

Opening of Meeting

Nondenominational Invocation

Roll Call

Approval of minutes from June 27, 2016 (page 3)

Approval/Amendments to Agenda

Recognition: *Lois Blackstock – National Certification from the National Animal Care & Control Association

I. Consent Agenda:

- A. Authorize – Recreation Director to apply for the pre-application of the Marine Resources Fund – Havens Gardens Bulkhead Replacement (page 13)
- B. Adopt – Resolution directing City Clerk to investigate a petition for a contiguous annexation from State Employees Credit Union (page 14)
- C. Approve – Generator Maintenance Purchase Order (page 22)
- D. Approve – Circuit Breaker Purchase Order (page 24)
- E. Approve – Software Purchase order (page 26)

II. Comments from the Public:

III. Public Hearing 6:00PM– Zoning: None

IV. Public Hearing 6:00PM - Other:

- A. Taxi Cab – Certificate of Convenience issued to Ms. Geraldine Roberson for Hodges & Roberson (H & R) Cab Service (page 44)

V. Scheduled Public Appearances:

- A. Jeannie Neal – Washington Housing Authority
- B. Milton Brooks – Internet Café Sweepstakes

VI. Correspondence and Special Reports:

- A. Memo – Waterfront Docking Agreements – Leases (page 48)
- B. Memo – Bug House Park Update (page 70)



City of
Washington
NORTH CAROLINA
Council Agenda
JULY 25, 2016
5:30 PM

- C. Memo – Save the Pool Fundraiser Update (**page 73**)
- D. Memo – Discuss Financing Resident’s Share of Material Cost for Storm Drainage Pipe Installation (**page 74**)
- E. Memo – Budget Transfer – General Fund (**page 75**)
- VII. Reports from Boards, Commissions and Committees:
 - A. Report – Human Relations Council (**page 78**)
- VIII. Appointments:
 - A. None –
- IX. Old Business:
 - A. Approve – Memorandum of Understanding – Hanging Baskets (**page 79**)
- X. New Business:
 - A. Adopt – Resolution of Intent to Close a Portion of West 2nd Street (**page 80**)
 - B. Authorize – Classification and Pay Study (**page 85**)
 - C. Approve – Recreation Concession Budget Ordinance Amendment (**page 86**)
 - D. Approve – T-Hanger Lease (**page 88**)
- XI. Any other items from City Manager:
 - A. Discussion – Fire Insurance Rating
 - B. Discussion – CRS Program for Insurance Flood
 - C. Discussion – Electric Policy
- XII. Any other business from the Mayor or other Members of Council:
- XIII. Closed Session: Under NCGS § 143-318.11(A)(3) Attorney Client Privilege, (A)(5) Potential Land Acquisition, and (A)(6) Personnel
- XIV. Adjourn – Until Monday, August 8, 2016 at 5:30 pm, in the Council Chambers

The Washington City Council met in a regular session on Monday, June 27, 2016 at 5:30pm in the City Council Chambers at the Municipal Building. Present were: Mac Hodges, Mayor; Virginia Finnerty, Mayor Pro tem; Doug Mercer, Councilmember; Richard Brooks, Councilmember; Larry Beeman; Councilmember and William Pitt, Councilmember. Also present: Bobby Roberson, City Manager; Franz Holscher, City Attorney and Cynthia S. Bennett, City Clerk.

Mayor Hodges called the meeting to order and Councilmember Mercer delivered the invocation.

APPROVAL OF MINUTES:

By motion of Councilmember Mercer, seconded by Councilmember Beeman, Council approved the minutes of June 13, 2016 as presented.

APPROVAL/AMENDMENTS TO AGENDA

Mayor Hodges reviewed the requested amendments to the agenda:

- Add Under New Business Item B: Consent and Agreement - City Of Washington (Interconnection) 4843-7325-5

- Add Under Items from City Manager Item B: Beaufort County Courthouse Security

By motion of Councilmember Pitt, seconded by Councilmember Brooks, Council approved the agenda as amended.

CONSENT AGENDA: NONE

COMMENTS FROM THE PUBLIC: NONE

PUBLIC HEARING 6:00PM- ZONING: NONE

PUBLIC HEARING 6:00PM - OTHER: NONE

SCHEDULED PUBLIC APPEARANCES:

BOOTH & ASSOCIATES – COST OF SERVICE STUDY

Terry Berge, Vice President - Financial & Strategic Services, Booth & Associates presented the following Cost of Service Study:

Cost-of-Service/Rate Design Study Results

Presented to the City Council of the City of Washington

June 27, 2016

What is a Cost-of-Service Study?

- Assigns the Electric Utility's costs to different classes of Consumers based on how these costs are incurred
- Determines how the costs should be recovered from consumers in each class of service
- Determines the revenue requirement needed to meet the Electric Utility's financial goals
- Methodology set out in the National Association of Regulatory Utility Commissioners' *Electric Utility Cost Allocation Manual*

Why Should a Utility Do a Cost-of-Service Study?

- To determine what it actually costs to serve a class of consumers
- If you don't know what it costs, how do you know what to charge?
- Avoid discrimination between classes of consumers
- Assists in designing rates that limit intra-class discrimination

The Cost-of-Service Study

- Really a combination of three separate studies:
 - The Accounting Study
 - Develop pro forma income statement
 - Based on financial goals develop revenue requirement
 - The Cost-of-Service Study
 - Separates costs by consumer-related, demand related, and energy related
 - Assigns/allocates revenue and expenses to individual rate classes based on cost & load based allocation factors
 - Determines revenue requirement by class
 - The Rate Design Study
 - Uses results of Cost-of-Service Study to design rates to meet financial goals and are cost-based

Cost-of-Service Cost Components

- **Consumer-Related** – Costs related to providing service to a single consumer. These costs include a portion of Distribution Plant, General Plant, Services, Meters, and expenses such as Consumer Accounting Expense and Consumer Service and Information Expense.
- **Demand-Related** – Costs that vary with the kilowatt demand imposed on the Cooperative's system. These costs include the investment and associated expenses in Transmission Plant, a portion of Distribution Plant, and the demand component of Purchased Power Expense.
- **Energy-Related** – Costs that vary with the number of kilowatt hours consumed. These costs include fuel adjustment charges and the energy component of Purchased Power Expense.
- **Revenue-Related** – Costs that vary with electric revenues. These costs include taxes and a portion of Administrative and General Expenses.

Consumer-Related Factors

- Number of Consumers
- Consumer Service
- Consumer Billing
- Consumer Collections
- Meter Cost
- Meter Reading
- Service Cost

Demand-Related Factors

- System Coincident Peak Demand
 - Each Rate Classes' Contribution to the Cooperative's Annual System Peak - Based Upon Load Research
 - Used for the Allocation of Production Plant and Transmission Plant
- Summer & Winter Coincident Peak Demand
 - Two Sets of Demand Factors Estimating Each Rate Classes' Contribution to the Cooperative's Summer and Winter System Peaks - Based Upon Load Research
 - Used for the Allocation of Purchased Power Demand Costs

Demand-Related Factors

- Class Diversified Demand
 - Each Individual Rate Classes' Theoretical Peak Demand - Based Upon Load Research
 - May Not Be Coincident with the Coop's System Peak
 - Used for the Allocation of the Demand Portion of the Distribution System, Non-Taxable Service Charges, and Pole Attachment Rent
- Noncoincident Peak Demand
 - Summation of Each Individual Consumer's Maximum Demand Within a Rate Class - Based Upon Load Research
 - Used for the Allocation of Distribution Transformers

Other Allocation Factors

- Energy-Related Factors
 - kWh Sales
 - Used for the Allocation of Non-Operating Margins - Other
 - kWh Purchases
 - Used for the Allocation of the Energy Component of Purchased Power Expense
- Revenue-Related Factors
 - Electric Sales Revenue
 - Used for the Allocation of Some Revenue
 - Operating Revenue
 - Used for the Allocation of the Revenue Portion of A&G Expenses, Taxes, and Transfers

Power Cost Allocation

- Demand Costs are Based on the Load at the Time of the Supplier's System Peak
- The Classes Contribute to the Peak Differently

Rate	Energy Purchases CP kWh	Demand CP kWh	Energy Purchases CP kWh	Alloc. Factor
Residential Service	17,973,000	1,100,000	19,073,000	73.3%
Small General Service	1,100,000	1,100,000	2,200,000	26.7%
Medium General Service	21,111,000	995,000	22,106,000	1.4%
Large General Service	2,112,100	426,000	2,538,100	0.8%
Industrial Service	1,100,000	1,100,000	2,200,000	0.7%
Coincident Peak Service	1,100,000	1,100,000	2,200,000	0.1%
Lighting Service	1,100,000	1,100,000	2,200,000	0.0%
Total	24,607,100	6,026,000	30,633,100	100.0%

Power Cost Allocation-Demand

Rate	Energy Purchases CP kWh	Demand CP kWh	Total CP kWh	Alloc. Factor
Residential Service	17,973,000	1,100,000	19,073,000	73.3%
Small General Service	1,100,000	1,100,000	2,200,000	26.7%
Medium General Service	21,111,000	995,000	22,106,000	1.4%
Large General Service	2,112,100	426,000	2,538,100	0.8%
Industrial Service	1,100,000	1,100,000	2,200,000	0.7%
Coincident Peak Service	1,100,000	1,100,000	2,200,000	0.1%
Lighting Service	1,100,000	1,100,000	2,200,000	0.0%
Total	24,607,100	6,026,000	30,633,100	100.0%

Power Cost Allocation – Demand & Energy

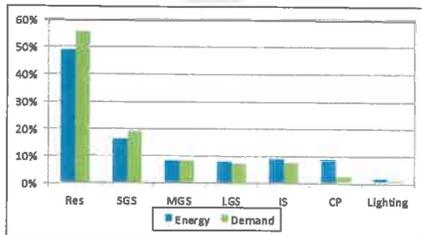
Rate	Demand Cost/MWh Sold	Energy Cost/MWh Sold	Total Cost/MWh Sold
Residential Service	\$0.05503	\$0.03948	\$0.09451
Small General Service	\$0.09953	\$0.03948	\$0.09951
Medium General Service	\$0.04815	\$0.03948	\$0.08763
Large General Service	\$0.04370	\$0.03948	\$0.08327
Industrial Service	\$0.04118	\$0.03948	\$0.08065
Coincident Peak Service	\$0.01115	\$0.03948	\$0.05063
Lighting Service	\$0.03245	\$0.03948	\$0.06993
Total	\$0.04820	\$0.03948	\$0.08777

Power Cost Allocation

- Demand Costs are Based on the Load at the Time of the Supplier's System Peak
- The Classes Contribute to the Peak Differently

Power Cost Allocation –Demand

Rate	Energy Purchases		Demand Purchases	
	kWh	Alloc. Factor	CP kWh	Alloc. Factor
Residential Service	144,501,598	48.77%	312,702	55.53%
Small General Service	47,477,098	16.01%	106,225	18.86%
Medium General Service	24,164,847	8.15%	45,798	8.13%
Large General Service	23,173,119	7.82%	40,002	7.10%
Industrial Service	25,985,478	8.76%	42,127	7.48%
Coincident Peak Service	26,729,770	9.02%	11,752	2.09%
Lighting Service	4,388,815	1.48%	4,583	0.81%
Total	298,491,821	100.00%	563,166	100.00%



Coincident Peak Allocation Factors

Rate	Summer (May-Sept)	Winter (Nov-Mar)	Shoulder (Apr, Oct)
	Residential Service	48.04%	83.32%
Small General Service	24.11%	13.58%	17.06%
Medium General Service	8.00%	6.53%	8.07%
Large General Service	7.88%	6.30%	7.52%
Industrial Service	8.61%	8.20%	8.00%
Coincident Peak Service	2.07%	2.11%	2.09%
Lighting Service	0.00%	1.82%	0.00%
Total	100.00%	100.00%	100.00%

* A Blend of Summer & Winter

Demand Power Cost

Rate	Summer (May-Sept)	Winter (Nov-Mar)	Shoulder (Apr, Oct)	Total	Power Cost per kWh Sold
	Residential Service	\$3,001,875	\$3,591,648		
Small General Service	\$1,506,207	\$769,284	\$280,338	\$2,555,829	\$0.05693
Medium General Service	\$596,833	\$370,488	\$122,951	\$1,093,272	\$0.04815
Large General Service	\$479,695	\$380,748	\$114,487	\$974,931	\$0.04370
Industrial Service	\$531,839	\$351,910	\$121,921	\$1,005,670	\$0.04118
Coincident Peak Service	\$129,101	\$119,643	\$31,797	\$280,541	\$0.01115
Lighting Service	\$0	\$108,828	\$0	\$108,828	\$0.02645
Total	\$8,248,350	\$5,872,636	\$1,623,112	\$13,744,098	\$0.04820

The Rate Design Objectives

- Rates should be simple and understandable
- Rates should yield the revenue requirement
- Rates should be fair and avoid undue discrimination both between classes and within individual classes of consumers
- Rates should discourage the wasteful use of energy and facilities

Actual Test Year Income Statement

Pro Forma Test Year Ending December 31, 2014

	Actual Test Year
Operating Revenues	\$35,256,537
Other Operating Income	\$474,562
Total Operating Revenue	\$35,731,098
Purchased Power Expense	\$28,340,973
O & M Expenses	\$7,075,502
Total Cost-of-Service	\$35,416,475
Net Revenue	\$314,623

Pro Forma Test Year Income Statement

Pro Forma Test Year Ending December 31, 2014

	Actual Test Year	Adjustments	Pro Forma Test Year
Operating Revenues	\$35,256,537	(\$1,217,347)	\$34,039,190
Other Operating Income	\$474,562	\$0	\$474,562
Total Operating Revenue	\$35,731,098	(\$1,217,347)	\$34,513,752
Purchased Power Expense	\$28,340,973	(\$3,905,389)	\$24,434,584
O & M Expenses	\$7,075,502	\$1,102,130	\$8,177,632
Total Cost-of-Service	\$35,416,475	(\$2,804,259)	\$32,612,216
Net Revenue	\$314,623	\$1,588,912	\$1,901,535

Major Adjustments

- Operating Revenue
 - Weather normalization adjustment (\$ 230,915)
 - End-of-period Consumer adjustment \$ 135,676
 - Impact of 6% rate reduction (\$ 1,505,480)
- Purchased Power Expense
 - Weather normalization adjustment (\$ 162,638)
 - End-of-period Consumer adjustment (\$ 6,432)
 - Normalization of line loss \$ 38,496
 - Change in purchased power costs¹ (\$ 3,776,049)

¹ Based on projected April 1, 2017 rates

Recommended Revenue Change

Pro Forma Test Year Ending December 31, 2014

	Pro Forma Test Year	Adjustments	Projected After Change
Operating Revenues	\$34,039,190	(\$1,918,805)	\$32,120,385
Other Operating Income	\$474,562	\$0	\$474,562
Total Operating Revenue	\$34,513,752	(\$1,918,805)	\$32,594,947
Purchased Power Expense	\$24,434,584	\$0	\$24,434,584
O & M Expenses	\$8,177,632	(\$17,270)	\$8,160,362
Total Cost-of-Service	\$32,612,216	(\$17,270)	\$32,594,947
Net Revenue	\$1,901,535	(\$1,901,535)	(\$0)
Proposed Rev. Increase/(Decrease)	(\$1,918,805)		
Percent Change	(5.64%)		

Cost-of-Service Study Results

Rate Class	Justified Change
Residential Service	(0.98%)
Small General Service	(8.37%)
Medium General Service	(14.80%)
Large General Service	(8.87%)
Industrial Service	(4.95%)
Coincident Peak Demand Service	(22.93%)
Lighting Service	(13.50%)
Total	(5.64%)

Justifiable Monthly Consumer Charge by Rate Class

<u>Rate Class</u>	<u>Consumer Related</u>	<u>Total Distribution</u>	<u>Current Charge</u>
Residential Service	\$ 10.05	\$ 28.23	\$ 8.17
Small General Service	\$ 12.18	\$ 47.92	\$ 17.58 ²
Medium General Service	\$ 57.23	\$ 406.17	\$ 26.29 ²
Large General Service	\$ 105.71	\$ 832.58	\$ 104.30 ²
Industrial Service	\$ 273.73	\$ 5,518.63	None

1 Weighted between inside the city and outside customers
2 Weighted between single phase and three phase customers
3 WFLD and minimum sales out

- ### Reasons to Increase Monthly Customer Charge
- Revenue Stability – Fixed revenue not susceptible to swings in weather
 - Price Signal – More closely reflects the electric utility's fixed monthly costs
 - Distributed Generation – Reduces the distribution costs offset by customer-owned generator (i.e. solar)
 - Energy Efficiency – High energy charges overstate the true benefits of energy conservation
 - Fairness – Low facilities charges and high energy charges discriminate against the high use customer

Recommended Changes by Rate Class

<u>Rate Class</u>	<u>Justified Change</u>	<u>Recommended Change</u>
Residential Service	(0.98%)	(2.52%)
Small General Service	(6.37%)	(6.35%)
Medium General Service	(14.80%)	(14.00%)
Large General Service	(8.87%)	(8.75%)
Industrial Service	(4.95%)	(4.90%)
Coincident Peak Demand Service	(22.93%)	(16.50%)
Lighting Service	<u>(13.50%)</u>	<u>0.00%</u>
Total	(5.64%)	(5.64%)

- ### Potential Option for Revenue Changes by Rate Class
- Reduce the Residential Service class by the overall system average of 5.64%
 - No reduction to the lighting schedules
 - Reduce the remaining classes by ~57% of the justifiable decrease

Comparison of Optional Changes by Rate Class

<u>Rate Class</u>	<u>Justified Change</u>	<u>Option 1 (Recommended)</u>	<u>Option 2</u>
Residential Service	(0.98%)	(2.52%)	(5.64%)
Small General Service	(6.37%)	(6.35%)	(3.85%)
Medium General Service	(14.80%)	(14.00%)	(8.50%)
Large General Service	(8.87%)	(8.75%)	(5.09%)
Industrial Service	(4.95%)	(4.90%)	(2.84%)
Coincident Peak Service	(22.93%)	(16.50%)	(13.16%)
Lighting Service	<u>(13.50%)</u>	<u>0.00%</u>	<u>0.00%</u>
Total	(5.64%)	(5.64%)	(5.64%)

- ### Customer Charges
- Recommend increasing Customer Charges
 - Residential Service - Inside
 - Increase Customer Charge from \$7.92 to \$10.00
 - Residential Service – Outside
 - Increase Customer Charge from \$8.35 to \$10.55
 - Small General Service
 - Single-Phase - \$15.53 to \$19.60
 - Three-Phase - \$25.05 to \$32.40
 - Medium General Service
 - Single-Phase - \$16.75 to \$25.00
 - Three-Phase - \$27.02 to \$50.00

Consumer Charges (continued)

- Large General Service
 - Increase from \$104.30 to \$125.00
- Industrial Service
 - Add a Customer Charge of \$500.00
- General Coordinated Demand Control Service
 - Increase from \$81.07 to \$150.00
- Industrial Coordinated Demand Control Service
 - Add a Customer Charge of \$550.00

Residential Service – Inside Corporate Limits

Description	Current Rate	Rate Option 1		Rate Option 2	
		Proposed Rate	% Increase	Proposed Rate	% Increase
Customer Charge(s)					
Single-Phase	\$7.92	\$10.00	26.30%	\$10.00	26.30%
Three-Phase	\$16.55	\$21.15	28.38%	\$21.15	28.38%
Energy Charge(s)					
Summer All kWh	\$0.11705	\$0.11621	(0.72%)	\$0.10891	(7.65%)
Number of Customers	4,811				
Average Monthly kWh per Customer	164				
Average Cost per kWh	\$0.13405	\$0.12692	(5.33%)	\$0.11805	(11.94%)

Residential Service Rate Comparison – Inside Corporate Limits

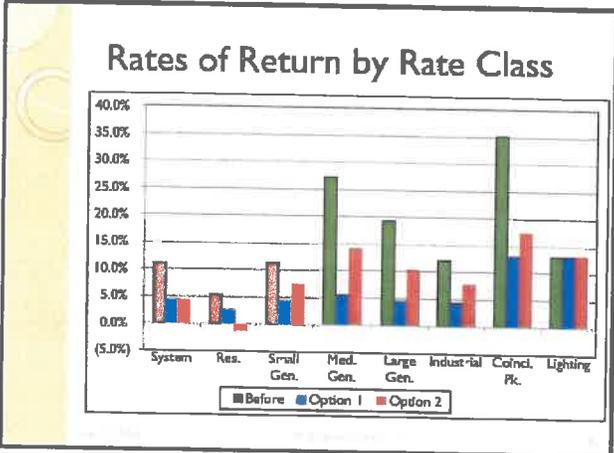
kWh	Current	Option 1		Option 2		
		Proposed	Increase / (Decrease) \$ %	Proposed	Increase / (Decrease) \$ %	%
50	\$13.77	\$15.54	\$1.77 12.84%	\$15.35	\$1.58 11.44%	
100	\$19.62	\$21.08	\$1.46 7.43%	\$20.69	\$1.07 5.46%	
250	\$37.18	\$37.70	\$0.52 1.41%	\$36.74	(\$0.44) (1.19%)	
500	\$66.44	\$65.41	(\$1.03) (1.55%)	\$63.47	(\$2.97) (4.46%)	
1,000	\$124.95	\$120.81	(\$4.14) (3.31%)	\$116.94	(\$8.01) (6.41%)	
1,500	\$183.47	\$176.22	(\$7.25) (3.96%)	\$170.41	(\$13.06) (7.12%)	
2,000	\$241.99	\$231.62	(\$10.38) (4.29%)	\$223.89	(\$18.10) (7.48%)	
2,500	\$300.50	\$287.03	(\$13.48) (4.49%)	\$277.35	(\$23.15) (7.70%)	
3,000	\$359.02	\$342.43	(\$16.59) (4.62%)	\$330.82	(\$28.20) (7.85%)	
4,000	\$476.05	\$453.24	(\$22.81) (4.78%)	\$437.75	(\$38.30) (8.04%)	

Residential Service – Outside Corporate Limits

Description	Current Rate	Rate Option 1		Rate Option 2	
		Proposed Rate	% Increase	Proposed Rate	% Increase
Customer Charge(s)					
Single-Phase	\$9.85	\$10.55	7.10%	\$10.55	7.10%
Three-Phase	\$17.11	\$23.60	38.21%	\$23.60	38.21%
Energy Charge(s)					
All kWh	\$0.12612	\$0.11777	(6.61%)	\$0.11327	(10.44%)
Number of Customers	2,900				
Average Monthly kWh per Customer	1,125				
Average Cost per kWh	\$0.13455	\$0.12411	(7.77%)	\$0.11711	(12.95%)

Residential Service Rate Comparison – Outside Corporate Limits

kWh	Current	Option 1		Option 2		
		Proposed	Increase / (Decrease) \$ %	Proposed	Increase / (Decrease) \$ %	%
50	\$14.51	\$15.41	\$0.90 6.20%	\$16.21	\$1.70 11.74%	
100	\$20.67	\$22.20	\$1.53 7.40%	\$21.88	\$1.21 5.84%	
250	\$39.15	\$39.87	\$0.72 1.84%	\$38.87	(\$0.28) (0.72%)	
500	\$68.95	\$69.19	(\$0.76) (1.09%)	\$67.19	(\$2.76) (3.99%)	
1,000	\$131.54	\$127.82	(\$3.72) (2.83%)	\$123.82	(\$7.72) (5.87%)	
1,500	\$193.14	\$186.46	(\$6.68) (3.46%)	\$180.46	(\$12.68) (6.57%)	
2,000	\$254.73	\$245.09	(\$9.64) (3.79%)	\$237.09	(\$17.64) (6.93%)	
2,500	\$316.33	\$300.73	(\$15.60) (4.93%)	\$293.73	(\$22.60) (7.15%)	
3,000	\$377.93	\$362.38	(\$15.55) (4.12%)	\$350.38	(\$27.55) (7.29%)	
4,000	\$501.12	\$478.63	(\$22.49) (4.49%)	\$463.63	(\$37.49) (7.48%)	



Residential Service – Inside Corporate Limits

Description	Current Rate	Rate Option 1		Rate Option 2	
		Proposed Rate	% Increase	Proposed Rate	% Increase
Customer Charge(s):					
Single-Phase	\$7.02	\$10.00	26.26%	\$10.00	26.26%
Three-Phase	\$18.35	\$21.15	29.36%	\$21.15	29.36%
Energy Charge(s):					
Summer					
All kWhs	\$0.11703	\$0.11081	(5.32%)	\$0.10694	(8.62%)
Number of Customers	4,611				
Average Monthly kWh per Cust.	868				
Average Cost per kWh	\$0.12405	\$0.12092	(2.52%)	\$0.11705	(5.64%)

Residential Service – Outside Corporate Limits

Description	Current Rate	Rate Option 1		Rate Option 2	
		Proposed Rate	% Increase	Proposed Rate	% Increase
Customer Charge(s):					
Single-Phase	\$8.35	\$10.55	26.35%	\$10.55	26.35%
Three-Phase	\$17.41	\$22.50	29.24%	\$22.50	29.24%
Energy Charge(s):					
All kWhs	\$0.123192	\$0.11727	(4.81%)	\$0.11327	(8.06%)
Number of Customers	6,500				
Average Monthly kWh per Consum	1,123				
Average Cost per kWh	\$0.12846	\$0.12522	(2.52%)	\$0.12122	(5.63%)

Changes to Power Cost

- Since the Cost-of-Service study was completed, NCEMPA has revised their forecasted purchase power rates.
- The new forecast keeps rates flat for five years.
- This decreases power cost \$1,492,801.
- Increased margins can be used to build the electric fund, stabilize rates, or move forward with delayed projects.

