

**Onslow Water & Sewer Authority**  
**Board of Directors' Regular Meeting Jacksonville City Hall**  
**Thursday, March 21, 2024**  
**APPROVED MINUTES**

**CALL TO ORDER:** Having a quorum, Chairman Royce Bennett called the meeting to order at 6:00 pm. Board members present included Chairman Royce Bennett, Vice Chairman Paul Conner, Secretary/Treasurer Richard Grant, and Directors Jerry Bittner, John Davis, Timothy Foster, and Robert Warden. Absent was Director Greg Hines.

**PLEDGE OF ALLEGIANCE:** Chairman Royce Bennett led the Board and audience in the Pledge of Allegiance.

**INVOCATION:** Mr. Larry D Young Pastor of Christ's Pure Holiness Church in Jacksonville provided the invocation.

**CHAIRMAN'S REMARKS** –Chairman Royce Bennett provided general guidance to the audience regarding the meeting.

**1. APPROVAL OF AGENDA** – Vice Chairman Paul Conner made a motion to approve the agenda and Secretary/Treasurer Richard Grant made a second. All were in favor. The agenda was approved.

**2. APPROVAL OF CONSENT AGENDA**

**[A COPY OF THE SUMMERHOUSE WWTP FINE SCREENS BID TAB, MOUNT PLEASANT PUMP STATION RELOCATION PROJECT RESOLUTION TO DESIGNATE AGENTS MAY BE FOUND AT EXHIBIT A, AND ARE FULLY INCORPORATED HEREIN BY REFERENCE]**

A motion was made by Director Robert Warden to approve the consent agenda with Consent Agenda Item C Jacksonville Onslow Economic Development Partnership Purchase Option moved to Business Agenda Item D. A second was made by Vice Chairman Paul Conner. The motion passed unanimously. Therefore, the December 2023 & January 2024 Finance Reports and December 2023 & January 2024 Operations Reports were accepted, the January 18, 2024 Regular Meeting Minutes were approved as presented, the motion to approve the purchase of two fine screens from SAVECO North America and authorize the CEO to execute purchase contracts plus any other documents as may be required in connection with this action was approved, the motion to approve the Resolution to designate Primary and Second Agents for the Mount Pleasant Pump Station Relocation Project was approved and the Chairman of the Board of Directors was directed to execute the document.

**3. CLOSED SESSION**

A motion was made by Director Tim Foster to enter into closed session pursuant to NCGS 143-318.11 (a)(3). A second was made by Vice Chairman Paul Conner. The Board entered into closed session at 6:04pm.

The Board entered back into open session at 6:39pm.

**4. BUSINESS**

**A. Multiuser Account Billing Update**

Chairman Royce Bennett called on Mr. Franky Howard, CEO, to present the item. Mr. Howard said that since the last Workshop of the Board he shared different scenarios with the Board regarding the multi-user billing situation and unless the Board objects Staff is recommending that we change the Rate and Fee Schedule during the budget process to

do away with the per unit billing language related to multi-users so that would put everyone on the same billing which would be one base fee based on their size meter and then they would be subject to the volumetric tiers that are on the Rate and Fee Schedule.

Chairman Royce Bennett thanked Mr. Howard and stated we have all put great consideration in this and have worked hard at it adding he thinks we all agree that it billing people by volume is the most fair and accurate way to bill these accounts and it probably should have been that way from the beginning. Chairman Bennett went on to say he hopes it is going to help you guys [customers in audience] adding it is not going to make everybody pay less saying some who use a lot of water may pay a little bit more but he doesn't think it is going to have the impact that the meter charge would have on customers. He expressed his appreciation to those in the audience for their input and help finding a more equitable solution for the issue.

**B. Capital Projects Update**

**[A COPY OF THE POWERPOINT PRESENTATION SLIDES MAY BE FOUND AT EXHIBIT B, AND ARE FULLY INCORPORATED HEREIN BY REFERENCE]**

Chairman Royce Bennett called on CEO, Franky Howard, to present the item. Mr. Howard presented a PowerPoint presentation [EXHIBIT B] with an overview of several construction projects underway. Director Richard Grant asked if how the projects would be paid for would be included in the budget process. Mr. Howard replied yes.

