
The Washington City Council met in a regular session on Monday, March 11, 2013 at 5:30pm in the City Council Chambers at the Municipal Building. Present were: Archie Jennings, Mayor; Doug Mercer, Councilman; William Pitt, Councilman; Richard Brooks, Councilman; Ed Moultrie, Councilman; Bobby Roberson, Mayor Pro tem; Josh Kay, City Manager; Cynthia Bennett, City Clerk and Franz Holscher, City Attorney.

Also present were: Matt Rauschenbach, Administrative Services Director/C.F.O.; Robbie Rose, Fire Chief; Allen Lewis, Public Works Director; Gloria Moore, Library Director; John Rodman, Community and Cultural Services Director; Stacy Drakeford, Interim Fire and Police Services Director; Susan Hodges, Human Resources Director; Keith Hardt, Electric Director; Lynn Lewis, Tourism Director; David Carraway, IT; Kristi Roberson, Parks and Recreation Manager and Mike Voss, Washington Daily News.

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

APPROVAL OF MINUTES FROM FEBRUARY 11 AND FEBRUARY 25, 2013

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council approved the minutes of February 11 & 25, 2013 as presented.

Councilman Mercer requested that board reports that are in the agenda package not be included in the minutes, this may reduce the length of the minutes. Mayor Jennings acknowledged that these items will need to be included in the final set/official set of minutes.

APPROVAL/AMENDMENTS TO AGENDA

City Manager, Josh Kay requested the following changes to the agenda:

- Add as Old Business Item C: Adopt a Resolution to accept a grant for Airport Drainage Improvements at Warren Field (\$314,527)
- Add as New Business Item F: Approve - Project Blue Goose Agreements
- Remove: Closed Session – 143-318.11(a)(4) Economic Development

Councilman Mercer requesting the following changes to the agenda:

- Move Consent Item A - Approve – Purchase Orders >\$20,000 to New Business Item G

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

Council requested further discussions regarding the location of the new Beaufort County jail be added to the March 25th Committee of the Whole agenda.

CONSENT AGENDA:

(moved to New Business Item G:) A - Approve – Purchase Orders >\$20,000

COMMENTS FROM THE PUBLIC: None

SCHEDULED PUBLIC APPEARANCES: NONE

MEMO – DRAINAGE IMPROVEMENTS IN IRON CREEK

(Begin Memo)Below is a summary of the latest discussions in bullet format regarding this subject.

- At the July 23, 2012 Council meeting, residents of Iron Creek asked the City to look into ongoing drainage issues within their subdivision. Staff was directed to look into silt build-up in the culvert under Ore Drive as a possible contributing factor.
- At the August 27, 2012 Council meeting, Council asked for an update on Iron Creek drainage issues and it was decided that a presentation would be made at the next Committee of the Whole meeting.
- At the September 24, 2012 Council meeting, a presentation was made to Council on the drainage issues in Iron Creek. Several options were discussed and by consensus Council agreed with

staff's recommendation to muck out the ditch east of Ore Drive and to bring the necessary budget ordinance to Council for consideration at its next meeting.

- On October 8, 2012, Council approved a budget ordinance amendment to appropriate \$50,000 for drainage improvements in Iron Creek.

After numerous contacts with several area contractors, we were only able to get a quote from one contractor, TA Loving. As you can tell from the attached quote, that price was \$123,500. In the quote, they expressed concern for the project regarding the lack of need of a permit but agreed to do the work, at the price quoted, if all parties were in agreement with the means and methods of construction. Specifically, they are looking for approval of their methods from the appropriate regulatory agencies prior to beginning work.

At this time, with only one quote in hand and it being an amount considerably more than the amount budgeted, I would not recommend with moving forward with this project at this cost. It would be preferable to get some additional quotes at a minimum before moving forward.(End Memo)

Mayor Pro tem Roberson expressed concern with the memo regarding drainage improvements at Iron Creek. Inquiries were made regarding specifications for the proposed improvements. Mayor Jennings agreed with staff, that additional quotes/bids should be acquired.

MEMO – BELLE OF WASHINGTON DOCKAGE

(Begin Memo)The Belle of Washington is once again requesting to continue their relationship with the City of Washington for docking at the Waterfront Docks. They are not requesting any changes in the agreement. Communications about activities aboard the Belle was greatly improved in the 2012 season. Tammy Swanner personally managed the notifications and we received reminders from the Captain when cruises were scheduled. This notification is very beneficial to the Dock Attendants.

The Belle of Washington's activities around the park were better managed in 2012, with fewer instances of conflicts with park policies. I contribute that to the improved communication between the Belle of Washington and the Parks and Recreation Department staff. Pump outs at Dock "A" were scheduled and managed well with few, if any, conflicts or interruptions to daily operations of the Waterfront Docks or the Belle of Washington. The new docking agreement will cover the period of March 27, 2013 March 26, 2014. (End Memo) *Memo accepted as presented.

MEMO – LITTLE WASHINGTON SAILING CLUB DOCKAGE

(Begin Memo)The Little Washington Sailing Club is once again requesting to continue their relationship with the City of Washington for docking at the Waterfront Docks. They are not requesting any changes in the agreement. During the 2012 Little Washington Sailing Club season, communications between the Parks and Recreation Department at its Waterfront Docks Division and the Club continued to improve from previous years.

The Club kept the Waterfront Docks informed of activities and special requests far in advance which helped with scheduling and general knowledge of the activities of the Club. Information request by the Waterfront Docks was quickly and thoroughly provided. The new docking agreement will before the period of April 1, 2013 - March 31, 2014. (End Memo) *Memo accepted as presented.

HUMAN RELATIONS COUNCIL:

Update: Ed Peed Commemoration

Event held on February 16, 2013 at Fire Station One. Human Relations Council purchased a permanent banner from Atlantic Enterprise at a cost of \$250 ((least expensive). Atlantic Enterprise could not guarantee the life expectancy of the banner in regards to strong winds. The event was very successful, well attended and a great time enjoyed by all.

Discussion: Brotherhood/Sisterhood Week

By consensus, the Board agreed to the observance of both Ed Peed Commemoration and the Brotherhood/Sisterhood Week during the 3rd Saturday in February.

Update: Multicultural Festival

Vice-chair Cherry and Board member Howard explained due to personal reasons Ms. Natalie Castro requested tabling this event. By motion of Board member Hughes, seconded by Board member St. Clair, the Board agreed to table the Multicultural Festival until a later date when Ms. Castro's group is ready to

move forward.

Discussion: Fair Housing/ "Taste of Washington" Event

By motion of Board member Hughes, seconded by Board member Howard, the Board agreed to continue hosting Fair Housing/"Taste of Washington" during the month of April and expand the invitations to other restaurants.

Sub-committee members:

- Chairman O'Pharrow
- Vice-chair Cherry
- Board member Howard
- Board member St. Clair
- Board member Jennette
- Board member Lodge

FYI: Budget allocation request - Mr. Kay explained the City's budget process and that all non-profit partners have been requested to submit budget request to the City Manager by February 15, 2013. By motion of Board member Howard, seconded by Vice-chair Cherry, the Board agreed to leave the budget request the same as last year.

Acknowledgement: Chairman O'Pharrow acknowledged Dr. Donald W. Phipps, Ed. D., Superintendent, Beaufort County Schools and thanked him for attending the meeting.

FYI items addressed at this time inclusive of January report, funds, financial report, and public notification.

Reminders: Director Drakeford reviewed gang activities in the City of Washington. Director Drakeford voiced one arrest was made two months ago and that law enforcement was able to remove the individual from the community.

FINANCIAL REPORTS (EMAILED AS AVAILABLE)

Councilman Mercer discussed the Washington Electric Utilities forecast model that was distributed to Council. He stated we need to bring sales price in line with our purchase price, most specifically, Industrial sales. Reconfiguration of load management credits was also discussed with the suggestion that the cost of operation comes out before the distribution of credits. Council will discuss this further, possibly at the March 25th meeting.

