



City of  
**Washington**  
NORTH CAROLINA  
Council Agenda  
MARCH 9, 2015  
5:30 PM

Opening of Meeting

Nondenominational Invocation

Roll Call

Approval of minutes from February 23, 2015 (**page 3**)

Approval/Amendments to Agenda

I. Consent Agenda:

A. Approve – Purchase Orders >\$20,000 (**page 14**)

II. Comments from the Public:

III. Public Hearing – Zoning: None

IV. Public Hearing - Other: None

V. Scheduled Public Appearances: None

VI. Correspondence and Special Reports: None

VII. Reports from Boards, Commissions and Committees:

A. Human Relations Council – (**page 18**)

VIII. Appointments: None

IX. Old Business:

A. Authorize/Adopt – Mayor to execute idX/Impressions Building Reuse Grant Documents and Adopt a Grant Project Ordinance (**page 19**)

B. Approve – CIP 2016-2020 (**page 55**)

X. New Business:

A. Adopt – Recreational Sport Program Agreement (**page 61**)

B. Adopt/Award – an Ordinance to condemn as unsafe the structure located at 309 West 5<sup>th</sup> Street and Award the demolition contract (**page 68**)



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- C. Approve – EMS Contract for Old Ford Fire and the Clark’s Neck Fire Districts **(page 74)**
- D. Discussion – Request for Street Closings and sale of City property **(page 78)**
- XI. Any Other Items From City Manager:
  - A. Discuss – Outside Agency Funding
- XII. Any Other Business from the Mayor or Other Members of Council: None
- XIII. Closed Session – None
- XIV. Adjourn – Until Monday, March 23, 2015 at 5:30 pm, in the Council Chambers

**CITY COUNCIL MINUTES  
WASHINGTON, NORTH CAROLINA**

**February 23, 2015**

The Washington City Council met in a regular session on Monday, February 23, 2015 at 5:30pm in the City Council Chambers at the Municipal Building. Present were: Mac Hodges, Mayor; Bobby Roberson, Mayor Pro tem; Doug Mercer, Councilman; William Pitt, Councilman; Richard Brooks, Councilman; Larry Beeman, Councilman; Brian M. Alligood, City Manager; Cynthia S. 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; Susan Hodges, Human Resources Director; Kristi Roberson, Parks and Recreation Manager; Keith Hardt, Electric Utilities Director; John Rodman, Community & Cultural Services Director; David Carraway, Network Administrator and Mike Voss, Washington Daily News.

Mayor Hodges 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 approved the minutes of February 9, 2015 as presented.

**APPROVAL/AMENDMENTS TO AGENDA:**

Mayor Hodges reviewed the requested amendments to the agenda:

- Move from Consent Item C: Purchase Orders >\$20,000 (**discussed after approval of Consent Agenda**)

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

**CONSENT AGENDA:**

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

**A. Declare Surplus/Authorize – Electronic Auction of Vehicles through GovDeals**

<u>Vehicle #</u>	<u>Make/Model</u>	<u>Serial Number</u>	<u>Odometer Reading</u>
#164	2004 Pontiac Grand Prix	2G2WR524641341656	90,022
#237	2002 Jeep Laredo	1J4GW48S22C23804	135,560
#810	2002 Dodge Ram 2500	3B7KC26Z72M258694	107,916

- B. Adopt – Budget Ordinance Amendment to fund Storm Water Technical & Financial Services study from Martin-McGill**

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE OF THE CITY OF  
WASHINGTON, N.C. FOR THE FISCAL YEAR 2014-2015**

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

**Section 1.** That the Estimated Revenues in the Storm Water Fund be increased in the following accounts and amounts:

34-90-3991-9100 Fund Balance Appropriated \$64,500

Section 2. That the following accounts and amounts be increased in the Administration & Operations division of the Storm Water Fund appropriations budget to fund a technical and financial services review by Martin-McGill:

34-90-5710-0400 Professional Services \$64,500

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 23<sup>rd</sup> day of February, 2015.

**ATTEST:**

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

**s/Mac Hodges  
Mayor**

**C. Removed from Consent (discussed after approval of Consent Agenda) Approve – Purchase Orders >\$20,000**

**APPROVE – PURCHASE ORDERS >\$20,000 (Item C from Consent Agenda)**

Councilman Mercer expressed concern with the requisitions and the memo from Keith Hardt (printed below) his utmost concern was the memo stated “Due to the long lead time on the materials I request approval to issue a purchase order for not to exceed \$50,000 prior to the 23 February 2015 City Council meeting so as to have all of the materials in stock prior to construction.” City Manager, Brian Allgood explained that the purchase order has not been written yet.

- Requisition # 15732, \$46,800, to HD Supply Power Solutions to purchase underground cable for the 15<sup>th</sup> St. Feeder exit project, account 35-90-8370-7400. HD Supply was the low bid.
- Requisition # 15733, \$5,080.14, to Westinghouse Electric Supply to purchase material for the 15<sup>th</sup> St. Feeder project, account 35-90-8370-7400.

*Memo from Keith Hardt, Electric Utilities Director*

*Re: Main Substation 15<sup>th</sup> Street Feeder Exit*

*Over the past few weeks we have been working to isolate a disturbance problem on the 15<sup>th</sup> Street Feeder. We have determined that the underground feeder exit from Main Substation is the cause of the disturbance. This feeder exit conductor needs to be replaced.*

*Included in the current Capital Improvement Plan and the FY 2014-15 approved budget is a project to replace the conduit raceways for all six (6) underground feeder exits and the conductor for four (4) of the feeders at Main Substation. We are currently preparing the contract labor and equipment bid package for this project and material acquisition is well underway. The remaining two (2) feeder conductors are included in the FY 2015-16 budget request. Unfortunately, the 15<sup>th</sup> Street Feeder exit is not included in the current fiscal year approved project. The most cost effective option is to proceed with the replacement of all six (6) feeder exits in the current project scope and not include the request in the*

*FY 2015-16 budget request. I will prepare a City Council request for \$120,000 in additional funds needed for material purchases and additional labor and equipment costs for the replacement of other two (2) feeder exits.*

*Due to the long lead time on the materials I request approval to issue a purchase order for not to exceed \$50,000 prior to the 23 February 2015 City Council meeting so as to have all of the materials in stock prior to construction.(end memo)*

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council approved the Purchase Orders > \$20,000 as presented.

**COMMENTS FROM THE PUBLIC:**

**SUSAN ZACHARY: AIRPORT NAME CHANGE**

Susan Zachary came forward and explained that Lindsay Carter Warren Sr. was a North Carolina congressman born in Washington. Mr. Warren served eight terms as a congressman. He resigned from Congress in 1940, after first being elected in 1925, to serve as comptroller general of the United States. He also served several terms as a member of the N.C. House of Representatives, before and after congressional terms.

Ms. Zachary expressed concern with the proposed name change from “Warren Field” to “Washington Warren Field” This will appear that Mr. Warren’s first name is “Washington” as the proposed name will not be hyphenated. She continued by discussing the cost associated with changing the name.

**SCHEDULED PUBLIC APPEARANCES: NONE**

**CORRESPONDENCE AND SPECIAL REPORTS:**  
**DISCUSSION – GRANT UPDATES**

Grant Executive Summary  
as of 1/31/2015

Active	Fund	Grant Description	Dates			Financials				Deliverable				Notes
			Award	Expiration	Completion	Revenue		Expense		Metric	Total	Achieved	Bal.	
						Budget	Actual	Budget	Actual					
50	CDBG Affordable Housing	04/09/10	10/31/14	09/30/15	227,700	185,719	227,700	185,719	LMI homes	10	6	4	6 completed, performance extension granted	
52	Comprehensive Bicycle Plan	05/26/11	12/31/13	06/30/14	35,000	30,430	35,000	32,288				0	Council approved plan in December, pending DOT approval	
55	IdX/Impressions NC One Grant	09/30/13	09/30/16		300,000	-	300,000	-	Jobs/investment	160	0	160	Jobs created but not since award date	
61	Pedestrian Plan Grant	05/20/13	09/30/13	12/31/14	10,000	10,000	10,000	-				0	Plan being drafted, complete early 2015	
65	Econ. Development- Spinrite	01/07/12	01/07/15	01/07/15	90,000	90,447	90,000	67,500	Jobs	90	81	9	Final match to be paid in February	
66	Airport Terminal Grant	04/04/13	07/01/15	03/31/15	1,254,488	980,453	1,254,488	700,244				0	Construction begun, complete March 31	
67	Facade Grant Program	07/01/13	06/30/14	06/30/14	20,000	20,023	20,000	10,912				0	In progress, 6 reimbursed, 2 pending	
69	Way Finding			04/01/15	150,000	150,244	150,000	12,163					Reviewing w/ DOT, cost estimate & recommendation by 4/1/15	
71	Airport Lighting Rehab			12/31/14	460,121	66,379	460,121	38,927					Bid awarded Nov. 24th	
72	Municipal Pler Access Grant				135,000	-	135,000	-					Construction bid awarded, complete by June 30th	
75	Firefighter's Assistance- Exhaust	08/08/14	08/07/15		50,000	-	50,000	-					Equipment ordered	
76	EDA Water Projects	09/11/13	03/11/17	02/28/17	1,428,262	706,133	1,428,262	36,886				0	Bid awarded January 2015, notice to proceed Feb. 23	
77	EDA Sewer Grants	09/11/13	03/11/17	02/28/17	1,423,894	703,974	1,423,894	157,505				0	Bid awarded January 2015, notice to proceed Feb. 23	
	CDBG Keyville Rd.	2005	6/4/2013	06/30/16	320,000	320,000	320,000	320,000				0	Lot 1 does not qualify for LMI. Construction on lot 2 & 3 near compl.	
32	TAG- Sanitary sewer study	05/12/14		09/09/14	35,000	-	35,000	30,625					Completed, reimbursement to be requested	
37	Airport Approach Survey	07/01/14	07/01/16		16,986	-	18,873	12,629					Survey completed	
	IdX Building Reuse	12/15/14			504,000	-	504,000	-					Award notification received, Mid-East administering	
10	NC Cardinal	07/01/14		06/30/15	22,345	-	22,345	-					Grant awarded, complete by 6/30/15	
10	Historic Preservation Grant	07/01/14	08/21/15		15,000	-	15,000	-					PO issued to update National Registry Inventory	
10	EZ Technology Library Grant	11/03/14	12/12/14	04/15/15	4,863	5,223	4,863	-					Equipment received in February	

**Applications**

	Pre-App	Selected	Final App	Grant	Match	Total	
FEMA AFG Fire Engine/Resc. Tools	11/30/14			353,929	18,571	372,500	Application submitted
Havens Garden PARTF				250,000	250,000	500,000	Application submitted, award notification July

Councilman Mercer asked the City Manager to give an update on the Keysville Road Subdivision. Brian Allgood explained that the City received notice from NC Commerce that the first house in the Keysville Road Subdivision does not qualify as LMI. As you recall, we asked for their assistance in determining the owners LMI status and they told us to use our best judgment and they would review it later. Matt Rauschenbach researched all the information available and even sent the information and his rationale for determining that they did qualify as LMI to Commerce before closing on the house. At that time we asked them to review our determination and let us know if they agreed. Again, they did not offer any assistance. Mr. Allgood spoke with Melody Adams, Acting Director of the CDBG program, and expressed his frustration with their recent decision due to the fact that we asked repeatedly for assistance and were not given any. She agreed that her staff should have helped but said she could not accept the LMI status. Reverend Moore has been notified of this decision. Ms. Adams also stated that based on the price of the remaining houses built in the subdivision, the only way an LMI owner could qualify was if they had no outstanding debt at all. This is almost impossible in today's economy. Ms. Adams has assured Mr. Allgood that they will assist us in the future with LMI status determination for the remaining homes. If the houses do not qualify for LMI status the City will be responsible for the entire claw back until 2016.

**DISCUSSION – PROJECT UPDATES**

Capital Project Status FY 2014/2015

2/11/2015

Fund/Department	Account	Description	Budget \$	Spent	Open PO	Balance	Status	Notes
<b>General Fund:</b>								
IT	10-00-4132-7400	Wireless Bridge- sewer plant	1,204	(1,632)	0	2,836	Completed PY, TDA phone move CR	1
		Redundant PRI	6,917	6,709	0	208	Complete	1
		Redundant Cisco phone svr.	19,063	18,617	0	446	Complete	1
		IP addressing	1,520	1,520	0	0	Complete	1
		Total IT	28,704	25,214	0	3,490		
Police	10-10-4910-7400	Vehicles	134,000	105,458	19,219	9,323	4 received, equipment on order	
Fire	10-10-4340-7400	Thermal imaging camera	8,105	8,094	0	11	Complete	1
		Support vehicle 1	29,914	29,302	0	612	Complete	
		Total Fire	38,019	37,396	0	623		
Planning	10-10-4910-7400	Streetscape	25,000	0	0	25,000	Committee meeting Feb. 19	
	10-10-4910-0400	Havens Garden Master Plan	7,200	3,137	4,063	0	Completed, balance to be paid	
Powell Bill	10-20-4511-4500	Street Paving	279,208	208,688	46,299	24,221	Original contract completed	2
Street Maintenance	10-20-4510-7400	Dump truck #454	64,000	63,816	0	184	Complete	
Library	10-40-6110-7400	PC virtualization	14,700	12,471	0	2,229	Complete	
Outside Agency	10-40-6170-9113	Veterans Park Sign	6,920	3,946	745	2,229	Complete	1,2
Rec. Maintenance	10-40-6130-7400	3rd St ball field RR	59,620	59,620	0	0	Complete	1
		Utility trucks # 807 & 810	63,783	64,491	0	(708)	Complete	
		Total Rec. Maintenance	123,403	124,111	0	(708)		
		<b>Total General Fund</b>	<b>721,154</b>	<b>584,236</b>	<b>70,326</b>	<b>66,591</b>		
<b>Water:</b>								
Water Meter Svc.	30-90-7250-7000	AMR meters	110,000	73,225	1,836	34,939	Complete end of April	1
Water Treatment	30-90-8100-7400	Van #562 & pickup #565	40,000	39,241	0	759	Complete	
Water Maintenance	30-90-8140-7400	Truck #414 body	7,393	8,399	0	(1,006)	Complete	1
Water Construction	30-90-8180-0400	18" WL engineering	61,653	980	60,673	0	Design compl. & project bid. Balance for co	1
	30-90-8180-7400	Summit Ave. water line	168,806	76,380	0	92,426	Complete	1,2
		<b>Total Water Fund</b>	<b>387,851</b>	<b>198,225</b>	<b>62,509</b>	<b>127,118</b>		
<b>Sewer:</b>								
Wastewater Treatment	32-90-8220-7000	Blast & paint clarifiers 1&2	14,600	14,600	0	0	Complete	1
	32-90-8220-7400	Vehicle #548	25,000	24,911	0	89	Complete	
	32-90-8220-7400	Effluent control panel	24,000	8,744	11,766	3,490	Complete by April 1	
	32-90-8220-7400	Tractor equipment	17,000	15,816	0	1,184	Complete	
Lift Stations	32-90-8230-7400	Rebuild 6th&Respass pump c	40,000	11,932	27,840	228	Complete June 1	
	32-90-8230-7400	Fountain L.S. generator	8,663	913	4,396	3,354	Complete	1
		<b>Total Sewer Fund</b>	<b>129,263</b>	<b>76,915</b>	<b>44,002</b>	<b>8,346</b>		

Capital Project Status FY 2014/2015

2/11/2015

Fund/Department	Account	Description	Budget \$	Spent	Open PO	Balance	Status	Notes
<b>Electric:</b>								
Electric Director	35-90-7220-0400	Peak Shaving Rate Study	8,962	8,176	786	0	Complete	1
		Total Electric Director	8,962	8,176	786	0		
Electric Meter Service	35-90-7250-7400	Test Switches	1,740	1,740	0	0	Complete	1
		Meters & handhelds	70,000	14,525	0	55,475	In progress	
		Total Electric Meter Svc.	71,740	16,265	0	55,475		
Substation Maint.	35-90-8370-7400	Eastern substation breaker	46,512				Completed	1
		VOA recloser	20,000				Not started.	
		Distribution reclosers	20,000				On order	
		Capacitors	8,000				Not started.	
		E. substation security system	2,500				Using Tropos. Started.	
		FRHL & Whar St. bus metering	5,500				Complete	
		Chocowinity breaker rebuild	100,000				Complete	
		Main substation rebuild	250,000	0	0		Acquiring materials	
		Total Substation	452,512	101,242	129,690	221,580		
Load Management	35-90-8375-7400	Load management switches	70,000	65,835	0	4,165	Complete	
Power Line Construction	35-90-8390-7400	2nd St./5th St Rebuild Engine	71,538				Complete	2
		High School Feeder relocation	114,332				Complete	1,2
		Grimesland Feeder Engineering	73,226				Complete	1,2
		NC 32 Feeder Engineering	32,299				Complete	1,2
		White Post/Statestone Feeder	100,000				Delayed to FY 15. Not started	2
		NC 32 Feeder rebuild	325,000				Under construction	
		2nd St./5th St Rebuild	300,000				Acquiring materials	
		Line truck #617	230,000				On order	
		Dually F350 #613	50,000				On order	
		Portable air compressor	20,000				Compiling specs	
		Total Power Line Constructi	1,316,395	231,632	369,709	715,054		
		<b>Total Electric Fund</b>			<b>1,919,609</b>	<b>423,150</b>	<b>500,185</b>	<b>996,274</b>
Solid Waste Collection:	38-90-4710-7400	Two leaf machines	60,000	51,042	0	8,958	Complete	
		Total Solid Waste	60,000	51,042	0	8,958		
<b>Cemetery:</b>								
Cemetery Fund	39-90-4740-5600 39-90-4740-7400	Storm drain repairs	7,223	7,223	0	0	Complete	2
		Two equipment sheds	30,000	3,000	27,000	0	Complete April 1	
		Total Cemetery	37,223	10,223	27,000	0		
<b>Grand Total</b>			<b>3,255,100</b>	<b>1,943,791</b>	<b>704,022</b>	<b>1,207,287</b>		

Notes:  
1 PO carryforward  
2 Project carryforward

**MEMO – CLEAN WATER STATE REVOLVING FUND (CWSRF)**

*(memo accepted as presented) Allen Lewis, Public Works Director*

On Monday, February 9, 2015, I attended a CWSRF workshop at the local NC Department of Environment and Natural Resources offices. These funds can be used for water and wastewater projects, including the possibility of 0% interest rate loans for rehabilitation type projects. At least \$65 million will be available for the March 31, 2015 deadline. Staff feels like we could be successful in applying for work to reduce inflow and infiltration (I/I) in some of our older gravity sewer lines. With your permission, we would like to apply for an amount not to exceed \$2 million worth of work. At 0% interest, this will mean a \$100,000 annual payment over 20 years. Even if we did not qualify for a 0% interest rate loan, the maximum percentage rate should be in the 1.7% range which would mean an annual payment of approximately \$115,000. (end memo)

Councilman Mercer asked if staff would be submitting paperwork detailing the scope of the project to Council prior to applying for funds. Mr. Alligood noted this is actually a request to start the process for applying for funding. We would have to detail the “scope of the project” and bring that

detail back to Council. Our intent right now is to look at the drainage basin/pump station on Bridge Street as there are a lot of I/I issues there. We will also focus on the historic district.

Mayor Pro tem Roberson discussed the projects already listed in the CIP and Mr. Alligood explained this request is for additional funding for rehab projects. Councilman Pitt inquired about the funding and Mr. Alligood explained that due to the age of our system, we should be very competitive in the application process for the loan.

**MEMO – BUDGET TRANSFER ~ ELECTRIC FUND**

*(memo accepted as presented) Matt Rauschenbach, C.F.O.*

The Budget Officer transferred \$10,000 of funds between the Power Line Construction and Maintenance divisions of the Electric Fund appropriations budget for T & D building upgrades. A prior year purchase order for this planned work was liquidated during year end processing.

NC GS 159-15 states that this shall be reported to the Council at its next regular meeting and be entered in the minutes.

FROM: 3590-8390-4500 \$10,000  
 TO: 3590-8380-1500 \$10,000

**MEMO – BUDGET TRANSFER ~ ELECTRIC FUND SUBSTATION**

*(memo accepted as presented) Matt Rauschenbach, C.F.O.*

The Budget Officer transferred \$100,000 of funds between the Power Line Construction and Substation Maintenance divisions of the Electric Fund appropriations budget to complete the Main Substation 15<sup>th</sup> St. Feeder Exit Project planned for next fiscal year. The White/Post Slatestone feeder engineering project is being deferred until next fiscal year to provide funding for the transfer.

