thirty (30) days of such completion or notice, or within thirty (30) days of the cure of any defect in paragraph 4 above. Said Closing will take place at the offices of Rodman, Holscher, Francisco & Peck, P.A. at 320 N. Market Street, Washington, NC 27889 at a mutually convenient time between the parties.

6. **TAXES.** Seller agrees to pay all ad valorem and personal property taxes levied against the subject property for the tax year of 2010.

7. **TITLE.** Seller must be able to convey to Buyer fee simple marketable title, free and clear of all liens and encumbrances at closing. Buyer and Seller acknowledge that the subject property is subject to a Deed of Trust from Wachovia Bank in the original amount of \$130,000.00, said Deed of Trust being recorded in Book 1688, Page 234, Beaufort County Registry. Seller represents that said obligation will be paid prior to or simultaneously with closing.

8. **NOTICES.** Any Notices as required within this document shall be delivered as follows:

Seller: Healthplus Therapeutic Services, Inc.
211 N. Market Street
Washington, NC 27889

Buyer: City of Washington
Attn: James C. Smith, Jr., City Manager
PO Box 1988
Washington, NC 27889

Copies of all Notices shall also be mailed to Frederick N. Holscher of Rodman, Holscher, Francisco & Peck, P.A., 320 N. Market Street, Washington, NC 27889.

9. **EXPENSES.** Buyer shall be responsible for any title examination, title insurance, recording fee and other "normal" closing costs generally attributed to Buyers for closings in North Carolina. Seller shall be responsible for deed preparation and revenue stamps and other "normal" closing costs generally attributed to Sellers for closings in North Carolina. In addition, as per the above paragraph, Seller will be responsible for satisfying any mortgages or deeds of trust, 2010 taxes, and/or any other liens against the subject property.

10. **PARTIES.** This Agreement shall be binding upon and shall inure to the benefit of all the parties, i.e., Buyer and Seller and their successors and/or assigns.

11. **RELEASE BY SELLER.** As additional consideration for this Agreement, the purchase price and other matters contained herein, Seller does hereby release Buyer, agrees to hold Buyer harmless and shall not bring any claim or action against Buyer with regard to the subject property, including but not limited to any claim or action arising out of any zoning or other decision made by Buyer or a representative or agent of Buyer with regard to the subject property. Said Release shall be binding on Seller, its

successors, and/or assigns and shall survive the closing of the transaction.

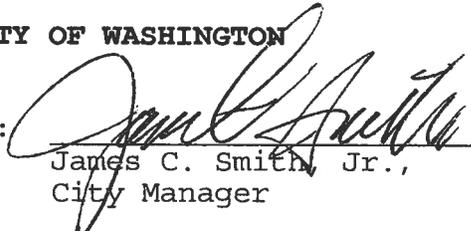
12. **SURVIVAL.** If any provision herein contained which by its nature and effect is required to be observed, kept or performed after the closing, it shall survive the closing and remain binding upon and for the benefit of the parties hereto until fully observed, kept or performed.

13. **ENTIRE AGREEMENT.** This Agreement contains the entire understandings of the parties and there are no representations, inducements or other provisions other than those expressed herein. All changes, additions or deletions hereto must be in writing and signed by all parties.

14. **EXECUTION.** This Agreement shall become a binding contract when signed by both Buyer and Seller. This Agreement is executed under seal and signed in multiple originals, all of which together constitute one and the same instrument, with a signed original being retained by each party and also one by Frederick N. Holscher.

(corporate seal)

CITY OF WASHINGTON

BY:  (Seal)
James C. Smith, Jr.,
City Manager

ATTEST:

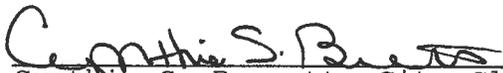

Cynthia S. Bennett, City Clerk

EXHIBIT "A"

Property Description: Lying and being in the City of Washington, County of Beaufort, State of North Carolina, more particularly described as follows:

BEING all of Tract "A" containing 3.439 acres by coordinates as platted on survey map dated May 21, 2008 entitled "Beaufort County Board of Education" prepared by Mayo and Associates, P.A., of record in Plat Cabinet H, Slide 32-8, Beaufort County Registry, to which reference is herein made and incorporated herein for a more complete and adequate description.

HEALTHPLUS THERAPEUTIC SERVICES,
INC.

(corporate seal)

By: [Signature] (Seal)
President

ATTEST:

Rosita Y. France
Secretary

FREDERICK N. HOLSCHER (Seal)

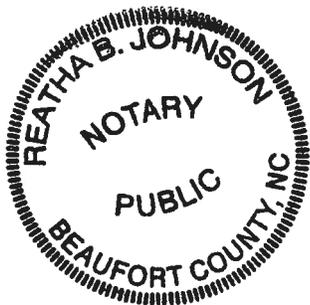
STATE OF NORTH CAROLINA
COUNTY OF BEAUFORT

I, Reatha B. Johnson, a Notary Public of the State and County aforesaid, certify that CYNTHIA S. BENNETT personally appeared before me this day and acknowledged that she is City Clerk of the CITY OF WASHINGTON, a North Carolina municipal corporation, and by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by JAMES C. SMITH, JR., its City Manager, sealed with its corporate seal and attested by herself as its City Clerk.

WITNESS my hand and official seal, this the 8 day of July, 2010.

Reatha B. Johnson
NOTARY PUBLIC

My Commission expires: 12/14/14.



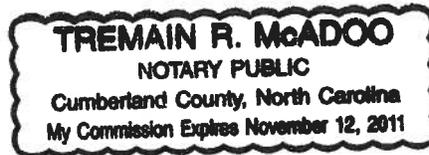
STATE OF NORTH CAROLINA
COUNTY OF ~~BEAUFORT~~ Cumberland

I, Tremain R. McAdoo, a Notary Public of the State and County aforesaid, certify that Rosetta N. Lowe personally appeared before me this day and acknowledged that he/she is Secretary of HEALTHPLUS THERAPEUTIC SERVICES, INC., a North Carolina corporation, and by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by Michael Francis Lowe, its President, sealed with its corporate seal and attested by himself/herself as its Secretary.

WITNESS my hand and official seal, this the 12 day of July, 2010.

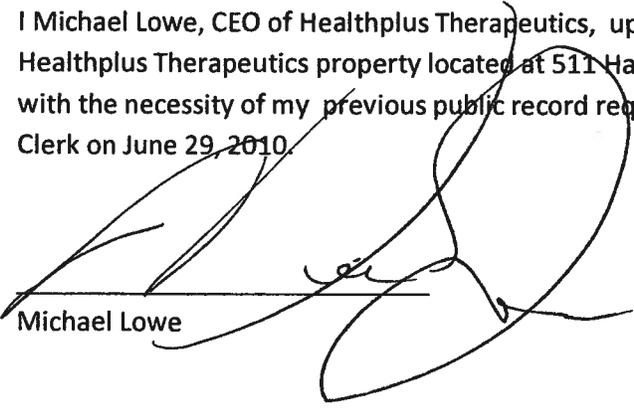
T. R. McAdoo
NOTARY PUBLIC

My Commission expires: November 12, 2011.



July 8, 2010

I Michael Lowe, CEO of Healthplus Therapeutics, upon signing the City's agreement to purchase the Healthplus Therapeutics property located at 511 Harvey Street (old Ed Tech Property), hereby dispense with the necessity of my previous public record requests being filled which was presented to the City Clerk on June 29, 2010.


Michael Lowe



City of Washington

P. O. Box 1988, Washington, NC 27889-1988

MEMORANDUM

DATE: 15, July 2010

TO: Mayor and City Council

FROM: James C. Smith, City Manager 

SUBJ: Agreement to purchase acceptance property located on the corner of Bridge and Second.

On June 21 City Council authorized us to enter into an agreement with Mr. Floyd Banks to purchase the property located on the corner of Bridge and 2nd St in order to accommodate a future expansion of the Brown Library. Inasmuch as there was once a service station located on the site we requested the City Attorney's Office review any files at the North Carolina Department of Environment and Natural Resources (NCDENR) regarding the property.

The Underground Storage Tanks Division provided us with documents regarding previous environmental testing and sampling at this location. They indicated that some samples were taken and tested in 1990. The laboratory report submitted showed "a very low-level of the total petroleum hydrocarbons". It appears that most of the samples were obtained from the boundaries of the property as concrete pavement or an old foundation was encountered preventing the taking of samples from certain areas.

In addition a "notice of intent" to remove underground storage tanks at the location was provided to NCDENR in 1990. The tanks were apparently unregistered tanks which at that time required no further action by the property owner with regard to any environmental issues which may have existed at the property when the tanks were removed. St. Clair Trucking Inc. recently provided a letter to NCDENR indicating that it had removed the tanks at Pamlico Auto Center for Mr. Floyd Banks at 131 N. Bridge St. in Washington on May 15, 1995, and that the hole was filled in with rock, gravel and sand. NCDENR cautioned that the City should consider contracting for an independent Phase II Environmental Site Assessment.

July 26, 2010
Page 167 of 345

The executed terms of our offer to purchase the property include a provision that the City may elect to have an environmental assessment performed. The City has until August 30 to make a selection and notify Mr. Banks accordingly. Such an election and notice would toll the running of any other time periods under the offer including the time within which to close. If the City Council decides not to proceed with an environmental assessment we should require the current owner to execute a proper indemnification agreement with the City should any environmental issues arise in the future and also consider obtaining environmental contamination insurance.



REALTOR® North Carolina Association of REALTORS®

AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY

THIS AGREEMENT, including any and all addenda attached hereto ("Agreement"), is by and between City of Washington

a(n) James C. Smith ("Buyer"), and (individual or State of formation and type of entity)

a(n) Floyd M. Banks ("Seller"). (individual or State of formation and type of entity)

FOR AND IN CONSIDERATION OF THE MUTUAL PROMISES SET FORTH HEREIN AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES HERETO AGREE AS FOLLOWS:

Section 1. Terms and Definitions: The terms listed below shall have the respective meaning given them as set forth adjacent to each term.

(a) "Property": (Address) 131 Bridge St Washington NC, 27889 (1 LOT 131 COR BRIDGE & 2ND STREET)

[X] All [] A portion of the property in Deed Reference: Book 1373, Page No. 0545, Beaufort County; consisting of approximately acres.

Plat Reference: Lot(s), Block or Section, as shown on Plat Book or Slide at Page(s), County, consisting of acres.

[] If this box is checked, "Property" shall mean that property described on Exhibit A attached hereto and incorporated herewith by reference,

(For information purposes, the tax parcel number of the Property is: 5675-79-0134)

together with all buildings and improvements thereon and all fixtures and appurtenances thereto and all personal property, if any, itemized on Exhibit A.

\$ 115,000.00 (b) "Purchase Price" shall mean the sum of One Hundred Fifteen Thousand Dollars, payable on the following terms:

\$ 500.00 (i) "Earnest Money" shall mean Five Hundred Dollars or terms as follows: N/A

Upon this Agreement becoming a contract in accordance with Section 14, the Earnest Money shall be promptly deposited in escrow with Coldwell Banker Commercial CoastalMark (name of person/entity with whom deposited), to be applied as part payment of the Purchase Price of the Property at Closing, or disbursed as agreed upon under the provisions of Section 10 herein.



This form jointly approved by: North Carolina Bar Association North Carolina Association of REALTORS®, Inc.

Buyer Initials Seller Initials



STANDARD FORM 580-T Revised 7/2008 © 7/2009

ANY EARNEST MONEY DEPOSITED BY BUYER IN A TRUST ACCOUNT MAY BE PLACED IN AN INTEREST BEARING TRUST ACCOUNT, AND: (check only ONE box)

ANY INTEREST EARNED THEREON SHALL BE APPLIED AS PART PAYMENT OF THE PURCHASE PRICE OF THE PROPERTY AT CLOSING, OR DISBURSED AS AGREED UPON UNDER THE PROVISIONS OF SECTION 10 HEREIN. (Buyer's Taxpayer Identification Number is: _____)

ANY INTEREST EARNED THEREON SHALL BELONG TO THE ACCOUNT HOLDER IN CONSIDERATION OF THE EXPENSES INCURRED BY MAINTAINING SUCH ACCOUNT AND RECORDS ASSOCIATED THEREWITH.

\$ _____ (ii) Proceeds of a new loan in the amount of _____ Dollars for a term of _____ years, with an amortization period not to exceed _____ years, at an interest rate not to exceed _____ % per annum with mortgage loan discount points not to exceed _____ % of the loan amount, or such other terms as may be set forth on Exhibit B. Buyer shall pay all costs associated with any such loan.

\$ _____ (iii) Delivery of a promissory note secured by a deed of trust, said promissory note in the amount of _____ Dollars being payable over a term of _____ years, with an amortization period of _____ years, payable in monthly installments of principal, together with accrued interest on the outstanding principal balance at the rate of _____ percent (_____ %) per annum in the amount of \$ _____, with the first principal payment beginning on the first day of the month next succeeding the date of Closing, or such other terms as may be set forth on Exhibit B. At any time, the promissory note may be prepaid in whole or in part without penalty and without further interest on the amounts prepaid from the date of such prepayment. (NOTE: In the event of Buyer's subsequent default upon a promissory note and deed of trust given hereunder, Seller's remedies may be limited to foreclosure of the Property. If the deed of trust given hereunder is subordinated to senior financing, the material terms of such financing must be set forth on Exhibit B. If such senior financing is subsequently foreclosed, the Seller may have no remedy to recover under the note.)

\$ _____ (iv) Assumption of that unpaid obligation of Seller secured by a deed of trust on the Property, such obligation having an outstanding principal balance of \$ _____ and evidenced by a note bearing interest at the rate of _____ percent (_____ %) per annum, and a current payment amount of \$ _____. The obligations of Buyer under this Agreement are conditioned upon Buyer being able to assume the existing loan described above. If such assumption requires the lender's approval, Buyer agrees to use its best efforts to secure such approval and to advise Seller immediately upon receipt of the lender's decision. Approval must be granted on or before _____. On or before this date, Buyer has the right to terminate this Agreement for failure to be able to assume the loan described above by delivering to Seller written notice of termination by the above date, *time being of the essence*. If Buyer delivers such notice, this Agreement shall be null and void and Earnest Money shall be refunded to Buyer. If Buyer fails to deliver such notice, then Buyer will be deemed to have waived the loan condition. Unless provided otherwise in Section 3 hereof, Buyer shall pay all fees and costs associated with any such assumption, including any assumption fee charged by the lender. At Closing, Seller shall assign to Buyer all interest of Seller in any current reserves or escrows held by the lender, any property management company and/or Seller, including but not limited to any tenant improvement reserves, leasing commission reserves, security deposits and operating or capital reserves for which Seller shall be credited said amounts at Closing.

\$ 114,500.00 (v) Cash balance of Purchase Price, at Closing in the amount of One Hundred Fourteen Thousand, Five Hundred _____ Dollars.

Buyer Initials _____

Seller Initials _____

Page 2 of 8

STANDARD FORM 580-T

Revised 7/2008

© 7/2009

City of Washin

- (c) **"Closing"** shall mean the date and time of recording of the deed. Closing shall occur on or before September 1, 2010 or _____
- (d) **"Contract Date"** means the date this Agreement has been fully executed by both Buyer and Seller.
- (e) **"Examination Period"** shall mean the period beginning on the Contract Date and extending through August 1, 2010
TIME IS OF THE ESSENCE AS TO THE EXAMINATION PERIOD.
- (f) **"Broker(s)"** shall mean:
Coldwell Banker Commercial CoastalMark ("Listing Agency"),
Michael Overton ("Listing Agent" - License # _____)
 Acting as: Seller's Agent; Dual Agent
 and Coldwell Banker Commercial CoastalMark ("Selling Agency"),
Chris Respass ("Selling Agent" - License # 253328)
 Acting as: Buyer's Agent; Seller's (Sub) Agent; Dual Agent
- (g) **"Seller's Notice Address"** shall be as follows:
131 North Bridge Street
Washington NC, 27889
 except as same may be changed pursuant to Section 12.
- (h) **"Buyer's Notice Address"** shall be as follows:
PO Box 1988
102 East Second Street
Washington NC, 27889
 except as same may be changed pursuant to Section 12.
- (i) If this block is marked, additional terms of this Agreement are set forth on Exhibit B attached hereto and incorporated herein by reference. (Note: Under North Carolina law, real estate agents are not permitted to draft conditions or contingencies to this Agreement.)
- (j) If this block is marked, additional terms of this Agreement are set forth on the Additional Provisions Addendum (Form 581-T) attached hereto and incorporated herein by reference. See Exhibit "B".

Section 2. Sale of Property and Payment of Purchase Price: Seller agrees to sell and Buyer agrees to buy the Property for the Purchase Price.

Section 3. Proration of Expenses and Payment of Costs: Seller and Buyer agree that all property taxes (on a calendar year basis), leases, rents, mortgage payments and utilities or any other assumed liabilities as detailed on attached Exhibit B, if any, shall be prorated as of the date of Closing. Seller shall pay for preparation of a deed and all other documents necessary to perform Seller's obligations under this Agreement, excise tax (revenue stamps), any deferred or rollback taxes, and other conveyance fees or taxes required by law, and the following:

N/A

Buyer Initials JS

Seller Initials TS

Page 3 of 8

STANDARD FORM 580-T

Revised 7/2008

© 7/2009

City of Washin

Buyer shall pay recording costs, costs of any title search, title insurance, survey, the cost of any inspections or investigations undertaken by Buyer under this Agreement and the following:

N/A

Each party shall pay its own attorney's fees.

Section 4. Deliveries: Seller agrees to use best efforts to deliver to Buyer as soon as reasonably possible after the Contract Date copies of all information relating to the Property in possession of or available to Seller, including but not limited to: title insurance policies, surveys and copies of all presently effective warranties or service contracts related to the Property. Seller authorizes (1) any attorney presently or previously representing Seller to release and disclose any title insurance policy in such attorney's file to Buyer and both Buyer's and Seller's agents and attorneys; and (2) the Property's title insurer or its agent to release and disclose all materials in the Property's title insurer's (or title insurer's agent's) file to Buyer and both Buyer's and Seller's agents and attorneys. If Buyer does not consummate the Closing for any reason other than Seller default, then Buyer shall return to Seller all materials delivered by Seller to Buyer pursuant to this Section 4 (or Section 7, if applicable), if any, and shall, upon Seller's request, provide to Seller copies of (subject to the ownership and copyright interests of the preparer thereof) any and all studies, reports, surveys and other information relating directly to the Property prepared by or at the request of Buyer, its employees and agents, and shall deliver to Seller, upon the release of the Earnest Money, copies of all of the foregoing without any warranty or representation by Buyer as to the contents, accuracy or correctness thereof.

Section 5. Evidence of Title: Seller agrees to convey fee simple marketable and insurable title to the Property free and clear of all liens, encumbrances and defects of title other than: (a) zoning ordinances affecting the Property, (b) Leases (if applicable) and (c) matters of record existing at the Contract Date that are not objected to by Buyer prior to the end of the Examination Period ("Permitted Exceptions"); provided that Seller shall be required to satisfy, at or prior to Closing, any encumbrances that may be satisfied by the payment of a fixed sum of money, such as deeds of trust, mortgages or statutory liens. Seller shall not enter into or record any instrument that affects the Property (or any personal property listed on Exhibit A) after the Contract Date without the prior written consent of Buyer, which consent shall not be unreasonably withheld, conditioned or delayed.

Section 6. Conditions: This Agreement and the rights and obligations of the parties under this Agreement are hereby made expressly conditioned upon fulfillment (or waiver by Buyer, whether explicit or implied) of the following conditions:

(a) **New Loan:** The Buyer must be able to obtain the loan, if any, referenced in Section 1(b)(ii). Buyer must be able to obtain a firm commitment for this loan on or before N/A, effective through the date of Closing. Buyer agrees to use its best efforts to secure such commitment and to advise Seller immediately upon receipt of lender's decision. On or before the above date, Buyer has the right to terminate this Agreement for failure to obtain the loan referenced in Section 1(b)(ii) by delivering to Seller written notice of termination by the above date, *time being of the essence*. If Buyer delivers such notice, this Agreement shall be null and void and Earnest Money shall be refunded to Buyer. If Buyer fails to deliver such notice, then Buyer will be deemed to have waived the loan condition. Notwithstanding the foregoing, after the above date, Seller may request in writing from Buyer a copy of the commitment letter. If Buyer fails to provide Seller a copy of the commitment letter within five (5) days of receipt of Seller's request, then Seller may terminate this Agreement by written notice to Buyer at any time thereafter, provided Seller has not then received a copy of the commitment letter, and Buyer shall receive a return of Earnest Money.

(b) **Qualification for Financing:** If Buyer is to assume any indebtedness in connection with payment of the Purchase Price, Buyer agrees to use its best efforts to qualify for the assumption. Should Buyer fail to qualify, Buyer shall notify Seller in writing immediately upon lender's decision, whereupon this Agreement shall terminate, and Buyer shall receive a return of Earnest Money.

(c) **Title Examination:** After the Contract Date, Buyer shall, at Buyer's expense, cause a title examination to be made of the Property before the end of the Examination Period. In the event that such title examination shall show that Seller's title is not fee simple marketable and insurable, subject only to Permitted Exceptions, then Buyer shall promptly notify Seller in writing of all such title defects and exceptions, in no case later than the end of the Examination Period, and Seller shall have thirty (30) days to cure said noticed defects. If Seller does not cure the defects or objections within thirty (30) days of notice thereof, then Buyer may terminate this Agreement and receive a return of Earnest Money (notwithstanding that the Examination Period may have expired). If Buyer is to purchase title insurance, the insuring company must be licensed to do business in the state in which the Property is located. Title to the Property must be insurable at regular rates, subject only to standard exceptions and Permitted Exceptions.

(d) **Same Condition:** If the Property is not in substantially the same condition at Closing as of the date of the offer, reasonable wear and tear excepted, then the Buyer may (i) terminate this Agreement and receive a return of the Earnest Money or (ii) proceed to Closing whereupon Buyer shall be entitled to receive, in addition to the Property, any of the Seller's insurance proceeds payable on account of the damage or destruction applicable to the Property.

Buyer Initials JH Seller Initials ES Page 4 of 8

STANDARD FORM 580-T
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(e) **Inspections:** Buyer, its agents or representatives, at Buyer's expense and at reasonable times during normal business hours, shall have the right to enter upon the Property for the purpose of inspecting, examining, performing soil boring and other testing, conducting timber cruises, and surveying the Property. Buyer shall conduct all such on-site inspections, examinations, soil boring and other testing, timber cruises and surveying of the Property in a good and workmanlike manner, shall repair any damage to the Property caused by Buyer's entry and on-site inspections and shall conduct same in a manner that does not unreasonably interfere with Seller's or any tenant's use and enjoyment of the Property. In that respect, Buyer shall make reasonable efforts to undertake on-site inspections outside of the hours any tenant's business is open to the public and shall give prior notice to any tenants of any entry onto any tenant's portion of the Property for the purpose of conducting inspections. Upon Seller's request, Buyer shall provide to Seller evidence of general liability insurance. Buyer shall also have a right to review and inspect all contracts or other agreements affecting or related directly to the Property and shall be entitled to review such books and records of Seller that relate directly to the operation and maintenance of the Property, provided, however, that Buyer shall not disclose any information regarding this Property (or any tenant therein) unless required by law and the same shall be regarded as confidential, to any person, except to its attorneys, accountants, lenders and other professional advisors, in which case Buyer shall obtain their agreement to maintain such confidentiality. Buyer assumes all responsibility for the acts of itself, its agents or representatives in exercising its rights under this Section 6(e) and agrees to indemnify and hold Seller harmless from any damages resulting therefrom. This indemnification obligation of Buyer shall survive the Closing or earlier termination of this Agreement. Buyer shall, at Buyer's expense, promptly repair any damage to the Property caused by Buyer's entry and on-site inspections. Except as provided in Section 6(c) above, Buyer shall have from the Contract Date through the end of the Examination Period to perform the above inspections, examinations and testing. **IF BUYER CHOOSES NOT TO PURCHASE THE PROPERTY, FOR ANY REASON OR NO REASON, AND PROVIDES WRITTEN NOTICE TO SELLER THEREOF PRIOR TO THE EXPIRATION OF THE EXAMINATION PERIOD, THEN THIS AGREEMENT SHALL TERMINATE, AND BUYER SHALL RECEIVE A RETURN OF THE EARNEST MONEY.**

Section 7. Leases (Check one of the following, as applicable):

If this box is checked, Seller affirmatively represents and warrants that there are no Leases (as hereinafter defined) affecting the Property.

If this box is checked, Seller discloses that there are one or more leases affecting the Property (oral or written, recorded or not - "Leases") and the following provisions are hereby made a part of this Agreement.

(a) All Leases shall be itemized on **Exhibit B**;

(b) Seller shall deliver copies of any Leases to Buyer pursuant to Section 4 as if the Leases were listed therein;

(c) Seller represents and warrants that as of the Contract Date there are no current defaults (or any existing situation which, with the passage of time, or the giving of notice, or both, or at the election of either landlord or tenant could constitute a default) either by Seller, as landlord, or by any tenant under any Lease ("Lease Default"). In the event there is any Lease Default as of the Contract Date, Seller agrees to provide Buyer with a detailed description of the situation in accordance with Section 4. Seller agrees not to commit a Lease Default as Landlord after the Contract Date, and agrees further to notify Buyer immediately in the event a Lease Default arises or is claimed, asserted or threatened to be asserted by either Seller or a tenant under the Lease.

(d) In addition to the conditions provided in Section 6 of this Agreement, this Agreement and the rights and obligations of the parties under this Agreement are hereby made expressly conditioned upon the assignment of Seller's interest in any Lease to Buyer in form and content acceptable to Buyer (with tenant's written consent and acknowledgement, if required under the Lease), and Seller agrees to use its best efforts to effect such assignment. Any assignment required under this Section 7 shall be required to be delivered at Closing by Seller in addition to those deliveries required under Section 11 of this Agreement.

(e) Seller agrees to deliver an assignment of any Lease at Closing, with any security deposits held by Seller under any Leases to be transferred or credited to Buyer at Closing. Seller also agrees to execute and deliver (and work diligently to obtain any tenant signatures necessary for same) any estoppel certificates and subordination, nondisturbance and attornment agreements in such form as Buyer may reasonably request.

Section 8. Environmental: Seller represents and warrants that it has no actual knowledge of the presence or disposal, except as in accordance with applicable law, within the buildings or on the Property of hazardous or toxic waste or substances, which are defined as those substances, materials, and wastes, including, but not limited to, those substances, materials and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 CFR Part 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302.4) and amendments thereto, or such substances, materials and wastes, which are or become regulated under any applicable local, state or federal law, including, without limitation, any material, waste or substance which is (i)

Buyer Initials _____

Seller Initials _____

Page 5 of 8

STANDARD FORM 580-T

Revised 7/2008

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City of Washin

petroleum, (ii) asbestos, (iii) polychlorinated biphenyls, (iv) designated as a Hazardous Substance pursuant to Section 311 of the Clean Water Act of 1977 (33 U.S.C. §1321) or listed pursuant to Section 307 of the Clean Water Act of 1977 (33 U.S.C. §1317), (v) defined as a hazardous waste pursuant to Section 1004 of the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §6903) or (vi) defined as a hazardous substance pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §9601). Seller has no actual knowledge of any contamination of the Property from such substances as may have been disposed of or stored on neighboring tracts.

Section 9. Risk of Loss/Damage/Repair: Until Closing, the risk of loss or damage to the Property, except as otherwise provided herein, shall be borne by Seller. Except as to maintaining the Property in its same condition, Seller shall have no responsibility for the repair of the Property, including any improvements, unless the parties hereto agree in writing.

Section 10. Earnest Money Disbursement: In the event that any of the conditions hereto are not satisfied, or in the event of a breach of this Agreement by Seller, then the Earnest Money shall be returned to Buyer, but such return shall not affect any other remedies available to Buyer for such breach. In the event this offer is accepted and Buyer breaches this Agreement, then the Earnest Money shall be forfeited, but such forfeiture shall not affect any other remedies available to Seller for such breach. NOTE: In the event of a dispute between Seller and Buyer over the return or forfeiture of Earnest Money held in escrow by a licensed real estate broker, the broker is required by state law to retain said Earnest Money in its trust or escrow account until it has obtained a written release from the parties consenting to its disposition or until disbursement is ordered by a court of competent jurisdiction, or alternatively, the party holding the Earnest Money may deposit the disputed monies with the appropriate clerk of court in accordance with the provisions of N.C.G.S. §93A-12.

Section 11. Closing: At Closing, Seller shall deliver to Buyer a general warranty deed unless otherwise specified on Exhibit B and other documents customarily executed or delivered by a seller in similar transactions, including without limitation, a bill of sale for any personalty listed on Exhibit A, an owner's affidavit, lien waiver forms and a non-foreign status affidavit (pursuant to the Foreign Investment in Real Property Tax Act), and Buyer shall pay to Seller the Purchase Price. At Closing, the Earnest Money shall be applied as part of the Purchase Price. The Closing shall be held at the office of Buyer's attorney or such other place as the parties hereto may mutually agree. Possession shall be delivered at Closing, unless otherwise agreed herein.

Section 12. Notices: Unless otherwise provided herein, all notices and other communications which may be or are required to be given or made by any party to the other in connection herewith shall be in writing and shall be deemed to have been properly given and received on the date delivered in person or deposited in the United States mail, registered or certified, return receipt requested, to the addresses set out in Section 1(g) as to Seller and in Section 1(h) as to Buyer, or at such other addresses as specified by written notice delivered in accordance herewith.

Section 13. Entire Agreement: This Agreement constitutes the sole and entire agreement among the parties hereto and no modification of this Agreement shall be binding unless in writing and signed by all parties hereto.

Section 14. Enforceability: This Agreement shall become a contract when signed by both Buyer and Seller and such signing is communicated to both parties; it being expressly agreed that the notice described in Section 12 is not required for effective communication for the purposes of this Section 14. This Agreement shall be binding upon and inure to the benefit of the parties, their heirs, successors and assigns and their personal representatives.

Section 15. Adverse Information and Compliance with Laws:

(a) **Seller Knowledge:** Seller has no actual knowledge of (i) condemnation(s) affecting or contemplated with respect to the Property; (ii) actions, suits or proceedings pending or threatened against the Property; (iii) changes contemplated in any applicable laws, ordinances or restrictions affecting the Property; or (iv) governmental special assessments, either pending or confirmed, for sidewalk, paving, water, sewer, or other improvements on or adjoining the Property, and no pending or confirmed owners' association special assessments, except as follows (Insert "None" or the identification of any matters relating to (i) through (iv) above, if any):
NONE KNOWN, IF ANY, SELLER TO PAY.

Note: For purposes of this Agreement, a "confirmed" special assessment is defined as an assessment that has been approved by a governmental agency or an owners' association for the purpose(s) stated, whether or not it is fully payable at time of closing. A "pending" special assessment is defined as an assessment that is under formal consideration by a governing body. Seller shall pay all owners' association assessments and all governmental assessments confirmed as of the time of Closing, if any, and Buyer shall take title subject to all pending assessments disclosed by Seller herein, if any.

Seller represents that the regular owners' association dues, if any, are \$N/A per N/A.

Buyer Initials [Signature] Seller Initials [Signature] Page 6 of 8

STANDARD FORM 580-T
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(b) Compliance: To Seller's actual knowledge, (i) Seller has complied with all applicable laws, ordinances, regulations, statutes, rules and restrictions pertaining to or affecting the Property; (ii) performance of the Agreement will not result in the breach of, constitute any default under or result in the imposition of any lien or encumbrance upon the Property under any agreement or other instrument to which Seller is a party or by which Seller or the Property is bound; and (iii) there are no legal actions, suits or other legal or administrative proceedings pending or threatened against the Property, and Seller is not aware of any facts which might result in any such action, suit or other proceeding.

Section 16. Survival of Representations and Warranties: All representations, warranties, covenants and agreements made by the parties hereto shall survive the Closing and delivery of the deed. Seller shall, at or within six (6) months after the Closing, and without further consideration, execute, acknowledge and deliver to Buyer such other documents and instruments, and take such other action as Buyer may reasonably request or as may be necessary to more effectively transfer to Buyer the Property described herein in accordance with this Agreement.

Section 17. Applicable Law: This Agreement shall be construed under the laws of the state in which the Property is located. This form has only been approved for use in North Carolina.

Section 18. Assignment: This Agreement is freely assignable unless otherwise expressly provided on Exhibit B.

Section 19. Tax-Deferred Exchange: In the event Buyer or Seller desires to effect a tax-deferred exchange in connection with the conveyance of the Property, Buyer and Seller agree to cooperate in effecting such exchange; provided, however, that the exchanging party shall be responsible for all additional costs associated with such exchange, and provided further, that a non-exchanging party shall not assume any additional liability with respect to such tax-deferred exchange. Seller and Buyer shall execute such additional documents, at no cost to the non-exchanging party, as shall be required to give effect to this provision.

Section 20. Memorandum of Contract: Upon request by either party, the parties hereto shall execute a memorandum of contract in recordable form setting forth such provisions hereof (other than the Purchase Price and other sums due) as either party may wish to incorporate. Such memorandum of contract shall contain a statement that it automatically terminates and the Property is released from any effect thereby as of a specific date to be stated in the memorandum (which specific date shall be no later than the date of Closing). The cost of recording such memorandum of contract shall be borne by the party requesting execution of same.

Section 21. Authority: Each signatory to this Agreement represents and warrants that he or she has full authority to sign this Agreement and such instruments as may be necessary to effectuate any transaction contemplated by this Agreement on behalf of the party for whom he or she signs and that his or her signature binds such party.

Section 22. Brokers: Except as expressly provided herein, Buyer and Seller agree to indemnify and hold each other harmless from any and all claims of brokers, consultants or real estate agents by, through or under the indemnifying party for fees or commissions arising out of the sale of the Property to Buyer. Buyer and Seller represent and warrant to each other that: (i) except as to the Brokers designated under Section 1(f) of this Agreement, they have not employed nor engaged any brokers, consultants or real estate agents to be involved in this transaction and (ii) that the compensation of the Brokers is established by and shall be governed by separate agreements entered into as amongst the Brokers, the Buyer and/or the Seller.

EIFS/SYNTHETIC STUCCO: If the adjacent box is checked, Seller discloses that the Property has been clad previously (either in whole or in part) with an "exterior insulating and finishing system" commonly known as "EIFS" or "synthetic stucco". Seller makes no representations or warranties regarding such system and Buyer is advised to make its own independent determinations with respect to conditions related to or occasioned by the existence of such materials at the Property.

THE NORTH CAROLINA ASSOCIATION OF REALTORS®, INC. AND THE NORTH CAROLINA BAR ASSOCIATION MAKE NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION. IF YOU DO NOT UNDERSTAND THIS FORM OR FEEL THAT IT DOES NOT PROVIDE FOR YOUR LEGAL NEEDS, YOU SHOULD CONSULT A NORTH CAROLINA REAL ESTATE ATTORNEY BEFORE YOU SIGN IT.

Buyer Initials JS Seller Initials Z B

BUYER:

Individual

~~James C. Smith~~

~~Date: July 1, 2010~~

Date: _____

Business Entity

~~City of Washington~~
(Name of Entity)

By: _____

Name: ~~James C. Smith~~

Title: ~~City Manager~~

Date: ~~July 1, 2010~~

SELLER:

Individual

Floyd M. Banks
Floyd M. Banks

Date: _____

Date: _____

Business Entity

(Name of Entity)

By: _____

Name: Floyd M. Banks

Title: Owner

Date: _____

The undersigned hereby acknowledges receipt of the Earnest Money set forth herein and agrees to hold said Earnest Money in accordance with the terms hereof.

ColdwellBanker Commercial CoastalMark
(Name of Firm)

Date: _____

By: _____

EXHIBIT "B"

EXAMINATION PERIOD. Notwithstanding any other provision contained herein, Buyer shall have up to sixty (60) days from the date of the completed execution by Seller and Buyer of this Agreement to perform various examinations with regard to the subject property. Such examinations include, but may not be limited to, title examination, environmental examinations, and/or soil tests. The environmental examinations shall include examinations for any materials, wastes or substances which are a) Petroleum, b) Asbestos, c) Polychlorinated Biphenyls, d) designated as a Hazardous Substance pursuant to Section 311 of the Clean Water Act of 1977 (33 U.S.C. § 1321) or listed pursuant to Section 307 of the Clean Water Act of 1977 (33 U.S.C. § 1317), e) defined as a Hazardous Waste pursuant to Section 1004 of the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6903) or f) defined as a Hazardous Substance pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. § 9601). Seller has no actual knowledge of any contamination of the subject property, including but not limited to from such substances as may have been disposed of or stored on neighboring tracts. During the examination period, Buyer may, in its sole discretion, elect to have an environmental assessment performed on the subject property. If

Buyer elects to have an environmental assessment performed on the subject property, the running of the examination period and any other time period hereunder shall be suspended until Buyer receives the environmental assessment, plus an additional fifteen days. If Buyer determines that there is a title defect or that there are environmental contaminations contained upon said site or if Buyer is dissatisfied with the results of any environmental assessment received, then Buyer shall have the absolute right to cancel this Agreement and have its escrow monies returned or request that Seller cure said defect. If Seller is able to cure such defect within sixty (60) days of notice by Buyer, then Buyer shall be required to complete the transaction pursuant to the terms and conditions herein.



City of Washington

P. O. Box 1988, Washington, NC 27889-1988

MEMORANDUM

DATE: 20, July 2010

TO: Mayor and City Council

FROM: James C. Smith, City Manager 

SUBJ: Proposed Lease Agreement for Impressions Marketing Group, Inc.
for the property located at 234 Springs Road

Since September of 2006 the City Council has authorized extensions of the existing "letter" lease with Impressions Marketing Group for the property located at 234 Springs Road (the former Hamilton Beach plant). While negotiations were in progress with the Committee of 100 to purchase the underlying property from the City and to obtain grants/subsidized loans in order to make improvements. These have proven to be unsuccessful.

It is now proposed that the City lease the building directly to IMG. Because it is a complicated lease with numerous provisions and is subject to statutory leasing requirements, we are providing an advance copy of the proposed lease. If Council accepts the draft lease, then it can be brought back to Council on 8/9/10 for action.

**NORTH CAROLINA
BEAUFORT COUNTY**

THIS LEASE made and entered into as of the 1st day of July, 2010, by and between the **CITY OF WASHINGTON**, a municipal corporation organized under the laws of the State of North Carolina with an office located at 102 East Second Street, Washington, North Carolina, (hereinafter referred to as "Landlord") and **IMPRESSIONS MARKETING GROUP, INC.**, a Virginia corporation, with offices located at 7951 Angleton Court, Lorton, Virginia (hereinafter referred to as "Tenant").

WITNESSETH:

WHEREAS, Landlord is the owner of the real property and the improvements thereon and appurtenant thereto, including, without limitation all buildings and parking lots located at 234 Springs Road, Washington, North Carolina and as shown on that survey recorded in the Beaufort County Register of Deeds in Plat Cabinet H, Slide 52-9.

WHEREAS, Hamilton Beach Brands, Inc. f/k/a Hamilton Beach/Proctor-Silex, Inc. (hereinafter referred to as "HBBI") formerly leased said property and improvements from the City until August 31, 2006.

WHEREAS, in or about 1992, HBBI discovered that portions of the property were contaminated, the nature of, extent of, and responsibility for such contamination is recognized, understood, and acknowledged by the parties hereto as the same is defined, described and established by the administrative record, including various reports and other documentation currently on file with the North Carolina Department of Environment and Natural Resources.

WHEREAS, Tenant has leased the property and the improvements thereon or portions thereof from Landlord under a series of letter agreements since September 1, 2006, which letter agreements incorporated the terms and provisions of the City's former lease with HBBI.

WHEREAS, it was contemplated by the parties hereto that the Beaufort County Committee of 100 would purchase a portion of said property as well as the improvements located thereon, assist Tenant in obtaining certain financing necessary to renovate the improvements located thereon, and enter a long-term lease with Tenant.

WHEREAS, for various reasons, the contemplations of the parties have not come to fruition.

WHEREAS, the parties hereto agree that this Lease shall be subject to that Grant of Easement and Indemnity Agreement (hereinafter referred to as "HBBI Access Agreement") by and between HBBI and the Landlord, effective October 2, 2008 and recorded in Deed Book 1661, Page 951, Beaufort County Registry.

WHEREAS, Tenant desires to lease from Landlord those portions of said property and the improvements that are identified and defined hereinafter as the "Leased Premises" and Landlord desires to lease the Leased Premises to Tenant, on the terms and conditions set forth herein.

NOW, THEREFORE, subject to the terms and conditions hereinafter set forth, Landlord does hereby lease and let unto Tenant and Tenant hereby takes and accepts, together with all privileges and appurtenances thereto, the Leased Premises. In consideration of the mutual promises and covenants hereinafter contained, the benefits to Landlord and Tenant, and for Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties hereto agree as follows.

1. COMMENCEMENT DATE. This Lease shall commence on the "Commencement Date" which is the date the Lease was made and entered into, effective as of July 1, 2010.
- 1A. LEASED PREMISES. Subject to the terms and conditions contained herein, Landlord leases to Tenant and Tenant leases from Landlord that certain tract or parcel of land, including the facility as well as other improvements or fixtures located thereon ("Leased Premises") lying and being in the City of Washington, Beaufort County, North Carolina, more particularly described as follows:

BEING all of Tract 3 as shown on that survey for the City of Washington by Mayo and Associates, P.A. dated April 29, 2008 and recorded in Plat Cabinet H, Slide 52-9, Beaufort County Registry, to which reference is herein made for a more complete and adequate description.

- a. The parties hereto acknowledge, understand, and shall be bound by the following. Landlord shall retain Tract 1, Tract 2, Tract 4 and an easement over a portion of Tract 3, all as more specifically shown on said survey. Landlord intends to convey to the North Carolina Department of Transportation ("NC DOT") so much of Tract 1 retained by Landlord as may be necessary to provide sufficient right of way within which NC DOT may construct a road running from State Road 1509 (Cowhead Springs Road) and connecting to a road to be constructed and/or improved by NC DOT that extends the existing State Road 1536 (Linnie Perry Road) and runs along the southern boundary of the Leased Premises. As additional consideration for the Lease contemplated herein, Tenant shall hereafter release to NC DOT without consideration so much of the Leased Premises as may be necessary to provide sufficient right of way within which NC DOT may construct said roads. If Landlord conveys Tract 1 or a portion thereof to NC DOT, Tenant shall accept, as part of the Leased Premises, any portion of Tract 1 that is not conveyed to NC DOT. With the possible exception of a portion of the easternmost parking area and a section of the southernmost fence, it is understood by the parties hereto that said roads will in no way interfere with or impact those improvements currently located on the Leased Premises or Tenant's intended use of the property. Landlord shall allow Tenant to utilize said portion of the easternmost parking area until such time as the same is needed by Landlord; at which time, said portion of the easternmost parking area may be removed by Landlord or NC DOT, as the case may be, such area as may be removed shall be released from this Lease, and the parties shall execute any document that may be required to effectuate all of the foregoing.