No action was taken.

**C. Water System Master Planning Project**

Chairman Royce Bennett called on Mr. Franky J. Howard, CEO, to present the item. Mr. Howard explained that the top two highest scoring firms who submitted statement of qualifications were interviewed and the firm of HAZEN of Raleigh, NC was determined to be the most qualified. He said the recommendation of staff is to proceed with Hazen for the Water System Master Planning Project. He went on to say the company has completed over 20 of these across the State and are known as the go to for water modeling. Mr. Howard also shared that this project would be funded from a state grant received a couple of years ago.

Director John Davis made a motion to proceed with execution of an agreement between owner and engineer with Hazen for the Water System Master Planning Project, and to authorize the CEO to execute these contracts and any additional documents as required in connection with this action. A second was made by Director Robert Warden. All were in favor, the motion passed unanimously.

**D. Jacksonville Onslow Economic Development Partnership Purchase Option**

**[A COPY OF THE PURCHASE OPTION MAY BE FOUND AT EXHIBIT C, AND ARE FULLY INCORPORATED HEREIN BY REFERENCE]**

Mr. Chuck Kitchen, Authority Attorney, presented the item. He began by explaining this is an option to purchase property owned by ONWASA adding JOEDP came to the ONWASA Board previously about property adjacent to Camp Davis and the Board granted them an option to purchase that property and they have now come back and want to purchase more property that is adjacent to the original property they got the option for. Mr. Kitchen explained that just as we did with the prior property we are taking out the water wells that we have on the property so that will not convey and it is a similar option that you had before. The one thing that has changed is there was a request by the Town of Holly Ridge to require that JOEDP as for an annexation prior to

the exercise of the option so that it would be included inside the town limits. Mr. Kitchen said he added that the request for annexation was not included in the original language JOEDP saw and he had been unable to reach their attorney today so as far as he knows it has not been officially agreed to by them. Chairman Bennett said what it comes down to is we had a lengthy discussion in workshop about an agreement that everybody kind of agreed to and we have had a last minute request for a change from the town of Holly Ridge and we have prepared both of those documents and the Board needs to decide are we going to vote on the original agreement or are we going to vote on the amended agreement that would require JOEDP to request annexation from the Town of Holly Ridge.

Director Robert Warden made a motion to approve the original non-annexation option to purchase. Director John Davis made a second.

Vice Chairman Paul Conner asked if the language was included in phase 1. Mr. Kitchen replied it was not. Mr. Kitchen explained the thing that was different about the first option was we agreed to deed over to Holly Ridge a right of way for a road going through our property but that was the only thing it did not require a request for annexation.

Director Rick Grant said it is not a requirement that this be an incorporated area for them to develop it, correct? Mr. Kitchen said that is correct. Director Grant said then we do not know that the development company is going to say in terms of if you need to add conditions.

Director Robert Warden said the point he was trying to make is let that be their decision let us not force that decision on a separate board a separate entity and if they so choose to do so in the future then that is up to them.

Vice Chairman Paul Conner expressed his agreement with Director Warden and said since we already discussed this with both parties without the condition, he feels like this should have been done sooner.

Chairman Bennett said he does not know why this came up at the last minute but he has had discussions with Mark Sutherland and JOEDP intends to work with the Town and they need the Town to get the grant money.

Director Jerry Bittner said he is trying to look at Holly Ridges position on this and he is sure they are looking at it from the standpoint of annexation would bring in the tax revenues associated with that and the development may cause and probably will cause some expansion of the municipal services and they are looking out for themselves in terms of having the revenue available to cope with that expansion adding he will argue the other side that the annexation agreement should be part of it.

Director Robert Warden explained even though he agrees with some of what Director Bittner said because ONWASA has not had any official discussions with JOEDP about adding the annexation condition and although he thinks it will be in the best interest of JOEDP to ask for the annexation let that be on them.