NC GS 159-15 states that this shall be reported to the Council at its next regular meeting and be entered in the minutes.

FROM: 3590-8390-7400 \$100,000  
 TO: 3590-8380-7400 \$100,000

**MEMO – JULY 4<sup>TH</sup> FIREWORKS**

*(memo accepted as presented) Kristi Roberson, Parks & Recreation Manager*

In March of 2012 City Council authorized the City Manager to sign the Release, Hold Harmless and Indemnification agreement with Bridge Harbor, LLC. City Council also authorized the City Manager to sign the Agreement with East Coast Pyrotechnics, INC. The Manager was authorized to sign these agreements for future years as long as the release or agreement did not change.

The Release, Hold Harmless and Indemnification Agreement from the City to Bridge Harbor, LLC for the use of Bridge Harbor, LLC’s property during the July 4, 2015 is in the process of being executed. The Agreement with East Coast Pyrotechnics is also in the process of being executed. The City will, again, partner with the Washington Harbor District Alliance for the July 4<sup>th</sup> festivities.

**REPORTS FROM BOARDS, COMMISSIONS AND COMMITTEES: NONE**

**APPOINTMENTS: NONE**

**OLD BUSINESS:**

**AWARD/APPROVE – AIRPORT TERMINAL BUILDING FURNISHINGS TO J. MORGAN DESIGN ASSOCIATES, INC., AND APPROVE THE CORRESPONDING PURCHASE ORDER**

City Manager, Brian Alligood explained staff requested bids of five companies for furnishings for the new terminal building. We received one bid from J. Morgan Design Associates, Inc. of Greenville, NC in the amount of \$64,842, excluding sales tax. Mr. Alligood voiced the budget amendment attached will provide the needed additional funds to cover this expense. There should be no need to use any of the contingency for this project. Staff is requesting to have all of the contingency appropriated to cover any additional costs associated with furnishings beyond what was covered in the bid such as computers, etc.

At the last progress meeting, changes thus far in the contract will result in an approximate \$6,000 savings in the construction of the building itself if things continue to progress as they are now.

Mayor Pro tem Roberson inquired if contingency funds were being used for this and Mr. Alligood answered “yes”. Councilman Mercer noted that the original budget was for “furnishing the building”, he thought the \$51,000 included everything that was needed. Mr. Alligood explained that the computers and telephone system were not included in the original budget of \$51,000.

By motion of Mayor Pro tem Roberson, seconded by Councilman Beeman, Council awarded the airport terminal building furnishings purchase and installation to J. Morgan Design Group, Inc., approved a budget ordinance amendment, and approved the corresponding purchase order.

**AN ORDINANCE TO AMEND THE GRANT PROJECT ORDINANCE FOR THE AIRPORT TERMINAL CITY OF WASHINGTON, N.C. FOR THE FISCAL YEAR 2014-2015**

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

**Section 1.** That the following appropriation accounts in the Airport Terminal grant be increased or decreased by the following amounts:

66-90-4530-3304	Furnishings	\$ 26,508
66-90-4530-9900	Contingency	<u>(26,508)</u>
	Total	\$ 0

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

**Section 3.** This ordinance shall become effective upon its adoption.

Adopted this the 23<sup>rd</sup> day of February, 2015.

**ATTEST:**

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

**s/Mac Hodges  
Mayor**

**NEW BUSINESS:**

**ALLOW – “LITTLE FREE LIBRARY” – DOG PARK**

Monica Ferrari requested permission from the Recreation Advisory Committee during the December 15, 2014 Recreation Advisory Committee meeting to install a “Little Free Library” at the Washington Dog Park. A motion was made, seconded, and supported by all members to install a “Little Free Library.” Council permitted Noon Rotary to install a Little Free Library on Stewart Parkway.

Discussion was held regarding the proposal and the need for all of the “Little Free Libraries” to look alike, not necessarily the same color.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council approved the placement of a Little Free Library at the dog park provided the design is the same as the Little Free Library downtown (Stewart Parkway).

**APPROVE – CIP 2016-2020**

Brian Alligood explained that he has received comments from several Council members regarding the possibility of holding a separate meeting to review the CIP.

By motion of Councilman Mercer, seconded by Councilman Brooks, Council continued the discussion of the CIP until a special meeting can be set.

**APPROVE – AIRPORT NAME CHANGE TO WASHINGTON WARREN FIELD**

The City Manager explained that the terminal is being built and there has been conversation by the Airport Advisory Board regarding the name of the airport. There seems to be some confusion in the airport circles regarding “Warren Field”. The thought was that there needed to be some designation of “Washington” in the name. Discussion was held at a special meeting of Airport Advisory Board on February 20<sup>th</sup> about hyphenating the name, because we didn’t want people to think that Mr. Warren’s first name was Washington. The proposal was made to amend the original motion and change the name to Washington-Warren Field. In order for the original motion to be amended, someone that voted in favor of the original motion would have to agree to the amendment, this did not happen. The Airport Advisory Board voted 3-1 to recommend to Council to change the name to Washington Warren Field

Mayor Pro tem Roberson suggested that the name should be “Washington-Warren Airport” not Washington Warren Field as most people associate the word “field” with an athletic field and not an airport.

Gil Alligood, Chairman of the Airport Advisory Board summarized the history and efforts of the Airport Advisory Board noting the board has worked for over a year and a half to improve the airport. There has been an effort to make the airport more visible and more known in the area. One of the ways to accomplish this would be to change the airport name. The first problem is confusion for those that fly into the airport as this is an uncontrolled airport – there are no towers. Pilots have to state their airplane number and that they are calling “Washington Warren Traffic”. Some other pilots may say they are calling “Washington County” or “Warren County” airport. This can cause confusion with other pilots. There is still controversy with the board as to what the new name should be. On February 10<sup>th</sup> the Airport Advisory Board met and a motion was made to change the name to Washington Warren Field (this vote passed 3-1). Mr. Gil Alligood explained he has heard several comments regarding the word

“field”. Subsequently, a special meeting of the advisory board was held on February 20<sup>th</sup> to reconsider the name change, no action was taken to change the original motion. Therefore, the original motion by the board is to submit to Council to change the airport name to “Washington Warren Field”.

Councilman Mercer noted that he was unable to attend the advisory board meeting, but feels Council should take some steps to make the name more distinct. He agreed with Mayor Pro tem Roberson that the name should be “Washington-Warren Airport”.

By motion of Mayor Pro tem Roberson, seconded by Councilman Mercer, Council voted to change the name of the airport from Warren Field to Washington-Warren Airport.

**PUBLIC HEARING - ZONING: NONE**

**PUBLIC HEARING - OTHER:**

**PUBLIC HEARING – CONCERNING INCREASING THE TERMS OF THE CITY OF WASHINGTON’S MAYOR AND COUNCIL MEMBERS FROM TWO TO FOUR YEAR STAGGERED TERMS**

*The public will take notice that the City of Washington City Council will conduct a public hearing in the City Council Chambers of the Municipal Building at 6:00 PM on Monday, February 23, 2015 to receive public input concerning the possibility of increasing the Mayor’s and Council Members’ terms from two to four year staggered terms, with the increases in terms not taking effect until after a future municipal election.*

Mayor Hodges opened the public hearing.

Derek Davis, a resident of Washington noted that he didn’t have any real strong objections to changing the term lengths if it helps in the representation of the citizens of Washington. He continued by stating he did have very strong feelings that any change in representation or the length of representation should ultimately be subject to the approval of the voters of Washington. Mr. Davis reviewed the minutes from the February 9<sup>th</sup> Council meeting in which the City Attorney spoke about the various procedures for amending the Charter, most specifically changing the Mayor and/or Council members terms from two year to four year staggered terms.

There being no further public comments, Mayor Hodges closed the public hearing.

Councilman Mercer reminded the Council members they had received word by email from Washington residents Jerry and Martha Seighman, who were out of town Monday, that they oppose four-year terms.

*Sent: Wednesday, February 11, 2015 11:34 AM*

*Dear Council Members:*

*In as much as I will be on vacation in Florida ( It was scheduled 6 months ago for Feb 18-26th) on the day when the City Council has scheduled a public hearing on changing the city council members term limits I wish to make my voice heard via this e-mail.*

*My wife and I discussed the proposed change and we **do not approve** of the proposed change in term limits. Please leave the term of office at two years.*

*I would recommend that this proposed change be placed on the next city election ballot in as much as most citizens of the City of Washington would be either going to or returning from work at 6 pm and may not be able to attend the Council Meeting.*

*Respectfully,  
Martha & Gerald Seighman  
203 North Reed Drive  
Washington - The Original, NC 27889*

Councilman Pitt noted that, “Although this has become something that is going on across the state, that does not necessarily mean we have to adopt it. I do understand the concept of staying with four-year terms with regard to major projects, things that are ongoing that need the continuity of the council, but again, with regard to Mr. Davis, I do believe the public should make the final decision.”

Mayor Mac Hodges and Councilman Brooks said further study of the issue is needed to determine what effects changing the term lengths could have. Councilman Brooks said, “anything we do, we need to study it, check it out before we do it. After you do something, it’s too late to study it. We should make every effort to study this and get feedback from the public.”

Mayor Pro tem Roberson suggested that “we should place this item on the ballot in November and let the public decide what they want so we can close this topic once and for all.”

Councilman Beeman said he agreed with Mayor Pro tem Roberson - that the public should vote. His question is, what term length are we discussing? Mr. Alligood explained that we would need to discuss the proper language for the ballot with the School of Government. Mr. Alligood explained the various possibilities regarding staggered terms. By statute you are not allowed to have two year staggered terms.

Councilman Mercer explained that he is opposed to four year terms. He has been sitting on this Council for twelve years and during that time this topic has been discussed twice (last year and last meeting). This is not something that come up constantly. He continued by stating he didn’t mind facing the voters every two years, if he’s doing his job, then he will be voted back in office. He feels the citizens deserve this opportunity every two years.

Councilman Pitt stated that having the term up for election every two years allows Council members the chance to gauge the public more, they do get to meet you, get to see what you are doing, etc. The citizens should have the right to decide if the term length is two or four years.

By motion of Councilman Mercer, seconded by Councilman Pitt, Council voted to continue the method of election that they are currently using. Motion carried 4-1 with Councilman Beeman opposing.

**ANY OTHER ITEMS FROM CITY MANAGER:**  
**UPDATES ON PLAQUES**

City Manager, Brian Alligood updated Council regarding the plaques that were removed from the waterfront. Mr. Alligood explained that it has been determined that the monuments that originally housed the plaques were saved, but will require some cleaning. If it's Council's desire to replace the plaques at the newly located flagpole, then staff can have those installed within the next couple of weeks. In regards to the bronze plaque to be installed at the lighthouse, a preliminary cost estimate came in at \$5500, we are seeking another quote. Discussion was held regarding alternate types of material for this sign. Staff will seek alternate types of materials and quotes for same.

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

**NONE**

**CLOSED SESSION: NONE**

**ADJOURN:**

By motion of Councilman Mercer, seconded by Councilman Brooks, Council adjourned the meeting at 6:25 pm until Monday, March 9, 2015 at 5:30 pm, in the Council Chambers.

**(Subject to the Approval of the City Council)**

**Cynthia S. Bennett, CMC  
City Clerk**



# REQUEST FOR CITY COUNCIL ACTION

**To:** Mayor Hodges & Members of the City Council  
**From:** Matt Rauschenbach, Administrative Services Director/C.F.O.  
**Date:** March 9, 2015  
**Subject:** Purchase Orders > \$20,000 Approval  
**Applicant Presentation:** N/A  
**Staff Presentation:** Matt Rauschenbach

**RECOMMENDATION:**

I move that City Council approve the attached requisition.

**BACKGROUND AND FINDINGS:**

Requisition # 15751, \$28,065.94, to HD Supply Power Solutions to purchase material for the 2<sup>nd</sup>/5<sup>th</sup> Street feeders rebuild project, account 35-90-8390-7400. HD Supply was the low of three bids.

**PREVIOUS LEGISLATIVE ACTION**

2014-2015 adopted budget and amended budget.

**FISCAL IMPACT**

Currently Budgeted (Account \_\_\_\_\_)  Requires additional appropriation  
 No Fiscal Impact

**SUPPORTING DOCUMENTS**

Requisition  
Bid Tab

City Manager Review: Bret Concur \_\_\_\_\_ Recommend Denial \_\_\_\_\_ No Recommendation  
3/4/15 Date

# Requisition Form

City Of Washington

P.O BOX 1988

WASHINGTON, NC 27889

Requisition #:15751

PO #: Not Assigned

User Name: Jeff Clark

Date: 02/19/2015

Approved By:

Approved Code: Awaiting Final Approval

Total Amount: \$28,065.94

Ship To:

CITY OF WASHINGTON WAREHOUSE

203 GRIMES ROAD

WASHINGTON, NC 27889

HD SUPPLY POWER SOLUTIONS

Vendor Instructions: Contact Anthony Pollard with any questions at 252-975-9315

Quantity	Description	Job Number	Unit Price	Extended
25	CLEVIS(JOSLYN P/N J093		\$2.79	\$69.75
25	3" SPOOLS (CHANCE C9091032PG) QUITING MCLEAN#DP53-2		\$1.54	\$38.50
100	5/8" X 14" BOLTS ( JOSLYN P/N J8814) QUOTING ALUMA-FORM #AF8814		\$1.14	\$114.00
100	5/8"X 16" BOTLST (JOSLYN P/N J8816) QUOTING ALUMA-FORM #AF8816		\$1.37	\$137.00
100	3/4" X 14" BOLTS ( JOSLYN P/N J8914)		\$2.11	\$211.00
100	3/4" X 12" BOLTS (JOSLYN P/N J8912)		\$1.95	\$195.00
144	DEAD-END POLY INSULATOR(HUBBLE 4010250215) QUOTING ALUMA-FORM#DEI-25/35		\$13.65	\$1,965.60
200	LARGE DEAD-END SHOES (ANDERSON ADEZ 88N)		\$10.98	\$2,196.00
50	DEAD-END POLY INSULATOR 35KV (DS-35G) QUOTING ALUMA-FORM# DEI-35		\$14.35	\$717.50
100	POLYMER STANDOFF INSULATOR (HUBBER S050250100)		\$53.94	\$5,394.00
100	SHOES 46KV (LAPP 47114) QUOTING MACLEAN #ACTS-150		\$7.03	\$703.00
45	ANGLE SHOES 46KV (LAPP47113) QUOTING MACLEAN @ACTS-118		\$6.59	\$296.55
144	POLYMER F-NECK INSULATORS (PREFORM IP-15F)		\$4.74	\$682.56
15	SMALL DEAD END SHOES (ANDERSON ADEZ 47N)		\$6.83	\$102.45
24	6' FIBERGLASS DEAD-END ARM (HUBBLE HPS DEM60SPEB 2.5" X60")		\$159.77	\$3,834.48
20	10' FIBERGLASS CROSS-ARMS BRACE-LESS (PUPI TB200012005X2_ QUOTING ALUMA-FORM#FTA20-6-120-A		\$114.00	\$2,280.00
12	10' FIBERGLASS DEAD-END ARMS (PUPI DA3000120E2B92X2) QUOTING ALUMA-FORM # FDA30-2-120-EB-FB		\$131.65	\$1,579.80
15	12' FIBERGLASS DEAD-END ARMS 46KV QUOTING ALUMA-FORM#FDA40-3-144-EB-FG		\$262.75	\$3,941.25
30	FIBERGLASS 24" SINGLE STANDOFF ARM (HUBBLE HPS 1SBM24H1)		\$28.50	\$855.00
50	"V" 48" FOBERGLASS ARMS (HUBBLE HPS 2SBM48VV1) QUOTING ALUMA-FORM #F2CMVA48VP1		\$55.05	\$2,752.50
			<b>Sub Total</b>	<b>\$28,065.94</b>
			<b>Total Tax</b>	<b>\$0.00</b>
			<b>Total</b>	<b>\$28,065.94</b>

Account Number

Account Description

Amount

## Approval List

Dept Level Approval: \_\_\_\_\_

Department Head: \_\_\_\_\_

PO Level Approval: \_\_\_\_\_

Purchase Order Prep: \_\_\_\_\_

March 9, 2015

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**Requisition Form**

City Of Washington  
P.O BOX 1988  
WASHINGTON, NC 27889

Requisition #:15751  
PO #: Not Assigned  
User Name: Jeff Clark

Date: 02/19/2015  
Approved By:  
Approved Code: Awaiting Final Approval  
Total Amount: \$28,065.94  
Ship To:  
CITY OF WASHINGTON WAREHOUSE  
203 GRIMES ROAD  
WASHINGTON, NC 27889

HD SUPPLY POWER SOLUTIONS

Vendor Instructions: Contact Anthony Pollard with any questions at 252-975-9315  
35-90-8390-7400 CAPITAL OUTLAY

\$28,065.94

**Total \$28,065.94**

**Approval List**

Dept Level Approval: \_\_\_\_\_  
Department Head: \_\_\_\_\_  
PO Level Approval: \_\_\_\_\_  
Purchase Order Prep: \_\_\_\_\_

**2nd/5th Street Feeder Rebuild Material Bids**

3/2/2015

	HD Supply	Irby	Wesco
Bid	28,065.94	36,128.06	29,694.74



## HUMAN RELATIONS COUNCIL

### Human Relations Council (HRC) Summation for the month of February Monday March 9, 2015 City Council Meeting

#### **MISSION STATEMENT**

- To promote social and economic equality in the community, working with Local Government and other resources
- To appreciate the cultural and ethnic diversity of the citizens of Washington and Beaufort County
- To encourage citizens to live and work together in harmony and mutual respect

#### **ED PEEDE COMMEMORATION SERVICE:**

Speaker: Supreme Court of NC, Justice Cheri Beasley was an excellent speaker and kept the audience motivated. Many calls were received regarding the fantastic performance by solo artist "Mr. William Faust".

Special thanks to Zaxby's of Washington and Acre Station for their contribution to this event. Zaxby's donated 100 pieces of boneless wings and chicken fingerz, cookies, homemade potato chips, celery & ranch dipping sauce and Acre Station donated 2 quarts of chicken salad.

#### **THANK YOU LETTER MAILED:**

- Cheri Beasley, North Carolina Supreme Court Justice
- Jonathan Rose, Zaxby's Store Manager of Washington
- Ronnie Huettmann, Owner of Acre Station Meat Farm
- Eric T. Griffin, Chief of Greenville Fire/Rescue
- James B. Peele, Chief of Williamston Fire/Rescue/EMS
- David Lewis, Chief of Bunyan Volunteer Fire Department
- Bryan Dixon, Chief of Clarks Neck Volunteer Fire Department
- Bill Branch, Chief of Pactolus Fire Department
- Vail Rumley, Washington Daily News



# REQUEST FOR CITY COUNCIL ACTION

**To:** Mayor Hodges & Members of the City Council  
**From:** Matt Rauschenbach, Administrative Services Director/C.F.O.  
**Date:** March 9, 2015  
**Subject:** Authorize Mayor to Execute idX/Impressions Building Reuse Grant Documents and adopt a Grant Project Ordinance

**Applicant Presentation:** N/A  
**Staff Presentation:** Matt Rauschenbach

## RECOMMENDATION:

I move that City Council authorize the Mayor to execute the grant and related documents for the idX/Impressions Building Reuse Program Grant and adopt a Grant Project Ordinance.

## BACKGROUND AND FINDINGS:

idX/Impressions is planning to expand their operations over the next couple of years hiring 50 new positions from a baseline employment of 109. An office area in the facility that has been vacant for 15 years will be renovated and utilized for the expansion of the office. The project cost estimate is \$1,139,802, the grant requested is \$500,000 (50 jobs @ \$10,000), and requires a 5% local government match of \$25,000. The City's sale of the building to idX in April 2014 satisfies the match obligation. The Mid-East Commission is administering the grant.

## PREVIOUS LEGISLATIVE ACTION

Council approved application for grant and Mid-East administrative contract October 27, 2014

## FISCAL IMPACT

Currently Budgeted (Account \_\_\_\_\_)  Requires additional appropriation  
 No Fiscal Impact

## SUPPORTING DOCUMENTS

Grant Documents  
Grant Project Ordinance

City Manager Review: BWA Concur 3/4/15 Recommend Denial \_\_\_\_\_ No Recommendation  
\_\_\_\_\_ Date

**A GRANT PROJECT ORDINANCE FOR  
IdX IMPRESSIONS BUILDING REUSE GRANT #2015-014-3201-2538  
CITY OF WASHINGTON, N.C.  
FOR FISCAL YEAR 2014-2015**

**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 is hereby established:

Section 1. The project authorized is for the NC Rural Infrastructure Authority building reuse grant for the idX Impressions expansion.