2. TERM. The agreements between the parties set forth herein, including but not limited to all obligations to provide insurance coverage, shall be effective from and after the date hereof. The initial rental term of this Lease shall commence on the Commencement Date at 12:01 a.m. and shall terminate at midnight on the third (3rd) anniversary of the Commencement Date (the "Initial Term").

Provided that Tenant is not then in default beyond any applicable cure period, Tenant shall have the right to extend the term of this Lease for an additional one (1) year term (the "First Extended Term"), such First Extended Term to commence at the expiration of the Initial Term and to terminate at midnight on the fourth (4th) anniversary of the Commencement Date. Tenant may exercise Tenant's right to extend the term of this Lease for such Extended Term by giving Landlord written notice of Tenant's intention to extend this Lease for the Extended Term on or before the date that is the later of (i) one hundred eighty (180) days prior to the expiration of the Initial Term of this Lease and (ii) the date that is thirty (30) days following the date that Tenant receives written notice from Landlord that Tenant has failed to exercise its option to extend the term of this Lease for the Extended Term (which notice Landlord shall not be entitled to give to Tenant earlier than the date which is two hundred ten (210) days prior to the expiration of the Initial Term of this Lease).

Provided that Tenant is not then in default beyond any applicable cure period, Tenant shall have the right to extend the term of this Lease for an additional one (1) year term (the "Second Extended Term"), such Second Extended Term to commence at the expiration of the First Extended Term and to terminate at midnight on the fifth (5th) anniversary of the Commencement Date. Tenant may exercise Tenant's right to extend the term of this Lease for such Extended Term by giving Landlord written notice of Tenant's intention to extend this Lease for the Extended Term on or before the date that is the later of (i) ninety (90) days prior to the expiration of the First Extended Term of this Lease and (ii) the date that it is thirty (30) days following the date that Tenant receives written notice from Landlord that Tenant has failed to exercise its option to extend the term of this Lease for the Extended Term (which notice Landlord shall

not be entitled to give to Tenant earlier than the date which is one hundred twenty (120) days prior to the expiration of the First Extended Term of this Lease).

3. USE. Landlord agrees that Tenant, during the term of this Lease, shall have control and use of the Leased Premises for the operation of a light manufacturing facility and for all other ancillary uses customarily associated with the operation of a light manufacturing facility, or for any other lawful use, subject to all applicable governmental laws, ordinances, regulations, reservations contained herein, private restrictions of record in the chain of title, and any Brownfields Agreement to which Landlord is or may become a party.
4. RENT. Tenant agrees to pay to Landlord during the term of this Lease, rent as set forth below.
 - a. The annual rental amount for the Initial Term, shall be THREE HUNDRED NINETY-TWO THOUSAND SEVEN HUNDRED THIRTY-SIX AND 00/100s DOLLARS (\$392,736.00) and shall be due and payable monthly, in advance, in equal monthly installments of THIRTY-TWO THOUSAND SEVEN HUNDRED TWENTY-EIGHT and 00/100s DOLLARS (\$32,728.00) per month beginning on the Commencement Date, and thereafter on the first day of each subsequent month for thirty-six (36) months except that any rent which may have accrued prior to July 1, 2010 shall be paid on July 1, 2010.
 - b. In the event Tenant exercises Tenant's right to extend the term of this Lease for the First Extended Term, the annual rental amount due hereunder shall be reestablished to reflect any average adjustment increase in the Consumer Price Index (CPI All Urban Consumers, South – Size Class D, All Items). Such adjusted rental amount shall be the rent for the First Extended Term and the Second Extended Term, if Tenant exercises Tenant's right to extend the term of this Lease for a Second Extended Term, and shall be due and payable monthly, in advance, in equal monthly installments beginning on July 1st of each respective Extended Term and

thereafter on the first day of each subsequent month of each respective Extended Term.

- c. The rent referenced above in Subsections 4(a) and 4(b) represents the minimum amount of rent to be paid under this Lease. All monetary obligations due by Tenant to Landlord, including, without limitation, late charges, payments due for taxes, insurance or other payments not specifically designated as rent, shall nevertheless constitute rent due hereunder (hereinafter sometimes called "additional rent"), and Tenant's failure to make such payments for additional rent when due shall entitle Landlord to pursue the remedies available to Landlord pursuant to the provisions of Section 12 hereof.

Without otherwise limiting Landlord's rights and remedies hereunder, Tenant shall pay to Landlord a late payment fee equal to five percent (5%) of any payment due if the payment due is not received by Landlord within ten (10) days after the date it is due. Should Landlord at any time either extend the time of payment or accept partial payment of any payment due hereunder, neither of such actions shall prejudice Landlord's right to subsequently insist upon Tenant's strict compliance with the requirements hereof. Landlord's acceptance of any partial rent payment shall be without prejudice to Landlord's right to recover the balance of rent then owing or to pursue any other remedy provided for in this Lease or otherwise provided by law.

- d. Should Tenant encounter the possibility of having to incur an extraordinary, unexpected maintenance cost for any major building component like the replacement of the entire roof or the replacement of the entire heating and air conditioning system, then, in that event, Landlord and Tenant shall enter into good faith negotiations concerning rent abatement, which rent abatement shall not exceed fifty percent (50%) of any future increase in rent over the initial rental amount of \$32,728.00 per month.

5. MAINTENANCE, REPAIR AND REPLACEMENT; DESTRUCTION OF LEASED PREMISES.

a. Maintenance, Repair and Replacement.

Tenant shall repair and improve the Leased Premises to the extent required to bring the Leased Premises into compliance with the requirements of all applicable local, state and federal building codes and any requirements of Beaufort County and/or the City of Washington, as may be applicable, at Tenant's sole expense. Except in the instance of (i) a casualty affecting the Leased Premises (which shall be addressed as set forth in Subsection 5(b) hereinbelow), or (ii) a condemnation affecting the Leased Premises (which shall be as set forth in Section 17 hereinbelow), Tenant shall perform all needed maintenance, repairs and replacements to the Leased Premises, including but not limited to, all needed maintenance, repairs and replacements to all structural and nonstructural, exterior and interior, items; the roof; structure; walls; parking areas; drives; walks; signs; the ceiling; the lighting system; the heating, ventilating and air conditioning systems; all water, sewer, electrical and sprinkler systems located within the Leased Premises; and all doors and door opening mechanisms. Tenant shall perform all preventative maintenance to the Leased Premises as needed. Tenant promptly shall replace any cracked or broken plate glass or window glass used in any exterior or interior windows and doors in the Leased Premises. All repairs, replacements and maintenance which are the responsibility of Tenant shall be completed promptly and shall be in quality and class at least equal to the original work. The obligations of Tenant hereunder include maintaining, repairing and replacing the Leased Premises and the improvements thereon in a manner so as to keep the Leased Premises in a good condition and state of repair; in compliance with all applicable laws, rules, ordinances, orders and regulations of governmental authorities and in accordance with reasonable requirements by any insurance company insuring all or any part of the Leased Premises. Tenant shall maintain the Leased Premises in a clean, orderly and sanitary

condition and free of any insects, rodents, vermin and other pests; shall not permit the accumulation of garbage, trash, rubbish or other refuse on the Leased Premises and shall remove such items from the Leased Premises prior to their accumulation; shall obtain and pay the cost for proper refuse containers, including dumpsters; shall maintain temperatures within the Leased Premises sufficient to prevent the freezing and bursting of water and sewer pipes serving the Leased Premises; and shall always keep the Leased Premises landscaped and mowed and the paved areas of the Leased Premises clean, sealed and striped as needed.

Tenant shall make such repairs and improvements to the Leased Premises as well as make such maintenance, repair and replacement to the Leased Premises as required by this Section only in accordance with plans and specifications submitted to and approved in writing by Landlord, which approval Landlord agrees not to unreasonably withhold, condition or delay. All such approvals and related work will be subject to subsequent inspection for conformity with the initial approval and, in the event of any inconsistency therewith, Tenant shall remedy the same for consistency.

Notwithstanding anything herein to the contrary, Tenant's obligations as established hereinabove to repair and improve the Leased Premises as well as to maintain, repair and replace the Leased Premises shall be subject to a monetary cap of \$883,656.00 per year. Tenant shall provide Landlord with a report summarizing Tenant's efforts and expenses in this regard and provide Landlord with any documentation Landlord may require to verify, in Landlord's sole discretion, such expenses and whether said cap has been reached during any particular year.

Upon any default by Tenant in making any repairs or replacements or in performing any maintenance which is the responsibility of Tenant that is not remedied within thirty (30) days following written notice thereof from Landlord (or if it is not feasible to remedy such default

within such period, if Tenant shall not have commenced to remedy such default within such period and be prosecuting such remediation with due diligence), Landlord may, in its sole discretion, but shall not be required to make such repairs and replacements and perform such maintenance on Tenant's account. The cost thereof shall constitute and be collectible as additional rent, payable by Tenant on demand. Alternatively, Landlord may, in its sole discretion, but shall not be required to, obtain an estimate of repairs from a company licensed to make such repairs. In which case, Tenant shall pay to Landlord the amount of the estimate, collectible as additional rent and payable by Tenant on demand, to be used solely for such repairs and any additional costs associated with such repairs.

- b. Casualty. If (i) the Leased Premises are totally destroyed by fire or other casualty, or (ii) the Leased Premises are damaged by fire or other casualty to such an extent that such damage cannot be repaired within two hundred forty (240) days following such damage ("Major Damage"), then, subject to the proviso set forth below, rent hereunder shall be equitably abated to the extent of untenantability until the Leased Premises are again ready for occupancy. If the Leased Premises are damaged by fire or other casualty but only to an extent that such damage can be repaired within two hundred forty (240) days following such damage ("Minor Damage") then, subject to the proviso set forth below, rent hereunder shall also be equitably abated to the extent of such untenantability. Unless otherwise agreed by the parties at that time, upon the occurrence of either Major Damage or Minor Damage, and only in the event the damage or destruction is insured by the insurance policies required by Paragraph 7 hereof, and only to the extent of Landlord's recovery under those policies and the availability of such funds to Tenant for such purpose, plus the amount of applicable deductibles, Tenant (subject to Landlord's obligation to make such insurance proceeds available to Tenant for the purpose of such restoration) shall promptly restore the Leased Premises to substantially the same condition as it was immediately prior to the damage or destruction. All

applicable insurance proceeds required by Section 7 hereof shall be paid to Landlord and, to the extent actually received by Landlord, promptly made available to Tenant for restoration purposes on a monthly "draw request" basis in amounts equivalent to the percentage of completion of such restoration as may be required to return the Leased Premises to the condition which existed prior to the fire or other casualty. If Tenant reasonably is required to close its operations during the period of repair or restoration, rent shall be abated during the period of such untenantability. If Tenant is able to continue its operations during repairs, Tenant shall be obligated to pay rent. In such event, the rent shall be adjusted and reduced by an amount equal to the proportion that the Leased Premises is untenable. For all purposes of determining any applicable rent abatement under this Section 5, the Leased Premises shall be deemed untenable to the same extent that such damage or destruction shall prevent Tenant's ability to conduct operations and produce a completed product in the Leased Premises.

Tenant shall not have the option to terminate this Lease, regardless of the cause or the extent of damage or destruction; provided however, if reconstruction and restoration of the improvements on the Leased Premises is not completed within one (1) year of the date of damage or destruction, then either party may terminate this Lease at any time after the one (1) year period and, after such termination, neither party shall have any further rights or obligations hereunder, other than those that have accrued, or for damages incurred during the period after the casualty and Landlord may retain the Leased Premises and the benefit of all casualty insurance proceeds.

Notwithstanding anything herein to the contrary, if any fire or other casualty occurs either in the last year of the Initial Term or during the First Extended Term, and if Tenant has not theretofore exercised Tenant's right to extend the term of this Lease further, Tenant shall have thirty (30) days or so many days as are left in the then current term,

whichever is less, to notify Landlord concerning whether Tenant is exercising Tenant's right to extend the term of this Lease further. If Tenant declines to exercise Tenant's right to extend the term of this Lease further as hereinabove specifically provided or if said fire or other casualty occurs in the Second Extended Term, Tenant shall have no maintenance, repair, or replacement responsibility hereunder, but shall ensure that any insurance proceeds as may be recovered on account of said fire or other casualty are received and retained by Landlord.

6. DELIVERY OF POSSESSION, SUBSEQUENT ADDITIONS AND IMPROVEMENTS BY TENANT.

- a. Tenant acknowledges that it has inspected and is familiar with the condition of the Leased Premises prior to the execution of this Lease and Tenant agrees to accept the Leased Premises in its current "AS IS" condition. Tenant's taking possession of the Leased Premises shall be conclusive evidence as against Tenant that Tenant has accepted said Leased Premises AS IS and that Landlord is under no duty to repair anything, furnish any services for, or otherwise improve in any way the Leased Premises.
- b. Tenant, at the sole cost and expense of Tenant, shall have the right to make renovations, additions and improvements, in addition to those improvements required to be made by Tenant under Section 5 hereof, of or to the Leased Premises only in accordance with plans and specifications submitted to and approved in writing by Landlord, which approval Landlord agrees not to unreasonably withhold, condition or delay. All such approvals and related work will be subject to subsequent inspection of such renovations, additions and improvements for conformity with their initial approval and, in the event of any inconsistency therewith, Tenant shall remedy the same for consistency. Any and all repairs, replacements, renovations, additions or improvements of or to the Leased Premises that are permitted by this subsection or are otherwise required elsewhere in this

Lease and that shall be permanently affixed to or become a part of the Leased Premises shall remain to be surrendered as part of the Leased Premises, without cost to Landlord, at the expiration or earlier termination of this Lease; provided however, that Tenant may at any time remove its trade fixtures and other business related equipment to the extent such fixtures and equipment were paid for by Tenant and all damage caused by such removal shall be repaired by Tenant in a good and workmanlike manner.

7. INSURANCE.

- a. Throughout the term of this Lease, Tenant, at its sole cost and expense, shall keep or cause to be kept insured for the benefit of both Landlord and Tenant, as their interests may appear, all improvements (including all buildings) now or hereafter located on or appurtenant to the Leased Premises against loss or damage by fire and windstorm and such other risks as are now or hereafter may be included in standard extended coverage endorsements providing vandalism, explosion and malicious mischief coverages, in a form and with companies reasonably satisfactory to Landlord. The amount of such insurance coverage shall be sufficient to prevent either Landlord or Tenant from becoming a coinsurer under the provisions of the policy(ies), but in no event shall the amount be less than Five Million Dollars(\$5,000,000) (the "Full Insurable Value"). All policies of insurance required by this Subsection 7(a) shall provide that the proceeds shall be paid to Landlord, and Landlord agrees that, except when specifically provided for herein to the contrary, such proceeds shall be timely made available by Landlord to Tenant to repair, restore and/or reconstruct the improvements upon the Leased Premises or as otherwise provided in this Lease to the extent Landlord actually receives such proceeds.
- b. Tenant shall maintain, at its own expense, all insurance on its personal property, including without limitation its equipment and trade fixtures.

- c. Throughout the term of this Lease, Tenant, at its sole cost and expense, shall keep or cause to be kept in force, for the mutual benefit of Landlord and Tenant, comprehensive broad form commercial general liability insurance against claims and liability for personal injury, death or property damage arising from the use, occupancy, misuse or condition of the Leased Premises, the improvements located thereon and adjoining streets or ways, providing, at the date hereof, protection of at least Three Million and no/100 Dollars (\$3,000,000.00) combined single limit coverage for bodily injury or property damage, all in a form and with companies reasonably satisfactory to Landlord and having a deductible not to exceed Five Thousand and no/100 Dollars (\$5,000.00), together with appropriate worker's compensation insurance in connection with any work on or about the Leased Premises. Coverage in excess of Three Million and no/100 Dollars (\$3,000,000.00) may be obtained by Landlord or Tenant at such party's expense; provided however, any such excess coverage obtained by either party shall name the other party as an additional insured.
- d. Such policies as are required by this Section 7 or duly executed certificates of insurance, with original policies to follow promptly thereafter, shall be delivered to Landlord within thirty (30) days following the full execution of this Lease, and thereafter at least ten (10) days prior to the expiration of the policy term. All casualty insurance policies carried by either party hereunder shall provide for a waiver of subrogation against the other party by the insurance carrier. In the event Tenant fails to obtain and provide to Landlord all of the policies of insurance as specified above, Landlord may obtain such insurance at Tenant's expense. All costs incurred by Landlord in obtaining such insurance as it is required to obtain by the terms of this Lease and in obtaining such insurance which Tenant is required to obtain by the terms of this Lease but has failed to do so, shall constitute and be collectible by Landlord as additional rent, payable by Tenant to Landlord on demand. All liability insurance policies shall name Tenant as the insured and Landlord and such other persons or entities as may be

designated by Landlord and/or Tenant, as additional insureds, as their interests may appear. All casualty and flood insurance policies shall name Landlord and such other persons or entities as may be designated by Landlord as insureds. All such policies shall be nonassessable and shall contain language, to the extent obtainable, to the effect that (i) any loss shall be payable notwithstanding any act or negligence of Landlord or Tenant that might otherwise result in a forfeiture of the insurance, (ii) the policies are primary and noncontributing with any insurance that may be carried by Landlord, and (iii) the policies cannot be cancelled or materially changed except after thirty (30) days' notice by the insurer to Landlord.

- e. For the purpose of waiver of subrogation, the parties mutually release and waive unto the other all rights to claim damages, costs or expenses for any injury to person or property caused by a casualty of any type whatsoever in, on or about the Leased Premises, to the extent covered by insurance carried or required to be carried hereunder. With the exception of any worker's compensation insurance required of Tenant hereunder, all insurance policies carried with respect to this Lease, if permitted under applicable law, shall contain a provision whereby the insurer waives, prior to loss, all rights of subrogation against either Landlord or Tenant.

8. INDEMNIFICATION.

- a. Indemnity by Tenant. Tenant indemnifies Landlord, its directors, officers, and employees and agrees to save them harmless and, at the option of any of them, defend them from and against any and all claims, actions, damages, liabilities and expenses (including attorneys' and other professional fees) judgments, settlement payments, and fines paid, incurred or suffered by any of them in connection with the loss of life, personal injury, or damage to property, suffered by third parties, in or upon the Leased Premises, and arising from or out of the negligence or intentional misconduct of the Tenant, or its directors, officers, employees, contractors or agents in or about the Leased Premises during the Term of

this Lease, unless caused by the negligence or intentional misconduct of Landlord, or its directors, officers, employees, contractors or agents. .

b. Indemnity by Landlord. Landlord indemnifies Tenant, its directors, officers and employees and agrees to save them harmless and, at the option of any of them, defend them from and against any and all claims, actions, damages, liabilities and expenses (including attorneys' and other professional fees) judgments, settlement payments, and fines paid, incurred or suffered by any of them in connection with loss of life, personal injury, or damage to property suffered by third parties in or upon the Leased Premises, and arising from or out of the negligence or intentional misconduct of the Landlord, or its directors, officers, employees, contractors or agents in or about the Leased Premises during the Term of this Lease, unless caused by the negligence or intentional misconduct of Tenant, or its directors, officers, employees, contractors or agents.

c. Survival of Indemnities. Tenant's obligations pursuant to Subsection 8a and Landlord's obligations pursuant to Subsection 8b shall survive any termination of this Lease with respect to any act, omission or occurrence which took place prior to such termination.

9. ASSIGNMENT AND SUBLETTING. Tenant shall not assign or in any manner transfer this Lease or any interest therein or sublet the Leased Premises or any part thereof, without the prior consent of Landlord, which consent shall not be unreasonably withheld. Notwithstanding anything herein to the contrary, however, no transfer of interests between or among the shareholders of Tenant shall be deemed a transfer requiring Landlord's consent hereunder. As a condition of Landlord's approval of any assignment of this Lease requiring Landlord's consent, Tenant shall obtain the written agreement of the assignee in form reasonably acceptable to Landlord, providing for the assumption of all of Tenant's obligations and covenants hereunder. Consent by Landlord to one (1) or more assignments or sublettings shall not operate as a waiver of Landlord's rights as to

any subsequent assignment or subletting. Notwithstanding the assumption of liability by the assignee or subtenant, Tenant shall remain fully responsible and liable for the payment of the rent herein specified and for compliance with all other obligations and covenants of Tenant as set forth in this Lease.

In connection with any request to approve an assignment or sublease, Tenant shall deliver to Landlord a notice specifying the identity of the proposed assignee or subtenant and such other information as Landlord reasonably may require in order to evaluate such request.

10. UTILITIES AND TAXES. Tenant shall be responsible for and shall pay any and all utility charges, including but not limited to electricity, heating/air conditioning, water and sanitary sewer, which it may require for use in or on the Leased Premises. Tenant shall be responsible for and promptly pay before default any and all real and personal property taxes, if any, that may be levied or assessed against the Leased Premises or any improvements or other property situated on the Leased Premises, it being the mutual intention of the parties that Landlord shall not be required to pay any taxes on either real or personal property by reason of permitting Tenant to use said real property as herein described. Tenant also agrees to indemnify Landlord against any loss or liability resulting from any and all claim or liens in connection with such taxes and assessments. Any unpaid amounts arising from the above shall be deemed and treated as additional rent as more specifically described herein.
11. LANDLORD'S ACCESS TO LEASED PREMISES. Landlord shall have the right, either itself or through its authorized agents, to enter the Leased Premises at all reasonable times to examine same, and to make repairs, alterations or additions to the Leased Premises. Landlord shall give reasonable advance notice of its intention to enter, and shall not interfere with Tenant's business operations. The foregoing shall include the right to construct, maintain, operate, repair, alter, or add to any and all utility, including electric, water, and sewer, infrastructure deemed necessary by Landlord in Landlord's sole discretion and the right of access necessary to accomplish the same.

12. DEFAULT. The happening of any one or more of the following shall be deemed to be an Event of Default under this Lease:
- a. The failure of Tenant to pay any installment of rent, additional rent or other charge or money obligation herein required to be paid by Tenant to Landlord when due, which failure is not remedied within five (5) business days after written notice to Tenant thereof; or
 - b. The failure of Tenant to comply with any covenant or provision of this Lease (except payment of any installment of rent, additional rent or other charge or money obligation described in Subsection 12(a) above) which failure is not remedied within thirty (30) days after written notice of such failure to comply is given by Landlord, or if it is not feasible to cure such failure within such period, to begin performance of such covenant within such period and to diligently pursue performance to completion in a reasonable period of time thereafter; or
 - c. The occurrence of any of the following events: (i) Tenant shall file with any bankruptcy court a voluntary bankruptcy petition; (ii) Tenant shall be the subject of any order for relief issued under the bankruptcy code; (iii) Tenant shall file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future federal or state act or law relating to bankruptcy, insolvency, or other relief for debtors; (iv) Tenant shall seek or consent to or acquiesce in the appointment of any trustee, receiver, conservator, or liquidator for Tenant or all or any substantial part of the assets of Tenant; (v) Tenant shall be the subject of any order, judgment, or decree entered by any court approving a petition filed against Tenant for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future federal or state act or law relating to bankruptcy, insolvency or other relief for debtors which shall not be set aside or otherwise dismissed within sixty (60) days

following actual notice to Tenant regarding same; or (vi) Tenant shall make an assignment for the benefit of creditors.

Upon the occurrence of any such Event of Default, and prior to same having been remedied by Tenant, Landlord shall have the option to pursue any one or more of the following remedies and any other remedy provided at law or in equity:

- (i) Terminate this Lease, in which event Tenant shall immediately surrender the Leased Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Leased Premises and remove Tenant and any other person who may be occupying said Leased Premises or any part thereof, and relet the Leased Premises for such rent and on such terms as Landlord may deem advisable; and Tenant shall be liable to Landlord for all loss and damage which Landlord may suffer by reason of such termination, including, but not limited to, rent for the remainder of the term of this Lease plus all of Landlord's costs and expenses identified in Section 12(c)(iv) of this Lease. In this instance, Tenant's liability for rent shall be set off by any rent received by Landlord from any subsequent tenant for any time period during which this Lease would have been in effect but for such termination.
- (ii) Enter upon and take possession of the Leased Premises without terminating this Lease and remove Tenant and any other person who may be occupying said Leased Premises or any part thereof, by force if necessary, without being liable for prosecution or any claim for damages therefor and if Landlord so elects, but without obligation to do so, relet the Leased Premises for such rent and on such terms as Landlord may deem advisable. Tenant shall be liable

to Landlord for any deficiency and expenses that may arise by reason of any reletting of the Leased Premises.

- (iii) With or without terminating this Lease, enter upon the Leased Premises and (i) perform, correct or repair any condition or any matter which Tenant has failed to perform, correct or repair hereunder, or (ii) perform any of Tenant's other obligations under this Lease.
- (iv) Enforce Tenant's obligations under the Lease, including bringing suit from time to time for the collection of the rent or other amounts for which Tenant may be in default or for any expenses incurred in connection with the enforcement of any of the foregoing remedies, including, without limitation, brokerage fees, attorneys' fees, unamortized sums expended by Landlord for the construction of tenant improvements, all costs relating to the recovery of the Leased Premises, and the cost of alteration of or repair to the Leased Premises which is necessary or proper to prepare the same for reletting; or bring suit for the performance of any other covenant or agreement of Tenant and recovery of any other damages, all without entering into possession or terminating this Lease. Tenant further agrees that no suit or recovery of any amount due Landlord hereunder shall be any defense to any subsequent action brought for any amount not theretofore reduced to judgment in favor of Landlord.

No reentry or taking possession of the Leased Premises by Landlord or any other action taken by or on behalf of Landlord shall be construed to be an acceptance of surrender of this Lease or an election by Landlord to terminate this Lease.

Pursuit of any of the remedies set forth herein shall not preclude pursuit of any other remedies available under this Lease or provided by law. Forbearance by Landlord to enforce one or

more of the remedies herein provided upon an Event of Default shall not be deemed or construed to constitute a waiver of such default.

13. NOTICES. Any notice or communication required or permitted in connection with this Lease shall be in writing and shall be sent by either of the following methods: (a) by a reputable overnight delivery service, providing a delivery receipt, addressed to the respective party at the address specified herein; or (b) by personal delivery. Notices or communications sent by overnight delivery service or personal delivery shall be deemed received upon receipt or refusal of delivery. The addresses to be used are as follows:

to Landlord: City of Washington
Attn: Jim Smith, City Manager
P.O. Box 1988
102 East Second Street
Washington, NC 27889

with a copy to: Rodman, Holscher, Francisco & Peck, P.A.
Attn: Franz F. Holscher
Attorney for the City of Washington
P.O. Box 1747
320 North Market Street
Washington, NC 27889

to Tenant: Impressions Marketing Group, Inc.
Attn: Kevin R. Goodale, CFO
7951 Angleton Ct.
Lorton, VA 22079

Any party may change or add to the addresses to which such notices shall be sent by providing written notice to the other parties.

14. QUIET ENJOYMENT. If Tenant promptly and punctually complies with each of its obligations hereunder, Tenant shall peacefully have and enjoy possession of the Leased Premises during the term of this Lease, subject, however, to any contrary provisions hereof.
15. MISCELLANEOUS.

- a. Headings of paragraphs are for convenience of reference only and shall not be used to construe the meaning of the contents of such paragraphs.
- b. The invalidity of any portion of this Lease shall not affect the balance thereof.
- c. Should Landlord or Tenant institute any legal proceedings against the other for breach of any provisions herein contained, the prevailing party in such action shall, in addition to any other recovery, be entitled to recover its costs and expenses from the losing party including its reasonable attorney's fees.
- d. This Lease shall be binding upon the respective parties hereto, and upon their heirs, successors and, if expressly permitted herein, assigns.
- e. This Lease incorporates all prior negotiations between the parties, and any changes hereto must be in writing and signed by both parties.
- f. Other than as specifically provided herein, Landlord and Tenant each warrant to the other that they have had no dealings with any real estate broker, agent or finder in connection with the negotiation or execution of this Lease. If either party has dealt with a broker or agent, they shall pay that broker or agent and indemnify and hold the other party harmless from all claims by that broker or agent.
- g. Nothing herein contained shall be deemed or construed by the parties hereto, nor by any other party, as creating the relationship of principal and agent or of partnership or joint venture between the parties hereto.
- h. No waiver of any covenant, term or condition of this Lease by either party shall be construed as a waiver of a subsequent breach of the same covenant, term or condition.
- i. The consent or approval of either party to any act by the other party requiring such consent or approval shall not be deemed to waive or render unnecessary the consent to, or approval of, any subsequent similar act.

- j. Landlord and Tenant shall be excused for the period of any delay in the performance of any of their obligations hereunder when prevented from performance by causes beyond their reasonable control, including, without limitation, injunction, labor disputes, civil commotion, war, weather, fire, flood or other casualty, acts of God or inability to obtain materials or service. Provided however, that the preceding sentence shall not excuse the payment of rent or any other monetary payment.
- k. This Lease was negotiated by the parties and their counsel. Each party had input into the terms and provisions of this Lease. The provisions of this Lease shall not be construed against the party who drafted the Lease as a result of that party's drafting of the Lease.
- l. The parties agree that this Lease shall not be recorded. Upon demand by either Landlord or Tenant, the other party agrees to execute a memorandum of this Lease suitable for recording in the office of the Register of Deeds of Beaufort County. In the event of the recording of any memorandum of lease, upon the termination of the Lease, the parties agree to record a memorandum of termination of lease. Tenant agrees to indemnify Landlord and hold Landlord harmless from all loss, cost, liability, claim, suit, damage or expense (including attorneys' fees) caused to Landlord as a result of Tenant's refusal to execute a memorandum of termination of this Lease in the event this Lease has terminated.
- m. The Exhibits attached hereto are incorporated herein by reference.
- n. Landlord shall notify Tenant concerning any inquiry Landlord receives from a third party concerning Landlord's willingness to sell the Leased Premises or a portion thereof and keep Tenant timely informed of any subsequent negotiations. With the exception of a privately negotiated sale that is in accordance with North Carolina General Statutes and consented to by Tenant, any potential sale of the Leased Premises or a portion thereof during the Initial or Extended Terms hereof shall be accomplished only through the negotiated offer, advertisement and upset bid process

authorized by North Carolina General Statute § 160A-269 or a functionally equivalent statutorily authorized process that will ensure Tenant has the opportunity to receive notice of, and to upset, any bid or offer to purchase from any third party.

- o. Reporting requirements. Tenant shall keep or cause to be kept complete records of the business conducted or transacted in relation to the Leased Premises and Tenant's operations thereon and any additional records reasonably requested by the Landlord and, upon request of the Landlord, provide any such records or reports, including financials, required by the Landlord, City Council, or its Manager. Nothing in this Lease, however, shall be construed to permit the Landlord to copy documents of Tenant that contain trade secrets or attorney client privileged information.

16. SUBORDINATION, NON-DISTURBANCE, ATTORNMENT AND ESTOPPEL. Subject to the non-disturbance provisions set forth below, Tenant agrees that this Lease is and shall be subordinate and subject to any mortgage, deed of trust, or any other hypothecation for security which has been or which hereafter may be placed upon the Leased Premises by Landlord, and to any and all advances to be made under any such mortgage, deed of trust, or other such encumbrance and all renewals, modifications, extensions, consolidations and replacements thereof. The aforesaid provision shall be self-operative and no further instrument shall be required to evidence same. Notwithstanding the self-operative nature of the foregoing, however, Tenant agrees to execute any reasonable document(s) which may be required or requested by Landlord to evidence such subordination. It is further understood and agreed, however, that neither such subordination, nor any foreclosure of any mortgage or deed of trust, shall affect Tenant's right to continue in possession of the Leased Premises under the terms of this Lease, and Tenant's rights hereunder shall continue and not be disturbed, so long as no Event of Default on the part of Tenant shall have occurred and be continuing. Landlord agrees to execute and deliver affirmation of such non-disturbance, and to take reasonable steps to cause the owner and holder of each such mortgage, deed of trust or other applicable party to execute and

deliver an affirmation of such non-disturbance, reasonably satisfactory to Tenant and Landlord's lender and in recordable form so long as Tenant has fully complied in all material aspects with all terms and requirements of this Lease.

If the holder of any mortgage, deed of trust or other instrument encumbering the fee title to the Leased Premises shall succeed to the rights of Landlord under this Lease, at the election of such holder, Tenant shall attorn to and recognize such holder as Tenant's landlord under this Lease and shall promptly execute and deliver any instrument (in form reasonably satisfactory to such holder) that may be necessary to evidence such attornment.

Each party hereto agrees that it will, from time-to-time and within ten (10) business days after written request by the other party or any lender of such other party, execute and deliver to the requesting party a statement certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as so modified); that all conditions and agreements hereunder have been satisfied or performed, except as set forth in such statement; the dates to which rent and other charges payable under this Lease have been paid; and the status of any other matters as may be reasonably requested by the requesting party.

17. CONDEMNATION. If the whole or any part of the Leased Premises shall be appropriated and taken by virtue of any condemnation proceeding for any public or quasi-public use or purpose so as to render the remaining portion untenable for the uses and purposes contemplated by the parties, this Lease immediately shall terminate on the date possession thereof shall be so appropriated and taken. In the event of any lesser condemnation, the Lease shall continue but the rent shall abate proportionately to the untenability of the Leased Premises. For the purposes of this Section 17, untenability shall be determined in the same manner as untenability is determined under the provisions of Section 5 hereinabove. In any such case, each party shall be entitled to claim and receive an award of damages suffered by it by reason of such taking or conveyance, but Tenant shall not be entitled to any award attributable to the unexpired portion of

the term or to any renewal option or purchase option. Tenant shall be allowed to share in the award only if a portion of the award is expressly attributed to the value of its leasehold improvements or moving expenses, and only to the extent that its award shall not affect the amount of any award to Landlord. Landlord shall promptly, following any partial condemnation that does not result in a termination of the Lease, restore the Leased Premises as nearly as possible to the condition as existed immediately prior to such taking and rent shall equitably abate during such restoration, only to the extent that such restoration may be completed with the proceeds of the condemnation.

18. SPECIAL MATTERS.

- a. During the final one hundred eighty (180) days of the Initial or any Extended Term of this Lease, Landlord or its agents shall have the right to enter the Leased Premises at all reasonable times, for the purpose of showing the Leased Premises to any prospective tenant or purchaser; provided however, Landlord shall not interfere with Tenant's business operations. At any time during the final 180 days of the Initial or Extended Term of this Lease, Landlord shall also be able to erect on the Leased Premises a sign, consistent with any applicable zoning regulations, indicating that the Leased Premises is for sale or for rent, effective at the date of termination of the then current term.
- b. This Lease shall be subject to that Grant of Easement between HBBI and the Landlord recorded in Deed Book 1661, Page 952, Beaufort County Registry.

19. APPLICABLE LAW. This Lease shall be construed and interpreted under the laws of the State of North Carolina.

20. OTHER PROVISIONS.

- a. Tenant shall have no power to create a lien of any kind or character upon the title of Landlord in the Leased Premises and no person shall be entitled to any lien directly or indirectly derived through or under Tenant, or its

agents or servants, on or account of any act or omission of Tenant, which lien shall be superior to the interest of Landlord in the Leased Premises. All persons contracting with Tenant, or furnishing materials or labor to Tenant, its contractors or subcontractors, or to their agents or servants, shall be bound by this provision. Should any lien be filed against either Landlord's or Tenant's interest in the Leased Premises because of work contracted for by Tenant, Tenant shall cause the same to be cancelled and discharged of record by bond or otherwise within twenty (20) days after Tenant receives actual notice of such filing. If Tenant shall fail to cause such lien to be cancelled or discharged within the period aforesaid, Landlord may, in addition to any other right or remedy, pay the amount of such lien or discharge the same by deposit or bond or pay any judgment recovered on such claim, and any such amount paid or expense incurred by Landlord shall be deemed additional rent for the Leased Premises and shall be due and payable by Tenant to Landlord upon demand.

- b. Tenant will comply with all applicable laws, ordinances, orders, rules, restrictions, covenants, regulations, and other federal, state, and local governmental requirements relating to the use, condition, or occupancy of the Leased Premises, and all applicable rules, orders, regulations, and reasonable requirements of the Board of Fire Underwriters or Insurance Service Office, or other similar body, having jurisdiction over the Leased Premises, and the requirements of any insurance company providing insurance coverage for the Leased Premises. The cost of such compliance will be borne by Tenant.
- c. Tenant shall not permit, allow or cause any act or deed to be performed or any practice to be adopted or followed in and about the Leased Premises which shall cause or be likely to cause injury or damage to any person or said Leased Premises, the buildings, sidewalks, walkways and parking lots which are on or adjoin the Leased Premises.

- d. Tenant agrees to surrender the Leased Premises to Landlord at the expiration or earlier termination of this Lease in good order and condition, ordinary wear and tear and damage by fire or other casualty, if any, excepted. In the event Tenant remains in possession of the Premises after the expiration of the term of this Lease and without the execution of a new lease or a renewal of this Lease, Tenant shall be deemed to occupy the Leased Premises as a month-to-month tenant at a rental equal to the rental due for the last month of the then existing term and Tenant shall be responsible for any damages that Landlord may sustain as a result of Tenant's failure to make proper delivery of the Leased Premises to Landlord upon the termination of this Lease. In no event shall there be any renewal of this Lease by operation of law.
- e. Tenant shall not commit waste on the Leased Premises.
- f. In the event Landlord ceases to be the owner of the fee interest in the Leased Premises, and any new owner of the fee interest in the Leased Premises expressly assumes the obligations of Landlord hereunder, and a copy of such assumption instrument is provided to Tenant, Landlord's obligations hereunder first arising from and after the date of assumption of such obligations shall terminate and such new owner of the fee interest in the Leased Premises shall be responsible for the performance of Landlord's obligations hereunder from and after such date.

21. ENVIRONMENTAL MATTERS.

a. Definitions.

- 1. For the purposes of this Section 21, the term "Hazardous Substance" shall mean, without limitation, any flammable explosive, radon, radioactive materials, asbestos, urea formaldehyde foam insulations, polychlorinated biphenyls, petroleum and petroleum products, methane, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials, including, without limitation, those defined as such in:

(i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. sections 9601 et seq.); (ii) the Hazardous Materials Transportation Act, as amended (49 U.S.C. sections 1801 et seq.); (iii) the Resource Conservation and Recovery Act, as amended (42 U.S.C. sections 6901 et seq.); or (iv) any other applicable Environmental Law and in regulations adopted pursuant thereto.

2. For the purposes of this Section 21, the term “Environmental Laws” shall mean all federal, state and local environmental, land use, zoning, health, chemical use, safety, and sanitation laws, statutes, ordinances, and codes relating to the protection of the environment and/or governing the use, storage, treatment, generation, transportation, processing, handling, production, release, or disposal of Hazardous Substances and the rules, regulations, policies, guidelines, interpretations, permits, decisions, orders, and directives of federal, state and local governmental agencies and authorities with respect thereto.

b. Current Condition. Tenant and Landlord acknowledge that each of them is aware of the presence of certain Hazardous Substances existing as of the effective date of this Lease, in the soil and ground water on, under, around or within the Leased Premises as the same is defined, described and established by the administrative record, reports and other documentation currently on file with the North Carolina Department of Environment and Natural Resources (“NCDENR Record”), which shall expressly exclude for the purposes of this Lease, however, the presence of any Hazardous Substances that are not included in said Record (the “Current Environmental Condition”).

c. Environmental Indemnification.

1. Landlord shall defend, indemnify, and hold Tenant harmless from and against any and all claims, response or remediation costs,

losses, damages, penalties, actions, judgments, expenses, and liabilities of every kind and nature whatsoever (including, without limitation, reasonable attorneys' and consultants' fees and costs of investigation, remediation and defense), to the extent they arise out of, result from or are connected to: (i) the exacerbation of the Current Environmental Condition of the Leased Premises during the Initial Term and any Extended Term attributable to the acts or omissions of Landlord, its employees, agents, representatives and contractors; (ii) a violation of any Environmental Laws at the Leased Premises during the Initial Term and any Extended Term by Landlord, its employees, agents, representatives and contractors; or (iii) the production, treatment, processing, handling, storage, disposal, spillage, or release of Hazardous Substances on or about the Leased Premises during the Initial Term and any Extended Term by Landlord its employees, agents, representatives and contractors.

2. Tenant shall defend, indemnify, and hold Landlord harmless from and against any and all claims, response or remediation costs, losses, damages, penalties, actions, judgments, expenses, and liabilities of every kind and nature whatsoever (including, without limitation, reasonable attorneys' and consultants' fees and costs of investigation, remediation, and defense), to the extent they arise out of, result from or are connected to: (i) the exacerbation of the Current Environmental Condition of the Leased Premises during the Initial Term and any Extended Term attributable to the acts or omissions of Tenant, its employees, agents, representatives and contractors; (ii) a violation of any Environmental Laws at the Leased Premises during the Initial Term and any Extended Term by Tenant, its employees, agents, representatives and contractors; or (iii) the production, treatment, processing, handling, storage, disposal, spillage, or release of Hazardous Substances on or about

the Leased Premises during the Initial Term and any Extended Term by Tenant, its employees, agents, representatives and contractors.

3. The indemnification obligations set forth in this Section 21(c) shall survive expiration or earlier termination of this Lease.

IN WITNESS WHEREOF, Landlord and Tenant have caused this instrument to be signed with all due authority under seal and in such form as to be binding, as of the day and year first above written.

LANDLORD

CITY OF WASHINGTON
a North Carolina municipal corporation

(corporate seal)

BY: _____ (Seal)
N. Archie Jennings, III, Mayor

ATTEST:

Cynthia S. Bennett, City Clerk

TENANT

IMPRESSIONS MARKETING GROUP,
a Virginia corporation

INC.

(corporate seal)

By: _____
Name:

Title:

COUNTY OF BEAUFORT
STATE OF NORTH CAROLINA

I, _____, a Notary Public of the State and County aforesaid, certify that CYNTHIA S. BENNETT personally appeared before me this day and acknowledged that she is City Clerk of the **CITY OF WASHINGTON**, a North Carolina municipal corporation, and by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by N. ARCHIE JENNINGS, III, its Mayor, sealed with its corporate seal and attested by herself as its City Clerk.

WITNESS my hand and official seal, this the ____ day of _____, 2010.

NOTARY PUBLIC

My Commission expires: _____.

STATE OF _____
COUNTY OF _____

I, _____, a Notary Public of the County and State aforesaid, certify that _____, who is personally known by me or has produced satisfactory evidence of identity, appeared before me this day and acknowledged that he/she is _____ of the Impressions Marketing Group, Inc., a Virginia corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed by _____, as _____.