Pro Forma Test Year Income Statement - Revised

Pro Forma Test Year Ending December 31, 2014

	Actual Test Year	Adjustments	Pro Forma Test Year
Operating Revenues	\$38,256,537	(\$1,217,347)	\$34,039,190
Other Operating Income	\$474,562	\$0	\$474,562
Total Operating Revenue	\$38,731,098	(\$1,217,347)	\$34,513,752
Purchased Power Expense	\$28,340,673	(\$5,398,470)	\$22,942,503
O & M Expenses	\$7,075,602	\$1,102,130	\$8,177,832
Total Cost-of-Service	\$35,416,475	(\$4,296,340)	\$31,120,135
Net Revenue	\$314,623	\$3,078,893	\$3,393,617

Recommended Revenue Change - Revised

Pro Forma Test Year Ending December 31, 2014

	Pro Forma Test Year	Adjustments	Projected After Change
Operating Revenues	\$34,039,190	(\$1,918,805)	\$32,120,385
Other Operating Income	\$474,562	\$0	\$474,562
Total Operating Revenue	\$34,513,752	(\$1,918,805)	\$32,594,947
Purchased Power Expense	\$22,942,503	\$0	\$22,942,503
O & M Expenses	\$8,177,832	(\$17,270)	\$8,160,362
Total Cost-of-Service	\$31,120,135	(\$17,270)	\$31,102,866
Net Revenue	\$3,393,617	(\$1,801,535)	\$1,492,081
Proposed Rev. Increase/(Decrease)	(\$1,918,805)		
Percent Change	(5.64%)		

• Questions



• Thank-you

CORRESPONDENCE AND SPECIAL REPORTS
MEMO – BUDGET TRANSFER GENERAL FUND

The Budget Officer transferred funds between the Parks & Grounds, Economic Development, Code Enforcement, Miscellaneous, Senior Programs, Aquatic Center, and Mayor's departments of the General Fund appropriations budget to provide funds for the vacation payoff as a result of one retirement, sports complex parking lot, aquatic center utilities, and telephone expense. NCGS 159-15 states that this shall be reported to the Council at its next regular meeting and be entered in the minutes.

Tammy Swindell, Assistant Finance Officer noted we were unaware the employee was planning to retire when the budget was prepared. Mr. Roberson explained we are trying to anticipate retirements in future budgets and set these funds aside so we don't run into this issue again. Councilmember Mercer noted some of the transfers mentioned in the memo do not have the budget transfer sheets included in the packet. *(Two budget transfer sheets were inadvertently omitted from the June 27th agenda package. All transfers referenced in the memo are shown below.)*

<i>From:</i> 10-40-6130-0600	<i>Group Insurance</i>	<i>\$ 7,600</i>
<i>To:</i> 10-40-6123-0200	<i>Salary</i>	<i>\$ 7,600</i>
<i>From:</i> 10-00-4650-4500	<i>ED Projects</i>	<i>\$13,000</i>
<i>To:</i> 10-10-4341-4500	<i>EMS Billing</i>	<i>\$10,000</i>
10-10-4341-4505	<i>EMS Bad Debt Coll.</i>	<i>\$ 3,000</i>
<i>From:</i> 10-00-4650-0400	<i>Prof. Svcs.</i>	<i>\$ 5,000</i>
10-00-4650-4500	<i>ED Projects</i>	<i>\$17,500</i>
10-00-4400-0800	<i>Unemp. Comp.</i>	<i>\$12,900</i>
10-00-4400-0200	<i>Salary Adj.</i>	<i>\$ 7,600</i>
10-10-4350-4500	<i>Housing Demo</i>	<i>\$10,000</i>
<i>To:</i> 10-40-6130-7300	<i>Other Improv.</i>	<i>\$21,000</i>
10-40-6126-1300	<i>Water & Elect.</i>	<i>\$32,000</i>
<i>From:</i> 10-00-4400-5701	<i>Misc.</i>	<i>\$ 100</i>
<i>To:</i> 10-00-4111-1100	<i>Telephone</i>	<i>\$ 100</i>

REPORTS FROM BOARDS, COMMISSIONS AND COMMITTEES:

HUMAN RELATIONS COUNCIL

(approved as presented – copy attached)

APPOINTMENTS:

Council postponed the Human Relations Council appointment.

OLD BUSINESS:

APPROVE – EXCEPTION TO RESIDENCY REQUIREMENT – ELECTRIC DIRECTOR

BACKGROUND AND FINDINGS: Mr. Jeff Clark currently serves as the Interim Electric Director and he possess the requisite knowledge of the positions scope of responsibility and existing City conditions by virtue of his previous experience with the City.

By motion of Councilmember Beeman, seconded by Councilmember Brooks, Council approved the exception to the residency requirement of Ch. 24, Article II, Section 24-22 of the City Code for the appointment of Jeff Clark to the position of Electric Director. Motion carried 4-1 with Councilmember Mercer opposing.

APPROVE – WAIVE IMPACT FEES FOR SIX MONTHS

BACKGROUND AND FINDINGS: The City Manager had previously requested Council to consider waiving water and sewer impact fees for a period of six (6) months in an effort to

increase residential development. By waiving these fees it will save a residential customer building a new home \$920.

By motion of Councilmember Mercer, seconded by Councilmember Beeman, Council agreed to waive water & sewer impact fees for residential customers for a period of six (6) months beginning July 1, 2016 and ending December 31, 2016. Contractors and developers in residential subdivisions will be allowed to have impact fees waived for five (5) water and sewer services within the six (6) month period.

Councilmember Beeman thanked the City Manager for putting this program together.

APPROVE – JULY 2016 CITY COUNCIL MEETING DATE

The City Manager noted that historically, Council only meets one time in July. It was suggested to not meet on July 11th and only meet on July 25th.

Councilmember Mercer felt more comfortable with meeting on July 11th and not meeting on July 25th.

By motion of Councilmember Brooks, seconded by Councilmember Beeman, Council agreed to only meet on July 25th (no meeting on July 11th). Motion carried 4-1 with Councilmember Mercer opposing.

NEW BUSINESS:

AUTHORIZE – THE MAYOR TO EXECUTE THE DEED OF EASEMENT AND AGREEMENT FOR THE GRIMESLAND ROAD FEEDER – TIE WITH WHARTON STATION (PROJECT) “MANNING” EASEMENT

By motion of Councilmember Beeman, seconded by Councilmember Brooks, Council authorized the Mayor to execute the Deed of Easement and Agreement for the Grimesland Road Feeder - Tie with Wharton Station (Project) "Manning" Easement.

(copy attached)

**CONSENT AND AGREEMENT - CITY OF WASHINGTON (INTERCONNECTION)
4843-7325-5**

The City Attorney noted that we currently have interconnection agreements for this solar farm. The request tonight will allow them to finance and re-invest funds to develop additional solar farms.

By motion of Councilmember Mercer, seconded by Councilmember Beeman, Council approved the Consent and Agreement – City of Washington (interconnection) 4843-7325-5.

(copy attached)

ANY OTHER ITEMS FROM CITY MANAGER:

QUESTION & ANSWER SERIES – WASHINGTON DAILY NEWS

The City Manager requested approval to implement a question and answer series in the local newspaper regarding city activities/projects. The documentation will be prepared by the City Manager's office and will begin at the end of July. Council was in agreement with the request.

BEAUFORT CO. COURTHOUSE SECURITY

Stacy Drakeford stated he received a call from the Sheriff's Department stating the Sheriff's Dept. will only be providing security for the courtroom itself, not outside of the courtroom effective Wednesday, June 29th. At this time existing staff should be able to manage the increase in workload.

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

Councilmember Pitt provided an update on HB 483 Land-Use Regulatory Changes.

CLOSED SESSION: UNDER NCGS § 143-318.11(A)(3) ATTORNEY CLIENT PRIVILEGE AND (A)(6) PERSONNEL

By motion of Councilmember Pitt, seconded by Councilmember Brooks, Council entered into closed session under NCGS § 143-318.11(A)(3) Attorney Client Privilege and (A)(6) Personnel at 6:55pm

By motion of Councilmember Pitt, seconded by Councilmember Brooks, Council agreed to come out of closed session at 7:30pm.

By motion of Mayor Pro tem Finnerty, seconded by Councilmember Beeman, Council accepted the Memorandum of Understanding between the City of Washington and Rodman, Holscher, Peck & Edwards, P.A.

(copy attached)

ADJOURN

By motion of Councilmember Pitt, seconded by Councilmember Brooks, Council adjourned the meeting at 7:40pm until Monday, July 25, 2016 at 5:30 pm in the Council Chambers

(subject to approval of City Council)

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



REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: Kristi Roberson, Parks & Recreation Director
Date: July 25, 2016
Subject: Marine Resources Fund – Havens Gardens Bulkhead Replacement (phase I of II)
Applicant Presentation: N/A
Staff Presentation: N/A

RECOMMENDATION:

I move that City Council authorize the Recreation Director to apply for the pre-application of the Marine Resources Fund.

BACKGROUND AND FINDINGS:

The current bulkhead at Havens Gardens is deteriorating and needs to be repaired. The bulkhead is currently listed in the CIP. The Recreation Advisory Committee recommended to pursue the funding through the Marine Resources Fund during the June 2016 meeting.

The total preliminary cost is \$430,000.00. It is recommended to complete this project in two phases, beginning on the bridge side and completing an estimated 700 feet of bulkhead. Phase I would cost an estimated \$215,000.00. The grant does not require a match, however would be a stronger application if the City provided a 10% match.

All contracts for projects selected for funding will begin no sooner than **July 1, 2017**.

PREVIOUS LEGISLATIVE ACTION

FISCAL IMPACT

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

SUPPORTING DOCUMENTS

City Manager Review: 140 Concur Recommendation Denial No Recommendation
7/19 Date July 25, 2016
13 of 93



REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: Glen Moore, Planning Administrator
Date: July 18, 2016
Subject: Resolution directing City Clerk to investigate a petition for a contiguous annexation from State Employees Credit Union.
Applicant Presentation: N/A
Staff Presentation: John Rodman, Community and Cultural Services

RECOMMENDATION:

I move that the City Council adopt the resolution directing the City Clerk to investigate a petition for the contiguous annexation of State Employees Credit Union received under General Statutes 160A-31.

BACKGROUND AND FINDINGS:

On June 10, 2016 the State Employees Credit Union presented a petition for a contiguous annexation for a parcel of land. The property contains 5.46 acres and is located on Whispering Pines Road between W. 15th Street and West 5th Street.

After directing the clerk to investigate the petition the City will proceed with the annexation process.

PREVIOUS LEGISLATIVE ACTION

N/A

FISCAL IMPACT

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

SUPPORTING DOCUMENTS

Resolution, Map
Petition

City Manager Review: 7/19 Date Concur mmh Recommend Denial _____
No Recommendation _____

**RESOLUTION DIRECTING THE CLERK TO INVESTIGATE
A PETITION RECEIVED UNDER G.S. 160A-31**

WHEREAS, a petition requesting annexation of an area described in said petition was received on July 25, 2016 by the Washington City Council; and

WHEREAS, G.S. 160A-31 provides that the sufficiency of the petition shall be investigated by the City Clerk before further annexation proceedings may take place; and

WHEREAS, the City Council of the City of Washington deems it advisable to proceed in response to this request for annexation;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Washington that:

The City Clerk is hereby directed to investigate the sufficiency of the above described petition and to certify as soon as possible to the City Council the result of her investigation.

Jay MacDonald Hodges, Mayor

ATTEST:

Cynthia S. Bennett, Clerk

PETITION REQUESTING A CONTIGUOUS ANNEXATION

Date: 6-15-16

To the City Council of the City of Washington:

1. We the undersigned owners of real property respectfully request that the area described in Paragraph 2 below be annexed to the City of Washington.

2. The area to be annexed is contiguous to the City of Washington and the boundaries of such territory are as follows:

SEE ATTACHMENT

(Insert Metes and Bounds Description of Boundaries)

3. A Map is attached showing the area proposed for annexation in relation to the primary corporate limits of the City. *SEE ATTACHMENT*

4. We acknowledge that any zoning vested rights acquired pursuant to G.S. 160A-385.1 or G.S. 153A-344.1 must be declared and identified on this petition. We further acknowledge that failure to declare such rights on this petition shall result in a termination of vested rights previously acquired for the property. (If zoning vested rights are claimed, indicate below and attach proof.)

<u>Name</u>	<u>Address</u>	<u>Do you declare vested rights? (Indicate yes or no.)</u>	<u>Signature</u>
1. STATE EMPLOYEES' CREDIT UNION	119 N. SALISBURY ST RALEIGH, NC 27603	NO	 Jamie Anagnost
2.			
3.			



- Parcels
- Property Land Owners
- Annotation
- Interior Tract Lines
- Centerlines
- Municipal Limits
 - < all other values >
 - BEAUFORT COUNTY
 - City of Washington
 - Town of Aurora
 - Town of Bath
 - Town of Belhaven
 - Town of Chocowinity
 - Town of Pantego
 - Town of Washington Park
- County Line
- County Line (Solid)
- State

State Employees Credit Union

<u>PIN</u> 15028877	<u>GPIN</u> 5676-35-7509	<u>GPIN LONG</u> 5676-35-7509
<u>OWNER NAME</u> STATE EMPLOYEES CREDIT UNION	<u>OWNER NAME2</u>	<u>MAILING ADDRESS</u> PO BOX 25279
<u>MAILING ADDRESS2</u>	<u>CITY</u> RALEIGH	<u>STATE</u> NC
<u>ZIP</u> 27611	<u>PROPERTY ADDRESS</u> SR 1404	<u>ACRES</u> 5.46
<u>NBR BLDG</u> 0	<u>DATE</u> 2014-12-22	<u>DEED BOOK and PAGE</u> 1861/00210
<u>LAND VAL</u> 406575	<u>BLDG VAL</u> 0	<u>DEFR VAL</u> 0
<u>TOT VAL</u> 406575	<u>NBHD CDE</u> A1	<u>NBHD DESC</u> ZONE1 AVERAGE
<u>STAMPS</u> 840.00	<u>SALE PRICE</u> 420000.00	<u>LAND USE</u>
<u>PROP DESC</u> 5.46 AC STATE EMPLOYEES CREDIT UNION	<u>MBL</u> 5676107	<u>EXEMPT AMT</u>
<u>SQ FT</u>	<u>ROAD TYPE</u> PAVED	<u>YR BUILT</u>
<u>NBR BED</u>	<u>SUB CDE</u>	<u>SUB DESC</u>
<u>REID</u> 00406	<u>NBR BATHS</u>	<u>EFF YR</u>
<u>EXEMPT PROP</u>	<u>PREV ASSES</u> 406575	<u>TOWNSHIP</u> 02
<u>OBJECTID 1</u> 7175	<u>NBR STORIES</u>	<u>NBR HALF BATHS</u>
	<u>TAXABLE VA</u> 406575	

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.

Book 1861 Page 210

FOR REGISTRATION REGISTER OF DEEDS
Jennifer Leggett Whitehurst
Beaufort County, NC
December 22, 2014 02:25:14 PM
Book 1861 Page 210-213
FEE \$26.00
NC REVENUE STAMP: \$840.00
INSTRUMENT # 2014005707

BEAUFORT COUNTY LAND RECORDS

ROUTING FORM 42115

CLR 12-22-14
Land Records Official Date



INSTRUMENT # 2014005707

PREPARED BY: MAYO & MAYO ATTORNEYS AT LAW 102 WEST 2ND STREET WASHINGTON, N C 27889

NORTH CAROLINA
BEAUFORT COUNTY

THIS DEED, Made and entered into this the 18th day of December, 2014, by and between KATHRYN G. WOOLARD and husband, JEFFREY T. WOOLARD and CAROLE G. HILL(widow) of Beaufort County, Washington, North Carolina, hereinafter referred to as parties of the first part; to STATE EMPLOYEES' CREDIT UNION of PO Drawer 25279, Raleigh, NC 27611, hereinafter referred to as party of the second part;

W I T N E S S E T H :

That the said parties of the first part in consideration of the sum of Ten Dollars and other good and valuable consideration to them in hand paid by said party of the second part, the receipt of which is hereby acknowledged, have bargained and sold and by these presents, do bargain, sell and convey unto the said party of the second part, its successors and assigns heirs and assigns, the following parcel or tract of land in Washington Township, Beaufort County, North Carolina, more particularly described as follows:

IT BEING that 5.457 acres tract as platted on map entitled "Boundary Survey for State Employees Credit Union," prepared by Wood Duck Land Surveying, PC, of record in Plat Cabinet I, Slide 27-5, Beaufort County Registry, and being a portion of those lands as were conveyed to Carole G. Hill and husband Robert G. Hill (now deceased) and Kathryn G. Woolard and husband Jeffrey T. Woolard, by deed dated April 28, 2006, of record in Bok 1518, Page 882, Beaufort County Registry, to which

map and deed reference is herein made and incorporated for a more complete and detailed description.

The above described property DOES NOT include the Grantor's primary residence.

TO HAVE AND TO HOLD the aforesaid parcel or tract of land and all rights, privileges and appurtenances thereunto belonging to her the said party of the second part and its successors and assigns forever, subject to the following:

1. 2014 Beaufort County ad valorem tax.
2. Easements, rights of way and restrictions of record in Beaufort County Registry.
3. Non-compliance with any local, county, state or federal governmental laws, ordinances or regulations relative to zoning, subdivision, occupancy, use, construction or development of the subject property.

And the said parties of the first part do covenant that they are seized of said premises in fee and have the right to convey the same in fee simple, that the same is free from encumbrances, subject to those matters set forth above, and subject thereto, they will warrant and defend the title to the same against the lawful claims of all persons whomsoever.

IN TESTIMONY WHEREOF, the said parties of the first part have hereunto set their hands and seals the day and year first above written.

Kathryn G. Woolard (SEAL)
KATHRYN G. WOOLARD

Jeffrey T. Woolard (SEAL)
JEFFREY T. WOOLARD

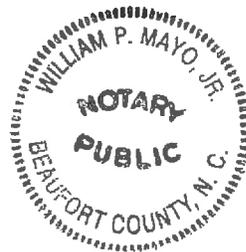
STATE OF NC
COUNTY OF BEAUFORT

I, William P. Mayo, Notary Public for the County and State aforesaid, do hereby certify that **KATHRYN G. WOOLARD and husband, JEFFREY T. WOOLARD** personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and Notarial Seal this the 18th day of December, 2014.

William P. Mayo
NOTARY PUBLIC

My Commission expires: 8.20.17





REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: Matt Rauschenbach, Administrative Services Director
Date: July 25, 2016
Subject: Approve Generator Maintenance PO
Applicant Presentation: N/A
Staff Presentation: N/A

RECOMMENDATION:

I move that City Council approve a \$35,291.99 PO to Atlantic Power Systems of NC for the annual maintenance of the City's peak shaving generators..

BACKGROUND AND FINDINGS:

Budgeted maintenance.