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:

59-60-4930-0400	Grant Administration	\$12,500
59-60-4930-4500	Building Reuse	<u>500,000</u>
	Total	\$512,500

Section 4. The following revenue is anticipated to be available to complete this project:

59-60-3480-3300	Building Reuse Grant	\$500,000
59-60-3970-0000	Company Contribution	8,500
59-60-3480-0000	Electricities Grant	<u>4,000</u>
	Total	\$512,500

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 9<sup>th</sup> day of March, 2015.

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk



RECEIVED FEB 20 2015

North Carolina  
Department of Commerce

Pat McCrory, Governor  
John E. Skvarla III, Secretary

Dr. Patricia Mitchell, CEcD  
Assistant Secretary  
Rural Economic Development Division

February 17, 2015

The Honorable Jay MacDonald Hodges  
City of Washington  
PO Box 2226  
102 East 2nd Street  
Washington, NC 27889-2226

Re: Contract Agreement for Grant Number 2015-014-3201-2538; Your Signature and Reply is Requested  
Project Title: "idX Impressions, Washington North Carolina Expansion"

Dear Mayor Hodges:

Enclosed for your review and signature are two complete sets of contract documents required to finalize the grant award from the North Carolina Rural Infrastructure Authority ("Rural Authority"). Below is a description of the documents attached along with an explanation of the signatures required for the Grant Agreement and its Exhibits E, F and G.

**Grant Agreement:** This document outlines the terms and conditions of the grant ("Grant") from the Rural Authority to the City of Washington (the "Governmental Unit"). The highest elected official of the Governmental Unit shall execute the two originals of this document and return one of them to my attention at the address below:

Christopher Philip Cannady  
Information Reporting Manager and Contracts Administration  
Rural Economic Development Division  
4346 Mail Service Center  
Raleigh, NC 27699-4346

The Grant Agreement includes Exhibits A through G, which are listed and explained below. Please carefully review the specific conditions outlined in the Grant Agreement as well as its Exhibits.

- **Exhibit A – Scope of Project.** This document outlines the scope of the renovation/construction project ("Project") that is the subject of the Grant from the Rural Authority to the Governmental Authority and of the loan ("Loan") that the Governmental Unit will make to 234 Springs Rd., LLC (the "Owner").
- **Exhibit B – Payment Schedule.** This document explains the process to request reimbursement of Loan funds and, in turn, Grant funds.
- **Exhibit C – Reporting Schedule.** This document addresses the required Project reports to Commerce.
- **Exhibit D – Closeout Schedule/Job Requirements.** The Project requires the maintenance of certain existing jobs and the creation and maintenance of certain new jobs by the "Business." Exhibit D describes the process for reporting the creation and maintenance of such jobs.

**Thrive NC**

Rural Economic Development Division • 301 North Wilmington Street • 4346 Mail Service Center • Raleigh, North Carolina 27699-4346  
Tel: (919) 733-4151  
[www.nccommerce.com](http://www.nccommerce.com)

- Exhibit E – Loan Agreement and Legally Binding Commitment (“LBC”). The LBC outlines the terms and conditions of the Loan. The Governmental Unit shall ensure that its highest elected government official and a duly authorized representative of the Property Owner execute two originals of the LBC in its exact form and shall return one such original to my attention with the one executed original of the Grant Agreement.
- Exhibit F – Promissory Note. This document defines the repayment terms of the LBC in the event of default. The Governmental Unit shall ensure with the Property Owner that every individual or entity that has any ownership interest in the real property which is the subject of the Grant executes two originals of the Promissory Note in its exact form and shall return one such original to my attention with the one executed original of the Grant Agreement
- Exhibit G – Waiver of Confidentiality (“Waiver”). For each Business, the Waiver contains a limited waiver of confidentiality regarding employment information reported to Commerce’s Division of Employment Security. The Governmental Unit shall ensure that an authorized representative of each known Business executes a Waiver and shall return the original of such Waiver to my attention with the one executed original of the Grant Agreement. The Governmental Unit shall also ensure that any additional Business which later becomes involved in the Project executes a Waiver upon its involvement, the original of which the Governmental Unit shall promptly forward to Commerce.

Enclosed is a financial request/reporting form to be used when requesting funds and reporting expenditures. This form may be found on our website: <http://www.nccommerce.com/rd/rural-grants-programs> within the Forms section or by contacting Joyce Spivey at [joyce.spivey@nccommerce.com](mailto:joyce.spivey@nccommerce.com).

Please note the acceptance clause outlined in Paragraph 24 of the Grant Agreement, which states that the Grant may be withdrawn if the above documents are not returned to me within thirty (30) days of your receipt of these materials.

If you have any questions regarding the enclosed documents, please contact me at the number below.

Sincerely,



Christopher Philip Cannady  
Information Reporting Manager & Contracts Administration

Enclosure

**Thrive NC**

Rural Economic Development Division • 301 North Wilmington Street • 4346 Mail Service Center • Raleigh, North Carolina 27699-4346

Tel: (919) 733-4151

[www.nccommerce.com](http://www.nccommerce.com)

March 9, 2015

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The North Carolina Department of Commerce ("Commerce"), an agency of the State of North Carolina ("State"), enters into this Rural Economic Development Grant Agreement ("Grant Agreement") with the City of Washington (the "Governmental Unit" and, together with Commerce, the "Parties").

WHEREAS, the North Carolina General Assembly ("General Assembly") has determined that it is the policy of the State to stimulate economic activity and to create new jobs for citizens of the State by providing matching grants or loans to specific local governmental units so as to productively reuse certain buildings and properties or expand rural health care facilities subject to the requirements of N.C.G.S. §§143B-472.127 and .128; and

WHEREAS, under N.C.G.S. §143B-472.128, the General Assembly created the North Carolina Rural Infrastructure Authority ("Rural Authority") to review applications for and, where appropriate, authorize such matching grants or loans, and, under N.C.G.S. §§143B-472.126 and .127, the General Assembly authorized Commerce to administer such grants or loans; and

WHEREAS, pursuant to N.C.G.S. §§143B-472.127 and .128, and based on the terms, conditions and representations in this Grant Agreement's Exhibits A (Scope of Project), Exhibit B (Payment Schedule), Exhibit C (Reporting Schedule), Exhibit D (Closeout Schedule/Job Requirements), Exhibit E (LBC), Exhibit F (Promissory Note) and Exhibit G (Waiver of Confidentiality ("Waiver")), the Rural Authority has approved a grant (the "Grant") to the Governmental Unit; and

WHEREAS, without limitation, the Rural Authority awarded the Grant: (1) based on the application filed by the Governmental Unit and any subsequent materials supporting the application that have been approved of by Commerce in writing, all of which are incorporated by reference herein; (2) based on the representation in the application that 234 Springs Rd., LLC (the "Owner") owns certain real property located at:

234 Springs Road  
Washington, NC 27889

in Beaufort County, North Carolina (the "Property"); (3) based on Commerce's Grant requirements and guidelines, which are incorporated herein and which may be amended, modified or supplemented and applied accordingly to this Grant Agreement by Commerce in its sole discretion; and for (4) the creation and retention of certain jobs in the course of completing certain renovations/construction work at the Property (altogether, the "Project," as summarized in Exhibit A to this Grant Agreement).

NOW, THEREFORE, in consideration of the mutual promises and such other valuable consideration as set out herein, the Parties mutually agree to the following terms and conditions:

1. Scope of Program/Agreements to be Executed.
  - (a). As conditions of the Grant Agreement:
    - i. The highest elected official of the Governmental Unit shall execute two originals

- of this Grant Agreement in its exact form (unless Commerce approves of a change to its terms in writing) and shall return one of them to Commerce;
- ii. The Governmental Unit shall ensure that its highest elected official and a duly authorized representative of the Owner execute two originals of the Rural Economic Development Loan Agreement and Legally Binding Commitment ("LBC") in its exact form (unless Commerce approves of a change to its terms in writing) and shall return one such original to Commerce with the one executed original of the Grant Agreement;
  - iii. The Governmental Unit shall ensure with the Owner that every individual or entity that has any ownership interest in the real property which is the subject of the Project executes two originals of the Promissory Note attached as Exhibit F in its exact form and shall return one such original to Commerce with the one executed originals of the Grant Agreement; and
  - iv. Exhibit A refers to the entity (or entities, as applicable) required to create and maintain certain full-time new jobs ("New Jobs") to complete the Project as the "Company," the "Employer" and the "Business" (together and hereinafter, the "Business"). The Governmental Unit shall ensure that an authorized representative of each Business executes a Waiver of Confidentiality ("Waiver"), attached as Exhibit G, and shall return the original of any such Waiver to Commerce with the executed originals of the Grant Agreement. The Governmental Unit shall also ensure that any additional Business which becomes involved in the Project after the Grant Agreement is finalized executes a Waiver upon its involvement, the original of which the Governmental Unit shall promptly forward to Commerce.
- (b). The Governmental Unit shall provide Commerce with any information obtained pursuant to the LBC and allow Commerce to execute any rights of the Governmental Unit under the LBC, including the Governmental Unit's rights of access, review or monitoring and Commerce's rights as a third-party beneficiary thereunder.
  - (c). The Governmental Unit shall exercise all of its rights and duties under the LBC in a prudent and timely manner to ensure the use of the Grant funds for the intended purposes and objectives and to preserve the rights of Commerce in this Grant Agreement and the LBC.
  - (d). The LBC specifies how many New Jobs the Business must create and maintain in the performance of the Project and, if the Business fails to do so, those Grant funds that the Owner must repay to the Governmental Unit for return to Commerce or else repay directly to Commerce, upon request and as directed. If such New Jobs are not created or maintained, then the Governmental Unit shall return to Commerce any Grant funds it has not already disbursed to the Owner, make a timely demand for repayment from the Owner and, if such repayment is not forthcoming, initiate and fully litigate legal proceedings against the Owner to recover such repayment.
  - (e). Without limitation, failure by the Governmental Unit to timely demand repayment from and, if necessary, initiate and fully litigate such legal proceedings against the Owner may affect the future consideration of the Governmental Unit for grant programs administered by Commerce. Further, and without limitation, if the Governmental Unit fails to timely initiate legal proceedings against the Owner for such repayment and Commerce elects to do so instead, the Governmental Unit is

responsible and agrees to reimburse Commerce for all litigation costs and reasonable attorneys' fees that Commerce incurs in pursuing repayment.

2. Changes in the Project or Other Conditions.

- (a). A "Project Change" is any material alteration, addition, deletion or expansion of the Project, including (without limitation) material changes to construction or rehabilitation, the terms or conditions of the loan under the LBC ("Loan"), the required number of New Jobs, the matching investment in the Project, any cessation of business by the Owner or any Business and any filing of bankruptcy by the Governmental Unit, the Owner or any Business. There shall be no Project Changes unless expressly approved of by Commerce in a separate, prior written agreement stating, if applicable, the costs and schedule for completing the Project Change.

Notwithstanding the foregoing and wherever referred to in this Grant Agreement, "cessation of business," "ceasing to do business" and "ceases to do business" shall not include (1) ceasing operations to maintain, service or upgrade real or personal property of the Owner, (2) seasonal shutdowns of operations as long as such cessation do not exceed a total of four (4) weeks in any calendar year (excluding time attributable to an event of force majeure as described below) and (3) under the circumstances of for the period of time described in Paragraph 17 below.

- (b). Additionally, the Governmental Unit shall immediately notify Commerce of any change in conditions or local law, or any other event, which may significantly affect its ability to oversee, administer or perform this Grant Agreement, the LBC or the Project. In its sole and unreviewable discretion, Commerce may deem such a change in conditions, local law or other event to constitute a Project Change.

3. Term of Grant Agreement. The effective period of this Grant Agreement shall commence on **12/18/2014** ("Effective Date") and shall terminate on **12/18/2016** unless terminated on an earlier date under the terms of this Grant Agreement (either one of which dates shall constitute the "Termination Date") or unless extended for an express term in writing by the Governmental Unit.

4. Funding. The Rural Authority grants to the Governmental Unit an amount not to exceed **\$500,000.00** for expenditures directly relating to the Project. The Governmental Unit hereby represents and warrants that all Grant funds shall be utilized exclusively for the purpose of the Project and consistent with all applicable laws, rules, regulations and requirements, and that the Governmental Unit shall not make or approve of any improper expenditure of Grant funds (including Loan funds). Administrative expenses of the Governmental Unit are not eligible for Grant funding and any such use of Grant funds will violate this Grant Agreement.

5. Independent Status of the Governmental Unit.

- (a). The Governmental Unit is an entity independent from the Rural Authority and Commerce. The Grant Agreement, the LBC, the Project and any actions taken pursuant to them shall not be deemed to create a partnership or joint venture between

or among Commerce, the Rural Authority, the Governmental Unit or any third party (including, without limitation, the Owner or any Business). Nor shall the Grant Agreement, the LBC or the Project be construed to make the Governmental Unit (including its employees, agents, members or officials) or any third party (including, without limitation, the Owner or any Business) employees, agents, members or officials of Commerce or the Rural Authority. Neither the Governmental Unit nor any third party (including, without limitation, the Owner or any Business) shall have the ability to bind Commerce or the Rural Authority to any agreement for payment of goods or services or represent to any person that they have such ability.

- (b). The Governmental Unit shall be responsible for payment of all of its expenses, including rent, office expenses and all forms of compensation to employees. The Governmental Unit shall provide worker's compensation insurance to the extent required for its operations and shall accept full responsibility for payments of unemployment tax or compensation, social security, income taxes, and any other charges, taxes or payroll deductions required by law in connection with its operations, for itself and its employees who are performing work pursuant to this Grant Agreement. All expenses incurred by the Governmental Unit are its sole responsibility, and neither Commerce nor the Rural Authority shall be liable for the payment of any obligations incurred in the performance of the Project.

6. Method of Payment. Commerce shall pay the Grant funds to the Governmental Unit in accordance with the Payment Schedule attached hereto as Exhibit B after receipt of written requests for payment from the Governmental Unit certifying that the conditions for such payment under this Grant Agreement have been met and that the Governmental Unit is entitled to receive the amount so requested and any other documentation that may be required by Commerce.

7. Obligation of Funds. The Governmental Unit shall not obligate Grant funds prior to the Effective Date or subsequent to the Termination Date of this Grant Agreement. All obligations outstanding as of the Termination Date shall be liquidated within thirty days.

8. Project Records.

(a). The Governmental Unit shall maintain full, accurate and verifiable financial records, supporting documents and all other pertinent data for the Project in such a manner as to clearly identify and document the expenditure of the State funds provided under this Grant Agreement separate from accounts for other awards, monetary contributions or other revenue sources for this Project.

(b). The Governmental Unit shall retain all financial records, supporting documents and all other pertinent records related to the Project for a period of five (5) years from the Termination Date. In the event such records are audited, all Project records shall be retained beyond the five-year period until the audit is concluded and any and all audit findings have been resolved.

9. Monitoring, Reports and Auditing.

- (a). The Governmental Unit agrees to ensure compliance and provide its assistance with such monitoring and auditing requirements as the State may request, including following the Termination Date of this Grant Agreement. Additionally, the Governmental Unit shall regularly monitor all performance under Grant-supported activities, including activities performed by the Owner and any Business, to ensure that time schedules are being met, New Jobs are being created and maintained and other performance goals are being achieved.
- (b). The Governmental Unit shall furnish Commerce detailed written progress reports according to the time periods specified in Exhibit C or as otherwise requested by Commerce. Such reports should describe the progress made by the Governmental Unit, the Owner and any Business toward achieving the purpose(s) of the Project, including specifically the goals of New Job creation and maintenance. Such descriptions should include the successes and problems encountered during the reporting period. Failure to submit a required report by the scheduled submission date will result in the withholding of any forthcoming payment until Commerce is in receipt of the delinquent report and the report meets with Commerce's approval, in Commerce's sole discretion.
- (c). The Governmental Unit acknowledges and agrees that, with regard to the Grant funds, it will be subject to the audit and reporting requirements prescribed by N.C.G.S §159-34, Local Government Finance Act - Annual Independent Audit; rules and regulations. Such audit and reporting requirements may vary depending upon the amount and source of Grant funding received by the Governmental Unit and are subject to change from time to time. Upon completion, the Governmental Unit shall forward to Commerce one copy of any audited financial statements and accompanying reports generated covering the period between the Effective Date and Termination Date of this Grant Agreement.
- (d). Within thirty (30) days after the Termination Date, the Governmental Unit shall submit a final report to Commerce describing the activities and accomplishments of the Project. The final report shall include a review of performance and activities over the entire Project period. In the final report, the Governmental Unit should describe the Project, how it was implemented, to what degree the established Project objectives were met and the difficulties encountered, what the Project changed and its cost.
- (e). The Governmental Unit grants the State and any of its related agencies, commissions or departments (including, without limitation, Commerce, the North Carolina State Auditor and the North Carolina Office of State Budget and Management) and any of their authorized representatives, at all reasonable times and as often as necessary (including after the Termination Date), access to and the right to inspect, copy, monitor, and examine all of the books, papers, records and other documents relating to the Grant Agreement, the LBC or the Project. Likewise, the Governmental Unit shall ensure that the Owner and any Business provide the same access. In addition, the Governmental Unit agrees to comply at any time, including after the Termination Date, with any requests by the State (including, without limitation, the Rural Authority or Commerce) for other financial and organizational materials to permit the State to comply with its fiscal monitoring responsibilities or to evaluate the short- and long-range impact of its programs.

10. Termination; Availability of Funds.

- (a). If the Governmental Unit fails to fulfill in a timely and proper manner its obligations or violates any of the covenants or stipulations under this Agreement, if the Owner fails to fulfill in a timely and proper manner its obligations or violates any of its covenants or stipulations under the LBC or if any Business fails to fulfill those requirements applicable to it in the LBC, the Governmental Unit agrees that Commerce has the right to terminate this Grant Agreement and/or the LBC by giving, as applicable, the Governmental Unit or the Governmental Unit and the Owner written notice specifying the Termination Date, which Commerce may determine in its sole discretion. Upon such termination, Commerce shall have no responsibility to make additional Grant payments. Upon such termination, the Governmental Unit shall not expend any Grant funds (including Loan funds) without Commerce's express written authorization and shall return all unspent Grant funds to Commerce upon demand.
- (b). The obligations of the Rural Authority and/or Commerce to pay any amounts under this Grant Agreement are contingent upon the availability and continuation of funds for such purpose. If funds for the Grant (and therefore the Loan) become unavailable, the Governmental Unit agrees that Commerce has the right to terminate this Grant Agreement and/or the LBC by giving written notice specifying the Termination Date, which Commerce shall determine in its sole discretion. Upon such termination, the State shall have no responsibility to make additional Grant payments. Further, upon such termination, the Governmental Unit shall not expend any Grant funds (including Loan funds) without Commerce's express written authorization and shall return all unspent Grant funds to Commerce upon demand.

11. Liabilities and Loss. The Governmental Unit hereby agrees to release, indemnify and hold harmless the State (including, without limitation, the Rural Authority and Commerce), and their respective members, officers, directors, employees, agents and attorneys (together, the "Indemnified Parties"), from any claims of third parties (including, without limitation, the Owner and the Business) arising out of any act or omission of the Governmental Unit or any third party (including, without limitation, the Owner and the Business) in connection with the performance of this Grant Agreement, the LBC or the Project, and for all losses arising from their implementation. Without limiting the foregoing, the Governmental Unit hereby releases the Indemnified Parties from, and agrees that such Indemnified Parties are not liable for, and agrees to indemnify and hold harmless the Indemnified Parties against, any and all liability or loss, cost or expense, including, without limitation, reasonable attorneys' fees, fines, penalties and civil judgments, resulting from or arising out of or in connection with or pertaining to, any loss or damage to property or any injury to or death of any person occurring in connection with the Project, or resulting from any defect in the fixtures, machinery, equipment or other property used in connection with the Project or arising out of, pertaining to, or having any connection with, the Project or the financing thereof (whether arising out of acts, omissions, or negligence of the Governmental Unit or of any third party (including, without limitation, the Owner and the Business), or of any of their agents, contractors, servants, employees, licensees, lessees, or assignees), including

any claims and losses accruing to or resulting from any and all subcontractors, material men, laborers and any other person, firm or corporation furnishing or supplying work, services, materials or supplies in connection with the Project.