Witness my hand and official seal, this the ____ day of _____, 2010.

NOTARY PUBLIC

My Commission expires: _____.



City of Washington
REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennette & Members of the City Council
From: James C. Smith, City Manager
Date: July 20, 2010
Subject: Lease License and Managerial Agreement between the City of Washington and Tradewind Aviation.
Applicant Presentation: N/A
Staff Presentation: James C. Smith, City Manager

RECOMMENDATION:

I move that Council approve a one-year extended agreement (novation) to replace the current agreement and authorize the Mayor to execute a contract with Tradewind Aviation of New Bern, NC to operate Warren Field Airport.

BACKGROUND AND FINDINGS:

Tradewind Aviation began the managerial operation of Warren Field Airport in January of 2007. This agreement will replace the current agreement between the parties. As you know from past discussions, Tradewind's experience at the airport has not been a profitable venture for them. We have had a number of discussions with Tradewind regarding potential changes to the terms of the agreement.

In Article II, we tweaked the staffing hours for the Terminal Building. In Article III.3.U, provisions were added concerning Tradewind's occupancy of the maintenance hangar. In Article IV, we have continued the \$.60 per gallon rebate to Tradewind for all fuel sold at the Airport (both the fuel dispensed by Tradewind and through self serve). Our initial discussions centered on a reduced rebate for fuel dispensed through the self-service system. However, that reduction in revenue would simply require an increased annual subsidy and it seemed that any incentive to sell additional fuel was more valuable than increasing the subsidy amount. Certain obligations required of Tradewind by Article V were reduced. Article VII, maintains the subsidy at \$50,000.00. Based on guidance we received from Chastity Clark, at DOT Division of Aviation, an acceptable provision for the temporary utilization of campers by jump school students was incorporated in Article IX. The term of the agreement was reduced to one year in Article XIII.

It is hoped that with the new fueling system business will improve. We will keep in closer touch with Tradewind Aviation during the next year and, if results do not improve, we will at least have an opportunity to solicit new managerial proposals from other fixed base operators and assure a smooth transition.

PREVIOUS LEGISLATIVE ACTION

Lease, License, and Managerial Agreement dated January 4, 2007.
First Amendment to Lease dated 2-6-08

FISCAL IMPACT

___ Currently Budgeted (Account _____) ___ Requires additional appropriation ___ No Fiscal Impact

SUPPORTING DOCUMENTS

Lease, License, and Managerial Agreement.

City Attorney Review: ___ Date By: ___ (if applicable)
Finance Dept Review: ___ Date By: ___ (if applicable)
City Manager Review:  Concur ___ Recommend Denial ___ No Recommendation  Date

**NORTH CAROLINA
BEAUFORT COUNTY**

THIS LEASE, LICENSE, AND MANAGERIAL AGREEMENT (“Agreement”) made effective as of the 1st day of July, 2010, by and between the **CITY OF WASHINGTON**, a body politic and corporate under Chapter 160A of the North Carolina General Statutes, (“City”) and **TRADEWIND AVIATION INTERNATIONAL, LLC**, a North Carolina Limited Liability Company (“Operator”).

WITNESSETH

WHEREAS, the parties hereto entered into a Lease, License, and Managerial Agreement dated January 16, 2007 and a First Amendment to Lease, License and Managerial Agreement effective as of January 16, 2008, both concerning Warren Field Airport (“Airport”).

WHEREAS, the parties now desire to terminate said agreements and replace the same with this Agreement, effective as of the day first above written.

WHEREAS, the City is the owner of the Airport, with improvements thereon, which is located in Washington Township, Beaufort County, North Carolina and desires to contract with Operator to lease certain portions of said Airport as well as provide certain operational and management services at the Airport.

WHEREAS, Operator desires to lease certain portions of said Airport as well as provide certain operational and management services at the Airport.

WHEREAS, Operator has represented that it is fully capable of performing the operational and management services described in this Agreement and the City has relied on such representation to select the Operator to perform this Agreement.

NOW THEREFORE, pursuant to Chapter 63 of the North Carolina General Statutes, including but not limited to North Carolina General Statute § 63-53 and other relevant statutory authority, and for and in consideration of one dollar (\$1.00), the mutual covenants herein, valuable consideration paid and to be paid, and other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, the parties agree as follows.

ARTICLE I
LEASED PREMISES

The City hereby grants unto Operator the exclusive use of the nonpublic space of the building known as the Terminal Building as well as the exclusive use of the Terminal Building Annex. Operator accepts said areas and buildings in their present condition and, during the term of this Agreement, agrees to maintain the interior appearance and cleanliness of such buildings in their present condition, ordinary wear and tear excepted,

and, upon termination of this Agreement, to surrender said buildings in as good condition as the same now are, ordinary wear and tear excepted. It is understood by the parties hereto that the major structural and maintenance aspects of said buildings shall remain the responsibility of the City.

ARTICLE II
USE OF LEASED PREMISES

1. Terminal Building. Operator shall adequately staff and operate the Terminal Building Monday through Sunday, with a minimum of forty (40) hours Monday through Friday, a minimum of eight (8) hours on Saturdays and Sundays, and an opening every day at 8:00 a.m. Operator reserves the right to specify operating hours and to close for holidays and inclement weather as needed after proper consultation with the City.

2. Terminal Building Annex. Unless otherwise agreed to by the parties, Operator shall occupy the Terminal Building Annex. Operator may utilize the Terminal Building Annex for, among other things, a parachute rigging facility, classroom facility, and/or for flight school instruction.

3. In the event Operator rents the Terminal Building Annex or said nonpublic space of the Terminal Building, it shall remit 5% of any such rental amounts received to the City.

ARTICLE III
MANAGEMENT SERVICES

1. Subject to the general direction and approval of the City and/or the City's Manager, Operator will operate, manage, direct, and supervise the ongoing operation of the Airport from and after the effective date of this Agreement, including without limitation the following:

- A. Except as specifically provided for hereinafter, Operator shall have the day to day management duty and supervisory responsibility for the Airport and provide and manage all Airport services, staff, and activities except those provided by other operators and major maintenance of runways, taxiways, fields, and hangars as more specifically excepted hereinafter.
- B. Operator shall hire full time employee(s) and part time employee(s) as appropriate or necessary in order to conduct its management services and maintain regular, customary hours of operation.
- C. Operator shall manage and maintain all t-hangars currently present or hereafter erected on the Airport. In compensation for this particular service, Operator will receive 5% of all rental receipts received by the City for such t-hangars occupied by tenants. The maintenance contemplated hereunder shall be limited to minor maintenance. It is understood by the parties hereto that the major structural and maintenance aspects of said t-hangars shall remain the responsibility of the City.

- D. Operator shall manage and maintain all tie-down spaces currently present or hereafter provided for on the Airport. Specifically, Operator shall establish reasonable rules, procedures, prices, and other terms by which said tie-downs are let, consistent with the applicable Rules and Regulations of the Airport. Operator shall remit all amounts received for the occupancy of said tie-downs to the City. In compensation for this particular service, City shall pay Operator 25% of all amounts so collected.
- E. Operator shall at all times supervise and coordinate the activities of its employees and contractors in order to keep and maintain all public rooms and Terminal Building and Terminal Building Annex facilities of the Airport in a proper and clean condition for the accommodation of passengers, visitors, and others rightfully on the Airport. Operator shall also be responsible for maintaining the grounds immediately adjacent to the Terminal Building and Terminal Building Annex in a presentable manner such that the same will have a pleasant appearance.
- F. Operator shall at all times supervise and coordinate the activities of its employees and monitor contractors' activities relating to the maintenance and upkeep of safety devices for aeronautics, aeronautical aids, safety equipment, and other devices and equipment for the safe use of the Airport.
- G. Operator shall work with the City to develop and maintain short and long range planning as well as recommend appropriate policies to the City.
- H. Operator shall participate in the development and administration of the annual capital and operating budgets for the Airport.
- I. Operator shall coordinate Airport activities with those of other City divisions, departments, outside agencies and organizations. Operator shall recommend capital equipment purchases and replacement.
- J. Operator shall stay abreast of new trends and innovations in the field of Airport management and periodically present a report concerning the same to the City and/or City Council.
- K. Operator shall respond appropriately and responsibly to inquiries and complaints regarding the Airport and will involve the City when necessary.
- L. Operator shall represent the Airport to City departments, elected officials and outside agencies as well as assist the City in explaining and interpreting Airport programs, policies, and activities. Operator shall maintain a working relationship with the FAA, the Division of Aviation, and other regulatory agencies as well as provide the City with copies of any correspondence from and to the FAA, the Division of Aviation, or other regulatory agencies that concern the Airport.
- M. Operator shall prepare and update policy and procedure manuals as necessary. It is understood by the parties hereto that the City has established Rules and Regulations for the Airport. Operator shall be consulted prior to any anticipated amendment of the same and Operator shall recommend any amendment it deems worthy of consideration.

- N. As may be more specifically provided for hereinafter, Operator shall adhere to safe work practices and procedures.
- O. Operator shall support the City in advertising or other business solicitation and promotional activities as well as business policies in cooperation with the City. Expenses related to promotional activities implemented solely by the City shall be borne by the City.
- P. Except for activities performed by other operators, Operator shall monitor the work performed and services rendered by service providers under contract with the City at the Airport.
- Q. Operator shall recommend pricing and packaging for City services and products at the Airport.
- R. Operator shall provide and maintain at least one courtesy vehicle at the Airport for limited use by transient pilots.
- S. The Operator shall provide qualified personnel to operate the Airport's aviation related communications systems and services during regular business hours of the Operator.
- T. Operator shall keep or cause to be kept complete records of the business conducted or transacted in relation to the Airport and any additional records reasonably requested by the City and, upon request of the City, provide any such records or reports required by the City, City Council or its Manager. Nothing in this Agreement, however, shall be construed to permit the City to copy documents of Operator that contain trade secrets or attorney-client privileged information. Operator shall provide statistical records related to the operation of the Airport to the City on a regular basis.
- U. The City shall provide Operator, at no cost, the right to use the hangar commonly referred to and known by the parties as the maintenance hangar as long as said maintenance hangar is not being used, or is not needed by, the City or so long as the City has not contracted with an aircraft maintenance operator for its use. Said use by operator shall be at will and may be terminated in the City's sole discretion. Said use shall be solely for the purposes of storing aircraft owned by Operator and used by Operator to perform the services and activities provided for herein. Operator accepts said maintenance hangar as is. Operator shall be responsible for routine maintenance and repair obligations that might arise, including the obligation to keep the hangar and its grounds in a clean and orderly manner and appearance. The parties understand that the City has no maintenance obligation whatsoever in regard to said maintenance hangar.

2. The parties hereto recognize and acknowledge that the City is currently a party to various leases of the Airport property and nothing herein shall be construed to affect the City's rights, obligations, or benefits controlled or derived from the same except as specifically provided for hereunder. The City reserves the right to further develop or improve the Airport property, facilities, and improvements thereon and enter into additional leases and/or contractual relationships, including leases and/or contracts

with other operators so long as the same do not have the effect of putting Operator at a competitive disadvantage.

ARTICLE IV
FUELING SERVICES

1. The City grants Operator the non-exclusive right to sell retail aviation fuel, aviation engine oils, aviation lubricants, and other aviation petroleum products. Operator shall manage and operate the existing fuel farm, including the self service fuel component thereof, utilizing any equipment currently owned by the City and located on the Airport, but shall be responsible for contracting for any such further equipment necessary for such operation.

- A. Unless otherwise agreed upon, the City shall purchase all aviation fuel to be dispensed at the Airport by the Operator or through self service. Operator shall be responsible for keeping detailed records of such fuel sales. All payments for such fuel sales shall be made directly to the City, either by check, credit, or monthly account. The City shall rebate a \$0.60 per gallon markup to the Operator for all fuel sales. Upon negotiation with and approval from the City, Operator may receive the right to assume responsibility for the purchase and sale of all aviation fuels.
- B. Before any renewal of fuel supply contracts, the City and the Operator shall mutually agree on the selection of any future fuel supplier to the extent permitted by law. The final decision on the fuel supplier shall be made by the party who purchases and sells the fuel.
- C. Fuel price policy. As long as the City assumes the responsibility for the purchase and sale of all aviation fuels, the City shall have, after consultation with the Operator, the right to specify the sales price of the fuels to the public. If the Operator receives the right to assume responsibility for the purchase and sale of all aviation fuels, the Operator shall have, after consultation with the City, the right to specify the sales price of the fuels to the public.
- D. If the City assumes the responsibility for the Jet-A fuel truck service, including lease, or provides a replacement for such service at its expense, the rebate to operator shall be renegotiated.
- E. Notwithstanding the foregoing, Operator shall pay the City a \$0.10 per gallon markup above the supplier's delivered invoice price including FET and NC Inspection Fee for all aviation fuel obtained by Operator for Operator's business.

2. The City may grant a subsequent operator the similar right as granted to Operator hereinabove in this Article IV so long as the same does not have the effect of putting Operator at a competitive disadvantage.

ARTICLE V
OTHER OPERATIONS

1. Subject to the terms of this Agreement, the City grants to Operator the non-exclusive privilege to operate, conduct, and perform the following services at the Airport.
 - A. Operator shall provide, among other things, at least two planes and one instructor to conduct flight training.
 - B. Operator shall provide, among other things, introductory flights, a fueling operation, a fuel price policy, flight school, pilot shop, and a parachute/sky diving program. Operator shall also seek collaboration with Beaufort County Community College to begin an aviation program. Operator shall use its best efforts to provide an air charter operation and conduct contract flying.
 - C. Operator will use its best efforts to offer flight training under 14 CFR Part 141, glider training, training for the sport pilot certificate, and aircraft maintenance including avionics services (possibly in conjunction with an existing avionics company). Operator also will use its best efforts to provide certified flight instructor training.
 - D. Other than aviation fuel sales, Operator shall assume responsibility for the purchase and sale of all commodities and supplies.

ARTICLE VI
PERFORMANCE REQUIREMENTS

1. In performing all services under this Agreement, Operator shall consult and coordinate with legal counsel for the City as necessary and appropriate as well as advise and report to the City and its legal counsel, as necessary or appropriate, with respect to any compliance or other matters that come to its attention.

2. Operator shall consult with and keep the City advised concerning all material aspects of Operator's activities with respect to the management and operation of the Airport. Operator shall cause to be prepared and furnished to the City member financial statements of Operator including a balance sheet as of the end of each calendar year, a statement of income for such calendar year, and statements of changes in financial position. Such statements may be audited on an annual basis by the City's independent audit firm.

ARTICLE VII
SUBSIDY

The City shall provide Operator with an operating subsidy from July 1, 2010 to June 30, 2011 in the amount of \$50,000.00, prorated monthly. Any additional subsidy in conjunction with any extension hereof shall be subject to future negotiations.

ARTICLE VIII
FUTURE MAINTENANCE HANGAR

Operator may receive a 15 year ground lease for approximately 10,000 square feet of space on the Airport for the annual sum of one dollar, upon which space the Operator shall construct a maintenance and/or avionics services hangar. The City shall select, in its sole discretion, the space required for said ground lease. The improvements constructed thereon shall be depreciated over a period of 15 years and shall revert to and become the property of the City thereafter. The vesting of title for said improvement in the City at the time specified is part of the consideration of this Agreement.

ARTICLE IX **USE OF AIRPORT**

Subject to the express conditions contained in Article XIV, Part 2 hereof, City grants Operator the non-exclusive use, in common with others similarly authorized, of the Airport, together with all adequate space and facilities consisting of sufficient ground area to permit the efficient taxiing, servicing, taking off; equipment; improvements and services which have been or may hereafter be provided at or in connection with the Airport from time to time, including, but not limited to, the landing field and any extensions thereof or additions thereto, roadways, runways, aprons, taxiways, floodlights, landing lights, beacons, signals, radio aids, and any and all other conveniences for flying, landing, and take off.

City grants Operator the non-exclusive right, in common with others similarly authorized, to load and unload persons and property as is customary in said Airport so long as the normal routine of Airport operations is not interfered with or made burdensome and to install, maintain and operate radio communications, meteorological and aerial navigations and such other equipment and facilities, in, on or about the premises herein leased, as may be necessary and convenient for Operator's operation so long as all applicable City, County and Governmental regulations are complied with.

The City grants Operator, its employees, customers, passengers, guests, and other licensees or invitees, the nonexclusive use, in common with others similarly authorized, of all public space in the Terminal Building of the Airport as well as all additional public space that may hereafter be made available therein and any additions thereto, including, but not limited to, the lobby, passenger lounges, waiting rooms, hallways, restrooms, rooms for flight personnel and other public and passenger conveniences.

The City, in its sole discretion, may grant Operator the right to establish a drop zone for parachute jumping at the Airport and a space designated for periodic, temporary use by a self-sufficient camper with no hookups located on the lot outside the fence. The parties understand said camper may not be permanent or residential in nature.

The City will make efforts to impose the airport Rules and Regulations, specifically in order to protect the business interests of the Operator against unauthorized flight training or other activities that are in contradiction to the airport Rules and Regulations and weaken the Operator's business interests.

The City will use its best efforts to maintain a wildlife control program in order to reduce wildlife population on airport grounds.

The City will take measures to upkeep runway and taxiway surfaces, in particular to sweep gravel and rocks off the surfaces and to arrange for the repair of pot holes.

ARTICLE X
ACCEPTANCE, MAINTENANCE AND USE OF PREMISES

Operator agrees to accept the premises in the physical condition in which the same now is. As more specifically provided for hereinabove, Operator further agrees to maintain the same in at least a like condition during the term of this Agreement, normal wear and tear excepted. As more specifically provided for hereinabove, Operator further agrees to maintain the premises in a clean, neat and orderly manner so as to promote the use of the Airport, and further agrees to abide by such reasonable requests as may be made by the City for the proper use and maintenance of the Airport to the end that the general welfare of the public may be promoted and served thereby, and that there not be permitted any accumulation of non-aviation equipment or discarded junk or the discharge of hazardous or regulated chemicals onto the Airport. Operator further agrees to surrender the premises back to the City in as good a condition as the same now are, ordinary wear and tear accepted, upon termination of this Agreement.

ARTICLE XI
PARKING SPACE

The City grants Operator, its employees, customers, passengers, suppliers, and other licensees or invitees, without charge, adequate vehicular parking space located as near as possible to the premises. The City shall designate the area to be used, which area shall be maintained and kept in good order and condition by the City.

ARTICLE XII
RIGHT OF INGRESS AND EGRESS

Operator shall have at all times the full and free right of ingress to and egress from the premises and facilities referred to in this Agreement for Operator, its employees, customers, passengers, guests, and other licensees or invitees. Such rights also extend to persons or organizations supplying materials or furnishing services to Operator, to include vehicles, machinery and equipment reasonably required by such persons or organizations.

ARTICLE XIII
TERM

The term of this Agreement shall be one (1) year, beginning on the 1st day of July, 2010 and ending on the 30th day of June, 2011. Should Operator desire to extend this Agreement beyond the initial one (1) year term; then, in that event, Operator shall notify City ninety (90) days prior to the end of the initial term. The parties hereby agree that, upon such notice, the parties will enter good faith negotiations to extend this Agreement. However, the City is under no obligation whatsoever to extend this Agreement beyond the initial one (1) year term.

ARTICLE XIV
RIGHTS, PRIVILEGES, OBLIGATIONS, AND RESPONSIBILITIES

1. In its use of the Airport and related facilities, Operator is granted the following specific rights and privileges:

A. Operator has the right to add and remove any additional capital improvements on the premises under the exclusive control of Operator, including the right to install, maintain, and remove additional, adequate storage facilities and appurtenances for the purposes of carrying out any of the activities provided for herein, subject to advance approval from the City as well as any other conditions herein generally or particularly set forth. All improvements so added by Operator will be and become the property of the City at the termination of this Agreement without cost to the City. Any improvements that involve alterations to the leased premises under the non-exclusive control of Operator shall be subject to approval in advance by City and all improvements so added by the Operator will be and become the property of the City at the termination of this Agreement without cost to the City as further consideration hereof.

2. In its use of the Airport and related facilities, Operator accepts the following obligations and responsibilities.

A. Except as hereinafter specifically provided, the use and occupancy of the premises by Operator shall be without cost or expense to the City. It is understood and agreed that the City is not obligated to furnish any utility services such as light, water, sewer or gas to Operator during the period of occupancy. If the City operates or maintains utility services to the premises, it will continue to furnish such utility services at the request of Operator provided that Operator shall assume and pay 50% of all charges for providing such service. Except as provided for hereinabove, Operator shall save the City harmless of and from any and all costs or charges for utility services furnished to or required by Operator during the term hereof and shall provide, at its own cost or expense, such services as may be necessary or required in the operation and maintenance of the premises to any and all storm and sanitary sewers, water, and utility outlets at its own expense and shall pay for any and all service charges incurred or used on the premises.

B. As more specifically provided hereinabove, Operator shall maintain and be responsible for all minor repairs located on the leased premises.

- Operator agrees, at its own expense, to cause the premises and the buildings, improvements, and appurtenances thereto, to be maintained in a presentable condition and equal in appearance and character to similar improvements on the Airport. Tools, machines, parts and maintenance equipment shall be appropriately stored.
- C. Operator agrees, at its own expense, to cause all waste, garbage and rubbish to be removed from the leased premises and agrees not to deposit the same on any City premises, except Operator may temporarily deposit the same on the premises in connection with their collection or removal. Operator agrees it will not allow the accumulation of rubbish or waste, foul, contaminate or otherwise create an unhealthy or hazardous condition on the premises.
 - D. Operator will not suffer or permit to be maintained upon the outside of any improvements located on the leased premises any billboards or advertising signs unless previously approved in writing by the City. A normal company identification sign will be permissible on the premises subject to the approval of the City and any applicable ordinance.
 - E. Operator will make no unlawful, improper or offensive use of the premises.
 - F. Any and all improvements to, use of, or activities upon the premises shall conform to and be consistent with the then current Airport plan, minimum standards, and the Rules and Regulations adopted for the Airport by the City, as amended.
 - G. Operator, in its use, improvement, or operation of the premises and facilities of the Airport including premises, shall not, on the grounds of race, color, sex, or national origin discriminate or permit discrimination against any person or group of persons in any manner prohibited by law and shall otherwise use the premises in compliance with all other requirements imposed by or pursuant to Title VI of the Civil Rights Act of 1964 and as said regulations may be amended.

ARTICLE XV **TAXES AND ASSESSMENTS**

Operator shall be responsible for and promptly pay before default any and all real and personal property taxes or special assessments, if any, that may be levied or assessed against the premises or any improvements or other property situated thereon, it being the mutual intention of the parties that the City shall not be required to pay any taxes on either real or personal property by reason of permitting Operator to use said real property as herein described. Operator also agrees to indemnify the City against any loss or liability resulting from any and all claims or liens in connection with such taxes and assessments.

If required by law, Operator shall insure that its aircraft that are based at the Airport, including any spare parts located on the Airport, are listed on the tax rolls of Beaufort County, North Carolina, for the current year.

ARTICLE XVI
MAINTENANCE AND UTILITIES

During the term of this Agreement, the City shall maintain and keep in good repair vehicle parking areas and all roadways, runways, aprons and taxiways. Subject to the conditions expressly set forth in Article XIV, Part 2 hereof, the City shall also maintain and operate all sewage and water facilities, electrical and electronic facilities and such other appurtenances and services as are now or hereafter connected with the operation of the Airport.

ARTICLE XVII
RULES AND REGULATIONS

Operator agrees to comply with all laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of and agreements with all governments, departments, commissions, boards, Courts, authorities, agencies, officials, officers and other parties, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to the Airport including leased premises or any part thereof, or any of the adjoining property, or any use or condition of the premises or any part thereof. Further, Operator shall comply with any and all local, state, federal or other rules and regulations as well as all applicable environmental rules and regulations, including, but not limited to, such rules and regulations regulating hazardous or similar substances or conditions, their storage and disposal.

Operator agrees to observe and obey the rules and regulations with respect to the use of the Airport premises, including leased premises; provided, however, that such rules and regulations shall be consistent with all rules, regulations, and orders of the Federal Aviation Administration; and provided further, that such rules and regulations shall not be inconsistent with the provisions of this Agreement or the procedures prescribed or approved from time to time by the Federal Aviation Administration with respect to Operator's use of the Airport premises, including leased premises. Operator further agrees to indemnify and hold the City harmless for any and all damage of any kind arising from Operator's failure to comply with the aforementioned rules and regulations, including, but not limited to, the cost of cleanup, restoration fees, mitigation costs, and attorney's fees caused or occasioned by Operator, its employees, customers, passengers, guests, or other licensees or invitees.

Operator agrees to abide by and cooperate with the City in the enforcement and implementation of applicable Airport security regulations, safety plan standards and measures as may be adopted by the City.

ARTICLE XVIII
SUBORDINATION

This Agreement shall be subject to and subordinate with the provisions of any existing or future agreement between the City and the United States, the State of North Carolina, or any agencies thereof, relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal or State funds for the development or operation of the Airport or as a condition precedent to the acquisition of the Airport facilities by the City. It is specifically understood by Operator that this Agreement is subject to the recapture clause and other conditions of grant agreements by the Federal Aviation Administration, the Civil Aeronautics Administration, and the State of North Carolina. The City shall, to the extent permitted by law, use its best efforts to cause any such agreements to include provisions protecting and preserving the rights of Operator in and to the premises, and to compensation for the taking thereof, interference therewith and damage thereto, caused by such agreement or by actions of the City or the United States or the state of North Carolina pursuant thereto.

ARTICLE XIX **INDEMNIFICATION**

The City shall stand indemnified by Operator as hereinafter provided. It is expressly understood and agreed by and between the parties hereto that Operator herein is and shall be deemed to be an independent contractor, responsible to all parties for its respective acts or omissions and the City shall in no way be responsible therefor. It is further agreed that, in the use of the Airport; the maintenance, erection, or construction of any improvements thereon and the exercise or enjoyment of the privileges herein granted, Operator agrees to indemnify and save harmless the City from any negligence of Operator.

Operator agrees to indemnify the City against any and all liability for injuries to persons or damage to property caused by Operator's negligent use or occupancy of the leased premises; provided, however, that Operator shall not be liable for any injury, damage, or loss occasioned by the negligence of the City or its agents or employees; and provided further that the City shall give to Operator prompt and timely notice of any claim made or suit instituted which in any way directly or indirectly, contingent or otherwise, affects or might affect Operator, and the Operator shall have the right to compromise and defend the suit to the extent of its own interest.

ARTICLE XX **INSURANCE**

Operator shall procure and maintain in force necessary liability insurance coverage for the leased premises and Operator's activities at the Airport in the minimum amount of \$1,000,000.00 for personal injury, death and property damage, including any environmental damage as well as damages relating to or arising from hazardous material or product related to fueling operations, including Operator's utilization of the self serve fuel service, resulting from each occurrence to indemnify and hold harmless the City from any and all liability of claims for loss, damage, or injury to persons or property

caused or occasioned by the use of the leased premises by Operator or the Operator's activities on the Airport during the term of this Agreement. In addition, Operator shall procure and maintain in force necessary insurance coverage as follows: 1) \$1,000,000 – products/completed operations aggregate limit, 2) \$1,000,000 – personal/advertising injury aggregate limit, and 3) \$250,000/500,000 – hangar keepers limit any one aircraft/any one occurrence (if applicable). All insurance shall be carried by a responsible company licensed in North Carolina and shall be in a form satisfactory to the City. The City shall be furnished copies of any and all insurance policies obtained by Operator in compliance with this requirement. Operator agrees to maintain sufficient coverage on a current status and that all such insurance policies obtained by Operator in compliance with this requirement name the City as additional insured and provide a thirty (30) day written notice to the City of termination or material change in the terms thereof or non-renewal of such policies.

ARTICLE XXI **TERMINATION AND DEFAULT**

1. This lease shall terminate at the end of its original term, unless sooner terminated as provided for herein. No holding over by Operator after the expiration or earlier termination of this Agreement shall operate to extend or renew this Agreement for any further term whatsoever; but Operator will, by any such holding over, become the tenant at will of the City. After any written notice by the City to vacate the premises, continued occupancy thereof by Operator shall constitute Operator a trespasser.

2. This Agreement shall be subject to termination for cause by either party if the other party:

- A. Materially breaches any material provision of this Agreement and, after notice of such breach, shall have failed to cure such breach within thirty (30) days after notice of such breach is given to the breaching party; or
- B. Commits any act of willful misconduct, gross negligence, or fraud. Such termination may be effected by giving the other party written notice of termination, which notice shall specifically identify the act upon which termination is based; or
- C. Has a petition filed against it for an involuntary proceeding under any applicable bankruptcy, insolvency or similar law now or hereafter in effect, and such petition shall not have been dismissed within sixty (60) days of filing; or a Court having jurisdiction shall have appointed a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of such party for any substantial portion of its property, or order the winding up or liquidation of its affairs; or
- D. Commences a voluntary proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or shall have made any general assignment for the benefit of creditors, or shall have failed generally to pay its debts as they become due. The defaulting party agrees that, if any of the events specified in Section 2 (B) or (C) of this Article XXI shall occur, it shall give written notice thereof to the other

party within seven (7) days following the occurrence of such event. Upon receipt of such notice, or upon becoming aware of default, the other party may, in its sole discretion, terminate this Agreement immediately upon delivery of a written notice of such termination to the defaulting party.

- E. The abandonment of the Airport as an airport or airfield for any type, class, or category of airport.
- F. Damage to or destruction of all or any material part of the leased premises or Airport facilities as necessary for the Operator's use of the leased premises and Airport.
- G. The lawful assumption by the United States, or the State of North Carolina or any authorized agency thereof, of the operation, control or use of the Airport, or any substantial part or parts thereof, in such a manner as to restrict substantially Operator from using the premises for a period in excess of ninety (90) days.

ARTICLE XXII **SURRENDER OF POSSESSION**

Upon termination by expiration of the original term of this Agreement or upon earlier termination under any circumstances, Operator's right to use the leased premises and Airport as described in this Agreement shall cease, and Operator shall vacate the same without unreasonable delay. Operator shall surrender the same in approximately the same condition as upon taking of possession, allowing for reasonable wear and tear. Upon any such above termination, Operator shall have no further right or interest in any of the leased premises, Airport or the improvements thereon. It is mutually agreed the title to any and all improvements currently situated, hereafter erected, or hereafter constructed upon the leased premises or Airport shall remain, revert to or become owned and possessed, as the case may be, by the City upon the expiration or earlier termination of this Agreement, without any additional payment or consideration to Operator therefor, free and clear of all liens on the part of Operator on account of any repair or improvement work. The vesting of title in the City at the time specified is part of the consideration for this Agreement.

ARTICLE XXIII **INSPECTION BY LESSOR**

The City may enter the premises now or hereafter leased exclusively to Operator at any reasonable time for any purpose necessary or incidental to the performance of its obligations under this Agreement. The Operator will provide access to such premises for inspection by the City. This inspection may be made at least semi-annually with a fire department official. Any minor discrepancies or violations must be corrected within thirty (30) days or this Agreement may be terminated. It is understood by the parties hereto that the major structural and maintenance aspects of the buildings herein leased shall remain the responsibility of the City.

ARTICLE XXIV
ASSIGNMENT AND SUBLETTING

Operator shall not at any time sublease, assign, or in any manner surrender personal control of any part of any property or rights herein contracted for without the written consent of the City. Provided, however, that the foregoing shall not prevent the assignment or subletting of such rights to any corporation with which Operator may merge or consolidate, or which may succeed to the business of Operator, or to the United States Government or any agency thereof. No such assignment or subletting contemplated hereunder shall release Operator from its obligations to pay any and all of the rentals and charges set forth in this Agreement. It is recognized that the interest of all parties will be promoted and served by the increased use of the Airport facilities and it is not the intention of this provision to so restrict this use, but rather to ensure that the same is accomplished with the view of serving the public interest vested in the City.

ARTICLE XXV
NOTICES

Notices provided for in this Agreement shall be sufficient if sent by registered mail, postage pre-paid, and addressed as follows:

TO THE CITY: Attention: City Manager
 City of Washington
 P.O. Box 1988
 Washington, NC 27889

TO OPERATOR: Tradewind Aviation International, LLC
 Attention: Thomas Dolder, Owner
 820 Aviation Drive
 New Bern, NC 28562

Any notice so given to either party hereunder shall be conclusively considered to have been received on the third business day following the proper mailing thereof. Each party shall give written notice to the other any change of address at least thirty (30) days in advance of the date such change is to become effective, whereupon the address so given shall control.

ARTICLE XXVI
GOVERNING LAW

This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of North Carolina.

ARTICLE XXVII
SEVERABILITY

Any covenant, condition, or provision of this Agreement that is held to be invalid by any Court of competent jurisdiction shall be considered deleted from this Agreement, but such deletions shall in no way effect any other covenant, condition or provision of this Agreement, so long as such deletion does not materially prejudice the City or Operator in their respective rights and obligations contained in the valid covenants, conditions or provisions of this Agreement.

ARTICLE XXVIII
EFFECT OF WAIVER

The waiver of any breach, violation, or default in or with respect to the performance or observance of the covenants and conditions contained herein shall not be taken to constitute a waiver of any such subsequent breach, violation or default in or with respect to the same or any other covenant or condition hereof.

ARTICLE XXIX
ARBITRATION

In the event of any disagreement as to whether there has been a breach of contract under this Agreement, the question shall be submitted to arbitration, each party hereto selecting one arbitrator and the two so selected selecting a third arbitrator (but if no agreement can be reached as to the third arbitrator, he shall be appointed by the Clerk of the Superior Court of Beaufort County), which board of arbitrators shall sit within two weeks following the date of their appointment, and after proper notice to both parties, shall hear the evidence presented by both sides and render their decision. The majority vote shall be binding on both the City and the Operator, and it shall be made and announced as soon as possible, and in no event later than two weeks after the aforementioned hearing. Each party shall pay the arbitrator appointed by it, and the third arbitrator shall be paid jointly by the City and the Operator. In this connection, attention is invited to the fact that the management of said Airport, its general appearance and the manner in which the Operator serves and meets the general public is of paramount importance to the City, and in the event of any disagreement requiring adjustment or adjudication by arbitration, as herein provided, said arbitrators shall give particular attention to these considerations to the extent that Operator shall comply with all requirements of this Agreement.

ARTICLE XXX
EFFECT OF AGREEMENT

All covenants, conditions, or provisions in this Agreement shall extend to and bind the legal representatives, successors and assigns of their respective parties. This Agreement is in lieu of any agreement heretofore executed between the parties hereto and any such prior Agreement is hereby cancelled and no longer in effect.

ARTICLE XXXI
ATTORNEY'S FEES

In the event any action is filed in relation to this Agreement, the unsuccessful party in the action shall pay to the successful party, in addition to all sums that either party may be called on to pay under this Agreement, a reasonable sum for the successful party's attorney's fees; provided, however, if there is a monetary award, the reasonable fees as awarded by the Court shall not exceed fifteen percent (15%) of any outstanding balance or award.

ARTICLE XXXII
ENTIRE AGREEMENT

This Agreement shall constitute the sole agreement between the parties hereto and it is understood that the provisions contained herein shall not be altered, modified or changed in any manner except by written agreement executed by the City and the Operator, and no oral contact or agreement, or informal memorandum shall have the effect of so modifying, altering, or changing this Agreement. Any prior understanding or representation of any kind, preceding the date of this Agreement shall not be binding on either party except to the extent incorporated in this Agreement.

ARTICLE XXXIII
MODIFICATION OF THIS AGREEMENT

Any modification of this Agreement or additional obligations assumed by either party in connection with this Agreement shall be binding only if in writing signed by each party or an authorized representative of each party.

ARTICLE XXXIV
CONFIDENTIALITY

All books, records, information and data that are exchanged or received between the parties shall remain confidential and shall not be disclosed to any other person, except as specifically authorized or as may be required by law.

ARTICLE XXXV
OTHER BUSINESS AND ACTIVITIES OF OPERATOR

Except to the extent necessary to perform Operator's obligations under this Agreement, nothing herein shall be deemed to limit or restrict the right of Operator or any employee of Operator to engage in any other business or to devote time and attention to the managerial or other aspects of any other business, whether of a similar or dissimilar nature, or to render services of any kind to any other corporation, firm, individual, or association; provided, however, that during the term of this Agreement, Operator agrees not to engage in any activities which are functionally competitive with the services provided to the City. The City acknowledges the persons employed by Operator to assist in the performance of Operator's duties under this Agreement are not required to devote

the full time to such service and nothing containing this Agreement shall be construed to the contrary.

ARTICLE XXXVI
NEGATION OF MEMBERSHIP OR JOINT VENTURE

Nothing contained in this Agreement shall constitute, or be construed to be or to create, a partnership or joint venture between Operator and the City.

IN WITNESS WHEREOF, each party to this Agreement has caused it to be duly and properly executed in duplicate originals as of the day and year first above written as evidenced by the authorized signatures below.

PRE-AUDIT CERTIFICATE

This lease has been pre-audited pursuant to North Carolina General Statute § 159-28 in the manner required by the Local Governmental Budget and Fiscal Control Act.

_____(SEAL)
Matt Rauschenbach, Chief Finance Officer
City of Washington

CITY OF WASHINGTON

(CORPORATE SEAL)

By: _____
James Smith, City Manager
City of Washington

ATTEST:

Cynthia S. Bennett, City Clerk

OPERATOR:
TRADEWIND AVIATION
INTERNATIONAL, LLC

(corporate seal)

By: _____
Thomas Dolder, Member/Manager

STATE OF NORTH CAROLINA
COUNTY OF BEAUFORT

I, _____, a Notary Public of the State and County aforesaid, do hereby certify that **CYNTHIA S. BENNETT** personally appeared before me this day and acknowledged that she is the City Clerk for the **CITY OF WASHINGTON**, a body politic and incorporate, and that by authority duly given and as the act of the Corporation, the foregoing instrument was signed in its name by its Manager, sealed with its corporate seal and attested by herself as its City Clerk.

WITNESS my hand and Notarial Seal, this the ___ day of _____, 2010.

Notary Public

My Commission expires: _____

STATE OF NORTH CAROLINA
COUNTY OF BEAUFORT

Before me, the undersigned Notary Public in and for the State and County aforesaid, this day personally appeared **THOMAS DOLDER**, who being by me duly sworn says that he is a Member/Manager of **TRADEWIND AVIATION INTERNATIONAL, LLC**, a North Carolina Limited Liability Company, and that by authority duly given and as an act of the Company, he executed the foregoing instrument for the purposes therein expressed.

WITNESS my hand and Notarial Seal, this the ___ day of _____, 2010.

Notary Public

My Commission expires: _____



City of Washington

P. O. Box 1988, Washington, NC 27889-1988

MEMORANDUM

DATE: 15, July 2010
TO: Mayor and City Council
FROM: James C. Smith, City Manager
SUBJ: Annie Laura Mayo Property

The purchase and sales agreement for the Annie Laura Mayo property located adjacent to the Susie Gray McConnell Sport Complex was executed by Ms. Mayo, on July 21 2010. The agreement provides that the City will pay \$60,000 for the two parcels of land comprising approximately 5.6 acres with frontage on Springs Road. There are no known environmental or other unique constraints on the property.

This is a second purchase of property from Ms. Mayo with the intention of providing for the future expansion of the city's athletic complex. The North Carolina Department of Transportation purchased approximately 1/2 acre of land from the City at Havens Gardens Park for the reconstruction of the Runyan Creek Bridge. They paid the City \$145,200 for this land. These funds must be used for park land purposes since the City used Land and Water Conservation Fund monies in the 1980s to improve Havens Gardens.. Initially the City purchased a parcel from Ms. Mayo to construct an emergency access from the athletic complex to Springs Road. This second purchase is for the balance of the Mayo property. This purchase will result in a total of \$127,150 of the initial \$145,200 being applied to qualifying land purchases. The balance is yet to be committed to a specific purchase but negotiations are under way to acquire at least a portion of an adjoining parcel from a different owner.

July 26, 2010

Page 232 of 345

OFFER TO PURCHASE AND CONTRACT
[Consult "Guidelines" (form 2G) for guidance in completing this form]

City of Washington _____, as Buyer,
hereby offers to purchase and Annie Laura Mayo, Unmarried _____, as Seller,
upon acceptance of said offer, agrees to sell and convey, all of that plot, piece or parcel of land described below, together with all
improvements located thereon and such fixtures and personal property as are listed below (collectively referred to as the "Property"),
upon the terms and conditions set forth herein. This offer shall become a binding contract on the date that: (i) the last one of the Buyer
and Seller has signed or initialed this offer or the final counteroffer, if any, and (ii) such signing or initialing is communicated to the
party making the offer or counteroffer, as the case may be. Such date shall be referred to herein as the "Effective Date."

1. **REAL PROPERTY:** Located in Beaufort _____ County, State of North Carolina,
being known as and more particularly described as:
Address: Street Parcel 1 -5.36 ac & Parcel 2- .25 ac Springs Road _____
City: Washington _____ Zip 27889 _____

NOTE: Governmental authority over taxes, zoning, school districts, utilities and mail delivery may differ from address shown.
Legal Description: 5.36 and 0.25 acres adjacent to Susiegray McConnell Sports Complex _____
Subdivision Name: _____

Plat Reference: Lot _____, Block or Section _____ as shown on
Plat Book or Slide _____ at Page(s) _____ (Property acquired by Seller in Deed Book _____ at Page _____).
NOTE: Prior to signing this Offer to Purchase and Contract, Buyer is advised to review Restrictive Covenants, if any, which may limit
the use of the Property, and to read the Declaration of Restrictive Covenants, By-Laws, Articles of Incorporation, Rules and
Regulations, and other governing documents of the owners' association and/or the subdivision, if applicable. If the Property is subject
to regulation by an owners' association, it is recommended that Buyer obtain a copy of a completed Owners' Association Disclosure
And Addendum (standard form 2A12-T) prior to signing this Offer to Purchase and Contract, and include it as an addendum hereto.