APPOINTMENTS: NONE

APPROVE – EMS CHARGES

City Manager, Josh Kay reminded Council that this item was discussed at the last meeting and staff was directed to obtain additional information. Clients are not balance billed for the contractual adjustments, they are written off. Adopted EMS rates are billed out to every payer, (Medicare, Medicaid, insurance & bill patient). Contractual adjustments (allowed amounts for each payor type) are posted on the back end at the time the payments are posted. These contractual adjustments would include Medicare, Medicaid, any insurance our clients are contracted and patient contractual allowances (if required). Contractual adjustments for the 2012 calendar year were: Medicare 30%, Medicaid 76%, Insurance 20%.

Our collection rate by payor type after contractual allowances is:

Medicare 96%
Medicaid 99%
Insurance 70%
Patient 5%

By recommendation of EMS Management & Consultants, Inc. and in following the 2013 calendar schedule for Medicare Rates; we should adopt the proposed fee schedule prior to July to enable us to implement fees for the 2013 calendar year. Specifically we are recommending the addition of the ALS Level 2 charge which we currently do not use, and the increase of the loaded mileage transport fee. All other fees will remain unchanged.

CURRENT/PROPOSED CHANGES

DESCRIPTION	CURRENT	PROPOSED
ALS Emg. Transport – Co. Resident	\$550	\$550
ALS Emg. Transport – Non-Co. Resident	\$655	\$655
ALS Level 2 Emg. Transport	\$0	\$755.39 *New
BLS Emg. Transport – Co. Resident	\$450	\$450
BLS Emg. Transport – Non-Co. Resident	\$550	\$550
ALS Treatment No Transport	\$350	\$350
BLS Treatment Non Transport	\$250	\$250
Patient Transport Mileage Charge	\$13.00	\$14.00 *Change

ALS= Advance Life Support

BLS= Basic Life Support

Note: Level 2 ALS transport involves 3 or more ALS Patient procedures

Note: Level 2 ALS transport charges same for County * Non-County Residents

Discussion was held regarding the fee schedule for ambulance services and prior collection rates for EMS charges.

By motion of Councilman Pitt, seconded by Councilman Brooks, Council approved the recommended changes to EMS fees concurrent with the 2013 calendar year prior to the FY 13/14 budget and effective upon approval (rates effective March 12th). Motion carried 4-1 with Councilman Mercer opposing.

PUBLIC HEARING: MS. HILDA MARTINEZ – CERTIFICATE OF CONVENIENCE AND NECESSITY FOR TAXI LATINO CAB SERVICE

Mayor Jennings opened the public hearing. City Manager, Josh Kay explained the purpose of this Council Action is to hold a public hearing, as advertised, to consider the application for a Certificate of Convenience and Necessity by Hilda Martinez to operate one cab in the City of Washington as the Taxi Latino Cab Service. According to her application, Ms. Martinez desires to operate one taxicab in the City limits from her terminal located outside of the City limits at 4637 Cherry Run Rd. The notice calling for the public hearing was published on March 1, 2013, and a copy of the notice was mailed to all holders of Certificates of Convenience and Necessity for the operation of vehicles in compliance with the Washington City Code.

Ms. Hilda Martinez explained the need for a Latino/Bilingual cab service in the Washington community.

Mayor Pro tem Roberson inquired if the business would be operated out of Ms. Martinez's house. Ms. Martinez explained the business will operate out of her business (convenience store) on Cherry Run Road. She has confirmed with the Planning Department that she meets zoning requirements.

Councilman Pitt inquired about the hours of operation and Ms. Martinez stated she has not determined the hours of operation yet.

There being no comments from the public regarding the request, Mayor Jennings closed the public hearing.

By motion of Councilman Moultrie, seconded by Councilman Brooks, Council approved a Certificate of Convenience and Necessity be issued to Hilda Martinez with one taxicab for the Taxi Latino Cab Service.

ADOPT – RESOLUTION AMENDING PERSONNEL POLICY

The City Manager explained that Council has reviewed the revised Personnel Policy on numerous occasions, including the February Committee of the Whole meeting. Additionally, the revised policy has been reviewed by Robin Davis, an employment law attorney. Comments that have been received from City staff have been forwarded to City Council along with requested changes made by Councilman Brooks. No other comments or requested corrections have been received at the time of publication of the agenda.

By motion of Councilman Mercer, seconded by Councilman Brooks, Council adopted a resolution amending the City of Washington Personnel Policy. Councilman Pitt reminded everyone that the Personnel Policy is a fluid document and changes to the document can be made as warranted.

RESOLUTION FOR THE CITY OF WASHINGTON, NC ADOPTING PERSONNEL POLICIES FOR THE ADMINISTRATION OF EMPLOYEES OF THE CITY.

WHEREAS, the City of Washington, NC administers an existing personnel policy manual providing for a guide in the provision of compensation, benefits, discipline and attendance, among other things; and

WHEREAS, periodic review and amendment of such policies is good personnel administration practice that assists in providing sound management of human resources in service to the City; and

WHEREAS, the review and amendatory process has been completed by the City's administrative staff and the City Council wishes to adopt the manual as personnel management policy of the City, now, therefore,

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

That the attached Personnel Policy Manual is hereby approved and adopted as the Personnel Policy Manual for the City of Washington, NC, effective the 1st day of July, 2013.

ADOPTED this the 11th day of March, 2013.

Attest:

s/Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

ADOPT A RESOLUTION TO ACCEPT A GRANT FOR AIRPORT DRAINAGE IMPROVEMENTS AT WARREN FIELD (\$314,527)

City Manager, Josh Kay reviewed the request with Council, reminding them that the Council action is necessary in order to accept the grant from NCDOT in order to proceed with the drainage improvements at the airport. The original total project amount taken to you on December 10, 2012 of \$349,359. The grant amount, \$314,527, will be matched with City funds of \$34,947, for a total project of \$349,474. The \$115 difference between the two total project numbers was the cost of legal advertising that is refundable and was submitted to NCDOT. The grant agreement that they sent back to us for execution included the total project cost of \$349,474 which did not agree with the material presented at the December 10, 2012 Council meeting, thus the need for this resolution.

By motion of Mayor Pro tem Roberson, seconded by Councilman Moultrie, Council adopted the resolution to accept a grant from the North Carolina Department of Transportation (NCDOT) in the amount of \$314,527 for drainage rehabilitation at Warren Field Airport.

RESOLUTION

A motion was made by Mayor Pro tem Roberson and seconded by Councilman Ed Moultrie for the adoption of the following resolution, and upon being put to a vote was duly accepted:

WHEREAS, a Grant in the amount of \$314,527 has been approved by the Department based on total estimated cost of \$349,474; and

WHEREAS, an amount equal to or greater than 10 percent of the total estimated project cost has been appropriated by the Sponsor for this Project.

NOW THEREFORE, BE AND IT IS RESOLVED THAT THE City Manager of the Sponsor be and he hereby is authorized and empowered to enter into a Grant Agreement with the Department, thereby binding the Sponsor to the fulfillment of its obligation incurred under this Grant Agreement or any mutually agreed upon modification thereof.

I, Cynthia S. Bennett, City Clerk of the City of Washington do hereby certify that the above is a true and correct copy of an excerpt from the minutes of the Washington City Council of a meeting duly and regularly held on the 11th day of March 2013.

This, the 12th day of March, 2013.

Attest:

s/Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

APPROVE – SIEGE OF WASHINGTON CIVIL WAR EVENT

Josh Kay stated the Washington Tourism Development Authority has formed a committee to host a living history weekend marking the 150th anniversary of the Siege of Washington. Visitors to a reenactment event want to see as much action as possible. These re-enactors are trained in how to appropriately handle live demonstrations of period firearms. The WTDA has completed and submitted the City's required special events application.

By motion of Mayor Pro tem Roberson, seconded by Councilman Brooks, Council approved the firing of cannons and other historic firearms (non-projectile) during the Siege of Washington living history event on Saturday, April 13 between the hours of 9am-5pm at Festival Park.