12. Governmental Unit Representations and Warranties: The Governmental Unit hereby represents and warrants that:
- (a). The execution and delivery of this Grant Agreement have been duly authorized by all necessary Governmental Unit action and are not in contravention of law or in contravention of the provisions of any indenture agreement or undertaking to which the Governmental Unit is a party or by which it is bound.
  - (b). There is no action, suit proceeding, or investigation at law or in equity or before any court, public board or body pending, or to the knowledge of the Governmental Unit, threatened against or affecting it, the Owner or the Business, that could or might adversely affect the Project or any of the transactions contemplated by this Grant Agreement or the validity or enforceability of this Grant Agreement or the abilities of the Governmental Unit or the Owner to discharge their obligations under this Grant Agreement. If it is subsequently found that an action, suit, proceeding, or investigation did or could threaten or affect the development of the Project, the Governmental Unit shall be liable to Commerce for repayment of the entire amount of the Grant and this Grant Agreement may be terminated by Commerce effective upon notice.
  - (c). No consent or approval is necessary from any governmental authority as a condition to the execution and delivery of this Grant Agreement by the Governmental Unit or the performance of any of its obligations hereunder, or all such requisite governmental consents or approvals have been obtained. The Governmental Unit shall provide Commerce with evidence of the existence of any such necessary consents or approvals at the time of the execution of this Grant Agreement.
  - (d). The Governmental Unit is solvent.
  - (e). A cash match grant, loan or other funding ("Cash Match") equal to the amount of the Loan shall have been unconditionally committed to the Project. The Governmental Unit shall have procured and contributed at least five percent (5%) of this Cash Match, but no part of this 5% contribution can have derived, either directly or indirectly, from any other State or federal source. All Cash Match funds shall be utilized exclusively for the purpose of the Project, and there shall be no improper expenditures of Cash Match funds. All Cash Match funds shall be expended prior to or simultaneously with and at the same rate as the Owner's expenditure of Loan funds.
  - (f). Upon the Governmental Unit's reasonable inquiry of and receipt of supporting evidence from the Owner, both the Owner and any Business are duly authorized to do business under North Carolina law and are not delinquent on any federal, state or local taxes, licenses or fees.

13. Cessation/Termination, Bankruptcy, Dissolution or Insolvency.

- (a). Under the LBC, the Owner agrees at all times to preserve its legal existence, except

that it may merge or consolidate with or into, or sell all or substantially all of its assets to, any entity that expressly undertakes, assumes for itself and agrees in writing to be bound by all of the obligations and undertakings of the Owner contained in the LBC. If the Owner so merges, consolidates or sells its assets without such an undertaking being provided, it agrees in the LBC to repay to the Governmental Unit or Commerce, upon request and as directed, all unspent Loan funds. Further, a merger, consolidation or sale without such an undertaking shall constitute a material default under the LBC, and the Governmental Unit or Commerce may terminate the LBC upon written notice to the Owner and hold the Owner liable for any other repayment provided for under the LBC.

- (b). Other than as provided for in Paragraph 13(a) above, if the Owner or any Business ceases to do business or becomes the subject of any bankruptcy, dissolution or insolvency proceeding prior to the Termination Date, it shall be the sole responsibility of the Governmental Unit to (i) immediately notify Commerce and (ii) pursue any claim for Grant funds owed the State by the Owner or Business, including in any legal proceeding, to obtain the maximum payment allowed by law. To the extent the Governmental Unit fails to pursue repayment of the Grant funds in such a proceeding and obtain the maximum payment allowed by law, and without limitation, the Governmental Unit shall be liable to Commerce for all amounts that should have been awarded to the Unit in the proceeding if it had taken the necessary action (notwithstanding whether such amounts would have actually been paid by the Owner or Business). Alternatively, without limitation, if the Governmental Unit fails to pursue repayment of the Grant funds in such a proceeding and Commerce elects to do so instead, the Governmental Unit is responsible and agrees to reimburse Commerce for all legal costs and reasonable attorneys' fees that Commerce incurs in pursuing repayment.
- (c). If the Governmental Unit fails to provide Commerce notice of the Owner or any Business ceasing to do business or becoming the subject of any bankruptcy, dissolution or insolvency proceeding prior to the Termination Date, it shall constitute a material default under this Grant Agreement. If there is such a cessation or such a proceeding, Commerce may terminate the Grant Agreement upon written notice to the Governmental Unit. If there is such a cessation or such a proceeding, the Governmental Unit agrees that Commerce has the right to terminate this Grant Agreement and/or the LBC by giving, as applicable, the Governmental Unit or the Governmental Unit and the Owner written notice specifying the Termination Date, which Commerce may determine in its sole discretion. Upon such termination, the Governmental Unit, the Owner and any Business shall not expend any Grant or Loan funds without Commerce's express written authorization and shall return all unspent Grant or Loan funds to Commerce upon demand and if permissible under applicable bankruptcy, dissolution or insolvency law.

14. Additional Repayment Requirements and Remedies.

- (a). The repayment requirements and remedies addressed in this Paragraph 14 are in addition to those repayment requirements and other remedies set forth elsewhere in this Grant Agreement, including the requirements to repay unspent Grant funds. No

remedy conferred or reserved by or to the State is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy provided for in this Grant Agreement, or now or hereinafter existing at law, in equity, or by statute, and any such right or power may be exercised from time to time and as often as may be deemed expedient.

- (b). If there is a breach of any of the requirements, covenants or agreements in this Grant Agreement or the LBC, or if there are any representations or warranties which are untrue as to a material fact in this Grant Agreement, the LBC or in relation to the LBC or the Project (including the performance thereof), the Governmental Unit agrees that Commerce has the sole discretion to require repayment from the Governmental Unit of an amount of Grant funds to be determined in Commerce's sole discretion but not to exceed the amount of Grant funds the Governmental Unit has already received under this Grant Agreement. Such requirements, covenants or agreements include but are not limited to Paragraphs 1, 2(a), 4, 10(a), 12 and 13 of this Grant Agreement and include but are not limited to the creation and retention of the New Jobs and the retention of the Baseline Number of jobs under the LBC.
15. No Waiver by the State. Failure of the State (including, without limitation, the Rural Authority and Commerce) at any time to require performance of any term or provision of this Grant Agreement or the LBC shall in no manner affect the rights of the State at a later date to enforce the same or to enforce any future compliance with or performance of any of the terms or provisions hereof. No waiver of the State of any condition or the breach of any term, provision or representation contained in this Grant Agreement or the LBC, whether by conduct or otherwise, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such condition or of the breach of that or any other term, provision or representation.
16. Waiver of Objections to Timeliness of Legal Action. The Governmental Unit knowingly waives any objections it has or may have to timeliness of any legal action (including any administrative petition or civil action) by the State (including, without limitation, the Rural Authority or Commerce) to enforce its rights under this Grant Agreement. This waiver includes any objections the Governmental Unit may possess based on the statutes of limitations or repose and the doctrines of estoppel or laches.
17. Force Majeure. If (a) during the term of this Grant the real or personal property located on or constituting the Property suffers damage or destruction caused by acts of God, fires, floods, storms, insurrection, riots, acts of the public enemy, national catastrophe, or similar unexpected events, (b) such damage or destruction was not principally caused by the negligence, willful misconduct or violation of applicable law by the Owner, (c) the Owner uses reasonable efforts to repair, or to work around, such damage or destruction reasonably promptly, and (d) as a direct result of such damage or destruction the Owner cannot satisfy the requirements and obligations of Sections 3 of the LBC as and when the LBC requires, then the Owner will be entitled to an extension of time not to exceed sixty (60) days to satisfy the requirements and obligations of Section 3 of the LBC; provided that the Governmental Unit in its sole discretion with respect to the obligations it is owed by the

Owner, may elect to extend that sixty day period to give the Owner additional time to satisfy those requirements.

18. Special Provisions and Conditions.

- (a). Non-discrimination. The Governmental Unit agrees not to discriminate by reason of age, race, religion, color, sex, national origin or disability related to the activities of this Grant Agreement.
- (b). Conflict of Interest. The Governmental Unit shall forward to Commerce along with the executed copies of this Grant Agreement a copy of its policy and any ordinance or resolution it has adopted addressing conflicts of interest that may arise involving the members of the Governmental Unit's governing body and/or any of its employees or officers involved in the Grant, the LBC or the Project. Such policy, ordinance or resolution shall address situations in which any of these individuals may directly or indirectly benefit, other than through receipt of their normal compensation in their capacities as the Governmental Unit's employees, officers or members of its governing body, from the Grant, the LBC or Project, and shall include actions to be taken by the Unit or the individual, or both, to avoid conflicts of interest and the appearance of impropriety. Additionally, the Governmental Unit certifies that, as of the date it executes this Grant Agreement, no such individuals have such a conflict of interest or will directly or indirectly benefit, except in the capacities described above, from the Grant, LBC or Project. Throughout the duration of this Grant Agreement, the LBC and the Project, the Governmental Unit has the duty to promptly inform Commerce of any such conflict of interest or direct or indirect benefit of which it becomes aware.
- (c). Compliance with Laws. The Governmental Unit shall at all times observe and comply with all laws, regulations, codes, rules, ordinances and other requirements (together, "Laws") of the state, federal and local governments which may in any manner affect the performance of the Grant Agreement, the LBC or the Project.
- (d). Non-Assignability. The Governmental Unit shall not assign or transfer any interest in the Agreement without the prior written consent of Commerce; provided, however, that claims for money due to Governmental Unit from Commerce under this Agreement may be assigned to any commercial bank or other financial institution without such approval.
- (e). Personnel. The Governmental Unit represents that it has, or will secure at its own expense, all personnel required to monitor, carry out and perform the scope of services of this Agreement. Such employees shall not be employees of Commerce. Such personnel shall be fully qualified and shall be authorized under state and local law to perform such services.

19. Notice. All notices required or permitted to be delivered hereunder and all communications in respect hereof shall be in writing and shall be deemed given when personally delivered or when deposited in the United States mails, certified, return receipt requested, first class, postage prepaid and addressed as follows:

Rural Economic Development Grant Agreement, Private Owner  
**BUILDING REUSE PROGRAM**

2015-014-3201-2538

If to the Rural Authority or Commerce: Attn: **Hazel Edmond**  
North Carolina Department of Commerce  
Rural Economic Development Division  
301 North Wilmington Street  
4346 Mail Service Center  
Raleigh, North Carolina 27699-4346

If to the Governmental Unit: Attn: **The Honorable Jay MacDonald Hodges**  
City of Washington  
PO Box 2226  
102 East 2nd Street  
Washington, NC 27889-2226

or addressed to such other address or to the attention of such other individual as Commerce or the Governmental Unit shall have specified in a notice delivered pursuant to this subsection.

20. Entire Agreement. This Grant Agreement supersedes all prior agreements between or among the Rural Authority and/or Commerce and the Governmental Unit with regard to the Project and expresses their entire understanding with respect to the transactions contemplated herein, and shall not be amended, modified or altered except pursuant to a writing signed by both Commerce and the Governmental Unit.
21. Execution. This Grant Agreement may be executed in one or more counterparts, each of which, when executed, shall be deemed an original, and such counterparts, together, shall constitute one and the same Grant Agreement which shall be sufficiently evidenced by one of such original counterparts.
22. Construction. This Grant Agreement shall be construed and governed by the laws of the State of North Carolina.
23. Severability. Each provision of this Grant Agreement is intended to be severable and, if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect or impair any other provision of this Grant Agreement, but this Grant Agreement shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

24. Acceptance. If the Governmental Unit agrees to the Grant conditions as stated, please return the executed documents specified in Paragraph 1(a). This Grant may be withdrawn if Commerce has not received such documents within thirty (30) days from the date of the cover letter from Commerce to the Governmental accompanying this Grant Agreement and its Exhibits.

IN WITNESSETH WHEREOF, the parties hereto have executed this Grant Agreement as of the date first above written.

**City of Washington**

Signature: \_\_\_\_\_ [SEAL]

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**North Carolina Department of Commerce**

Signature: Patricia Mitchell [SEAL]

Printed Name: Dr. Patricia Mitchell, CEcD

Title: Assistant Secretary, Rural Development Division

Date: 2-16-15

**EXHIBIT A  
SCOPE OF PROJECT**

Project # 2015-014-3201-2538

City of Washington  
idX Impressions, Washington North Carolina Expansion

**Rural Economic Development Division  
Building Reuse Program  
Occupied Building Category Grant**

The City of Washington will carry out the terms of this contract as follows:

**I. General Project Description**

<b>County Tier</b>	1	<b>Total Jobs Proposed in NC:</b>	50
<b>Project Business</b>	idX Impressions	<b>Total Proposed Jobs for the Grant:</b>	50
<b>Requested Amount</b>	\$500,000	<b>Baseline Employment:</b>	109
<b>Recommended Amount</b>	\$500,000	<b>Average Annual Wage (Proposed Jobs)</b>	\$39,042
<b>Leverage Amount</b>	\$639,802	<b>% of employer paid health premiums</b>	59%
<b>Total Project cost</b>	\$1,139,802	<b>Total Investment</b>	\$1,139,802

**Summary:** The City of Washington, located in Beaufort County, requests assistance to support the expansion of a 387,000 sq. ft. building located at 234 Springs Road. The building was constructed in 1966 and has been occupied by idX Impressions for 18 months. idX Impressions is a manufacturer of store fixtures for major retailers such as Dell, John Deere, and JC Penney. The company has facilities throughout North America, as well as locations in Europe and Asia. The proposed project will assist with renovations that include roof repair, installation of a fire sprinkler system, installation of HVAC system, and upgrades to the restrooms.

**Objective:**

Grantees and their partners must engage in the activities necessary to develop the project building to accommodate the business needs. All work should be completed according to the eligible costs provided in the application and contractor's cost estimates submitted. All activities must meet or exceed all applicable state and local building code requirements.

**II. Project Financing**

<b>Financing Source(s)</b>	<b>Amount</b>
idX Impressions	\$ 639,802.00
NC Department of Commerce	500,000.00
<b>Total Project Financing</b>	<b>\$ 1,139,802.00</b>



**EXHIBIT C  
REPORTING SCHEDULE**

In accordance with the contractual agreement between City of Washington and the N.C. Department of Commerce, progress, final, and audit reports should be submitted according to the following guidelines:

**Progress and Final Reports:**

Progress reports should be submitted to the Rural Development Division. Refer to the reporting schedule below.

Submit a Final Report to the Rural Development Division when all aspects of the project are complete, including job creation and the 6-month verification period.

<b>Due Date:</b>	<b>Report Due:</b>	<b>Reporting Period:</b>
7/1/15	Progress Report	12/18/14 to 6/30/15
1/15/16	Progress Report	7/1/15 to 12/31/15
7/15/16	Progress Report	1/1/16 to 6/30/16
1/18/17	Final Report	7/1/16 to 12/18/16

Progress/Final Reporting forms can be found under the Grant Applications and Reporting Forms link the N.C. Department of Commerce website at [www.nccommerce.com](http://www.nccommerce.com).

**Audit Reports:**

<b>Due Date:</b>	<b>Report Due:</b>	<b>Reporting Period:</b>
03/31/2016	Audit Report	FYE 6/30/2015
03/31/2017	Audit Report	FYE 6/30/2016
03/31/2018	Audit Report	FYE 6/30/2017

**Failure to submit progress and audit reports as required:**

1. Will result in non-payment of pay requests,
2. Can result in the immediate termination of the grant,
3. Can result in the demand for immediate repayment of any funds paid by the N.C. Department of Commerce, and
4. Will negatively impact a grantee's ability to get building reuse grants in the future.

**EXHIBIT D**  
**JOB REPORTING AND CLOSE OUT REQUIREMENTS**

Building Reuse and Rural Health Care loans are eligible for forgiveness once the closeout documentation has been submitted and approved by the Rural Grants/Programs Section. It is required that the jobs created must be full-time (at least 35 hours per week), pay at least minimum wage, and the number of created jobs must be above the baseline employment level reported in the application. The baseline employment and new jobs created must be maintained concurrently during the same six-month period.

**Job Verification**

**Grantees should submit the following as evidence of job creation and maintenance:**

1. **Job Certification Form**—the grantee and the participating business is required to complete this form that attests to the creation of the number of jobs full-time jobs committed to receive the grant. The form must be signed by the authorized representatives of the participating business and the local government grantee.
2. **NCUI 101 Forms**—the company should submit copies of each company's *Employer's Quarterly Tax and Wage Report* (NCUI 101 form) that have been submitted to the NC Employment Security Commission as evidence of the creation of the required number of full-time jobs. The forms must include the appropriate number of quarters to show that the company maintained the required employment level for six-consecutive months. The employment level reported must meet or exceed the baseline number of employees reported at the time of the application plus the number of new, full-time jobs committed for the grant. The jobs created and the baseline must be maintained concurrently during the same six-month period. If the NCUI 101 forms include employees from other locations in North Carolina, the names of the employees working in the project building should be highlighted. If the NCUI 101 forms include both full and part-time employees an "f" should be written next to the name of each full-time employee and a "p" should be written next to the name of each part-time employee. To be considered full-time, the employee must work at least 35 hours per week and be paid at least minimum wage. Part-time, Full-Time Equivalents (FTE) positions, or contract and consulting jobs will not be considered to meet the terms of the grant. All employee social security numbers must be redacted from the NCUI 101 forms; however, wage data may not be redacted.
3. **Final Report**—grantees must submit the Final Report Form that describes the activities and outcomes of the project.
4. **Photos**—grantees must submit digital photos on CD that show interior and exterior views of the completed renovation project.

**Building Reuse Loan Forgiveness and Closeout Requirements**

Once all progress reports, the final report, job certification form, NCUI 101 forms, and photos are received and approved by the Rural Grants/Programs Section, the grantee will be notified that the terms of the loan have been met.

*All required forms can be found on the Rural Grants/Programs website at [www.nccommerce.com/rd](http://www.nccommerce.com/rd)*

\_\_\_\_\_ (the "Governmental Unit") enters into this Loan Agreement and Legally Binding Commitment (the "LBC," including the "Loan," defined below with \_\_\_\_\_ (the "Owner" and, together with the Governmental Unit, the "Parties").

WHEREAS, pursuant to N.C.G.S. §§143B-472.127 and .128, the North Carolina Rural Infrastructure Authority (the "Rural Authority") of the State of North Carolina ("State") has awarded a grant (the "Grant") to the Governmental Unit, and the North Carolina Department of Commerce ("Commerce"), an agency of the State, will administer the Grant; and

WHEREAS, the Grant is memorialized in an agreement (the "Grant Agreement") between Commerce and the Governmental Unit, and the Grant Agreement includes Exhibit A (Scope of Project), Exhibit B (Payment Schedule), Exhibit C (Reporting Schedule), Exhibit D (Closeout Schedule/Job Requirements), Exhibit E (this LBC, which incorporates by reference the Grant Agreement and its other Exhibits), Exhibit F (Promissory Note) and Exhibit G (Waiver of Confidentiality ("Waiver")); and

WHEREAS, without limitation, the Rural Authority awarded the Grant: (1) based on the application filed by the Governmental Unit and any subsequent materials supporting the application that have been approved of by Commerce in writing, all of which are incorporated into the Grant Agreement by reference; (2) based on the representation in the application that the Owner owns certain real property located at:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

in \_\_\_\_\_ County, North Carolina (the "Property"); (3) based on Commerce's Grant requirements and guidelines, which are incorporated herein and which may be amended, modified or supplemented and applied accordingly to the Grant Agreement and this LBC by Commerce in its sole discretion; and for (4) the creation and retention of certain jobs in the course of completing certain renovations/construction work at the Property (altogether, the "Project," as summarized in Exhibit A to this Grant Agreement); and

WHEREAS, the Governmental Unit and the Owner are required to enter into this LBC as a condition of the Governmental Unit loaning the Grant funds to the Owner.

NOW, THEREFORE, in consideration of the mutual promises and such other valuable consideration set out herein, the Parties mutually agree to the following terms and conditions:

1. Third-Party Beneficiary. The Parties agree that the State (including, without limitation,

Commerce and the Rural Authority) is an intended third-party beneficiary of this LBC (including the Loan) and may, at its option, enforce the terms of this LBC or appear as a party in any litigation concerning the LBC.