Chairman Bennett said if there was no other discussion he would move for the vote. Director Richard Grant asked for clarification it is for the version without the condition. Chairman Bennett said that is right the motion to adopt the original purchase agreement we talked about in our workshop without the annexation requirement.

The motion passed with a vote of six in favor and one opposed.

#### **4. PUBLIC COMMENT**

Mr. Tim Parker asked for clarification on which base rate would be charged adding he has four ¾ inch and one 1 ½ inch. Mr. Howard said it would be based on the size of the meter that services your property and then tiered water usage rates. Mr. Parker explained that a lot of times he would love to have a meter at each unit but it has become unaffordable to think about doing that. He said he has been told it would be \$4,600 to have a meter installed after everything is done. He expressed his concern over it becoming where a common person cannot afford to have water installed adding he realizes things have gone up. He asked that the Board continue to look at ways to keep rates down and expressed his appreciation to the Board for trying to help with the problem.

Mr. Johnny Goines began by thanking every Board member that has been called and been talked to about the situation with the meters. Mr. Goines asked if CEO, Franky Howard, would join him at the podium to show that the Board Members and Community can work together and accomplish things adding he thinks he will be happy and the other people will be after they also hear from Mr. Howard. Mr. Howard joined him at the podium. Mr. Howard thanked Mr. Goines for the kind words and said they did speak earlier today. Mr. Howard explained that he had several meetings with the Chairman after the Workshop to try to figure out what the best approach would be to be the fairest to all of the folks involved and he thinks they have found that. Mr. Howard verified there would not be a per unit meter charge but rather a meter charge per actual meter based on actual meter size and a tiered gallons used charge. Mr. Goines again expressed his appreciation.

Mr. Charles Faires expressed his appreciation for the work regarding the meter situation and recognized it is hard to make an adjustment like that when it was out in the public but he said he applauds them for changing their mind and going another route. Mr. Faires said he isn't certain that the solution presented will save everyone money but for the ones that use a lower volume it will make a difference.

#### **5. CHIEF EXECUTIVE OFFICER COMMENTS**

Chairman Bennett called on CEO, Franky Howard, to provide comments. Mr. Howard provided a summary of the history of the system development fee stating it has actually gone down from \$3,600 in 2010 and then it was lowered to approximately \$2,000 for the last five year study and stated as reminder we are required to review that fee every five years. Mr. Howard went on to say that with the usage rates ONWASA went over ten years without any rate increases and that snowballed and now we have these big projects we are up against. He expressed his appreciation to the City of Jacksonville Media Services for their assistance not only for the work they do making these meetings look very professional but for all they did documenting and producing a top notice video of the groundbreaking ceremony for the North Topsail Beach Booster Pump Station. Mr. Howard provided an update on the timber management plan that ONWASA has with Pine State Forestry which has generated a little over \$800,000 timber sales over the last two years.

#### **6 BOARD OF DIRECTOR'S COMMENTS**

Director John Davis thanked the members of the public who spoke expressing appreciation for the recognition of the efforts that the folks have made acknowledging that all of the guys really stood up for them saying he would like to redirect it in adding that the Staff and Mr. Howard had to go back and do the hard work in sharpening the

pencils so they deserve a lot of credit adding he wanted to say thank you to Mr. Howard and to the Staff for doing that so we could do that for them. Director Davis said it was important unanimously that we attacked the problem and attacked it aggressively. Director Davis went on to say he and Mr. Howard had some discussion on the phone about the budget and he would like to have a Budget Workshop where the budget is presented, and we have the opportunity to ask questions and digest it a little bit more.

Director Richard Grant expressed thanks on behalf of North Topsail for Mr. Howard making sure the water would be coming from Surf City saying as you know we had a real issue last year. Director Grant thanked the members of the public for attending and for the comments made.

Director Warden said ditto to the comments and thanked the members of the public for attending and for their comments adding we do try to listen and it isn't always an easy decision and we have to make tough decisions saying we want to help the citizens of Onslow County as best we can and that is true of every one of us up here even though we are representing different parts of the county we all have love for Onslow County and we want our citizens to be prosperous, healthy and happy.