APPROVE – PARKS & RECREATION DEPARTMENT TO APPLY FOR A COMMUNITY TRANSFORMATION GRANT – BICYCLE PLAN TO INCLUDE A PEDESTRIAN PLAN (\$10,000)

City Manager, Josh Kay explained the request is to allow the Parks and Recreation Department to apply for a grant in the amount of \$10,000 from the Community Transformation Grant Project. This grant application will allow the Mideast Commission to upgrade the Bicycle Plan they are currently working on to a Bicycle and Pedestrian Plan. The most current Pedestrian Master Plan was completed in 2006. The application is due on April 1, 2013. This is a reimbursement grant. No matching funds are required.

By motion of Councilman Moultrie, seconded by Mayor Pro tem Roberson, Council approved the Parks and Recreation Department to apply for a grant in the amount of \$10,000.00 from the Community Transformation Grant Project to upgrade the Bicycle Plan to a Bicycle and Pedestrian Plan.

Councilman Mercer commented on the short turnaround on grant applications/submissions and reminded staff to submit those request as early as possible.

APPROVE – PARKS & RECREATION DEPARTMENT TO APPLY FOR A COMMUNITY TRANSFORMATION GRANT – RECREATION MASTER PLAN (\$50,000)

City Manager, Josh Kay explained the request is to allow the Parks and Recreation Department to apply for a grant in the amount of \$50,000 from the Community Transformation Grant Project. This grant will allow the Recreation Department to upgrade their 2008 Parks and Recreation Comprehensive Plan. It is recommended to update these plans every 4-5 years. The application is due on April 1, 2013. This is a reimbursement grant. No matching funds are required.

By motion of Councilman Pitt, seconded by Mayor Pro tem Roberson, Council approved the Parrks and Recreation Department to apply for a grant in the amount of \$50,000.00 from the Community Transformation Grant Project to upgrade the 2008 City of Washington Recreation Master Plan.

ADOPT/ACCEPT – RESOLUTION OF INTENT TO ENTER INTO A RECREATIONAL LEASE WITH PTRF AND ACCEPT THE MEMORANDUM OF UNDERSTANDING

Josh Kay, City Manager said the City of Washington is considering a resolution to enter into a lease agreement with PTRF to construct a camping platform that is accessible by canoes and kayaks on the south side of the Tar River on the McMullen tract. Camping platforms are usually 16' x 32' raised wooden platforms that provide space for overnight camping access to the Tar River. PTRF's ultimate goal is to provide a series of platforms along the Tar/Pamlico River. PTRF is requesting that the City partner with them to lease 1/10 of an acre adjacent to the Business 17 Bridge. If approved, a notice citing the resolution of intent must be published and 10 days must pass before the documents can be executed.

By motion of Mayor Pro tem Roberson, seconded by Councilman Brooks, Council adopted the Resolution of Intent to enter into a Recreational Lease Agreement with Pamlico Tar River Foundation (PTRF) in order to construct a camping platform on City of Washington property known as the

McMullen Tract located on the southern shore of the Tar River. Council also accepted the Memorandum of Understanding with PTRF for said camping platform.

Councilman Mercer discussed the map that accompanied the document. Mr. Kay explained that GIS coordinates would be used to specify the location in the lease agreement.

**RESOLUTION AUTHORIZING THE CONVEYANCE
OF CERTAIN REAL PROPERTY BY LEASE AND
APPROVING THE LEASE OF SAID REAL PROPERTY
PURSUANT TO NORTH CAROLINA GENERAL STATUTE 160A-279 and 267**

WHEREAS, the City of Washington (hereinafter may be referred to as "City") owns certain real property described in that first tract of property conveyed to the City by Gift Deed from James B. McMullan and wife Bettie H. McMullan dated October 31, 1996 and recorded in Deed Book 1060 at Page 535 of the Beaufort County Registry.

WHEREAS, the City desires to lease approximately one-tenth (1/10) of an acre of said tract and related easements ("the Property") for a term of up to twenty-five (25) years to the Pamlico-Tar River Foundation, Inc. ("PTRF"), a North Carolina non-profit corporation, in order to allow PTRF to construct, maintain, and administer a camping platform and related improvements for recreational use by the general public, a public purpose and use.

WHEREAS, North Carolina General Statute § I 60A-279 authorizes a city to convey real property by private negotiation to a non-profit corporation which carries out a public purpose if the city is authorized by law to appropriate money to the corporation and so long as the procedural provisions of North Carolina General Statute § 160A-267 are followed.

WHEREAS, Article 18, Parks and Recreation, of Chapter 160A of the North Carolina General Statutes authorizes a city to create, establish, and operate parks and recreation programs as a proper governmental function and to appropriate funds in furtherance of that function.

WHEREAS, North Carolina General Statute § 160A-267 authorizes a city to adopt a resolution at a regular council meeting authorizing an appropriate city official to dispose of real property by private negotiation. Thereafter, the city must publish a notice summarizing the resolution and no conveyance may be consummated thereunder until ten (10) days after said publication.

WHEREAS, PTRF is engaged in the implementation of the Tar River Camping Platform System, a recreational program, and desires to lease said Property from the City for the purpose of utilizing the Property as part of said recreational program, which purpose and recreational program constitute a public purpose and use.

WHEREAS, the City finds it currently does not have a use for said Property and therefore concludes the Property is currently surplus to the City's needs and will not be needed by the City for the term of the lease proposed hereby.

WHEREAS, the City supports said recreational program; finds that the recreational program will benefit the public good as well as general welfare of the citizens of the City, the County of Beaufort, and the State of North Carolina; and finds the proposed public use to be acceptable.

WHEREAS, any revenue produced through rental of the Property by PTRF shall be used solely to support said recreational program or some other legal public purpose.

THEREFORE, the City Council for the City of Washington resolves as follows.

1. Said Property is hereby declared to be surplus to the needs of the City for the term of the proposed lease.
2. The consideration for said lease is that the Property shall be utilized in conjunction with and in furtherance of the Tar River Camping Platform System, a recreational program which constitutes a public purpose and use, and the lease will restrict the use of the Property to the same.

3. The City Clerk shall cause a notice summarizing the contents of this Resolution to be published once after its adoption in accordance with North Carolina General Statute § 160A-279 and § 160A-267.
4. The City Manager is authorized to further negotiate, if necessary, and enter the lease attached hereto ten (10) days after publication of said notice.

Adopted this 11th day of March, 2013.

Attest:

s/Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

**MEMORANDUM OF UNDERSTANDING
BETWEEN
CITY OF WASHINGTON
AND
PAMLICO-TAR RIVER FOUNDATION**

This **MEMORANDUM OF UNDERSTANDING**, hereinafter referred to as "MOU", is hereby made and entered into by and between the City of Washington, hereinafter referred to as "Washington", and the Pamlico-Tar River Foundation, hereinafter referred to as the "PTRF".

A. PURPOSE:

The purpose of this MOU is to establish a working and functional relationship between Washington and PTRF in the planning and implementation of the Tar River Camping Platform System at the proposed campsite location owned by Washington on the Tar River across from the West Main Street neighborhood of the downtown Washington Historic District. The proposed campsite shall be located on a portion of the first tract of property conveyed to Washington by a Gift Deed from James B. McMullan and wife Bettie H. McMullan dated October 31, 1996 and recorded in Deed Book 1060 at Page 535 of the Beaufort County Registry.

B. STATEMENT OF MUTUAL BENEFITS AND INTERESTS:

Washington's benefits include an active relationship with PTRF to promote the Tar River as a natural resource to paddlers and recreational users and to help promote ecotourism in Eastern North Carolina by providing an overnight facility along the river for various user groups. Further benefits include momentum gained toward the future implementation of the proposed Tar River Nature Park.

The benefits for PTRF through this cooperative effort are created through complementing the Tar River Camping Platform System. This camping platform will be one of a comprehensive and connected series of overnight facilities along the river.