PREVIOUS LEGISLATIVE ACTION

FISCAL IMPACT

Currently Budgeted Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

Requisition

City Manager Review: MR Concur Recommend Denial No Recommendation
7/19 Date

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

Requisition #: 2219
PO #: Not Assigned
User Name: epruden

Date: 7/11/2016
Approved By:
Approved Code:
Total Amount: \$35,291.99
Ship To: CITY OF WASHINGTON
WAREHOUSE (ELEC)

ATLANTIC POWER SYSTEMS OF NC, INC.
3252 SAINT DELIGHT'S CH. RD.
NEW BERN, NC 28560

Electric Dept. Ed Pruden 252-975-9365 Quote Dated 7/8/2016

Quantity	Item Description	Project Number	Unit Price	Extended
1	Labor and Material, PM Level 1, Peak Shaving Generators		\$6,037.00	\$6,037.00
1	Labor and Material, PM Level 2, Peak Shaving Generators		\$29,254.99	\$29,254.99

Sub Total	\$35,291.99
Shipping	\$0.00
Tax	\$0.00
Total	\$35,291.99

Account Number	Account Description	Amount
35-90-8375-1600	MAINTENANCE REPAIR/EQUIPMENT	\$35,291.99
Total		\$35,291.99

Requisition Approval History

Approval Date	Approval Description	Approved by	PO Number
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REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: Matt Rauschenbach, Administrative Services Director
Date: July 25, 2016
Subject: Approve Circuit Breaker PO
Applicant Presentation: N/A
Staff Presentation: N/A

RECOMMENDATION:

I move that City Council approve a \$42,760 PO to Westinghouse Electric Supply for the Wharton Station circuit breaker replacement.

BACKGROUND AND FINDINGS:

Circuit breaker replacement is included in the budget for \$50,000.

PREVIOUS LEGISLATIVE ACTION

FISCAL IMPACT

Currently Budgeted Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

Requisition

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

Requisition #: 2146
PO #: Not Assigned
User Name: epruden

Date: 7/6/2016
Approved By:
Approved Code:
Total Amount: \$42,760.00
Ship To: CITY OF WASHINGTON
WAREHOUSE (ELEC)

WESTINGHOUSE ELECTRIC SUPPLY
3025 STONYBROOK DRIVE
RALEIGH, NC 27604

Electric Dept. Ed Pruden 252-975-9365 WHAR Substation Breaker Project

Quantity	Item Description	Project Number	Unit Price	Extended
1	R-MAG Circuit Breaker, ABB Product ID: MB30140LLML4KMP401, Key ratings: Rated Maximum Voltage: 38 kV RMS, Rated Lightning Impulse Withstand Voltage (BIL): 200 kV peak, Rated Continuous Current: 1250 A RMS Rated Short Circuit Interrupting Current: 25 kA RMS Sym., Per Quote 15Q2704134		\$42,760.00	\$42,760.00

Sub Total	\$42,760.00
Shipping	\$0.00
Tax	\$0.00
Total	\$42,760.00

<u>Account Number</u>	<u>Account Description</u>	<u>Amount</u>
35-90-8370-7400	EQUIPMENT PURCHASES	\$42,760.00
Total		\$42,760.00

Requisition Approval History

Approval Date	Approval Description	Approved by	PO Number
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REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: Matt Rauschenbach, Administrative Services Director
Date: July 25, 2016
Subject: Approve Software PO's
Applicant Presentation: N/A
Staff Presentation: N/A

RECOMMENDATION:

I move that City Council approve a \$89,385 PO to Edmonds & Associates, Inc. and a \$75,071 PO to Tyler Technologies for financial and utility billing software.

BACKGROUND AND FINDINGS:

A capital project fund has been established for this project. Site visits, demonstrations, and reference checks have been conducted and staff recommends proceeding with these vendors. The maintenance service contract is included in the license fees for the first year resulting in \$42,000 savings in year one and \$13,000/year in subsequent years. \$250,000 is budgeted for this project.

PREVIOUS LEGISLATIVE ACTION

FISCAL IMPACT

Currently Budgeted Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

Requisitions
Proposals

City Manager Review: MR Concur Recommend Denial No Recommendation
7/19 Date

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

Requisition #: 2154
PO #: Not Assigned
User Name: sprobert

Date: 7/6/2016
Approved By:
Approved Code:
Total Amount: \$89,385.00
Ship To: CITY OF WASHINGTON CITY HALL
(FINANCE)

EDMUNDS & ASSOCIATES, INC

PROPOSAL

Quantity	Item Description	Project Number	Unit Price	Extended
1	PROPOSAL		\$89,385.00	\$89,385.00

Sub Total	\$89,385.00
Shipping	\$0.00
Tax	\$0.00
Total	\$89,385.00

Account Number	Account Description	Amount
65-60-4130-7400	SOFTWARE	\$89,385.00
Total		\$89,385.00

Requisition Approval History

Approval Date	Approval Description	Approved by	PO Number
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GS 60 4130 7400



Proposal Presented to:

Washington City, NC

7/5/2016

	INSTALL	MAINT	TOTAL
EDMONDS	89,385	13,769	103,154
TYLER	75,071	15,093	90,164
TOTAL	<u>164,456</u>	<u>28,862</u>	<u>193,318</u>

Michael Leshar, Southern Regional Manager

mikel@edmundsassoc.com
301 Tilton Road | Northfield, NJ 08225
Phone: 888.336.6999
www.EdmundsAssoc.com

Proposal Summary

Section	Fees/Costs	Maintenance Fees
Application License Fees	\$63,000.00	\$13,769.00
Travel & Training Costs	\$ 0.00	
Services & Other Application Fees	\$13,135.00	
Conversion Fees	\$13,250.00	
Total Proposed Cost	\$89,385.00	\$13,769.00

Initial training, implementation, and travel costs are included with the license fees. Training is a combination of on-site and remote sessions. If more hours are desired for a specific application, the hours from another may be allocated to additional training in that area.

The first year of support and maintenance are included with the license fees. The fees listed are for year two support and maintenance. The annual maintenance fees include all federal and state mandated changes, annual upgrades and enhancements, unlimited phone, email, and web based support, and user group membership. All software applications are warranted for one year from the date of installation. A purchase order must be sent prior to initiating a work order for installation and training to be scheduled.

**Additional notes are on the last page of this proposal.*

Optional Hardware	Quantity	Unit Price	Cost
Sub Total			\$0.00

Edmunds & Associates, Inc. is a reseller of the hardware components listed, the cost of these items are NOT included in the proposal total. *Please include the quantity of each item desired with the cost on the purchase order to ensure accurate purchasing.*

Please forward all Purchase Orders to:

Edmunds & Associates, Inc.
 c/o Jessica Jensen
 301 Tilton Road | Northfield, NJ 08225
 P: 888.336.6999 | F: 609.645.3111
 Email: JessicaJ@EdmundsAssoc.com
www.EdmundsAssoc.com

Application	List Price	Extended Price	Training Hours
Finance Super Suite I	\$15,000.00	\$15,000.00	24
Electronic Requisitions I	\$4,500.00	\$4,500.00	12
Payroll I	\$10,500.00	\$10,500.00	20
Employee Self Service Portal I	\$7,500.00	\$6,000.00	8
Human Resources I	\$10,500.00	\$10,500.00	20
Accounts Receivable & Business Licensing I	\$4,500.00	\$4,500.00	8
Municipal Dashboard	\$4,500.00	\$4,500.00	8
Inventory Control I	\$15,000.00	\$7,500.00	20
Sub Total:		\$63,000.00	

With an Edmunds & Associates solution, a true Windows application with a graphical user interface is delivered. All applications are ODBC compliant and utilize a SQL database which allows for seamless integration with products such as MS Excel™, MS Word™ and many GIS packages, to name a few.

Security - The software features a single sign-on approach that allows for user based security. This provides access to modules based on the employee's security profile. The security is module and task specific.

Integration - All modules are fully integrated. A single source of entry minimizes data entry errors and streamlines organizational processes. The system dynamically posts all related entries to the appropriate modules.

Reporting - Along with standard system reports, customized reporting is also provided. Through built-in custom reporting tools, users can create and save personalized reports that can be exported directly into MS Excel™. Reporting flexibility allows users to create unlimited custom reports that are accessible at any time.

PDF Forms - All required forms can be generated within the application. This reduces the need to have pre-printed forms, such as pre-printed checks or utility bills. Create customized letters by merging in any field from the system. Letters can be created, printed, and documented in the corresponding record.

Attachments - The ability to attach any type of file to records, accounts, and employees along with scanning images directly into the software is provided. There is no limitation with the amount or size of those items you wish to attach.

Services & Other Applications	Cost
Pervasive SQL - 20 Concurrent User License	\$3,795.00
Installation I	\$840.00
Project Management I	\$2,500.00
Custom Development - Revenue interface with Utility Billing	\$6,000.00
Sub Total:	\$13,135.00

SQL Database

Our ideal configuration is an industry standard client-server environment. Pervasive SQL is quoted; however, MS SQL may be used. If MS SQL is desired, the client must procure the solution from a third party vendor. The implementation of our software in hosted environments is supported, and a third party vendor can be recommended for this application.

Project Management

Edmunds & Associates, Inc. has a goal to make the transition from a legacy system as painless as possible. Project management includes planning, monitoring, and reporting of progress to ensure the success of the software implementation. The Client's Project manager and an Edmunds & Associates Project Manager will work in concert to identify the scope of the project, estimate the work involved, and create a project schedule with appropriate resources. The project plan is then developed to describe the tasks that will lead to a successful implementation. The project is carefully planned, implemented, monitored and controlled. Problem resolution, risk management, opportunity management, change management, software configuration management, and data management are included, identified, and documented throughout the project. Project Managers and Training and Implementation employees have been involved in hundreds of similar successful projects.

Maintenance	Fees
Finance Super Suite I	\$3,308.00
Electronic Requisitions I	\$945.00
Payroll I	\$2,316.00
Employee Self Service Portal I	\$945.00
Human Resources I	\$2,205.00
Accounts Receivable & Business Licensing I	\$945.00
Municipal Dashboard	\$900.00
Inventory Control I	\$2,205.00
Sub Total:	\$13,769.00

Edmunds & Associates has a dedicated support team that is available Monday through Friday, 8am to 5pm. Developers and programmers may provide a higher level of assistance, and all technical staff is located in Northfield, NJ. During training, an "active training client" status puts customer calls to the top of the queue. The trainer working with the client will be made available to assist the client, especially prior to and post live date.

The training of the support team builds an understanding of the processes required to run local and county government as well as authorities. The technical support team continuously receives outstanding evaluations from our current customer base; therefore, the client retention rate is 99%. Success is measured by tracking our response time to customer issue. We closely monitor our performance and add additional staff when needed.

Edmunds & Associates provides the most comprehensive support and maintenance program in our industry and it contains many unique features no competitor can match. Our annual software support includes a guaranteed 2 hour call resolution, free application upgrades and enhancements, customer support portal, educational webinars and seminars, and user group membership and conferences.

Conversion Services	Cost
Finance - Chart of Accounts	\$0.00
Finance - Vendor Master File	\$0.00
Finance - Fixed Assets	\$750.00
Finance - COA Transaction History (Summary)	\$3,750.00
Payroll - Employee Master File	\$2,500.00
Payroll - Employee Pay History (Summary)	\$3,750.00
Inventory - Item Master File	\$2,500.00
Sub Total	\$13,250.00

Edmunds & Associates, Inc. has experience converting data from numerous legacy systems. Once an Initial copy of data is extracted, data mapping takes place. Once tested by Edmunds, a test database is installed for the client; it is the responsibility of the client and Edmunds to verify that data is mapped properly. If needed, changes are made and data is verified and approved by the client. A final conversion is completed and tested with mock processing and report verification prior to going live.

The conversion may be modified based on client needs. Please notify the account executive of any changes to be made to the cost proposal. If an updated proposal is not desired, simply remove the line item from the total price and include those necessary on the purchase order.

Summary Conversions – Unless otherwise stated, summary conversions include all standard information plus three years of summarized history, including opening and closing balances on accounts.

Detailed Conversions - Unless otherwise stated, detail conversions include all standard information plus three years of detailed history, including opening and closing balances with transactions.

Proposal Notes:

Training & travel is included with software module purchases*

- MCSJ solutions includes applicable smart phone apps at no cost
- MCSJ WIPP also offers IVR/phone payment/inquiry
- MCSJ can be self-hosted or hosted on the cloud

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

Requisition #: 2155
PO #: Not Assigned
User Name: sprobert

Date: 7/6/2016
Approved By:
Approved Code:
Total Amount: \$75,071.00
Ship To: CITY OF WASHINGTON CITY HALL
(FINANCE)

TYLER TECHNOLOGIES

UTILITY BILLING ONLY QUOTE

Quantity	Item Description	Project Number	Unit Price	Extended
1	UTILITY BILLING ONLY QUOTE		\$75,071.00	\$75,071.00

Sub Total	\$75,071.00
Shipping	\$0.00
Tax	\$0.00
Total	\$75,071.00

<u>Account Number</u>	<u>Account Description</u>	<u>Amount</u>
65-80-4130-7400	SOFTWARE	\$75,071.00
Total		\$75,071.00

Requisition Approval History

Approval Date	Approval Description	Approved by	PO Number
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Proposal

Local Government Division

Presented to:

Mr. Matt Rauschenbach

Chief Financial Officer

City of Washington, NC

102 E. 2nd Street

Washington, NC 27889

(252) 975-9300

mrauschenbach@washingtongov.gov

Proposal date:

June 21, 2016

Submitted by:

Blake Reynolds

(877) 613-9798

blake.reynolds@tylertech.com

Tyler Technologies

Local Government Division

5519 53rd Street

Lubbock, Texas 79414



Prepared for:

Mr. Matt Rauschenbach
City of Washington, NC
 102 E. 2nd Street
 Washington, NC 27889
 (252) 975-9300
mrauschenbach@washingtonnc.gov

Quoted By: **Blake Reynolds**
 Quote Date: **06/21/16**
 Expiration Date: **10/19/16**

Tyler Related Products and Services

Description	QTY	License Fees	Hours	Services	Investment	Annual
Incode Customer Relationship Management Suite						
Utility CIS System (Electric & Water or Gas) (Collections, Tax Lien Process & Import, Utility Payment Import, One Utility Handheld Meter-Reader Interface, Output Director)		\$21,995	184	\$23,000	\$44,995	\$5,499
Mobile Service Orders		\$1,500		Included	\$1,500	\$375
Third Party Printing Interface		\$3,000	4	\$500	\$3,500	\$750
Cashiering (Support Credit/Debit Cards via ETS, PCI Compliant, Cash Collection Interface, Cashiering Receipt Import)		\$3,000	44	\$5,500	\$8,500	\$750
Content Management Suite						
Tyler Content Manager Standard Edition (TCM SE)		\$5,000	16	\$2,000	\$7,000	\$1,250
Subtotal		\$34,495	248	\$31,000	\$65,495	\$8,624

Conversion Services

Description	Fee	Hours	Services	Investment
Utility Billing	\$4,500	16	\$2,000	\$6,500
Subtotal	\$4,500	16	\$2,000	\$6,500

Professional Services

Description	Fee	Hours	Services	Investment
Project Management			\$2,500	\$2,500
Subtotal		-	\$2,500	\$2,500

Tyler Hosted Applications

Description	Services	Investment	Annual
Online Applications			
Utility Billing Online	# of Accounts 6,000	\$800	\$2,880
Notifications			
Incode Notifications for Utility Billing			
Continuing Education			
Tyler U		\$1,750	\$1,750
Subtotal		\$800	\$4,630

Tyler Network Services/Hardware/Third Party

Description	Fee	Hours	Services	Investment	Annual
Network Services					
Basic Network Services					\$900
Hardware					
Cashiering Hardware	\$4,800	-	\$150	\$4,950	\$939
Subtotal	\$4,800	-	\$150	\$4,950	\$1,839

Summary

	One Time Fees	Recurring Fees
Total Tyler Software	\$34,495	\$8,624
Recurring Solution Fee		\$4,630
Total Tyler Network Services/HW/Third Party	\$4,800	\$1,839
Total Tyler Services	\$40,950	
ElectriCities Preferred Client Discount 15%	(\$5,174)	
Summary Total	\$75,071	\$15,093
Contract Total	\$90,164	



Prepared for:
Mr. Matt Rauschenbach
City of Washington, NC

Quoted By: **Blake Reynolds**
 Quote Date: **06/21/16**
 Expiration Date: **10/19/16**

Tyler Conversion Services (NOTE: See Conversion Summary Documentation or SOW for Details on Scope)

Description	QTY	Fee	Hours	Services	Investment
Utility Billing		\$4,500		\$2,000	\$6,500
Utility - CIS - Additional Fee for Historical Views		\$4,500	12	\$1,500	
- Contacts/Properties/Accounts					
- Service meter info - meter inventory					
- Transaction/Consumption/Read History (2 Years)					
- Metered services (1 metered service)					
- Non-Metered service (up to 2 services)					
Legacy/Historical Views		\$0	4	\$500	
Subtotal			16		\$6,500



Prepared for:
Mr. Matt Rauschenbach
City of Washington, NC

Quoted By: **Blake Reynolds**
Quote Date: **06/21/16**
Expiration Date: **10/19/16**

Tyler Notifications

Description

Incode Notification for Utility Billing (\$0.10 per call)

Active Accounts 6,000

- Customer Notification by Phone

- Call Late Notices

- Call Late Notices

- General Notifications

- Call Lists automatically generated

- Account updated after call

- Custom message for each call type

- Call Message can be English or Spanish

- Generate reports based on call results

Note: The Utility will be billed at the rate specified above for all calls made.

The Utility will be billed quarterly by Tyler Technologies for calls conducted.



Prepared for:

Mr. Matt Rauschenbach
City of Washington, NC

Quoted By: **Blake Reynolds**
Quote Date: 06/21/16
Expiration Date: 10/19/16

Hardware and System Software

Description	QTY	Price	Annual	Source
Cashiering/Cash Collection				
<i>All TM-H6000IV printers include PS-180 power supply, ribbon, USB Cable and 50 roll case of paper</i>				
Epson TM-H6000IV Thermal Receipt Printer - Black USB - NEW	3	3,150	609	Tyler - 12 mos warranty
Media Plus Automated Cash Drawer -Black NEW (INCODE)	3	600	120	Tyler - 12 mos warranty
Symbol LS2208 Bar Code Scanner w/ intellistand NEW	3	1,050	210	Tyler - 12 mos warranty
		One Time Fees	Recurring Fees	
Hardware & System Software		4,800	939	
Hardware Installation Services		150		
Hardware & System Software Subtotal		4,950	\$939	



Prepared for:
Mr. Matt Rauschenbach
City of Washington, NC

Quoted By: **Blake Reynolds**
 Quote Date: **06/21/16**
 Expiration Date: **10/19/16**

Tyler Universtiy

Description	Annual
Tyler U	\$1,750
<ul style="list-style-type: none"> - E-learning courses available for all employees during the subscription period - Unlimited access to hundreds of e-learning courses spanning the entire suite of Tyler applications - Unlimited access to on-demand Continuing Professional Education credit courses certified by NASBA standards - Unlimited access to Government compliance courses such as HIPAA Compliance, Red Flag Rules, and Workplace Harassment Prevention - Available 24/7 - New courses created continually 	
<p>Tyler Technologies, Inc. is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be submitted to the National Registry of CPE Sponsors through its website: www.learningmarket.org</p>	



REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: Matt Rauschenbach, Administrative Services Director/C.F.O.
Date: July 25, 2016
Subject: Taxi Cab Certificate of Convenience
Applicant Presentation: N/A
Staff Presentation: Matt Rauschenbach

RECOMMENDATION:

I move that a Certificate of Convenience and Necessity be issued to Ms. Geraldine Roberson with three taxicabs for Hodges & Roberson (H&R) Cab Service.

BACKGROUND AND FINDINGS:

The purpose of this Council Action is to hold a public hearing, as advertised, to consider the application for a Certificate of Convenience and Necessity by Geraldine Roberson to operate three cabs in the City of Washington as H&R Cab Service.

Per the application, Ms. Roberson desires to operate three taxicabs in the City limits from her terminal located at 9349 Thoroughfare Rd, Washington, NC.

The notice calling for the public hearing was published on July 9, 2016, and a copy of the notice was mailed to all holders of Certificates of Convenience and Necessity for the operation of vehicles in compliance with Washington City Code Section 36-56(b).

PREVIOUS LEGISLATIVE ACTION

FISCAL IMPACT

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

SUPPORTING DOCUMENTS

Application

City Manager Review: BRL Concur _____ Recommend Denial _____ No Recommendation
7/19 Date July 25, 2106
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APPLICATION FOR TAXI DRIVERS PERMIT

City Hall
5/17/16
w/ Photo ID

DATE 3/11/16 NEW RENEWAL

NAME: Geraldine Roberson DATE OF BIRTH 10/19/1956

AGE: 59 RACE: Black ~~white~~ SEX: F WEIGHT: 185 lb HEIGHT: 64"

SOCIAL SECURITY # [REDACTED]

DRIVER'S LICENSE# [REDACTED] DRIVER'S LICENSE CLASS B

ADDRESS: 9349 Thoroughfare Rd (NO P.O. BOXES PLEASE)

HOME PHONE: 252-792-7483 MOBILE PHONE: 252-799-7633

NAME OF CAB COMPANY: Hodges + Roberson H9R

CAB COMPANY INSURANCE NAME: Progressive

POLICY # 42069501-a

HAVE YOU EVER BEEN ARRESTED? NO IF YES, WHEN _____

OFFENSE: _____ CONVICTED?: _____

REMARKS: _____

LAST EMPLOYER Beaufort County Development CTR ADDRESS 1534 W 5th St.
Still employ

DRIVING EXPERIENCE 25 YEARS OF RESIDENCE IN CITY 25 years

FOLLOWING TO COMPLETED BY PHYSICIAN

PHYSICAL CONDITION: CAD, stable

PHYSICIAN'S NAME: Karen Whitehead, FNP DATE: 3-9-16

ADDRESS: 1380 Cowell Farm Rd Waco, TX 77789 PHONE#: 252-946-2101

PHYSICIAN'S SIGNATURE Karen Whitehead FNP-BC

FOLLOWING TO COMPLETED BY CHIEF OF POLICE AND CITY MANAGER

Stacy Orabferd
RECOMMENDED BY CHIEF OF POLICE APPROVED BY CITY MANAGER

DATE: 4/11/16

DATE: _____

City of Washington, NC
Application for Business Privilege License

Business Name: Geraldine Roberson
Street Address 9349 Thoroughfare Rd
(PO Box Numbers are not acceptable for local business addresses)
Mailing Address 9349 Thoroughfare
City Washington State/Zip N.C. 27889
Phone 252-792-7483 Fax _____
Email address ghroberson@hotmail.com
Inside City Limits _____
Outside (But conducts business or services, pickups, and/or delivers and/or solicits business etc. within City) _____
Date Operations will begin: _____
Owner's Name: _____ Contact's Name: _____
Social Security No: _____ or Federal ID No: _____
Nature of Business (Explain) _____

Day Care --Number of Children _____
Beauty Shop--Number of Operators _____
Charge for Entertainment or Cover Charge Yes No
Home Based _____ (Has to be approved by Planning Dept.)