2. Loan.

- (a) The Governmental Unit hereby loans to the Owner the sum of **\$500,000.00** (the "Loan"), which consists entirely of State Grant funds, to fund the Project. Exhibit A to the Grant Agreement refers to the entity (or entities, as applicable) required to create and maintain certain full-time new jobs, as defined in Paragraph 3(a), to complete the Project under this LBC as the "Company," the "Employer" and the "Business" (together and hereinafter, the "Business"). The Owner specifically acknowledges that: it must repay the Loan in accordance with the terms of this LBC if the Business does not create and maintain the new jobs required by Paragraph 3(a) below; and as evidence of its obligation to repay the Loan, the Owner has executed the Promissory Note, Exhibit F to the Grant Agreement, which the Owner represents, acknowledges and agrees has been signed by every individual or entity that has any ownership interest in the Property and is fully binding on the Owner.
- (b). As conditions of receiving the Loan:
- i. The highest elected official of the Governmental Unit and a duly authorized representative of the Owner shall execute two originals of the LBC in its exact form (unless Commerce approves of a change to its terms in writing), and the Governmental Unit shall return one such original to Commerce;
  - ii. Every individual or entity that has any ownership interest in the Property shall execute two originals of the Promissory Note in its exact form, and the Governmental Unit shall return one such original to Commerce; and
  - iii. The Owner and the Governmental Unit shall ensure that an authorized representative of each Business executes a Waiver, Exhibit G to the Grant Agreement, and the Governmental Unit shall forward the original of any such Waiver to Commerce.
- (c). The Owner hereby represents and warrants that all Loan funds shall be utilized exclusively for the purpose of the Project and that it shall not make or approve of any improper expenditures of Loan funds.

3. New Job Creation, Maintenance of New Jobs and Baseline Number of Jobs and Verification.

- (a). New Job Creation and Maintenance of New Jobs and Baseline Number of Jobs. A "New Job" shall mean a full-time job (consisting of at least 35 hours per week of employment and eligibility for all benefits generally available for full-time employees of the Business) which is with the Business, is located in North Carolina, has a wage at least equal to the minimum wage, is created and maintained by the Business in order to complete the Project and is over and above the **109** full-time jobs in North Carolina ("Baseline Number") that the Business reported having at the time of the application for the Project. The Owner agrees that the Business shall be required to create and maintain in existence for six (6) consecutive months **50** New Jobs prior to the Termination Date, unless this term is extended pursuant to Paragraph 5. Separate and apart from these New Jobs, the Owner agrees that the Business shall be required

to maintain in existence its Baseline Number of jobs for as long as it takes the Business to create and maintain its required number of New Jobs.

- (b). Verification. When the New Jobs required by Paragraph 3(a) have been created and maintained for six (6) consecutive months, the Owner shall notify the Governmental Unit so that it and/or Commerce can verify their creation and maintenance, as well as the maintenance of the Baseline Number of jobs and the satisfaction of all other conditions and terms of this LBC and the Project. The Owner shall cause any Business to provide to the Governmental Unit and Commerce, or their respective designees, full and complete access to all records of the Business necessary to verify the number and types of jobs created and maintained, the wages paid to employees and all other conditions and terms of this LBC and the Project. Failure of any Business to provide such access upon request shall constitute a material default by the Owner under the terms of this LBC and, in the sole discretion of the Governmental Unit and/or Commerce, may subject the Owner to repayment in an amount calculated under Paragraph 13 below.

4. Changes in the Project or Other Conditions.

- (a). A "Project Change" is any material alteration, addition, deletion or expansion of the Project, including (without limitation) material changes to construction or rehabilitation, the terms or conditions of the loan under the LBC, the required number of New Jobs, the matching investment in the Project, any cessation of business by the Owner or any Business and any filing of bankruptcy by the Owner or any Business. There shall be no Project Changes unless expressly approved of by Commerce and the Governmental Unit in a separate, prior written agreement stating, if applicable, the costs and schedule for completing the Project Change.
- (b). Additionally, the Owner shall immediately notify the Governmental Unit of any change in conditions or local law, or any other event, which may significantly affect the ability of it or any Business to perform the LBC or the Project. In their sole discretion, the Governmental Unit or Commerce may deem such a change in conditions, local law or other event to constitute a Project Change.

5. Term of LBC. The effective period of this LBC shall commence **12/18/2014** ("Effective Date") and shall terminate **12/18/2016** unless terminated on an earlier date under the terms of this LBC (either one of which dates shall constitute the "Termination Date") or unless extended for an express term in writing by the Governmental Unit.

6. Independent Status of the Governmental Unit.

- (a). The State (including, without limitation, the Rural Authority and Commerce) and the Governmental Unit are independent entities from one another and from the Owner and any third party (including, without limitation, any Business). The Grant Agreement, the LBC, the Project and any actions taken pursuant to them shall not be deemed to create a partnership or joint venture between the State and the Governmental Unit or between or among either of them and the Owner or any third party (including, without limitation, any Business). Nor shall the Grant Agreement, the LBC or the Project be construed to make any employees, agents or members of the Owner or any third party (including, without limitation, any Business) into

employees, agents, members or officials of the Governmental Unit or the State or to make employees, agents, members or officials of the Governmental Unit into employees, agents, members or officials of the State. Neither the Owner nor any third party (including, without limitation, any Business) shall have the ability to bind the Governmental Unit or the State to any agreement for payment of goods or services or represent to any person that they have such ability. Nor shall the Governmental Unit have the ability to bind the State to any agreement for payment of goods or services or represent to any person that it has such ability.

- (b). The Owner and any third party (including, without limitation, any Business) shall be responsible for payment of all their expenses, including rent, office expenses and all forms of compensation to their employees. The Owner and any third parties (including, without limitation, any Business) shall provide worker's compensation insurance to the extent required for their operations and shall accept full responsibility for payments of unemployment tax or compensation, social security, income taxes, and any other charges, taxes or payroll deductions required by law in connection with their operations, for themselves and their employees who are performing work pursuant to this LBC or the Project. All expenses incurred by the Owner or any third party (including, without limitation, any Business) are their sole responsibilities, and neither the Governmental Unit nor the State (including, without limitation, Commerce and the Rural Authority) shall be liable for the payment of any obligations incurred in the performance of the Project.

7. Project Records.

- (a). The Owner shall maintain and cause any Business to maintain full, accurate and verifiable financial records, supporting documents and all other pertinent data for the Project in such a manner as to clearly identify and document the expenditure of the State funds provided under this LBC separate from accounts for other awards, monetary contributions or other revenue sources for this Project.
- (b). The Owner shall retain and cause any Business to retain all financial records, supporting documents and all other pertinent records related to this LBC, the Loan and the Project for a period of five (5) years from the Termination Date. In the event such records are audited, all such records shall be retained beyond the five-year period until the audit is concluded and any and all audit findings have been resolved.

8. Monitoring, Reports and Auditing. The Owner agrees to generate and to cause any Business to generate such reports regarding the LBC or the Project as may be requested by the Governmental Unit or the State (including, without limitation, the Rural Authority or Commerce) in such form as they may request, including after the Termination Date. The Owner further grants and shall cause any Business to grant the Governmental Unit or the State (including any of its agencies, commissions or departments such as Commerce, the North Carolina State Auditor and the North Carolina Office of State Budget and Management) and any of their authorized representatives, at all reasonable times and as often as necessary (including after the Termination Date), access to and the right to inspect, copy, monitor and examine all of the books, papers, records and other documents relating to the LBC or the Project. In addition, the Owner agrees to comply and to cause any Business to comply at any time, including after the Termination Date, with any requests by

the State (including, without limitation, the Rural Authority or Commerce) for other financial and organizational materials to permit the State to comply with its fiscal monitoring responsibilities or to evaluate the short- and long-range impact of its programs.

9. Termination; Availability of Funds.

- (a). If the Owner fails to fulfill in a timely and proper manner its obligations or violates any of its covenants or stipulations under the LBC or if any Business fails to fulfill those requirements applicable to it in the LBC, the Owner agrees that the Governmental Unit or Commerce has the right to terminate the LBC by giving the Owner written notice specifying the Termination Date, which shall be determined by the Governmental Unit or Commerce in their sole discretion. Upon such termination, neither the State nor the Governmental Unit shall have any responsibility to make Loan payments. Further, upon such termination, the Owner shall not expend any Loan funds without the express written authorization of the Governmental Unit and Commerce and shall return all unspent Loan funds to either the Governmental Unit or Commerce, upon request and as directed.
- (b). If the Governmental Unit fails to fulfill in a timely and proper manner its obligations or violates any of the covenants or stipulations under its Grant Agreement with Commerce, the Owner agrees that Commerce has the right to terminate its Grant Agreement with the Governmental Unit and/or terminate this LBC by giving, as applicable, the Governmental Unit or the Governmental Unit and the Owner written notice specifying the Termination Date, which Commerce may determine in its sole discretion. Upon such termination, neither the State nor the Governmental Unit shall have any responsibility to make Loan payments. Further, upon such termination, the Owner shall not expend any Loan funds without the express written authorization of the Governmental Unit and Commerce and shall return all unspent Loan funds to either the Governmental Unit or Commerce, upon request and as directed.
- (c). The obligations of the Rural Authority and/or Commerce to pay any Grant funds to the Governmental Unit and for the Governmental Unit to pay any Loan amounts to the Owner under this LBC are contingent upon the availability and continuation of funds for such purpose. If funds for the Grant and therefore the Loan become unavailable, the Owner agrees that either Commerce or the Governmental Unit has the right to terminate this LBC by giving written notice specifying the Termination Date, which either the Governmental Unit or Commerce may determine in their sole discretion. Upon such termination, neither the State nor the Governmental Unit shall have any responsibility to make Loan payments. Further, upon such termination, the Owner shall not expend any Loan funds without the express written authorization of the Governmental Unit and Commerce and shall return all unspent Loan funds to the Governmental Unit or Commerce, upon demand and as directed.

10. Liabilities and Loss. The Owner hereby agrees to release, indemnify and hold harmless the Governmental Unit and the State (including the Rural Authority and Commerce), and their respective members, officers, directors, employees, agents and attorneys (hereinafter collectively referred to as "Indemnified Parties"), from any claims of third parties (including, without limitation, any Business) arising out of any act or omission of the Owner or any third party (including, without limitation, any Business) in connection with

the performance of this LBC or the Project, and for all losses arising from implementation of this LBC or the Project. Without limiting the foregoing, the Owner hereby releases the Indemnified Parties from, and agrees that such Indemnified Parties are not liable for, and agrees to indemnify and hold harmless the Indemnified Parties against, any and all liability or loss, cost or expense, including, without limitation, reasonable attorneys' fees, fines, penalties and civil judgments, resulting from or arising out of or in connection with or pertaining to, any loss or damage to property or any injury to or death of any person occurring in connection with the Project, or resulting from any defect in the fixtures, machinery, equipment or other property used in connection with the Project or arising out of, pertaining to, or having any connection with, the Project or the financing thereof (whether or not arising out of acts, omissions or negligence of the Owner or of any third party (including, without limitation, any Business), or of any of their agents, contractors, servants, employees, licensees, lessees, or assignees), including any claims and losses accruing to or resulting from any and all subcontractors, material men, laborers and any other person, firm or corporation furnishing or supplying work, services, materials or supplies in connection with the Project.

11. Owner Representations and Warranties. The Owner hereby represents and warrants that:
- (a). The Owner and every Business are duly authorized to do business under North Carolina law and are not delinquent on any federal, state or local taxes, licenses or fees.
  - (b). This LBC has been entered into and executed on behalf of the Owner by an individual with full actual and apparent authority to bind the Owner to the terms hereto, and the execution and delivery of this LBC have been duly authorized by all necessary action, and are not in contravention of law nor in contravention of any certificate of authority, bylaws or other applicable organizational documents of the Owner, nor are they in contravention of the provisions of any indenture, agreement or undertaking to which the Owner is a party or by which it is bound.
  - (c). The Promissory Note has been executed by every individual or entity that has any ownership interest in the Property and is fully binding on the Owner.
  - (d). There is no action, suit, proceeding or investigation at law or in equity before any court, public board or body pending, or, to the Owner's knowledge, threatened against or affecting the Owner, that could or might adversely affect the Project, the creation of the New Jobs or any of the transactions contemplated by this LBC, or the validity or enforceability of this LBC or the Owner's ability to discharge its obligations under this LBC.
  - (e). Upon the Owner's reasonable inquiry of any Business, there is no action, suit, proceeding or investigation at law or in equity before any court, public board or body pending, threatened against or affecting any Business that could or might adversely affect the Project, the creation of the Jobs or any of the transactions contemplated by this LBC or the validity or enforceability of this LBC or the ability of any Business to create the Jobs specified herein.
  - (f). No consent or approval is necessary from any governmental authority as a condition to the execution and delivery of this LBC by the Owner or the performance of any of its obligations hereunder, or else all such requisite governmental consents or approvals have been obtained. The Owner shall provide the Governmental Unit or

Commerce with evidence of the existence of any such necessary consents or approvals at the time of the execution of this LBC.

- (g). The Owner is solvent and has inquired of and received reasonable evidence from any Business of the solvency of that Business.
- (h). A cash match grant, loan or other funding ("Cash Match") equal to the amount of the Loan shall have been unconditionally committed to the Project. The Governmental Unit shall have procured and contributed at least five percent (5%) of this Cash Match, but no part of this 5% contribution can have derived, either directly or indirectly, from any other State or federal source. The Owner hereby represents and warrants that all Cash Match funds shall be utilized exclusively for the purpose of the Project and that it shall not make or approve of improper expenditures of Cash Match funds. The Owner shall expend all Cash Match funds prior to or simultaneously with and at the same rate as its expenditure of Loan funds.

12. Cessation/Termination, Bankruptcy, Dissolution or Insolvency.

- (a). The Owner shall at all times preserve its legal existence, except that it may merge or consolidate with or into or sell all or substantially all of its assets to any entity that expressly undertakes, assumes for itself and agrees in writing to be bound by all of the obligations and undertakings of the Owner contained in this LBC. If the Owner so merges, consolidates or sells its assets without such an undertaking being provided, it agrees to repay to the Governmental Unit or Commerce, upon request and as directed, all unspent Loan funds. Further, any merger, consolidation or sale without such an undertaking shall constitute a material default under this LBC, and the Governmental Unit or Commerce may terminate the LBC upon written notice to the Owner and hold the Owner liable for any other repayment provided for under this LBC.
- (b). Other than as provided for in Paragraph 12(a), if the Owner or any Business ceases to do business or becomes the subject of any bankruptcy, dissolution or insolvency proceeding prior to the Termination Date, the Owner shall give the Governmental Unit immediate notice of the event, shall not expend any Loan funds without the express written authorization of the Governmental Unit and shall return all unspent Loan funds to the Governmental Unit or Commerce, upon demand and as directed and if permissible under applicable bankruptcy, dissolution or insolvency law.
- (c). If the Owner fails to provide the Governmental Unit notice of the Owner or any Business ceasing to do business or becoming the subject of any bankruptcy, dissolution or insolvency proceeding prior to the Termination Date, it shall constitute a material default under this LBC. If there is such a cessation or such a proceeding, the Governmental Unit or Commerce may terminate the LBC upon written notice to the Owner. Upon such termination, the Owner shall not expend any Loan funds without the express written authorization of the Governmental Unit and shall return all unspent Loan funds to the Governmental Unit or Commerce upon demand and as directed and if permissible under applicable bankruptcy, dissolution or insolvency law.
- d). Notwithstanding the foregoing and wherever referred to in this LBC, "ceases to do business" shall not include (1) ceasing operations to maintain, service or upgrade real or personal property of the Owner, (2) season shutdowns of operations as long as such

cessation does not exceed a total of four (4) weeks in any calendar year (excluding time attributable to an event of force majeure as described below) and (3) under the circumstances for the period of time described in Paragraph 22 below.

13. Additional Repayment Requirements and Remedies.

- (a). The repayment requirements and remedies addressed in this Paragraph 13 are in addition to those repayment requirements and other remedies set forth elsewhere in this LBC, including the requirements to repay unspent Loan funds. No remedy conferred or reserved by or to the State or the Governmental Unit is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy provided for in this LBC, or now or hereinafter existing at law, in equity, or by statute, and any such right or power may be exercised from time to time and as often as may be deemed expedient.
- (b). The Owner acknowledges that the Grant by the Rural Authority and the Loan by the Governmental Unit are predicated upon the creation and maintenance of the New Jobs and maintenance of the Baseline Number of jobs required by Paragraph 3(a) and that failure to create and/or maintain them will constitute a material default of this LBC.
  - i. If the Business fails to create and maintain such New Jobs, then the Owner shall repay to the Governmental Unit or Commerce, as directed, an amount equal to the product of (i) \$10,000.00 (the amount of Loan funds divided by the number of New Jobs required to be created in Paragraph 3(a) and (ii) the number of New Jobs required to be created in Paragraph 3(a), minus the number of New Jobs actually created, above the Baseline Number reported, that have been in existence for six (6) consecutive months.
  - ii. Additionally, in the event that the Business fails to maintain its Baseline Number of jobs as required under Paragraph 3(a), the Business shall lose credit for any qualifying New Jobs under this LBC by the same number of jobs that the Baseline Number is short. For example, if the Baseline Number of jobs falls short by three (3) jobs as of the date the Business has created and maintained all required New Jobs, the number of New Jobs deemed created and maintained shall be reduced by three (3). The amount the Business must repay shall then be calculated in accordance with Paragraph 13(b)i.
  - iii. Either Commerce or the Governmental Unit shall notify the Owner in writing of the amount to be repaid and direct the Owner whether to repay such amount to the Governmental Unit for return to Commerce or repay the amount directly to Commerce. All such amounts shall be due immediately upon demand by the Governmental Unit or Commerce. If not paid within thirty (30) days following demand, the unpaid amount due hereunder and under the Promissory Note shall bear interest at the rate of 10% per annum after demand until paid. Upon default in such payment, the Governmental Unit or Commerce may employ an attorney to enforce their respective rights and remedies, and the Owner hereby agrees to pay the legal costs and reasonable attorneys' fees of the Governmental Unit and Commerce plus all other reasonable expenses incurred by such party in exercising any of its rights and remedies upon such defaults.

- (c). If there is a breach of any of the requirements, covenants or agreements in this LBC (including, without limitation, a failure to repay the amount required under Paragraph 13(b) within the time required), or if there are any representations or warranties which are untrue as to a material fact in this LBC or in relation to the LBC or the Project (including the performance thereof), the Owner agrees that the Governmental Unit or Commerce may require repayment from the Owner of an amount of Loan funds to be determined in their sole discretion but not to exceed the amount of Loan funds the Owner has already received under this LBC. Such requirements, covenants or agreements include but are not limited to Paragraphs 2, 3, 4, 9, 11 and 12 of this LBC.
14. No Waiver by Governmental Unit or the State. Failure of the Governmental Unit or the State (including, without limitation, the Rural Authority and Commerce) at any time to require performance of any term or provision of this LBC shall in no manner affect the rights of the Governmental Unit or the State at a later date to enforce the same or to enforce any future compliance with or performance of any of the terms or provisions hereof. No waiver of the Governmental Unit or the State of any condition or the breach of any term, provision or representation contained in this LBC, whether by conduct or otherwise, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such condition or of the breach of that or any other term, provision or representation.
15. Waiver of Objections to Timeliness of Legal Action. The Owner knowingly waives any objections it has or may have to timeliness of any legal action (including any administrative petition or civil action) by the Governmental Unit or the State (including Commerce) to enforce their rights under this LBC. This waiver includes any objections the Owner may possess based on the statutes of limitations or repose and the doctrines of estoppel or laches.
16. Special Provisions and Conditions.
- (a). Nondiscrimination. The Owner agrees that it will not, and will ensure that the Business will not, discriminate by reason of age, race, religion, color, sex, national origin or disability related to the activities of this LBC or the Project.
- (b). Compliance with Laws. The Owner shall at all times, and shall cause any Business at all times to, observe and comply with all laws, regulations, codes, rules, ordinances and other requirements (together, "Laws") of the state, federal and local governments which may in any manner affect the performance of the LBC or the Project.
- (c). Non-Assignability. The Owner shall not assign or transfer any interest in the LBC without the prior written consent of the Governmental Unit and Commerce; provided however, that claims for money due to the Owner from the Governmental Unit under this LBC may be assigned to any commercial bank or other financial institution without such approval.
- (d). Personnel. The Owner represents that it and any Business have or will secure at their own expense all personnel required to monitor, carry out and perform the scope of services of this LBC and the Project. Such employees shall not be employees of the State (including, without limitation, the Rural Authority or Commerce) or the Governmental Unit. Such personnel shall be fully qualified and shall be authorized under state and local law to perform such services.

17. Notice. All notices required or permitted hereunder and all communications in respect hereof shall be in writing and shall be deemed given when personally delivered or when deposited in the United States Mail, certified, return receipt requested, postage prepaid, and addressed as follows:

If to the Governmental Unit:

Attn: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To the Owner:

Attn: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

or addressed to such other address or to the attention of such other individual as either party above shall specify in a notice pursuant to this subsection.