C. WASHINGTON SHALL:

1. Provide the specified location using GIS coordinates for the construction of a 16' x 32' raised wooden camping platform adjacent to the Tar River as generally proposed on the above referenced property.
2. Provide year-round access (via the creek) to the camping platform for all users who have made proper reservations and purchased proper use permits for the camping platform.
3. Maintain Washington's current general liability insurance policy which would provide additional protection from any liability incurred from the use of the camping platform.
4. Allow access via water or land to the camping platform for construction and routine inspection and maintenance with prior approved notification from PTRF staff members or volunteers.
5. Allow access via water or land to the camping platform for EMS or other emergency rescue personnel during an emergency situation.
6. Allow PTRF to install signage on trees next to the river at the specified site and upstream of the site in order to clearly indicate the location of the camping platform to users.
7. Enter into a long term lease (25 years) with PTRF for the use of the property for the specified camping platform site to ensure longevity for the project.

D. PTRF SHALL:

1. Ensure the camping platform and use of the property that is contemplated by this MOU is permitted by, and performed in accordance with, any and all applicable laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions, and requirements of, grants from, 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 any time hereafter may be applicable to the camping platform and use of the property that is contemplated by this MOU.
2. Secure funds to construct a 16' x 32' raised wooden camping platform adjacent to the creek in the specified location.
3. Obtain all necessary building permits and any other permits that are required from regulatory agencies, including but not limited to the N.C. Division of Water Quality, U.S. Army Corps of Engineers, and CAMA.
4. Construct the camping platform in a timely and unobtrusive manner at the specified location and leave the site clean and pristine following construction.
5. Construct the camping platform in the specified location without removing any large trees or marketable timber unless removal is necessary and approved by Washington.
6. Secure and pay for a liability insurance policy insuring PTRF, and naming Washington as an additional insured, against potential liability for accidents or other unexpected occurrences on the camping platform or on Washington's property upon which the camping platform is located.
7. Require all users of the camping platform to sign a liability waiver form to release PTRF and the owner or lessor of the site from any liability associated with the use of the camping platform or surrounding property.
8. Handle all reservations and scheduling associated with the use of the camping platform and require each user to purchase a permit to use the camping platform.
9. Inform all users about all rules and guidelines associated with the use of this particular camping platform.
10. Routinely inspect, maintain and clean the camping platform and the area immediately surrounding the camping platform to ensure maximum safety.
11. Install appropriate "No Trespassing" signage in the vicinity of the camping platform in an effort to restrict users from accessing or trespassing on other areas of Washington's property or using Washington's property in any way other than for emergency access by rescuers or local EMS.
12. Be committed to resolving any unexpected situation in a timely manner as to alleviate Washington's concerns, as PTRF staff and/or volunteers are aware that special circumstances may arise where immediate attention or maintenance may be required at the camping platform.

E. ACCOUNTABILITY:

PTRF shall be held accountable for all expenses related to the construction, maintenance, routine inspection, insurance, signage, marketing, reservations, scheduling, and any other issues that may arise with the use of the camping platform. PTRF staff will support this project and will be available to help users by providing any information they might need to make their experience at the camping platform as positive as possible.

2 Memorandum of Understanding (Adopted by City Council, 3/11/2013)

F. IT IS MUTUALLY UNDERSTOOD AND AGREED BY AND BETWEEN THE PARTIES THAT:

1. **MODIFICATION.** Modifications within the scope of this instrument shall be made by mutual consent of the parties through the issuance of a written modification that is signed and dated by all the parties prior to any changes being performed.
2. **PARTICIPATION IN SIMILAR ACTIVITIES.** This instrument in no way restricts either party from participating in similar activities with other public or private agencies, organizations, and individuals.
3. **TERMINATION.** This MOU is subject to termination as more specifically provided for in the Recreational Lease entered into by the parties.
4. **PRINCIPAL CONTACTS.** The principal contacts for this instrument are:

City of Washington
Joshua L. Kay, City Manager
Post Office Box 1988
Washington, NC 27889
Phone: 252-975-9319
Email: jkay@washingtonnc.gov

Pamlico-Tar River Foundation
Environmental Projects Manager
Post Office Box 1854
Washington, NC 27889
Phone: 252-946-7211
Email: Richard@ptrf.org

5. **NON-FUND OBLIGATING DOCUMENT.** This instrument is neither a fiscal nor a funds obligation document. Any endeavor or transfer of anything of value involving reimbursement or contribution of funds between the parties to this instrument will be handled in accordance with applicable laws, regulations, and procedures including those for Government procurement and printing. Such endeavors will be outlined in separate agreements that shall be made in writing by representatives of the parties and shall be independently authorized by appropriate statutory authority. This instrument does not provide such authority. Specifically, this instrument does not establish authority for noncompetitive award of any contract or other agreement. Any contract or agreement for training or other services must fully comply with all applicable requirements for competition.

This MOU will remain active over the course of fiscal years 2013-2038.



City of Washington
Landowner



David Emmerling
Pamlico-Tar River Foundation



2 APR 2013

(Date)

RECREATIONAL LEASE

This RECREATIONAL LEASE ("Lease") is entered into and effective this 2ND day of APRIL 2013, by and between the City of Washington, a municipal corporation of the State of North Carolina whose mailing address is P.O. Box 1988, Washington, North Carolina 27889, ("Lessor") and the Pamlico-Tar River Foundation, a North Carolina non-profit corporation whose mailing address is P.O. Box 1854, Washington, North Carolina 27889, ("Lessee").

For and in consideration of the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties hereby agree as follows.

1. **LEASE.** Lessor hereby grants to Lessee and Lessee hereby accepts from Lessor a non-exclusive lease of a one-tenth acre tract immediately surrounding the camping platform and observation deck that are more particularly described as well as addressed below and are to be situated on the first tract of property described in the deed attached as Exhibit A, for camping and normal recreational purposes as well as uses by the general public. This one-tenth acre tract shall be configured around the platform as generally shown on the attached Exhibit B and is henceforth referred to as "the Property" for the purposes of this Lease. Lessor shall specify the exact location of the camping platform and the Property using GIS coordinates. It is recognized that Lessor does not hereby grant, but expressly reserves from this Lease, all rights to use the Property for any purpose which does not interfere with Lessee's rights and permitted uses under this Lease.
2. **IMPROVEMENTS.** Pursuant to this Lease, Lessee may construct at its expense a campsite consisting of a wooden camping platform including observation deck, a small wooden landing dock adjoining the Tar River, a wooden walkway between the campsite and landing dock, interpretative signage and such other improvements as Lessee deems reasonably necessary to facilitate the use of the Property as a single campsite (hereinafter collectively referred to as "the Improvements"). Lessee also shall have the exclusive right to rent the Improvements to campers who will occupy them for camping and normal recreational purposes as well as uses, subject to the terms and conditions set forth herein.
3. **ACCESS.** Lessor grants Lessee and its agents, invitees, campers, successors and assigns, and Lessee hereby accepts from Lessor, a non-exclusive easement in, over, across and through other real property owned by Lessor as reasonably required for construction, inspection, maintenance, repair and use of the Improvements; provided, however, that Lessee agrees to limit its access to established pathways and roads across the Property, if any, and shall not create new pathways and roads except to the extent reasonably necessary to access the Property. Lessor reserves the right, in its sole discretion, to designate the location of the above referenced easement, including pathways and roads, if any.
4. **TERM.** The term of this Lease shall be twenty-five (25) years from the effective date unless terminated sooner as provided herein. Any extension of this term shall be by written agreement of the parties.
5. **OTHER IMPROVEMENTS.** The parties acknowledge and agree that Lessee's rights to construct improvements are limited to those Improvements described in Paragraph 2 hereof and those reasonably necessary for the use of the Improvements and that construction of any other improvements would require execution of an amendment to this Lease or a new agreement superseding this Lease, whichever the parties deem appropriate.
6. **CONSIDERATION.** In consideration of the rights and privileges granted by Lessor hereunder, Lessee will pay Lessor an annual rental ("Rent") equal to the sum of 1 dollar (\$1) each year. Part of the consideration for this Lease is that the Property shall be utilized by Lessee solely in conjunction with and in furtherance of the Tar River Camping Platform System, which constitutes an acceptable public purpose and use.
 - a. **USE OF CAMPSITE RENTAL REVENUE.** Any revenue produced through rental of the Property by Lessee shall be used solely to support the Tar River Camping Platform System. In

1 Recreational Lease (Adopted by City Council, 3/11/2013)

the event there ever exists revenue surplus to the needs of the Tar River Camping Platform System, said revenue shall be contributed to a program or purpose that is a legal public purpose.