Gross Receipts Required for:
Retail \$ _____
Service \$ _____
Wholesale \$ _____
Manufacturing \$ _____

Signature _____ Title _____

Send to City of Washington, Attn: Privilege License, PO Box 1988, Washington, NC 27889. Phone: (252)975-9324 or (252)975-9325. FAX: (252)946-1965.

FOR OFFICE USE ONLY:
Customer No.: _____
Planning Dept. Approved Denied

NOTICE OF PUBLIC HEARING

Notice is hereby given that the Washington City Council will hold a public hearing on the 25th day of July, 2016 at 6:00 p.m. in the City Council Chambers of the Municipal Building, located at 102 East Second Street, Washington, NC, pursuant to an ordinance entitled "Taxicabs" for regulating and licensing taxicabs and taxicab drivers and providing penalties for violations. Said ordinance was adopted October 9, 1972. The public hearing is to consider and act upon an application of Geraldine Roberson for a CERTIFICATE OF CONVENIENCE AND NECESSITY to operate three taxicabs doing business as Hodges & Roberson (H&R) Cab Service in the City of Washington, North Carolina.

All interested citizens and all parties of interest will be given an opportunity to be heard at the public hearing.

Cynthia Bennett
City Clerk
City of Washington, N.C.

MEMORANDUM

Date: July 18, 2016

To: Mayor and City Council

From: John Rodman, Community and Cultural Services

RE: Waterfront Docking Agreements - Leases

Attached are the proposed Waterfront Docking Agreements for the following entities:

1. Little Washington Sailing School, Inc.
2. NC Estuarium – River Rover
3. Seatow IBX
4. ECU – R/V Riggs

These leases have been updated to reflect new information for each water craft and to reflect the same extension period of every one (1) year. The proposed changes are highlighted in yellow and the removal of information is shown by a strike-thru. The documents are for review only and we hope to have the new agreements approved during the August 8, 2016 Council Meeting.

In the meantime, if you have any questions or concerns or I may assist you in any way please don't hesitate to let me know.

**NORTH CAROLINA
BEAUFORT COUNTY**

WATERFRONT DOCKING AGREEMENT

THIS AGREEMENT, is made and entered as of the **1st day of April January, 2016**, by and between the City of Washington, North Carolina (hereinafter referred to as "Waterfront Docks") and Little Washington Sailing School, Inc. (hereinafter referred to as "School"). For and in consideration of \$1.00 and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, and in consideration of the mutual covenants contained herein as well as valuable consideration paid and to be paid, Waterfront Docks and School agree as follows.

1. **GRANT OF LICENSE.** Subject to the satisfaction of the condition contained in Section 1.a. below, Waterfront Docks hereby grants to School and School hereby accepts from Waterfront Docks a license to use **a-certain the entire** portion of Waterfront Docks' piers known to Waterfront Docks as Dock J (hereinafter referred to as "Fixed Dock") subject to the terms and conditions set forth herein. It is agreed between the parties that this license is personal to School and shall not inure to the successors or assigns of School. School agrees that it does not possess and shall not claim at any time an interest or estate of any kind or extent whatsoever by virtue of this license or School's exercise or use hereunder of the same and Waterfront Docks conveys no interest in property, including but not limited to Fixed Dock or pier, to School by this Agreement.

a. School shall obtain whatever permission is legally required, including but not limited to a CAMA permit or a modification to the current CAMA permit, from the appropriate agency(ies) or entity(ies) that will give School the legal right and authority (hereinafter referred to as "Permit") to exercise the rights and authority granted and contemplated by this Agreement. School shall not exercise any of the rights and authority granted and contemplated by this Agreement until School has received said Permit, provided said Permit to Waterfront Docks, and received approval of the Permit from Waterfront Docks. Upon receipt of approval from Waterfront Docks of said Permit, School shall exercise its rights and authority hereunder consistent with the terms and conditions of said Permit, as may be amended.

2. **BOAT AND OWNER IDENTIFICATION AND CONTACT INFORMATION.** The boat (hereinafter referred to as "Boat") to be berthed in the Slip is described as follows.

Name of Boat: No Name Primary Vessel		Make: Avon	Model: Center Console		
Year:	Registration/Documentation #: NC 8960DH		Length: 14'	Beam:	Draft: 18"
Owner's Address: 124 S. Market Street, PO Box 1865, Washington, NC			Social Security No.: N/A		
Work Phone: 252-402-7878	Home Phone: 252-945-4030	Emergency Phone: Anne Kumins David Norwood 252-833-4333 252-341-7836		Email: kevinclancey@gmail.com david@carolinawind.com	
Insurer: CHUBB Group Insurance Co.			Policy #: 3601-5619 EUC		Insurer's Phone: 401-336-2180

Contemporaneously with the execution hereof, School shall provide Waterfront Docks with the above information concerning any and all dinghies, vessels, boats, etc. that School will utilize in its program and/or locate or berth at the Fixed Dock or Floating Dock. The information provided above is true and accurate. School agrees that, if any of the above information subsequently changes, School will provide updated information to Waterfront Docks within fourteen (14) days of such change.

3. **USE OF DOCK.** Notwithstanding anything herein or anything contained in the Rules to the contrary, Waterfront Docks authorizes School to utilize Fixed Dock in conjunction with its sailing instruction program (herein referred to as "Program"). School will attach **a two (2)** 20 foot by 40 foot Floating Dock(s) (herein referred to as "Floating Dock(s) ") to **one-half all** of Fixed Dock using mooring lines & pilings. School will attach fixed fenders to the Fixed Dock pilings between said pilings and the Floating Dock(s) to prevent damage to said pilings and Fixed Dock from the Floating Dock(s). School will provide access from Fixed Dock to Floating Dock(s) by installing a ladder (boarding steps) to the Floating Dock that will lead to the Fixed Dock(s). School will utilize said Floating Dock(s) for stowage of and access to sailing dinghies (hereinafter referred to as "Vessels") utilized in the Program. Subject to advance permission from and any related requirements of Waterfront Docks, School may dock two chase boats at the Floating Dock(s) to be used solely in conjunction with said Program. Said chase boats shall be subject to the same relocation and removal terms and

July 25, 2016
49 of 93

conditions as are applicable to the Floating Dock(s) and Vessels. School shall not be entitled to berth any other boat at the Fixed Dock or Floating Dock(s) or attach other appurtenances to Fixed Dock, other than as identified above, without the express written consent of Waterfront Docks. School shall not use the Fixed Dock as rental property, a dwelling, or for any purpose other than the purposes stated herein without prior written consent of Waterfront Docks. School shall have no interest in the Fixed Dock other than the right to use said space in accordance with the terms and conditions of this Agreement and any rules and regulations as Waterfront Docks may make respecting the use thereof. School shall coordinate all activities with Waterfront Docks. School shall perform all activities associated with its Program in such a manner that such activities do not interfere with, hinder, or in any way impair the public's use of the waterfront docks or the use of slips by boat owners. School agrees to cooperate in all respects with all of the parties, including the public, who presently utilize or may in the future be utilizing the waterfront docks and agrees to coordinate its activities insofar as possible to achieve an orderly, safe, and harmonious joint usage thereof by all parties.

a. School shall require all students in its Program to execute and return a release and indemnification in a form satisfactory to Waterfront Docks prior to commencement of any activity related to the Program.

4. **TERM.** School may utilize Fixed Dock for a twelve (12) month period, beginning on the 8th 1st day of April January, 2016 and ending on the 7th 31st day of March December, 2016. Either party may terminate this Agreement, with or without cause, upon thirty (30) days notice. Upon expiration or termination of this Agreement, School shall remove said Floating Dock(s) and Vessels from Fixed Dock within ten (10) days. Should School fail to relocate Floating Dock(s) and Vessels within the time allowed, Waterfront Docks shall have the right to relocate the Floating Dock(s) and Vessels from the Fixed Dock, including but not limited to placing them at anchorage or storing them on land, and receive reimbursement and indemnification from School for such relocation as more specifically provided for in the attached Rules and Regulations for Washington Waterfront Docking (herein referred to as "Rules")_____

a. **EXTENSION.** Should LWSS desire to extend this Agreement beyond the initial one (1) year period; then, in that event, LWSS shall notify Waterfront Docks ninety (90) days prior to the end of the initial period. The parties hereby agree that, upon such notice, the parties will enter into good faith negotiations to extend this Agreement. However, Waterfront Docks is under no obligation whatsoever to extend this Agreement for an additional one (1) year period.

a. b. Waterfront Docks waives the two-day maximum stay for use of Dock J in the area known as the free docks by the School for its Program during the term of this Agreement.

5. **CONDITION OF FIXED DOCK.** School hereby accepts the condition of the Fixed Dock and common areas of Waterfront Docks "AS IS" and School acknowledges that Waterfront Docks makes no express or implied warranty as to the condition of the Fixed Dock, the water, the depth of the water, the common areas or any utilities, gangways, fences, doors, locks, or any other aspect of the waterfront docks. School covenants to satisfy itself that the Fixed Dock and berthing space are adequate for the safe berthing of its Floating Dock(s) and Vessels. School shall exercise due caution in occupation of the Fixed Dock, shall take good care of the Fixed Dock and, at the expiration or earlier termination of this Agreement, shall surrender and deliver the Fixed Dock to Washington Docks in as good condition as when received by School from Washington Docks, reasonable wear and tear excepted. Waterfront Docks may elect to retain or dispose of, in any manner, School's personal property that is not removed from the Fixed Dock or the waterfront docks by School at the expiration or earlier termination of this Agreement. School waives all claims against Waterfront Docks for any damage to School resulting from Waterfront Docks' removal of School's personal property at the expiration or earlier termination of this Agreement. School shall be liable to Waterfront Docks for Waterfront Docks' costs for storage, removal, or disposal of School's personal property at prevailing rates.

a. Waterfront Docks, in its discretion, may retain, or require School to remove, any alteration, addition, or improvement made by School to the Fixed Dock or to any common area pursuant to advance written approval of Waterfront Docks. Any such alteration, addition, or improvement retained by Waterfront Docks constitutes further consideration for this Agreement.

b. School shall keep the waterfront area around the Fixed Dock clean as well as litter free and in a presentable, acceptable and satisfactory condition to the City.

6. **BAILMENT.** It is understood and agreed that this Agreement does not constitute a bailment. Except as otherwise provided herein, School retains and has exclusive care, custody, control, and access to the Floating Dock(s), Vessels, chase boats and their respective contents at all times.

7. **GENERAL RESPONSIBILITIES AND OBLIGATIONS.** Waterfront Docks' employees, in their sole discretion, may make reasonable efforts to inform School of dangerous conditions requiring School's attention, but Waterfront Docks assumes no responsibility or liability for the same, including but not limited to tending mooring lines, moving the Floating

Dock(s) or Vessels, or moving boats from berths to which they are or were assigned. School further agrees to provide Waterfront Docks a key or combination to locks securing the Vessels, if any. It is expressly agreed that Waterfront Docks shall not be liable to School if for any reason Waterfront Docks fails to move the Floating Dock(s) or Vessels at any time for any reason.

8. **RATIFICATION OF ACTIONS.** Notwithstanding anything herein to the contrary and although Waterfront Docks has absolutely no obligation to do so, should Waterfront Docks enter upon the Floating Dock(s) or Vessels or take any action to protect the Floating Dock(s) or Vessels, which action is hereby approved and authorized by School, including but not limited to relocating the Floating Dock(s) or Vessels, installing mooring lines, or pumping the Vessels, or similar services, School agrees to reimburse and indemnify Waterfront Docks as more specifically provided for in the attached Rules and to hold Waterfront Docks, its representatives, agents, or contractors harmless for any loss or damage as the result of such action undertaken regardless of the action taken or circumstances giving rise to the action.

9. **HAZARDOUS MATERIALS.** School covenants and agrees to comply with all applicable environmental and all other federal, state and local governmental statutes, ordinances, rules and regulations relating to the presence of hazardous substances, hazardous wastes, pollutants or contaminants. School agrees and does hereby fully indemnify and shall hold Waterfront Docks absolutely harmless from any loss, damage, or expense, including reasonable attorney's fees and costs and expenses of any appeal, which Waterfront Docks may incur or suffer by reason of any claim or liability arising from School's noncompliance with applicable environmental laws and the terms of this paragraph. School specifically covenants and agrees that no hazardous substances, hazardous wastes or waste by-products, pollutants or contaminants, shall be dumped in any trash receptacle, or otherwise, in, On or about the Fixed Dock or Waterfront Docks' facilities, and that all such substances shall be stored or disposed of in specially marked containers/areas. These covenants and indemnities shall survive the expiration or termination of this Agreement.

10. **NO ASSIGNMENT OR SUBLICENSING.** This Agreement is not transferable or assignable and runs to School only. School may not assign this Agreement or sublicense the Fixed Dock. In the event School suspends its Program, Waterfront Docks shall have the right to cancel this Agreement.

11. **INSURANCE.** School shall, throughout the term of this Agreement and any renewal thereof, at its own expense, keep and maintain in full force and affect the following insurance coverages.

- a. Commercial General Liability Insurance, including general marine liability, products and completed operations liability; personal and advertising liability, and P&I liability coverage at a minimum of \$1,000,000.00 per occurrence and \$2,000,000.00 aggregate.

Each such policy shall list Waterfront Docks as additional insured and provide that it is not subject to cancelation or reduction in coverage except after thirty (30) days following notice to Waterfront Docks. School shall deliver to Waterfront Docks certificates of insurance for all insurance policies required hereunder. School shall, within a reasonable time prior to the expiration of any such policy, furnish Waterfront Docks with certificates of insurance evidencing renewal thereof. Waterfront Docks may, in its sole discretion, require School to expand the form and/or increase the amounts of all such insurance.

12. **WAIVER OF SUBROGATION.** School releases and relieves Waterfront Docks and waives School's entire rights of recovery against Waterfront Docks for loss or damage arising out of or incident to any of the perils insured against under this Agreement as well as any of the perils insured against by any fire and/or extended coverage endorsement insurance policy School might own, whether loss or damage is due to the negligence of Waterfront Docks or their agents, employees, and/or invitees. School shall give notice to its insurance carriers that this waiver of subrogation is contained in this Agreement and cause the carriers to accept this waiver of subrogation, to the extent permissible by applicable law.

13. **UTILITIES.** Water, sewer, and electric utilities are not available at Fixed Dock.

14. **CHANGES TO COMMON AREA/DOCK ASSIGNMENT.** Waterfront Docks reserves the right, without recourse to School, to relocate and/or change any access ways, parking and similar areas, as may be necessary in Waterfront Docks' sole discretion for the efficient operation of the waterfront docks or for any other purpose. Waterfront Docks may permanently reassign the School to another dock only upon written request to and written acceptance from School. In which case, said written request and acceptance shall serve as an amendment hereto, but only as to the dock to be licensed and shall not affect any other provision hereof unless such further revision is reduced to writing and signed by the parties hereto. Waterfront Docks reserves the right, without recourse to School, to temporarily relocate the School to another location on the waterfront, including another dock, in Waterfront Docks' sole discretion. School shall temporarily relocate their Floating Dock(s) and Vessels as and when directed by Waterfront Docks if practical and reasonable. If School's assistance in such temporary relocation is not practical and reasonable, Waterfront Docks is authorized to

perform such temporary relocation of the Floating Dock(s) and Vessels. The term "Fixed Dock" as used herein shall also apply to the location or dock to which the Floating Dock(s) and Vessels are permanently reassigned or temporarily relocated as provided for hereinabove.

15. **SECURING THE FLOATING DOCK(S), GANGWAY AND VESSELS.** The Floating Dock(s) and gangway shall be secured to the Fixed Dock in a manner acceptable to Waterfront Docks. School Vessels will be secured when stowed or docked. If Waterfront Docks secures the Floating Dock(s), gangway or Vessels, Waterfront Docks is entitled to reimbursement and indemnity as more specifically provided for in the attached Rules.

16. **COMMON AREAS.** This Agreement grants the Boat Owner only a license to use the Fixed Dock and non-exclusive access to piers, docks, sidewalks, parking lots and other nearby common areas that are reasonably necessary to use the Fixed Dock.

17. **RULES AND REGULATIONS.** School shall comply with all rules and regulations of Waterfront Docks, including but not limited to the Rules, as the same may be amended from time to time, during the existence of this Agreement. Any crew or guest of the School are the responsibility of the School and must comply with the Rules. The current version of said Rules is attached hereto as Exhibit "A" and is incorporated herein by reference. School acknowledges having received and read the Rules currently in effect. Waterfront Docks reserves the right to reasonably amend the Rules in its sole and absolute discretion from time to time, and School further agrees to comply with such amended Rules. Any amended Rules shall also automatically be incorporated herein. If School or those under the responsibility of School fail to comply with the Rules or otherwise cause disorder, depredations or indecorous conduct that might injure a person, cause damage to property, or harm Waterfront Docks' reputation, the same shall be cause for immediate removal of the Floating Dock and Vessels, without prejudicing Waterfront Docks' right to damages and any financial obligation of School to Waterfront Docks.

a. Notwithstanding anything herein or anything contained in the Rules to the contrary, Floating Dock(s), gangway and Vessels must be removed when the Pamlico area is placed under a NOAA weather warning in accordance with Rule 21 of the Rules.

b. Notwithstanding anything herein or anything contained in the Rules to the contrary, with the exception of School Vessels, there shall be no storage of any items of any kind upon the Fixed Dock or Floating Dock(s) without advance permission from Waterfront Docks.

18. **DEFAULT.** School shall be in default under this Agreement if any of the following occur.

a. School becomes insolvent, voluntarily or involuntarily bankrupt, or if a receiver, assignee, or other liquidating officer is appointed for School or the business of School. In no event shall this Agreement or any rights or privileges hereunder be an asset of School under any bankruptcy, insolvency, or reorganization proceedings.

b. School violates any rule or regulation of Waterfront Docks.

c. School violates, breaches, or fails to keep or perform any covenant, term or condition of this Agreement.

19. **NO WAIVER.** Waterfront Docks shall not be deemed to have waived any right, power, privilege or remedy unless such waiver is in writing and duly executed by Waterfront Docks. No failure or delay in the exercise of any right or remedy shall be construed as a waiver of such right or remedy, and no partial exercise of any right or remedy shall preclude the further exercise of such right or remedy.

20. **REMEDIES.** SHOULD SCHOOL FAIL TO COMPLY WITH ANY OF THE PROVISIONS OF THIS AGREEMENT, WATERFRONT DOCKS MAY INSTITUTE ANY ACTION, SUIT OR PROCEEDING TO ENFORCE THE TERMS OF THIS AGREEMENT OR TO COLLECT ANY AMOUNTS DUE HEREUNDER, AND WATERFRONT DOCKS SHALL BE ENTITLED TO REIMBURSEMENT FROM SCHOOL FOR ALL COSTS AND EXPENSES REASONABLY INCURRED IN ENFORCING ITS RIGHTS HEREUNDER, INCLUDING BUT NOT LIMITED TO, COLLECTION OF ALL COURT COSTS AND REASONABLE ATTORNEYS' FEES.

21. **INDEMNIFICATION.** School does for itself, its agents, successors, assigns, customers, guests and invitees, hereby unconditionally release, hold harmless, and will indemnify, defend, acquit, and forever discharge the City of Washington, its respective present and former employees and elected official s, in both their individual and official capacities, agents, representatives, contractors, attorneys, insureds, successors, and assigns, and each of them, respectively. of and from a1l and any manner of action or actions, cause and causes of actions, claims, demands, costs, expenses, attorneys' fees, and consequential, general, special, and punitive damages or liabilities, known or unknown, on

account of, or in any way related to or growing out of this Agreement, including but not limited to School's operation of the Program, School's sailing instruction operation and/or School's use of the Fixed Dock and waterfront docks. It is the intent and understanding of the parties that this indemnification shall include but not be limited to:

1) any injury, including death, to any person, 2) any claim arising from any accident, fire, or casualty from any cause whatsoever, including negligence, and 3) any claim of School's participants, customers, invitees, guests, and/or boarders of the Vessels caused by, related to, or arising from School's use of the Fixed Dock, School's Program or the contemplated sailing instruction operations or this Agreement.

22. **ADHERENCE TO REGULATIONS.** School agrees to comply with all applicable laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of and agreements with all governments, departments, commissions, boards, courts, authorities, agencies, officials, officers and other parties, foreseen or unforeseen, ordinary or extraordinary, which now or anytime hereafter may be applicable to the Fixed Dock, the waterfront docks, public waters, the School, any improvements made by School pursuant to advance written consent of Waterfront Docks, and School's operation of the Program, including but not limited to the sailing instruction operations contemplated hereby and the related enterprise. School shall indemnify and hold Waterfront Docks harmless for any and all damage of any kind arising from School's failure to comply with the aforementioned rules and regulations, including attorney's fees.

23. **REPORTING REQUIREMENTS.** School shall keep or cause to be kept complete records of the business it conducts or transacts arising from this Agreement as well as any additional records reasonably requested and, upon request, provide any such records or reports that may be required by the City Council or City Manager.

24. **RELATIONSHIP OF PARTIES.** In carrying out the terms and conditions of this Agreement, School is an independent contractor and is not an agent or employee of Waterfront Docks. Nothing contained in this Agreement shall create or be construed as creating a partnership, joint venture, or employee relationship between Waterfront Docks and School.

25. **ILLEGAL PROVISIONS, GOVERNING LAW.** If any provision of this Agreement shall be declared illegal, void, or unenforceable, the other provisions shall not be affected, but shall remain in full force and effect. This Agreement shall be governed by and construed in accordance with the laws of North Carolina.

IN WITNESS WHEREOF, the parties have executed this Agreement this the day and year first above written.

LITTLE WASHINGTON SAILING SCHOOL, INC.

CITY OF WASHINGTON

By: _____ (SEAL)

By _____ (SEAL)

Name: _____

Name: _____

Title: _____

Title: _____

**NORTH CAROLINA
BEAUFORT COUNTY**

WATERFRONT DOCKING AGREEMENT

THIS AGREEMENT, is made and entered into as of the ~~20th day of December, 2013~~ 1st day of January, 2016 by and between the City of Washington, North Carolina (hereinafter may be referred to as "Waterfront Docks") and the Partnership for the Sounds, Inc. d/b/a the North Carolina Estuarium (hereinafter may be referred to as "Boat Owner"). For and in consideration of \$1.00, the mutual covenants contained herein as well as valuable consideration paid and to be paid, and other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, Waterfront Docks and Boat Owner agree as follows.