2. **FIXTURES:** The following items, if any, and if owned by the Seller, are included in the purchase price free of liens: any built-in
appliances, light fixtures, ceiling fans, attached floor coverings, blinds, shades, drapery rods and curtain rods, brackets and all related
hardware, window and door screens, storm windows, combination doors, awnings, antennas, satellite dishes and receivers,
burglar/fire/smoke alarms, pool and spa equipment, solar energy systems, attached fireplace screens, gas logs, fireplace inserts, electric
garage door openers with controls, outdoor plants and trees (other than in movable containers), basketball goals, storage sheds,
mailboxes, wall and/or door mirrors, attached propane gas tank, invisible fencing including all related equipment, lawn irrigation
systems and all related equipment, water softener/conditioner and filter equipment, and any other items attached or affixed to the
Property, EXCEPT any such items leased by the Seller and the following items: _____

3. **PERSONAL PROPERTY:** The following personal property is included in the purchase price: N/A _____

4. **PURCHASE PRICE:** The purchase price is \$ *****60,000.00 _____ and shall be paid in U.S.
Dollars. Should any check or other funds paid by Buyer be dishonored, for any reason, by the institution upon which the payment is
drawn, Buyer shall have one (1) banking day after written notice to deliver good funds to the payee. In the event Buyer does not timely
deliver good funds, the Seller shall have the right to terminate this contract upon written notice to the Buyer. The purchase price shall
be paid as follows:

(a) \$ *****500.00 _____, EARNEST MONEY DEPOSIT with this offer by cash personal check
 bank check certified check other: _____ to be deposited
and held in escrow by Annie Laura Mayo, Unmarried _____ ("Escrow Agent") until the sale is
closed, at which time it will be credited to Buyer, or until this contract is otherwise terminated. In the event: (1) this offer is not
accepted; or (2) any of the conditions hereto are not satisfied, then all earnest monies shall be refunded to Buyer. In the event of
breach of this contract by Seller, all earnest monies shall be refunded to Buyer upon Buyer's request, but such return shall not
affect any other remedies available to Buyer for such breach. In the event of breach of this contract by Buyer, then all earnest
monies shall be forfeited to Seller upon Seller's request, but such forfeiture shall not affect any other remedies available to Seller
for such breach.

Buyer initials _____ Seller initials _____

- To the best of Seller's knowledge, the Property IS located partly or entirely within a designated Special Flood Hazard Area. Buyer understands that it may be necessary to purchase flood insurance in order to obtain any loan secured by the Property from any federally regulated institution or a loan insured or guaranteed by an agency of the U.S. Government.
- To the best of Seller's knowledge, the Property IS NOT located partly or entirely within a designated Special Flood Hazard Area. If, following the Effective Date of this contract, it is determined that any permanent improvements on the Property are located within a designated Special Flood Hazard Area according to the current FEMA flood map, or if this contract is subject to a Loan Condition and Buyer's lender requires Buyer to obtain flood insurance as a condition of making the Loan, then in either event Buyer shall have the right to terminate this contract upon written notice to Seller, and all earnest monies shall be refunded to Buyer.

7. OTHER CONDITIONS: (State N/A in each blank that is not a condition to this contract.)

- (a) There must be no restriction, easement, zoning or other governmental regulation that would prevent the reasonable use of the Property for N/A purposes.
- (b) The Property must be in substantially the same or better condition at Closing as on the date of this offer, reasonable wear and tear excepted.
- (c) The Property must appraise at a value equal to or exceeding the purchase price or, at the option of Buyer, this contract may be terminated and all earnest monies shall be refunded to Buyer, even if the Loan Condition has been waived as provided in paragraph 5.
If this contract is NOT subject to a financing contingency requiring an appraisal, Buyer shall arrange to have the appraisal completed on or before N/A.
- (d) All deeds of trust, liens and other charges against the Property, not assumed by Buyer, must be paid and satisfied by Seller prior to or at Closing such that cancellation may be promptly obtained following Closing. Seller shall remain obligated to obtain any such cancellations following Closing.
- (e) Title must be delivered at Closing by GENERAL WARRANTY DEED unless otherwise stated herein, and must be fee simple marketable and insurable title, free of all encumbrances except: ad valorem taxes for the current year (prorated through the date of Closing); utility easements and unviolated restrictive covenants that do not materially affect the value of the Property; and such other encumbrances as may be assumed or specifically approved by Buyer. The Property must have legal access to a public right of way.

8. SPECIAL ASSESSMENTS: NOTE: For purposes of this agreement, a "confirmed" special assessment is defined as an assessment that has been approved by a governmental agency or an owners' association for the purpose(s) stated, whether or not it is fully payable at time of closing. A "pending" special assessment is defined as an assessment that is under formal consideration by a governing body. Seller warrants that there are no pending or confirmed governmental special assessments for sidewalk, paving, water, sewer, or other improvements on or adjoining the Property, and no pending or confirmed owners' association special assessments, except as follows (Insert "None" or the identification of such assessments, if any): N/A

Unless otherwise agreed, Seller shall pay all owners' association assessments and all governmental assessments confirmed through the time of Closing, if any, and Buyer shall take title subject to all pending assessments disclosed by Seller herein, if any.

9. PRORATIONS AND ADJUSTMENTS: Unless otherwise provided, the following items shall be prorated and either adjusted between the parties or paid at Closing: (a) Ad valorem taxes on real property shall be prorated on a calendar year basis through the date of Closing; (b) Ad valorem taxes on personal property for the entire year shall be paid by the Seller unless the personal property is conveyed to the Buyer, in which case, the personal property taxes shall be prorated on a calendar year basis through the date of Closing; (c) All late listing penalties, if any, shall be paid by Seller; (d) Rents, if any, for the Property shall be prorated through the date of Closing; (e) Owners' association dues and other like charges shall be prorated through the date of Closing. Seller represents that the regular owners' association dues, if any, are \$ N/A per N/A. Unless otherwise agreed, Buyer shall pay any fees required for obtaining account payment information on owners' association dues or assessments for payment or proration and any charge made by the owners' association in connection with the disposition of the Property to Buyer, including any transfer and/or document fee imposed by the owners' association.

10. EXPENSES: Unless otherwise agreed, Buyer shall be responsible for all costs with respect to any loan obtained by Buyer, appraisal, title search, title insurance, recording the deed and for preparation and recording of all instruments required to secure the balance of the purchase price unpaid at Closing. Seller shall pay for preparation of a deed and all other documents necessary to perform Seller's obligations under this agreement, and for excise tax (revenue stamps) required by law. Seller shall pay at Closing

Buyer initials _____ Seller initials _____

\$ 0.00 toward any of Buyer's expenses associated with the purchase of the Property, including any FHA/VA lender and inspection costs that Buyer is not permitted to pay, but excluding any portion disapproved by Buyer's lender.

11. HOME WARRANTY: If a home warranty is to be provided, select one of the following: Buyer may obtain a one-year home warranty at a cost not to exceed \$ N/A and Seller agrees to pay for it at Closing. Seller has obtained and will provide a one-year home warranty from N/A at a cost of \$ N/A and will pay for it at Closing.

12. FUEL: Buyer agrees to purchase from Seller the fuel, if any, situated in any tank on the Property at the prevailing rate with the cost of measurement thereof, if any, being paid by Seller.

13. EVIDENCE OF TITLE: Seller agrees to use his best efforts to deliver to Buyer as soon as reasonably possible after the Effective Date of this contract, copies of all title information in possession of or available to Seller, including but not limited to: title insurance policies, attorney's opinions on title, surveys, covenants, deeds, notes and deeds of trust and easements relating to the Property. Seller authorizes (1) any attorney presently or previously representing Seller to release and disclose any title insurance policy in such attorney's file to Buyer and both Buyer's and Seller's agents and attorneys; and (2) the Property's title insurer or its agent to release and disclose all materials in the Property's title insurer's (or title insurer's agent's) file to Buyer and both Buyer's and Seller's agents and attorneys.

14. LABOR AND MATERIAL: Seller shall furnish at Closing an affidavit and indemnification agreement in form satisfactory to Buyer showing that all labor and materials, if any, furnished to the Property within 120 days prior to the date of Closing have been paid for and agreeing to indemnify Buyer against all loss from any cause or claim arising therefrom.

15. PROPERTY DISCLOSURE:

- Buyer has received a signed copy of the N.C. Residential Property Disclosure Statement prior to the signing of this Offer to Purchase and Contract.
- Buyer has NOT received a signed copy of the N.C. Residential Property Disclosure Statement prior to the signing of this Offer to Purchase and Contract and shall have the right to terminate or withdraw this contract without penalty prior to WHICHEVER OF THE FOLLOWING EVENTS OCCURS FIRST: (1) the end of the third calendar day following receipt of the Disclosure Statement; (2) the end of the third calendar day following the date the contract was made; or (3) Closing or occupancy by the Buyer in the case of a sale or exchange.
- Exempt from N.C. Residential Property Disclosure Statement because (SEE GUIDELINES) vacant lot
- The Property is residential and was built prior to 1978 (Attach Lead-Based Paint or Lead-Based Paint Hazards Disclosure Addendum.)

16. PROPERTY INSPECTION/INVESTIGATION (Choose ONLY ONE of the following Alternatives):

ALTERNATIVE 1:

(a) Property Condition: As to all permanent improvements except: _____, it is a condition of this contract that

(i) the built-in appliances, electrical system, plumbing system, heating and cooling systems, roof coverings (including flashing and gutters), doors and windows, exterior building surfaces, structural components (including foundations, retaining walls, columns, chimneys, floors, walls, ceilings and roofs), porches and decks, fireplaces and flues, crawl space and attic ventilation systems (if any), water and sewer systems (public and private), shall be performing the function for which intended and shall not be in need of immediate repair; (ii) there shall be no unusual drainage conditions or evidence of excessive moisture adversely affecting the structure(s); and (iii) there shall be no friable asbestos or existing environmental contamination.

(b) Inspections/Repair Negotiations: Buyer, at Buyer's expense, may inspect or obtain such inspections of the Property as Buyer deems appropriate. Only items covered by subsections (a)(i), (a)(ii), and (a)(iii) above ("Necessary Repairs") are included in repair negotiations under this contract. All inspections, including but not limited to any additional inspections recommended by Buyer's inspector(s), shall be completed and written notice of Necessary Repairs shall be given to Seller on or before N/A (the "Repair Notice Date"). Seller shall have the option of completing Necessary Repairs or refusing to complete them. Seller shall provide written notice to Buyer of Seller's response within N/A days of Buyer's notice, TIME BEING OF THE ESSENCE. Seller's failure to provide said notice as required shall constitute an election by the Seller not to complete Necessary Repairs. If Seller elects not to complete all Necessary Repairs, then Buyer shall have the option of (a) accepting the Property in its present condition, (b) accepting Seller's offer to make repairs to the extent and as described in the Seller's response,

Buyer initials _____ Seller initials _____

or (c) terminating this contract, in which case all earnest monies shall be refunded. The Buyer shall deliver the Buyer's written decision to Seller within five (5) days after receiving the Seller's written response, or Seller's failure to respond, **TIME BEING OF THE ESSENCE**. Failure of Buyer to provide this written decision by the time stated herein shall constitute acceptance of Seller's agreement to make repairs to the extent and as described in the Seller's response. Buyer shall have the right to verify that any Necessary Repairs have been completed in a good and workmanlike manner.

(c) **Wood-Destroying Insects:** Buyer shall have the option of obtaining, at Buyer's expense, a report from a licensed pest control operator on a standard form in accordance with the regulations of the North Carolina Structural Pest Control Committee, stating that as to all structures, except N/A, there was no visible evidence of wood-destroying insects and containing no indication of visible damage therefrom. The report must be obtained on or before the Repair Notice Date. If the report indicates that there is visible evidence of wood-destroying insects or visible damage therefrom, Seller shall have the option of performing any required treatment or completing Necessary Repairs, or refusing to perform any required treatment or complete Necessary Repairs. If Seller elects not to perform required treatment or complete Necessary Repairs, Buyer shall have the option of accepting the Property without the required treatment or Necessary Repairs, or terminating the contract, in which case all earnest monies shall be refunded. Buyer and Seller shall exercise their respective rights under this subsection (c) in the same manner and within the same time limitations as set forth in subsection (b) above. The Buyer is advised that the inspection report described in this paragraph may not always reveal either structural damage or damage caused by agents or organisms other than wood-destroying insects. If new construction, Seller shall provide a standard warranty of termite soil treatment.

(d) **Radon Inspection:** Buyer shall have the option, at Buyer's expense, to have the Property tested for radon on or before the Repair Notice Date. The test result shall be deemed satisfactory to Buyer if it indicates a radon level of less than 4.0 pico curies per liter of air (as of January 1, 1997, EPA guidelines reflect an "acceptable" level as anything less than 4.0 pico curies per liter of air). If the test result exceeds the above-mentioned level, Seller shall have the option of: a) remediating to bring the radon level within the satisfactory range; or b) refusing to remediate. Upon the completion of remediation, Buyer may have a radon test performed at Seller's expense, and if the test result indicates a radon level less than 4.0 pico curies per liter of air, it shall be deemed satisfactory to the Buyer. If Seller elects not to remediate, or if remediation is attempted but fails to bring the radon level within the satisfactory range, Buyer shall have the option of: a) accepting the Property with its then current radon level; or b) terminating the contract, in which case all earnest monies shall be refunded. Buyer and Seller shall exercise their respective rights under this subsection (d) in the same manner and within the same time limitations as set forth in subsection (b) above.

(e) **Cost Of Repair Contingency:** In addition to the above, Buyer shall have the right to terminate this contract if a reasonable estimate obtained by Buyer of the total cost of Necessary Repairs equals or exceeds \$_____. This right may be exercised by Buyer without regard to any decision by Seller to complete, or refuse to complete, Necessary Repairs. Buyer shall notify the Seller in writing of its decision to terminate this contract under this Cost of Repair Contingency no later than seven (7) days following the Repair Notice Date, **TIME BEING OF THE ESSENCE**, in which case all earnest monies shall be refunded to Buyer. Neither the cost of wood-destroying insect treatment under subsection (c) above nor the cost of radon remediation under subsection (d) above shall be included in the cost of repairs under this subsection (e).

(f) CLOSING SHALL CONSTITUTE ACCEPTANCE OF THE PROPERTY IN ITS THEN EXISTING CONDITION UNLESS PROVISION IS OTHERWISE MADE IN WRITING.

ALTERNATIVE 2: (This Alternative applies ONLY if Alternative 2 is checked AND Buyer has paid the Option Fee.)

(a) **Property Investigation with Option to Terminate:** In consideration of the sum set forth in paragraph 4(c) paid by Buyer to Seller (not Escrow Agent) and other valuable consideration, the sufficiency of which is hereby acknowledged (the "Option Fee"), Buyer shall have the right to terminate this contract for any reason or no reason, whether related to the physical condition of the Property or otherwise, by delivering to Seller written notice of termination (the "Termination Notice") by 5:00 p.m. on N/A, 20____, **TIME BEING OF THE ESSENCE** (the "Option Termination Date"). At any time prior to Closing, Buyer shall have the right to inspect the Property at Buyer's expense (Buyer is advised to have all inspections/investigations of the Property, including but not limited to those matters set forth in Alternative 1, performed prior to the Option Termination Date).

(b) **Exercise of Option:** If Buyer delivers the Termination Notice prior to the Option Termination Date, **TIME BEING OF THE ESSENCE**, this contract shall become null and void and all earnest monies received in connection herewith shall be refunded to Buyer; however, the Option Fee will not be refunded and shall be retained by Seller. If Buyer fails to deliver the Termination Notice to Seller prior to the Option Termination Date, then Buyer will be deemed to have accepted the Property in its physical condition existing as of the Option Termination Date; provided such acceptance shall not constitute a waiver of any rights Buyer has under paragraphs 5, 6 or 7 above. The Option Fee is not refundable, is not a part of any earnest monies, and will be credited to the purchase price at Closing.

Buyer initials _____ Seller initials _____

(c) CLOSING SHALL CONSTITUTE ACCEPTANCE OF THE PROPERTY IN ITS THEN EXISTING CONDITION UNLESS PROVISION IS OTHERWISE MADE IN WRITING.

17. **REASONABLE ACCESS/RESTORATION AND INDEMNITY:** Seller will provide reasonable access to the Property (including working, existing utilities) through the earlier of Closing or possession by Buyer. Buyer and Buyer's agents and contractors shall have the right to enter upon the Property for the purpose of appraising and evaluating the Property, and performing the tests and inspections permitted in this contract. Buyer shall, at Buyer's expense, promptly repair any damage to the Property resulting from any activities of Buyer and Buyer's agents and contractors, but Buyer shall not be responsible for any damage caused by accepted practices either approved by the NC Home Inspector Licensure Board or applicable to any other NC licensed professional performing the inspection that reveal Necessary Repairs as defined under Alternative 1 of paragraph 16. Buyer will indemnify and hold Seller harmless from all loss, damage, claims, suits or costs, which shall arise out of any contract, agreement, or injury to any person or property as a result of any activities of Buyer and Buyer's agents and contractors relating to the Property except for any loss, damage, claim, suit or cost arising out of pre-existing conditions of the Property and/or out of Seller's negligence or willful acts or omissions. This repair obligation and indemnity shall survive this contract and any termination hereof. Buyer may conduct a walk-through inspection of the Property prior to Closing.

18. **CLOSING:** Closing shall be defined as the date and time of recording of the deed and shall be on or before August 6, 2010 (the "Closing Date"). All parties agree to execute any and all documents and papers necessary in connection with Closing and transfer of title on or before the Closing Date at a place and time designated by Buyer. The deed is to be made to City of Washington

Absent agreement to the contrary in this contract or any subsequent modification thereto, the following terms shall apply: If either party is unable to close by the Closing Date, then provided that the party is acting in good faith and with reasonable diligence to proceed to closing, such party shall be entitled to reasonable delay of the Closing Date and shall give as much notice as possible to the non-delaying party and closing agent. In such event, however, either party for whom the Closing Date is delayed shall have a maximum of ten (10) days from the Closing Date, or any extension of the Closing Date agreed-upon in writing, in which to close without payment of interest. Following expiration of the ten-day period, the party not ready to close shall be responsible for paying to the other party (if ready, willing and able to close) interest on the purchase price at the rate of eight percent (8%) per annum accruing from the end of the ten-day period until closing occurs or the contract is terminated. Should the delay in closing continue for more than thirty (30) days from the Closing Date or the last agreed-upon extension of the Closing Date, then the non-delaying party shall have the unilateral right to terminate the contract and receive the earnest money, but the right to such receipt shall not affect any other remedies available to the non-delaying party for such breach.

19. **POSSESSION:** Unless otherwise provided herein, possession shall be delivered at Closing. In the event possession is NOT to be delivered at Closing: a Buyer Possession Before Closing Agreement is attached OR a Seller Possession After Closing Agreement is attached. Seller shall remove, by the date possession is made available to the Buyer, all personal property which is not a part of the purchase and all garbage and debris from the Property.

20. **OTHER PROVISIONS AND CONDITIONS:** CHECK ALL STANDARD ADDENDA THAT MAY BE A PART OF THIS CONTRACT, IF ANY, AND ATTACH HERETO. ITEMIZE ALL OTHER ADDENDA TO THIS CONTRACT, IF ANY, AND ATTACH HERETO. (NOTE: UNDER NORTH CAROLINA LAW, REAL ESTATE AGENTS ARE NOT PERMITTED TO DRAFT CONDITIONS OR CONTINGENCIES TO THIS CONTRACT.)

- | | |
|----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <input type="checkbox"/> Additional Provisions Addendum (Form 2A11-T) | <input type="checkbox"/> Loan Assumption Addendum (Form 2A6-T) |
| <input type="checkbox"/> Back-Up Contract Addendum (Form 2A1-T) | <input type="checkbox"/> New Construction Addendum (Form 2A3-T) |
| <input type="checkbox"/> Contingent Sale Addendum (Form 2A2-T) | <input type="checkbox"/> Owners' Association Disclosure And Addendum (Form 2A12-T) |
| <input type="checkbox"/> FHA/VA Financing Addendum (Form 2A4-T) | <input type="checkbox"/> Seller Financing Addendum (Form 2A5-T) |
| <input type="checkbox"/> Insurance Availability/Affordability Addendum (Form 370-T) (NC Association of REALTORS form only) | <input type="checkbox"/> Vacation Rental Addendum (Form 2A13-T) |
| <input type="checkbox"/> Lead-Based Paint Or Lead-Based Paint Hazard Addendum (Form 2A9-T) | |
| <input type="checkbox"/> OTHER: <u>N/A</u> | |

Buyer initials _____ Seller initials _____

21. **RISK OF LOSS:** The risk of loss or damage by fire or other casualty prior to Closing shall be upon Seller. If the improvements on the Property are destroyed or materially damaged prior to Closing, Buyer may terminate this contract by written notice delivered to Seller or Seller's agent and all deposits shall be refunded to Buyer. In the event Buyer does NOT elect to terminate this contract, Buyer shall be entitled to receive, in addition to the Property, any of the Seller's insurance proceeds payable on account of the damage or destruction applicable to the Property being purchased. Seller is advised not to cancel existing insurance on the Property until after confirming recordation of the deed.

22. **ASSIGNMENTS:** This contract may not be assigned without the written consent of all parties, but if assigned by agreement, then this contract shall be binding on the assignee and his heirs and successors.

23. **TAX-DEFERRED EXCHANGE:** In the event Buyer or Seller desires to effect a tax-deferred exchange in connection with the conveyance of the Property, Buyer and Seller agree to cooperate in effecting such exchange; provided, however, that the exchanging party shall be responsible for all additional costs associated with such exchange, and provided further, that a non-exchanging party shall not assume any additional liability with respect to such tax-deferred exchange. Seller and Buyer shall execute such additional documents, at no cost to the non-exchanging party, as shall be required to give effect to this provision. (NOTE: If Alternative 2 under paragraph 16 of this contract will apply, Seller should seek advice concerning the taxation of the Option Fee.)

24. **PARTIES:** This contract shall be binding upon and shall inure to the benefit of the parties, i.e., Buyer and Seller and their heirs, successors and assigns. As used herein, words in the singular include the plural and the masculine includes the feminine and neuter genders, as appropriate.

25. **SURVIVAL:** If any provision herein contained which by its nature and effect is required to be observed, kept or performed after the Closing, it shall survive the Closing and remain binding upon and for the benefit of the parties hereto until fully observed, kept or performed.

26. **ENTIRE AGREEMENT:** This contract contains the entire agreement of the parties and there are no representations, inducements or other provisions other than those expressed herein. All changes, additions or deletions hereto must be in writing and signed by all parties. Nothing contained herein shall alter any agreement between a REALTOR® or broker and Seller or Buyer as contained in any listing agreement, buyer agency agreement, or any other agency agreement between them.

27. **NOTICE AND EXECUTION:** Any notice or communication to be given to a party herein may be given to the party or to such party's agent. Any written notice or communication in connection with the transaction contemplated by this contract may be given to a party or a party's agent by sending or transmitting it to any mailing address, e-mail address or fax number set forth in the "Notice Address" section below. Seller and Buyer agree that the "Notice Information" and "Escrow Acknowledgment" sections below shall not constitute a material part of this Offer to Purchase and Contract, and that the addition or modification of any information therein shall not constitute a rejection of an offer or the creation of a counteroffer. This contract may be signed in multiple originals, all of which together constitute one and the same instrument, and the parties adopt the word "SEAL" beside their signatures below.

28. **COMPUTATION OF DAYS:** Unless otherwise provided, for purposes of this contract, the term "days" shall mean consecutive calendar days, including Saturdays, Sundays, and holidays, whether federal, state, local or religious. For the purposes of calculating days, the count of "days" shall begin on the day following the day upon which any act or notice as provided in this contract was required to be performed or made.

Buyer has has not made an on-site personal examination of the Property prior to the making of this offer.

THE NORTH CAROLINA ASSOCIATION OF REALTORS®, INC. AND THE NORTH CAROLINA BAR ASSOCIATION MAKE NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION. IF YOU DO NOT UNDERSTAND THIS FORM OR FEEL THAT IT DOES NOT PROVIDE FOR YOUR LEGAL NEEDS, YOU SHOULD CONSULT A NORTH CAROLINA REAL ESTATE ATTORNEY BEFORE YOU SIGN IT.

Date: 7/26/2010

Date: _____

Buyer *[Signature]* (SEAL)
City of Washington

Seller _____ (SEAL)
Annie Laura Mayo, Unmarried

Date: *[Signature]*

Date: _____

Buyer _____ (SEAL)

Seller _____ (SEAL)

NOTICE INFORMATION

NOTE: INSERT THE ADDRESS AND/OR ELECTRONIC DELIVERY ADDRESS EACH PARTY AND AGENT APPROVES FOR THE RECEIPT OF ANY NOTICE CONTEMPLATED BY THIS CONTRACT. INSERT "N/A" FOR ANY WHICH ARE NOT APPROVED.

BUYER NOTICE ADDRESS:

Mailing Address: PO Box 1988
Washington, NC 27889

Buyer Fax#: _____

Buyer E-mail Address: _____

SELLER NOTICE ADDRESS:

Mailing Address: 202 Baywood Lane
Greenville, NC 27834

Seller Fax#: _____

Seller E-mail Address: _____

SELLING AGENT NOTICE ADDRESS:

Individual Selling Agent: _____

License #: _____

Firm Name: _____

Acting as Buyer's Agent Seller's (sub)Agent Dual Agent

Mailing Address: _____

Selling Agent Fax#: _____

Selling Agent E-mail Address: _____

Selling Agent Phone#: _____

LISTING AGENT NOTICE ADDRESS:

Individual Listing Agent: _____

License #: _____

Firm Name: _____

Acting as Seller's (sub)Agent Dual Agent

Mailing Address: _____

Listing Agent fax#: _____

Listing Agent E-mail Address: _____

Listing Agent Phone#: _____

ESCROW ACKNOWLEDGMENT

Escrow Agent acknowledges receipt of the earnest money and agrees to hold and disburse the same in accordance with the terms hereof.

Date: _____

Firm: Annie Laura Mayo, Unmarried

By: _____
(Signature)



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Matt Rauschenbach, CFO *MR*
Date: July 26, 2010
Subject: Adopt Final Budget Ordinance Amendment for FY 09/10 (\$102,678)
Applicant Presentation: NA
Staff Presentation: NA

RECOMMENDATION:

I move that City Council adopt a final budget ordinance amendment for FY 09-10 in the amount of \$102,678.

BACKGROUND AND FINDINGS:

In order to true up the financial records for the fiscal year funding needs to be reallocated among the various departments or additional funding needs to be made for departmental deficiencies. The attached budget ordinance increases or decreases the revenues and expenses for the following funds: General Fund (\$33,810), Worker's Compensation Fund (\$68,868).

PREVIOUS LEGISLATIVE ACTION

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation
 No Fiscal Impact

SUPPORTING DOCUMENTS

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: *JS* Concur _____ Recommend Denial _____ No Recommendation
7/26/10 Date

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE OF THE CITY OF
WASHINGTON, NC
FOR THE FISCAL YEAR 2009-2010**

BE IT ORDAINED by the City Council of the City of Washington, North Carolina:

Section 1. That the following accounts in the Miscellaneous Non-Departmental portion of the General Fund appropriations budget be increased in the amounts shown to cover anticipated expenses for FY 09/10:

10-00-4400-5705	Tourism Authority	\$25,000
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Section 2. That the following accounts in the Outside Agency portion of the General Fund appropriations budget be increased in the amounts shown to cover anticipated expenses for FY 09/10:

10-40-6170-9111	Vietnam Moving Wall	\$8,810
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Section 3. That the following revenues in the General Fund be increased in the amounts shown to cover anticipated expenses for the remainder of FY 09/10:

10-00-3270-1110	Local Occupancy Tax	\$25,000
10-40-3611-8409	Contributions Vietnam Wall	6,635
10-00-3991-9910	Fund Balance Appropriated	<u>2,175</u>
		\$33,810

Section 4. That the following accounts in the Worker's Compensation Fund appropriations budget be increased in the amounts shown to cover anticipated expenses for FY 09/10:

85-60-4930-1000	General Fund WC Claims	\$63,000
85-60-4930-3000	Water Fund WC Claims	85
85-60-4930-3200	Sewer Fund WC Claims	1,808
85-60-4930-3400	Storm Water Fund WC Claims	3,130
85-90-4930-3500	Electric Fund WC Claims	395
85-90-4930-3800	Solid Waste WC Claims	<u>450</u>
		\$68,868

Section 5. That the following revenues in the Worker's Compensation Fund be increased in the amounts shown to cover anticipated expenses for the remainder of FY 09/10:

85-60-3940-1000	Payments from General Fund	\$63,000
85-60-3940-3000	Payments from Water Fund	85
85-60-3940-3200	Payments from Sewer Fund	1,808
85-60-3940-3400	Payments from Storm Water Fund	3,130
85-60-3940-3500	Payments from Electric Fund	395
85-60-3940-3800	Payments from Solid Waste Fund	<u>450</u>
		\$68,868

Section 6. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 7. This ordinance shall become effective upon its adoption.

Adopted this the 26th day of July, 2010.

MAYOR

ATTEST:

CITY CLERK



City of Washington

Department of Parks & Recreation



MEMORANDUM

DATE: July 26, 2010
TO: Mayor and City Council
FROM: *PWM* Philip Mobley, Director Parks and Recreation
SUBJ: Moss Landing Marina pets on boardwalk

The subject of Moss Landing Dock Tenants accessing the boardwalk from their Docks keeps presenting itself in several different categories, one of which is the Question of how to get their pets from their boats to allowable pet areas.

A few citizens have displayed their disapproval of the Marina Tenants using the City Boardwalk with their pets. (By Ordinance pets are not allowed on the City Boardwalk, excluding service animals).

Recognizing these pet owners need a logical way to walk their pets, one would Assume they would exit the boardwalk at the first exit point off the boardwalk After leaving their dock. However, this accommodation is not currently allowed under the current code.

In addition to the normal need of getting a pet from the Marina to the allowed pet area and because of a medical condition, we have allowed a lady from the marina to have a permit (which she wears) to walk her pet on the Boardwalk in order to get to the Marina parking lot area. This area is near the west end of the Boardwalk near the NC Estuarium. Exiting the boardwalk at the closest exit to her dock is not an option because she is highly allergic to the fire ants in that area.

Chief Reed has met with us and has been most helpful to the Parks and Recreation Department with this situation we have at hand. But, like the chief says...this is a policy decision and he is on the enforcement side of the issue.

In addition, we have talked about a couple of other issues that concern us; like trash from the Moss Landing Marina and Safety concerns when the boardwalk is

closed, with the Harbor Management Committee. We have tried, unsuccessfully, to organize a meeting between the City, Moss Landing Marina and Moss Landing Partners.

Staff believes it is time for Council to hear these concerns. We are asking for assistance and guidance to help facilitate resolutions.

Please find attached the Ordinance concerning the City Boardwalk and pets.

ARTICLE IV. USE OF WATERWAYS, WHARVES, DOCKS, BOARDWALK AND PROMENADE

Sec. 22-92. Supervision of waterways, wharves and docks.

The public waterways, wharves, and docks within the city limits shall be under the supervision of and subject to regulation by the Parks and Recreation Department.

(Code 1972, § 26-1; Code 1993, § 11-81; Ord. No. 09-1, § 1, 2-9-2009)

Sec. 22-93. Refusal to move vessels unlawful.

It shall be unlawful for the officer in command of any boat or vessel lying in any of the public docks to refuse or neglect to move such vessel or boat upon being commanded to so do for cause by an officer of the city or the Parks and Recreation Director of the city.

(Code 1972, § 26-2; Code 1993, § 11-82)

Sec. 22-94. Restricted area and activities.

No person shall operate a boat in excess of four (4) miles per hour in Runyon's Creek upstream from the Washington Park Bridge on River Road or downstream within one hundred (100) yards of the bridge. It shall also be unlawful for anyone to ski or swim in this same area.

(Code 1972, § 13-3; Code 1993, § 11-83)

Sec. 22-95. Stewart Parkway bulkhead.

(a) *Free docking.* No vessel shall remain at such mooring for a period in excess of forty-eight (48) hours in seven (7) days along the main bulkhead (not T docks) having no water or electrical usage, without special permission from the City Manager or designee.

(b) *Commercial vessels.* A monthly fee will be negotiated by the City Manager, or his designee, with commercial vessels that bring value to the community (nonfishing vessels).

(c) *Private vessels.* All fees are payable in advance. Fees for temporary docking, transient fees, fees for permanent vessels, and fees for use of the pump-out station shall be as established from time to time by ordinance.

(d) *Rules and regulations.* All persons utilizing the Waterfront must comply with the Rules and Regulations for Washington Waterfront Docking. A copy of the rules and regulations can be obtained from the Office of Parks and Recreation.

(Code 1972, § 26-3; Code 1993, § 11-84; Ord. No. 02-14, 8-12-2002; Ord. No. 02-19, 10-7-2002; Ord. No. 06-19, § 1, 6-19-2006)

Sec. 22-96. Swimming, diving unlawful from Stewart Parkway or Havens Gardens bulkheads.

It shall be unlawful for anyone to swim or dive from the bulkhead of Stewart Parkway or Havens Gardens.

(Code 1972, § 13-4; Code 1993, § 11-85)

Sec. 22-97. Unlawful acts.

(a) *Dumping, etc., into river.* It shall be unlawful for any person navigating any boat in the Pamlico River to pump, unload or dump any bilge oil or other inflammable gases, oils or human waste in such river within the corporate limits or opposite the city.

(b) *Swimming.* It shall be unlawful to use any part of Havens Gardens or any part of the Stewart Parkway area for swimming purposes.

(c) *Throwing garbage, etc., into docks.* It shall be unlawful to throw garbage, rubbish or other refuse matter into any waterway within the city.

(d) *Fishing.* It shall be unlawful to fish on the Boardwalk.

(e) *Skateboards, roller skates, roller blades, or similar devices.* It shall be unlawful to ride in, upon or by means of skateboards, roller skates, roller blades, or similar devices in the Business District which

includes Stewart Parkway, the adjacent parking lots, the Promenade and the Boardwalk. Wheelchairs and strollers are permitted. It shall be unlawful to ride bicycles on the Promenade and Boardwalk.

(f) *No walking or sitting on railing.* It shall be unlawful to walk or sit on the railing of the Boardwalk.

(g) *Pets on Boardwalk and Promenade.* It shall be unlawful to have a pet, on a leash or not on a leash, on the Boardwalk, excluding service animals. Pets are allowed on the Promenade on a leash. Failure to remove feces is a violation of section 4-40.

(h) *Authorized personnel only.* It shall be unlawful for unauthorized persons to go into the wetlands project. This is a restricted area.

(i) *Animal and bird feeding restrictions.* Restrictions upon feeding of animals and birds in specified areas.

(1) No person shall do any of the following in the area bounded by Bridge Street on the west, Market Street on the east, Stewart Parkway and Main Street on the north and the federal channel of the Pamlico River on the south, except within any privately owned residential property:

a. Feed any bird or animal; or

b. Disperse any food material or other matter edible by any bird or animal so as to make such material or matter available to other birds or animals for ingestion; or

(2) No person shall leave any food or other matter edible by any bird or animal to remain on the ground after dispersing or dropping the same in or on the designated area.

(j) *Violation, penalty.* Any person violating any of the provisions of this section shall pay a civil penalty in the amount set forth on the violation notice issued by the city. Said penalty shall be an amount as established from time to time. Each person shall receive a violation notice for each separate violation of any provision of this section. The civil penalty shall be paid in fourteen (14) calendar days from the issuance of the violation notice. If the citation is not paid within fourteen (14) calendar days, then in that event, said civil penalty may be collected by the city through magistrate's court and the costs of magistrate's court will be assessed to the person responsible for the civil penalty.

(Code 1972, § 26-4; Code 1993, § 11-86; Ord. No. 01-11, 9-10-2001; Ord. No. 02-8, 6-24-2002; Ord. No. 02-14, 8-12-2002; Ord. No. 02-15, 9-9-2002; Ord. No. 06-10, § 1, 4-10-2006)

RODMAN, HOLSCHER, FRANCISCO & PECK, P.A.
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Post Office Box 1747
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Edward N. Rodman – 1926-2008

Franz F. Holscher
Attorney at Law
e-mail - ffh@rhfp.net

July 21, 2010

VIA HAND DELIVERY

James C. Smith, City Manager
City of Washington
102 E. 2nd St.
Washington, NC 27889

Cynthia Bennett, City Clerk
City of Washington
102 E. 2nd St.
Washington, NC 27889

Re: Ground Lease and Easement to U.S. Cellular for Communications Antenna Tower
Our File No.: 10-55-19270

Dear Jim:

As discussed this morning, please find enclosed the original correspondence from Julie Dixon of Ward and Smith to Phil Mobley regarding the above, including four originals of the Ground Lease, original Memorandum of Lease, original W-9 form, original ACH Payment Authorization Form and pre-stamped return envelope. Please note that I have retained a copy of all of those documents for my file.

As discussed and if possible, the Ground Lease, including survey, should be included in Council's agenda for its July 26th meeting to confirm whether the Council supports this project. Please note that, if this project is endorsed by Council, the City would convey to U.S. Cellular .086 acres for an ingress-egress and utilities easement from 7th Street across the City's gravel parking lot located across the street from the 7th Street Recreation Center to the back of said gravel parking lot and lease to U.S. Cellular a .044 acre plot of land behind that gravel parking lot. On that plot of land, U.S. Cellular would construct an elevated platform for an 11.25 by 24 foot equipment shelter and a 100 foot stealth monopole.

If the City Council endorses this concept, I believe the City will have to run a public notice at least 10 days before August 9th of its intent to adopt a resolution authorizing this Ground Lease and

formally pass said resolution at its August 9th meeting assuming the term, including any extension, is less than 10 years. If the term, including any extension, exceeds 10 years, we will be required to follow the statutory procedures for the sale of real property which may push us beyond August 9th. Upon endorsement by Council, I will review and render my opinion concerning the Ground Lease and Memorandum of Lease.

Yours very truly,
Franz F. Holscher



RODMAN, HOLSCHER, FRANCISCO
& PECK, P.A.
Attorneys for the City of Washington

FFH/cws

Encl.: Original March 10, 2010 correspondence from Julie Dixon of Ward and Smith to Phil Mobley
Four originals of Ground Lease
Original Memorandum of Lease
Original W-9 form
Original ACH Payment Authorization Form

cc: John Rodman (w/o encl.)
Philip Mobley (w/o encl.)
Julie Dixon, Ward and Smith (w/o encl.)

GROUND LEASE

This Ground Lease (the "Lease") is made and entered into by and between the CITY OF WASHINGTON, a municipal corporation, having an address at PO Box 1988, Washington, North Carolina 27889, hereinafter referred to as "Landlord," and USCOC OF GREATER NORTH CAROLINA, LLC, a Delaware limited liability company, having an address at Attention: Real Estate, 8410 West Bryn Mawr Avenue, Suite 700, Chicago, Illinois 60631, hereinafter referred to as "Tenant."

WHEREAS, Landlord is the fee owner of property located northeast of East 7th Street and West of North Harvey Street in the City of Washington, County of Beaufort, State of North Carolina legally described in Exhibit A attached hereto and incorporated by reference (the "Landlord's Parcel").

WHEREAS, Tenant desires to occupy, and Landlord is willing to provide Tenant such Premises (as hereinafter defined) on the Landlord's Parcel for Tenant's use, as set forth in this Lease.

NOW, THEREFORE, in consideration of the mutual promises, conditions, and other good and valuable considerations of the parties hereto, it is covenanted and agreed as follows:

1. Option to Lease.

- a. Landlord hereby grants to Tenant an option (the "Option") to lease from Landlord the following described parcel (the "Leasehold Parcel"):

Approximate dimensions: 50' x 40'

Approximate square footage: 1,936

Legal descriptions of the Landlord's Parcel and the Tenant's Leasehold Parcel are attached hereto as Exhibit A and a Site Plan of the Leasehold Parcel is attached to the Lease as Exhibit B.

- b. During the Initial Option Term (as hereinafter defined) and any Extended Option Term (as hereinafter defined), and during the Initial Term (as hereinafter defined) and any Renewal Term (as hereinafter defined) of this Lease, Tenant and its agents, engineers, surveyors and other representatives will have the right to enter upon the Leasehold Parcel to inspect, examine, conduct soil borings, drainage testing, material sampling, and other geological or engineering tests or studies of the Leasehold Parcel (collectively the "Tests"), to apply for and obtain licenses, permits, approvals, or other relief required of or deemed necessary or appropriate at Tenant's sole discretion for its use of the Premises (as hereinafter defined) and include without limitation applications for zoning variances, zoning ordinances, amendments, special use permits, and construction permits (collectively referred to as "Governmental Approvals"), and otherwise to do those things on or off the Leasehold Parcel that, in the opinion of Tenant, are necessary in Tenant's sole discretion to determine the physical condition of the Leasehold Parcel, the environmental history of the Leasehold Parcel, Landlord's title to the Leasehold Parcel, and the feasibility or suitability of the Leasehold Parcel

- for Tenant's Permitted Use (as hereinafter defined), all at Tenant's expense. Tenant will not be liable to Landlord or any third party on account of any pre-existing defect or condition on or with respect to the Leasehold Parcel, whether or not such defect or condition is disclosed by Tenant's inspection.
- c. In consideration of Landlord granting Tenant the Option, Tenant hereby agrees to pay Landlord the sum of One Thousand and No/100 Dollars (\$1,000.00) within fifteen (15) days of full execution of this Lease by Landlord and Tenant. The Option will commence on the date this Lease is last executed (the "Effective Date") and will be for an initial term of eighteen (18) months (the "Initial Option Term") and may be renewed by Tenant, at the election of Tenant, for an additional eighteen (18) months ("Extended Option Term") upon written notification to Landlord and the payment of an additional One Thousand and No/100 Dollars (\$1,000.00) no later than fifteen (15) days prior to the expiration date of the Initial Option Term. Landlord shall provide a complete and accurate IRS form W-9 to Tenant for the payee of the Option sum prior to payment thereof.
 - d. During the Initial Option Term and during the Extended Option Term, if any, as the case may be, Tenant may exercise the Option by notifying Landlord in writing at any time prior to the expiration of the Initial Option Term and the Extended Option Term, if any, as the case may be. If Tenant exercises the Option, then Landlord shall lease the Leasehold Parcel to the Tenant on, and subject to, the terms and conditions of this Lease.
2. Grant of Easements. Landlord hereby gives, grants, bargains and conveys for the entire term of this Lease, including any Renewal Terms (as hereinafter defined), to Tenant an access and utility easement thirty (30) feet in width from the Leasehold Parcel to the nearest accessible public right-of-way and the nearest suitable utility company-approved service connection points (the "Easement"); the land underlying the Easement is referred to herein as the "Easement Parcel," which Easement Parcel is further described in Exhibits "A" & "B" attached hereto and incorporated herein. The Easement granted herein shall include, but not be limited to,
- a. The right to clear vegetation, cut timber, and move earthen materials upon the Easement Parcel;
 - b. The right to improve an access road within the Easement Parcel;
 - c. The right to place utility lines and related infrastructure within the Easement Parcel;
 - d. The right to enter and temporarily rest upon Landlord's adjacent lands for the purposes of:
 - (i) Installing, repairing, replacing and removing the Improvements (as defined below) and any other personal property of Tenant from the Leasehold Parcel, and
 - (ii) Improving the Easement Parcel, including the right to bring in and use all necessary tools and machinery; and
 - e. The right of pedestrian and vehicular ingress and egress to and from the Leasehold Parcel at any time over and upon the Easement Parcel. The Leasehold Parcel and the

Easement Parcel are collectively referred to herein as the "Premises." Landlord agrees to make such additional direct grants of easement as Tenant may request in order to further the purposes for which Tenant has been granted the easements set forth in this Section 2.