18. Entire Agreement. This LBC supersedes all prior agreements between the Governmental Unit and the Owner with regard to the Loan and the Project and expresses their entire understanding with respect to the transactions contemplated herein, and shall not be amended, modified or altered except pursuant to a writing signed by both Parties.
19. Execution. This LBC may be executed in one or more counterparts, each of which, when executed, shall be deemed an original, and all such counterparts, together, shall constitute one and the same LBC which shall be sufficiently evidenced by one of such original counterparts.
20. Construction. This LBC shall be construed and governed by the laws of the State of North Carolina.
21. Severability. Each provision of this LBC is intended to be severable and, if any provision of this LBC is held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect or impair any other provision of this LBC, but this LBC shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

22. Force Majeure. If (a) during the Grant Term the real or personal property located on or constituting the Property suffers damage or destruction caused by acts of God, fires, floods, storms, insurrection, riots, acts of the public enemy, national catastrophe, or similar unexpected events, (b) such damage or destruction was not principally caused by the negligence, willful misconduct or violation of applicable law by the Owner, (c) the Owner uses reasonable efforts to repair, or to work around, such damage or destruction reasonably promptly, and (d) as a direct result of such damage or destruction the Owner cannot satisfy the requirements and obligations of Sections 3 of this Agreement as and when this Agreement requires, then the Owner will be entitled to an extension of time not to exceed sixty (60) days to satisfy the requirements and obligations of Section 3 of this Agreement; provided that the Governmental Unit in its sole discretion with respect to the obligations it is owed by the Owner, may elect to extend that sixty day period to give the Owner additional time to satisfy those requirements.

IN WITNESS WHEREOF, the parties hereto have executed this LBC as of the date first above written.

**Governmental Unit Name:** \_\_\_\_\_

Signature: \_\_\_\_\_ [SEAL]

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Owner Name:** \_\_\_\_\_

Signature: \_\_\_\_\_ [SEAL]

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

For VALUE RECEIVED and subject to the terms of and secured by the Rural Economic Development Loan Agreement and Legally Binding Commitment – Private-Owner Building Reuse Program, Reference Number 2015-014-3201-2538 (“LBC,” which is incorporated by reference herein), the undersigned borrower[s] (the “Owner”) jointly and severally promise[s] to pay to lender the City of Washington or its assigns (together, the “Governmental Unit”) or to the intended third-party beneficiary of this Promissory Note, the North Carolina Department of Commerce (“Commerce”), upon demand and as directed by either the Governmental Unit or Commerce, an amount of principal loan (“Loan”) funds under the LBC up to and including \$500,000.00 Dollars but which amount shall not exceed the amount of Loan funds the Owner has actually received under the LBC, plus interest and attorney’s fees as addressed below. Unless otherwise specified herein, capitalized terms in this Promissory Note shall have the same meaning as those set forth in the LBC.

The Owner acknowledges and represents that: (i) the undersigned is or are the only person(s), entity or entities who or that have any ownership interests in the certain real property located at:

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in \_\_\_\_\_ County, North Carolina (the “Property”); and (ii) the undersigned shall be jointly and severally liable for any and all debts secured by this Promissory Note.

The Owner further acknowledges that: (i) in order for the Owner to receive the Loan, the LBC requires the Owner to complete a “Project”; (ii) in order for the Owner to receive the Loan, what the LBC identifies as the “Business” must maintain certain jobs and create and maintain certain other jobs in working with the Owner to complete the Project; (iii) the Loan from the Governmental Unit to the Owner under the LBC consists entirely of a grant from the State of North Carolina to the Governmental Unit, subject to certain clawback provisions; (iv) Commerce is an intended third-party beneficiary to the LBC and to this Promissory Note; and (v) the LBC specifies those circumstances in which the Governmental Unit or Commerce can terminate the LBC and require the Owner to repay an amount of Loan funds according to a formula or else in an amount to be determined in the sole discretion of the Governmental Unit or Commerce but which amount shall not exceed the amount of Loan funds the Owner has actually received under the LBC.

Upon default, the Governmental Unit and/or Commerce may employ attorneys to enforce their rights and remedies under this Promissory Note and the LBC, and the Owner agrees to pay their reasonable attorneys’ fees, plus all other reasonable expenses they incur in exercising their rights and remedies upon default. The rights and remedies of the Governmental Unit and

Commerce, as described in this Promissory Note and the LBC, shall be cumulative and may be pursued singly, successively or together against the Owner (including each of the undersigned), the Property, or any other funds, property or security held by the Owner for payment or security, in the sole discretion of the Governmental Unit and Commerce. The failure to exercise any such right or remedy shall not be a waiver or release of such rights or remedies or the right to exercise any of them at another time.

The Owner hereby waives protest, presentment, notice of dishonor and notice of acceleration and maturity and agrees to remain bound for the payment of principal, interest and all other sums due under this Promissory Note and the LBC, notwithstanding any change or changes by way of release, surrender, exchange, modification or substitution of any security for this Promissory Note, or by way of any extension or extensions of time for the payment of principal and interest; and the Owner waives all and every kind of notice of such change or changes and agrees that the same may be made without notice of or consent to any of them.

This Promissory Note may not be amended, changed or altered except in writing executed by the Owner, the Governmental Unit and Commerce.

If not repaid within 30 days following demand hereunder, the Loan funds demanded by the Governmental Unit or Commerce under this Promissory Note shall bear interest at the rate of 10% per annum after demand until repaid. If either the Governmental Unit or Commerce initially demands Loan repayment from the Owner ("First Demand") in an amount less than the Loan funds the Owner has actually received under the LBC but, failing to receive repayment and, in its discretion under the LBC, increases the Loan repayment demand ("Second Demand") to the full amount the Owner has received under the LBC, then such interest on the difference between the First and Second Demands shall begin to accrue as of the date of the Second Demand.

For example, if under the terms of the LBC, a Business engages in an improper expenditure of Loan funds, the Governmental Unit has the discretion to require in a First Demand the partial repayment of Loan funds received by the Owner. Interest will begin to accrue at 10% per annum on whatever portion of the sum is not repaid as of the 31<sup>st</sup> day after the First Demand. Further, if the Owner fails to repay the First Demand in full, the Governmental Unit retains the discretion under the LBC to terminate the LBC and issue a Second Demand for the full repayment by the Owner of all Loan funds. Interest will continue accruing at 10% per annum on the original principal amount still unpaid from the First Demand and, following the expiration of 30 days from the Second Demand, interest will begin to accrue at 10% per annum on the additional unpaid principal Loan amount in the Second Demand.

Payment shall be made in lawful money of the United States of America via United States Mail First Class, Federal Express or UPS to the attention of the person at the address or in person at the address of the Governmental Unit or Commerce as directed in writing.

This Note shall be governed by, and construed in accordance with, the laws of the State of North Carolina.

IN WITNESS WHEREOF, the undersigned has (have) caused these presents to be executed under seal, pursuant to authority duly given, the day and year first above written.

EVERY SIGNATORY BELOW EXPRESSLY REPRESENTS THAT ALL INDIVIDUALS OR ENTITIES WITH ANY OWNERSHIP INTERESTS IN THE PROPERTY HAVE EXECUTED THIS PROMISSORY NOTE.

Dated as of: \_\_\_\_\_, 20 \_\_\_\_\_

If by Individual: \_\_\_\_\_

Signature: \_\_\_\_\_ [SEAL]

Printed Name: \_\_\_\_\_

Dated as of: \_\_\_\_\_, 20 \_\_\_\_\_

If by Entity: \_\_\_\_\_

Signature: \_\_\_\_\_ [SEAL]

Printed Name: \_\_\_\_\_

Limited Waiver of Confidentiality  
Unemployment Tax and Wage Records  
**BUILDING REUSE PROGRAM**

**EXHIBIT G**  
2015-014-3201-2538

Name of Taxpayer \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Phone: \_\_\_\_\_

NC Unemployment Insurance Acct #: \_\_\_\_\_ Fed Tax ID #: \_\_\_\_\_

I hereby waive any right to confidentiality, as found in N.C.G.S. 96-4 or otherwise, for the limited purpose of authorizing disclosure of certain information contained in the quarterly unemployment insurance tax records of the above-named taxpayer (hereinafter, "Company") filed with the Division of Employment Security ("DES") of the North Carolina Department of Commerce to the **City of Washington** ("Governmental Unit") and to the employees of the Rural Economic Division of the North Carolina Department of Commerce ("Rural Division") and members of the North Carolina Rural Infrastructure Authority ("Rural Authority") for the limited purpose of evaluating the issuance of and, in the event of such issuance, administering and ensuring compliance with, a grant and loan pursuant to N.C.G.S. 143B-472.127 and .128.

I recognize that DES is authorized to provide this information to the public officials of the Governmental Unit, the Rural Division and the Rural Authority in the performance of their public duties and that the verification of employment information for the purpose of administering the grant and loan at issue is within the scope of the public duties of the Governmental Unit, the Rural Division and the Rural Authority. I hereby authorize DES to disclose information contained in the Company's quarterly unemployment insurance tax records (the NCUI-101 or successor form) to the Governmental Unit, the Rural Division and/or the Authority for these purposes.

I recognize that unemployment insurance tax information provided in the aggregate to DES and disclosed to the Governmental Unit, the Rural Division and/or the Authority, and the Company's aggregated tax and wage information provided to or otherwise in possession of the Governmental Unit, the Rural Division and/or the Authority, may be treated as public information. This waiver is not intended to release the Governmental Unit, the Rural Division and/or the Authority from any obligation they may have under North Carolina law to maintain the confidentiality of any and all information which could reveal or permit someone to ascertain the identity of any individual employee or that employee's line item unemployment insurance tax or other tax or wage information.

\_\_\_\_\_  
Signature Chief Financial Officer or Other Authorized Company Official

\_\_\_\_\_  
Print Name Title

\_\_\_\_\_  
Date

Fund	Department	Project Name	Rank	2015-16	2016-17	2017-18	2018-19	2019-20	Total	Description
10-20-4510	Street	Vehicle replacement	1	80,000					80,000	2001 2 tn Dumptruck #455
10-20-4510		Vehicle replacement	2			120,000			120,000	1995Tandem Dumptruck #465
10-20-4511		Vehicle replacement	3				275,000		275,000	2012 Street Sweeper #462
10-20-4510		New equipment	4		130,000				130,000	120 hp Tractor for mowing R/Ws and airport
	Street	<b>Total</b>		<b>80,000</b>	<b>130,000</b>	<b>120,000</b>	<b>275,000</b>	<b>-</b>	<b>605,000</b>	
34-90-5710	Stormwater	Equipment replacement	1		115,000				115,000	2004 Backhoe #460
34-90-5710		Drainage improvements	2		200,000				200,000	Ditch work and pipe repairs in various locations
34-90-5710		Replace CMP along Simmons St.	3	1,200,000					1,200,000	Replace degraded CMP under Simmons Street
34-90-5710		Upstream imp. Jacks Creek basin	4		5,500,000				5,500,000	Phase 2 of Stormwater improvements Jacks Ck Basin
34-90-5710		Trash removal Jacks Creek	5			1,800,000			1,800,000	Automatic bar screens Jacks Creek pump station
	Stormwater	<b>Total</b>		<b>1,200,000</b>	<b>5,815,000</b>	<b>1,800,000</b>	<b>-</b>	<b>-</b>	<b>8,815,000</b>	
38-90-4710	Sanitation	Vehicle replacement	1		150,000				150,000	2006 Rear Loading Garbage Tk.# 482
38-90-4710		Vehicle replacement	2			80,000			80,000	2001 Flatbed Leaf Tk. #481
	Sanitation	<b>Total</b>		<b>-</b>	<b>150,000</b>	<b>80,000</b>	<b>-</b>	<b>-</b>	<b>230,000</b>	
30-90-8180	Water	Waterline Replacement	1		175,000				175,000	Loop water line in Spring Rd. trailer park
30-90-8140		Replace City owned BFP	2		30,000				30,000	Replace aging backflow prevention devices per state regs
30-90-8180		Waterline Replacement	3			160,000			160,000	Replace 2" galvanized waterline on Tarboro St.
30-90-8100		Replace backwash pump	4			60,000			60,000	
30-90-8140		Sandblast & Repaint Hydrants	5				80,000		80,000	Sandblast approx. 700 hydrants
30-90-8100		Replace filter feed pumps 1-3	6				75,000		75,000	
30-90-8140		Vehicle replacement	7					40,000	40,000	Replace 2010 3/4 tn Service truck
30-90-8100		Well upfit (1,2,5&6)	8				521,500		521,500	increase capacity to 1,000 gpm at 4 locations
30-90-8100		In-plant SCADA	9					200,000	200,000	
30-90-8100		Additional wells (4)	10					3,300,000	3,300,000	Add 4 new raw water wells as demand increases
	Water	<b>Total</b>		<b>-</b>	<b>205,000</b>	<b>220,000</b>	<b>676,500</b>	<b>3,540,000</b>	<b>4,641,500</b>	
32-90-8210	Sewer	Collection System Rehab.	1	100,000	100,000	100,000	100,000	100,000	500,000	Replace, line and repair sewer lines
32-90-8210		M.H. Rehab.	2	100,000	100,000	100,000	100,000	100,000	500,000	Line MH'S to prevenr I & I
32-90-8210		Replace 6' M.H. 5TH& RESPESS	3	280,000					280,000	Replace of Rehab M.H. H2S Gas Damage
32-90-8230		Replace panel @ Spring Rd A	4	20,000					20,000	Replace control panel at Spring Rd. "A" lift station
32-90-8230		Replace panel @ Spring Rd B	5	20,000					20,000	Replace control panel at Spring Rd. "B" lift station
32-90-8220		Security Video system	6	25,000					25,000	
32-90-8200		Vehicle replacement	7		320,000				320,000	Replace 2009 sewer vac truck - cleans sewer daily
32-90-8230		Spare Pump for 5th & Respass	8		85,000				85,000	
32-90-8220		Spare recirculation pump	9			40,000			40,000	
32-90-8220		Convert to fine screens	10			300,000			300,000	convert from barscreens to fine screens
32-90-8230		Upfit Cherry Run Lift Station	11			50,000			50,000	Upgrade pumps, motors and controls
32-90-8230		Parallel force main Cherry Run	12			150,000			150,000	Additional parallel force main - based on demand
32-90-8230		Upfit 7th & Harvey Lift Station	13				75,000		75,000	Upgrade pumps, motors and controls
32-90-8230		4th pump at 5th & Respass	14				250,000		250,000	Additional pump - based on demand
32-90-8220		Convert aeration basin to BNR	15				500,000		500,000	Convert from chemical to biological nutrient reduction
32-90-8220		Paint entire plant	16				150,000		150,000	
32-90-8230		Force main from 5th & Respass	17				1,000,000		1,000,000	Additional parallel force main - based on demand
32-90-8230		Upfit 4th & Hudnell Lift Station	18					75,000	75,000	Upgrade pumps, motors and controls

Fund	Department	Project Name	Rank	2015-16	2016-17	2017-18	2018-19	2019-20	Total	Description
32-90-8220		Upfit in-plant SCADA	19					500,000	500,000	
32-90-8220		Convert oxidation ditch 1 to BNR	20					1,500,000	1,500,000	Convert from chemical to biological nutrient reduction
	Sewer	Total		545,000	605,000	740,000	2,175,000	2,275,000	6,340,000	
	Public Works	Grand Total		1,825,000	6,905,000	2,960,000	3,126,500	5,815,000	20,631,500	

Fund	Department	Project Name	Rank	2015-16	2016-17	2017-18	2018-19	2019-20	Total
Electric	Distribution	2nd Street / 5th Street Feeders Rebuild <i>(in progress)</i> **							0
		Grimesland Road Feeder Rebuild <i>(in progress)</i>	D2	90	310	310			710
		River Road Feeder Rebuild						100	100
		Midway Feeder Rebuild					50	350	400
		NC 32 North Feeder Rebuild <i>(in progress)</i>	D1	325					325
		Free Union Feeder Rebuild					25	110	135
		15th Street Feeder Rebuild <i>(Bonner to Washington)</i>					120		120
		Downtown Feeder Rebuild						250	250
		Cherry Road Feeder Rebuild	D3	65	650				715
		Avenue Road feeder Rebuild			50	500			550
	Transmission	Highland Drive 34 kV Feeder Rebuild			50	700			750
		Forest Hills 34 kV Feeder Rebuild					50	700	750
		White Post to Slatestone 34kV Tie <i>(in progress)</i>	T1	100	600	600			1,300
		White Post to Slatestone 12kV Tie				100	400	400	900
	Substation	New Main Substation 34 kV Feeder			400				400
		Main Substation 12 kV Circuit Exits ** 2nd Street / 5th Street							0
		Market Street / 15th Street	S1	120					120
		Substation 34 kV Breaker Replacement				50			50
		Main B3 Breaker Replacement	S2	50					50
		Main B4 Breaker Replacement			50				50
		Substation Reclosers	S3	50	50	50	50	50	250
		Substation 34 kV Regulators				100			100
	Future Substation Construction & Upgrades	Industrial Park Substation				200	1,800		2,000
		Industrial Park Substation 34 kV Feeder				75	250		325
		Slatestone Substation Upgrade			200	1,800			2,000
		Main Substation 115 kV Upgrade					200	1,600	1,800
	Miscellaneous	Load Management Switches	M1	150	150	150	150	150	750
		Warehouse parking lot (2/3)		50					50
		Electric Meter Test Board Replacement			100				100
		Peak Shaving Generator Overhaul/Replacement				600		600	1,200
		Dept of Energy Reg'd Street/Area Light Replacement					150	150	300
		Downtown Electrical Improvements	M2	300	300	300	300	300	1,500
	Administration Vehicles	Vehicle #624 - SUV			35				35
	Meter Shop Vehicles	Vehicle #620 - 1/4 Ton Pickup						30	30
		Vehicle #653 - 1/4 Ton Pickup					30		30
		Vehicle #655 - 1/4 Ton Van		25					25
		Vehicle #656 - 1/4 Ton Pickup					30		30
		Vehicle #659 - 1/4 Ton Pickup					30		30

Fund	Department	Project Name	Rank	2015-16	2016-17	2017-18	2018-19	2019-20	Total
	<b>Substation / LM Vehicles</b>	Vehicle #657 - 1/2 Ton Pickup			30				30
		Vehicle #680 - SUV					35		35
		Vehicle #681 - 1/2 Ton Pickup				40			40
	<b>T&amp;D Vehicles</b>	Vehicle #614 - SUV		35					35
		Vehicle #609 - 2 Ton Truck					65		65
		Vehicle #601 - 2 Ton Truck - Construction Body ( <i>upgrade</i> )					55		55
		Vehicle #613 - 2 Ton Truck - Construction Body							0
		Vehicle #615 - 2 Ton Truck - Construction Body						55	55
	<b>T&amp;D Equipment</b>	Vehicle #602 - Line Truck						260	260
		Vehicle #603 - Line Truck				260			260
		Vehicle #617 - Line Truck							0
		Vehicle #607 - Bucket Truck					260		260
		Vehicle #618 - Bucket Truck			260				260
		Vehicle #682 - Bucket Truck					260		260
		Vehicle #608 - Dump Body			55				55
		Vehicle #610 - Trencher		85					85
		Vehicle #612 - Tractor				100			100
		Vehicle #623 - Tractor					55		55
		Wire Tensioner			70				70
		<b>Total</b>		<b>1,445</b>	<b>3,360</b>	<b>5,935</b>	<b>4,365</b>	<b>5,105</b>	<b>20,210</b>