Director Tim Foster said right back to Timmy, Charles, and Johnny this is Boards in your local community are the ones that make decisions that impact you daily, they can make all of the decisions in Washington and in Raleigh but it is the local Boards that make a decision where you get to come and speak adding he knows Bob mentioned all the different parts of the county but I will mention that all three of these live in my neighborhood so I am glad that we are here and happy to help those guys I have known a long time. He added this is the perfect example of coming to a meeting sharing your concerns doing it in the manner in which you did and this Board listened and came back with the Staff and everybody to really work and see what we could do so everybody could walk away knowing we did what we needed to do to support the citizens. He ended by wishing everyone a great evening.

Vice Chairman Paul Conner said he can say with all certainty that when we sit up here we listen and we take it to heart and some things are outside of our control, some things we grapple with adding he wished it was all easy decisions but they are not especially when you are faced with some of the things we have seen come across the desk in prices of what it cost to get water out of the ground what it cost to treat that water and what it cost to get it to the house. He went on to express his appreciation to the members of the public who attended and spoke, taking their time to talk with them.

Chairman Royce Bennett said he doesn't want to repeat everything that has been said but he agrees with them. He thanked the members of the public who attended and shared opinions. He expressed appreciation to CEO, Franky Howard, and to Heather for the groundbreaking for the North Topsail Beach Booster Pump Station adding it was a successful event and a great opportunity for us to show that we are growing and we are doing what we can to provide the service all over the County but in this particular incident North Topsail Beach and we will continue to work to provide clean water and sewer service where we can across the County.

No other Directors wished to make comments.

Vice Chairman Paul Conner made a motion to adjourn. Director Jerry Bittner made a second. All were in favor, the meeting adjourned.

The meeting was adjourned at 7:18 PM.

Onslow Water & Sewer Authority Board of Directors



A handwritten signature in black ink, appearing to read "Michael Royce Bennett".

Michael Royce Bennett, Chairman

ATTEST:

A handwritten signature in black ink, appearing to read "Heather Norris".

Heather Norris, Clerk

<p style="text-align: center;"><b>Summerhouse WTP Fine Screens BID TABULATION RFB# 2024SHWWTPFINESCREENS</b></p>
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<b>BIDDER</b>	<b>UNIT PRICE</b>
SAVECO North America	\$298,900.00

**Present:**  
Eric Adams, Chief Financial Officer  
Jeffrey Lohr, PE Engineering Manager

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CAPITAL  
IMPROVEMENT  
UPDATE

March 21, 2024



1



**Digester Building**

**NORTHWEST  
REGIONAL WATER  
RECLAMATION  
FACILITY**

**HURRICANE  
FLORENCE RECOVERY**

- ELECTRICAL SYSTEMS REPAIR AND CRITICAL COMPONENT FLOODPROOFING
- CONSTRUCTION 99% COMPLETE
- ESTIMATED FINAL COMPLETION March 2024
- CONSTRUCTION COST \$6.6 M