3. Use of the Premises. Tenant shall be entitled to use the Premises to construct, operate, modify as necessary, and maintain thereon a communications antenna tower (including aviation hazard lights when required), an access road, one or more equipment buildings, back-up power devices and a security fence, together with all necessary lines, anchors, connections, devices, legally required signage and equipment for the transmission, reception, encryption, and translation of voice and data signals by means of radio frequency energy and landline carriage (collectively, the "Improvements"); Tenant's use described in this Section 3 is hereinafter referred to as the "Permitted Use". Tenant shall have unlimited access to the Premises 24 hours per day, 7 days a week.
4. Term of Lease. In the event Tenant, in Tenant's sole discretion, exercises the Option, Landlord hereby leases to Tenant the Leasehold Parcel and Easement Parcels described herein for the entire term of this Lease, including any Renewal Terms (as hereinafter defined). The initial Lease term will be five (5) years (the "Initial Term"), commencing upon the Commencement Date (as hereinafter defined) and terminating at midnight on the day in which the fifth (5th) anniversary of the Commencement Date falls.
5. Option to Renew. The Initial Term of this Lease shall automatically extend for up to five (5) additional terms of five (5) years each (each, a "Renewal Term"), upon a continuation of all the same provisions hereof, unless Tenant gives Landlord written notice of Tenant's intention to terminate the Lease at least sixty (60) days before the expiration of the Initial Term or any Renewal Term.
6. Option to Terminate. Tenant shall have the unilateral right to terminate this Lease at any time by giving Landlord written notice of the date of such termination ("Termination Date"). The Indemnification obligations of each party contained in Section 12 and Tenant's requirement to remove Improvements as provided in Section 20 shall survive termination of the Lease.
7. Base Rent. Commencing on the date that Tenant commences construction (the "Commencement Date"), Tenant shall pay Base Rent to Landlord in the amount of One Thousand Two Hundred and no/100 dollars (\$1,200.00) per month, the first (1st) payment of which shall be due within thirty (30) days of the Commencement Date, and installments thereafter on the first (1st) day of each calendar month, provided that Landlord shall submit to Tenant a complete and accurate IRS form W-9 prior to Tenant's first (1st) payment of Rent. Landlord shall specify the name, address, and taxpayer identification number of a sole payee (or maximum two (2) joint payees) who shall receive Rent on behalf of the Landlord. Rent will be prorated for any partial month. Any change to the payee must be requested in accordance with the Notice provision herein, and a new IRS form W-9 must be supplied prior to payment by Tenant to the new payee.
8. Adjusted Rent. At the beginning of each Renewal Term throughout the duration of the Lease as renewed and extended, the Rent shall be increased by ten percent (10%) over the previous term's Rent.

9. Utilities. Tenant shall solely and independently be responsible for all costs of providing utilities to the Premises, including the separate metering, billing, and payment of utility services consumed by Tenant's operations.
10. Property Taxes. Landlord shall be responsible for payment of real property taxes related to Landlord's Parcel. Tenant shall be responsible for reimbursing the Landlord, pursuant to subsection (c) of this section, for the real estate taxes levied against the Leasehold Parcel and for payment of all personal property taxes, where applicable, levied against Tenant's tangible personal property located on the Leasehold Parcel. Notwithstanding the foregoing, if Tenant obtains a separate assessor's parcel number, then the language in subsection (b) will apply.
- a. If the real property tax assessment classification of Landlord's Parcel changes as a result of Tenant's use thereof, then Tenant shall reimburse Landlord for real property tax increases attributable to such commercial use. In the absence of any definitive calculations of such increases in values, increases in the real property values reflected in Landlord's real property tax bill received after the first (1st) assessment date following Tenant's completion of construction shall be deemed to best approximate the tax impact attributable to Tenant.
- b. If the Leasehold Parcel is eligible for a separate assessor's parcel number, the real property tax bill for the Leasehold Parcel shall be sent directly to and shall be paid by Tenant. If the Leasehold Parcel is not eligible for a separate assessor's parcel number, Landlord shall be responsible for payment of real property taxes related to Leasehold Parcel. Tenant shall reimburse Landlord for Tenant's proportionate share of such real property taxes paid by Landlord. Tenant's proportionate share shall be determined as the square footage of Leasehold Parcel, divided by the square footage of Landlord's Parcel, times total real property tax attributable to the land contained in Landlord's Parcel.
- c. Tenant shall reimburse Landlord for Tenant's share of the real property taxes related to the Landlord's Parcel or to the Leasehold Parcel, as determined in paragraph (a) or (b) of this section, following Landlord's demand thereof. Landlord's requests to Tenant for reimbursement of such real property taxes should be addressed to:

U. S. Cellular
P.O. Box 31369
Chicago, IL 60631-0369

A copy of Landlord's real property tax bill and a paid tax receipt must accompany all Landlord's requests to Tenant for reimbursement of such real property taxes. Tenant shall only be responsible for real property tax reimbursements requested within one (1) year of payment of such real property taxes by Landlord. Tenant shall comply with valid requests for reimbursement to Landlord by utilizing the same payment method utilized for rent payments related to this Lease.

- d. In order to ensure that Tenant's leasehold interest is not extinguished in the event that the real property taxes related to Landlord's Parcel become delinquent, Tenant shall have the right, but not the obligation, to pay delinquent real property taxes related to

Landlord's Parcel. Tenant shall be entitled to take a credit against the Rent under this Lease for any such taxes paid by Tenant that exceed Tenant's proportionate share thereof, as determined in paragraph (a) or (b) of this section.

11. Repairs and Maintenance. Tenant shall be responsible for all repairs and maintenance of the Improvements, including, if applicable, snow removal if Tenant has exclusive control over its access road, and may at its own expense alter or modify the Improvements to suit its needs consistent with the intended use of the Premises. Landlord will maintain the areas surrounding Tenant's Premises. Landlord's maintenance shall include, but is not limited to, if applicable, snow removal if all or part of Access Easement is shared between the parties.

12. Mutual Indemnification.

a. To the extent permitted by law, Tenant agrees to defend, indemnify and save harmless Landlord from and against all claims, losses, costs, expenses, or damages from a third party, arising from:

(i) The negligence, willful misconduct of Tenant, or its agents, employees, or contractors; or

(ii) Any material breach by Tenant of any provision of this Lease. This indemnity and hold harmless agreement will include indemnity against all reasonable costs, expenses, and liabilities incurred in or in connection with any such claim, and the defense thereof. Notwithstanding the foregoing, Tenant will have no liability to Landlord to the extent any claims, losses, costs, expenses, or damages arise out of or result from any act, omission, or negligence of Landlord, or of Landlord's agents, employees or contractors.

b. To the extent permitted by law, Landlord agrees to defend, indemnify and save harmless Tenant from and against all claims, losses, costs, expenses, or damages from a third party, arising from:

(iii) The negligence or willful misconduct of Landlord or its agents, employees, or contractors; or

(iv) Any material breach by Landlord of any provision of this Lease. This indemnity and hold harmless agreement will include indemnity against all reasonable costs, expenses, and liabilities incurred in or in connection with any such claim, and the defense thereof. Notwithstanding the foregoing, Landlord will have no liability to Tenant to the extent any claims, losses, costs, expenses, or damages arise out of or result from any act, omission, or negligence of Tenant, or of Tenant's agents, employees, or contractors.

13. Insurance.

a. Tenant shall maintain commercial general liability insurance insuring against liability for bodily injury, death or damage to personal property with combined single limits of One Million and No/100 Dollars (\$1,000,000.00). In addition, Tenant shall maintain worker's compensation in statutory amounts; employer's liability insurance with combined single limits of One Million and No/100 Dollars (\$1,000,000.00);

automobile liability insurance insuring against claims for bodily injury or property damage with combined single limits of One Million and No/100 Dollars (\$1,000,000.00); and all risk property insurance covering all personal property of Tenant for full replacement value. Tenant shall provide Landlord with evidence of such insurance in the form of a certificate of insurance prior to obtaining occupancy of the Premises and throughout the term of this Lease or any Renewal Term.

- b. Landlord shall maintain general liability insurance insuring against liability for bodily injury, death or damage to personal property with combined single limits of One Million and No/100 Dollars (\$1,000,000.00). In addition, to the extent required by law, Landlord shall maintain worker's compensation in statutory amounts and employer's liability insurance with combined single limits of One Million and No/100 Dollars (\$1,000,000.00). Landlord shall provide Tenant with evidence of such insurance in the form of a certificate of insurance prior to Tenant obtaining occupancy and throughout the term of this Lease or any Renewal Term.
14. Default. Tenant shall be in default of this Lease if Tenant fails to make a payment of rent when due and such failure continues for fifteen (15) days after Landlord notifies Tenant in writing of such failure. If Landlord or Tenant fails to comply with any non-monetary provision of this Lease, the other party shall serve written notice of such failure upon the defaulting party, whereupon a grace period of thirty (30) days shall commence to run during which the defaulting party shall undertake and diligently pursue a cure of such failure at its sole cost and expense. Such grace period shall automatically be extended for an additional thirty (30) days provided the defaulting party makes a good faith showing that efforts toward a cure are continuing.
15. Compliance with Laws. Tenant shall, at Tenant's cost and expense, comply with all federal, state, county or local laws, rules, regulations and ordinances now or hereafter enacted by any governmental authority or administrative agency having jurisdiction over the Premises and Tenant's operations thereupon.
16. Assignment of Lease by Tenant. This Lease shall be freely assignable by the Tenant to any other party without the necessity of obtaining Landlord's consent. Tenant's right to effect an outright transfer of the Lease, and the right of any collateral assignee to seize the Premises as defaulted security, is subject only to the limitation that the Premises shall be used for the purposes permitted herein. Tenant shall notify Landlord in writing of the name and address of any assignee or collateral assignee.
17. Subleasing. Tenant shall have the unreserved and unqualified right to sublet or license all or any portion of the Premises to subtenants without the necessity of obtaining Landlord's consent.
18. Right of First Refusal. Tenant (or its successor in interest, assignee or designee) shall have a right of first refusal ("Right of First Refusal") and option to purchase all or any part of Landlord's interest in or rights under this Lease, including, without limitation, the right to collect rents, ("Landlord's Interest") in the event of a transaction in which an unrelated third party submits an offer to Landlord that would involve the transfer of all or any part of Landlord's Interest to said third party, whether by an assignment of the lease, or the granting of a perpetual easement over the land burdened that encompasses the Leasehold

Parcel. Prior to any such transfer, easement, or other agreement, Landlord shall give Tenant written notice of its intention to transfer Landlord's Interest, the price and the terms and conditions upon which Landlord proposes to transfer Landlord's Interest as well as copies of any and all offer letters or other agreements received or entered into by Landlord with respect to such proposed transfer (collectively, the "Right of First Refusal Notice"). Tenant shall have sixty (60) days from the receipt of the Right of First Refusal Notice to agree to purchase Landlord's Interest for the price and upon the terms and conditions specified in the Right of First Refusal Notice by giving written notice of such agreement to Landlord ("Tenant Approval Period"). Such price, terms and conditions stated in said Right of First Refusal Notice shall be the same as those agreed to by Landlord with the proposed unrelated third-party transferee. If Tenant does not agree to purchase Landlord's Interest according to the terms of the Right of First Refusal Notice during the Tenant Approval Period, then Landlord may proceed to transfer Landlord's Interest upon the same terms and conditions set forth in the Right of First Refusal Notice; provided such transfer occurs within three (3) months following the end of the Tenant Approval Period and is made in accordance with all the other terms and conditions of this Lease. If Landlord has not transferred Landlord's Interest within such three (3) month period, or in the event any terms or conditions of the proposed deal change from the terms and conditions provided in the initial Right of First Refusal Notice, then Landlord shall not thereafter transfer Landlord's Interest to an unrelated third party without first renewing the Right of First Refusal Notice to Tenant in the manner provided above. Tenant's failure to exercise its Right of First Refusal or its express waiver of its Right of First Refusal in any instance shall not be deemed a waiver of Tenant's Right of First Refusal for subsequent instances when Landlord proposes to transfer Landlord's Interest to an unrelated third party. Notwithstanding the foregoing, the Landlord's right to sell all or some of the Landlord's Parcel to a third party shall not be abridged, except to the limitations stated above.

19. Execution of Other Instruments. Landlord agrees to execute, acknowledge, and deliver to Tenant such other instruments respecting the Premises as Tenant or Tenant's lender may reasonably request from time to time. Such instruments may include, but are not limited to, a memorandum of lease that may be recorded in the appropriate local land records. Landlord also agrees to cooperate with Tenant's efforts to obtain all private and public consents related to Tenant's use of the Premises.
20. Removal of Improvements. The Improvements are agreed to be Tenant's personal property and shall never be considered fixtures to the Premises. Tenant shall at all times be authorized to remove the Improvements from the Premises. Upon the expiration or earlier termination of this Lease, Tenant shall remove the aboveground Improvements from the Premises. Tenant shall be entitled to abandon, in place, all footings, foundations and other belowground Improvements.
21. Quiet Enjoyment. Landlord covenants that Tenant shall have quiet and peaceable possession of the Premises throughout the Initial Lease Term and any Renewal Term, if any, as the case may be, and that Landlord will not intentionally disturb Tenant's enjoyment thereof as long as Tenant is not in default under this Lease.
22. Subordination and Non-Disturbance. Tenant agrees to subordinate this Lease to any mortgage or deed of trust which may hereafter be placed on the Premises, provided the

mortgagee or trustee thereunder shall ensure to Tenant the right to possession of the Premises and other rights granted to Tenant herein so long as Tenant is not in default beyond any applicable grace or cure period, such assurance to be in writing and otherwise in form and substance reasonably satisfactory to Tenant. If requested by Tenant, Landlord agrees to use Landlord's best efforts to assist Tenant in obtaining from any holder of a security interest in Landlord's Parcel a non-disturbance agreement in form and substance reasonably satisfactory to Tenant.

23. Environmental Warranty. Landlord hereby represents and warrants to Tenant that Landlord has never generated, stored, handled, or disposed of any hazardous waste or hazardous substance upon the Premises, and that Landlord has no knowledge of such uses historically having been made of the Premises or such substances historically having been introduced thereon.
24. Notices. Any notice, request or demand required or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed sufficiently given if delivered by messenger at the address of the intended recipient, sent prepaid by Federal Express (or a comparable guaranteed overnight deliver service), or deposited in the United States first class mail (registered or certified, postage prepaid, with return receipt requested), addressed to the intended recipient at the address set forth below or at such other address as the intended recipient may have specified by written notice to the sender in accordance with the requirements of this paragraph. Any such notice, request, or demand so given shall be deemed given on the day it is delivered by messenger at the specified address, on the day after deposit with Federal Express (or a comparable overnight delivery service), or on the day that is five (5) days after deposit in the United States mail, as the case may be.

TENANT: USCOC of Greater North Carolina, LLC
Attention: Real Estate Department
8410 West Bryn Mawr Avenue
Suite 700
Chicago, Illinois 60631

LANDLORD: City of Washington
PO Box 1988
Washington, NC 27889
Attn: Mr. Phillip Mobley, Parks & Recreation Director

25. Contingencies. Tenant shall have the right to terminate this Lease upon written notice to Landlord, relieving both parties of all further obligations hereunder: (i) if Tenant, acting reasonably and in good faith, shall be unable to obtain any or all licenses or permits required to construct its intended Improvements upon the Premises or conduct Tenant's business at the Premises at any time during the Term; (ii) if Tenant's technical reports fail to establish to Tenant's satisfaction that the Premises are capable of being suitably engineered to accomplish Tenant's intended use of the Premises; or (iii) a title commitment or report obtained by Tenant with respect to the Premises shows as exceptions any encumbrances or restrictions which would, in Tenant's opinion, interfere with Tenant's intended use of the Premises.

26. Attorneys' Fees. In any action on this Lease at law or in equity, the prevailing party shall be entitled to recover from the other party the reasonable costs incurred by such party in such action, including reasonable attorneys' fees and costs of appeal.
27. Governing Law. This Lease will be governed by and construed in accordance with the laws of the State in which the Premises is located.
28. Binding Effect. All of the covenants, conditions, and provisions of this Lease shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. Landlord is duly authorized and empowered to enter into this Lease, and the person(s) executing this Lease on behalf of the Landlord warrants himself/herself to be duly authorized to bind the Landlord hereto.
29. Entire Agreement; Waiver. This Lease constitutes the entire agreement of the parties, and may not be modified except in writing signed by the party against whom such modification is sought to be enforced. No waiver at any time of any of the provisions of the Lease will be effective unless in writing. A waiver on one (1) occasion will not be deemed to be a waiver at any subsequent time.
30. Modifications. This Lease may not be modified, except in writing signed by both parties.
31. Recording. Each party, on request of the other, agrees to execute a short form lease in recordable form and complying with applicable laws and reasonably satisfactory to both parties, which will be recorded in the appropriate public records.
32. Headings. The section headings throughout this instrument are for convenience and reference only, and are not to be used to explain, modify, amplify, or aid in the interpretation, construction or meaning of the provisions of this Lease.
33. Invalidity of Particular Provision. If any term or provision of this Lease, or the application of such term or provision to any person or circumstance, to any extent, is invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, will not be affected and each term and provision of this Lease will be valid and be enforced to the fullest extent permitted by law.
34. Remedies. The parties shall be entitled to the application of all appropriate remedies available to them under state and federal law in the enforcement of this Lease.
35. Errors and Omissions. Landlord and Tenant agree as part of the basis of their bargain for this Ground Lease to cooperate fully in executing any and all documents (including amendments to this Ground Lease) necessary to correct any factual or legal errors, omissions, or mistakes, and to take any and all additional action, that may be necessary or appropriate to give full force and effect to the terms and intent of this Ground Lease.
36. Non-Binding Until Full Execution. Both parties agree that this Lease is not binding on either party until both parties execute the Lease.

[END OF LEASE - SIGNATURE PAGES FOLLOW]

SIGNATURE PAGE

IN WITNESS WHEREOF, the parties hereto bind themselves to this Ground Lease as of the date of full execution of this Ground Lease.

LANDLORD:

TENANT:

CITY OF WASHINGTON

USCOC OF GREATER NORTH CAROLINA, LLC

By: _____

By: _____

Printed: _____

Printed: _____

Title: _____

Title: Manager

Date: _____

Date: _____

Phone: _____

ATTEST:

Name: _____

Title: _____

Site Name: 15th Street

Site Number: 556690

STATE OF NORTH CAROLINA
COUNTY OF _____

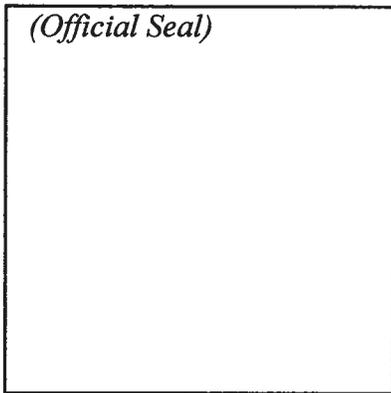
I certify that _____ personally appeared before me this day and acknowledged that he/she is _____ for the City Of Washington, a municipal corporation, and that by authority duly given and as an act of the corporation, the foregoing agreement was signed in its name by its _____, and attested by him/her as its _____.

Date: _____

Signature of Notary Public

Notary's printed or typed name

My commission expires: _____



Notary seal or stamp must appear within this box.

Site Name: 15th Street

Site Number: 556690

STATE OF ILLINOIS
COUNTY OF _____

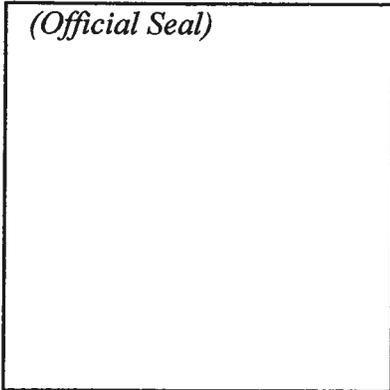
I certify that the following person personally appeared before me this day, acknowledging to me that he/she signed the foregoing document for the purpose(s) stated therein, in the capacity indicated therein: _____.

Date: _____

Signature of Notary Public

Notary's printed or typed name

My commission expires: _____



Notary seal or stamp must appear within this box.

Exhibit A

Legal Descriptions

LANDLORD'S PARCEL

All that certain tract or parcel of land lying and being situate in Beaufort County, North Carolina, and being more particularly described in that certain Deed recorded in Deed Book 1629, at Page 267 in the office of the Beaufort County Register of Deeds, reference to which is hereby made for a more particular description.

LEASEHOLD PARCEL

That certain tract or parcel of land lying and being situate in the City of Washington, Beaufort County, North Carolina, and being more particularly described as follows:

Beginning at an existing iron pipe located on the northern right of way line of East 7th Street at the southwest property corner of the property belonging to the City of Washington as recorded in Deed Book 383, Page 411, Beaufort County Registry said existing iron pipe also being located +/- 29.60 feet from the intersection of the western right of way line of North Harvey Street and the northern right of way line of East 7th Street; thence running along the northern right of way line of East 7th Street N 61-49-15 W, 209.52 feet to a point located on the northern right of way line of East 7th Street; thence leaving said right of way line N 28-10-45 E, 73.67 feet to a point; thence S 61-49-15 E, 48.65 feet to an iron pipe set the POINT OF BEGINNING; thence from said point of beginning N 28-10-45 E, 41.00 feet to an iron pipe set; thence S 61-49-15 E, 26.68 feet to an iron pipe set; thence S 27-27-01 E, 31.88 feet to an iron pipe set; thence S 28-10-45 W, 23.00 feet to an iron pipe set; thence N 61-49-15 W, 53.00 feet to the point of beginning, containing 1,936 square feet or 0.044 acres, more or less, as shown on that map prepared by Gary S. Miller & Associates, P.A. entitled "Survey for U.S. Cellular Corporation 15th Street Site #556690," dated January 12, 2010, and amended on February 24, 2010, to which map reference is hereby made for a more complete and accurate description.

EASEMENT PARCEL

That certain tract or parcel of land lying and being situate in the City of Washington, Beaufort County, North Carolina, and being more particularly described as follows:

Beginning at an existing iron pipe located on the northern right of way line of East 7th Street at the southwest property corner of the property belonging to the

City of Washington as recorded in Deed Book 383, Page 411, Beaufort County Registry said existing iron pipe also being located +/- 29.60 feet from the intersection of the western right of way line of North Harvey Street and the northern right of way line of East 7th Street; thence running along the northern right of way line of East 7th Street N 61-49-15 W, 179.52 feet to a point located on the northern right of way line of East 7th Street the POINT OF BEGINNING; thence from said point of beginning and continuing along the northern right of way line of East 7th Street N 61-49-15 W, 30.00 feet to a point located on the northern right of way line of East 7th Street; thence leaving said right of way line N 28-10-45 E, 73.67 feet to a point; thence S 61-49-15 E, 81.65 feet to a point; thence S 28-10-45 W, 30.00 feet to a point; thence N 61-49-15 W, 51.65 feet to a point; thence S 28-10-45 W, 43.67 feet to the point of beginning, containing 3,759 square feet or 0.086 acres, more or less, as shown on that map prepared by Gary S. Miller & Associates, P.A. entitled "Survey for U.S. Cellular Corporation 15th Street Site #556690," dated January 12, 2010, and amended February 24, 2010, to which map reference is hereby made for a more complete and accurate description.

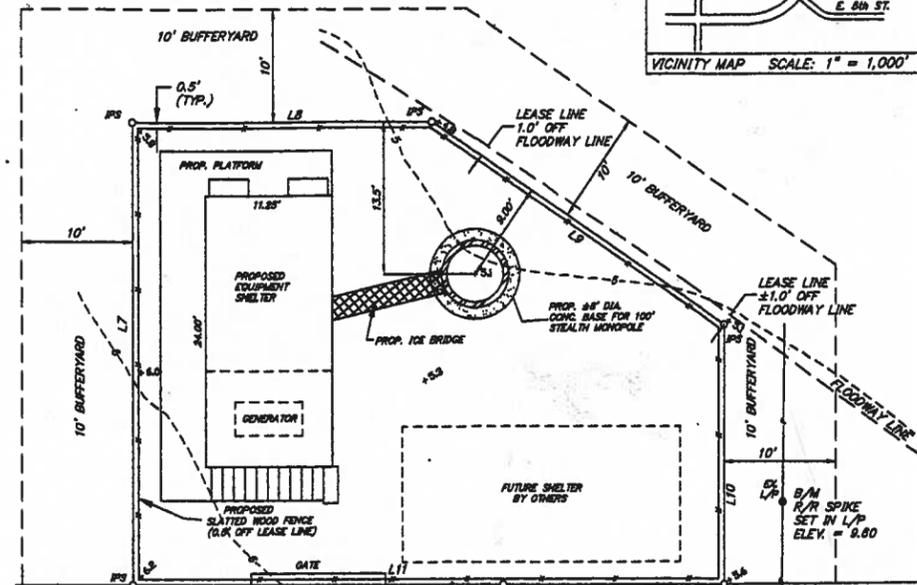
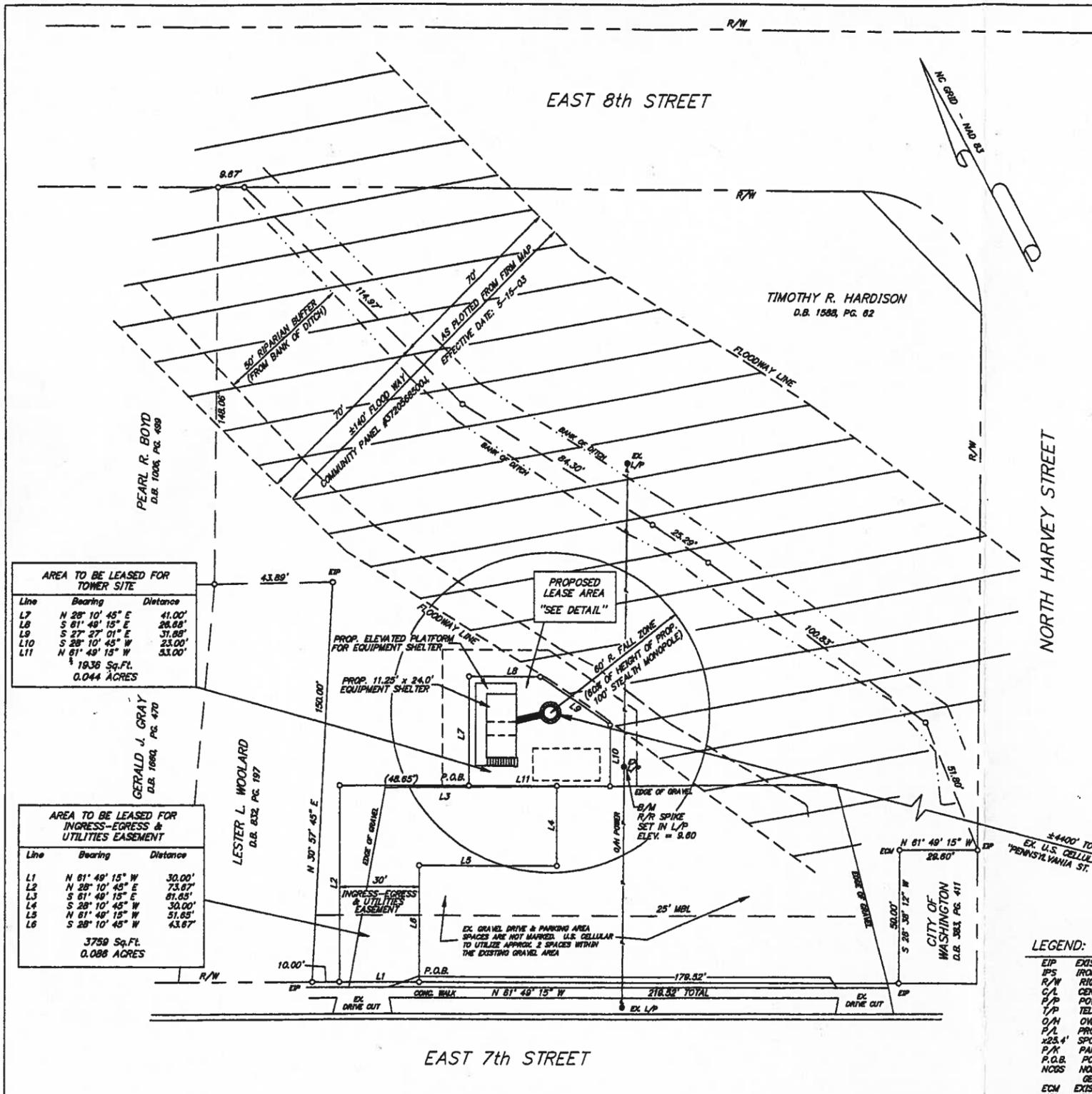
Site Name: 15th Street

Site Number: 556690

Exhibit B

Site Plan

(Attached)



AREA TO BE LEASED FOR TOWER SITE

Line	Bearing	Distance
L7	N 28° 10' 45" E	41.00'
L8	S 61° 49' 15" E	28.80'
L9	S 27° 27' 01" E	31.88'
L10	S 28° 10' 45" W	23.00'
L11	N 61° 49' 15" W	53.00'

1936 Sq.Ft.
0.044 ACRES

AREA TO BE LEASED FOR INGRESS-EGRESS & UTILITIES EASEMENT

Line	Bearing	Distance
L1	N 61° 49' 15" W	30.00'
L2	N 28° 10' 45" E	73.87'
L3	S 61° 49' 15" E	81.85'
L4	S 28° 10' 45" W	30.00'
L5	N 61° 49' 15" W	51.85'
L6	S 28° 10' 45" W	43.87'

3759 Sq.Ft.
0.086 ACRES

- NOTES:
- NO POINTS SET UNLESS OTHERWISE NOTED.
 - THIS SURVEY DOES NOT CREATE A SUBDIVISION OF LAND.
 - ELEVATIONS SHOWN ARE MEAN SEA LEVEL FROM NGCS MONUMENT "OAKDALE".
 - THIS PROPERTY IS LOCATED IN A SPECIAL FLOOD HAZARD AREA, COMMUNITY PANEL # 3720588500N EFFECTIVE DATE 05-15-03 - ZONE AE. 100 YEAR BASE FLOOD ELEVATION = 8.6'. NO WATER OR SEWER SERVICE IS NEEDED FOR THIS SITE.
 - C/L TOWER LATITUDE: 35° 32' 50.9" LONGITUDE: 77° 02' 51.5" NAD 83
 - CENTERLINE TOWER ELEVATION = 5.0' - NAVD 88 DATUM
 - PROPERTY IS ZONED R8S

CERTIFICATION
I, GARY S. MILLER, CERTIFY THAT UNDER MY DIRECTION AND SUPERVISION THIS MAP WAS DRAWN FROM AN ACTUAL FIELD SURVEY MADE BY MRS. PHILLIPS THAT THIS CLOSURE AS CALCULATED BY LATITUDES AND DEPARTURES IS 1: 10,000+ THAT THE BOUNDARIES NOT SURVEYED ARE SHOWN AS BROKEN LINES PLOTTED FROM DEED INFORMATION.

WITNESS MY HAND AND SEAL THIS 12th DAY OF JANUARY, 2010 A.D.

SIGNED: *[Signature]*
PROFESSIONAL LAND SURVEYOR NO. L-2562

REFERENCE:
TAX PARCEL #5885-08-7911
DEED BK. 1629, PG. 287
DEED BK. 1588, PG. 63

- LEGEND:
- EIP EXISTING IRON PIPE
 - IPS IRON PIPE SET
 - R/W RIGHT OF WAY
 - C/L CENTERLINE
 - P/P POWER POLE
 - T/P TELEPHONE PEDESTAL
 - O/H OVERHEAD
 - P/L PROPERTY LINE
 - ±25.4' SPOT ELEVATION
 - P/K PARKER KALON
 - P.O.B. POINT OF BEGINNING
 - NGCS NORTH CAROLINA GEODASY SURVEY
 - ECM EXISTING CONCRETE MONUMENT
 - MBL MINIMUM BUILDING LINE



REVISIONS

DATE	DESCRIPTION
2-24-10	CHANGE HEIGHT OF STEALTH MONOPOLE & REVISE LEGAL DESCRIPTION
2-11-10	ENLARGE LEASE AREA FOR SITE & CHANGE BLDG. SIZE

SURVEY FOR
U. S. CELLULAR CORPORATION
15th STREET SITE #556690
WASHINGTON, BEAUFORT COUNTY, NORTH CAROLINA

OWNER(S) CITY OF WASHINGTON
ADDRESS P.O. BOX 1988 WASHINGTON, NC 27889
CONTACT PHIL MOBLEY, PARKS & REC. DIR. - (252) 975-9367 EXT. 224

GARY S. MILLER & ASSOCIATES, P.A.
LAND SURVEYORS
1803 South Charles Blvd.
Greenville, N.C. 27639
Phone (252) 758-7878
Fax (252) 758-0785

SURVEYED: MCP APPROVED: GSM
DRAWN: GSM/BLW DATE: 01-12-10
CHECKED: TEM SCALE: 1" = 30'

LEGAL DESCRIPTION FOR INGRESS-EGRESS & UTILITIES EASEMENT

Beginning at an existing iron pipe located on the northern right of way of East 7th Street at the southwest property corner of the property belonging to the City of Washington as recorded in Deed Book 383, Page 411, Beaufort County Registry said existing iron pipe also being located ±28.80 feet from the intersection of the western right of way of North Harvey Street and the northern right of way of East 7th Street; thence running along the northern right of way of East 7th Street N 61-49-15 W, 178.52 feet to a point located on the northern right of way of East 7th Street the POINT OF BEGINNING; thence from said point of beginning and continuing along the northern right of way of East 7th Street N 61-49-15 W, 30.00 feet to a point located on the northern right of way of East 7th Street, thence leaving said right of way N 28-10-45 E, 73.87 feet to a point; thence S 61-49-15 E, 81.85 feet to a point; thence S 28-10-45 W, 30.00 feet to a point; thence N 61-49-15 W, 51.85 feet to a point; thence S 28-10-45 W, 43.87 feet to the point of beginning containing 3,759 square feet or 0.086 acres.

LEGAL DESCRIPTION FOR TOWER SITE

Beginning at an existing iron pipe located on the northern right of way of East 7th Street at the southwest property corner of the property belonging to the City of Washington as recorded in Deed Book 383, Page 411, Beaufort County Registry said existing iron pipe also being located ±28.80 feet from the intersection of the western right of way of North Harvey Street and the northern right of way of East 7th Street; thence running along the northern right of way of East 7th Street N 61-49-15 W, 208.52 feet to a point located on the northern right of way of East 7th Street; thence leaving said right of way N 28-10-45 E, 73.87 feet to a point; thence S 61-49-15 E, 48.83 feet to an iron pipe set the POINT OF BEGINNING; thence from said point of beginning N 28-10-45 E, 41.00 feet to an iron pipe set; thence S 61-49-15 E, 28.80 feet to an iron pipe set; thence S 27-27-01 E, 31.88 feet to an iron pipe set; thence S 28-10-45 W, 23.00 feet to an iron pipe set; thence N 61-49-15 W, 53.00 feet to the point of beginning containing 1,936 square feet or 0.044 acres.





City of Washington REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Philip W. Mobley, Director of Parks and Recreation *PWM*
Date: July 26, 2010
Subject: Resolution: Support for proposed project @ Havens Gardens from Marine Resources Fund

Applicant Presentation:
Staff Presentation: Philip W. Mobley

RECOMMENDATION:

I move that City council adopt the Resolution designating support for the proposed access enhancement project at Havens Gardens from the Marine Resources Funds.

BACKGROUND AND FINDINGS:

The City Council adopted the updated Five Year CIP in January 2010. One of the "on-going" items in that Plan was an update to Havens Gardens, with future improvements such as replacement of the old fishing pier, replace 600' of bulkhead and 100' of new wooden walkway with fishing stations from the park side to the concrete walkway under Hwy 32 Bridge. The total preliminary cost is \$406,750. The City is not required to match the grant monies awarded. However it will help the City in the ranking process if the City will offer a match. I propose the City offer a \$25,000 match.

The Washington Recreation Advisory Committee voted at their July meeting to support this Resolution, the Havens Gardens Grant project and the \$25,000 cash match. Rivers and Associates of Greenville is assisting the Parks and Recreation Department in applying for the Marine Resources Fund. On July 30, 2010 we will be applying for monies from the Marine Resources Fund.

PREVIOUS LEGISLATIVE ACTION

None

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

- Resolution
- Site Map of Project
- Marine Resources (RFP Cover Page)

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: July 26, 2010 (if applicable)
City Manager Review: *[Signature]* Concur Recommend Denial No Recommendation Date *7/22/10*

**AUTHORIZING RESOLUTION BY THE CITY COUNCIL OF THE CITY OF
WASHINGTON, NORTH CAROLINA**

WHEREAS, The North Carolina Marine Fisheries Commission (MFC) and the North Carolina Wildlife Resources Commission (WRC) has authorized the making of Marine Resources Funds to aid universities, local North Carolina governmental entities, and eligible agencies in funding the cost of projects that will manage and enhance the marine resources of North Carolina; and

WHEREAS, The City of Washington has need for and intends to plan for the construction or rehabilitation of a publicly-owned facility/access site (Havens Gardens Park) to provide fishermen access to fisheries resources; and

WHEREAS, The City of Washington intends to request funding assistance from the Marine Resources Fund for the project;

NOW THEREFORE BE IT RESOLVED, BY THE COUNCIL OF THE CITY OF WASHINGTON:

That the City of Washington supports the proposed access enhancement project.

That the City of Washington will provide for efficient operation and maintenance of the project on completion of construction thereof.

That Archie Jennings, Mayor, and Jim Smith, City Manager, and successors so titled, are hereby authorized to execute and file an application on behalf of City of Washington with the North Carolina Division of Marine Fisheries (DMF) for a grant to assist in the construction of the project described above.

That Archie Jennings, Mayor, and Jim Smith, City Manager, and successors so titled, are hereby authorized and directed to furnish such information as the DMF may request in connection with such application or the project; to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That the City of Washington has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to the grants pertaining thereto.

Adopted this the ____ day of _____, 2010 at Washington, North Carolina.

Archie Jennings
Mayor, City of Washington

ATTEST:

(Seal)
Cynthia S. Bennett, City Clerk



Proposed Pier Replacement

Proposed Bulkhead Replacement

Proposed Elevated Boardwalk

Existing Concrete Boardwalk

Data SIO, NOAA, U.S. Navy, NGA, GEBCO
© 2010 Google
Image U.S. Geological Survey

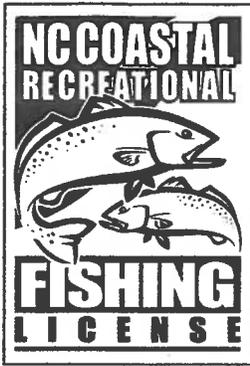
Google

lat 35.534962° lon -77.041202°

elev 0 ft

Mar 6, 2007

Eye alt 1239 ft



**North Carolina
Coastal Recreational Fishing License
Request for Proposals
Issued June, 2010**

The North Carolina Marine Fisheries Commission (MFC) and the North Carolina Wildlife Resources Commission (WRC) are issuing a Request for Proposals (RFP) for consideration of funding from the Marine Resources Fund. The Marine Resources Fund is composed of proceeds from the sale of the Coastal Recreational Fishing License (CRFL). The North Carolina General Assembly created the Fund to manage, protect, restore, develop, cultivate and enhance the marine resources of the state.

The North Carolina Division of Marine Fisheries (DMF) is the state agency that provides liaison between projects and the MFC and WRC. The purpose of this document is to announce Request for Proposals, to identify project areas and priorities eligible for funding by the Marine Resources Fund in accordance with the Strategic Plan for the Conservation and Improvement of North Carolina Marine Resources, and to assist you in preparing the proposal. Please read all of the enclosed information closely. Proposals are to be submitted to the Director of DMF by 5:00 p.m. **July 30, 2010.**

The overall goal for the use of CRFL funds is to manage and enhance the marine resources of North Carolina based on sound science and strategies. The Strategic Plan for the Conservation and Improvement of North Carolina Marine Resources sets forth a framework of objectives and strategies to meet this goal. The framework provides the basis upon which to evaluate and select proposals seeking CRFL funds. Example priority research needs have been compiled based on priority needs in Fishery Management Plans approved by the Marine Fisheries Commission, issues identified in the Coastal Habitat Protection Plan (CHPP), and research needs identified cooperatively with other agencies. The objectives and strategies listed below are topics of particular interest at this time and do not represent an inclusive list of all priority needs in FMPs and the CHPP. Project activities that will be considered for this funding cycle include (no priority order is implied):



City of Washington **REQUEST FOR CITY COUNCIL ACTION**

To: Mayor Jennings & Members of the City Council
From: Beth Byrd, Director Washington Harbor District Alliance (WHDA)
Date: June 17, 2010
Subject: Pickin' on the Pamlico Alcohol Request
Applicant Presentation: N/A
Staff Presentation: N/A

RECOMMENDATION:

I move that Council allow the sale and consumption of alcohol at WHDA's 5th Annual Pickin' on the Pamlico on August 14th, 2010.

BACKGROUND AND FINDINGS:

WHDA is hosting its 5th Annual Pickin' on the Pamlico on Saturday, August 14th. This event is a fundraiser that supports the efforts of WHDA. Last year the Pickin' on the Pamlico infused close to \$30,000 into the local economy and created a profit of over \$5,000 for WHDA operations. WHDA requests Council approve the sale and consumption of alcohol at Pickin' on the Pamlico. The organization utilizes trained bartenders and has a controlled area where alcohol is to be served. This is a ticketed event with an anticipated crowd of around 500 people. A special events permit has been granted through Kristal Hardison at Washington Parks and Recreation.

PREVIOUS LEGISLATIVE ACTION

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review:  _____ Date Concur _____ Recommend Denial _____ No Recommendation 7/22/10



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennette & Members of the City Council
From: John Rodman, Planning & Development
Date: July 15, 2010
Subject: Investigate a petition for a contiguous annexation for Wheatfield Subdivision under General Statutes 160A-31.

Applicant Presentation: N/A
Staff Presentation: John Rodman, Planning & Development

RECOMMENDATION:

Adopt the resolution directing the City Clerk to investigate a petition for a contiguous annexation received under General Statutes 160A-31.

BACKGROUND AND FINDINGS:

On July 15, 2010, Mr. John Wehrenberg presented a petition for a contiguous annexation for the property located at Wheatfield Subdivision. The property contains 35.15 acres and is adjacent to Tree Shade Community (Phase II). The property is located off of Old Bath Hwy (SR 1501)

After directing the Clerk to investigate the petition the City will proceed with the annexation process.