20,210

Fund	Department	Project Name	Rank	2015-16	2016-17	2017-18	2018-19	2019-20	Total	Description
General	Police	Patrol Vehicles	1	136,000					136,000	Replacement of Vehicles
		Patrol Vehicles	1		111,000				111,000	Replacement of Vehicles
		Air Conditioners	2		33,000				33,000	Replacement of AC unit in dispatch
		Patrol Vehicles	1			143,000			143,000	Replacement of Vehicles
		Patrol Vehicles	1				148,000		148,000	Replacement of Vehicles
		Patrol Vehicles	1					152,000	152,000	Replacement of Vehicles
	Police	<b>Total</b>		<b>136,000</b>	<b>144,000</b>	<b>143,000</b>	<b>148,000</b>	<b>152,000</b>	<b>723,000</b>	
	Fire/EMS	Cardiac Defibrillator	1	30,000					30,000	Cardiac monitor & defibrillator for paramedic level
		Ambulance	2	160,000					160,000	Replacement for 2008 EMS unit # 430
		Fire Engine # 3	3		450,000				450,000	Replacement for 1988 Fire Engine #236
		Utility Vehicle/ Pick up Truck	4		30,000				30,000	Replacement for 2005 Pick up Truck # 238
		Ambulance	5			150,000			150,000	Replacement for 2011 EMS unit #432
		Fire Engine # 2	6			450,000			450,000	Replacement for 1996 Fire Engine #233
		SCBA Air Packs & Cylinders	7	75,000	75,000	75,000	75,000		300,000	Replacement for 30 2008 SCBA & air cylinders
		Cardiac Defibrillator # 112	8					30,000	30,000	Replacement for 2012 Cardiac Defibrillator #112
		Fire Engine # 1	9					450,000	450,000	Replacement for 2000 Fire Engine # 231
	Fire/EMS	<b>Total</b>		<b>265,000</b>	<b>555,000</b>	<b>675,000</b>	<b>75,000</b>	<b>480,000</b>	<b>2,050,000</b>	
	Planning	Code Enforcement Vehicle		25,000					25,000	Replacement of vehicle #121
		Way finding Phase II		50,000					50,000	Complete way finding project
		Streetscape Improvements			225,000				225,000	streetscape work
		Maritime/Farmer's Market Improvements		40,000	210,000				250,000	Continue waterfront improvements
		Caboose Improvements			20,000	130,000			150,000	Caboose rehab
		Wi-Fi - Waterfront Area		30,000					30,000	Wi-Fi on the waterfront
	Planning	<b>Total</b>		<b>145,000</b>	<b>455,000</b>	<b>130,000</b>	<b>0</b>	<b>0</b>	<b>730,000</b>	
	IT	City Hall virtual thin clients		37,800	48,000				85,800	30 units
		Jack's Creek fiber run		31,079					31,079	Replace remaining canopy
		Maintenance yard fiber			5,000				5,000	Maintenance yard to garage, Public Works
		Security assessment improvements:								
		Two ASA firewalls with IPS		18,513					18,513	
		Syslog server Solar winds		17,295					17,295	
		IP network migration		13,400					13,400	
		Internal vulnerability scan		700					700	
		External IP vulnerability scan		3,800					3,800	
		Switch upgrades		49,224					49,224	
		Upgrade AP controller		9,518					9,518	
		GIS Project - City Wide		24,200	50,000				74,200	Planning/inspections yr. 1, PW yr. 2. electric yr. 3
	IT	<b>Total</b>		<b>205,529</b>	<b>103,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>308,529</b>	
										(308,529)
	Finance	Financial software		50,000					50,000	
		Utility software		100,000					100,000	
	Finance	<b>Total</b>		<b>150,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>150,000</b>	

Fund	Department	Project Name	Rank	2015-16	2016-17	2017-18	2018-19	2019-20	Total	Description
	Warehouse	Roof					63,000		63,000	
		Parking lot (1/3)		25,000					25,000	
		Lighting		32,530					32,530	
	Warehouse	<b>Total</b>		<b>57,530</b>	<b>0</b>	<b>0</b>	<b>63,000</b>	<b>0</b>	<b>120,530</b>	
	Municipal Bldg.	Rehab maintenance		50,000	50,000	50,000	50,000	50,000	250,000	
	Library	RFID tags			37,500				37,500	
		Exterior security cameras				25,000			25,000	
		Expand parking lot					25,000		25,000	
		Replace carpet& furniture						30,000	30,000	Reading room, multi-purpose room, & lounge
	Library	<b>Total</b>		<b>0</b>	<b>37,500</b>	<b>25,000</b>	<b>25,000</b>	<b>30,000</b>	<b>117,500</b>	
	Recreation	Havens Gardens Upgrade	1	500,000	300,000	200,000			1,000,000	Complete walkway under Hwy 32 bridge, replace playground equipment, add a splash park, replace fishing pier, replace bulkhead, repair/upgrade shelters and bathrooms.
		A/F Dehumidifier Replacement	2	240,850					240,850	Replace dehumidification equipment and add Evacuator System.
		A/F Roof Repair	3	40,000					40,000	Roof system is deteriorating.
		Bobby Andrews Ctr. Roof Repl.	4	54,579					54,579	Replace roof at gym
		Beebe Park Super Block	5						-	Restrooms, playground equipment, tennis courts, parking.
		A/F Interior Painting	6		30,000				30,000	Repaint interior after dehumidification system is replaced.
		Soccer Complex	7			150,000	800,000		950,000	Acquire land and build new lighted soccer fields. Including concession stand, bathrooms, storage shelter, and picnic shelters.
		Jacks Creek Greenway Phase II	8				80,000		80,000	Build Phase II of the Jack's Creek Greenway (boardwalk) along Jack's Creek from Bonner Street to connect to Havens Gardens.
		Expansion of McConnell Baseball and Softball Complex	9					500,000	500,000	Expansion of 3 additional baseball and softball fields; including fencing and lighting. Upgrade bathroom facilities.
	Recreation	<b>Total</b>		<b>835,429</b>	<b>330,000</b>	<b>350,000</b>	<b>880,000</b>	<b>500,000</b>	<b>2,895,429</b>	
	<b>Grand Total</b>			<b>1,844,488</b>	<b>1,674,500</b>	<b>1,373,000</b>	<b>1,241,000</b>	<b>1,212,000</b>	<b>7,344,988</b>	



# REQUEST FOR CITY COUNCIL ACTION

**To:** Mayor Hodges & Members of the City Council  
**From:** Kristi Roberson, Parks & Rec Department Manager  
**Date:** March 2, 2015  
**Subject:** Recreational Sport Program Agreement  
**Applicant Presentation:** None  
**Staff Presentation:** None

**RECOMMENDATION:**

I move City Council adopt the new Recreational Sport Program Agreement.

**BACKGROUND AND FINDINGS:**

During the January 12, 2015 Council Meeting, a motion was made by Councilman Beeman and seconded by Councilman Brooks for the City to impose a \$30.00 flat fee per participant per league starting today. City Manager, Brian Alligood suggested that the fees be implemented July 1, 2015, because there are currently agreements in place. The fees will be in place for the fiscal year beginning July 1, 2015 and ending June 30, 2016. A motion was made by Mayor Pro tem Roberson and seconded by Councilman Beeman to amend the motion to reflect the imposition of a \$30.00 per participant fee beginning July 1, 2015. Motion carried 4-1 with Councilman Mercer opposing.

Attached is the Recreational Sport Program Agreement template for all sport programs that begin their seasons after July 1, 2015. The agreements have been revised to terminate at the conclusion of the then current season. The template has been revised to require each sport program to pay to the City a fee in the amount of \$30.00 per participant regardless of residence. The template has also been revised to allow each sport program to charge any fee in their discretion without financial penalty.

The Recreational Sport Program Agreement was presented at the February 16, 2015 Recreation Advisory Committee to make them aware of the changes.

**PREVIOUS LEGISLATIVE ACTION**

**FISCAL IMPACT**

Currently Budgeted (Account )  Requires additional appropriation  No Fiscal Impact

**SUPPORTING DOCUMENTS**

Recreational Sport Program Agreement

**Recreational Sport Program Agreement**  
**City of Washington**  
**Parks and Recreation Division**

**THIS AGREEMENT** is made and entered into by and between \_\_\_\_\_ (hereinafter “Sport Program”) and the City of Washington Parks and Recreation Division (hereinafter “City”) for the following Sport Program period: (month), (year) to (month), (year).

**WITNESSETH**

**WHEREAS**, the Sport Program and the City share the vision and goal of providing a fun, learning, competitive and safe environment for recreational sport programs. This Agreement establishes the criteria and conditions under which the Sport Program may utilize the City’s recreational facilities and outlines the respective responsibilities of the Sport Program and the City for the above referenced period.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements below, the receipt and legal sufficiency of which consideration are hereby acknowledged, the parties do hereby agree as follows.

- I. The Sport Program shall perform the following obligations.
  - A. Unless affiliated with a school or church, be governed by a nonprofit corporate entity registered with the North Carolina Department of the Secretary of State and observe those generally accepted and legally required corporate formalities that are necessary to maintain said registration and its nonprofit status.
  - B. Keep and maintain in full force and effect the following insurance coverages:
    - 1) general liability insurance with coverage at a minimum of \$1 million per occurrence as well as \$1 million aggregate and
    - 2) accident insurance coverage.The general liability insurance policy shall list the City of Washington as additional insured and all such policies shall provide that they are not subject to cancellation or reduction in coverage except after thirty (30) days written notice to the City. The Sport Program shall deliver to the City certificates of insurance for all insurance policies required hereunder. The Sport Program shall, within a reasonable time prior to the expiration of any such policies, furnish the City with certificates of insurance evidencing renewal thereof.
  - C. Require all participants to execute a full release, hold harmless, and indemnification agreement that includes a release of the City.
  - D. Pay all fees that may be required by the City, including a fee in the amount of \$30.00 per participant (or the then current amount as established by the Washington City Council) two (2) weeks prior to its opening day. Payments shall be accompanied by a copy of the roster for each team.
  - E. Although the City recognizes that Sport program may need to charge a reasonable participation fee to offset some of Sport Program's costs and expenses that are not

covered by sponsorships and other fundraising efforts, Sport Program shall offer its program to the general public. If Sport Program does not offer its program to the general public, Sport Program shall be responsible for and pay to the City any and all fees applicable to it in accordance with the schedule of fees established by the City Council and maintained by the City.

- F. If Sport Program operates a league or conducts an identifiable season, it shall obtain advance approval from the City for the period of the calendar year during which the league will operate or the season will occur as well as obtain advance approval from the City for all practice, practice game, and game schedules two (2) weeks prior to the respective start dates in order to establish priority. All such approvals shall be attached as an amendment hereto and incorporated herein by reference without the necessity of a written amendment hereof. Any other request from Sport Program to utilize the City's recreational facilities shall be administered in the discretion of the City.
- G. Obtain advance approval from the City for any physical improvement made by Sport Program to the City's facilities.
- H. Follow the "modified, Sport Program" Outdoor Special Events Policy as may be amended, which is incorporated herein by reference, when scheduling preseason as well as post season tournaments and events.
- I. Operate any concession stand facility in accordance with the policies established by the City as may be amended, which are incorporated herein by reference. The Sport Program shall be solely responsible for, among other things, staffing workers and maintaining an inventory of products sold and to be sold. The Sport Program shall also be solely responsible for performing any maintenance and repairs that may be needed to equipment purchased by the Sport Program, or equipment given to the Sport Program by the City, for use in any concession stand facility operated by the Sport Program.
- J. The Sport Program may utilize certain equipment furnished to the Sport Program by the City. The Sport Program shall be responsible for the repair and replacement of any such equipment that is required as a result of damage caused by accident, misuse, or negligence on the part of the Sport Program, its participants, or spectators. The City shall be responsible for the repair and replacement of any such equipment that is required as a result of ordinary use and normal wear and tear.
- K. Except for the City's maintenance obligation specifically described below, the Sport Program hereby accepts the conditions of the City's facilities "AS IS".
- L. With the exception of the foregoing and field maintenance, the Sport Program shall bear full responsibility for the organization and administration of the Sport Program in accordance with the applicable standards of any parent organization with which the Sport Program may be affiliated.
- M. Adhere to the City's Lightning Policy as may be amended, which is incorporated herein by reference.

- II. In exchange for the foregoing, the City shall perform the following obligations.
- A. Maintain all existing recreational facilities, including restrooms, concession stands, press boxes, grounds, fields and ball field lights. The City will use its best efforts to fulfill reasonable maintenance requests from the Sport Program that are reasonably within the City's manpower and that are included in its then current budget.
  - B. The City will incur financial responsibility for the utility costs associated with the Sport Program's use of ball field lights.
  - C. Obtain any permits that are necessary from the Health Department and ensure that any concession stand facility meets all applicable Health Department regulations (includes setting policies and procedures to meet said regulations). *See attached Exhibit A, North Carolina General Statute § 130A-248(a4).*
  - D. The City, in its sole discretion, may assign a staff person to any City recreational facility used by the Sport Program for general oversight and facility supervision.
  - E. The City will use its best efforts to work with the Sport Program in order to ensure that there is adequate facility space to conduct the Sport Program's program within the limitations of the facilities then available and to prioritize facility use for the youth of the community.
  - F. If requested, provide such technical assistance and guidance as may be within the City's expertise or at its disposal.

III. Other.

- A. The Parties hereto shall make good faith, reasonable efforts to lower and manage operational costs.
- B. The Sport Program shall consider the recommendations for best practices, and shall consider complying with the requests, contained in the Recommendations for Best Practices and Requests by the City attached hereto as Exhibit B, understanding that the recommendations and requests therein do not create any legal obligation on the part of the Sport Program.
- C. With the above responsibilities and obligations in mind, it is expressly understood and agreed by the Parties that they each must support one another in these efforts.
- D. In carrying out the responsibilities and obligations of this Agreement, the Sport Program is an independent contractor and/or entity separate and apart from the City and is not an agent or employee of the City.
- E. If either Party wishes to terminate this Agreement, notice of termination must be tendered in writing thirty (30) days prior to termination. In any event, this Agreement shall terminate at the conclusion of the Sport Program period indicated hereinabove.
- F. The Sport Program does, for itself, its agents, successors and assigns, hereby unconditionally release, hold harmless, and will indemnify, acquit, defend and forever discharge (hereinafter "Release") the City, its respective present and former employees and elected officials, in both their individual and official capacities, agents, representatives, attorneys, insurers, successors, and assigns, and each of them, respectively, (hereinafter "City Indemnitees") 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 (hereinafter "Claims"), known or unknown, on account of, or in any way related to or growing out of this Agreement, the Sport Program's use of the City's property as well as facilities, or the Sport Program.

1) The foregoing Release does not include any Claims to the extent said Claims result solely from the negligence, an error, or an omission of or by the City Indemnitees.

IV. It is expressly understood that the Sport Program's use of the City's recreational facilities is contingent upon the Sport Program's compliance with this Agreement. In the event either party fails, in the estimation of the other, to perform any of the obligations contained in this Agreement, the complaining party shall provide the other party with written notice of the same and reserves the right to take whatever action may be necessary to enforce this Agreement. The City reserves the right to, among other things, suspend, without recourse from the Sport Program, the Sport Program's right to use the City's recreational facilities until such time as said obligation has been fulfilled or otherwise addressed to the satisfaction of the City. If the City suspends the Sport Program's right to use the City's recreational facilities, the City will consider refunding, but is not obligated to refund, a portion of any fees paid by the Sport Program to the City.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**CITY OF WASHINGTON  
PARKS AND RECREATION DIVISION**

**SPORT PROGRAM**  
Name: \_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_  
Kristi Roberson,  
Parks and Recreation Manager  
P.O. Box 1988  
Washington, NC 27889

By: \_\_\_\_\_  
\_\_\_\_\_, President  
Address: \_\_\_\_\_  
\_\_\_\_\_

## EXHIBIT A

### **§ 130A-248. Regulation of food and lodging establishments. ...**

(a4) For the protection of the public health, the Commission shall adopt rules governing the sanitation of limited food service establishments. In adopting the rules, the Commission shall not limit the number of days that limited food service establishments may operate. Limited food service establishment permits shall be issued only to political subdivisions of the State, establishments operated by volunteers that prepare or serve food in conjunction with amateur athletic events, or for establishments operated by organizations that are exempt from federal income tax under section 501(c)(3) or section 501(c)(4) of the Internal Revenue Code. ...

**EXHIBIT B**  
**Recommendations for Best Practices and Requests by the City**

Recommendations for Best Practices

1. The Sport Program should affiliate with a generally recognized parent organization for its sport. Unless affiliated with a school or church, the Sport Program should establish a volunteer board of directors that is the decision making body for the Sport Program and adopt by-laws for the Sport Program in accordance with the generally accepted principles of the nonprofit status of the Sport Program or otherwise in compliance with the applicable standards of the parent organization with which the Sport Program is affiliated. All Sport Program board meetings should be publicized and open to the public with provision for public comment during each meeting.
2. Perform a criminal record check on all Sport Program officials, coaches, and team moms/dads before they assume any Sport Program duties. If necessary, the City is available for consultation concerning the type of criminal background check utilized.
3. In the event it is brought to the attention of any Sport Program official that any Sport Program official, coach, team mom/dad, or participant has subsequently been charged with a criminal offense other than minor offenses or traffic infractions, the Sport Program should take what steps are necessary to confirm such charge and, if confirmed, should consider whether suspension of such person from their position until such time as the charge is resolved without a conviction is warranted.
4. The City strongly recommends that the Sport Program obtain directors and officers insurance and provide a meaningful training program for coaches.
5. Ensure that each child who registers with the Sport Program and complies with the Sport Program's policies is provided a meaningful opportunity to play. Equal playing time rules are encouraged.

Requests by the City

1. In order to facilitate communications with the Sport Program's board, the City requests that the Sport Program provide the City with a list of its board members, their respective positions, and their contact information (addresses, phone numbers, and email addresses) prior to the first practice of the season.



## REQUEST FOR CITY COUNCIL ACTION

---

**To:** Mayor Hodges & Members of the City Council  
**From:** John Rodman, Community & Cultural Services  
**Date:** March 3, 2015  
**Subject:** Ordinance: Adopt an ordinance to condemn as unsafe the structure located at 309 West 5<sup>th</sup> Street and award the demolition contract.

**Applicant Presentation:** N/A  
**Staff Presentation:** John Rodman, Community & Cultural Services  
 Allen Pittman, Senior Building Inspector

### RECOMMENDATION:

#### ***Motion A:***

I move that the City Council adopt the ordinance condemning the structure located at 309 West 5<sup>th</sup> Street as unsafe and demolish and remove the structure.

#### ***Motion B:***

I move that the City award the demolition contract to the lowest responsible bidder, Dudley Landscaping in the amount of five thousand two hundred dollars (\$5,200).

### BACKGROUND AND FINDINGS:

The governing body of the City may adopt and enforce ordinances relating to residential buildings or structures that fail to meet minimum standards of maintenance, sanitation, and safety. The minimum standards address conditions that are dangerous and injurious to public health, safety and welfare and identify circumstances under which a public necessity exists for the repair, closing or demolition of such buildings or structures.

If after a notice and hearing the Code Official determines that the property has not been properly maintained and failed to meet minimum standards an order is issued to require the owner to demolish and remove the building or structure.

### PREVIOUS LEGISLATIVE ACTION

Complaint:	5/27/09	Order to Demolish:	12/19/14
Notice of Hearing:	12/3/14	Time expired:	2/17/15
Hearing:	12/19/14	Notice of Council hearing:	3/3/15

**FISCAL IMPACT**

Currently Budgeted (Account \_\_\_\_\_)  Requires additional appropriation  No Fiscal Impact

**SUPPORTING DOCUMENTS**

Ordinance  
Bids Submitted

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**City Manager Review:** \_\_\_\_\_ Date Concur \_\_\_\_\_ Recommend Denial \_\_\_\_\_ No Recommendation \_\_\_\_\_

**Bids Submitted:**

Dudley Landscaping	five thousand two hundred dollars	\$5,200
St. Clair Trucking, Inc.	six thousand dollars	\$6,000
Tyler Williams	seven thousand two hundred dollars	\$7,200

If the structure is removed or demolished by the City, the City shall sell the usable materials of the building. The amounts incurred by the City in connection with the demolition shall be a lien against the real property upon which the cost was incurred.

**AN ORDINANCE FINDING THAT THE BUILDING DESCRIBED HEREIN IN THE CITY OF WASHINGTON IS CONDEMNED AS UNSAFE AND DIRECTING THAT IT BE DEMOLISHED**

**WHEREAS**, the City Council of the City of Washington finds that the structure having an address of 309 West 5<sup>th</sup> Street, Washington, North Carolina and being owned by Elmer Wilson and spouse, if any, and any Unknown Heirs of Ellen Wilson Zanders is condemned as, among other things, unsafe pursuant to North Carolina General Statute § 160A-426 and that all applicable statutory provisions have been complied with as a condition of the adoption of this Ordinance.

**WHEREAS**, the structure located on said property should be demolished and removed as directed by the Senior Building Official for, among other things, the reasons stated by the Senior Building Official in his December 19, 2014 Order to Remedy Defective Condition and Findings of Fact that was served on the property owner(s).

**WHEREAS**, the owner(s) of the structure have been given a reasonable opportunity to bring the structure into compliance with the applicable standards of the City Code as well as State statute in accordance with North Carolina General Statute § 160A-426 as well as pursuant to the Order issued by the Senior Building Official in said Notice of Decision.

**WHEREAS**, said owner (s) have failed to comply with said Order.

**NOW, THEREFORE, BE IT ORDAINED** by the City Council of the City of Washington as follows.

**Section 1.** The Senior Building Official is hereby authorized and directed to proceed to demolish and remove the above described structure located at 309 West 5<sup>th</sup> Street in accordance with applicable provisions of the City Code and North Carolina General Statute § 160A-426 *et seq.*

**Section 2.** The cost of the demolition and removal of the structure shall constitute a lien against the real property upon which the cost was incurred as provided in North Carolina General Statute § 160A-432.

**Section 3.** This Ordinance shall be recorded in the Office of the Register of Deeds of Beaufort County, North Carolina.