1. **GRANT OF LICENSE.** Waterfront Docks hereby grants to Boat Owner and Boat Owner hereby accepts from Waterfront Docks a license to use a certain portion of Waterfront Docks' piers known to Waterfront Docks as West Estuarium Dock (hereinafter referred to as "Slip") subject to the terms and conditions set forth herein. It is agreed between the parties that this license is personal to Boat Owner and shall not inure to the successors or assigns of Boat Owner. Boat Owner agrees that it does not possess and shall not claim at any time an interest or estate of any kind or extent whatsoever by virtue of this license or Boat Owner's exercise or use hereunder of the same and Waterfront Docks conveys no interest in property, including but not limited to Slip, dock, or pier, to Boat Owner by this Agreement.
2. **BOAT AND OWNER IDENTIFICATION.** The boat (hereinafter referred to as "River Rover or Boat") to be berthed in the Slip is described as follows.

Name of Boat: River Rover		Make: Godfrey		Model: 2586RE SW		
Year: 2006	Registration/Documentation #: NC-7322 DD Hull ID – GDY5177WD606			Length: 25'	Beam: 8'	Draft: 1'
Owner's Address: 223 E. Water Street, Washington, NC				Social Security No.: N/A		
Work Phone: 252-948- 0000	Home Phone: 252-947- 2526	Emergency Phone: 252-946- 8610		Email: tmstroud@embarqmail.com		
Insurer: NC Association of County Commissions Liability and Property Pool			Policy #: LP-PA-467-10		Insurer's Phone: 919-719- 1170	

The information provided above is true and accurate. Boat Owner agrees that, if any of the above information subsequently changes, Boat Owner will provide updated information to Waterfront Docks within fourteen (14) days of such change.

3. **RENTAL/TERMINATION/LATE CHARGES.** In recognition of the obvious and immeasurable benefits to the City of Washington, its citizens, and the public at large that will result from the location and operation of the River Rover on the City of Washington waterfront, including but not limited to the opportunity to give tours of the Pamlico and Tar Rivers to patrons of the North Carolina Estuarium, rental in the amount of ~~\$260.00~~ \$182.00 per month shall be waived and Boat Owner shall be entitled to utilize the license granted ~~herein beginning the 20th day of December, 2013 and ending on the 19th day of December, 2014~~ for a one (1) year term, beginning on the 1st day of January, 2016 and ending on the 31st day of December, 2016. This Agreement may be terminated by either party, with or without cause, upon thirty (30) days notice to the other party. Upon expiration or earlier termination of this Agreement, Boat Owner shall remove the Boat from the Slip within ten (10) days. Should Boat Owner fail to remove the Boat within the time allowed, Waterfront Docks shall have the right to relocate the Boat from the Slip, including but not limited to placing it at anchorage or storing it on land, and receive reimbursement and indemnification from Boat Owner for such relocation as more specifically provided for in the attached Rules and Regulations for Washington Waterfront Docking (herein referred to as "Rules") _____.
- a. **EXTENSION.** Should Boat Owner desire to extend this Agreement beyond the initial one (1) year period; then, in that event, Boat Owner shall notify Waterfront Docks ninety (90) days prior to the end of the initial period. The parties hereby agree that, upon such notice, the parties will enter into good faith negotiations to extend this Agreement. However, Waterfront Docks is under no obligation whatsoever to extend this Agreement beyond the initial one (1) year for an additional one (1) year period.
4. **CONDITION OF SLIP.** Boat Owner hereby accepts the condition of the Slip and common areas of Waterfront

Docks "AS IS" and Boat Owner acknowledges that Waterfront Docks makes no express or implied warranty as to the condition of the Slip, the water, the depth of the water, the common areas or any utilities, gangways, fences, doors, locks, or any other aspect of the waterfront docks. Boat Owner covenants to satisfy himself that the Slip and berthing space are adequate for the safe berthing of his Boat. Boat Owner shall exercise due caution in occupation of the Slip, shall take good care of the Slip and, at the expiration or earlier termination of this Agreement, shall surrender and deliver the Slip to Washington Docks in as good condition as when received by Boat Owner from Washington Docks, reasonable wear and tear excepted. Waterfront Docks may elect to retain or dispose of, in any manner, Boat Owner's personal property that is not removed from the Slip or waterfront docks by Boat Owner at the expiration or earlier termination of this Agreement. Boat Owner waives all claims against Waterfront Docks for any damage to Boat Owner resulting from Waterfront Docks' removal of Boat Owner's personal property at the expiration or earlier termination of this Agreement. Boat Owner shall be liable to Waterfront Docks for Waterfront Docks' costs for storage, removal, or disposal of Boat Owner's personal property at prevailing rates.

a. Waterfront Docks, in its discretion, may retain, or require Boat Owner to remove, any alteration, addition, or improvement made by Boat Owner to the Slip or to any common area pursuant to advance written approval of Waterfront Docks. Any such alteration, addition, or improvement retained by Waterfront Docks constitutes further consideration for this Agreement.

b. Boat Owner shall keep the waterfront area around the Slip clean as well as litter free and in a presentable, acceptable and satisfactory condition to the City.

5. **BAILMENT**. It is understood and agreed that this Agreement does not constitute a bailment. Except as otherwise provided herein, Boat Owner retains and has exclusive care, custody, control, and access to the Boat and its contents at all times.

6. **GENERAL RESPONSIBILITIES AND OBLIGATIONS**. Waterfront Docks' employees, in their sole discretion, may make reasonable efforts to contact Boat Owner and notify Boat Owner of dangerous conditions requiring Boat Owner's attention, but Waterfront Docks assumes no responsibility or liability for the same, including but not limited to tending mooring lines or moving boats from berths to which they are or were assigned. Boat Owner further agrees to provide Waterfront Docks a key or combination to his Boat lock, location of motor key and written starting instructions. It is expressly agreed that Waterfront Docks shall not be liable to Boat Owner if for any reason Waterfront Docks fails to move the Boat at any time for any reason.

7. **RATIFICATION OF ACTIONS**. Notwithstanding anything herein to the contrary and although Waterfront Docks has absolutely no obligation to do so, should Waterfront Docks enter upon the Boat or take any action to protect the Boat, which action is hereby approved and authorized by Boat Owner, including but not limited to relocating the Boat, installing mooring lines, or pumping the Boat, or similar services, Boat Owner agrees to reimburse and indemnify Waterfront Docks as more specifically provided for in the Rules and to hold Waterfront Docks, its representatives, agents, or contractors harmless for any loss or damage to the Boat as the result of such action undertaken regardless of the action taken or circumstances giving rise to the action.

8. **USE OF SLIP**. Boat Owner shall not be entitled to berth any other boat at the Slip other than as identified above without the express written consent of Waterfront Docks. Boat Owner shall not use the Slip as rental property, a dwelling, or for any purpose other than the purposes stated herein without prior written consent of Waterfront Docks. Boat Owner shall have no interest in the Slip other than the right to use said space in accordance with the terms and conditions of this Agreement and any rules and regulations as Waterfront Docks may make respecting the use thereof.

a. Notwithstanding anything contained herein or in the attached Rules to the contrary, Waterfront Docks hereby authorizes Boat Owner to utilize said Slip to berth and operate the River Rover on the City of Washington waterfront to give tours of the Pamlico and Tar Rivers to patrons of the North Carolina Estuarium. Boat Owner shall perform all such operations and activities associated with its River Rover operations in such a manner that such operations and activities do not interfere with, hinder, or in any way impair the public's use of the waterfront docks or the use of other slips by other boat owners. Boat Owner agrees to cooperate in all respects with all of the parties, including the public, who presently utilize or may in the future be utilizing the waterfront docks and agrees to coordinate its activities insofar as possible to achieve an orderly, safe, and harmonious joint usage thereof by all parties.

9. **HAZARDOUS MATERIALS.** Boat Owner covenants and agrees to comply with all applicable environmental and all other federal, state and local governmental statutes, ordinances, rules and regulations relating to the presence of hazardous substances, hazardous wastes, pollutants or contaminants. Boat Owner agrees and does hereby fully indemnify and shall hold Waterfront Docks absolutely harmless from any loss, damage, or expense, including reasonable attorney's fees and costs and expenses of any appeal, which Waterfront Docks may incur or suffer by reason of any claim or liability arising from Boat Owner's noncompliance with applicable environmental laws and the terms of this paragraph. Boat Owner specifically covenants and agrees that no hazardous substances, hazardous wastes or waste by-products, pollutants or contaminants, shall be dumped in any trash receptacle, or otherwise, in, on or about the Slip or Waterfront Docks' facilities, and that all such substances shall be stored or disposed of in specially marked containers/areas. These covenants and indemnities shall survive the expiration or termination of this Agreement.

a. **REFUELING.** The Boat may not be refueled and Boat Owner may not refuel any other boat at the waterfront docks without prior consent of Waterfront Docks and approval of the Fire Marshal. Prior to any such refueling, Boat Owner must submit to and receive approval from the City of Washington of a Spill Prevention and Containment Plan.

10. **NO ASSIGNMENT OR SUBLICENSING.** This Agreement is not transferable or assignable and runs to Boat Owner only. Boat Owner may not assign this Agreement or sublicense the Slip. In the event Boat Owner sells or transfers his Boat, Waterfront Docks shall have the right to cancel this Agreement or may transfer the Slip to the new owner, at Waterfront Docks' sole election and discretion. In the event Waterfront Docks chooses to transfer the Slip, the new owner shall be required to execute a new Waterfront Docking Agreement with Waterfront Docks as a prerequisite to such transfer.

11. **INSURANCE.** Boat Owner shall, throughout the term of this Agreement and any renewal thereof, at its own expense, keep and maintain in full force and effect the following insurance coverages.

- a. Statutory workers' compensation insurance or the maritime equivalent in amounts required by law and, unless exempted by applicable law, employer's liability insurance at a minimum of \$500,000.00 for bodily injury by accident each employee and \$500,000.00 for bodily injury by disease each employee, with a policy limit of \$500,000.00 by disease.
- b. Commercial general liability insurance, including contractual liability, personal and bodily injury, property damage, advertising injury, premises, and operations coverage at a minimum of \$1 million per occurrence and \$1 million aggregate.
- c. Protection and indemnity insurance insuring against claims of bodily injury, death, property damage, or other loss, in a coverage amount of not less than \$1 million.
- d. At the option of Boat Owner, the above limits may be less than stipulated herein so long as Boat Owner obtains and maintains an excess policy providing the additional limits needed. This form of coverage must be approved by Waterfront Docks and will only be acceptable when both the primary and excess policies include the coverage and endorsements required herein.

Each such policy shall list Waterfront Docks as additional insured and provide that it is not subject to cancellation or reduction in coverage except after thirty (30) days following notice to Waterfront Docks. Boat Owner shall deliver to Waterfront Docks certificates of insurance for all insurance policies required hereunder. Boat Owner shall, within a reasonable time prior to the expiration of any such policy, furnish Waterfront Docks with certificates of insurance evidencing renewal thereof. Waterfront Docks may, in its sole discretion, require Boat Owner to expand the form and/or increase the amounts of all such insurance.

12. **WAIVER OF SUBROGATION.** Boat Owner releases and relieves Waterfront Docks and waives Boat Owner's entire rights of recovery against Waterfront Docks for loss or damage arising out of or incident to any of the perils insured against under this Agreement as well as any of the perils insured against by any fire and/or extended coverage endorsement insurance policy Boat Owner might own, whether loss or damage is due to the negligence of Waterfront Docks or their agents, employees, and/or invitees. Boat Owner shall give notice to its insurance carriers that this waiver of subrogation is contained in this Agreement and cause the carriers to accept this waiver of subrogation, to the extent permissible by applicable law.

13. **UTILITIES.** The provision of utilities, including water, sewer, and electricity, and associated on-site services, shall be covered under Boat Owner's current arrangement with the City, as the same may be amended or revised by the City.
14. **CHANGES TO COMMON AREA/SLIP ASSIGNMENT.** Waterfront Docks reserves the right, without recourse to Boat Owner, to relocate and/or change any access ways, parking and similar areas, as may be necessary in Waterfront Docks' sole discretion for the efficient operation of the waterfront docks or for any other purpose. Waterfront Docks may permanently reassign the Boat to another slip or location only upon thirty (30) days written notice. In which case, said written notice shall serve as an amendment hereto, but only as to the slip or location to be licensed and shall not affect any other provision hereof unless such further revision is reduced to writing and signed by the parties hereto. Waterfront Docks reserves the right, without recourse to Boat Owner, to temporarily relocate the Boat to another location on the waterfront, including another slip, in Waterfront Docks' sole discretion. Boat Owner shall relocate the Boat as and when directed by Waterfront Docks if practical and reasonable. If Boat Owner's assistance in such temporary relocation is not practical and reasonable, Waterfront Docks is authorized to perform such temporary relocation of the Boat. The term "Slip" as used herein shall also apply to the slip or location to which the Boat is permanently reassigned or temporarily relocated as provided for hereinabove.
15. **SECURING THE BOAT.** The Boat shall be secured in its Slip in a manner acceptable to Waterfront Docks. If Waterfront Docks secures the Boat, Waterfront Docks is entitled to reimbursement and indemnity as more specifically provided for in the attached Rules.
16. **COMMON AREAS.** This Agreement grants the Boat Owner only a license to use the Slip and non-exclusive access to piers, docks, sidewalks, parking lots and other nearby common areas that are reasonably necessary to use the Slip.
17. **RULES AND REGULATIONS.** Boat Owner shall comply with all rules and regulations of Waterfront Docks, including but not limited to the Rules, as the same may be amended from time to time, during the existence of this Agreement. Any crew or guest of the Boat Owner are the responsibility of the Boat Owner and must comply with the Rules. The current version of said Rules is attached hereto as Exhibit "A" and is incorporated herein by reference. Boat Owner acknowledges having received and read the Rules currently in effect. Waterfront Docks reserves the right to reasonably amend the Rules in its sole and absolute discretion from time to time, and Boat Owner further agrees to comply with such amended Rules. Any amended Rules shall also automatically be incorporated herein. If the Boat Owner or those under the responsibility of Boat Owner fail to comply with the Rules or otherwise cause disorder, depredations or indecorous conduct that might injure a person, cause damage to property, or harm Waterfront Docks' reputation, the same shall be cause for immediate removal of the Boat, without prejudicing Waterfront Docks' right to damages and any financial obligation of Boat Owner to Waterfront Docks.
18. **DEFAULT.** Boat Owner shall be in default under this Agreement if any of the following occur.
- a. Boat Owner becomes insolvent, voluntarily or involuntarily bankrupt, or if a receiver, assignee, or other liquidating officer is appointed for Boat Owner or the business of Boat Owner. In no event shall this Agreement or any rights or privileges hereunder be an asset of Boat Owner under any bankruptcy, insolvency, or reorganization proceedings.
 - b. Boat Owner violates any rule or regulation of Waterfront Docks.
 - c. Boat Owner violates, breaches, or fails to keep or perform any covenant, term or condition of this Agreement.
19. **NO WAIVER.** Waterfront Docks shall not be deemed to have waived any right, power, privilege or remedy unless such waiver is in writing and duly executed by Waterfront Docks. No failure or delay in the exercise of any right or remedy shall be construed as a waiver of such right or remedy, and no partial exercise of any right or remedy shall preclude the further exercise of such right or remedy.
20. **REMEDIES.** SHOULD BOAT OWNER FAIL TO COMPLY WITH ANY OF THE PROVISIONS OF THIS AGREEMENT, WATERFRONT DOCKS MAY INSTITUTE ANY ACTION, SUIT OR PROCEEDING TO ENFORCE THE TERMS OF THIS AGREEMENT OR TO COLLECT ANY AMOUNTS DUE HEREUNDER, AND WATERFRONT DOCKS SHALL BE ENTITLED TO REIMBURSEMENT FROM BOAT OWNER FOR ALL COSTS AND EXPENSES REASONABLY INCURRED IN ENFORCING ITS RIGHTS HEREUNDER, INCLUDING BUT NOT LIMITED TO, COLLECTION OF ALL COURT COSTS AND REASONABLE ATTORNEYS' FEES.

21. **INDEMNIFICATION.** Boat Owner does for itself, its officials, agents, successors, representatives, assigns, customers, students, clients, guests and invitees, hereby unconditionally release, hold harmless, and will indemnify, defend, acquit, and forever discharge the City of Washington, its respective present and former employees and elected officials, in both their individual and official capacities, agents, representatives, contractors, attorneys, insureds, successors, and assigns, and each of them, respectively, of and from all and any manner of action or actions, cause and causes of actions, claims, demands, costs, expenses, attorneys' fees, and consequential, general, special, and punitive damages or liabilities, known or unknown, on account of, or in any way related to or growing out of this Agreement, including but not limited to Boat Owner's operation of the Boat, Boat Owner's operations as well as activities and/or Boat Owner's use of the Slip and waterfront docks. It is the intent and understanding of the parties that this indemnification shall include but not be limited to 1) any injury, including death, to any person; 2) any claim arising from any accident, fire, or casualty from any cause whatsoever, including negligence; and 3) any claim of Boat Owner's customers, students, clients, invitees, guests, and/or boarders of the Boat caused by, related to, or arising from Boat Owner's use of the Slip, Boat Owner's contemplated operations as well as activities or this Agreement.

22. **ADHERENCE TO REGULATIONS.** Boat Owner agrees to comply with all applicable laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of and agreements with all governments, departments, commissions, boards, courts, authorities, agencies, officials, officers and other parties, foreseen or unforeseen, ordinary or extraordinary, which now or anytime hereafter may be applicable to the Slip, the waterfront docks, public waters, the Boat, any improvements made by Boat Owner pursuant to advance written consent of Waterfront Docks, and Boat Owner's operation of the Boat, including but not limited to the operations as well as activities contemplated hereby. Boat Owner shall indemnify and hold Waterfront Docks harmless for any and all damage of any kind arising from Boat Owner's failure to comply with the aforementioned rules and regulations, including attorney's fees.

23. **PERSONAL PROPERTY TAXES.** Boat Owner shall pay or discharge prior to delinquency all taxes and other charges assessed against or levied upon its Boat, trade fixtures, equipment, furnishings, and its other personal property located at the Slip.

24. **REPORTING REQUIREMENTS.** Boat Owner shall keep or cause to be kept complete records of its operations and activities that arise from this Agreement as well as any additional records reasonably requested and, upon request, provide any such records or reports that may be required by the City Council or City Manager.

25. **RELATIONSHIP OF PARTIES.** In carrying out the terms and conditions of this Agreement, Boat Owner is an independent contractor and is not an agent or employee of Waterfront Docks. Nothing contained in this Agreement shall create or be construed as creating a partnership, joint venture, or employee relationship between Waterfront Docks and Boat Owner.

26. **ILLEGAL PROVISIONS, GOVERNING LAW.** If any provision of this Agreement shall be declared illegal, void, or unenforceable, the other provisions shall not be affected, but shall remain in full force and effect. This Agreement shall be governed by and construed in accordance with the laws of North Carolina.

IN WITNESS WHEREOF, the parties have duly executed this Agreement this the day and year first above written.

BOAT OWNER

CITY OF WASHINGTON

By: _____ (SEAL)

By: _____ (SEAL)

Thomas M. Stroud, III, Deputy Director
Partnership for the Sounds, Inc.

Name: _____

Title: _____

**NORTH CAROLINA
BEAUFORT COUNTY**

WATERFRONT DOCKING AGREEMENT

THIS AGREEMENT, is made and entered as of the 1st day of January, 2016, by and between the City of Washington, North Carolina (hereinafter referred to as "Waterfront Docks") and Inland Enterprises LLC DBA Seatow IBX (hereinafter referred to as "Boat Owner"). For and in consideration of \$1.00 and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, and in consideration of the mutual covenants contained herein as well as valuable consideration paid and to be paid, Waterfront Docks and School agree as follows.

1. **GRANT OF LICENSE.** Waterfront Docks hereby grants to Boat Owner and Boat Owner hereby accepts from Waterfront Docks a license to use a certain portion of Waterfront Docks' piers known to Waterfront Docks as Dock B and Slip No. 2 Dock F, Slip No. 1 (hereinafter referred to as "Slip") subject to the terms and conditions set forth herein. It is agreed between the parties that this license is personal to Boat Owner and shall not inure to the successors or assigns of Boat Owner. Boat Owner agrees that it does not possess and shall not claim at any time an interest or estate of any kind or extent whatsoever by virtue of this license or Boat Owner's exercise or use hereunder of the same and Waterfront Docks conveys no interest in property, including but not limited to Slip, dock, or pier, to Boat Owner by this Agreement.

2. **BOAT AND OWNER IDENTIFICATION AND CONTACT INFORMATION.** The boat (hereinafter referred to as "Boat") to be berthed in the Slip is described as follows.

Name of Boat: <u>Seatow Pamlico IBX</u>		Make: Triumph		Model: Chaos	
Year: 2006	Registration/Documentation #: # NC 6084DF			Length: 21'5"	Beam: 8'
Owner's Address: 1056 Hubs Rec Rd. Belhaven, NC 27810 <u>3383 Possum Hill Road, Bath, NC 27808</u>				Social Security No.: xxx-xx-2783	
Work Phone: 252-964-3171	Home Phone: 252-940-9965	Emergency Phone: 252-940-9965		Email: <u>lwilliams@seatow.com</u>	
Insurer: Copper Insurance Co.			Policy #: HGL 00164201	Insurer's Phone: 252-794-4036	

The information provided above is true and accurate. Boat Owner agrees that, if any of the above information subsequently changes, Boat Owner will provide updated information to Waterfront Docks within fourteen (14) days of such change.