PREVIOUS LEGISLATIVE ACTION

N/A

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation
 No Fiscal Impact

SUPPORTING DOCUMENTS

Attached map, resolution, & petition

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: *JR* Concur _____ Recommend Denial _____
 No Recommendation 7/22/10 Date
 July 26, 2010

PETITION REQUESTING A CONTIGUOUS ANNEXATION

Date: 7/15/10

To the City Council of the City of Washington:

1. We the undersigned owners of real property respectfully request that the area described in Paragraph 2 below be annexed to the City of Washington.
2. The area to be annexed is contiguous to the City of Washington and the boundaries of such territory are as follows:

(Insert Metes and Bounds Description of Boundaries)

3. A Map is attached showing the area proposed for annexation in relation to the primary corporate limits of the City.
4. We acknowledge that any zoning vested rights acquired pursuant to G.S. 160A-385.1 or G.S. 153A-344.1 must be declared and identified on this petition. We further acknowledge that failure to declare such rights on this petition shall result in a termination of vested rights previously acquired for the property. (If zoning vested rights are claimed, indicate below and attach proof.)

	<u>Name</u>	<u>Address</u>	<u>Do you declare vested rights?</u> (Indicate yes or no.)	<u>Signature</u>
1.	John H. Wehrenberg + Nila S. Wehrenberg	108 Gambit Court Washington, D.C. 20089	No	
2.				
3.				

**RESOLUTION DIRECTING THE CLERK TO INVESTIGATE
A PETITION RECEIVED UNDER G.S. 160A-31**

WHEREAS, a petition requesting annexation of an area described in said petition was received on July 26, 2010 by the Washington City Council; and

WHEREAS, G.S. 160A-31 provides that the sufficiency of the petition shall be investigated by the City Clerk before further annexation proceedings may take place; and

WHEREAS, the City Council of the City of Washington deems it advisable to proceed in response to this request for annexation;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Washington that:

The City Clerk is hereby directed to investigate the sufficiency of the above-described petition and to certify as soon as possible to the City Council the result of her investigation.

N. Archie Jennings, Mayor

ATTEST:

Cynthia S. Bennett, Clerk

WHEAT FIELD SUBDIVISION

PRELIMINARY PLAT
NOT FOR RECORDATION, CONVEYANCES,
SALES OR FINAL DESIGN.
THIS DRAWING IS AN ELECTRONIC FILE
FOR VIEWING ONLY.

ANNEXATION MAP LONG ACRE TOWNSHIP BEAUFORT COUNTY

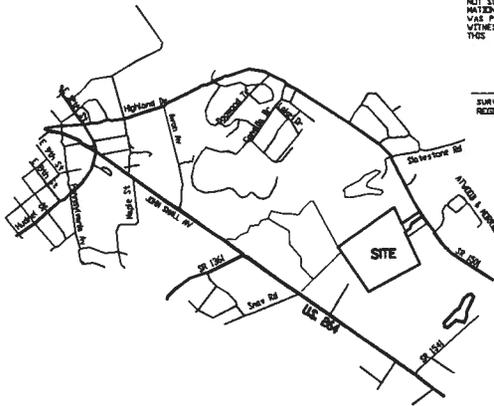
PRELIMINARY PLAT
NOT FOR RECORDATION, CONVEYANCES,
SALES OR FINAL DESIGN.
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FOR VIEWING ONLY.

BEAUFORT COUNTY NORTH CAROLINA

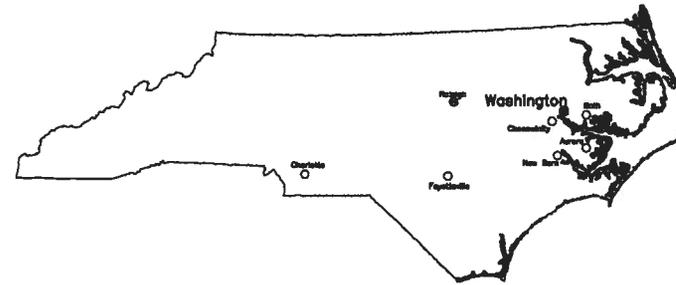
I, MERVOLD MARTIN MAYO, CERTIFY THAT THIS PLAT WAS DRAWN UNDER MY DIRECTION AND SUPERVISION FROM AN ACTUAL SURVEY OR DEED DESCRIPTION RECORDED IN BOOK PAGE. I THAT THE ERROR OF CLOSURE AS CALCULATED BY LATITUDES AND DEPARTURES IS LESSOR. I THAT THE BOUNDARIES NOT SURVEYED ARE SHOWN AS BROKEN LINES PLATTED FROM DETRIMENTAL FOUND IN BOOK PAGE. AND THAT THIS PLAT WAS PREPARED IN ACCORDANCE G.S. 47-30, AS AMENDED. WITNESS MY ORIGINAL SIGNATURE, REGISTRATION NUMBER AND SEAL THIS 24TH DAY A.D. 2008.

THAT THE SURVEY CREATES A SUBDIVISION OF LAND WITHIN THE AREA OF A COUNTY OR MUNICIPALITY THAT HAS AN ORDINANCE THAT REGULATES PARCELS OF LAND.

MERVOLD MARTIN MAYO
PROFESSIONAL LAND SURVEYOR
REGISTRATION NUMBER L-1546



SURVEYOR
REGISTRATION NUMBER L-1546



REVIEW OFFICER
STATE OF NORTH CAROLINA
COUNTY OF BEAUFORT,
I, REVIEW OFFICER OF BEAUFORT COUNTY,
CARRY TO THE BEST OF MY KNOWLEDGE AND BELIEF THIS MAP/PLAT
TO WHICH THIS CERTIFICATION IS AFFIXED MEETS THE STATUTORY
REQUIREMENTS FOR RECORDING.

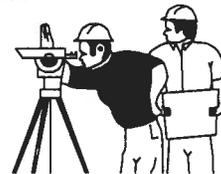
REVIEW OFFICER _____
DATE _____

REGISTER OF DEEDS
NORTH CAROLINA
BEAUFORT COUNTY
THIS MAP/PLAT WAS PRESENTED FOR REGISTRATION AND RECORDED IN
THIS OFFICE IN PLAT CABINET _____ SLIDE _____
THIS _____ DAY OF _____ 2010 AT _____ M.
JENNIFER LEGGETT WHITEHURST BY _____
REGISTER OF DEEDS ASSIST/CLERK

NORTH CAROLINA

VICINITY MAP NOT TO SCALE

PRELIMINARY PLAT
NOT FOR RECORDATION, CONVEYANCES,
SALES OR FINAL DESIGN.
THIS DRAWING IS AN ELECTRONIC FILE
FOR VIEWING ONLY.



PRELIMINARY PLAT
NOT FOR RECORDATION, CONVEYANCES,
SALES OR FINAL DESIGN.
THIS DRAWING IS AN ELECTRONIC FILE
FOR VIEWING ONLY.

(252) 946-3469
Washington, NC

(252) 229-0872
New Bern, NC

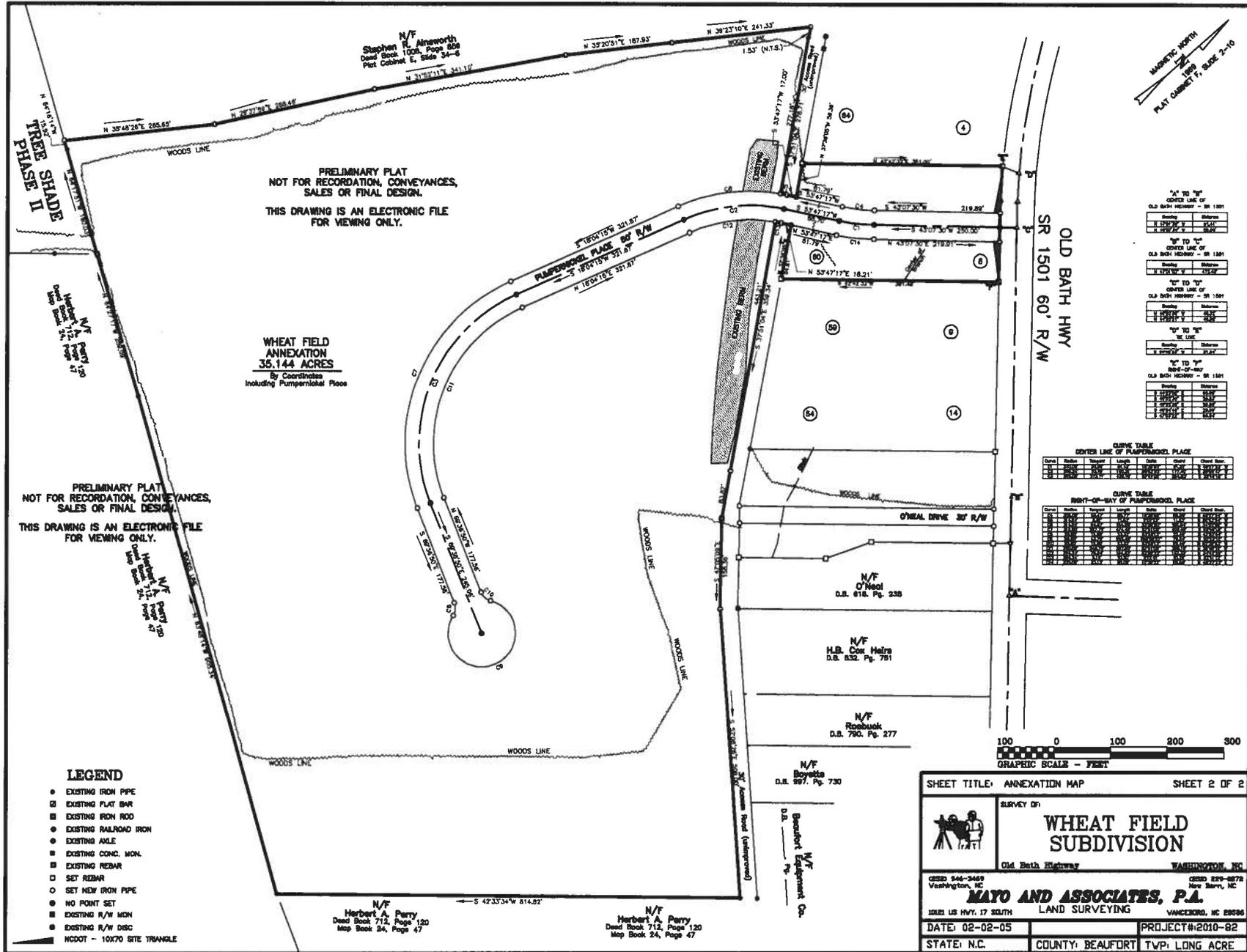
MAYO AND ASSOCIATES, P.A.

10121 US HWY 17 South

LAND SURVEYING

VANCEBORO, NC 28586

03033.DWG
04/22/2010
PHILIP GOTT-SE
SHEET 1 OF 2



PRELIMINARY PLAT
NOT FOR RECORDATION, CONVEYANCES,
SALES OR FINAL DESIGN.
THIS DRAWING IS AN ELECTRONIC FILE
FOR VIEWING ONLY.

WHEAT FIELD
ANNEXATION
35.144 ACRES
By Coordinates
Including Pumpkin Patch Phase

PRELIMINARY PLAT
NOT FOR RECORDATION, CONVEYANCES,
SALES OR FINAL DESIGN.
THIS DRAWING IS AN ELECTRONIC FILE
FOR VIEWING ONLY.

LEGEND

- EXISTING IRON PIPE
- EXISTING PLAT BAR
- EXISTING IRON ROD
- EXISTING RAILROAD IRON
- EXISTING ANGLE
- EXISTING CONC. MON.
- EXISTING REBAR
- SET REBAR
- SET NEW IRON PIPE
- NO POINT SET
- EXISTING R/W MON
- EXISTING R/W DISC
- ▲ HCOOT - 10x70 SITE TRIANGLE



4" TO 10" CENTER LINE OF OLD BATH HIGHWAY - SR 1501

Station	Distance
1+00.00	0.00
1+00.00	100.00
1+00.00	200.00

10" TO 10" CENTER LINE OF OLD BATH HIGHWAY - SR 1501

Station	Distance
1+00.00	0.00
1+00.00	100.00
1+00.00	200.00

10" TO 10" R/W LINE

Station	Distance
1+00.00	0.00
1+00.00	100.00
1+00.00	200.00

10" TO 10" RIGHT-OF-WAY OF PUMPKIN PATCH PLACE

Station	Distance
1+00.00	0.00
1+00.00	100.00
1+00.00	200.00

CURVE TABLE CENTER LINE OF PUMPKIN PATCH PLACE

Station	Chord	Chord Bearing	Delta
1+00.00	100.00	S 89° 57' 50" W	89° 57' 50"
1+00.00	100.00	S 89° 57' 50" W	89° 57' 50"

CURVE TABLE RIGHT-OF-WAY OF PUMPKIN PATCH PLACE

Station	Chord	Chord Bearing	Delta
1+00.00	100.00	S 89° 57' 50" W	89° 57' 50"
1+00.00	100.00	S 89° 57' 50" W	89° 57' 50"



SHEET TITLE: ANNEXATION MAP SHEET 2 OF 2

SURVEY OF:
WHEAT FIELD SUBDIVISION
Old Bath Highway WASHINGTON, NC

2020 346-3469 Washington, NC 2020 829-8878 New Bern, NC
MAYO AND ASSOCIATES, P.A.
LAND SURVEYING WASHINGTON, NC 27886

1000 US HWY. 17 SOUTH DATE: 02-02-05 PROJECT#2010-82
STATE: N.C. COUNTY: BEAUFORT TWP: LONG ACRE

LEGAL DESCRIPTION

Being all of that tract of land noted on that survey "Annexation Map, Wheat Field Subdivision" by Mayo and Associates, P.A. dated February 2, 2005 and being located in Long Acre Township, Beaufort County North Carolina and being more particularly described as follows;

Beginning at a point in the southern right-of-way of SR 1501, "Old Bath Highway", said point being the intersection of the center-line of Pumpernickel Place and the southern right-of-way of said road and point of beginning being located NORTH 47 DEGREES 03 MINUTES 22 SECONDS EAST FOR A DISTANCE OF 69.54 FEET FROM POINT "F" AS SHOWN ON SAID MAP AND THENCE NORTH 46 DEGREES 54 MINUTES 48 SECONDS WEST FOR A DISTANCE OF 25.00 FEET TO THE POINT OF BEGINNING:

THENCE FROM SAID POINT OF BEGINNING SOUTH 46 DEGREES 54 MINUTES 48 SECONDS EAST FOR A DISTANCE OF 25.00 FEET ALONG THE RIGHT-OF-WAY OF SR 1501 TO A SET REBAR;

THENCE SOUTH 47 DEGREES 03 MINUTES 22 SECONDS EAST FOR A DISTANCE OF 69.54 FEET TO A FLAT BAR;

THENCE SOUTH 42 DEGREES 42 MINUTES 32 SECONDS WEST FOR A DISTANCE OF 381.49 FEET TO A SET REBAR;

THENCE NORTH 37 DEGREES 36 MINUTES 05 SECONDS WEST FOR A DISTANCE OF 94.81 FEET TO A SET REBAR IN THE SOUTHERN RIGHT-OF-WAY IN PUMPERNICKEL PLACE;

THENCE SOUTH 53 DEGREES 47 MINUTES 17 SECONDS WEST FOR A DISTANCE OF 18.21 FEET TO A SET REBAR IN THE RIGHT-OF-WAY OF PUMPERNICKEL PLACE;

THENCE WITH A CURVE TURNING TO THE LEFT WITH AN ARC LENGTH OF 10.20', WITH A RADIUS OF 264.24', WITH A CHORD BEARING OF SOUTH 52 DEGREES 41 MINUTES 12 SECONDS WEST , WITH A CHORD LENGTH OF 10.20', TO A SET REBAR IN THE NORTHERN BOUNDARY OF WHEAT FIELD SUBDIVISION;

THENCE SOUTH 37 DEGREES 51 MINUTES 04 SECONDS EAST FOR A DISTANCE OF 527.08 FEET TO AN EXISTING IRON ROD;

THENCE SOUTH 47 DEGREES 05 MINUTES 09 SECONDS EAST FOR A DISTANCE OF 158.36 FEET TO A SET IRON PIPE;

THENCE SOUTH 52 DEGREES 06 MINUTES 26 SECONDS EAST FOR A DISTANCE OF 509.00 FEET TO AN EXISTING IRON PIPE;

THENCE SOUTH 42 DEGREES 33 MINUTES 34 SECONDS WEST FOR A DISTANCE OF 814.82 FEET TO AN EXISTING IRON PIPE;

THENCE NORTH 63 DEGREES 48 MINUTES 14 SECONDS WEST FOR A DISTANCE OF 905.34 FEET TO AN EXISTING IRON PIPE;

THENCE NORTH 64 DEGREES 27 MINUTES 17 SECONDS WEST FOR A DISTANCE OF 259.09 FEET TO AN EXISTING REBAR;

THENCE NORTH 64 DEGREES 17 MINUTES 51 SECONDS WEST FOR A DISTANCE OF 190.03 FEET TO AN EXISTING IRON PIPE;

THENCE NORTH 64 DEGREES 16 MINUTES 14 SECONDS WEST FOR A DISTANCE OF 15.92 FEET TO A SET REBAR WITH CAP;

THENCE NORTH 35 DEGREES 48 MINUTES 26 SECONDS EAST FOR A DISTANCE OF 265.65 FEET TO A SET REBAR WITH CAP;

THENCE NORTH 29 DEGREES 37 MINUTES 59 SECONDS EAST FOR A DISTANCE OF 288.46 FEET TO A SET REBAR WITH CAP;
THENCE NORTH 31 DEGREES 52 MINUTES 11 SECONDS EAST FOR A DISTANCE OF 341.10 FEET TO A SET REBAR WITH CAP;
THENCE NORTH 35 DEGREES 20 MINUTES 51 SECONDS EAST FOR A DISTANCE OF 187.93 FEET TO A SET REBAR WITH CAP;
THENCE NORTH 39 DEGREES 23 MINUTES 10 SECONDS EAST FOR A DISTANCE OF 241.33 FEET TO A SET REBAR WITH CAP;
THENCE SOUTH 37 DEGREES 51 MINUTES 04 SECONDS EAST FOR A DISTANCE OF 1.53 FEET TO AN EXISTING IRON PIPE;
THENCE SOUTH 37 DEGREES 51 MINUTES 04 SECONDS EAST FOR A DISTANCE OF 277.18 FEET TO A SET REBAR IN THE WEST RIGHT-OF-WAY IN PUMPERNICKEL PLACE;
THENCE WITH A CURVE TURNING TO THE RIGHT WITH AN ARC LENGTH OF 11.63', WITH A RADIUS OF 314.24', WITH A CHORD BEARING OF NORTH 52 DEGREES 43 MINUTES 54 SECONDS EAST , WITH A CHORD LENGTH OF 11.63', TO A SET REBAR WITH CAP IN THE NORTHERN RIGHT-OF-WAY OF PUMPERNICKEL PLACE;
THENCE NORTH 53 DEGREES 47 MINUTES 17 SECONDS EAST FOR A DISTANCE OF 17.00' FEET TO A SET REBAR WITH CAP IN THE NORTHERN RIGHT-OF-WAY OF PUMPERNICKEL PLACE;
THENCE NORTH 37 DEGREES 36 MINUTES 05 SECONDS WEST FOR A DISTANCE OF 59.36 FEET TO A SET REBAR WITH CAP AT THE CORNER OF LOT 64;
THENCE NORTH 42 DEGREES 42 MINUTES 32 SECONDS EAST FOR A DISTANCE OF 351.00 FEET TO A SET REBAR IN THE SOUTHERN RIGHT-OF-WAY OF SR 1501;
THENCE SOUTH 44 DEGREES 23 MINUTES 02 SECONDS EAST FOR A DISTANCE OF 60.99 FEET TO A POINT IN THE SOUTHERN RIGHT-OF-WAY OF SR 1501;
THENCE SOUTH 46 DEGREES 52 MINUTES 30 SECONDS EAST FOR A DISTANCE OF 20.83 FEET TO A SET REBAR WITH CAP IN THE INTERSECTION OF THE SOUTHERN RIGHT-OF-WAY OF SR 1501 AND THE NORTHERN RIGHT-OF-WAY OF PUMPERNICKEL PLACE;
THENCE SOUTH 46 DEGREES 52 MINUTES 30 SECONDS EAST FOR A DISTANCE OF 25.00 FEET ALONG THE RIGHT-OF-WAY OF SR 1501 TO THE POINT OF BEGINNING.

Together with and subject to covenants, easements, and restrictions of record.

Said property contains 35.144 acres more or less.



City of Washington
REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Allen Lewis, Public Works Director *Allen Lewis*
Date: 07-13-10
Subject: Amend Chapter 8, Section 18 – Animals restricted.
Applicant Presentation: N/A
Staff Presentation: Allen Lewis

RECOMMENDATIONS:

I move Council adopt an ordinance to amend Chapter 8, Section 18 – Animals restricted in reference to animals in the cemetery, with an effective date of August 1, 2010.

BACKGROUND AND FINDINGS:

During recent Council meetings, the issue of animals, specifically dogs, within the cemeteries has been discussed. As I noted to you in an e-mail last month, the current ordinance does not completely prohibit animals within the cemetery. Rather Sec. 8-18 states that “No person shall permit any animal to run at large or wander into the cemeteries.” To completely prohibit animals, or at least pets, from our City-maintained cemeteries, the attached amendment is proposed for your approval.

PREVIOUS LEGISLATIVE ACTION

N/A

FISCAL IMPACT

Currently Budgeted (Account _____) Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

See attached ordinance amendment.

City Attorney Review: _____ Date By: _____ (if applicable)
Finance Dept Review: _____ Date By: _____ (if applicable)
City Manager Review: *Allen Lewis* Concur _____ Recommend Denial _____ No Recommendation *7/22/10* Date

**AN ORDINANCE TO AMEND CHAPTER 8,
SECTION 18: ANIMALS RESTRICTED
OF THE WASHINGTON CITY CODE**

BE IT ORDAINED by the City Council of the City of Washington, North Carolina:

Section 1. That Chapter 8, Section 18: Animals restricted be amended by deleting the following:

“No person shall permit any animal to run at large or wander into the cemeteries.”

Section 2. That Chapter 8, Section 18: Animals restricted be amended by adding the following:

“No person shall permit any animal onto city-owned cemetery property whether restrained or at large.”

Section 3. All ordinances in conflict with this ordinance are hereby repealed.

Section 4. This ordinance shall become effective August 1, 2010.

This the 26th day of July 2010.

Mayor

ATTEST:

City Clerk



City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Allen Lewis, Public Works Director *Allen Lewis*
Date: 07-13-10
Subject: Award contract for 2010-2011 Street Improvements and Resurfacing.
Applicant Presentation: N/A
Staff Presentation: Allen Lewis

RECOMMENDATIONS:

I move that Council award a contract in the amount of \$288,480.00 to Greenville Paving Company for the 2010-2011 Street Improvements and Resurfacing.

BACKGROUND AND FINDINGS:

The Public Works Department advertised to receive bids on June 15, 2010 for the 2010-2011 Street Improvements and Resurfacing. On that date, three (3) companies presented bids for this project. All legal requirements were met. Attached is a bid tabulation sheet, a project description and a map for this project.

PREVIOUS LEGISLATIVE ACTION

N/A

FISCAL IMPACT

Currently Budgeted (Account 10-20-4511-4500) Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

Bid tabulation sheet, project description and map.

City Attorney Review: _____ Date By: _____ (if applicable)
 Finance Dept Review: _____ Date By: July 26, 2010 (if applicable)
 City Manager Review: *JSL* Concur Recommendation Denial No Recommendation 7/29/10 Date

CITY OF WASHINGTON, N.C. 2010-2011 STREET IMPROVEMENTS AND RESURFACING BID TABULATION SHEET		S. T. Wooten Corporation		Greenville Paving & Contracting		Barnhill Contracting Company	
		5% BID BOND		5% BID BOND		5% BID BOND	
EST. QTY.	DESCRIPTION	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
2632	RESURFACING 1" BCSC TYPE I-2 (TONS)	\$ 101.00	\$ 265,832.00	\$ 90.00	\$ 236,880.00	\$ 93.00	\$ 244,776.00
30 EA.	ADJUST MANHOLES	\$ 32.00	\$ 2,560.00	\$ 165.00	\$ 13,200.00	\$ 210.00	\$ 16,800.00
112 EA.	ADJUST WATER VALVES	\$ 11.35	\$ 1,271.20	\$ 137.50	\$ 15,400.00	\$ 195.00	\$ 21,840.00
11500	MILLING BITUMINOUS PAVEMENT1" (YDS)	\$ 2.45	\$ 28,175.00	\$ 2.00	\$ 23,000.00	\$ 2.40	\$ 27,600.00
TOTAL BID FOR STREET RESURFACING		\$	297,838.20	\$	288,480.00	\$	311,016.00

Street resurfacing work will be performed at the following locations:

1. East 7th Street from Havens St. to Hudnell St.
2. Charlotte Street from John Small Ave to Park Dr.
3. Fleming Street from W. 2nd St to W. 5th St.
4. Washington Street from W. Main St to W. 5th St.
5. Market Street from 2nd St to 3rd St.
6. Brown Street from Moss Landing to E. 2nd St.
7. East Fourth Street from Harvey St. to Bonner St.
8. Aycock Street from E. 9th St. to Willow St.
9. East Fourth Street from Charlotte St. to Simmons St.
10. Bridge Street from W. 9th St to W. 11th St

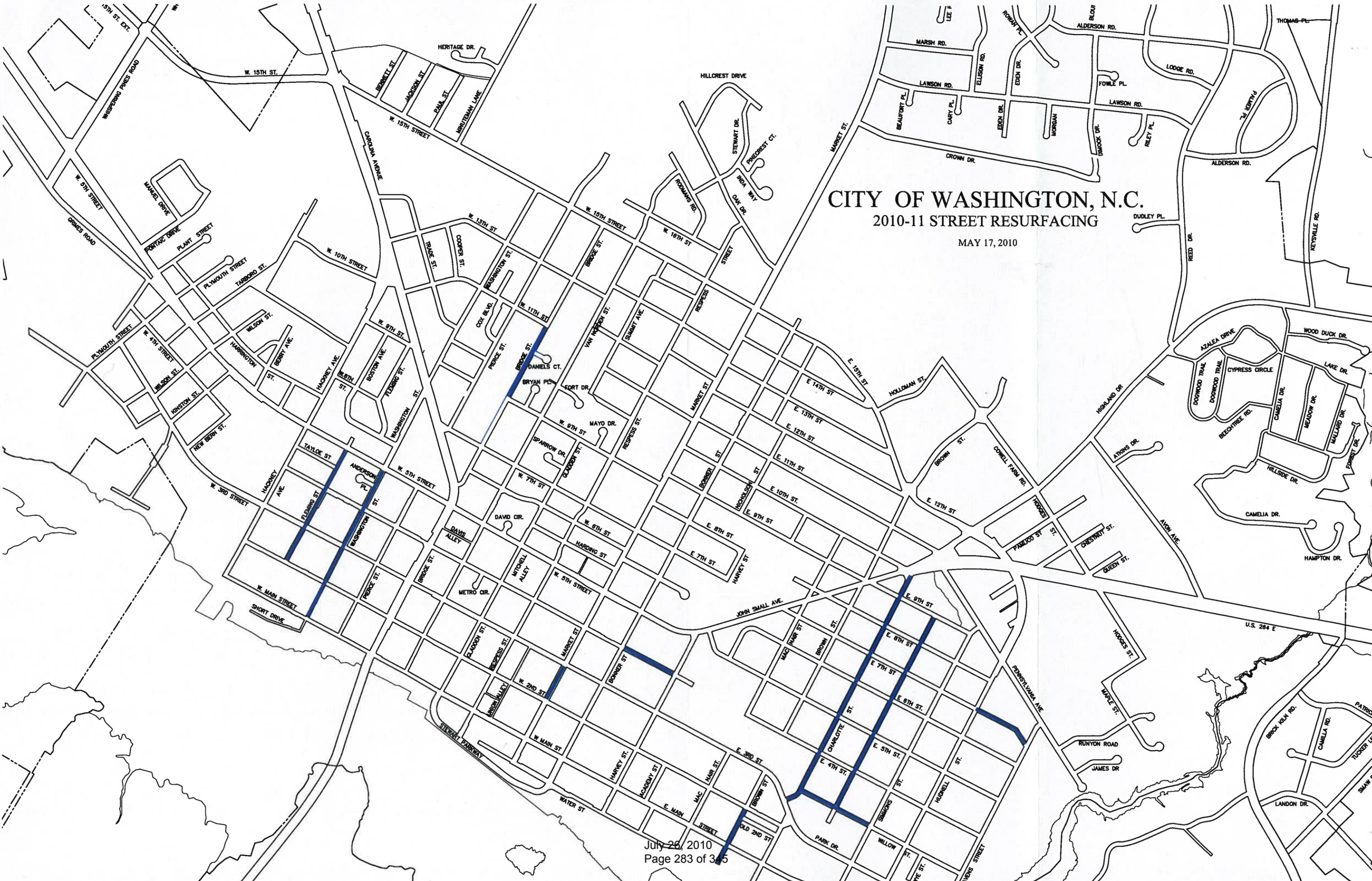
Additionally, milling work to be performed on the following streets prior to resurfacing:

1. Charlotte Street from John Small Ave to Park Dr.
2. Market Street from 2nd St to 3rd St.

CITY OF WASHINGTON, N.C.

2010-11 STREET RESURFACING

MAY 17, 2010





City of Washington

REQUEST FOR CITY COUNCIL ACTION

To: Mayor Jennings & Members of the City Council
From: Allen Lewis, Public Works Director *Allen Lewis*
Date: 07-20-10
Subject: Adopt budget ordinance amendment to appropriate funds for the replacement of the HVAC system at the Washington Regional Water Treatment Plant.

Applicant Presentation: N/A
Staff Presentation: Allen Lewis

RECOMMENDATION:

I move that Council adopt the attached budget ordinance amendment to provide funds for the replacement of the HVAC system at the Regional Water Treatment Plant.

BACKGROUND AND FINDINGS:

We started having issues with the HVAC system around mid-to-late June, after the budget was passed, without much warning. For the first week or so after the system started malfunctioning, we had contractors try to make repairs to keep the existing system running. Unfortunately they were unsuccessful. We started getting quotes in late June/early July to replace the system. Initial prices were in the range of \$30,000 to \$94,000. We discussed these quotes with the vendors and made adjustments in the type of replacement system to be installed. As a result, the price to replace the existing system was negotiated down to approximately \$19,000.

PREVIOUS LEGISLATIVE ACTION

FISCAL IMPACT

Currently Budgeted (Account) Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

Attached budget ordinance amendment.

City Attorney Review: _____ Date By: _____ (if applicable)
 Finance Dept Review: _____ Date By: _____ (if applicable)
 City Manager Review: *JL* Concur _____ Recommend Denial _____ No Recommendation *7/22/10* Date

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2010-2011**

BE IT ORDAINED by the City Council of the City of Washington, North Carolina:

Section 1. That the Estimated Revenues in the Water Fund be increased in the amount of \$19,000 in the account Fund Balance Appropriated, account number 30-90-3991-9910.

Section 2. That account number 30-90-8100-1500, Maint/Repair Buildings, Water Treatment portion of the Water Fund appropriations budget be increased in the amount of \$19,000 to provide funds for replacement of the HVAC system at the Water Treatment Plant.

Section 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 4. This ordinance shall become effective upon its adoption.

Adopted this the 26th day of July, 2010.

MAYOR

ATTEST:

CITY CLERK



City of Washington

P. O. Box 1988, Washington, NC 27889-1988

MEMORANDUM

DATE: July 21, 2010

TO: Mayor and City Council

FROM: Allen Lewis 
Public Works Director

SUBJECT: License Assignment Agreement with Md7 Capital Three, LLC.

This is in reference to the attached agreement noted above.

In 1999 the City entered into a License Assignment Agreement with Triton PCS Property Company, LLC to, in effect, rent space on our 3rd Street water tower for the purposes of attaching a cellular antenna. The current agreement calls for rent increases every five (5) years and the proposed agreement does not allow an increase for the next ten (10) years, the current agreement allows for a termination of the contract with a thirty (30) day written notice. The proposed agreement guarantees rental income for ten (10) years. This is being submitted for your review only at this time as we just received the latest version of this agreement today. With further review, we hope to bring this to you for approval at the August 9, 2010 Council meeting.

/al

cc: James C. Smith

License ID: 5GW0913D
Site Address: Water Tower on East 3rd Street, Washington, NC 27889

**LICENSE ASSIGNMENT AGREEMENT
(Terms and Conditions)**

THIS LICENSE ASSIGNMENT AGREEMENT (“Agreement”) is entered into on July 15, 2010, by and between the **City of Washington**, a North Carolina municipal corporation, previously referred to as The City of Washington, North Carolina (“**Owner**”), and **Md7 Capital Three, LLC**, a Delaware limited liability company (“**Md7 Capital Three**”).

RECITALS

WHEREAS, Owner and **SunCom Wireless Property Company, LLC**, a Delaware limited liability company, as successor in interest to Triton PCS Property Company L.L.C. (“**Licensee**”), entered into a Water Tower Option and License Agreement dated October 14, 1999, as amended, a copy of which is attached hereto as **Exhibit A** (collectively, the “**License**”), whereby Owner licensed to Licensee certain premises described therein, together with any and all other space currently utilized by Licensee (“**Premises**”), that are a portion of that certain real property located at the **Water Tower on East 3rd Street, Washington, NC 27889** (“**Property**”);

WHEREAS, Owner is the owner of a valid and indefeasible fee simple interest (“**Owner’s Interest**”) in the Property; and

WHEREAS, Owner and Md7 Capital Three desire to enter into an agreement whereby Md7 Capital Three shall pay to Owner the Rent Schedule Payments (defined below) in exchange for Owner’s assignment to Md7 Capital Three of the following for the Assignment Term (defined below), subject to Licensee’s rights under the License: (a) all of Owner’s rights, title and interests in, to and under the License, including the right to collect all rental income payable by Licensee under the License and accruing during the Assignment Term, including base rent, additional rent (with the exception of any collocation rent), late charges, interest, fees and other monies (collectively, “**Rent**”), provided that (i) any Licensee payments for utilities, insurance, real property taxes and maintenance charges (collectively, “**Owner Reserved Payments**”) and (ii) any Additional Premises Rent (defined below) shall be paid directly by Licensee to Owner, (b) Owner’s right to use and possess the Premises under the License and (c) all of Owner’s other rights and interests under the License (collectively, the “**Assigned Rights**”).

TERMS AND CONDITIONS

NOW THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein by this reference, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owner and Md7 Capital Three agree as follows:

1. **Rent Schedule Payments**. As full consideration for the Assignment (defined below) and Owner’s continued performance of its obligations under the License, on or following the Commencement Date (defined below), Md7 Capital Three shall commence payment of the rent schedule payments to Owner in the amounts and frequency as designated on **Exhibit B** attached hereto (“**Rent Schedule Payments**”). Except for (a) the Rent Schedule Payments from Md7 Capital Three; (b) any Owner Reserved Payments and (c) any Additional Premises Rent owing from Licensee to Owner in the future pursuant to **Schedule I** attached hereto (if any), Owner agrees that during the Assignment Term, no other consideration is or shall be due or payable to Owner from Md7 Capital Three or from Licensee. Owner, its successors, assigns and/or designee, if any, will submit to Md7 Capital Three any documents required

by Md7 Capital Three in connection with the payment of Rent Schedule Payments, including, without limitation, an IRS Form W-9. Md7 Capital Three will not be obligated to redirect Rent Schedule Payments to any parties until and unless it has received such reasonable documents and assurances, as Md7 Capital Three may request. In the event that Owner designates more than one (1) payee under this Agreement, a set-up fee of Twenty-Five Dollars (\$25.00), plus a fee of Five Dollars (\$5.00) per additional check or Two Dollars and Fifty Cents (\$2.50) per additional direct deposit shall be deducted from future Rent Schedule Payments hereunder.

2. **Termination Rights; Rent Lock-In Period.**

(a) **Md7 Capital Three Termination Rights; Rent Lock-In Period.** During the Assignment Term, Md7 Capital Three shall have the right to terminate this Agreement and all Rent Schedule Payments if Licensee exercises any of its termination rights under the License or if Owner has an uncured default under the License or this Agreement. Notwithstanding the foregoing, Md7 Capital Three agrees that it shall not have the right to exercise any termination rights under this Agreement during the period commencing on the Commencement Date and ending on October 9, 2020 (“**Rent Lock-In Period**”), unless Licensee’s rights to occupy or use the Premises for Licensee’s intended telecommunications purposes are impaired at any time due to (i) any bankruptcy or insolvency proceeding involving Owner or any affiliate of Owner; (ii) any uncured default, gross negligence or willful misconduct of Owner; (iii) any casualty damage not caused by Licensee, its agents, employees, contractors or invitees; (iv) any taking or condemnation under the power of eminent domain; or (v) any tax sale, foreclosure or other proceeding not caused by Licensee. In the event of any such termination, except for obligations that survive termination under this Agreement, Md7 Capital Three shall have no further duty or obligation under this Agreement, including, without limitation, any obligation to pay any Rent Schedule Payments that would otherwise have been due for the remainder of the Rent Lock-In Period following the date of termination.

(b) **Termination by Owner.** During the Assignment Term, Owner shall have the right to terminate this Agreement if Md7 Capital Three fails to make any of the required Rent Schedule Payments to Owner under this Agreement when due and Md7 Capital Three does not cure such breach within thirty (30) days following receipt of a written notice from Owner or Licensee. Md7 Capital Three shall be solely responsible for any and all Rent Schedule Payments due and owing to Owner prior to the effective date of any such termination.

(c) **Effect of Termination of this Agreement on Licensee.** If the Assignment or this Agreement is terminated, then (a) Md7 Capital Three shall have no further right, title or interest in, to or under the License and (b) the License shall continue from and after any such termination as a direct license between Owner and Licensee at the rental rate contemplated under the Owner Letter (as hereinafter defined) and on the other terms and conditions contemplated under the Owner Letter.

3. **Assignment; Amendment.** Owner hereby irrevocably, unconditionally and absolutely conveys, transfers and assigns to Md7 Capital Three the Assigned Rights for the Assignment Term (the “**Assignment**”). During the Assignment Term, and unless otherwise expressly provided herein, Md7 Capital Three shall have the sole and exclusive right to exercise (or the right to require Owner to exercise) the Assigned Rights, including, without limitation, the right to accept or make notices on behalf of the landlord/licensor under the License, and to amend the License as follows: (a) as of the Commencement Date, the License shall be supplemented to include the terms and provisions set forth on **Schedule I** attached hereto, which amendment shall survive the expiration or early termination of the Assignment Term and (b) as otherwise determined by Md7 Capital Three, in its sole discretion, so long as any such additional amendment does not increase Owner’s obligations under the License or survive the expiration or early termination of the Assignment Term.

4. **Term of Assignment.** The term of the Assignment (“**Assignment Term**”) shall commence on October 10, 2010 (“**Commencement Date**”), and shall expire on October 9, 2035 (“**Expiration Date**”). Prior to the Commencement Date, Md7 Capital Three may deliver written notice (“**Cancellation Notice**”) to Owner of Md7 Capital Three’s election not to undertake the Assignment, in which event this Agreement shall automatically terminate and be of no further force and effect upon Owner’s receipt of the Cancellation Notice, and the License shall continue by its terms between Owner and Licensee.

5. **License Term.** The last day of the current term of the License shall be deemed amended and extended through, or moved-up to, as applicable, the Expiration Date, and neither Licensee, Md7 Capital Three nor any other party shall be required to exercise any renewal option or take any other action in order for the current term of the License to continue through, and end on, the Expiration Date. If the term of the License is renewed or otherwise extends beyond the Expiration Date (pursuant to Licensee’s renewal rights under **Schedule I**), then upon the Reversion Date (as defined in the Owner Letter): (a) Md7 Capital Three shall have no further right, title or interest in, to or under the License and (b) the License shall continue from and after the Reversion Date as a direct license between Owner and Licensee at the rental rate contemplated under the Owner Letter (as hereinafter defined) for such applicable post-Reversion Date period(s), as set forth on Schedule II of the Owner Letter and on the other terms and conditions of the Owner Letter. Owner and Md7 Capital Three shall reasonably cooperate with each other and Licensee in connection with any reversion of the License back to Owner. If the License terminates prior to the Reversion Date for any reason, then, subject to the rights of Md7 Capital Three under **Section 13** below, the License shall be of no further force and effect upon said termination, except with respect to those provisions of the License that expressly survive the expiration or earlier termination of the License.

6. **Rent Apportionment; Forwarding Rent Payments.** Current Rent payable by Licensee under the License shall be apportioned as follows: Rent “payable” prior to the Commencement Date shall be paid to Owner, and Rent payable as of and after the Commencement Date shall be paid to, or as otherwise directed by, Md7 Capital Three. For purposes of this Agreement, Rent becomes “payable” on the day that the Rent first becomes due under the License. Owner shall cooperate with Md7 Capital Three and do all things commercially reasonable to ensure that, after the Commencement Date, Licensee pays all Rent directly to Md7 Capital Three (or as otherwise directed by Md7 Capital Three) and shall forward all misdirected Rent to Md7 Capital Three (or as otherwise directed by Md7 Capital Three). Owner agrees to enter into an agreement with Md7 Capital Three and Licensee to provide rent payment instructions to Licensee, to modify the License to include the **Schedule I** language and which shall otherwise be in substantially the same form as **Attachment 1** attached hereto (“**Owner Letter**”). Within three (3) business days following receipt of any misdirected Rent payment, Owner shall forward such payment to, or as otherwise directed by, Md7 Capital Three by (a) reputable overnight delivery service, if such payment was received by Owner by check or other negotiable instrument, and Owner shall endorse such check or negotiable instrument in favor of Md7 Capital Three or as otherwise directed by Md7 Capital Three or (b) wire transfer, if such payment was received by Owner by wire transfer, in accordance with the wire transfer instructions (“**Wire Instructions**”) attached hereto as **Schedule II** (or as otherwise directed by Md7 Capital Three). If Owner fails to forward any such payment to Md7 Capital Three, then, in addition to its other rights and remedies hereunder or at law or equity, Md7 Capital Three shall be entitled to a processing fee equal to the greater of (a) \$500 or (b) 15% of such payment, which shall be payable by Owner within five (5) business days following receipt of written notice by Md7 Capital Three in the same manner as misdirected Rent is payable to Md7 Capital Three under this section.