7. **TITLE TO IMPROVEMENTS.** The parties acknowledge and agree that the Improvements to be built on the Property, including but not limited to those described in Paragraph 2 and any additional improvements Lessee may add at a later date with Lessor's agreement, will be and shall remain the property of Lessee until the expiration of the term of this Lease, including any extensions; at which time, and if Lessor in its sole discretion elects, the Improvements shall, to the extent of Lessor's election, revert to and become the sole property of Lessor without any additional payment or consideration to Lessee therefor, free and clear of any and all claims thereto. The vesting of title to the Improvements in Lessor at the time specified is a part of the consideration for this Lease. If Lessor does not elect to take title to said Improvements, or a portion thereof, Lessor may direct Lessee to remove some or all Improvements and Lessee shall remove the same within sixty (60) days of Lessor's written election.
8. **TAXES AND ASSESSMENTS.** Lessee 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 Property or any Improvements or other property situated thereon, it being the mutual intention of the parties that Lessor shall not be required to pay any taxes on either real or personal property by reason of permitting Lessee to use the Property as herein described. Lessee also agrees to indemnify Lessor against any loss or liability resulting from any and all claims or liens in connection with such taxes and assessments.
9. **COMPLIANCE WITH LAWS AND REGULATIONS.** Lessee shall comply with all laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of, grants from, and agreements with all governments, departments, commissions, boards, Courts, authorities, agents, officials, officers and other parties, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to Lessee, the Property, and Lessee's use of the Property contemplated hereby. Further, Lessee 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 or disposal. Lessee shall not intentionally or knowingly use the Property for any purpose or in any manner in violation of any law, ordinance, rule, or regulation adopted or imposed by any federal, state, county, municipal body, or other governmental agency. Lessee further agrees to indemnify and hold the City harmless for any and all damage of any kind arising from Lessee's failure to comply with the aforementioned rules and regulations, including, but not limited to, the cost of clean-up, restoration fees, mitigation costs, and attorney's fees caused or occasioned by Lessee.
10. **USE OF PROPERTY.** Lessee shall inform its campers and other agents that their use of the Property is limited to use of the Improvements for camping and normal recreational purposes as well as uses and that other uses not incident to camping and normal recreational purposes are prohibited. In addition, Lessee shall specifically inform its campers and other agents that **hunting, discharging of firearms and any open fires** on the Property are strictly prohibited.

Lessee shall inform its campers of the use restrictions described above in the description of the camping platform on Lessee's website (www.ptrf.org), in all future maps and brochures concerning the camping platform, in the liability waiver form associated with on-line reservations, in the newsletter announcing the opening of the camping platform, in signage on the camping platform and in all communications with persons making reservations through agents of Lessee. Notwithstanding the foregoing provision, if Lessor becomes aware of any use of the Property by campers or other agents of Lessee that is not permitted by this Lease, Lessor shall inform Lessee and Lessee shall take whatever action is necessary to either end the offending use or remove such campers or agents from the Property. If such impermissible or offending uses persist or continue to occur for a period of sixty (60) days after Lessee receives written notice from Lessor to eliminate the same, Lessor may, in Lessor's sole discretion, terminate this Lease through proper written notice to Lessee.

2 Recreational Lease (Adopted by City Council, 3/11/2013)

11. **MAINTENANCE.** Lessee shall maintain the Improvements in a good condition as well as state of repair and shall keep the Improvements in an aesthetically pleasing appearance in compliance with any and all ordinances of Lessor, including but not limited to zoning and public nuisance ordinances. Lessee shall not create a nuisance on the Property or commit any waste, injury or destruction to the Property and will cooperate in the resolution of any such nuisance, waste, injury, or destruction that may occur.
12. **NO WARRANTIES.** Lessee acknowledges that Lessor has made no warranties of any kind regarding the Property, including the warranties of fitness for a particular purpose or merchantability, and Lessee takes the Property as is, with all faults, dangerous conditions and attributes, whether known to Lessor and/or Lessee or not. Notwithstanding the foregoing, if Lessor becomes aware of a fault, dangerous condition or attribute on the Property, Lessor will make reasonable efforts to inform Lessee.
13. **TERMINATION.** Except as otherwise provided herein, this Lease may be terminated without any penalty or further liability upon written notice as follows:
(a) by either party upon a breach or default of any material covenant or term hereof, which breach or default is not cured within sixty (60) days of receipt of written notice of the breach or default (without limiting any other rights available to the parties pursuant to any other provision hereof);
(b) upon thirty (30) days written notice by Lessee to Lessor if Lessee is unable to obtain or maintain any license, permit, or other governmental approval necessary for the construction and operation of the Improvements or an insurance policy as required hereunder; or
(c) upon thirty (30) days written notice by Lessee to Lessor if the Improvements are destroyed or damaged so as to hinder their safe or effective use, or if for any other reason Lessee determines that use of the Property is no longer feasible.
(d) upon thirty (30) days written notice by Lessor to Lessee if Lessor, in Lessor's sole discretion, determines that the Property should be utilized for an alternate purpose or incorporated into the Tar River Nature Park that Lessor contemplates developing in the future. In the event Lessor exercises this particular authority to terminate this Lease prior to the expiration of the term and the camping platform described herein cannot be moved and utilized at an alternate location, Lessor shall contribute to Lessee a monetary amount equal to the replacement cost of a camping platform similar to the one contemplated hereunder.
14. **RELEASE, WAIVER OF CLAIMS AND INDEMNITY.** Lessee shall occupy the Property at Lessee's own risk. Lessee for itself as well as its invitees, campers, customers, and guests as well as their respective successors and assigns, hereby shall unconditionally waive, release, hold free and harmless, indemnify and defend Lessor and its present and former employees, officials, and elected officials in both their respective individual and official capacities, agents, personal representatives, attorneys, insurers, heirs, successors and assigns, and each of them, respectively, of, from, and for all and any manner of action or actions, cause and causes of action, claims, demands, costs, loss of services, expenses, attorney's fees, compensation and all consequential, compensatory, general, special and/or punitive damages or liabilities, known or unknown, which may result directly or indirectly from or be in any way related to, connected with or growing out of this Lease, Lessee's construction of the Improvements, and Lessee's occupancy as well as use of said Property, including use by invitees, campers, customers, and guests of Lessee. This provision shall survive the termination of this Lease and shall be in full force and effect beyond the term or termination of this Lease, however terminated.
15. **INSURANCE.** Lessee shall at its expense maintain in full force and effect throughout the term of this Lease comprehensive general liability insurance covering its activities on the Property, including construction of the Improvements and the rental of same, with coverage limits at a minimum of \$1 million each occurrence and \$2 million general aggregate. Lessee shall add Lessor to the above-described policy as an additional insured and shall provide a certificate of insurance to Lessee each year at policy renewal.
16. **NO ASSIGNMENT.** Except for the right to rent the Improvements to campers as provided herein, Lessee shall not have the right to assign this Lease to a third party without the prior written permission of Lessor, which permission may be withheld in Lessor's sole discretion.