This Ordinance shall become effective on this date of adoption March 9, 2015.

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
Cynthia S. Bennett, City Clerk

# Beaufort County Property Photos

**PIN: 01005680**

Photo: 01005680.jpg



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Beaufort  
Printed March 03, 2015  
See Below for Disclaimer



- Parcels
- Property Land Owners
- Annotation
- Interior Tract Lines
- Centerlines
- County Line
- County Line (Solid)
- State

<b><u>OBJECTID</u></b>	<b><u>PIN</u></b>	<b><u>GPIN</u></b>
8387	01005680	5676-80-3014
<b><u>GPIN LONG</u></b>	<b><u>OWNER NAME</u></b>	<b><u>OWNER NAME2</u></b>
5676-80-3014	ZANDERS ELLEN WILSON	
<b><u>MAILING ADDRESS</u></b>	<b><u>MAILING ADDRESS2</u></b>	<b><u>CITY</u></b>
703 JAMES DR		WASHINGTON
<b><u>STATE</u></b>	<b><u>ZIP</u></b>	<b><u>PROPERTY ADDRESS</u></b>
NC	27889	309 W 5TH ST
<b><u>ACRES</u></b>	<b><u>ACCT NBR</u></b>	<b><u>MAP SHEET</u></b>
0	48657	567620
<b><u>NBR BLDG</u></b>	<b><u>DATE</u></b>	<b><u>DEED BOOK and PAGE</u></b>
1		762/51
<b><u>LAND VAL</u></b>	<b><u>BLDG VAL</u></b>	<b><u>DEFR VAL</u></b>
6720	9147	0
<b><u>TOT VAL</u></b>	<b><u>NBHD CDE</u></b>	<b><u>NBHD DESC</u></b>
15867	A1	ZONE1 AVERAGE
<b><u>SUB CDE</u></b>	<b><u>SUB DESC</u></b>	<b><u>STAMPS</u></b>
<b><u>SALE PRICE</u></b>	<b><u>ZONE</u></b>	<b><u>LAND USE</u></b>
	B2	
<b><u>DISTRICT</u></b>	<b><u>PROP DESC</u></b>	<b><u>MBL</u></b>
1	1 LOT 309 WEST 5TH STREET	567620400
<b><u>EXEMPT AMT</u></b>	<b><u>ROAD TYPE</u></b>	<b><u>YR BUILT</u></b>
	P	1930
<b><u>SQ FT</u></b>	<b><u>NBR BED</u></b>	<b><u>NBR BATHS</u></b>
1408	2	1
<b><u>EFF YR</u></b>	<b><u>EXEMPT PROP</u></b>	<b><u>CENSUS BLOCK</u></b>
1945		
<b><u>FLOOD PLAIN</u></b>	<b><u>NBR STORIES</u></b>	<b><u>NBR HALF BATHS</u></b>
	3	0
<p>Beaufort County online map access is provided as a public service, as is, as available and without warranties, expressed or implied. Content published on this website is for informational purposes only and is not intended to constitute a legal record nor should it be substituted for the advice or services of industry professionals. The County of Beaufort and the Website Provider disclaim all responsibility and legal liability for the content published on this website. The user agrees that Beaufort County and its Assigns shall be held harmless from all actions, claims, damages or judgments arising out of the use of County data.</p>		



# REQUEST FOR CITY COUNCIL ACTION

**To:** Mayor Hodges & Members of the City Council  
**From:** Brian Alligood, City Manager *bat*  
**Date:** March 9, 2015  
**Subject:** EMS Contract for Old Ford and Clark's Neck Fire Districts  
**Applicant Presentation:** N/A  
**Staff Presentation:** Brian Alligood, City Manager

**RECOMMENDATION:**

I move that the City Council approve the attached contract with Beaufort County for provision of EMS services in the Old Ford and Clark's Neck fire districts.

**BACKGROUND AND FINDINGS:**

The City of Washington currently has a contract with Beaufort County to provide EMS services in the Old Ford and Clark's Neck fire districts. The existing contract has a 2-year term and ends on June 30, 2015. Unless notice is given 90 days prior to the end of the initial term, the current contract will automatically renew on the same terms and conditions for an additional 1-year term including a 2% increase in the County payment. Based on the City's recent increase to the EMT-P provider level, a 10% increase in the base payment has been negotiated with the County for the new contract. All the other terms and conditions from the existing contract remain the same in the new contract. A copy of the new contract is attached.

**PREVIOUS LEGISLATIVE ACTION**

N/A

**FISCAL IMPACT**

Currently Budgeted (Account )  Requires additional appropriation  No Fiscal Impact

**SUPPORTING DOCUMENTS**

EMS Services Contract for Old Ford and Clark's Neck fire districts

City Manager Review: *bat* Concur  Recommend Denial  No Recommendation 3/3/15 Date

**NORTH CAROLINA  
BEAUFORT COUNTY**

**THIS CONTRACT** is made and entered into effective as of the 1st day of July, 2015, by and between the **CITY OF WASHINGTON**, a municipal corporation organized and existing under the laws of the State of North Carolina ("**CITY**"), and **BEAUFORT COUNTY**, a political subdivision of the State of North Carolina established and operating pursuant to the laws of the State of North Carolina ("**COUNTY**").

**WITNESSETH**

**WHEREAS**, North Carolina General Statutes § 160A-II, 160A-461, and 153A-250 authorize municipalities and counties to contract for emergency medical services, including ambulance services, ("**EMS**").

**WHEREAS**, the **COUNTY** has negotiated with the **CITY** to obtain EMS for the fire districts named below under the terms and conditions contained herein.

**NOW THEREFORE**, pursuant to said relevant statutory authority, and for and in consideration of the mutual covenants and agreements hereinafter contained and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties hereto do hereby covenant and agree as follows:

A. **SERVICES**. The **CITY** agrees to provide EMS to the extent of the certifications of the responding crew(s) to those parts of Beaufort County currently designated as the Old Ford Fire District and the Clark's Neck Fire District. Upon receipt of a request for EMS in the aforementioned areas, the **CITY** shall dispatch an EMS vehicle with a crew of two (2) Emergency Medical Technicians, if available. The dispatched crew(s) shall render said EMS to the limit of their certifications and, in the event further medical treatment is required, transport those patients requiring further medical treatment via the EMS vehicle to the nearest hospital. Said EMS crew(s) shall not be responsible for fire control, rescue, or other activities not directly involving patient care.

B. **EMS FEES**. There shall be an EMS fee for each person who is provided emergency medical services and/or transported by the EMS vehicle. Said fees shall be subject to change and approval by the Washington City Council. Said fees shall be billed and collected by the **CITY** through its standard medical billing procedure. All funds collected by the **CITY** for services rendered shall be retained by the **CITY**.

C. **TERM**. The initial term of this Contract shall be for two (2) years, beginning on the 1<sup>st</sup> day of July, 2015 and ending on the 30<sup>th</sup> day of June, 2017. At the expiration of said initial term, this Contract shall automatically renew on the same terms and conditions as stated herein for successive one (1) year terms unless either party gives written notice of intent not to renew at least ninety (90) days before the expiration of any such term, including the initial term.

D. **COST OF EMS AND COUNTY PAYMENT**. The **CITY** and the **COUNTY** shall share the cost of maintaining EMS through the **CITY**'s General Fund - Department 5310. The

COUNTY's share of said cost shall be \$151,149.10 for year one of this Contract (July 1, 2015 through June 30, 2016) and \$154,172.08 for year two of this Contract (July 1, 2016 through June 30, 2017). For any subsequent, successive one (1) year term for which this Contract is automatically renewed after the initial term, the COUNTY's share of said cost shall increase by two percent (2%) each such term. CITY shall provide COUNTY with written notice of the amount of COUNTY's share of said cost at least thirty (30) days prior to the commencement of any such subsequent, successive one (1) year term. Said amounts shall be due and payable from the COUNTY to the CITY, in advance and in equal quarterly installments, on July 1<sup>st</sup>, October 1<sup>st</sup>, January 1<sup>st</sup>, and April 1<sup>st</sup> of each year.

F. **EFFECT.** Upon acceptance and execution of this Contract by both parties, all previous EMS contracts between the CITY and the COUNTY for said areas shall be null and void.

**IN WITNESS WHEREOF**, after due authority given, the COUNTY has caused this Contract to be signed in its name by its Manager, and attested by its Clerk, and the CITY has caused this Contract to be signed in its name by its Manager, and attested by its Clerk.

**PRE-AUDIT CERTIFICATE**

This Contract has been pre-audited per North Carolina General Statute 159-28 in the manner required by the Local Government Budget and Fiscal Control Act.

\_\_\_\_\_  
Mark Newsome, Financial Officer  
Beaufort County

ATTEST:

**BEAUFORT COUNTY**

\_\_\_\_\_  
Katie Mosher, Clerk

\_\_\_\_\_  
Ken Windley, Interim County Manager

**PRE-AUDIT CERTIFICATE**

This Contract has been pre-audited per North Carolina General Statute 159-28 in the manner required by the Local Government Budget and Fiscal Control Act.

\_\_\_\_\_  
Matt Rauschenbach, Chief Financial Officer  
City of Washington

ATTEST:

**CITY OF WASHINGTON**

\_\_\_\_\_  
Cynthia S. Bennett, City Clerk

\_\_\_\_\_  
Brian M. Alligood, City Manager

COUNTY OF BEAUFORT  
STATE OF NORTH CAROLINA

I, \_\_\_\_\_ a Notary Public of the State and County aforesaid, certify that Katie Mosher personally appeared before me this day and acknowledged that she is Clerk of Beaufort County, a political subdivision of the State of North Carolina, and by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by Ken Windley, its Interim Manager, sealed with its corporate seal and attested by herself as its Clerk.

WITNESS my hand and official seal, this the \_\_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
NOTARY PUBLIC

My Commission expires: \_\_\_\_\_

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 Brian M. Alligood, its City Manager, sealed with its corporate seal and attested by herself as its City Clerk.

WITNESS my hand and official seal, this the \_\_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
NOTARY PUBLIC

My Commission expires: \_\_\_\_\_

**R & G Enterprises, LLC  
2525 Jay Circle  
Greenville, NC 27858**

March 2, 2015

Brian M. Alligood, City Manager  
City of Washington  
102 E. Second St.  
Washington, NC 27889

Re: (1) Purchase of City Property between Queen and Hudnell Streets  
(2) Request to close streets (portions of Chestnut, an alley and Queen Street).

Dear Mr. Alligood:

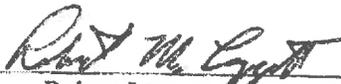
I am the Managing Member of R & G Enterprises, LLC, the company that has contracted to purchase property along Hudnell Street currently owned by William and Kathy Waters and shown in Plat Cabinet H, Slide 90-5 (Tax Parcel ##15027863 and 15027864). A copy of the recorded plat is enclosed for your convenience.

(1) There is a tiny triangle of property, owned by the City of Washington, formed by the intersection of Queen Street, Hudnell Street and the Washington Housing Authority parcel. R&G Enterprises, LLC hereby offers the sum of \$2,000 to purchase this small parcel pursuant to NCGS §160A-269. I understand that the City may wish to retain easements for drainage and utilities, and I am willing to accept the property subject to them. This offer is contingent upon our closing upon the Waters property (and the Waters closing is contingent upon closing the 15' Alley and Queen Street).

(2) In addition, please initiate procedures under §160A-299 to close those portions of Chestnut Street, the 15' Undeveloped Alley and Queen Street shown on the plat, which run through and beside the subject property between the Washington Housing Authority property and Hudnell Street. This request is not contingent upon anything, as the Waters would like to have these streets closed and have requested to have them closed in the past.

Please contact me and my attorney, John Tate, if there is anything you need from me or from the Waters regarding these items. Our due diligence period to purchase the property from the Waters expires on April 15, and the street closure resolution needs to be published 4 times, once per week. Accordingly, your help in getting these items on the agenda for the March 9 council meeting would be most appreciated (the hearing and vote on street closure would then occur on April 13).

Sincerely,  
R & G Enterprises, LLC

By:   
Robert Leggett, Member/Manager

Signed by William R. Waters solely to request  
the street closures described above.

  
William R. Waters

Enclosure

This plan is subject to any facts that may be disclosed by a full and accurate file search, as well as any RWA, association, zoning regulations and restrictive covenants of record not shown herein.

Also computed by the Method of Coordinate Geometry.

There are no NCGS horizontal monuments located within 2000' of this project site.

**Special Notes**

NORTH CAROLINA  
BEAUFORT COUNTY

This Map/Plan was presented for registration and recorded in this office in Plat Cabinet H, Case 90-5.  
This 1<sup>st</sup> day of August, 2012 at 11:19 a.m.  
Jennifer Leggett Whitburn, By Hugh A. Sorrell  
Register of Deeds Deputy

Residuals of Lot 6 & 7 of Block 18  
is Now or Formerly Owned by  
Redevelopment Commission of the  
City of Washington  
Deed Book 612 Page 606  
Deed Book 637 Page 13

**Reference Deeds**  
Deed Book 1422 Page 765  
Deed Book 1266 Page 176  
Deed Book 1264 Page 483

A Survey of Property Standing in the Name of  
**William R. & Kathy P. Waters**

Being Lots 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, Block 12  
Washington Heights Subdivision

City of Washington Beaufort County, NC  
Surveyed September 14, 2006  
Scale 1" = 60'

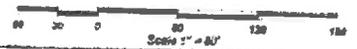
**Hugh A. Sorrell Land Surveying**  
Map A, Survey, Professional Land Surveyor L-2546  
418 College Ave. Washington, NC  
Tel: 919-683-7339 Fax: 919-683-6750

File: 0906WRW01

**Legend**

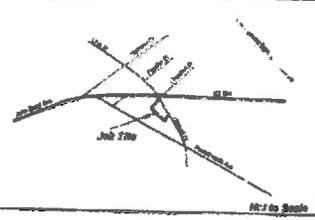
- EP = Easement Pipe
- ALP = New Plat Pipe
- Ex. Map = Existing Curved Measurement
- Mag. Mark = Magnetic Survey Mark
- NCP = No Chain Line
- RP = Right of Way
- = Right of Way
- = Centerline
- = Lines Surveyed
- = Lines Not Surveyed
- = Plats' Lines
- = Curbing
- = Right of Way
- PC = Point of Curvature
- PT = Point of Tangency

All ALP's will be laid out each year 1" in Diameter by 34" long  
Linear Units are "US FOOT"  
Angular Units are "Degrees, Minutes & Seconds"



**Table of Areas**

Area of East Side of Chestnut Street	0.22 Acres 9,468.71 sq ft
Area of Parcel 1	0.68 Acres 29,604.92 sq ft
Area of Alley	0.68 Acres 29,604.22 sq ft
Area of Parcel 2	0.65 Acres 28,412.18 sq ft
Area of West Side of Queen Street	0.08 Acres 3,442.14 sq ft



Vicinity Map

**Meters and Bounds of East Side of Chestnut Street**

From	To	Bearing	Distance
M	1	S 87° 15' 00" E	65.17'
M	2	N 77° 15' 00" W	45.87'
M	3	S 77° 15' 00" W	65.17'
M	4	N 77° 15' 00" W	45.87'
M	5	S 87° 15' 00" E	65.17'
M	6	N 77° 15' 00" W	45.87'
M	7	S 77° 15' 00" W	65.17'
M	8	N 77° 15' 00" W	45.87'
M	9	S 87° 15' 00" E	65.17'

**Meters and Bounds of Parcel 1**

From	To	Bearing	Distance
A	1	S 87° 15' 00" E	65.17'
A	2	N 77° 15' 00" W	45.87'
A	3	S 77° 15' 00" W	65.17'
A	4	N 77° 15' 00" W	45.87'
A	5	S 87° 15' 00" E	65.17'
A	6	N 77° 15' 00" W	45.87'
A	7	S 77° 15' 00" W	65.17'
A	8	N 77° 15' 00" W	45.87'
A	9	S 87° 15' 00" E	65.17'

**Meters and Bounds of Alley**

From	To	Bearing	Distance
D	1	S 87° 15' 00" E	65.17'
D	2	N 77° 15' 00" W	45.87'
D	3	S 77° 15' 00" W	65.17'
D	4	N 77° 15' 00" W	45.87'
D	5	S 87° 15' 00" E	65.17'

**Meters and Bounds of Parcel 2**

From	To	Bearing	Distance
E	1	S 87° 15' 00" E	65.17'
E	2	N 77° 15' 00" W	45.87'
E	3	S 77° 15' 00" W	65.17'
E	4	N 77° 15' 00" W	45.87'
E	5	S 87° 15' 00" E	65.17'

**Meters and Bounds of West Side of Queen Street**

From	To	Bearing	Distance
F	1	S 87° 15' 00" E	65.17'
F	2	N 77° 15' 00" W	45.87'
F	3	S 77° 15' 00" W	65.17'
F	4	N 77° 15' 00" W	45.87'
F	5	S 87° 15' 00" E	65.17'

I, Hugh A. Sorrell, a Professional Land Surveyor, certify that:

- This survey creates a subdivision of land within the limits of a county or municipality that has an ordinance that regulates parcels of land.
- This survey is located in a portion of a county or municipality that is unincorporated as to an ordinance that regulates parcels of land.
- Any of the following:
  - This survey is of an existing parcel or parcels of land and does not create a new street or change an existing street.
  - This survey is of an existing building or other structure, or nature feature such as a well, stream, or
  - This survey is a corner survey.
- The survey is of another category, such as the recombination of existing parcels, equestrian survey, or other location to be defined by easements.
- The information available to the surveyor is such that the surveyor is unable to make a determination as to the best of the surveyor's ability as to the provisions contained in (a) through (d).

Hugh A. Sorrell  
Hugh A. Sorrell, Professional Land Surveyor - 2546

I, Hugh A. Sorrell, a Professional Land Surveyor, certify that this plan was drawn under my supervision from an actual survey made under my supervision. That the boundary lines surveyed were obtained from clearly visible as shown, from other sources as described. That the boundaries not surveyed that this plan is prepared in accordance with G.S. 42-30 are shown, unless my original signature, registration number and date. This 30<sup>th</sup> day of August, A.D. 2012.

Hugh A. Sorrell  
Hugh A. Sorrell, Professional Land Surveyor - 2546

(Name or Formerly)  
Robin R. & Arthur L. Moore  
Deed Book 758 Page 181  
Deed Book 863 Page 13

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(Name or Formerly)  
Washington Housing Authority  
Beaufort County Tax ID Number  
5065-28-6387

(Name or Formerly)  
Washington Housing Authority  
Beaufort County Tax ID Number  
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Vertical

$R=753.89'$   
 $T=388.28'$   
 $L=717.06'$   
 $LC=690.35'$   
 $LCB=N 15^{\circ}02'27" E$   
 $D=07^{\circ}36'00"$

Area To be  
Preserved

(Now or Formerly)  
**Robin R. & Arthur L. Moore**  
Deed Book 758 Page 161  
Deed Book 983 Page 13

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**Chestnut Street**  
(Abandoned)

**15' Undeveloped Alley**

**Queen Street**  
(Undeveloped)

**Parcel 1**  
**Block 12**  
Plat Cabinet "C" Slide 277

**Parcel 2**  
**Block 12**  
Plat Cabinet "C" Slide 277

**Block 19**  
Plat Cabinet "C" Slide 277

**Hudnell Street**  
**SR 1552**  
80' Right of Way

6' Chain Link Fence

6' Chain Link Fence

All NIP's are set flush

(Now or Formerly)  
**Washington Housing Authority**  
Beaufort County Tax Id Number:  
5685-39-6397

(Now or Formerly)  
**Washington Housing Authority**  
Beaufort County Tax Id Number:  
5685-39-6397

**Simmons Street**  
50' Right of Way



**§ 160A-269. Negotiated offer, advertisement, and upset bids.**

A city may receive, solicit, or negotiate an offer to purchase property and advertise it for upset bids. When an offer is made and the council proposes to accept it, the council shall require the offeror to deposit five percent (5%) of his bid with the city clerk, and shall publish a notice of the offer. The notice shall contain a general description of the property, the amount and terms of the offer, and a notice that within 10 days any person may raise the bid by not less than ten percent (10%) of the first one thousand dollars (\$1,000) and five percent (5%) of the remainder. When a bid is raised, the bidder shall deposit with the city clerk five percent (5%) of the increased bid, and the clerk shall readvertise the offer at the increased bid. This procedure shall be repeated until no further qualifying upset bids are received, at which time the council may accept the offer and sell the property to the highest bidder. The council may at any time reject any and all offers. (1971, c. 698, s. 1; 1979, 2nd Sess., c. 1247, s. 25.)