2



3



4



5



6



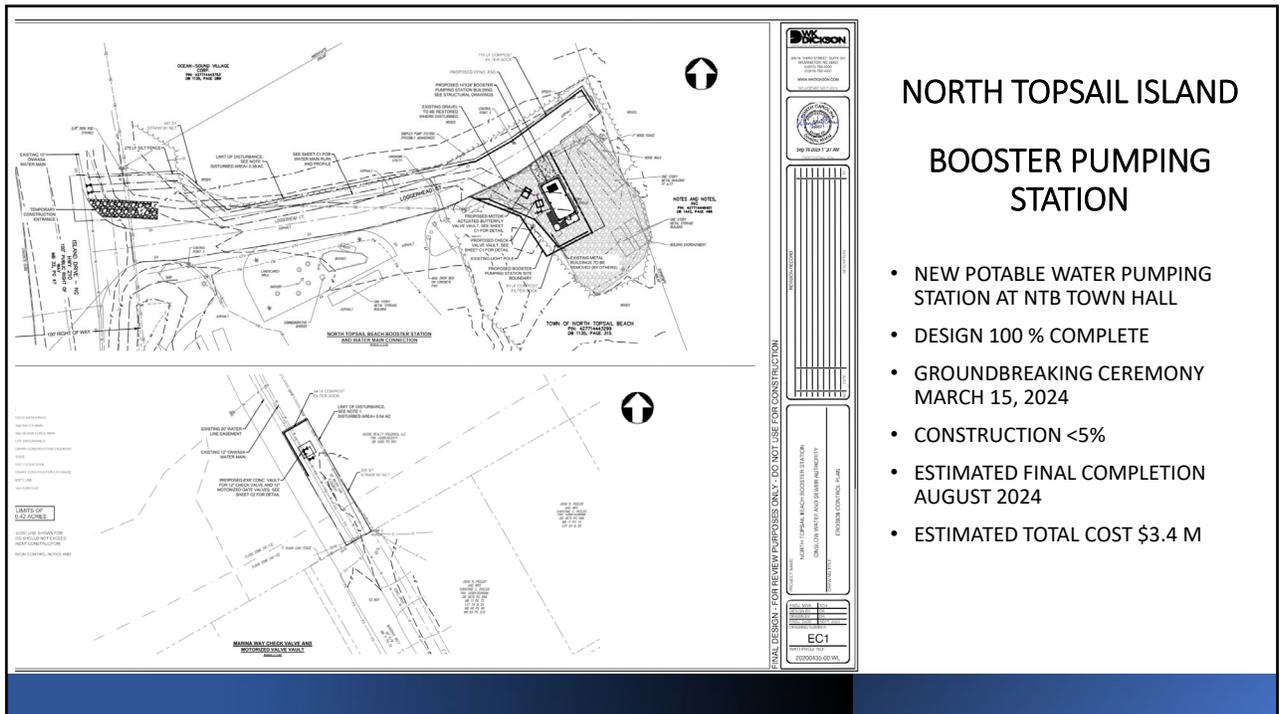
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8



9



10

# North Topsail Island Booster Pumping Station

March 2024



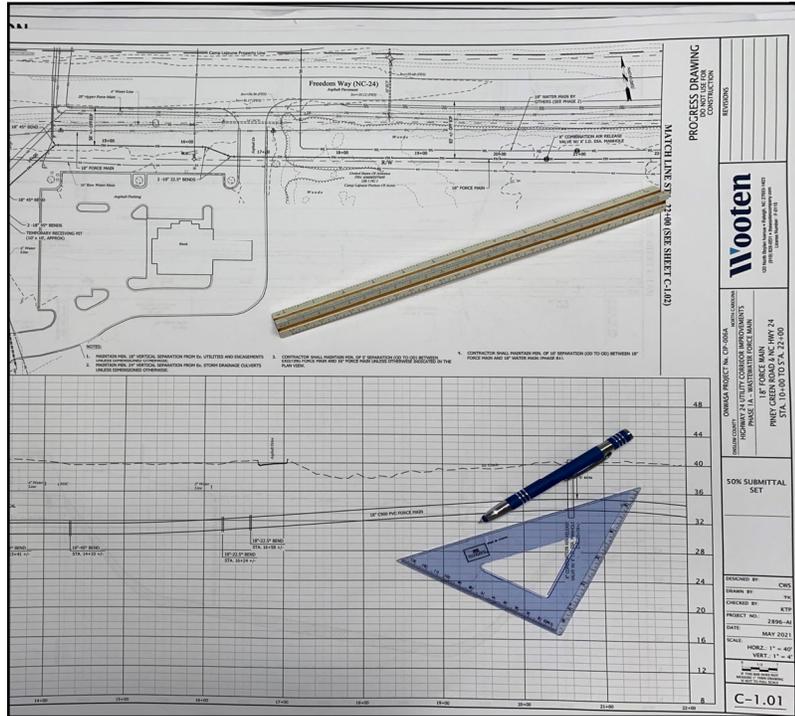
11



## SUMMERHOUSE WASTEWATER INTERIM CAPACITY IMPROVEMENTS PROJECT

- PHASE I-INSTALL ONWASA PROVIDED UV EQUIPMENT, FINE SCREENS, AND MBR TANKS, PUMPS, BLOWERS, AND APPURTENANCES TO MAINTAIN PERMITTED CAPACITY OF 0.180 MGD
- CONSTRUCTION DOCUMENTS BID MARCH 11, 2024, ANTICIPATE AWARD APRIL 2024
- ESTIMATED COMPLETION SEPTEMBER-OCTOBER 2024
- ESTIMATED CONSTRUCTION COST \$2.4M