3. **RENTAL/TERMINATION/LATE CHARGES.** *The term of this Agreement shall be for one (1) year, beginning on the 1st day of January, 2016, and ending on the 31st day of December, 2016.* Boat Owner shall provide Waterfront Docks the services listed in paragraph 3b hereof in lieu of paying Waterfront Docks for the use of the Slip, as provided herein, ~~\$275 \$182~~ per month, payable in advance, beginning the 1st day of ~~April, 2014, January, 2016~~ and ending on the 31st day of ~~March, 2015 December, 2016~~. This Agreement may be terminated by Waterfront Docks, with or without cause, upon thirty (30) days notice to Boat Owner. This Agreement may be terminated by Boat Owner, with or without cause, as long as: a) Boat Owner has complied with and is current on all obligations required of Boat Owner in this Agreement and b) Boat Owner provides thirty (30) days written notice to Waterfront Docks. ~~Payments made by Boat Owner must be received by Waterfront Docks as stated herein at the following address: P.O. Box 1988, Washington, N.C. 27889 or such other place as Waterfront Docks may designate. Should Boat Owner leave or abandon the Slip during the term of this Agreement, Boat Owner shall forfeit any monies paid and not be entitled to any refund from Waterfront Docks. If any rent is not paid within fifteen (15) days of when due, Waterfront Docks shall a) be entitled to assess a late fee of 4.5% of the amount then due and, in addition to the late fee, the amount then due shall bear interest at the rate of 18% per annum or the maximum legal rate, whichever is less, from the date due until the same shall be paid and/or b).~~ *Should Seatow IBX fail to provide the services listed in 3b within the time allowed, Waterfront Docks shall have the right to relocate the Boat from the Slip, including but not limited to placing it at anchorage, and receive reimbursement and indemnification from Boat Owner for such relocation as more specifically provided for in the attached Rules and Regulations for Washington Waterfront Docking (hereinafter referred to as "Rules").*

a. **EXTENSION.** Should Boat Owner desire to extend this Agreement beyond the initial one (1) period; then, in that event, Boat Owner shall notify Waterfront Docks ninety (90) days prior to the end of the initial term. The parties hereby agree that, upon such notice, the parties will enter into good faith negotiations to extend this Agreement. However, Waterfront Docks is under no obligation whatsoever to extend this Agreement beyond the initial one (1) period.

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b. Boat Owner shall properly remove debris from the waterfront docks area within a reasonable period of time after receiving such a request from Waterfront Docks or after Boat Owner becomes aware of the necessity for such removal. Upon request of Waterfront Docks, Boat Owner may, in Boat Owner's discretion, provide reasonable assistance to Waterfront Docks concerning boats with which Waterfront Docks has an existing Waterfront Docking Agreement.

4. **CONDITION OF SLIP.** Boat Owner hereby accepts the condition of the Slip and common areas of Waterfront Docks "AS IS" and Boat Owner acknowledges that Waterfront Docks makes no express or implied warranty as to the condition of the Slip, the water, the depth of the water, the common areas or any utilities, gangways, fences, doors, locks, or any other aspect of the waterfront docks. Boat Owner covenants to satisfy himself that the Slip and berthing space are adequate for the safe berthing of his Boat. Boat Owner shall exercise due caution in occupation of the Slip, shall take good care of the Slip and, at the expiration or earlier termination of this Agreement, shall surrender and deliver the Slip to Waterfront Docks in as good condition as when received by Boat Owner from Waterfront Docks, reasonable wear and tear excepted. Waterfront Docks may elect to retain or dispose of, in any manner, Boat Owner's personal property that is not removed from the Slip or waterfront docks by Boat Owner at the expiration or earlier termination of this Agreement. Boat Owner waives all claims against Waterfront Docks for any damage to Boat Owner resulting from Waterfront Docks' removal of Boat Owner's personal property at the expiration or earlier termination of this Agreement. Boat Owner shall be liable to Waterfront Docks for Waterfront Docks' costs for storage, removal, or disposal of Boat Owner's personal property at prevailing rates.

a. Waterfront Docks, in its discretion, may retain, or require Boat Owner to remove, any alteration, addition, or improvement made by Boat Owner to the Slip or to any common area pursuant to advance written approval of Waterfront Docks. Any such alteration, addition, or improvement retained by Waterfront Docks constitutes further consideration for this Agreement.

b. Boat Owner shall keep the waterfront area around the Slip clean as well as litter free and in a presentable, acceptable and satisfactory condition to the City.

5. **BAILMENT.** It is understood and agreed that this Agreement does not constitute a bailment. Except as otherwise provided herein, Boat Owner retains and has exclusive care, custody, control, and access to the Boat and its contents at all times.

6. **GENERAL RESPONSIBILITIES AND OBLIGATIONS.** Waterfront Docks' employees, in their sole discretion, may make reasonable efforts to contact Boat Owner and notify Boat Owner of dangerous conditions requiring Boat Owner's attention, but Waterfront Docks assumes no responsibility or liability for the same, including but not limited to tending mooring lines or moving boats from berths to which they are or were assigned. Boat Owner further agrees to provide Waterfront Docks a key or combination to his Boat lock, location of motor key and written starting instructions. It is expressly agreed that Waterfront Docks shall not be liable to Boat Owner if for any reason Waterfront Docks fails to move the Boat at any time for any reason.

a. Notwithstanding any provision in the Rules to the contrary, Boat Owner shall not be required to move his Boat after the Pamlico Sound area is given a NOAA Weather Warning Condition.

7. **RATIFICATION OF ACTIONS.** Notwithstanding anything herein to the contrary and although Waterfront Docks has absolutely no obligation to do so, should Waterfront Docks enter upon the Boat or take any action to protect the Boat, which action is hereby approved and authorized by Boat Owner, including but not limited to relocating the Boat, installing mooring lines, or pumping the Boat, or similar services, Boat Owner agrees to reimburse and indemnify Waterfront Docks as more specifically provided for in the attached Rules and to hold Waterfront Docks, its representatives, agents, or contractors harmless for any loss or damage to the Boat as the result of such action undertaken regardless of the action taken or circumstances giving rise to the action.

8. **USE OF SLIP.** Boat Owner shall not be entitled to berth any other boat at the Slip other than as identified above without the express written consent of Waterfront Docks. Boat Owner shall not use the Slip as rental property, a dwelling, or for any purpose other than the sole purpose stated herein without prior written consent of Waterfront Docks. Boat Owner shall have no interest in the Slip other than the right to use said space in accordance with the terms and conditions of this Agreement and any rules and regulations as Waterfront Docks may make respecting the use thereof.

a. Notwithstanding the foregoing or anything contained in the attached Rules to the contrary, Waterfront Docks hereby authorizes Boat Owner to utilize said Slip to berth and operate one Seatow boat and provide Seatow's customary marine services to the public. Boat Owner shall perform all activities associated with its services in

such a manner that such activities do not interfere with, hinder, or in any way impair the public's use of the waterfront docks or the use of other slips by other boat owners. Boat Owner agrees to cooperate in all respects with all of the parties, including the public, who presently utilize or may in the future be utilizing the waterfront docks and agrees to coordinate its activities insofar as possible to achieve an orderly, safe, and harmonious joint usage thereof by all parties.

9. **HAZARDOUS MATERIALS.** Boat Owner covenants and agrees to comply with all applicable environmental and all other federal, state and local governmental statutes, ordinances, rules and regulations relating to the presence of hazardous substances, hazardous wastes, pollutants or contaminants. Boat Owner agrees and does hereby fully indemnify and shall hold Waterfront Docks absolutely harmless from any loss, damage, or expense, including reasonable attorney's fees and costs and expenses of any appeal, which Waterfront Docks may incur or suffer by reason of any claim or liability arising from Boat Owner's noncompliance with applicable environmental laws and the terms of this paragraph. Boat Owner specifically covenants and agrees that no hazardous substances, hazardous wastes or waste by-products, pollutants or contaminants, shall be dumped in any trash receptacle, or otherwise, in, on or about the Slip or Waterfront Docks' facilities, and that all such substances shall be stored or disposed of in specially marked containers/areas. These covenants and indemnities shall survive the expiration or termination of this Agreement.

a. **REFUELING.** The Boat may not be refueled at the waterfront docks without prior consent of Waterfront Docks and approval of the Fire Marshal. Prior to any such refueling, Boat Owner must submit to and receive approval from the City of Washington of a Spill Prevention and Containment Plan.

10. **NO ASSIGNMENT OR SUBLICENSING.** This Agreement is not transferable or assignable and runs to Boat Owner only. Boat Owner may not assign this Agreement or sublicense the Slip. In the event Boat Owner sells his Boat, Waterfront Docks shall have the right to cancel this Agreement or may transfer the Slip to the new owner, at Waterfront Docks' sole election and discretion. In the event Waterfront Docks chooses to transfer the Slip, the new owner shall be required to execute a new Waterfront Docking Agreement with Waterfront Docks as a prerequisite to such transfer.

11. **INSURANCE.** Boat Owner shall, throughout the term of this Agreement and any renewal thereof, at its own expense, keep and maintain in full force and effect the following insurance coverages.

a. Statutory workers' compensation insurance or the maritime equivalent in amounts required by law and, unless exempted by applicable law, employer's liability insurance at a minimum of \$500,000.00 for bodily injury by accident each employee and \$500,000.00 for bodily injury by disease each employee, with a policy limit of \$500,000.00 by disease.

b. Commercial general liability insurance, including contractual liability, personal and bodily injury, property damage, advertising injury, premises, and operations coverage at a minimum of \$1 million per occurrence and \$1 million aggregate.

c. Protection and indemnity insurance insuring against claims of bodily injury, death, property damage, or other loss, in a coverage amount of not less than \$1 million.

d. Collision and tower's liability insurance in a coverage amount of not less than \$1 million.

e. Pollution insurance in a coverage amount of not less than \$1 million.

f. At the option of Boat Owner, the above limits may be less than stipulated herein so long as Boat Owner obtains and maintains an excess policy providing the additional limits needed. This form of coverage must be approved by Waterfront Docks and will only be acceptable when both the primary and excess policies include the coverage and endorsements required herein.

12. **WAIVER OF SUBROGATION.** Boat Owner releases and relieves Waterfront Docks and waives Boat Owner's entire rights of recovery against Waterfront Docks for loss or damage arising out of or incident to any of the perils insured against under this Agreement as well as any of the perils insured against by any fire and/or extended coverage endorsement insurance policy Boat Owner might own, whether loss or damage is due to the negligence of Waterfront Docks or their agents, employees, and/or invitees. Boat Owner shall give notice to its insurance carriers that this waiver of subrogation is contained in this Agreement and cause the carriers to accept this waiver of subrogation, to the extent permissible by applicable law.

13. **UTILITIES.** Waterfront Docks shall furnish electric power and freshwater to certain piers but shall not be under

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any obligation to furnish the same to the Boat. Waterfront Docks reserves the right to individually meter electricity consumed by the Boat Owner and to charge Boat Owner for such metered electricity. All amounts due for electricity, whether metered or not, shall be deemed additional rent due under this agreement.

14. **CHANGES TO COMMON AREA/SLIP ASSIGNMENT.** Waterfront Docks reserves the right, without recourse to Boat Owner, to relocate and/or change any access ways, parking and similar areas, as may be necessary in Waterfront Docks' sole discretion for the efficient operation of the waterfront docks or for any other purpose. Waterfront Docks may permanently reassign the Boat to another slip or location only upon written request to and written acceptance from Boat Owner. In which case, said written request and acceptance shall serve as an amendment hereto, but only as to the slip to be licensed and shall not affect any other provision hereof unless such further revision is reduced to writing and signed by the parties hereto. Waterfront Docks reserves the right, without recourse to Boat Owner, to temporarily relocate the Boat to another location on the waterfront, including another slip, in Waterfront Docks' sole discretion. Boat Owner shall temporarily relocate their boat as and when directed by Waterfront Docks if practical and reasonable. If Boat Owner's assistance in such temporary relocation is not practical and reasonable, Waterfront Docks is authorized to perform such temporary relocation of the Boat. The term "Slip" as used herein shall also apply to the location or slip to which the Boat is permanently reassigned or temporarily relocated as provided for hereinabove.

15. **REFUSE.** Boat Owner shall be solely responsible for the proper and prompt disposal of any and all garbage or trash that may be produced by Boat, Boat Owner, and/or as a result of its utilization of the Slip as contemplated by paragraph number 8 hereof.

16. **SECURING THE BOAT.** The Boat shall be secured in its Slip in a manner acceptable to Waterfront Docks. If Waterfront Docks secures the Boat, Waterfront Docks is entitled to reimbursement and indemnity as more specifically provided for in the attached Rules.

17. **COMMON AREAS.** This Agreement grants the Boat Owner only a license to use the Slip and non-exclusive access to piers, docks, sidewalks, parking lots and other nearby common areas that are reasonably necessary to use the Slip.

18. **RULES AND REGULATIONS.** Boat Owner shall comply with all rules and regulations of Waterfront Docks, including but not limited to the Rules, as the same may be amended from time to time, during the existence of this Agreement. Any crew or guest of the Boat Owner are the responsibility of the Boat Owner and must comply with the Rules. The current version of said Rules is attached hereto as Exhibit "A" and is incorporated herein by reference. Boat Owner acknowledges having received and read the Rules currently in effect. Waterfront Docks reserves the right to reasonably amend the Rules in its sole and absolute discretion from time to time, and Boat Owner further agrees to comply with such amended Rules. Any amended Rules shall also automatically be incorporated herein. If the Boat Owner or those under the responsibility of Boat Owner fail to comply with the Rules or otherwise cause disorder, depredations or indecorous conduct that might injure a person, cause damage to property, or harm Waterfront Docks' reputation, the same shall be cause for immediate removal of the Boat, without prejudicing Waterfront Docks' right to damages and any financial obligation of Boat Owner to Waterfront Docks.

19. **DEFAULT.** Boat Owner shall be in default under this Agreement if any of the following occur.

- a. Boat Owner becomes insolvent, voluntarily or involuntarily bankrupt, or if a receiver, assignee, or other liquidating officer is appointed for Boat Owner or the business of Boat Owner. In no event shall this Agreement or any rights or privileges hereunder be an asset of Boat Owner under any bankruptcy, insolvency, or reorganization proceedings.
- b. Boat Owner violates any rule or regulation of Waterfront Docks.
- c. Boat Owner violates, breaches, or fails to keep or perform any covenant, term or condition of this Agreement.

20. **NO WAIVER.** Waterfront Docks shall not be deemed to have waived any right, power, privilege or remedy unless such waiver is in writing and duly executed by Waterfront Docks. No failure or delay in the exercise of any right or remedy shall be construed as a waiver of such right or remedy, and no partial exercise of any right or remedy shall preclude the further exercise of such right or remedy.

21. **REMEDIES.** SHOULD BOAT OWNER FAIL TO COMPLY WITH ANY OF THE PROVISIONS OF THIS AGREEMENT, WATERFRONT DOCKS MAY INSTITUTE ANY ACTION, SUIT OR PROCEEDING TO ENFORCE THE TERMS OF THIS AGREEMENT OR TO COLLECT ANY AMOUNTS DUE HEREUNDER, AND WATERFRONT DOCKS SHALL BE ENTITLED TO REIMBURSEMENT FROM BOAT OWNER FOR ALL COSTS AND EXPENSES

REASONABLY INCURRED IN ENFORCING ITS RIGHTS HEREUNDER, INCLUDING BUT NOT LIMITED TO, COLLECTION OF ALL COURT COSTS AND REASONABLE ATTORNEYS' FEES.

22. **INDEMNIFICATION.** Boat Owner does for itself, its agents, successors, assigns, customers, guests and invitees, hereby unconditionally release, hold harmless, and will indemnify, defend, acquit, and forever discharge the City of Washington, its respective present and former employees and elected officials, in both their individual and official capacities, agents, representatives, contractors, attorneys, insureds, successors, and assigns, and each of them, respectively, of and from all and any manner of action or actions, cause and causes of actions, claims, demands, costs, expenses, attorneys' fees, and consequential, general, special, and punitive damages or liabilities, known or unknown, on account of, or in any way related to or growing out of this Agreement, including but not limited to Boat Owner's operation of the Boat, Boat Owner's dinner cruise operation and/or Boat Owner's use of the Slip and waterfront docks. It is the intent and understanding of the parties that this indemnification shall include but not be limited to 1) any injury, including death, to any person, 2) any claim arising from any accident, fire, or casualty from any cause whatsoever, including negligence, and 3) any claim of Boat Owner's customers, invitees, guests, and/or boarders of the Boat caused by, related to, or arising from Boat Owner's use of the Slip, Boat Owner's contemplated dinner cruise operations or this Agreement.

23. **ADHERENCE TO REGULATIONS.** Boat Owner agrees to comply with all applicable laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of and agreements with all governments, departments, commissions, boards, courts, authorities, agencies, officials, officers and other parties, foreseen or unforeseen, ordinary or extraordinary, which now or anytime hereafter may be applicable to the Slip, the waterfront docks, public waters, the Boat, any improvements made by Boat Owner pursuant to advance written consent of Waterfront Docks, and Boat Owner's operation of the Boat, including but not limited to the dinner cruise operations contemplated hereby and the related enterprise and business. Boat Owner shall indemnify and hold Waterfront Docks harmless for any and all damage of any kind arising from Boat Owner's failure to comply with the aforementioned rules and regulations, including attorney's fees.

24. **PERSONAL PROPERTY TAXES.** Boat Owner shall pay or discharge prior to delinquency all taxes and other charges assessed against or levied upon its Boat, trade fixtures, equipment, furnishings, and its other personal property located at the Slip.

25. **REPORTING REQUIREMENTS.** Boat Owner shall keep or cause to be kept complete records of the business it conducts or transacts arising from this Agreement as well as any additional records reasonably requested and, upon request, provide any such records or reports that may be required by the City Council or City Manager.

26. **RELATIONSHIP OF PARTIES.** In carrying out the terms and conditions of this Agreement, Boat Owner is an independent contractor and is not an agent or employee of Waterfront Docks. Nothing contained in this Agreement shall create or be construed as creating a partnership, joint venture, or employee relationship between Waterfront Docks and Boat Owner.

27. **ILLEGAL PROVISIONS, GOVERNING LAW.** If any provision of this Agreement shall be declared illegal, void, or unenforceable, the other provisions shall not be affected, but shall remain in full force and effect. This Agreement shall be governed by and construed in accordance with the laws of North Carolina.

IN WITNESS WHEREOF, the parties have executed this Agreement this the day and year first above written.

BOAT OWNER

CITY OF WASHINGTON

By: _____ (SEAL)

By _____ (SEAL)

Larry Williams, Member/Manager
Inland Enterprises, LLC *DBA Seatow IBX*

Name: _____

Title: _____

**NORTH CAROLINA
BEAUFORT COUNTY**

WATERFRONT DOCKING AGREEMENT

THIS AGREEMENT, is made and entered into as of the ~~15th day of August, 2014,~~ **1st day of January, 2016,** by and between the City of Washington, North Carolina (hereinafter may be referred to as "Waterfront Docks") and East Carolina University (hereinafter may be referred to as "Boat Owner"). For and in consideration of \$1.00, the mutual covenants contained herein as well as valuable consideration paid and to be paid, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, Waterfront Docks and Boat Owner agree as follows.

1. **GRANT OF LICENSE.** Waterfront Docks hereby grants to Boat Owner and Boat Owner hereby accepts from Waterfront Docks a license to use a certain portion of Waterfront Docks' piers known to Waterfront Docks as East Estuarium Dock (hereinafter referred to as "Slip") subject to the terms and conditions set forth herein. It is agreed between the parties that this license is personal to Boat Owner and shall not inure to the successors or assigns of Boat Owner. Boat Owner agrees that it does not possess and shall not claim at any time an interest or estate of any kind or extent whatsoever by virtue of this license or Boat Owner's exercise or use hereunder of the same and Waterfront Docks conveys no interest in property, including but not limited to slip, dock, or pier, to Boat Owner by this Agreement.

2. **BOAT AND OWNER IDENTIFICATION.** The boat (hereinafter referred to as "Boat") to be berthed in the Slip is described as follows.

Name of Boat: R/V Stanley R. Riggs		Make: Munson	Model: Research Vessel		
Year: 2010	Registration/Documentation #: #1229695		Length: 34'10"	Beam: 13'	Draft: 3'
Owner's Address: East Carolina University, Diving and Water Safety, Building 43, Room 131, Greenville, NC 27858			Social Security No.: N/A		
Work Phone: 252-328-4041 Eric Diardrio, 252-531-2936		Emergency Phone: 252-916-9899, 916-5709, 916-5578, 328-6787 252-916-9340, 252-327-4439, 252-328-6787			
Insurer: State of North Carolina		Policy #: N/A – Self Insured		Email:	

The information provided above is true and accurate. Boat Owner agrees that, if any of the above information subsequently changes, Boat Owner will provide updated information to Waterfront Docks within fourteen (14) days of such change.

3. **RENTAL/TERMINATION/LATE CHARGES.** In recognition of the obvious and immeasurable benefits to the City of Washington, its citizens, and the public at large that will result from the location of a water-related research vessel on the City of Washington waterfront by an institution of higher learning, rental in the amount of ~~\$260.00~~ **\$238.00** per month shall be waived and East Carolina University shall be entitled to utilize the license granted ~~herein beginning the 15th day of August, 2014 and ending on the 14th day of August, 2015 for a one (1) year term, beginning on the 1st day of January, 2016 and ending on the 31st day of December, 2016.~~ **This Agreement may be terminated by either party, with or without cause, upon thirty (30) days notice to the other party. Upon expiration or earlier termination of this Agreement, Boat Owner shall remove the Boat from the Slip within ten (10) days. Should boat Owner fail to remove the Boat within the time allowed, Waterfront Docks shall have the right to relocate the Boat from the Slip, including but not limited to placing it at anchorage or storing it on land and receive reimbursement and indemnification from Boat Owner for such relocation as more specifically provided for in the attached Rules and Regulations for Washington Waterfront Docking (herein referred to as "Rules") _____,**

a. **EXTENSION.** Should Boat Owner desire to extend this Agreement for an additional one (1) year period; then, in that event, Boat Owner shall notify Waterfront Docks ninety (90) days prior to the end of the initial period. The parties hereby agree that, upon such notice, the parties will enter into good faith negotiations to extend this Agreement. However, Waterfront Docks is under no obligation whatsoever to extend this Agreement for an additional one (1) year period.

4. **CONDITION OF SLIP.** Boat Owner hereby accepts the condition of the Slip and common areas of Waterfront Docks "AS IS" and Boat Owner acknowledges that Waterfront Docks makes no express or implied warranty as to the condition of the Slip, the water, the depth of the water, the common areas or any utilities, gangways, fences, doors, Jocks, or any other aspect of the waterfront docks. Boat Owner covenants to satisfy himself that the Slip and berthing space are adequate for the safe berthing of his Boat. Boat Owner shall exercise due caution in occupation of the Slip, shall take good care of the Slip and, at the expiration or earlier termination of this Agreement, shall surrender and deliver the Slip to Waterfront Docks in as good condition as when received by Boat Owner from Waterfront Docks, reasonable wear and tear excepted. Waterfront Docks may elect to retain or dispose of, in any manner, Boat Owner's personal property that is not removed from the Slip or waterfront docks by Boat Owner at the expiration or earlier termination of this Agreement. Boat Owner waives all claims against Waterfront Docks for any damage to Boat Owner resulting from Waterfront Docks' removal of Boat Owner's personal property at the expiration or earlier termination of this Agreement. Boat Owner shall be liable to Waterfront Docks for Waterfront Docks' costs for storage, removal, or disposal of Boat Owner's personal property at prevailing rates.