7. **Obligations.** The parties acknowledge that, by this Assignment, Md7 Capital Three has not assumed, and does not intend to assume, any of the obligations, duties or liabilities of Owner under the License, and no act or forbearance by Md7 Capital Three under this Agreement shall be deemed an

assumption by Md7 Capital Three of any obligations of Owner. During the Assignment Term, Md7 Capital Three shall not have any liability or obligation with respect to the care, management or repair of the Property or Premises or any part thereof or for any injury or damage sustained by any person in, on, under or about the Property or Premises. Owner shall remain responsible for covenanting Licensee's quiet enjoyment and possession of the Premises, and for the performance of all conditions, covenants, obligations and duties required of Owner under the License and under applicable laws and regulations at all times during the Assignment Term. In addition, Owner, as requested by Md7 Capital Three, shall, at Owner's sole cost and expense, use commercially reasonable efforts (not entailing litigation) to cause Licensee to fulfill or perform all of its non-monetary covenants under the License. If Owner fails, after notice and an opportunity to cure, to perform any covenant, obligation or duty under the License or this Agreement, Md7 Capital Three shall have the right, without releasing Owner from any obligation, to perform such covenant, obligation or duty. In such event, Owner shall reimburse Md7 Capital Three for all of its costs and expenses, including attorneys' fees, within thirty (30) days following receipt of an invoice from Md7 Capital Three.

8. **No Modifications.** During the Assignment Term, Owner shall not have the right, without the prior written consent of Md7 Capital Three (which may be withheld in Md7 Capital Three's sole discretion), to modify, extend, renew or terminate (including eviction) the License or to waive any default under the License.

9. **Owner's Representations and Warranties.** Owner represents and warrants to Md7 Capital Three, and agrees for the express benefit of Md7 Capital Three that: (a) Owner is the owner of, and has hereby transferred, conveyed and assigned all of its rights, title and interests in, to and under the License to Md7 Capital Three for the Assignment Term; (b) except for those persons or entities, if any, identified in **Schedule III** attached hereto, no other person or entity has any liens or rights in the License, the Rents or the Premises and Owner has obtained all waivers, releases, consents, approvals and other actions required of each such person or entity relative to the transactions contemplated hereunder; (c) if Owner is an entity, Owner has been duly organized, and is validly existing in good standing in the jurisdiction in which the Premises are located; (d) Licensee has made all rental payments due under the License through and including the date of this Agreement and neither Owner nor Licensee is in breach of the License; (e) Owner is current in its payment of all taxes and liens for which the Premises are or may become security, and neither a state nor Federal bankruptcy or insolvency proceeding nor an assignment for the benefit of Owner's creditors is now, or has ever been, contemplated; (f) Owner has the current and absolute right, power, authority and necessary consent to enter into this Agreement and the person(s) signing on behalf of Owner has been duly authorized to enter into this Agreement; (g) the License (including all amendments and addendums), attached as **Exhibit A**, constitutes the entire agreement between Owner and Licensee relating to the leasing of the Premises; (h) Owner shall warrant and defend Licensee and Md7 Capital Three in the peaceful and quiet exclusive enjoyment of the Premises against the claims of all persons claiming by, through or under Owner; and (i) to the best of Owner's actual knowledge, there have been no leaks, spills, releases, discharges, emissions, installation or disposal of hazardous or toxic wastes, materials or substances ("**Hazardous Substances**"), as defined by applicable local, state or federal laws and regulations ("**Laws**"), occurring on or affecting the Property or any part thereof.

10. **Indemnity.** Owner shall indemnify, defend and hold Md7 Capital Three, its managers, directors, officers, employees, agents, successors, and assigns, including without limitation, any Secured Party as defined below (collectively, the "**Md7 Capital Three Parties**"), harmless from and against any and all claims, actions, damages, losses, judgments, liabilities, penalties, fines, costs, and expenses (including attorneys' fees) of any nature whatsoever, now existing or hereafter arising, relating to: (a) the breach of any representation, warranty, agreement, covenant or obligation of Owner under this Agreement

or the License, (b) the violation of any Laws by Owner, its agents, employees or contractors or (c) the negligence or willful misconduct of Owner, its agents, employees or contractors.

11. **Casualty; Condemnation.** Owner shall notify Md7 Capital Three immediately of a casualty or condemnation event or threat thereof relating to the Property, the Premises or any portion thereof. Owner hereby irrevocably assigns, transfers and conveys to Md7 Capital Three all compensation, proceeds or other recovery from an insurer of the Premises (“**Insurance Recovery**”) or payable as a result of any condemnation (“**Condemnation Award**”) attributable to the value of the License and the Rents payable during the Assignment Term. Owner shall not settle, compromise, or assign any insurance claim or condemnation award relating to the Premises except upon Md7 Capital Three’s prior written consent, not to be unreasonably withheld. Notwithstanding the foregoing, Md7 Capital Three shall be entitled to submit its own claims for an Insurance Recovery or Condemnation Award and pursue the same directly from the insurer or condemning authority, and such claims shall have priority, to the fullest extent, over any right or claim that Owner or any third party may have in such recovery. In the event of a casualty or condemnation event whereby Licensee has rights to prorate its rent payments under the License, the parties agree that Md7 Capital Three shall have the same right to prorate any future Rent Schedule Payments due under this Agreement commencing on the date of casualty or condemnation.

12. **Impositions.** Owner shall pay, prior to delinquency, all taxes, charges and other obligations, including obligations secured by mortgages or deeds of trust (collectively, “**Impositions**”), owed in connection with the Premises and that are, or could become, liens against the Premises, and Md7 Capital Three shall have no obligation or liability therefor. If Owner does not timely pay any Imposition, or any installment thereof, Md7 Capital Three shall have the right to pay or discharge, or cause to be paid or discharged, such Imposition (together with any penalties and interest) and Owner shall reimburse Md7 Capital Three or its designee, immediately for all such sums, together with any reasonable costs or expenses incurred in connection therewith. In addition, in the event of Owner’s default under this Agreement, Md7 Capital Three may file, record, serve or deliver a request for notice of default, deficiency or sale upon any person to whom an Imposition is payable.

13. **Successor License.** Upon the early termination of the License during the Assignment Term for any reason, Owner agrees that Md7 Capital Three may elect to terminate this Agreement or to become the licensee of the Premises upon terms and conditions identical to those in the License (as amended by **Schedule I**) (the “**Md7 Capital Three License**”); provided that: (a) the Md7 Capital Three License shall commence as of the License termination and expire on the Expiration Date (“**Md7 Capital Three License Term**”), subject to the renewal rights in **Schedule I**; (b) Md7 Capital Three shall not be required to pay Rent under the License during the remainder of the Assignment Term, but shall be required to make the Rent Schedule Payments (if any remain under **Exhibit B**) and pay to Owner all Owner Reserved Payments and Additional Premises Rent, if any; and (c) Md7 Capital Three shall have the right to assign all or any of its rights under the Md7 Capital Three License and/or sublet all or any part of the Premises without Owner’s consent. The rights granted to Md7 Capital Three in this section are presently vested, irrevocable property interests.

14. **Assignment; Secured Parties.** Md7 Capital Three shall have the right to sublease the Premises and/or assign, sell, pledge or otherwise transfer any and all of its rights, title or interests in, to or under this Agreement, the License, the Premises or the Md7 Capital Three License, including to any pledgees, mortgagees, holders of security interests, trustees, lenders or other parties providing financing to Md7 Capital Three (individually, “**Secured Party**”), without the prior consent of Owner. Owner and Md7 Capital Three agree that any Secured Party shall be a third party beneficiary of all of the rights of Md7 Capital Three under this Agreement and shall be entitled to record a deed of trust or mortgage to secure its interest under this Agreement. Owner shall notify Md7 Capital Three and any Secured Party in

writing of any default by Md7 Capital Three and give the Secured Party the same notice and time to cure any default as provided in this Agreement. If a termination, disaffirmation or rejection of this Agreement by Md7 Capital Three shall occur pursuant to any Laws (including any bankruptcy or insolvency Laws), or if this Agreement is terminated for any other reason, Owner will notify each Secured Party promptly and Owner shall enter into a new agreement with such Secured Party upon the same terms as this Agreement, as applicable, without any additional consideration. Any Secured Party shall have the right to intervene and become a party, but only with respect to Md7 Capital Three's involvement, in any legal or other proceeding relating to this Agreement to the extent of its security interest herein.

15. **Notices.** All notices under this Agreement shall be in writing and shall be deemed effective, even if refused or returned undelivered, if the same is given by first class, certified or registered mail, return receipt requested, or sent by a nationally recognized overnight courier, postage prepaid and addressed to the party to whom notice is to be given, at the address indicated herein ("**Notice**"). Either party may change its address for Notice, or provide additional addresses for Notice, including notices to Secured Parties, by ten (10) days prior written Notice to the other as provided herein:

<p>Owner's Address: City of Washington P.O. Box 1988 Washington, NC 27889</p> <p>Send Rent Schedule Payments to: City of Washington P.O. Box 1988 Washington, NC 27889</p>	<p>Md7 Capital Three's Address: Md7 Capital Three, LLC Attn: Legal Department 3721 Valley Centre Drive Suite 303 San Diego, CA 92130</p>
<p>Licensee's Address: SunCom Wireless Property Company, LLC 7668 Warren Parkway Frisco, TX 75034 Attn: Lease Administrator</p> <p>With a copy to: Legal Department</p> <p>And with a copy to:</p> <p>T-Mobile USA, Inc. 12920 SE 38th Street Bellevue, WA 98006 Attn: Lease Administrator</p> <p>With a copy to: Legal Department</p>	<p>Secured Party's Address: [if applicable]</p>

For ordinary course, day-to-day, operational issues relating to the use, occupancy, maintenance and repair of the Premises, Owner shall continue to communicate with Licensee directly in the manner set forth in the License and in accordance with applicable operating rules and regulations and local custom. Owner shall provide Md7 Capital Three with copies of all correspondence to and from Licensee and shall copy Secured Party on all notices of default under the License and this Agreement. Licensee shall be copied, pursuant to the notice instructions above, on any delinquent rent notices, termination notices, and

Cancellation Notices at the same time such notice is delivered to the Owner or Md7 Capital Three, as applicable, hereunder.

16. **Miscellaneous Provisions.** The parties agree as follows:

(a) Owner shall have the right to assign or otherwise transfer this Agreement upon written notice to Md7 Capital Three in the event of a sale of the entire Property to a third party. In all other circumstances, including without limitation, any assignment or transfer of the License which is separate and distinct from a transfer of Owner's entire right, title and interest in the Property, Owner shall not be entitled to assign or otherwise transfer this Agreement or the License without the prior written consent of Md7 Capital Three, which consent may be withheld in the sole discretion of Md7 Capital Three. Subject to the foregoing, this Agreement shall run with the land, and shall be binding upon and inure to the benefit of the parties, their respective successors, personal representatives and assigns;

(b) Interpretation of this Agreement shall be governed by the internal laws of the State in which the Premises are located without regard for principles of conflicts of law;

(c) To the extent permitted by law, each party waives any right to a jury trial in any action or proceeding to enforce or interpret this Agreement;

(d) If either party is in default under this Agreement for a period of thirty (30) days following receipt of written notice from the non-defaulting party, the non-defaulting party may pursue all remedies available to it against the defaulting party at law, in equity and as provided in this Agreement;

(e) The prevailing party in any action or proceeding in court or to enforce or interpret the terms of this Agreement is entitled to receive its reasonable attorneys' fees and other reasonable enforcement costs and expenses from the non-prevailing party;

(f) Md7 Capital Three may enforce this Agreement by specific performance, injunction, appointment of a receiver and any other equitable rights and remedies available under the Law, it being acknowledged by Owner that money damages may not be an adequate remedy for the harm caused to Md7 Capital Three by a breach or default by Owner under this Agreement;

(g) This Agreement may be executed in multiple counterparts and signatures sent by facsimile or email may be treated as original signatures;

(h) If any provision of this Agreement is found to be invalid, illegal or unenforceable in any respect, such provision shall only be ineffective to the extent of such invalidity, illegality or unenforceability and the remaining provisions shall remain in full force and effect;

(i) The parties agree to cooperate with each other to sign, within ten (10) business days following the written request of the other party, a Memorandum of License (to the extent that such document is not already recorded) and a Short Form of this License Assignment Agreement (in the forms of **Attachment 2** and **Attachment 3** attached hereto);

(j) Owner shall promptly furnish to Md7 Capital Three all information and documents in Owner's possession, custody or control, relating to this Agreement, the License, the Premises, the Property and Licensee as Md7 Capital Three reasonably requests, and Owner shall provide Md7 Capital Three access to the Premises, as necessary;

(k) Upon the express release, waiver, expiration or termination of this Agreement for any reason whatsoever, all covenants and agreements to be performed and/or observed by either party

under this Agreement which by their nature survive any release, waiver, expiration or termination of this Agreement, including Sections 5, 6, 7 and 10 shall survive such release, waiver, expiration or termination;

(l) Owner shall be required to keep the terms and conditions of this Agreement confidential (except to the extent disclosed in the Short Form of this License Assignment Agreement); provided, however, Owner may disclose the terms and conditions of this Agreement to its employees, advisors, lenders and potential purchasers of the Property, who are bound by similar confidentiality requirements; and

(m) Owner and Md7 Capital Three expressly acknowledge and agree that nothing contained in this Agreement creates any duty, obligation or liability, nor any waiver, modification or release, on the part of Licensee.

17. **Entire Agreement.** This Agreement, including all exhibits, schedules and attachments attached hereto and hereby incorporated by reference herein, constitutes the entire agreement between the parties as to the subject matter hereof and supersedes all prior written and verbal agreements, representations, promises or understandings between the parties as to said subject matter. Any amendments to this Agreement must be in writing and executed by Owner and Md7 Capital Three.

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first written above.

OWNER:

City of Washington,
a North Carolina municipal corporation

By: _____

Print Name: _____

Title: _____

Md7 Capital Three:

Md7 Capital Three, LLC,
a Delaware limited liability company

By: _____

Print Name: _____

Title: _____

Schedule I

Additional License Terms and Conditions

The following provisions shall amend the License and shall survive the expiration or early termination of the Assignment Term:

1. **Expansion of Permitted Use.** Owner hereby agrees that Licensee shall have the right, without the requirement of obtaining Owner's consent, to modify, supplement, replace, upgrade, expand or refurbish the equipment related to Licensee's communications facility ("**Communications Facility**"), increase the number of antennas thereon, modify its operating frequencies or relocate the Communications Facility within the Premises at any time during the term of the License or any renewal term. Owner shall cooperate with Licensee in all respects in connection with the foregoing. If Owner does not comply with the terms of this section, Licensee may exercise all of its rights and remedies under law or equity, including, without limitation, terminating the License and, upon such termination, shall have no further liability to Owner.

2. **Expansion of Premises.** Owner grants Licensee the right, on a space available basis, to enlarge the Premises (the "**Additional Premises**"), so that Licensee may implement any necessary modifications, supplements, replacements, refurbishments or expansions to the Communications Facility or to any equipment related thereto, as determined by Licensee in its sole discretion. In the event Licensee requires Additional Premises for such purposes, the monthly Rent payable for such Additional Premises shall be the lesser of the then current monthly per square foot rent or One Dollar and Fifty Cents (\$1.50) per square foot (the "**Additional Premises Rent**"). The Additional Premises Rent shall be compensation for space utilized by the expansion of Licensee's room/cabinet/ground area and for expansion of the antenna area(s) beyond the Premises, but Licensee's addition of coaxial cables, raceways, conduits and other ancillary equipment and such related space usage, shall not require or result in Additional Premises Rent or any other compensation to Owner. The Additional Premises Rent shall be payable to Owner at the times and in the manner set forth in the License for payment of Rent and shall be subject to adjustment (if applicable) from time to time in the same manner and percentage set forth in the License for adjustments to Rent, if any. Owner agrees to take such actions and enter into and deliver to Licensee such documents as Licensee reasonably requests in order to affect and memorialize the license of the Additional Premises to Licensee. Owner and Licensee agree that each and every reference in the License to the "Premises" shall also include the "Additional Premises" (if any). Unless Owner otherwise agrees, the Additional Premises square footage will not exceed an area equal to the current square footage of the Premises, and the configuration of the Additional Premises shall be subject to Owner's reasonable approval.

Owner Initials _____

3. **Term.** After the expiration of the Assignment Term, the term of the License (but not the Assignment Term) will be automatically renewed for three (3) additional terms, as set forth in the renewal term table below (each a “**Renewal Term**”), without further action by Licensee on the same terms and conditions of the License, unless Licensee provides written notice to Owner of its intention not to do so at least ninety (90) days prior to the end of the Assignment Term or Renewal Term, as applicable. The Rent payable during each Renewal Term (if applicable) shall be as follows:

Renewal Terms

Term	Start Date	End Date
1	10/10/2035	10/9/2040
2	10/10/2040	10/9/2045
3	10/10/2045	10/9/2050

Renewal Rent Schedule (Payable by T-Mobile)

Period Begin	Period End	Payment Interval	# of Pmts	Pro Days	Pro Amount	Rent Payable
10/10/2035	10/31/2035					NO RENT DUE PAYEE
11/1/2035	10/31/2040	Monthly	60			\$1,768.25
11/1/2040	10/31/2045	Monthly	60			\$1,856.66
11/1/2045	9/30/2050	Monthly	59			\$1,949.49
10/1/2050	10/9/2050	Proration	0	9	\$565.98	
10/1/2050	10/9/2050	Monthly	1			\$565.98

4. **Reasonableness.** If any consent, authorization or approval of either party is required or requested by the other party under or in connection with the License, such approval, consent or authorization shall not be unreasonably withheld, conditioned or delayed.

5. **Assignment.** Owner shall have the right to assign or otherwise transfer the License and the easements granted therein upon written notice to Licensee, except for the following: any assignment or transfer of the License which is separate and distinct from a transfer of Owner’s entire right, title and interest in the Property shall require the prior written consent of Licensee which may be withheld in Licensee’s sole discretion. Upon Licensee’s receipt of (i) an executed deed or assignment and (ii) an IRS Form W-9 from assignee, and subject to Licensee’s consent, if required, Owner shall be relieved of all liabilities and obligations under the License and Licensee shall look solely to the assignee for performance under the License and all obligations thereunder.

Note: It is the parties' intent that the provisions of this Schedule I and the provisions of Schedule I of the Owner Letter be identical, but in the event of any conflict or inconsistency between the provisions of this Schedule I and the provisions of Schedule I of the Owner Letter, the provisions affording Licensee more expansive rights shall govern and control.

Owner Initials _____

Schedule II

Md7 Capital Three Wire Instructions

Md7 Capital Three, LLC
Account Number: 5815492763

Wells Fargo Bank, N.A.
Southern California Business Banking
500 La Terraza Blvd, Suite 200
Escondido, CA 92025

Domestic ABA Routing #: 121000248
International SWIFT/TT Code: WFBIUS6S

Schedule III

List of Superior, Parity or Junior Rights in License (if any)

[none]

EXHIBIT A

License and All License Amendments

[attached]

WATER TOWER OPTION AND LICENSE AGREEMENT

THIS AGREEMENT, entered into this 14th day of October, 1999, between The CITY OF WASHINGTON, NORTH CAROLINA ("Licensor") and TRITON PCS PROPERTY COMPANY L.L.C. ("Licensee").

Licensor owns a certain parcel of property located on East Third Street, City of Washington County of Beaufort, State of North Carolina, more specifically described on the attached Exhibit "A" (the "Property"), [and a 150 square foot area of land containing an unmanned equipment cabinet within the Property] more specifically described on the attached Exhibit "B" (the "Premises"). Licensor owns an elevated water storage tower (the "Water Tower") erected on the Premises. Licensee desires to obtain an option to use certain designated space of the Premises and the Water Tower as follows:

A. OPTION

1. **Commitment Deposit.** In consideration of the sum of Two Hundred Dollars (\$200.00) (the "Commitment Deposit"), to be paid by Licensee to Licensor upon Licensee's execution of this Agreement, Licensor grants to Licensee the option (the "Option") to license designated space of the Premises and the Water Tower in accordance with the terms and conditions set forth below. During the Option Period and during the Term of the License (if the Option is exercised), the Licensor shall not License the designated space of the Premises and Water Tower to any person or entity other than Licensee.

2. **Option Period.** The Option shall be for an initial term of six (6) months from the date of this Agreement (the "Option Period"). At Licensee's election, and upon Licensee's written notice to Licensor prior to expiration of the Option Period, the Option Period may be further extended for an additional period of six (6) months with an additional payment of Two Hundred Dollars (\$200.00) by Licensee to Licensor for the extension of the Option Period (the "Additional Commitment Deposit"). The Option Period may be thereafter further extended by mutual agreement in writing. If Licensee fails to exercise the Option within the Option Period (as it may thereafter be extended), the Option shall terminate, all rights and privileges granted under this Agreement shall be deemed completely surrendered, Licensor shall retain all money paid for the Option, and no additional money shall be payable by either party to the other.

3. **Exercise of Option.** Licensee may exercise the Option by written notice to Licensor, substantially in the form of Exhibit C hereto. The notice shall be deemed effective on the date it is posted (the "Commencement Date"). On and after the date of such notice, this Agreement shall also constitute a License agreement between Licensor and Licensee on the following terms and conditions:

B. LICENSE AGREEMENT

1. **Premises.** Licensor does license unto Licensee, and Licensee does license from Licensor, for the term set forth below, space on the Water Tower and the Premises along with 1) any improvements that may be located thereon; 2) such rights of way and easement on, over, under, across, and through the adjoining lands of Licensor, extending from the Premises to the nearest convenient public road and of standard vehicular width as shall be necessary for ingress and egress to and from the Premises; 3) such other rights of way and easements on, over, under, across, and through the adjoining lands of Licensor as may be required by Licensee for the purpose of bringing electricity, gas, water, telephone, and any and all other utilities to the Premises; and 4) the right to park vehicles on or about the Premises, the lands immediately adjacent thereto during periods of construction, site inspection, and at times of necessary maintenance and repair work.

2. **Use.** Licensor does hereby grant Licensee the right, during the Term (as defined below): (i) to mount up to nine (9) antennas on the Water Tower as described on and at the heights shown on the attached Exhibit B and upgrade or replace one or more of the antennas described in Exhibit B with such other antennas as Licensee determines are necessary for the purposes of operating a wireless facility; (ii) to install transmission links and related communications equipment on the Water Tower and at the Premises as Licensee shall deem reasonably necessary for the purposes of operating a wireless facility, including, without limitation, grounding and the installation of telephone lines on the Premises ; and (iii) pour, at Licensee's expense, a concrete pad to house the equipment used by Licensee at a location to be within approximately fifty (50) feet of the Water Tower/ (iv) to have exclusive use and access to that One Hundred Fifty (150) square foot area of land containing an unmanned equipment shelter located on the Premises at the location more specifically identified on Exhibit B (the equipment and any improvements on the Water Tower, concrete pad and in the Premises collectively, "Antenna Facilities").

3. **Term.** The initial term of this License shall be for a period of five (5) years commencing upon the Commencement Date and terminating at Midnight on the last day of the month in which the fifth anniversary of the Commencement Date shall have occurred (the "Initial Term"). Thereafter, the term of this License shall be automatically extended for four (4) additional periods of five (5) years each (collectively, the "Renewal Terms"); provided, however, that Licensee may terminate this License at any time after the expiration of the initial term by providing Licensor with written notice not less than thirty (30) days prior to the expiration of the then current term. All of the terms and conditions of this License shall apply to each of the Renewal Terms, except that the Fee for each Renewal Term shall be adjusted as provided in Section 4(c). The Initial Term along with all Renewal Terms, if any, shall herein be referred to collectively as the "Term".

4. **Fee.** a. Licensee shall pay Licensor, as Fee the sum of One Thousand One Hundred Dollars (\$1,100.00) per month ("Fee"). Fee shall be payable on the first day of each month in advance to the City of Washington at Licensor's address specified in Paragraph 14 below. If the License commences on other than the first day of a month, Fee shall be prorated for that month according to the number of days from the Commencement Date to the end of that month. The Commitment Deposit and the Additional Commitment Deposit shall be credited to Fee due upon the date hereof and each month thereafter until the credit is fully drawn, whereupon Licensee shall commence payment of Fee as stated above.

b. If this License is terminated at a time other than on the last day of a month, Fee shall be prorated as of the date of termination, and, in the event of termination for any reason other than nonpayment of Fee, all prepaid Fees shall be refunded to Licensee.

c. The Fee for each additional renewal period shall be equal to the Fee paid for the immediate previous term increased by fifteen percent (15%) as follows:

Renewal Term Monthly Fee

1st	\$1,265.00
2nd	\$1,454.75
3rd	\$1,672.96
4th	\$1,923.91

5. **Interference.** In the event that the operations of Licensee under this Agreement interfere with the transmitting or receiving of radio, television, or electronic signals by Licensor or operations existing on the site prior to the date hereof, Licensee shall at its own expense and as soon as reasonably possible after written notice from Licensor correct the interference. This provision shall not apply to test periods where the source of the interference is being determined for purposes of suppression. In the event that any devices installed on the site after the date hereof by any authorized user shall interfere with Licensee's transmission or reception, Licensor shall cause the interference to be eliminated as soon as reasonably possible at no cost to Licensee. In the event such interference does not cease within a reasonable period, the parties acknowledge that continuing interference will cause irreparable injury to Licensee and Licensee shall have the right, in addition to any other rights that it may have at law or equity, to bring action to enjoin the interference or to terminate this License.

6. **Maintenance; Utilities; Access.**

a. All trade fixtures and trade equipment installed by Licensee, if any, for its business purposes, whether or not attached to the Premises, will remain the property of Licensee and will be removable, at any time and from time to time during the term of this License or at the expiration or prior termination thereof. Furthermore, Licensor shall have no right or claim to any insurance proceeds payable on account of damage to or destruction of any of the property of Licensee. Any easements granted to Licensee under this Agreement shall continue during a reasonable period after the expiration or earlier termination of this License as is necessary for Licensee to remove Licensee's property.

b. Licensee may cause to be installed, at its expense, a separate electric meter to measure its electricity consumption, and Licensee shall pay all electricity charges for electricity consumed by Licensee.

c. Licensee may pour, at Licensee's expense, a concrete pad to house the equipment used by Licensee.

d. Licensor agrees that Licensee or its agents shall have access to the Water Tower and the remainder of the Premises at all times for purposes of installing, operating, inspecting, maintaining, removing, repairing and replacing Licensee's equipment.

7. **Termination.** In addition to the other provisions of this License which provide for termination, this License may be terminated, without any penalty or further liability, as follows: (a) by Licensor in the event of a failure or refusal by Licensee to pay Fee or any other payment within ten (10) days after written notice that such payment became due under this Agreement; (b) by either party upon a default of any covenant or term by the other which is not cured within sixty (60) days of receipt of written notice of default (without, however, limiting any other rights available to the parties pursuant to any other provisions of this Agreement); (c) by Licensee upon thirty (30) days prior written notice if it is unable to obtain or maintain any license, permit or other approval necessary to the operation of the Antenna Facilities or the Licensee's business; (d) by Licensee upon ninety (90) days prior written notice if the Premises are or become unacceptable under Licensee's design or engineering specifications for its use of the Antenna Facilities; or (e) by Licensor upon one hundred eighty (180) days prior written notice for the sole reason of raising the Water Tower. In the event of termination under subsection (e), Licensee shall have the right, for a period of one (1) year following such termination, to install a temporary tower (i.e., cell on wheels) on the Property. In the event that the Licensor raises the Tower, Licensee will have the right of first refusal to negotiate a new license agreement to relocate upon the raised structure.

8. **Removal of Antenna Facilities Upon Termination.** Following any termination or expiration of this Agreement, Licensee shall remove all of the Antenna Facilities. In performing such removal, Licensee shall restore the Premises and any personal property and fixtures thereon to as good a condition as they were prior to the installation or placement of the Antenna

Facilities, ordinary wear and tear excepted. If Licensee fails to remove such Antenna Facilities within sixty (60) days after expiration or earlier termination of this Agreement, Licensor may remove and dispose of the Antenna Facilities and Licensee shall reimburse Licensor for the reasonable costs of such removal and restoration of the Premises. Moreover, Licensor may deem the Antenna Facilities abandoned in which event the Antenna Facilities shall become Licensor's property.

9. **Taxes.** Licensee shall pay any portion of personal property taxes attributable to, the Antenna Facilities during the Term. Licensee shall not be responsible for any taxes attributable to any period prior to the Commencement Date. Licensor shall pay all real property taxes and all other fees and assessments attributable to the Premises. However, Licensee shall pay any increase in real property taxes levied against the Premises which is directly attributable to Licensee's use of the Premises, and Licensor agrees to furnish proof of such increase to Licensee, in a form reasonably satisfactory to Licensee.

10. **Insurance.**

a. Licensee will provide Comprehensive General Liability Insurance in an aggregate amount of \$1,000,000 and name Licensor as an additional insured on the policy or policies. Licensee may satisfy this requirement by obtaining an appropriate endorsement to any umbrella policy of liability insurance Licensee may maintain.

b. Neither party shall be liable to the other (or to the other's successors or assigns) for any loss or damage caused by fire or any of the risks enumerated in a standard "All Risk" insurance policy, and, in the event of such insured loss, neither party's insurance company shall have a subrogated claim against the other.

c. Licensor shall at all times during the term of this License carry all-risk property insurance on all of the buildings and permanent improvements located on the Premises for the full replacement value of said buildings and improvements. The policy or policies shall provide that any loss shall be paid notwithstanding any act or negligence of Licensor or Licensee. Licensee shall not be liable for any damage to the Premises or any part thereof caused by fire or other hazards covered by the broadest standard form of all-risk insurance issued in the state in which the Premises are located and Licensor does hereby expressly release Licensee of and from all liability therefrom. The policy or policies shall include a clause waiving rights of subrogation against Licensee.

11. **Destruction of Premises.** If the Premises or the Water Tower are destroyed, dismantled or damaged so as, in Licensee's judgment, to hinder the effective use of the Water Tower, Licensee may elect to terminate this License as of the date of the damage or destruction by notifying Licensor not more than 45 days following the date of damage. In such event, all rights and obligations of the parties shall cease as of the date of the damage, dismantling or destruction, except those provided for herein, and Licensee shall be entitled to the reimbursement of any Fee prepaid by Licensee. If the Licensor decides to dismantle the Water Tower, Licensee shall have the right, for a period of one (1) year following such dismantling, to install a temporary tower (i.e., cell on wheels) on the Property. In the event that the Licensor dismantles the Water Tower, Licensee will

have the right of first refusal to negotiate a new license agreement to relocate upon any structure that replaces the current Water Tower.

12. **Condemnation.** If a condemning authority takes all of the Premises, or a portion sufficient, in Licensee's determination, to render the Premises unsuitable for the use which Licensee was then making of the Premises, this License shall terminate as of the date the title vests in the condemning authority. The parties shall be entitled to share in the condemnation proceeds in proportion to the values of their respective interests in the Premises (which for Licensee shall include, where applicable, the value of its Antenna Facilities, moving expenses, prepaid Fee, and business dislocation expenses). Sale of all or part of the Premises to a purchaser with the power of eminent domain in the face of the exercise of power shall be treated as a taking by condemnation.

13. **Hold Harmless.** Licensee shall be liable for any damage to the Water Tower or to any equipment located on the Water Tower arising out of or in connection with Licensee's use or occupancy of the Water Tower and Premises and caused by the negligence or willful or intentional misconduct of its agents or employees. Licensor shall be liable for any damage to any of Licensee's equipment located on the Water Tower arising out of or in connection with Licensor's use or occupancy of the Water Tower and Premises and caused by the negligence or willful or intentional misconduct of its lessees, agents or employees. Each party agrees to indemnify, defend and hold harmless the other party, from and against any and all damages, liability, loss and claims for injuries to or death of person and for damages, liability, loss and claims to the Premises, appurtenances or approaches thereto, arising out of or in connection with such party's use or occupancy of the Water Tower and the Premises.

14. **Notices.** All notices requests, demands and other communications hereunder shall be in writing and shall be deemed given if personally delivered or mailed, certified mail, return receipt requested, or sent by overnight carrier to the following addresses:

If to Licensor to: City Of Washington
P.O. Box 1988
Washington, NC 27889
Attention: Jerry Cutler

If to Licensee to: Triton PCS Property Company, L.L.C.
4880 Sadler Rd
Suite 300
Glen Allen, VA 23060
Attention: President and GM of the Mid-Atlantic Region

CC: Triton Management Company, Inc.
375 Technology Drive
Malvern, Pennsylvania 19355
Attention: President

15. Title and Quiet Enjoyment.

a. Except as set forth on Exhibit D hereto, Licensor warrants that it has full right, power, and authority to execute this Agreement and has good and unencumbered fee simple title to the Premises free and clear of any liens or mortgages. Licensor also warrants that the Premises constitutes a legal lot and that the Premises may be licensed without the need for any subdivision or plotting approval. Licensor further warrants that Licensee shall have the quiet enjoyment of the Premises during the term of this License or any renewal thereof. Licensor warrants that there is no agreement, decree, regulation, order, easement, lien restriction, ordinance, zoning law, or other law which would prevent the use of the Premises for Licensee's business or the intended use. Licensor agrees that during the Option Period or any extension thereof, or during the term of this Agreement if the Option is exercised, Licensor shall not initiate or consent to any change in the zoning of the Premises or impose or consent to any change in the zoning of the Premises or impose or consent to any other restriction that would prevent or limit Licensee from using the Premises for the uses intended by Licensee as hereinafter set forth in this Agreement. In the event a change in the zoning of the Premises prevents or limits the Licensee from using the Premises for its intended uses, Licensee shall have the right to terminate this License upon written notice to Licensor.

b. Licensee has the right to obtain a title report or commitment for a Leasehold title policy from a title insurance company of its choice. If, in the opinion of Licensee, such title report shows any defects of title or any liens or encumbrances which may adversely affect Licensee's use of the Premises or Licensee's ability to obtain Leasehold financing, Licensee shall have the right to terminate this License upon written notice to Licensor.

c. Licensee shall also have the right to have the Premises surveyed, and, in the event that any defects are shown by the survey which, in the opinion of Licensee, may adversely affect Licensee's use of the Premises or Licensee's ability to obtain Leasehold financing, Licensee shall have the right to terminate this License upon written notice to Licensor.

d. Licensor represents and warrants to Licensee that, except for lead-based paint that was used to paint the tower, that to the best of the knowledge of the Licensor other hazardous substances have not been generated, stored, or disposed of on the Premises nor have the same been transported to or over the Premises. "Hazardous substance" shall be interpreted broadly to mean any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, hazardous or toxic or radioactive substance, or other similar term by any federal, state or local environmental law, regulation or rule presently in effect or promulgated in the future, as such laws, regulations or rules may be amended from time to time; and it shall be interpreted to include, but not be limited to, any substance which after release into the environment will or may reasonably be anticipated to cause sickness, death or disease. Licensor will hold Licensee harmless from and indemnify Licensee against and from any damage, loss, expenses or liability resulting from any

breach of this representation and warranty including all reasonable attorneys' fees and costs incurred as a result thereof. Licensee will hold Licensor harmless from and indemnify Licensor against and from any damage, loss, expenses or liability resulting from hazardous substances generated, stored, disposed of or transported to, on or under the Premises as a result of Licensee's use of the Premises including all reasonable attorneys' fees and costs incurred as a result thereof. This indemnity shall survive indefinitely any termination of this License. Notwithstanding the foregoing, Licensee shall have the right to have any environmental audit performed, and, in the event that conditions exist which, in the opinion of Licensee, may adversely affect Licensee's use of the Premises or Licensee's ability to obtain Leasehold financing, Licensee shall have the right to terminate this License upon written notice to Licensor.

16. Assignment; Leasehold Mortgage. Licensee may assign or sublet this License, or any portion of the Premises, its communications facilities, and/or any improvements on the Premises upon prior written consent of Licensor, not to be unreasonably withheld. Notwithstanding anything to the contrary contained herein, Licensee shall have the right to assign or sublet this License, upon prior written notice to Licensor but without Licensor's consent, to its parent company, any subsidiary or affiliate, or in connection with a sale of all or substantially all of the equity interests or assets of Licensee. Any sublicense that is entered into by Licensee shall be subject to the provisions of this License. Additionally, Licensee may, upon notice to Licensor, mortgage or grant a security interest in this License and the Antenna Facilities, and may assign this License and the Antenna Facilities to any such mortgagees or holders of security interests including their successors or assigns (hereinafter collectively referred to as "Mortgagees"). In such event, Licensor shall execute such consent to Leasehold financing as may reasonably be required by Mortgagees. Licensor agrees to notify Licensee and Licensee's Mortgagees simultaneously of any default by Licensee and to give Mortgagees the same right to cure any default as Licensee except that the cure period for any Mortgagee shall not be less than ten (10) days after receipt of the default notice.

17. Successors and Assigns. This License shall run with the Premises described in Exhibit A. This License shall be binding upon and inure to the benefits of the parties, their respective successors, personal representatives and assigns.

18. Mechanics Liens. Licensee shall not suffer or permit any mechanic's, laborer's, or materialman's lien to be filed against the Premises, including the Water Tower or any part thereof by reason of work, labor, services or materials requested and supplies claimed to have been requested by Licensee; and if such lien shall at any time be so filed, within sixty (60) days after the notice of the filing thereof, shall cause it to be canceled and discharged of record.

19. Miscellaneous.

a. The substantially prevailing party in any litigation arising hereunder shall be entitled to its reasonable attorneys' fees and court costs, including appeals, if any.

b. Each party agrees to furnish to the other, within ten (10) days after request, such truthful estoppel information as the other may reasonably request.

c. This Agreement constitutes the entire agreement and understanding of the parties, and supersedes all offers, negotiations and other agreements between the parties with respect to the subject matter hereof. There are no representations or understanding of any kind not set forth herein. Any amendments to this Agreement must be in writing and executed by both parties.

d. If either party is represented by a real estate broker in this transaction, that party shall be fully responsible for any fee due such broker, and shall hold the other party harmless from any claim for commission by such broker.

e. Licensor agrees to cooperate with Licensee in executing any documents necessary to protect Licensee's rights hereunder or Licensee's use of the Premises. Contemporaneously with the execution of this Agreement, Licensor agrees to execute a Memorandum of License, substantially in the form of Exhibit E hereto.

f. This Agreement shall be construed in accordance with the laws of the state in which the Premises is located.

g. If any term of this Agreement is found to be void or invalid, such invalidity shall not affect the remaining terms of this Agreement, which shall continue in full force and effect.

h. Licensor and Licensee agree that the Premises, including without limitation, the access, cable run, grounding and utility easements, may be shown on construction drawings prepared by a licensed engineer, at Licensee's expense. Such construction drawings shall then replace Exhibit A and become a part hereof and shall control the description of the Premises.

i. This Agreement is and shall be absolutely subject to all mortgages which may now or hereafter be secured upon the Premises or the Water Tower and to any and all renewals, modifications, consolidations, replacements and extensions thereof. If a deed of trust, mortgage or other encumbrance affects the Premises, Licensor agrees to cooperate with Licensee in obtaining a non-disturbance agreement providing that Licensee's possession, use and enjoyment of the Premises and its rights under this Agreement shall not be disturbed if Licensee is not in default under this Agreement after the expiration of all applicable cure periods.

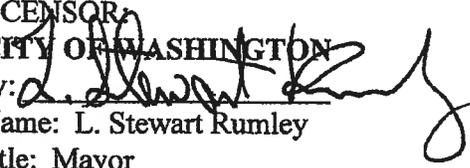
j. Licensor shall supply Licensee with the most recent architectural and engineering plans and drawings, if available, detailing all relevant portions of the Premises. Said plans, if available, will include existing wireless communications carriers and their frequencies, where applicable.

20. Non-Recourse. Licensor's liability hereunder shall be limited to its interest in the Premises and to Licensor's insurance, and in no event shall Licensor, its affiliates or anyone owning any interest in Licensor have any liability hereunder.

Site ID# GWN 913D

IN WITNESS WHEREOF, Licensor and Licensee have executed this License the date above first written.

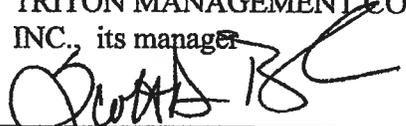
Date: 10/14/99

LICENSOR:
CITY OF WASHINGTON
By: 
Name: L. Stewart Rumley
Title: Mayor

Fed. Tax ID# 56-6001364

Date: 10/22/99

LICENSEE:
TRITON PCS PROPERTY COMPANY L.L.C.
By: TRITON MANAGEMENT COMPANY,
INC., its manager

By: 
Name: ~~Stephen J. McNulty~~ Scott D. Bastam
Title: ~~President and General Manager of the Mid-Atlantic Region~~
Vice President of Engineering and
Operations of the mid-Atlantic Region



(this page intentionally left blank)

Site ID# GWN 913D

Exhibit A

The Property is legally described as follows:

A Water Tower located on East Third Street, Washington, NC 27889. The tax parcel identification number is: **5685-08-4123**.

(There is no Deed of Record for this property.)

Exhibit B-2

Location of Premises and Description or Plan of Water Tower depicting proposed antenna location. To be replaced by final construction drawings.