12

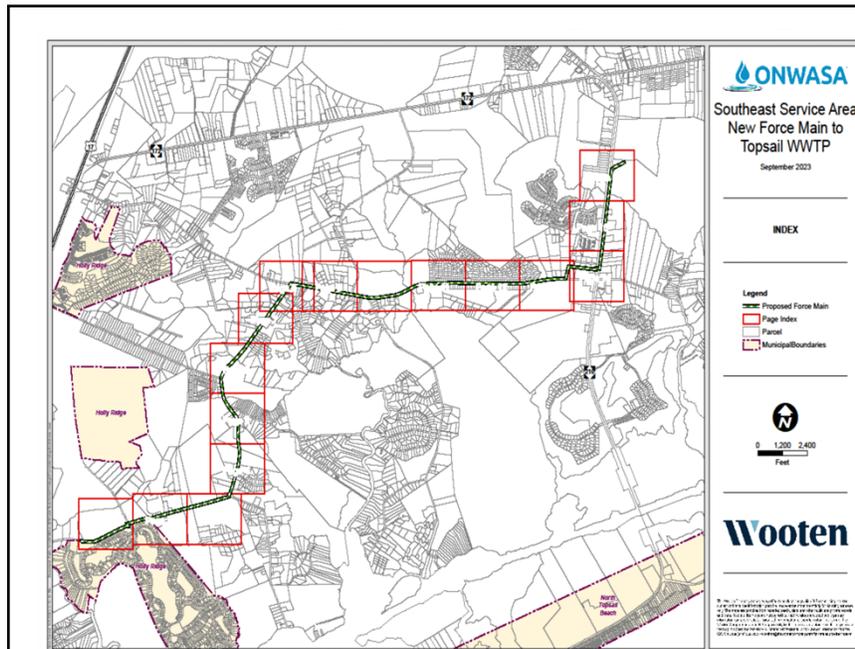


**SWANSBORO WWTW  
 AND  
 HUBERT WTP**

**HIGHWAY 24 UTILITY  
 CORRIDOR PROJECT**

- NEW WASTEWATER FORCE MAIN, PUMPING STATIONS AND WATER TRANSMISSION MAIN
- DESIGN 90% COMPLETE
- ESTIMATED FINAL COMPLETION: WASTEWATER BID Y2024 WATER TO BE DETERMINED
- ESTIMATED TOTAL COSTS: WASTEWATER \$27.7 M WATER \$10.0 M

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**SOUTHEAST SERVICE AREA**

**WASTEWATER FORCE  
 MAIN & PUMP STATIONS -  
 HOLLY RIDGE WWTW TO  
 TOPSAIL WWTW**

- NEW FORCE MAINS, PUMPING STATIONS PHASE I (ARPA FUNDED) HR WWTW TO SH WWTW; PHASE II – FORCE MAIN, PUMP STATION SH WWTW TO TOPSAIL WWTW
- PHASE I DESIGN 95% COMPLETE, BID DOCUMENTS TO DEQ FAST TRACK PERMIT APRIL 2024; PHASE II DESIGN 5% COMPLETE
- PHASE I ESTIMATED CONTRACT AWARD DECEMBER 2024; FINAL COMPLETION ESTIMATED OCTOBER 2025
- ESTIMATED COST PHASE I \$10M
- PHASE 2 TBD

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## DIXON WATER TREATMENT FACILITY

### EXPANSION 4 MGD TO 6 MGD

- EXPAND PLANT CAPACITY TO 6 MGD
- SITE EVALUATIONS AND PROCESS DESIGN CURRENTLY UNDERWAY
- PILOT TESTING FOR PROCESS AND RO STUDY UNDER EVALUATION
- ESTIMATED CONSTRUCTION COST AND SCHEDULE TBD