3 Recreational Lease (Adopted by City Council, 3/11/2013)

17. **SUCCESSORS AND ASSIGNS.** This Lease shall run with the Property described on Exhibit A and shall be binding upon and inure to the benefit of the parties, their respective heirs, successors, personal representatives and assigns, subject to the provisions of Paragraph 16.
18. **MEMORANDUM OF LEASE.** Lessee may file of record in the property records of Beaufort County a memorandum of lease upon approval of the same by Lessor.
19. **SEVERABILITY.** If any provision of this Lease shall be declared illegal, void, or unenforceable, the other provisions of this Lease shall not be affected, but shall remain in full force and effect.
20. **NOTICES.** Any notices which Lessor or Lessee is required or desires to give to the other hereunder shall be deemed sufficiently given or rendered if, in writing, they are delivered personally, or sent by certified or registered mail, postage pre-paid, to the following addresses.
- If to Lessee:
Chairperson and/or Executive Director
Pamlico-Tar River Foundation
P.O. Box 1854
Washington, North Carolina 27889
- If to Lessor:
City Manager
City of Washington
P.O. Box 1988
Washington, North Carolina 27889

Any notice so given to either party hereunder shall be conclusively deemed to have been received upon delivery, in the case of personal delivery, or, in the case of proper mailing, on the third business day following the proper mailing thereof. Each party shall give written notice to the other of 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.

21. **REPORTS.** If requested by the City Manager, Lessee shall provide a report of such matters involving the Property or the camping platform as may be required by the City Manager.
22. **RELATIONSHIP OF PARTIES.** In carrying out the terms and conditions of this Lease, Lessee is an independent party from Lessor and is not an agent or employee of Lessor. Nothing contained in this Lease shall create or be construed as creating a partnership, joint venture, or employee relationship between Lessor and Lessee.
23. **WAIVER.** No waiver of any condition, covenant or restriction of this Lease by either party shall be deemed to imply or constitute a further waiver of the same or any other condition, covenant or restriction of this Lease. 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.
24. **MISCELLANEOUS.**
- a. The headings of the paragraphs in this Lease are for convenience of reference only and shall not be used to construe the meaning of the contents of such paragraphs.
- b. Should Lessor or Lessee institute any legal proceedings against the other related to this Lease, 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.

4 Recreational Lease (Adopted by City Council, 3/11/2013)

- c. This Lease shall be binding upon the respective parties hereto and upon their heirs, successors and, if expressly permitted as provided for herein, assigns.
- d. This Lease was negotiated by the parties and 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 this Lease.
- e. This Lease shall be governed by and construed in accordance with the laws of North Carolina.

25. **SURVIVAL OF TERMS.** If any provision herein contained which by its nature and effect is required to be observed, kept or performed after the expiration or other termination of this Lease, it shall survive the expiration or other termination of this Lease and remain binding upon and for the benefit of the parties hereto until fully observed, kept or performed. The parties expressly acknowledge that this survival of terms provision shall pertain to all applicable provisions of this Lease, including but not limited to the provisions of this Lease which may require Lessee to remove the Improvements made or placed on or about the Property by Lessee.

26. **ENTIRE AGREEMENT.** This Lease contains the entire agreement between the parties hereto with respect to Lessee's use and occupancy of said Property and all prior and contemporaneous agreements are merged herein, and this instrument shall not be altered or modified except in writing signed by all parties hereto.

IN WITNESS WHEREOF, after due authority given, the parties have executed the foregoing Lease on the day first above written.

PRE-AUDIT CERTIFICATE

This Agreement 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.



THE CITY OF WASHINGTON

By: Matt Rauschenbach (SEAL)
Matt Rauschenbach, Chief Financial Officer

**LESSOR:
THE CITY OF WASHINGTON**

By: Joshua L. Kay (SEAL)
Joshua L. Kay, City Manager

Cynthia S. Bennett (SEAL)
Cynthia S. Bennett, City Clerk

**LESSEE:
PAMLICO-TAR RIVER FOUNDATION**

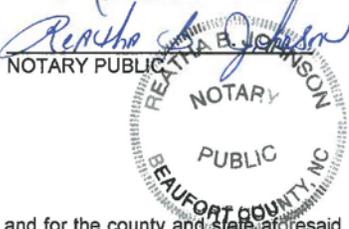
By: David Emmerling (SEAL)
David Emmerling, Executive Director

**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, Owner, a North Carolina municipal corporation, and as the act of the corporation, the foregoing instrument was signed in its name by JOSHUA L. KAY, its Manager, sealed with its corporate seal and attested by herself as its City Clerk.

Witness my hand and notarial seal, this the 27 day of March, 20 13.

My Commission Expires: 12/14/2014



**STATE OF NORTH CAROLINA
COUNTY OF BEAUFORT**

I, Terry M. Woolard, a Notary Public in and for the county and state aforesaid, do hereby certify that DAVID EMMERLING, Executive Director of PAMLICO-TAR RIVER FOUNDATION, Lessee, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and notarial seal, this the 2 day of April, 20 13.

My Commission Expires: 05/28/2013



Exhibit A

BK 1060 PG 535

BK 1060 PG 536

NORTH CAROLINA
BEAUFORT COUNTY

THIS GIFT DEED, Made as of the 31st day of OCTOBER, 1996, from James B. McMullan and wife Bettie H. McMullan, hereinafter designated GRANTORS, to the City of Washington, a municipal corporation of the State of North Carolina, hereinafter designated GRANTEE;

WITNESSETH:

That GRANTORS, in consideration of respect and support of the objectives of GRANTEE, have given and granted, and by these presents, do give, grant and convey unto GRANTEE, and its successors and assigns, but subject to the reservations and all terms, provisions and conditions herein provided, certain tracts or parcels of land located in Chocowinity Township, Beaufort County, North Carolina, and more particularly described as follows:

FIRST TRACT: Bounded on the East by the Old Highway from Washington to Chocowinity, on the South by the Hudnell lands, formerly the Arthur or Daguid Lands, on the West by the Grist land, formerly the Canady Grant, and on the North by the Pamlico River, it being all that piece or parcel of land described in deed from W.C. Rodman to W. B. Rodman, dated August 19, 1926, of record in the Register's Office of Beaufort County in Book 266, at Page 16, except that part of the lands described in said deed which lies within the boundaries of a deed from W. C. Rodman to N. E. Saleeby, which deed to Saleeby is recorded in said Register's Office in Book 273 at Page 55. Also saving and excepting those lands conveyed by deed dated January 21, 1964 to Lane, Cox & Litchfield, Inc. of record in Book 561 at Page 401, Beaufort County Registry and by deed dated February 10, 1964 to Lane, Cox & Litchfield, Inc. of record in Book 562 at Page 562, Beaufort County Registry.

The foregoing described tract of land being the same as conveyed to R. S. Carver, now deceased, and wife, Elsie B. Carver by W. B. Rodman, et al of record in Book 357 at Page 515, Beaufort County Registry.

SECOND TRACT: BEGINNING in the center line of the former right of way of the Washington Vandemere Railroad at the edge of the high land at the point where the Grist line crosses said right of way; thence Northwardly with the center line of said right of way to the line of the Rodman land; thence with the line of the Rodman land North 50 West to the Grist line (later owned by John Wynne); thence South 40 West with the Grist or Wynne line

2640 feet to a gum, a corner; thence in an Easterly direction to the point of beginning, containing 63 acres, more or less, and being a part of the first tract described in deed from Beaufort Farm Company to W. T. Hudnell, Jr. of record in the Register's Office of Beaufort County in Book 302, Page 205, and being the same conveyed to Thomas E. Adams by deed of record in said Office in Book 308, Page 325. It also being the same as conveyed to R. S. Carver, now deceased, and wife, Elsie B. Carver by deed dated March 25, 1954 from Thomas E. Adams, et ux of record in Book 438 at Page 480, Beaufort County Registry.