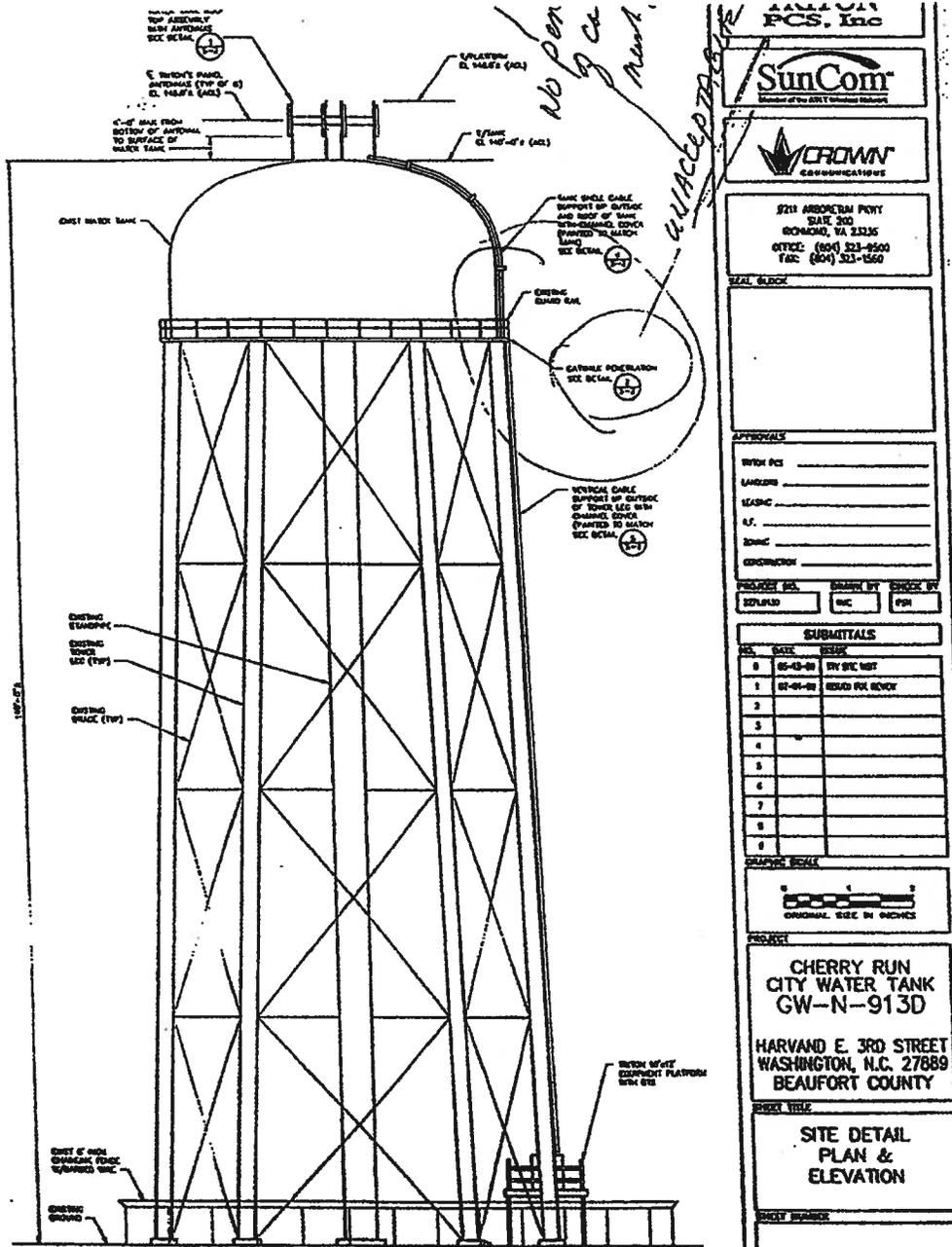


Exhibit C

Form of License Commencement Letter

**To: Jerry Cutler
City of Washington
P.O. Box 1988
Washington, NC 27889**

Date: _____

Re: Water Tower, East Third Street

Date of Agreement: _____

Licensor: **City Of Washington**

Licensee: **Triton PCS Property Company, L.L.C.**

Pursuant to Section A(3) of the above referenced Agreement, Licensee hereby exercises its option to commence the License with Licensor on the terms and conditions set forth therein. The Commencement Date of the License is _____.

LICENSEE:

TRITON PCS PROPERTY COMPANY L.L.C.

**By: TRITON MANAGEMENT COMPANY,
INC., its manager**

By: _____

Name:

Title:

Site ID# GW N 913D

Exhibit D

Existing Liens or Mortgages

No Mortgages of Record on this Property

Site ID# GWN 913D

Site Name: Cherry Run Church

MEMORANDUM OF LICENSE

STATE OF NORTH CAROLINA

COUNTY OF BEAUFORT

THIS MEMORANDUM OF LICENSE made and entered into this _____ day of _____, 1999, by and between **CITY OF WASHINGTON, NORTH CAROLINA**, a hereinafter referred to as "Licensor" and **TRITON PCS PROPERTY COMPANY, L.L.C.**, a Delaware limited liability company, hereinafter referred to as "Licensee".

WITNESSETH:

WHEREAS, the above named parties have entered into a certain License for real property dated _____; and

WHEREAS, the parties are desirous of recording this Memorandum of License in the Register of Deeds Office for Beaufort County to give notice of their execution of a License.

NOW, THEREFORE, in consideration of mutual promises of the parties to be performed and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed between the parties as follows:

1. Licensor agrees to license to Licensee, the following described real property located in the County of Beaufort, State of North Carolina, upon the terms and conditions set forth in the License dated _____.

**The City of Washington Water Tower located on East Third Street,
Washington, NC 27889. Tax Parcel Number is 5685-08-4123.**

2. Terms of the License are that if Licensee shall pay the said Fee in the manner and in all respects as set forth in the License and shall pay all taxes, insurance and assessments now or hereafter made against said property, the initial term shall be for five years. The Licensee has the option to renew the License for four additional five year periods.

IN WITNESS WHEREOF, the parties have executed this Memorandum of License at _____, North Carolina on the day and year written below.

LICENSOR: CITY OF WASHINGTON, NORTH CAROLINA

By: L. Stewart Rumley

Name: L. Stewart Rumley

Its: Mayor

Date: 10/14/99

ATTEST:

Rita A. Thompson

Name: Rita A. Thompson

Clerk

(CITY SEAL)

STATE OF NORTH CAROLINA
COUNTY OF BEAUFORT

I, Nicole G. Williams, Notary Public for said County and State, certify that L. Stewart Rumley personally appeared before me this day and acknowledged that he/she is Clerk of the City of Washington, and that by authority duly given and as the act of the City of Washington, the foregoing instrument was signed in its name by its Mayor sealed with its city seal, and attested by herself/himself as Clerk.

Witness my hand and official seal, this the 14 day of October, 1999.

Nicole G. Williams

Notary Public

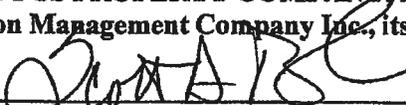
My Commission Expires: June 17, 2001

(Notary Seal)

LICENSEE:

TRITON PCS PROPERTY COMPANY, L.L.C.

By: Triton Management Company Inc., its manager

By: 
Scott D. Basham

Its: Vice President of Engineering and Operations of the
Mid-Atlantic Region

Date: 10/22/99
SB

ATTEST:


Andrew B. Tourlas (CORPORATE SEAL)

Controller and Assistant Trust Officer of Mid-Atlantic Region

COMMONWEALTH OF VIRGINIA
COUNTY OF HENRICO

I, Allison M Rundstrom, Notary Public for said County and State, do hereby certify that Andrew B. Tourlas personally appeared before me this day and acknowledged that he is Controller and Assistant Trust Officer of the Mid-Atlantic Region of Triton Management Company, Inc., a corporation, and Manager of Triton PCS Property Company, L.L.C., a Delaware limited liability company, and that by authority given and as an act of the corporation, the foregoing instrument was signed in its name by its Vice President of Engineering and Operations of the Mid-Atlantic Region, sealed with its corporate seal, and attested by him as its Controller and Assistant Trust Officer.

Witness my hand and official seal, this the 22nd day of October, 1999.


Notary Public

My Commission Expires: 3/31/2002

**I was originally commissioned as
Allison M. Hagins, Notary Public**

(NOTARY SEAL)

EXHIBIT B

Rent Schedule Payments

Assignment Rent Schedule (Md7 Payable to Payee)

Period Begin	Period End	Payment Interval	# of Pmts	Pro Days	Pro Amount	Rent Payable
10/10/2010	10/31/2010					NO RENT DUE PAYEE
11/1/2010	10/31/2020	Monthly	120			\$1,454.75
11/1/2020	10/31/2025	Monthly	60			\$1,527.49
11/1/2025	10/31/2028	Monthly	36			\$1,603.86
11/1/2028	10/9/2035	Rent Abated	0			ABATED

Owner Initials _____

Attachment 1

Owner Letter

[attached]

Attachment 2

Memorandum of License

[attached]

Attachment 3

Short Form of License Assignment Agreement

[attached]

TO: SunCom Wireless Property Company, LLC
12920 SE 38th Street
Bellevue, WA 98006
Attn: Lease Compliance

Owner Letter

RE: Water Tower Option and License Agreement dated October 14, 1999, for the Site located at the Water Tower on East 3rd Street, Washington, NC 27889 (as supplemented and amended, the "Assigned License").

PLEASE BE ADVISED THAT for the period commencing on October 10, 2010, and ending on October 9, 2035 (the "Assignment Term"), the undersigned, being the landlord or licensor under the Assigned License (as applicable, "Owner"), has assigned, transferred and conveyed all of its rights, title and interests in, to and under the Assigned License, including Owner's interest in all rents payable by you as the tenant or licensee thereunder, to: **Md7 Capital Three, LLC**, a Delaware limited liability company (together with its successors and assigns, "**Md7 Capital Three**"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in that certain License Assignment Agreement between Landlord and Md7 Capital Three, which assigns the rights, title and interests of Landlord under the Assigned License to Md7 Capital Three ("**License Assignment Agreement**").

EFFECTIVE IMMEDIATELY, you are hereby instructed to pay all Rent accruing during the Assignment Term to Md7 Capital Three, in accordance with the directions of Md7 Capital Three or its designee and to otherwise recognize Md7 Capital Three or its designee as the assignee of all of Owner's right, title and interest under the License during the Assignment Term. Without limiting the generality of the foregoing, Owner acknowledges and agrees that Licensee may rely upon any consent, waiver or other action made by Md7 Capital Three as landlord or licensor during the Assignment Term relative to the Assigned License, subject to the limitations set forth in the paragraph entitled "Amendment" below.

AMENDMENT: Upon your execution of this instrument, the Assigned License shall be deemed amended to include those provisions set forth on **Schedule I** hereto. Licensee and Md7 Capital Three may enter into additional modifications of the License during the Assignment Term; provided, however, that no amendments to the Assigned License shall be binding upon Owner following an Early Termination (as hereinafter defined) or the expiration of the Assignment Term other than (a) the amendments set forth on said **Schedule I** hereto or (b) any other modifications or agreements to the Assigned License that are approved by Owner, which approval shall not be unreasonably withheld, conditioned or delayed. Nothing contained herein or in the License Assignment Agreement or any other documentation between Md7 Capital Three and Owner (collectively, the "**License Assignment Documents**") shall be construed so as to waive, release or modify (i) any obligation which Owner has agreed to perform under or in connection with the Assigned License, including, without limitation, Owner's covenant of quiet enjoyment in favor of Licensee and any obligation of Owner to furnish access, utilities or other services to Licensee, or (ii) any other right or remedy of Licensee under or in connection with the Assigned License. For the avoidance of doubt, Licensee shall at all times be permitted, but not obligated, to contact, and work directly with, Owner in connection with enforcing the performance of, and/or resolving any default of, lessor's/licensor's obligations under the Assigned License.

RENT PAYMENTS: No Rent or other payments shall be due or owing from Licensee to Owner during the Assignment Term, but instead Licensee shall pay rent to Md7 Capital Three or its designee, subject to the terms and conditions set forth in the paragraph below entitled "Termination and Reversion." Notwithstanding the foregoing, all Owner Reserved Payments specified in the License Assignment Agreement (if any) and all Additional Premises Rent specified in the License Assignment Agreement (if any) shall continue during the Assignment Term to be payable to Owner or (if applicable) such service

provider, taxing authority or other person as may be designated in the Assigned License as the payee of Owner Reserved Payments and/or Additional Premises Rent. Notwithstanding anything to the contrary contained herein or in the License Assignment Documents, (a) Md7 Capital Three, not Licensee, shall be solely responsible for any and all any Rent Schedule Payments (as defined in the License Assignment Agreement) and other obligations of Md7 Capital Three under the License Assignment Documents, and (b) neither any failure by Md7 Capital Three to make any Rent Schedule Payment, nor any failure to perform any of Md7 Capital Three's other duties or obligations under the License Assignment Documents, shall ever give rise to any eviction, collection or other action as against Licensee, or any other interference with Licensee's use or enjoyment of the subject premises, but Licensee shall have a continuing right to license the subject premises on the terms and conditions of the Assigned License, as more particularly described in the paragraph below entitled "Termination and Reversion."

TERMINATION AND REVERSION: Owner shall have no right to terminate the License Assignment Agreement prior to the end of the Assignment Term, unless Md7 Capital Three fails to cure any default in the payment of Rent Schedule Payments within the applicable time periods (including the expiration of all applicable grace, cure and notice periods) set forth in the License Assignment Agreement (a "**Rent Schedule Payment Default**"). Owner shall promptly notify Licensee in writing of each Rent Schedule Payment Default and of any termination of the License Assignment Agreement; it being agreed that any such termination prior to the end of the Assignment Term ("**Early Termination**") shall be effective upon the delivery of written notice thereof to Licensee. Upon any such Early Termination or upon the expiration of the Assignment Term (each, as applicable, the "**Reversion Date**"), the Assigned License shall (if the same shall not have previously been terminated) automatically revert to a direct lease or license (as the case may be) between Owner as lessor/licensor and Licensee as lessee/licensee, upon the terms and conditions set forth herein. From and after the first day of the first full month following the Reversion Date, Licensee shall pay Rent, in the amounts and frequency as designated on **Schedule II** attached hereto and incorporated herein ("**Schedule II Rent Payments**") to Owner directly and Licensee shall not be responsible for any further payments to Md7 Capital Three relating to the Assigned License. Md7 Capital Three hereby authorizes Licensee's payment of Rent to Owner from and after Licensee's receipt of an Early Termination Notice or any other occurrence of the Reversion Date and hereby releases and discharges Licensee from any liability to Md7 Capital Three on account of such payments of Rent to Owner. Without limiting the generality of the foregoing, if there is a dispute as whether the Reversion Date has occurred, then Licensee may elect, in its sole discretion, to pay Rent, in the amount of the Schedule II Rent Payments, to either Owner or Md7 Capital Three, or into an escrow account established by Licensee, each of which payments by Licensee shall be deemed full payment of Licensee's obligations to both of Owner and Md7 Capital Three so long as, with respect to any amounts paid into an escrow account by Licensee, Licensee releases such amounts from the escrow account pursuant to a court order or by the joint written direction of Owner and Md7 Capital Three in form and substance reasonably acceptable to Licensee. Owner and Md7 Capital Three acknowledge that Licensee may require up to thirty (30) days to process changes in payment directions and Owner and Md7 Capital Three agree that any payment made prior to the expiration of said thirty (30) day period may be made pursuant to prior payment directions in effect before the Reversion Date. If an Early Termination occurs at any time before the last day of any Rent Lock-in Period (as hereinafter defined), and the Assigned License has reverted to a direct lease or license (as applicable) between Owner and Licensee as aforescribed, then Licensee shall not have the right to terminate the Assigned License prior to the expiration of the Rent Lock-in Period unless Licensee's rights to occupy or use the subject premises for Licensee's intended telecommunications purposes are impaired at any time due to (a) any bankruptcy or insolvency proceeding involving Owner or any other party other than Licensee; (b) any uncured default, gross negligence or willful misconduct of Owner; (c) any casualty damage not caused by Licensee, its agents, employees, contractors or invitees; (d) any taking or condemnation under the power of eminent domain; or (e) any tax sale, foreclosure or other proceeding not caused by Licensee. In the event of any such termination, Licensee shall have no further obligation under the Assigned License, including, without

limitation, any obligation to pay any Schedule II Rent Payments that would otherwise have been due for the remainder of the Rent Lock-in Period following the date of termination. Licensee's rights to terminate or non-renew the Assigned License after the Rent Lock-in period shall be governed by the terms and conditions of the Assigned License. For purposes hereof, the term "**Rent Lock-in Period**" shall mean that period of time (if any) expressly described on **Schedule III** hereto as the Rent Lock-in Period.

MISCELLANEOUS: For purposes hereof, the terms "Owner," "Licensee" and "Md7 Capital Three" shall mean each such party as defined herein, together with their respective successors and assigns. Without limiting the generality of the foregoing, Owner shall assign all of its rights, duties and obligations hereunder to any successor owner of the subject premises, and shall give Licensee and Md7 Capital Three prompt written notice of any such conveyance. Signatures hereon and acknowledgement sent by facsimile, e-mail or other electronic means shall be treated as original signatures. This instrument may be executed in multiple counterparts and shall be binding on Owner irrespective of whether Owner receives signed counterparts hereof. In the event of a conflict between the terms of this Owner Letter and the License Assignment Agreement, the terms of this Owner Letter shall control as to the subject matter hereof.

THANK YOU FOR YOUR COOPERATION.

OWNER/ASSIGNOR:

City of Washington,
a North Carolina municipal corporation

By: _____

Print Name: _____

Title: _____

Md7 Capital Three/ASSIGNEE:

Md7 Capital Three, LLC,
a Delaware limited liability company

By: _____

Print Name: _____

Title: _____

ACKNOWLEDGMENT

The undersigned Licensee hereby acknowledges and accepts receipt of this instrument and consents to the assignment of Landlord's right, title and interest in the Assigned License to Md7 Capital Three on the terms and conditions described herein.

LICENSEE:

SunCom Wireless Property Company, LLC,
a Delaware limited liability company

By: _____

Print Name: Jared Ledet

Title: Director-Regional Development South Region

Schedule I

Additional License Terms and Conditions

The following provisions shall amend the License and shall survive the expiration or early termination of the Assignment Term:

1. Expansion of Permitted Use. Owner hereby agrees that Licensee shall have the right, without the requirement of obtaining Owner's consent, to modify, supplement, replace, upgrade, expand or refurbish the equipment related to Licensee's communications facility ("**Communications Facility**"), increase the number of antennas thereon, modify its operating frequencies or relocate the Communications Facility within the Premises at any time during the term of the License or any renewal term. Owner shall cooperate with Licensee in all respects in connection with the foregoing. If Owner does not comply with the terms of this section, Licensee may exercise all of its rights and remedies under law or equity, including, without limitation, terminating the License and, upon such termination, shall have no further liability to Owner.

2. Expansion of Premises. Owner grants Licensee the right, on a space available basis, to enlarge the Premises (the "**Additional Premises**"), so that Licensee may implement any necessary modifications, supplements, replacements, refurbishments or expansions to the Communications Facility or to any equipment related thereto, as determined by Licensee in its sole discretion. In the event Licensee requires Additional Premises for such purposes, the monthly Rent payable for such Additional Premises shall be the lesser of the then current monthly per square foot rent or One Dollar and Fifty Cents (\$1.50) per square foot (the "**Additional Premises Rent**"). The Additional Premises Rent shall be compensation for space utilized by the expansion of Licensee's room/cabinet/ground area and for expansion of the antenna area(s) beyond the Premises, but Licensee's addition of coaxial cables, raceways, conduits and other ancillary equipment and such related space usage, shall not require or result in Additional Premises Rent or any other compensation to Owner. The Additional Premises Rent shall be payable to Owner at the times and in the manner set forth in the License for payment of Rent and shall be subject to adjustment (if applicable) from time to time in the same manner and percentage set forth in the License for adjustments to Rent, if any. Owner agrees to take such actions and enter into and deliver to Licensee such documents as Licensee reasonably requests in order to affect and memorialize the license of the Additional Premises to Licensee. Owner and Licensee agree that each and every reference in the License to the "Premises" shall also include the "Additional Premises" (if any). Unless Owner otherwise agrees, the Additional Premises square footage will not exceed an area equal to the current square footage of the Premises, and the configuration of the Additional Premises shall be subject to Owner's reasonable approval.

Owner Initials _____

3. **Term.** After the expiration of the Assignment Term, the term of the License (but not the Assignment Term) will be automatically renewed for three (3) additional terms, as set forth in the renewal term table below (each a “**Renewal Term**”), without further action by Licensee on the same terms and conditions of the License, unless Licensee provides written notice to Owner of its intention not to do so at least ninety (90) days prior to the end of the Assignment Term or Renewal Term, as applicable. The Rent payable during each Renewal Term (if applicable) shall be as follows:

Renewal Terms

Term	Start Date	End Date
1	10/10/2035	10/9/2040
2	10/10/2040	10/9/2045
3	10/10/2045	10/9/2050

Renewal Rent Schedule (Payable by T-Mobile)

Period Begin	Period End	Payment Interval	# of Pmts	Pro Days	Pro Amount	Rent Payable
10/10/2035	10/31/2035					NO RENT DUE PAYEE
11/1/2035	10/31/2040	Monthly	60			\$1,768.25
11/1/2040	10/31/2045	Monthly	60			\$1,856.66
11/1/2045	9/30/2050	Monthly	59			\$1,949.49
10/1/2050	10/9/2050	Proration	0	9	\$565.98	
10/1/2050	10/9/2050	Monthly	1			\$565.98

4. **Reasonableness.** If any consent, authorization or approval of either party is required or requested by the other party under or in connection with the License, such approval, consent or authorization shall not be unreasonably withheld, conditioned or delayed.

5. **Assignment.** Owner shall have the right to assign or otherwise transfer the License and the easements granted therein upon written notice to Licensee, except for the following: any assignment or transfer of the License which is separate and distinct from a transfer of Owner’s entire right, title and interest in the Property shall require the prior written consent of Licensee which may be withheld in Licensee’s sole discretion. Upon Licensee’s receipt of (i) an executed deed or assignment and (ii) an IRS Form W-9 from assignee, and subject to Licensee’s consent, if required, Owner shall be relieved of all liabilities and obligations under the License and Licensee shall look solely to the assignee for performance under the License and all obligations thereunder.

Note: It is the parties' intent that the provisions of this Schedule I and the provisions of Schedule I of the Owner Letter be identical, but in the event of any conflict or inconsistency between the provisions of this Schedule I and the provisions of Schedule I of the Owner Letter, the provisions affording Licensee more expansive rights shall govern and control.

Owner Initials _____

SCHEDULE II

Schedule II Rent Payments

Assignment Rent Schedule (Md7 Payable to Payee)

Period Begin	Period End	Payment Interval	# of Pmts	Pro Days	Pro Amount	Rent Payable
10/10/2010	10/31/2010					NO RENT DUE PAYEE
11/1/2010	10/31/2020	Monthly	120			\$1,454.75
11/1/2020	10/31/2025	Monthly	60			\$1,527.49
11/1/2025	10/31/2028	Monthly	36			\$1,603.86
11/1/2028	10/9/2035	Rent Abated	0			ABATED

Owner Initials _____

SCHEDULE III

Rent Lock-in Period: The period commencing on October 10, 2010, and ending on October 9, 2020.

PARCEL #: 5685-08-4123

SPACE ABOVE FOR RECORDER'S USE

**Prepared by, and
after recording return to:**
Michael Fraunces, President
(858)799-7850
Md7 Capital Three, LLC
3721 Valley Centre Drive, Suite 303
San Diego, CA 92130

MEMORANDUM OF LICENSE

This Memorandum of License is entered into effective as of July 15, 2010, by and between the **City of Washington**, a North Carolina municipal corporation, previously referred to as The City of Washington, North Carolina ("**Owner**"), whose mailing address for notices is P.O. Box 1988, Washington, NC 27889, and **SunCom Wireless Property Company, LLC**, a Delaware limited liability company, as successor in interest to Triton PCS Property Company L.L.C. ("**Licensee**"), whose mailing address for notices is Attn: Lease Administration and Legal Department, 7668 Warren Parkway, Frisco, TX 75034; with a copy to: T-Mobile USA, Inc., Attn: Lease Administrator and Legal Department, 12920 South East 38th Street, Bellevue, WA 98006-1350.

Whereas, Owner and Licensee are parties to that certain Water Tower Option and License Agreement dated October 14, 1999, as amended ("**License**"), whereby Owner has licensed and hereby licenses to Licensee and Licensee has licensed from Owner certain premises described therein, together with any and all other space currently utilized by Licensee ("**Premises**"), that are a portion of that certain real property located at the **Water Tower on East 3rd Street, Washington, NC 27889** ("**Property**") described on **Exhibit A** attached hereto and incorporated herein; and

1. The License commenced on October 28, 1999, and had an original expiration date of October 31, 2004, subject to Licensee's renewal options under the License.

2. Licensee has four (4) consecutive options to extend or renew the term of the License, each for a period of five (5) years.

3. Owner and Licensee desire and hereby enter into this Memorandum of License to provide constructive notice of the existence of the License.

4. The terms and conditions of the License are hereby incorporated as if set forth herein in full. This Memorandum of License is not intended to amend or modify, and shall not be deemed or construed as amending or modifying, any of the terms, conditions or provisions of the License, all of which are hereby ratified and affirmed. The License shall be binding upon and inure to the benefit of the parties and their respective heirs, successors, and assigns, and shall run with the land and bind all assignees, transferees or successors of the parties' respective interests.

IN WITNESS WHEREOF, the parties have executed this Memorandum of License on the day and year first above written.

OWNER:

City of Washington,
a North Carolina municipal corporation

By: _____

Print Name: _____

Title: _____

LICENSEE:

SunCom Wireless Property Company, LLC,
a Delaware limited liability company

By: _____

Print Name: Jared Ledet

Title: Director- Regional Development South Region

OWNER ACKNOWLEDGEMENT

STATE OF _____)

COUNTY OF _____)

On _____, 20____ before me, **[print name and title of notarial officer here:]** _____, personally appeared **[print name of person whose signature is being acknowledged here:]** _____,

_____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

(Seal)

My commission expires:

LICENSEE ACKNOWLEDGEMENT

STATE OF _____)

COUNTY OF _____)

On _____, 20____ before me, **[print name of notarial officer here:]** _____, Notary Public personally appeared **Jared Ledet**, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

(Seal)

My commission expires:

EXHIBIT A

PREMISES DESCRIPTION AND LEGAL DESCRIPTION OF PROPERTY

Street Address: Water Tower on East 3rd Street, Washington, NC 27889

Parcel #: 5685-08-4123

Legal Description:

That certain cell tower site (and easement) located on a portion of the real property described as follows:

1 Lot Water Tank, previously described as Being Lot No. 66 in plan of the McNair property as shown on map of said property of record in the Register's Office of Beaufort County, in Book 57, at Page 255, being on the North side of Third Street and bounded on the North by Lot No. 67; on the East by Telfair Street; on the South by Third Street; and on the West by Lot No. 59, and being the same conveyed to the City of Washington, North Carolina from William Bragaw and wife, Frances Bragaw by deed of record in said Register's Office on Book 325, Page 407.

PARCEL #: 5685-08-4123

SPACE ABOVE FOR RECORDER'S USE

**Prepared by, and
after recording return to:**
Michael Fraunces, President
(858)799-7850
Md7 Capital Three, LLC
3721 Valley Centre Drive, Suite 303
San Diego, CA 92130

LICENSE ASSIGNMENT AGREEMENT

THIS LICENSE ASSIGNMENT AGREEMENT (“Agreement”) is entered into on July 15, 2010, by and between the **City of Washington**, a North Carolina municipal corporation, previously referred to as The City of Washington, North Carolina (together with its successors and assigns, “**Owner**”), whose mailing address for notices is P.O. Box 1988, Washington, NC 27889, and **Md7 Capital Three, LLC**, a Delaware limited liability company (together with its successors and assigns, “**Md7 Capital Three**”), whose mailing address for notices is 3721 Valley Centre Drive, Suite 303, San Diego, California 92130.

RECITALS

WHEREAS, Owner and **SunCom Wireless Property Company, LLC**, a Delaware limited liability company, as successor in interest to Triton PCS Property Company L.L.C. (“**Licensee**”), entered into a Water Tower Option and License Agreement dated October 14, 1999, as amended (the “**License**”), whereby Owner licensed to Licensee certain premises described therein, together with any and all other space currently utilized by Licensee (“**Premises**”), that are a portion of that certain real property located at the **Water Tower on East 3rd Street, Washington, NC 27889** (“**Property**”) described on **Exhibit A** attached hereto and incorporated herein;

WHEREAS, Owner is the owner of a valid and indefeasible fee simple interest (the “**Owner’s Interest**”) in the Property;

WHEREAS, Owner and Md7 Capital Three desire to enter into an agreement whereby Md7 Capital Three shall pay to Owner, the Rent Schedule Payments (as defined in the Terms and Conditions defined below) in exchange for, among other things, Owner’s assignment to Md7 Capital Three of all of the following for the Assignment Term (defined below) subject to Licensee’s rights under the License: (i) all of Owner’s rights, title and interests in, to and under the License, including the right to collect all rents from Licensee, including base rent, additional rent (with the exception of any collocation rent), late charges, interest, fees and other monies, (ii) Owner’s right to use and possess the Premises described in

the License, and (iii) all of Owner's other rights and interests under the License (collectively, the "Assigned Rights"); and

WHEREAS, additional terms and conditions relating to the assignment by Owner to Md7 Capital Three of the Assigned Rights are set forth in that certain document named License Assignment Agreement (Terms and Conditions) dated July 15, 2010, by and between Owner and Md7 Capital Three ("Terms and Conditions"), which is hereby incorporated herein in its entirety.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing Recitals (including all provisions of the Terms and Conditions), which are hereby incorporated herein in their entirety, and other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, Owner and Md7 Capital Three agree as follows:

1. **Rent Schedule Payments.** As full consideration for the Assignment (defined below) and Owner's continued performance of its obligations under the License, on or following the Commencement Date (defined below), Md7 Capital Three shall commence payment of the rent schedule payments to Owner in the amounts and frequency as designated in the Terms and Conditions ("**Rent Schedule Payments**").

2. **Assignment; Amendment.** Owner hereby irrevocably, unconditionally and absolutely conveys, transfers and assigns to Md7 Capital Three the Assigned Rights for the Assignment Term (the "**Assignment**"). During the Assignment Term, and unless otherwise expressly provided herein, Md7 Capital Three shall have the sole and exclusive right to exercise (or the right to require Owner to exercise) the Assigned Rights, including, without limitation, the right to amend the License.

3. **Term of Assignment.** The term of the Assignment ("**Assignment Term**") shall commence on October 10, 2010 ("**Commencement Date**"), and shall expire on October 9, 2035 ("**Expiration Date**"). Prior to the Commencement Date, Md7 Capital Three may deliver written notice ("**Cancellation Notice**") to Owner of Md7 Capital Three's election not to undertake the Assignment, in which event this Agreement shall automatically terminate and be of no further force and effect upon Owner's receipt of the Cancellation Notice, and the License shall continue by its terms between Owner and Licensee.

4. **License Term.** The last day of the current term of the License shall be deemed amended and extended through, or moved-up to, as applicable, the Expiration Date, and neither Licensee, Md7 Capital Three nor any other party shall be required to exercise any renewal option or take any other action in order for the current term of the License to continue through, and end on, the Expiration Date.

5. **Obligations.** The parties acknowledge that, by this Assignment, Md7 Capital Three has not assumed, and does not intend to assume, any of the obligations, duties or liabilities of Owner under the License, and no act or forbearance by Md7 Capital Three under this Agreement shall be deemed an assumption by Md7 Capital Three of any obligations of Owner. During the Assignment Term, Md7 Capital Three shall not have any liability or obligation with respect to the care, management or repair of the Property or Premises or any part thereof or for any injury or damage sustained by any person in, on, under or about the Property or Premises. Owner shall remain responsible for covenanting Licensee's quiet enjoyment and possession of the Premises, and for the performance of all conditions, covenants, obligations and duties required of Owner under the License and under applicable laws and regulations at all times during the Assignment Term.

6. **No Modifications.** During the Assignment Term, Owner shall not have the right, without the prior written consent of Md7 Capital Three (which may be withheld in Md7 Capital Three's sole discretion), to modify, extend, renew or terminate (including eviction) the License, or to waive any default under the License.

7. **Successor License.** Upon the early termination of the License during the Assignment Term for any reason, Owner agrees that Md7 Capital Three may elect to terminate this Agreement or become the licensee of the Premises upon terms and conditions identical to those in the License, as amended (the "Md7 Capital Three License"), and upon the provisions of the Terms and Conditions.

8. **Assignment; Secured Parties.** Md7 Capital Three shall have the right to sublease the Premises and/or assign, sell, pledge or otherwise transfer any and all of its rights, title or interests in, to or under this Agreement, the License, the Premises or the Md7 Capital Three License, including to any pledgees, mortgagees, holders of security interests, trustees, lenders or other parties providing financing to Md7 Capital Three (individually, "Secured Party"), without the prior consent of Owner.

9. **Miscellaneous Provisions.**

(a) This Agreement shall run with the Property, and shall inure to the benefit of and shall bind the successors and assigns of the parties to this Agreement;

(b) Interpretation of this Agreement shall be governed by the internal laws of the State in which the Premises are located without regard for principles of conflicts of law;

(c) To the extent permitted by law, each party waives any right to a jury trial in any action or proceeding to enforce or interpret this Agreement;

(d) This Agreement may be executed in multiple counterparts; and

(e) This Agreement may be recorded in the relevant recording jurisdiction where the Property is located.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

OWNER:

City of Washington,
a North Carolina municipal corporation

By: _____

Print Name: _____

Title: _____

Md7 Capital Three:

Md7 Capital Three, LLC,
a Delaware limited liability company

By: _____

Print Name: _____

Title: _____

OWNER ACKNOWLEDGEMENT

STATE OF _____)

COUNTY OF _____)

On _____, 20____ before me, **[print name and title of notarial officer here:]** _____, personally appeared **[print name of person whose signature is being acknowledged here:]** _____,

_____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

(Seal)

My commission expires:

Md7 Capital Three ACKNOWLEDGEMENT

STATE OF CALIFORNIA)

) ss:

COUNTY OF SAN DIEGO)

On _____, 20____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

(Seal)

EXHIBIT A
PREMISES DESCRIPTION AND LEGAL DESCRIPTION OF PROPERTY

Street Address: Water Tower on East 3rd Street, Washington, NC 27889

Parcel #: 5685-08-4123

Legal Description:

That certain cell tower site (and easement) located on a portion of the real property described as follows:

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<p>Please follow these steps to complete the form below:</p> <p>1.) Enter the full legal name of your Municipality/Municipal Entity in area ①.</p> <p>2.) Who are the Officers/ Members of the Board of Directors/Trustees/Superintendent? Print their names and titles in area ②.</p> <p>3.) How many of these Officers/Board Members/Trustees/Superintendent are required to sign legal documents on behalf of the Municipality/Municipal entity? Print that number in area ③.</p>	<p>4.) Is anyone else (other than the above-named Officers/Board Members/Trustees/Superintendent) authorized to sign legal documents on behalf of the Municipality/Municipal entity? If so, list the name(s) in area ④.</p> <p>5.) What is the date this form is being signed? Enter it in area ⑤.</p> <p>6.) All Officers/Board Members/Trustees/Superintendent named in area ② need to sign this form in area ⑥. If any are not available to sign this Certificate of Authority, at least two of the officers other than those signing the Multi-payment Documents must sign this Certificate of Authority.</p>
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

CERTIFICATE OF AUTHORITY – MUNICIPALITY/MUNICIPAL ENTITY

IN RE: ① City of Washington, a North Carolina municipal corporation
Name of Municipality/Municipal Entity

We, the undersigned officers of the above-named Municipality/Municipal entity (the "Municipality/Municipal entity"), hereby certify that we have reviewed the books and records of the Municipality/Municipal entity, and that the individuals named below are the current Officers, Board Members, Trustees or Superintendent of the Municipality/Municipal entity, holding the title indicated:

<i>Name of Officer, Board Member, Trustee, Superintendent</i>	<i>Title</i>
② _____	_____
_____	_____
_____	_____
_____	_____
_____	_____

and that any ③ _____ of us, in our capacity as Officers, Board Members, Trustees or Superintendent of the Municipality/Municipal entity, -OR- ④ _____ has/have the authority to sign, seal, deliver, negotiate and accept leases, easements, agreements, certificates, and other instruments or documents (including without limitation, rights of entry, options to lease, lease agreements, sublease agreements and amendments) by and on behalf of the Municipality/Municipal entity in accordance with the Bylaws of the Municipality/Municipal entity and under the authority of the Board of Directors/Board of Trustees of the Municipality/Municipal entity, with respect to a lease and/or option to lease any portion of the Municipality/Municipal entity's property located at the **Water Tower on East 3rd Street, Washington, NC 27889** to Md7 Capital Three, LLC, T-Mobile USA, Inc., or any of their respective affiliates.

⑤ EXECUTED as of this _____ day of _____, 20_____.

<i>Signature of Officer, Board Member, Trustee, Superintendent</i>	<i>Title</i>
⑥ _____	_____
_____	_____
_____	_____
_____	_____

PLEASE ALSO ATTACH A COPY OF YOUR MUNICIPALITY/MUNICIPAL ENTITY BY-LAWS.

Request for Taxpayer Identification Number and Certification

Give form to the
 requester. Do not
 send to the IRS.

Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return) City of Washington	
	Business name, if different from above	
	Check appropriate box: <input type="checkbox"/> Individual/Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ <input type="checkbox"/> Exempt payee <input type="checkbox"/> Other (see instructions) ▶	
	Address (number, street, and apt. or suite no.) P.O. Box 1988	Requester's name and address (optional)
	City, state, and ZIP code Washington, NC 27889	
List account number(s) here (optional) [REDACTED]		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

	Social security number : : : : : :
OR	
	Employer identification number : : : : : :

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here	Signature of U.S. person ▶	Date ▶
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

City-owned vehicles authorized to be driven home 2010-2011

(f) City-owned vehicles may be authorized to be driven home in accordance with the following provisions.

(1) For bona fide non-compensatory business reasons, a department head, with approval of the City Manager, may require employees in certain positions to commute to and from work in City vehicles. These positions must receive annual approval from the City Council during the annual budget process in order for the employee in the position to utilize a City-owned vehicle to commute to and from work. In accord with federal and state law, an employee may not use the City-owned vehicle for personal use other than commuting. Under these conditions, the City will account for commuting use as specified and required in IRS regulations.

(2) The City Manager will consider need, distance, and proximity to city and county limits, City service area, public perception, and other relevant factors in making decisions about commuting. Updates by department heads shall be submitted during the annual budget process to the City Manager who will forward the information to the City Council for review and approval.

<u>Vehicle</u>	<u>Position</u>
<u>Finance</u>	
653	Field Service Rep
620	Field Service Rep
<u>Fire</u>	
238	Fire Chief
237	Fire Marshal
248	Operations Chief
<u>Electric</u>	
615	Electric Line Operations Superintendent
<u>Recreation</u>	
801	Rec. Maint. Supv.

Police

133	Chief Reed
166	Detective Davis
138	Detective Black
143	Detective Lee
139	Lt. Chrismon
144	Lt. Hales
145	SRO Bailey
147	SRO Everett
161	Detective Watson
131	Detective Dickinson

Public Works

412	Mike Woolard
452	Floyd Wainwright
411	Willie Blount
451	David Gibbs
401	Frankie Buck
410	Bill Wynne

Justifications - City Vehicles Driven Home

Finance

Vehicle	Position
653	Field Service Rep
620	Field Service Rep

These vehicles will be driven home on the evening of utility cutoffs (typically Wednesday), effective July 1, 2010.

Fire

Division Chief Jasper Hardison – Fire Marshal

Vehicle # 237 2002 Jeep Cherokee

Approximate 7 miles one way – Lives in the Old Ford Community

Several factors could trigger a need for response in a departmental vehicle while not necessarily on call in an efficient manner including significant EMS/Wrecks in his vicinity, mutual aid fire calls occurring in this district, calls with an immediate need to address a fire prevention issue, immediate and direct response to call back fires in the city.

Division Chief Mark Yates – Operations Chief

Vehicle # 248 2002 Jeep Cherokee

Approximate 1 ½ miles one way – lives in Pamlico Village

Same factors as above including the significant fact that he is the Operations Chief responsible for the day to day overall operations of the department, similar to the functions of an assistant chief.

Provides close immediate and direct response to the Washington Park area that we provide Fire and EMS protection

Electric

The Electric Line Operations Superintendent is required to be available at any time to respond to needs of the electric department employees when these employees are responding to electric system outages. The City's electric system provides service with over 400 miles of distribution line and covers a service territory of over 280 square miles.

The issues that the Superintendent is likely to encounter:

When the first responder crew has to deal with damages that are causing outages the Superintendent must be available to be on the scene in a timely manner; minutes vs. one hour: The Superintendent needs to be available on the scene with the responding employees so as to ascertain the need for additional resources.

The Superintendent needs to be available on the scene with the responding employees so as to provide a "face" for Washington Utilities to talk with customers that are usually

aggravated due to the loss of service. The responding employees should not have talk with customers or be under increased stress from customers while they are restoring power. This will only lead to longer outage times and accidents. The Superintendent has the most knowledge of the operation, history, and restoration of the electric system than any other employee in the department. When the Superintendent is called this knowledge of the electric system consistently leads to shorter outage times which minimizes loss of energy sales. In the event that materials or apparatus are needed from another City or electric utility the Superintendent is authorized to make those decisions. He cannot be hindered by response time. The superintendent only is on the payroll for 40 hours per week, but he is available for all of the remaining 128 hours of the calendar week. He is called by the employees under his direction on many occasions to be a general resource for questions and concerns of the employees that respond to system conditions outside of the normal work week.

The operation of our electric system is like no other 24-hour operation in local government. Our employees that are first responders to electrical outages risk their life every time that they are in close proximity to energized electric lines. The Superintendent is the only resource for these first responders when they encounter something that they deem unsafe, encounter an issue where they are unsure of the routing or repair method, or if a decision needs to be made for additional resources, equipment or materials. This employee needs to have the resources (vehicle, radio, cell phone, personal protective equipment, tools) to respond when needed, quickly. The employees responding cannot afford to wait for this employee to drive to the warehouse to then drive back out to the location to provide the resources they need.

Recreation

Vehicle # 801 (Pickup Truck) Assigned to positions Rec. Maint. Supv.

Police

#133	Chief Reed	take home	on call
#166	Detective Davis	take home	on call Narcotics
#135	Major Blizzard	parked	assigned during duty
#138	Detective Black	take home	on call Investigations
#143	Detective Lee	take home	on call (K-9)
#139	Lt. Chrismon	take home	on call and Supervisor
	(responsibilities... Responds often and provides constant oversight)		
#144	Lt. Hales	take home	on call and Supervisor
	(responsibilities for Patrol Division and provides constant oversight)		
#164	Detective Barrett	parked (outside residential limits)	
#145	SRO Bailey	parked unless during school session	
#147	SRO Everett	parked unless during school session	
#157	Captain Pollard	parked	assigned during duty
#161	Detective Watson	take home	on call Investigations
#137	Sergeant Watson	parked	used only when appropriate

#131 Detective Dickinson on call

As you know, our department requires constant flexibility and we oversee this subject on a regular basis to ensure efficiency of operations.

Public Works

Mike Woolard, vehicle number 412, is responsible for the 30 sewer lift stations. He gets called in several times a month due to alarms going off after hours.

Floyd Wainwright, vehicle number 452, streets/drainage supervisor. If we have any significant rainfall (I know, not much lately!), he will get called in to check on the pumps at Jack's Creek.

Willie Blount, vehicle number 411, water distribution/sewer collection. When anything in the distribution/collection systems happens after hours that the "on call" person needs help with, 9 times out of 10, Willie is called. He was called out 10 times in April and May when he wasn't the "on-call" person.

David Gibbs (451), Bill Woolard (480), Frankie Buck (401) and Bill Wynne (410) also currently drive city-owned vehicles home. Their call-out frequency is considerably less than the three mentioned above. However, when David, Frankie and Bill Wynne are called in, more than likely response time is critical. Recently for instance Frankie and Bill Wynne were called in due to the contractor installing the new sewer force main across town hitting a water line. Needless to say, they were able to respond more quickly by having their city-owned vehicles at home.