- a. Waterfront Docks, in its discretion, may retain, or require Boat Owner to remove, any alteration, addition, or improvement made by Boat Owner to the Slip or to any common area pursuant to advance written approval of Waterfront Docks. Any such alteration, addition, or improvement retained by Waterfront Docks constitutes further consideration for this Agreement.
- b. Boat Owner shall keep the waterfront area around the Slip clean as well as litter free and in a presentable, acceptable and satisfactory condition to the City.

5. **BAILMENT.** It is understood and agreed that this Agreement does not constitute a bailment. Except as otherwise provided herein, Boat Owner retains and has exclusive care, custody, control, and access to the Boat and its contents at all times.

6. **GENERAL RESPONSIBILITIES AND OBLIGATIONS.** Waterfront Docks' employees, in their sole discretion, may make reasonable efforts to contact Boat Owner and notify Boat Owner of dangerous conditions requiring Boat Owner's attention, but Waterfront Docks assumes no responsibility or liability for the same, including but not limited to tending mooring lines or moving boats from berths to which they are or were assigned. Boat Owner further agrees to provide Waterfront Docks a key or combination to his Boat lock, location of motor key and written starting instructions. It is expressly agreed that Waterfront Docks shall not be liable to Boat Owner if for any reason Waterfront Docks fails to move the Boat at any time for any reason.

7. **RATIFICATION OF ACTIONS.** Notwithstanding anything herein to the contrary and although Waterfront Docks has absolutely no obligation to do so, should Waterfront Docks enter upon the Boat or take any action to protect the Boat, which action is hereby approved and authorized by Boat Owner, including but not limited to relocating the Boat, installing mooring lines, or pumping the Boat, or similar services, Boat Owner agrees to reimburse and indemnify Waterfront Docks as more specifically provided for in the Rules and Regulations for Washington Waterfront Docking (hereinafter referred to as "Rules") and to hold Waterfront Docks, its representatives, agents, or contractors harmless for any loss or damage to the Boat as the result of such action undertaken regardless of the action taken or circumstances giving rise to the action.

8. **USE OF SLIP.** Boat Owner shall not be entitled to berth any other boat at the Slip other than as identified above without the express written consent of Waterfront Docks. Boat Owner shall not use the Slip as rental property, a dwelling, or for any purpose other than the purposes stated herein without prior written consent of Waterfront Docks. Boat Owner shall have no interest in the Slip other than the right to use said space in accordance with the terms and conditions of this Agreement and any rules and regulations as Waterfront Docks may make respecting the use thereof.

- a. Notwithstanding the foregoing or anything contained in the attached Rules to the contrary, Waterfront Docks hereby authorizes Boat Owner to utilize said Slip to berth and operate the Boat as a water-related research vessel and perform such activities as are customary therewith. Waterfront Docks hereby authorizes Boat Owner to utilize the adjacent common areas or other waterfront docking facilities, in conjunction with said research vessel boat operation, for loading and unloading, but only after specific permission for all such utilization from Waterfront Docks. Boat Owner shall coordinate all boat operations with Waterfront Docks. Boat Owner is prohibited from engaging in, allowing, or authorizing any type of motor vehicle access beyond Water Street except as may be necessary for loading, unloading, fueling, repair and maintenance purposes and only after receiving prior permission from Waterfront Docks. In no event shall Boat Owner allow or authorize more than two (2) motor vehicles ~~access to~~ ^{access to} beyond Water Street at the same time. In no event shall Boat Owner allow or authorize a motor vehicle to be left unattended beyond Water Street. Boat Owner shall

perform all such operations and activities associated with its research operations in such a manner that such operations and activities do not interfere with, hinder, or in any way impair the public's use of the waterfront docks or the use of other slips by other boat owners. Boat Owner agrees to cooperate in all respects with all of the parties, including the public, who presently utilize or may in the future be utilizing the waterfront docks and agrees to coordinate its activities insofar as possible to achieve an orderly, safe, and harmonious joint usage thereof by all parties.

9. **HAZARDOUS MATERIALS.** Boat Owner covenants and agrees to comply with all applicable environmental and all other federal, state and local governmental statutes, ordinances, rules and regulations relating to the presence of hazardous substances, hazardous wastes, pollutants or contaminants. Boat Owner agrees and does hereby fully indemnify and shall hold Waterfront Docks absolutely harmless from any loss, damage, or expense, including reasonable attorney's fees and costs and expenses of any appeal, which Waterfront Docks may incur or suffer by reason of any claim or liability arising from Boat Owner's noncompliance with applicable environmental laws and the terms of this paragraph. Boat Owner specifically covenants and agrees that no hazardous substances, hazardous wastes or waste by-products, pollutants or contaminants, shall be dumped in any trash receptacle, or otherwise, in, on or about the Slip or Waterfront Docks' facilities, and that all such substances shall be stored or disposed of in specially marked containers/areas. These covenants and indemnities shall survive the expiration or termination of this Agreement.

a. **REFUELING.** The Boat may not be refueled and Boat Owner may not refuel any other boat at the waterfront docks without prior consent of Waterfront Docks and approval of the Fire Marshal. Prior to any such refueling, Boat Owner must submit to and receive approval from the City of Washington of a Spill Prevention and Containment Plan.

10. **NO ASSIGNMENT OR SUBLICENSING.** This Agreement is not transferable or assignable and runs to Boat Owner only. Boat Owner may not assign this Agreement or sublicense the Slip. In the event Boat Owner sells or transfers the Boat, Waterfront Docks shall have the right to cancel this Agreement or may transfer the Slip to the new owner, at Waterfront Docks' sole election and discretion. In the event Waterfront Docks chooses to transfer the Slip, the new owner shall be required to execute a new Waterfront Docking Agreement with Waterfront Docks as a prerequisite to such transfer.

11. **INSURANCE.** Boat Owner shall, throughout the term of this Agreement and any renewal thereof, at its own expense, keep and maintain in full force and effect the following insurance coverages.

- a. Statutory workers' compensation insurance or the maritime equivalent in amounts required by law and, unless exempted by applicable law, employer's liability insurance at a minimum of \$500,000.00 for bodily injury by accident each employee and \$500,000.00 for bodily injury by disease each employee, with a policy limit of \$500,000.00 by disease.
- b. Commercial general liability insurance, including contractual liability, personal and bodily injury, property damage, advertising injury, premises, and operations coverage at a minimum of \$1 million per occurrence and \$1 million aggregate.
- c. Protection and indemnity insurance insuring against claims of bodily injury, death, property damage, or other loss, in a coverage amount of not less than \$1 million.
- d. Collision and tower's liability insurance in a coverage amount of not less than 1 million.
- e. Pollution insurance in a coverage amount of not less than \$1 million.
- f. At the option of Boat Owner, the above limits may be less than stipulated herein so long as Boat Owner obtains and maintains an excess policy providing the additional limits needed. This form of coverage must be approved by Waterfront Docks and will only be acceptable when both the primary and excess policies include the coverage and endorsements required herein.

Each such policy shall list Waterfront Docks as additional insured and provide that it is not subject to cancellation or reduction in coverage except after thirty (30) days following notice to Waterfront Docks. Boat Owner shall deliver to Waterfront Docks certificates of insurance for all insurance policies required hereunder. Boat Owner shall, within a reasonable time prior to the expiration of any such policy, furnish Waterfront Docks with certificates of insurance evidencing renewal thereof. Waterfront Docks may, in its sole discretion, require Boat Owner to expand the form and/or increase the amounts of all such insurance.

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12. **WAIVER OF SUBROGATION.** Boat Owner releases and relieves Waterfront Docks and waives Boat Owner's entire rights of recovery against Waterfront Docks for loss or damage arising out of or incident to any of the perils insured against under this Agreement as well as any of the perils insured against by any fire and/or extended coverage endorsement insurance policy Boat Owner might own, whether loss or damage is due to the negligence of Waterfront Docks or their agents, employees, and/or invitees. Boat Owner shall give notice to its insurance carriers that this waiver of subrogation is contained in this Agreement and cause the carriers to accept this waiver of subrogation, to the extent permissible by applicable law.

13. **UTILITIES.** The provision of utilities, including water, sewer, and electricity, and associated on-site services, shall be covered under a separate agreement between East Carolina University and the Partnership for the Sounds, Inc.

14. **CHANGES TO COMMON AREA/SLIP ASSIGNMENT.** Waterfront Docks reserves the right, without recourse to Boat Owner, to relocate and/or change any access ways, parking and similar areas, as may be necessary in Waterfront Docks' sole discretion for the efficient operation of the waterfront docks or for any other purpose. Waterfront Docks may permanently reassign the Boat to another slip or location only upon thirty (30) days written notice. In which case, said written notice shall serve as an amendment hereto, but only as to the slip or location to be licensed and shall not affect any other provision hereof unless such further revision is reduced to writing and signed by the parties hereto. Waterfront Docks reserves the right, without recourse to Boat Owner, to temporarily relocate the Boat to another location on the waterfront, including another slip, in Waterfront Docks' sole discretion. Boat Owner shall relocate the Boat as and when directed by Waterfront Docks if practical and reasonable. If Boat Owner's assistance in such temporary relocation is not practical and reasonable, Waterfront Docks is authorized to perform such temporary relocation of the Boat. The term "Slip" as used herein shall also apply to the slip or location to which the Boat is permanently reassigned or temporarily relocated as provided for hereinabove.

15. **SECURING THE BOAT.** The Boat shall be secured in its Slip in a manner acceptable to Waterfront Docks. If Waterfront Docks secures the Boat, Waterfront Docks is entitled to reimbursement and indemnity as more specifically provided for in the attached Rules.

16. **COMMON AREAS.** This Agreement grants the Boat Owner only a license to use the Slip and non-exclusive access to piers, docks, sidewalks, parking lots and other nearby common areas that are reasonably necessary to use the Slip.

a. Boat Owner acknowledges that Waterfront Docks has granted Partnership for the Sounds, Inc. a non-exclusive easement (hereinafter referred to as "PFS Easement") over a portion of the parcel of land adjacent to said Slip (hereinafter referred to as "adjacent parcel"), which adjacent parcel extends from the boardwalk to Stewart Parkway and Water Street. The PFS Easement is more particularly described in that Deed of Easement recorded in Deed Book 1743, Page 322, of the Beaufort County Registry. Boat Owner shall take no action that would affect or disturb, in any way, the improvements on the PFS Easement or adjacent parcel. Boat Owner must obtain written permission from PFS and then, in turn, Waterfront Docks before making any use of or taking any action that would affect or disturb, in any way, the PFS Easement including any improvements thereon. Boat Owner must obtain written permission from Waterfront Docks before making any use of or taking any action that would affect or disturb, in any way, the remainder of said adjacent parcel.

17. **RULES AND REGULATIONS.** Boat Owner shall comply with all rules and regulations of Waterfront Docks, including but not limited to the Rules, as the same may be amended from time to time, during the existence of this Agreement. Any crew or guest of the Boat Owner are the responsibility of the Boat Owner and must comply with the Rules. The current version of said Rules is attached hereto as Exhibit "A" and is incorporated herein by reference. Boat Owner acknowledges having received and read the Rules currently in effect. Waterfront Docks reserves the right to reasonably amend the Rules in its sole and absolute discretion from time to time, and Boat Owner further agrees to comply with such amended Rules. Any amended Rules shall also automatically be incorporated herein. If the Boat Owner or those under the responsibility of Boat Owner fail to comply with the Rules or otherwise cause disorder, depredations or indecorous conduct that might injure a person, cause damage to property, or harm Waterfront Docks' reputation, the same shall be cause for immediate removal of the Boat, without prejudicing Waterfront Docks' right to damages and any financial obligation of Boat Owner to Waterfront Docks.

18. **DEFAULT.** Boat Owner shall be in default under this Agreement if any of the following occur.
- a. Boat Owner becomes insolvent, voluntarily or involuntarily bankrupt, or if a receiver, assignee, or other liquidating officer is appointed for Boat Owner or the business of Boat Owner. In no event shall this Agreement or any rights or privileges hereunder be an asset of Boat Owner under any bankruptcy, insolvency, or reorganization proceedings.
 - b. Boat Owner violates any rule or regulation of Waterfront Docks.
 - c. Boat Owner violates, breaches, or fails to keep or perform any covenant, term or condition of this Agreement.

19. **NO WAIVER.** Waterfront Docks shall not be deemed to have waived any right, power, privilege or remedy unless such waiver is in writing and duly executed by Waterfront Docks. No failure or delay in the exercise of any right or remedy shall be construed as a waiver of such right or remedy, and no partial exercise of any right or remedy shall preclude the further exercise of such right or remedy.

20. **REMEDIES.** SHOULD BOAT OWNER FAIL TO COMPLY WITH ANY OF THE PROVISIONS OF THIS AGREEMENT, WATERFRONT DOCKS MAY INSTITUTE ANY ACTION, SUIT OR PROCEEDING TO ENFORCE THE TERMS OF THIS AGREEMENT OR TO COLLECT ANY AMOUNTS DUE HEREUNDER, AND WATERFRONT DOCKS SHALL BE ENTITLED TO REIMBURSEMENT FROM BOAT OWNER FOR ALL COSTS AND EXPENSES REASONABLY INCURRED IN ENFORCING ITS RIGHTS HEREUNDER, INCLUDING BUT NOT LIMITED TO, COLLECTION OF ALL COURT COSTS AND REASONABLE ATTORNEYS' FEES.

21. **INDEMNIFICATION.** Boat Owner does for itself, its officials, agents, successors, representatives, assigns, customers, students, clients, guests and invitees, hereby unconditionally release, hold harmless, and will indemnify, defend, acquit, and forever discharge the City of Washington, its respective present and former employees and elected officials, in both their individual and official capacities, agents, representatives, contractors, attorneys, insureds, successots, and assigns, and each of them, respectively, of and from all and any manner of action or actions, cause and causes of actions, claims, demands, costs, expenses, attorneys' fees, and consequential, general, special, and punitive damages or liabilities, known or unknown, on account of, or in any way related to or growing out of this Agreement, including but not limited to Boat Owner's operation of the Boat, Boat Owner's operations as well as activities and/or Boat Owner's use of the Slip and waterfront docks. It is the intent and understanding of the parties that this indemnification shall include but not be limited to: 1) any injury, including death, to any person; 2) any claim arising from any accident, fire, or casualty from any cause whatsoever, including negligence; and 3) any claim of Boat Owner's customers, students, clients, invitees, guests, and/or boarders of the Boat caused by, related to, or arising from Boat Owner's use of the Slip, Boat Owner's contemplated operations as well as activities or this Agreement.

22. **ADHERENCE TO REGULATIONS.** Boat Owner agrees to comply with all applicable laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, pennits, licenses, authorizations, directions and requirements of and agreements with all governments, departments, commissions, boards, courts, authorities, agencies, officials, officers and other parties, foreseen or unforeseen, ordinary or extraordinary, which now or anytime hereafter may be applicable to the Slip, the waterfront docks, public waters, the Boat, any improvements made by Boat Owner pursuant to advance written consent of Waterfront Docks, and Boat Owner's operation of the Boat, including but not limited to the operations as well as activities contemplated hereby. Boat Owner shall indemnify and hold Waterfront Docks harmless for any and all damage of any kind arising from Boat Owner's failure to comply with the aforementioned Rules, including attorney's fees.

23. **PERSONAL PROPERTY TAXES.** Boat Owner shall pay or discharge prior to delinquency all taxes and other charges assessed against or levied upon its Boat, trade fixtures, equipment, furnishings, and its other personal property located at the Slip.

24. **REPORTING REQUIREMENTS.** Boat Owner shall keep or cause to be kept complete records of its operations and activities that arise from this Agreement as well as any additional records reasonably requested and, upon request, provide any such records or reports that may be required by the City Council or City Manager.

25. **RELATIONSHIP OF PARTIES.** In carrying out the terms and conditions of this Agreement, Boat Owner is an independent contractor and is not an agent or employee of Waterfront Docks. Nothing contained in this

July 25, 2016
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Agreement shall create or be construed as creating a partnership, joint venture, or employee relationship between Waterfront Docks and Boat Owner.

26. **ILLEGAL PROVISIONS, GOVERNING LAW.** If any provision of this Agreement shall be declared illegal, void, or unenforceable, the other provisions shall not be affected, but shall remain in full force and effect. This Agreement shall be governed by and construed in accordance with the laws of North Carolina.

IN WITNESS WHEREOF, the parties have duly executed this Agreement this the day and year first above written.

BOAT OWNER

CITY OF WASHINGTON

By: _____ (seal)
Mark Keusenkothen
East Carolina University
Director of Diving and Water Safety

By: _____ (seal)
Name: _____
Title: _____

By: _____ (seal)
Stacy Schley **Sherry Franks**
East Carolina University East Carolina University
Purchasing Specialist **Administrative Support Specialist**



MEMORANDUM

Date: July 18, 2016

To: Mayor and City Council

From: John Rodman, Community and Cultural Services

RE: FYI - Bug House Park Update

The Washington Area Historic Foundation (WAHF) has graciously agreed to participate in the up-grade and beautification of Bug House Park. WAHF will up-grade the center signage area by reconditioning the soil in the area and planting Liriope, Lantana and Knock out Roses. This will enhance the entrance into the Park.

The Washington Area Historic Foundation will also contribute several benches to the Park area. One bench has been purchased and they are raising funds to provide a couple of more. These benches will match the ones in Harding Square.

Thanks to WAHF for partnering with the City by providing an up-grade to Bug House Park for all to enjoy.

In the meantime, if you have any questions or concerns or I may assist you in any way please don't hesitate to let me know.

7/19/16
JBR



Bug House Park

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July 25, 2106
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Memo

To: Mayor Hodges & Members of City Council

From: Kristi Roberson, Parks & Recreation Director

Date: July 25, 2016

Subj: Save the Pool Fundraiser Update

The Save the Pool Fundraiser campaign began in June. We have completed 4 fundraisers, including Summer Kickoff, Save the Pool Golf Tournament, Save the Pool Pizza Inn Fundraiser and the World's Largest Swim Lesson. We are continuing to sell T-shirt Sales and Tiles. We have currently raised \$18,856.24 and are waiting on our check from the Pizza Inn fundraiser.

The next fundraiser will be a car wash scheduled for July 23 from 8 AM – 1 PM and hosted by Special Olympics Beaufort/Hyde Athletes. The car wash will be held in the Verizon parking lot.

7/19/16
BEA

Mayor
Mac Hodges

City Manager
Bobby Roberson



City Council
Larry Beeman
Richard Brooks
Virginia Finnerty
Doug Mercer
William Pitt

MEMORANDUM

TO: Mayor and City Council

FROM: Frankie Buck, Public Works Director 

SUBJ: FYI – Discuss Financing Resident’s Share of Material Cost for Storm Drainage Pipe Installation

DATE: July 19, 2016

The Public Works Department currently participates with property owners in the installation of storm drains crossing private property. The City will furnish all labor and equipment and the property owner will pay for all materials for construction. The City will not participate in any storm drainage system which requires pipe sizes larger than 18” due to the increased labor cost, equipment and engineering required. All monies for materials must be paid by property owner before construction begins.

We have had a request from a City resident to consider financing the material costs for construction. I am requesting your consideration for the City to finance the storm drainage material construction cost for pipe installation 18” or smaller. I feel the City will need to set an interest rate with a term not to exceed three to five years. I would like to suggest that the A.P.R. and term be set by the Finance Director based on current market prices. By allowing City financing of these specific projects this may allow the homeowner affordability in improving their property.

Example: Cost Estimate to Pipe 140 Linear Feet of Ditch

<u>Unit</u>	<u>Description</u>	<u>Cost</u>	<u>Total</u>
140 LF	15” HDPE Pipe	\$10/LF	\$1,400.00
1 EA	Manhole Junction	\$500.00 EA	\$ 500.00
2 EA	Catch Basins	\$500.00 EA	<u>\$1,000.00</u>
	Subtotal		\$2,900.00
	20% Adm.		<u>580.00</u>
	TOTAL DUE		\$3,480.00

7/19/16


Mayor
Mac Hodges

City Manager
Bobby Roberson



Washington City Council
Richard Brooks
Virginia Finnerty
Doug Mercer
Larry Beeman
William Pitt

To: Mayor Hodges & Members of the City Council
From: Matt Rauschenbach, C.F.O.
Date: July 25, 2016
Subject: Budget Transfer- General Fund

The Budget Officer transferred funds between the Miscellaneous, Economic Development, Debt Service, & Equipment Services departments of the General Fund appropriations budget to cover spending in the respective departments.

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

MR
7/19/16

Request for Transfer of Funds

Date: 06/28/2016

TO: City Manager or Finance Director
 FROM: Tammy Swindell, Assistant Finance Director
 SUBJECT: REQUEST FOR TRANSFER OF FUNDS

ENTERED
6/29/16

I hereby request the transfer of funds as set forth below from one account to another, all within the same appropriation fund account, as permitted and authorized by the General Statutes of North Carolina.

	Department	Account Number	Object Classification	Amount
	Misc	10-00-4400-5701	Misc	285.00
TO:	Debt Service	10-50-4020-8100	Principal Payment Notes	285.00

For the purpose of: To cover overspent accounts.

Tammy A. Swindell
 Supervisor

[Signature]
 Department Head

ACTION OF CITY MANAGER OR FINANCE DIRECTOR

Approved:

Disapproved:

* Request for Transfer of Funds from Department to Department require City Manager's approval.

** Request for Intradepartmental Transfer of Funds require Finance Director approval.

[Signature]
 City Manager or Finance Director

6/28/2016
 Date

Request for Transfer of Funds

Date: 6/29/2016

TO: City Manager or Finance Director
 FROM: Matt Rauschenbach
 SUBJECT: REQUEST FOR TRANSFER OF FUNDS

I hereby request the transfer of funds as set forth below from one account to another, all within the same appropriation fund account, as permitted and authorized by the General Statutes of North Carolina.