THIRD TRACT: BEGINNING at the point of intersection of the center line of the roadbed of the former main track of the Atlantic Coast Line Railroad Company's former Washington and Vandemere Railroad and the Southwest bank of the Pamlico River; running thence Southeastwardly with and along said River bank to a point which is 255.7 feet Southeastwardly, measured at right angles from said center line; thence Southwestwardly parallel with said center line, 782.3 feet; thence Northwestwardly, at right angles with the preceding course, 205.7 feet; thence Southwestwardly parallel with said center line, 853 feet; thence Northwestwardly, at right angles with and across said center line, 100 feet; thence Northeastwardly, parallel with said center line, 853 feet; thence Northwestwardly at right angles with said center line, 205.7 feet; thence Northeastwardly, parallel with said center line, 882.3 feet to said River bank; thence Southeastwardly along said River bank to the point of beginning; containing 12 acres, more or less, as shown in yellow on the blueprint of record in Book 438 at Page 157, Beaufort County Registry and made a part hereof. It being the same as conveyed to R. S. Carver, now deceased and wife, Elsie B. Carver by Atlantic Coast Line Railroad Company by deed dated February 27, 1954 of record in Book 438 at Page 156, Beaufort County Registry.

The foregoing three tracts of land were heretofore conveyed to Lyn-Camp Development Corp. by Elsie B. Carver (Widow) by deed dated June 27, 1969 of record in Book 643 at Page 384, Beaufort County Registry. See deed to Eli Najeeb Saleeby and wife recorded in Book 672, Page 482, Beaufort County Registry. See deed from Saleeby to McMullan, recorded in Book 891, Page 82, Beaufort County Registry.

BUT THERE IS EXCEPTED AND RESERVED to James B. McMullan, his heirs and assigns, in fee simple, a certain parcel of land, and a certain perpetual right of way, described as follows:

PARCEL OF LAND:

Beginning at a point opposite a city of Washington concrete electric transmission line pole and in the centerline of the old Washington and Vandemere Railroad bed and which point stands 1065 feet, measured southwestwardly along the centerline of said railroad bed, from the southerly edge of Tar River; running thence with the centerline of said railroad bed N 30° 13' 27" E (NC Grid System) 276 feet to a point opposite another city of Washington concrete electric transmission line pole; running thence S 59° 46' 33" E (NC Grid System) 8 feet to the center of the last said pole; running thence S 59° 46' 33" E about 70 feet to the run of a small creek known as McMullan Creek; thence with the run of McMullan Creek in a northeasterly direction to the Tar River; thence up the southerly edge of Tar River in a westerly direction to the easternmost corner of the 793.50 acre tract conveyed to B. E. Singleton and Sons, Inc. from Michael D. Neal et ux by deed dated 4-18-1984, recorded

PREPARED BY:
JAMES B. McMULLAN
FORT COUNTY LAND RECORDS
FORM NO 1 - 2064
ACCEPTED
[Signature] 11-17-96
Records Official Date

BK 1060 PG 537

in Book 835, Page 70, Beaufort County Registry); thence with the Singleton line S 35° W (magnetic for 4-21-1922) about 300 feet to a point which bears N 59° 46' 33" W from the point of beginning; thence S 59° 46' 33" E about 1000 feet to the point of beginning, containing 10 acres, more or less.

RIGHT OF WAY:

It being 50 foot wide, measured 25 feet at right angles to and on both sides of the center line of the roadbed of the former main track of the Washington and Vandemere Railroad, and which right of way is bounded on the northeast by the southwesterly lines of the above-described 10 acre, more or less, parcel, and is bounded on the southwest by the northeasterly edge of the right of way of State Road No. 1165.

It is the intent hereof that the right of way shall be for all purposes and be owned by James B. McMullan, his heirs and assigns, in perpetuity. Further conditions with respect to said land and right of way which shall be binding upon and enure to the benefit of GRANTORS and GRANTEE, their heirs, successors and assigns, are as follows:

1. At least twice per year (as near to June 15th and September 1st as is convenient to GRANTEE) GRANTEE will mow its electric utility right of way from State Road No. 1165 to Tar River. The mowing strip shall be at least 30 feet wide (10 feet eastwardly of the line of the concrete poles and 20 feet westwardly of such pole line.)

2. GRANTEE shall have the right to permit the general public to use for travel that portion of its utility right of way which lies southwestwardly of the aforesaid 10 acre parcel reserved by GRANTORS but if GRANTEE permits such use then it shall maintain the roadway located on such right of way in good passable condition.

TO HAVE AND TO HOLD the aforesaid tracts or parcels of land, together with all rights, ways, privileges and appurtenances thereunto belonging or in anywise appertaining unto it, the said GRANTEE, its successors and assigns, in fee simple; but subject to all of the provisions above set out and subject also to the following:

1. Right of way recorded in Book 800, Page 850, Beaufort County Registry, to Carolina Power and Light Company.
2. Right of way recorded in Book 814, Page 206, Beaufort County Registry, to City of Washington.
3. Lien of any taxes that may be due to Beaufort County.

IN WITNESS WHEREOF, GRANTORS have hereunto set their hands and seals and GRANTEE has caused this deed to be executed in its name by its Mayor, attested by its City Clerk and its corporate seal to

BK 1060 PG 538

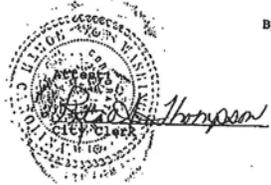
be hereto affixed, all by authority of a resolution of its City Council. This deed has been executed in duplicate originals.

James B. McMullan (SEAL)
James B. McMullan

Bettie H. McMullan (SEAL)
Bettie H. McMullan

City of Washington

By: [Signature]
Mayor



NORTH CAROLINA
BEAUFORT COUNTY

Before me, J. McMullan, Jr., a Notary Public in and for the State and County aforesaid, personally appeared James B. McMullan and wife Bettie H. McMullan and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and notarial seal this 31st day of October, 1996.



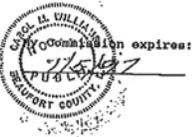
[Signature]
Notary Public

BK 1060 PG 539

NORTH CAROLINA
BEAUFORT COUNTY

I, Claudia Williams, a Notary Public of the State and County aforesaid, certify that Reita Thompson personally appeared before me this day and acknowledged that she is City Clerk of the City of Washington, a municipal corporation of the State of North Carolina, and that by authority duly given and as the act of the municipal corporation, the foregoing instrument was signed in its name by its Mayor, sealed with its corporate seal and attested by herself as its City Clerk.

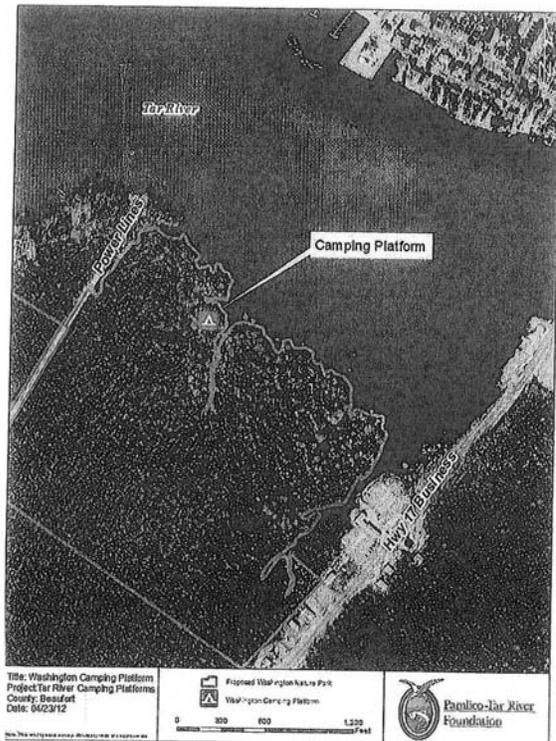
Witness my hand and notarial seal this 31st day of October, 1996.



Claudia Williams
Notary Public

Recreational Lease (Adopted by City Council, 3/11/2013)

Exhibit B



C:\CLFL\DEEDS\MCMCREEK.DES

North Carolina
Beaufort County
The foregoing certificate of J. McMullan, Jr.
Claudia Williams
Notary Public/Notaries Public is/are certified to be correct
This 31st day of October, 1996 at Washington, N.C.
By [Signature]
1996
Deputy Register of Deeds

AWARD – INSTALLMENT FINANCING BID

Mr. Kay stated six proposals were received from financial institutions on February 26, 2013. We have reduced our budgeted installment financing down to \$705,805. The lowest bid came from BB&T. Councilman Mercer expressed appreciation to the City Manager and Matt Rauschenbach on achieving the reduction in installment financing.

By motion of Mayor Pro tem Roberson, seconded by Councilman Mercer, City Council awarded a \$705,805 installment purchase financing bid to BB&T, adopt a Resolution Approving Financing terms, and authorize the C.F.O. to execute the necessary documents to close this transaction.

	East Carolina Bank	Wells Fargo	PNC	First Bank	First South	BB&T
Interest rate	2.15%	1.65%	1.49%	3.00%	2.68%	1.36%
Interest	39,177.41	29,530.29	26,606.84	54,212.35	48,356.60	24,259.82
Monthly Payment	12,626.82	12,463.31	12,413.76	12,881.65	12,782.40	12,373.98
Prepayment	0		No call 24 mth, 3%			1%
Fee	1,500	-	250	750	1,764	-
Closing Costs	100	500	-		500	-
Term	59 months	59 months	59 months	59 months	59 months	59 months
Escrow Fees	0					
Escrow Interest	0.00%				0.50%	

APPROVE - PROJECT BLUE GOOSE AGREEMENTS

City Manager, Josh Kay reviewed the history of this project with City Council. Three public hearings have been held regarding this project.

1. Public Hearing(CDBG) - January 14, 2013
2. Public Hearing(CDBG Grant) - February 11, 2013
3. Public Hearing (Economic Incentives) February 25, 2013

Blue Goose, LLC will own two properties and lease those properties to Pronamic Industries, LLC and Oak Ridge Metal Works, LLC. Pronamic Industries, LLC will move into the Quick Start 2 Building at the Industrial Park, while Oak Ridge Metal Works, LLC will move into the former Brooks Boatworks building at the Industrial Park.

CDBG Grant Agreement - The City applied for and has been granted \$320,000 to assist in the building restoration/renovation of the former Brooks Boatworks Building located at the City/County Industrial Park. The required match will be provided by Oak Ridge Metal Works, LLC through their renovation costs. The only actual cost to the City will be limited to grant administration. Grant requirements include:

- Funds will be loaned to the project (see *Loan Agreement*)
- Creation of 16 full-time jobs
- 60% of jobs will benefit low to moderate-income persons
- Jobs must be maintained for five (5) years
- Cumulative average of 16 jobs must equate to \$15.95 per hour

Loan Agreement – The City will loan Blue Goose, LLC/Oak Ridge Metal Works, LLC \$320,000 for building renovation and site improvement costs. The loan is forgivable over a 5-year period; however, tiered repayment occurs if grant/loan conditions (listed in *CDBG Agreement* above) are not met during that period. The loan is secured by a first lien of deed of trust against the building and property. All work must be completed by January 1, 2015.

Economic Incentive Grant Agreement – The City will provide an annual grant of up to \$19,436 per year for a total of five years to Blue Goose, LLC/ Oak Ridge Metal Works, LLC/Pronamic Industries, LLC. The grant is made annually beginning on January 31, 2016 and ending on January 31, 2020 to assist in building renovations, utility expansions and site improvements. Conditions of the grant include:

- All conditions of the CDBG Grant Agreement & Loan Agreement highlighted above
- Total jobs created by all projects is 54 and cumulative average hourly rate is \$15.95
- Total pre-depreciation investment of \$9,400,000 in property, buildings, and machinery and equipment
- Grant is based on 50% of annual tax payments made to the City of Washington, with an annual maximum grant of \$19,436

Council discussed the various terms of the agreements including, but not limited to, the repayment process.

By motion of Mayor Pro tem Roberson, seconded by Councilman Mercer, Council approved the CDBG Grant Agreement for Oak Ridge Metal Works, LLC Building Reuse Project, a Loan Agreement by and between the City of Washington and Blue Goose, LLC/Oak Ridge Metal Works, LLC, and an Economic Incentive Grant Agreement by and between the City of Washington and Blue Goose, LLC/Pronamic Industries, LLC/Oak Ridge Metal Works, LLC. Council also authorized the City Manager and/or City Attorney to make any necessary minor non-substantive changes to the Agreements and authorized the Mayor and/or City Manager to execute said Agreements.

(Moved From Consent Item A) - APPROVE – PURCHASE ORDERS >\$20,000

*Requisition #12524, \$98,251.92, to Atlantic Power Systems to repair the water treatment plant generator, account 35-90-8370-1600.

Councilman Mercer requested further information regarding the repair of the generator with a cost of \$98,251.92 and wanted to know if the item should be repaired or replaced. Keith Hardt, Electric Director explained the repair would cost less than \$100,000 while a new generator would be \$650,000-\$750,000. The damage occurred to the generator due an intake issue, which in turn damaged some valves. The damage was not caused by a lack of maintenance, there was unknown algae build up in the tank. We are working with our supplier to include an algacide added to the fuel to prevent this from happening again.

*Requisition #12581, \$24,741.51, to Holland Industrial to repair the submersible pump at Fifth and Respass, account 32-90-8230-1600.

The repair to the submersible pump is \$24,741.51 while a replacement pump would be around \$90,000. Allen Lewis, Public Works Director explained that the life span of the repaired pump would be equal to the lifespan of a new pump, which is about 4-5 years. Mr. Lewis suggested to repair the pump at this time.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council approved the following purchase orders: *Requisition #12524, \$98,251.92, to Atlantic Power Systems to repair the water treatment plant generator, account 35-90-8370-1600 and *Requisition #12581, \$24,741.51, to Holland Industrial to repair the submersible pump at Fifth and Respass, account 32-90-8230-1600.

**CLOSED SESSION – UNDER § NCGS 143-318.11(A)(3) ATTORNEY CLIENT PRIVILEGE
– INCLUDING CITY OF WASHINGTON VS. ANNE & HARRY MEREDITH, ET AL (08-
CVS-105), AND NCGS 143-318.11(A)(6) PERSONNEL**

By motion of Councilman Pitt, seconded by Councilman Mercer, Council entered into closed session at 6:45 pm under § NCGS 143-318.11(a)(3) Attorney Client Privilege – including City of Washington vs. Anne & Harry Meredith, et al (08-CVS-105), and NCGS 143-318.11(a)(6) Personnel.

By motion of Councilman Moultrie, seconded by Councilman Brooks, Council agreed to come out of closed session at 7:15pm.

ANY OTHER ITEMS FROM CITY MANAGER:

City Manager, Josh Kay tendered his resignation with the City of Washington. Mr. Kay will be taking a position with Santee-Cooper located in Moncks Corner, South Carolina.

(begin resignation letter) It is with mixed emotions that I tender my resignation as City Manager for the City of Washington. I have been offered and have accepted a position with Santee Cooper in Moncks Corner, SC.

It is my hope that during these remaining days, that I can assist you in preparing the 2013/2014 Fiscal Year Budget and also assist you in initiating the process to find your next manager. I have truly enjoyed working with each of you and the staff. Washington is truly blessed to have such a great team of dedicated men and women who strive to continually provide the highest level of services to its citizens and customers.

While my family and I are excited about this opportunity, we are saddened to leave a community that we have come to know as home. I want to thank you and the many people of this community for welcoming, befriending, and supporting us during our time here. We will truly miss Washington and will eagerly look forward to hearing, reading, and seeing the many positive changes that Washington will experience in the future.

Again, thank you for the opportunity to serve as your City Manager.

Sincerely,

Joshua L. Kay (end)

Mayor Jennings/Council members as well as members of the audience(Trent Tetterton & Norma Latham) provided well wishes to Mr. Kay and thanked him for his outstanding performance as Washington's City Manager.

ANY OTHER BUSINESS FROM THE MAYOR OR OTHER MEMBERS OF COUNCIL:

NONE

ADJOURN

By motion of Councilman Mercer, seconded by Councilman Pitt, Council adjourned the meeting until March 25, 2013 at 5:30pm in the Council Chambers at the Municipal Building.

Cynthia S. Bennett, CMC
City Clerk