	Department	Account Number	Object Classification	Amount
FROM:	10-00-4400	5701	Miscellaneous	900
	10-00-4400	0200	Salary Adj.	18,600
	10-00-4650	4500	ED Projects	13,000
TO:	10-20-4250	1300	Utilities	7,500
	10-20-4250	3102	Parts	25,000

For the purpose of: Transfer funds to garage to cover spending

 Supervisor

Matt Rauschenbach

 Department Head

ACTION OF CITY MANAGER OR FINANCE DIRECTOR

Approved:
 * Request for Transfer of Funds from Department to Department require City Manager's approval.
 ** Request for Intradepartmental Transfer of Funds require Finance Director approval.

Disapproved:
[Signature]

 City Manager or Finance Director
 6/29/16

 Date



HUMAN RELATIONS COUNCIL

**Human Relations Council (HRC) report for the month of June
Monday, June 27, 2016 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

SCHEDULED PUBLIC APPEARANCES: NONE

OLD BUSINESS:

Appointment of Chairperson and Vice-chair: Chairperson Wright opened the floor for nominations. By motion of Vice-chair Hawn, seconded by Board member Lawrence, the Board reappointed Bonita Wright as Chairman of the Human Relations Council for FY 2016-2017.

By motion of Board member Lawrence, seconded by Board member O'Pharrow, the Board reappointed Norman Hawn as Vice-chair of the Human Relations Council for FY 2016-2017.

Discuss – Fair Housing Format:

The Board continued discussions on how to promote/advertise Fair Housing. Board member Lawrence suggested another way of promoting this event would be to distribute flyers to businesses.

NEW BUSINESS:

FYI – Washington Municipal Code: Information included in the agenda package as it pertains to the Human Relations Council which was adopted by City Council on February 8, 2010.

OTHER BUSINESS:

FYI – All FYI items and reminders were discussed inclusive of the June 14, 2016 report submitted to City Council, LGFCU materials, FY 2016-2017, and financial report.

OPEN DISCUSSION:

- Information detailing upcoming events for Washington Police and Fire Services & requesting support from Human Relations Council board members:
 - ❖ 'National Night Out' scheduled 8-2-2016 ~ 6:00pm – 8:00pm ~ Beebe Memorial Park.
 - ❖ NC Gang Free Symposium scheduled 8-5-2016 ~ 8:00am – 4:00pm ~ Temple of Jesus Christ Family Life Center (8:00am – 9:00am registration)
 - ❖ 'I Live Alone Program' – Meet & Greet scheduled 7-23-2016 ~ 2:00pm ~ Peterson Building

Memorandum of Understanding

July 25, 2016

This is a Memorandum of Understanding between the City of Washington and Donor/The Washington Harbor District Alliance (WHDA) as requested by the City Council at the June 13, 2016 City of Washington Council meeting. The WHDA has given this project much thought and feels it to be a wonderful opportunity to help continue beautifying our Historic Port City. The WHDA has met with The Washington Historic Preservation Committee at the request of the City Manager and has received their support in this endeavor. Individual local merchants have also expressed their enthusiasm for this project and have given us their support.

The WHDA has strived in this Memorandum of Understanding to make this project as cost effective as possible for the City. There are, however, certain costs that cannot be avoided. None of the costs are intentional but the City will have to assume some costs as in many of the other projects they are involved in.

Listed below are the responsibilities of both Parties involved:

Donor/WHDA

1. Furnish 15-18 plants and the pots as well as brackets needed for light poles
2. Furnish the grooming when needed on a monthly basis
3. Replace pots and plants when damaged and need repair caused by the elements along with plants

City of Washington

1. Will assume a watering program to help maintain the health of the plants
2. The City will have them mounted to assure height requirements are met
3. The City will assume all Liabilities of the plants and planters
4. The City at the request of the City Manager will have them taken down when needed due to storms or inclement weather approaching
5. Any damage done to the pots and/or plants caused by watering will be replaced by the City

This agreement will be effective August 1, 2016 and run through August 1, 2018 at that time all parties will review the Memorandum of Understanding prior to the expiration date to determine if the renewal is in all parties' best interest

Again we hope that this will clarify any involvement that the City and our Donor will have in this beautification process. We thank you for your support.



REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: Frankie Buck, Public Works Director
Date: July 15, 2016
Subject: Resolution of Intent to Close a Portion of West 2nd Street
Applicant Presentation: N/A
Staff Presentation: Frankie Buck

RECOMMENDATION:

I move that the City Council adopt a resolution stating that the City Council intends to close that portion of West 2nd Street running west from Wilson Street to Plymouth Street, and calling for a Public Hearing to be held at 6 pm in the Council Chambers, Room 214, of the Municipal Building on September 12, 2016.

BACKGROUND AND FINDINGS:

In May 2016 the Utilities Support Superintendent, Ed Pruden, requested West 2nd Street between Wilson Street and Plymouth Street should be closed due to construction upgrades to the City's main substation. We feel public access to the area should be restricted.

Pursuant to General Statute's 160A-299, when a city proposes to permanently close a street, the City Council shall first adopt a resolution declaring its intent to close the street and call for a public hearing on the matter. A resolution of intent is attached calling for a Public Hearing to be held on Monday, September 12, 2016, should Council decide to close the street as requested.

PREVIOUS LEGISLATIVE ACTION:

NONE

FISCAL IMPACT

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

SUPPORTING DOCUMENTS

Attached Request Letter, Resolution and Map

**A RESOLUTION
DECLARING
THE INTENT OF THE CITY OF WASHINGTON TO CONSIDER
CLOSING AND ABANDONING PORTIONS OF WEST 2ND STREET
(RESOLUTION OF INTENT)**

WHEREAS, the City Council (Council) for the City of Washington (City) exercises general authority and control over all public streets, sidewalks, alleys, bridges, and other ways of public passage within its corporate limits pursuant to North Carolina General Statute § 160A-296 *et seq.*

WHEREAS, North Carolina General Statute § 160A-299 authorizes cities to close public streets and alleys and proscribes procedures for carrying out said authority.

WHEREAS, the City finds it to be advisable and in the public's best interest to conduct a public hearing for the purpose of giving consideration to the closing and abandoning of portions of West 2nd Street – that portion of said street running west from Wilson Street to Plymouth Street (S.R. 1401).

WHEREAS, the City intends to reserve its right, title and interest, if any, in and to any and all utility improvements or easements within those areas of West 2nd Street more particularly described herein.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Washington, North Carolina as follows.

1) Pursuant to North Carolina General Statute § 160A-299, a public hearing will be held at 6:00 p.m. on the 12th day of September, 2016 in the City Council Chambers, Room 214, of the Municipal Building to consider a resolution that would order the closing and abandoning of portions of West 2nd Street, said portions being more particularly described as follows.

ALL of the area on West 2nd Street – that portion of said street running west from Wilson Street to Plymouth Street (S.R. 1401). (See Attached Map)

2) The City Clerk is hereby directed to publish this Resolution of Intent once a week for four successive weeks in the Washington Daily News, or other newspapers of general circulation in the area.

3) The City Clerk is further directed to transmit by registered or certified mail a copy of this Resolution of Intent to each property owner abutting upon those portions of said West 2nd Street under consideration to be closed and abandoned.

4) The City Clerk is further directed to prominently post this Resolution of Intent in at least two places along the portions of West 2nd Street that are under consideration to be closed and abandoned as notice of said public hearing and the consideration being given to close as well as abandon those portions of West 2nd Street.

This the 25th day of July, 2016.

Jay MacDonald Hodges
Mayor

ATTEST:

Cynthia S. Bennett,
City Clerk

Washington Electric Utilities

A City of Washington Enterprise

Post Office Box 1988 • Washington, North Carolina 27889-1988



I am requesting that the City of Washington initiate proceedings to have the section of West 2nd Street (gravel road) between Wilson St and Plymouth St closed to public traffic. With the recent construction upgrades to our Main Substation feeder exits along with other existing electric, water, and sewer facilities it would be advantageous to restrict public access to the area. It is my intention, assuming the street closing is approved, to install additional security fencing in the area as well.

Edmund Pruden

Utilities Support Superintendent



102 East Second Street • Telephone (252) 975-9300
TDD 1-800-735-2962 • 24-Hour Emergency (252) 975-9320 • Fax (252) 946-1965
July 25, 2106

W 3RD STREET

N 32°22'40" W 622.93' FROM POINT "E" TO "F"

6

5

4

3

2

1

D.B. 367, Page 77

WASHINGTON BUGGY CO.
Map Book 1, Page 147
BLOCK N

N/F
CITY OF WASHINGTON
NC PIN NO.: 5676-41-0843

N/F
HAZARDOUS & ENVIRONMENTAL
SUPPLIES INC.
Deed Book 1757, Page 745 (MAP)
NC PIN NO.: 5676-41-2653

MAXWELL MEMORIAL PARK
OHN M. SMITH FIELD
IMY WARREN, JR. FIELD

ng Baseball Field

Existing Baseball Field

PROPERTY OF
GEO. HACKNEY, JR.
Plat Cabinet: C, Slide 214
BLOCK N

N/F
WOOLARDS AUTOMOTIVE, IN
Deed Book 977, Page 177
NC PIN NO.: 5676-41-1528

YARBURKU STREET
(Undeveloped)

WILSON STREET - 50' R/W
(Gravel)

S 32°22'40" E 504.05'

July 25, 2106
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0.576 ACRES
By Coordinates
Including R/W

CLOSED

W 2ND STREET - 50' R/W
(Gravel)

N 32°22'40" W 200.78'

(1/2")
(Flush)

S 57°47'11" W 144.92'

S 31°26'55" E 202.62'

(3" Deep)

S 57°47'11" W 150.04'

S 32°22'40" E 150.00'

50:00"
57:47'11" W

50:00"



REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: Stacey Christini, Human Resources Director
Date: July 25, 2016
Subject: Classification and Pay Study

RECOMMENDATION:

I move that the City Council authorize the City Manager to enter into a contract with Piedmont Triad Regional Council of Governments (PTRC) to perform a city-wide classification and pay study and implementation strategy for the City of Washington in an amount not to exceed \$35,000.

BACKGROUND:

The City of Washington has not performed a comprehensive city-wide classification and pay study since 2004. Since that time there have been significant changes to the organization and the competitive market place. This has led to concerns within the organization regarding internal and external pay equity, salary range spread within grades and between grades is too narrow, which is causing salary compression, and the recruitment and retention of current and future employees. PTRC will confirm with the City Council, City Manager and HR Director the labor market comparisons that will be reflected in the study.

PTRC will design and propose an implementation strategy based for the updated compensation system with lowest financial impact on city operating process, but also review and recommend the greatest gain to positions that are critical to the organization, positions that have a high turnover, 1 and positions that are the most deficient within the pay structure. The implementation of such a plan will be over a specified period of time. PTRC will also update job classifications/job descriptions and assist with developing a new classification and pay structure to eliminate pay compression issues in the future.

The study typically takes approximately 4 months to complete.

PREVIOUS LEGISLATIVE ACTION: N/A

FISCAL IMPACT:

Currently Budgeted (Account: \$35,000) requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS:

City Manager Review: 1/30/16 Concur July 25, 2106
7/19 Date Recommend Denial No Recommendation



REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: Bobby E. Roberson, City Manager
Date: July 25, 2016
Subject: Approve Recreation Concession Budget Ordinance Amendment
Applicant Presentation: N/A
Staff Presentation: N/A

RECOMMENDATION:

I move that City Council approve a Budget Ordinance Amendment to appropriate funds equivalent to the amount of concession revenue budgeted.

BACKGROUND AND FINDINGS:

Concession expense needs to be appropriated to correspond with revenue that was budgeted for concession sales in the Special Events, Waterfront Docks and Aquatic Center departments of the General Fund. Concession revenue was budgeted and the corresponding expense was omitted for the adopted budget.

PREVIOUS LEGISLATIVE ACTION

FISCAL IMPACT

Currently Budgeted Requires additional appropriation No Fiscal Impact

SUPPORTING DOCUMENTS

Budget Ordinance Amendment

City Manager Review: 1/10/16 Concur Recommend Denial No Recommendation
7/19 Date

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2016-2017**

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

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

10-00-3991-9910	Fund Balance Appropriated	\$ 2,050
-----------------	---------------------------	----------

Section 2. That the following account numbers in the General Fund appropriations budget be increased in the amounts indicated:

10-40-6121-4800	Special Event Concessions	\$ 1,100
10-40-6124-4800	Docks Concessions	600
10-40-6126-4800	Aquatic Center Concessions	350

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 25th day of July, 2016.

MAYOR

ATTEST:

CITY CLERK



REQUEST FOR CITY COUNCIL ACTION

To: Mayor Hodges & Members of the City Council
From: Bobby E. Roberson, City Manager
Date: July 25, 2016
Subject: Approve T-Hanger Lease
Applicant Presentation: N/A
Staff Presentation: N/A

RECOMMENDATION:

I move that City Council approve the revised T-Hanger lease.

BACKGROUND AND FINDINGS:

The T-hanger lease has been revised to include an automatic renewal and annual increase adjustment to the rent.

PREVIOUS LEGISLATIVE ACTION

FISCAL IMPACT

___ Currently Budgeted ___ Requires additional appropriation __X__ No Fiscal Impact

SUPPORTING DOCUMENTS

T-Hangar Lease

City Manager Review: 144 Concur ___ Recommend Denial ___ No Recommendation
7/19 Date

WASHINGTON WARREN AIRPORT
(KOCW)
WASHINGTON, NORTH CAROLINA

T-HANGAR LEASE

This Lease Agreement is made this 1st day of _____ between the City of Washington (OWNER) and _____ (LESSEE), for rental of a T-Hangar at Washington Warren Airport.

1. LEASED PREMISES

OWNER hereby agrees to lease hangar number 1 (PREMISES) to LESSEE, and LESSEE accepts from OWNER PREMISES "as is" for the housing of LESSEE's privately owned aircraft described below. This lease also authorizes LESSEE the non-exclusive use of the ramp to the hangar as well as the grass turf area between the hangar and the common hangar taxiway. The aircraft that will be kept in the hangar is a (Model year) (Manufacturer and Model), Registration Number, .

2. TERM

This lease shall come in effect on the date first shown herein above and shall remain in effect until the next (FIRST TERM). The lease will automatically renew for additional one year periods unless either party provides written notice within 60 days of current lease expiration. No holding over by LESSEE after the expiration or earlier termination of this lease shall operate to extend or renew this lease for any further term whatsoever; but LESSEE will, by any such holding over, become the tenant at will of OWNER. Upon termination of this lease under any circumstances, LESSEE shall vacate PREMISES without unreasonable delay.

3. AMOUNT OF RENT

LESSEE shall pay to OWNER rent of \$211.67 per month which shall be billed quarterly during the First Term. The rent will be increased 2% at each term renewal with said revised rent becoming effective with the TERM on first each year.

4. PAYMENT OF RENT

LESSEE shall pay to OWNER the amount of rent each month, billed quarterly, set out in Paragraph three herein above not later than the first day of each quarter. In the event LESSEE fails to pay to OWNER the amount of rent set out by the tenth day of the month when rent payment is due, a late payment penalty in the amount of \$50.00/month will be charged to LESSEE by OWNER.

5. DEFAULT

In the event that LESSEE fails to pay to OWNER the amount of rent due, violates this lease, abandons the hangar for any period of time, or allows the hangar to remain vacant for ninety (90) days, LESSEE shall be in DEFAULT of this lease. If LESSEE enters DEFAULT, after a period of thirty days, OWNER may terminate this lease, enter PREMISES, remove any aircraft or objects in PREMISES, place the aircraft in a Tie Down Spot on the ramp and/or pursue any other lawful remedy or right. OWNER may file a lien against the aircraft for DEFAULT of payment due. In

the event of DEFAULT, this lease shall become null and void and OWNER may enter an agreement with another party to lease PREMISES.

6. SUBLEASE AND ASSIGNMENT

LESSEE shall not sublease or assign PREMISES to any other party.

7. CONDITION OF PREMISES

OWNER shall provide PREMISES to LESSEE with a clean interior and in "as is" condition. LESSEE shall maintain PREMISES in a good and clean condition not less than "as is" condition, less any normal wear and tear. In the event LESSEE fails to maintain PREMISES in "as is" condition, OWNER may enter PREMISES and clean or make repairs to any damages and require payment of the cost for any cleaning or repairs by LESSEE as additional rent. LESSEE shall not make any alterations to PREMISES. In the event LESSEE causes any damage to Airport hangars, OWNER shall have proper repairs made and LESSEE shall pay to OWNER the cost of making said repairs as additional rent.

8. USE OF PREMISES

LESSEE may use PREMISES only for the housing of the aircraft described above and for any tools, equipment or supplies required for the operation and maintenance of the aircraft that may be permitted for the aircraft owner to maintain the aircraft by Federal Aviation Administration (FAA) regulations. When the aircraft is out of the hangar, LESSEE and passengers may park a vehicle in the hangar. Neither LESSEE nor any person or party using the hangar or granted access to the ramp may park anything in front of any hangar nor on any grass turf area beside or in the vicinity of any hangar, except LESSEE and passengers may park a vehicle on PREMISES for a period not longer than four hours.

9. INGRESS AND EGRESS

LESSEE shall enter the Airport Operational Area (AOA) only through a pedestrian gate or through a vehicle access gate. LESSEE will be provided a gate access card for use in opening a vehicle access gate. The gate access card is for the use of LESSEE only and may not be loaned or given to anyone else. LESSEE shall pay to OWNER \$25 for use of the gate access card. Said card shall be returned to Owner at lease termination and if not returned LESSEE will be charged \$25 for each card not returned. In the event LESSEE loses a gate access card LESSEE shall pay OWNER another \$25 for a new card. All vehicles used by LESSEE and all others desiring to gain access to PREMISES shall drive only on paved streets or taxiways.

10. RULES AND REGULATIONS

LESSEE shall comply with all Rules and Regulations of the Airport, as the same may be amended. Failure to comply with said Rules and Regulations shall be grounds for OWNER to terminate this lease.

11. APPLICABLE RULES, REGULATIONS, AND LAWS

LESSEE shall comply with all Rules, Regulations and Laws of the City of Washington, NC, State of North Carolina, and the United States that may be applicable to LESSEE and the operation and maintenance of aircraft.

12. UTILITIES

OWNER does not provide or pay the cost of water, sewer or electric utilities to any T-Hangar. In the event LESSEE wants utility services, LESSEE shall request OWNER to provide utility services and pay OWNER all costs of construction, monthly use, and service charges.

13. INSURANCE

LESSEE shall procure and maintain in force necessary liability insurance coverage for PREMISES and LESSEE's activities thereon, including those activities of LESSEE's permittees, in the minimum amount of \$1,000,000 for personal injury, death, and property damage resulting from each occurrence and \$1,000,000 aggregate to indemnify and hold harmless OWNER from any and all liability for claims of loss, damage, or injury to persons or property caused or occasioned by the use of PREMISES by LESSEE or LESSEE's permittees, or their respective activities on or at the Airport during any term of this lease. All insurance shall be carried by a responsible company and shall be in a form satisfactory to OWNER. OWNER shall be furnished any and all copies of all insurance policies obtained by LESSEE in compliance with this requirement when or before LESSEE begins occupancy. LESSEE agrees to maintain sufficient coverage on a current status and that all such insurance policies obtained by LESSEE in compliance with this requirement name OWNER as additional insured and provide a thirty (30) day written notice to OWNER of termination, material change in the terms thereof, or non-renewal of such policies.

14. INDEMNIFICATION

LESSEE shall indemnify, defend, and hold harmless OWNER and OWNER's officials, agents, boards, employees and representatives from any and all damages, liabilities, suits, obligations, fines, penalties, claims, charges and expenses, including reasonable attorney's fees, that may be brought or incurred because of any actions of LESSEE or LESSEE's permittees, any activity or incident caused by LESSEE or LESSEE's permittees at the Airport, or any violation of any Rule, Regulation or Law by LESSEE or LESSEE's permittees.

15. TAXES

LESSEE shall list aircraft kept at the Airport with the Beaufort County Tax Collector for the current year at the proper time and shall pay all appropriate taxes levied on said aircraft.

16. LEASING SCHEDULE

Aircraft owners who make a request to lease a T-Hangar shall be assigned by OWNER to the next available hangar. If all T-Hangars are occupied by aircraft, an aircraft owner making a request to lease a hangar will be placed on a waiting list in order of their request. When a hangar becomes available, the aircraft owner who has risen to number one on the list will be offered the available T-Hangar for lease.

17. SUBORDINATION

This lease shall be subject to and subordinate to the provisions of any existing or future agreement between OWNER and the United States, the State of North Carolina, or any agencies thereof, relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal or state funds for the development or operation of the Airport or as a condition precedent to the acquisition of the Airport facilities by

OWNER. It is specifically understood by LESSEE that this lease is subject to the recapture clause and any other conditions of grant agreements and/or assurances with the Federal Aviation Administration, Department of Navy, Civil Aeronautics Administration, and the State of North Carolina, or their respective replacement administration/agency or other successor. Owner shall, to the extent permitted by law, use its best efforts to cause any such agreements and/or assurances to include provisions protecting and preserving the rights of LESSEE in and to PREMISES, and to compensation for the taking thereof, interference therewith and damage thereto, caused by such agreements and/or assurances or by actions pursuant thereto by OWNER or the other parties named hereinabove.

18. INSPECTION

OWNER may enter PREMISES at any reasonable time for inspection or for any purpose necessary or incidental to this lease. Aircraft to be hangared may be inspected by a representative of OWNER prior to signing this lease and during the lease period. Should an aircraft become unworthy during the lease period, a determination by OWNER may terminate this lease.

19. SEVERABILITY

The invalidity of any provision of this lease shall not affect the remaining provisions of this lease.

20. EFFECT OF WAIVER

No waiver of any provision in this lease shall constitute further waiver of the same or any other provision in this lease.

21. ATTORNEY'S FEES

The unsuccessful party shall pay the successful party's attorney's fees in any action relating to this lease.

22. MODIFICATION

Notwithstanding anything herein to the contrary, this lease shall be interpreted, and, if necessary, amended, to insure and preserve its compliance with any applicable Federal obligation. If LESSEE refuses to effectuate any amendment that may be required to insure and preserve compliance with any applicable Federal obligation, such refusal shall constitute an event of default and this lease may be terminated as a result thereof upon notice from OWNER to LESSEE.

PRE-AUDIT CERTIFICATE

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

CITY of WASHINGTON

MATTRAUSCHENBACH,
Chief Financial Officer

LESSOR:

LESSEE:

**CITY OF WASHINGTON
A North Carolina Municipal Corporation**

By:

By: Bobby E. Roberson, City Manager