EXHIBIT C

**OPTION AGREEMENT TO PURCHASE LAND  
FOR ECONOMIC DEVELOPMENT PURPOSES**

THIS OPTION AGREEMENT TO PURCHASE (the "Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2024 (the "Effective Date"), by and between ONSLOW WATER AND SEWER AUTHORITY, having an address of 228 Georgetown Rd, Jacksonville, North Carolina 28540 ("Optionor") and JACKSONVILLE ONSLOW ECONOMIC DEVELOPMENT PARTNERSHIP, having an address of 421 Court Street, Jacksonville North Carolina 28540 ("Optionee")(Optionor and Optionee are collectively hereafter referred to as the "Parties".)

**WITNESSETH:**

WHEREAS, Optionor is the owner of certain real property identified as Parcel Nos. 027857, 001971 and 011593 (Onslow County), and Parcel No. 4227-56-5933-0000 (Pender County), together consisting of approximately 968.62 acres, more or less, and being part of Project Ajax, which is further identified by the preliminary maps and descriptive information attached hereto and incorporated herein by reference as **EXHIBIT A** (the "Property"); and

WHEREAS, Optionee desires the right to obtain title to the Property for the purpose of economic development in the Holly Ridge, Onslow County area.

NOW, THEREFORE, Optionor for and in consideration of the mutual covenants, terms, and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, grants to Optionee the option to purchase the Property pursuant to the following:

1. **GRANT OF PURCHASE OPTION.** Optionor hereby grants unto Optionee and Optionee hereby accepts from Optionor, the exclusive right and option to purchase the Property (the "Purchase Option") upon the terms and conditions set forth herein. It is hereby acknowledged and agreed that the Purchase Option hereby granted constitutes a present and absolute grant of the right to purchase the Property as of the date hereof.
2. **INITIAL OPTION PERIOD AND PRICE.** The initial Purchase Option shall continue for a period of sixty (60) months from the Effective Date of this Agreement (the "Option Period"), unless otherwise extended by the Parties hereto in a signed writing by them.
3. **LICENSE TO OPTIONEE TO ENTER PROPERTY.** In executing this Agreement, the Optionor grants Optionee, and Optionee's agents, contractors, or representatives, a nonexclusive license to enter the Property during the Option Period for the purpose of performing boundary and topographic survey work, and to conduct soil, engineering, and/or other tests or inspections, that Optionee deems necessary on the Property ("Due Diligence Inspections.") The aforementioned license shall automatically terminate upon expiration of the Option Period.

4. **EXERCISE OF OPTION TO PURCHASE.** Optionee shall exercise the Purchase Option by delivering written notice thereof (the "Exercise Notice") to Optionor at the Notice address provided below via: (i) personal delivery; or (ii) certified/registered mail (return receipt requested) within the Option Period, or any extension thereof. Upon Optionee's exercise of the Purchase Option as provided herein, this Agreement shall automatically become an agreement by Optionor to sell and convey the Property to Optionee and an agreement by Optionee to purchase the Property from Optionor, pursuant to the terms and conditions established herein. If the Purchase Option is not exercised within the Option Period, and no extension is agreed to by the Parties, this Purchase Option shall automatically terminate and be of no further force and/or effect.
5. **OPTION PURCHASE PRICE.** The Parties hereto agree that should Optionee exercise its Purchase Option; then in such event, the Property purchase price shall be Eight Million (\$8,000,000.00) during the Option Period. The Purchase Price shall be binding on the Parties, and any subsequent assignee(s).
6. **PROPERTY PURCHASE SETTLEMENT.**
  - a. **CLOSING DATE.** Upon exercise of the Purchase Option, the Parties agree to work in good faith to timely consummate the settlement of the Property purchase (the "Closing") upon a date mutually agreed to by them (the "Closing Date.")
  - b. **CLOSING COSTS.** The Parties agree to pay their respective Closing costs as are customary in the industry for similar Property purchase transactions, including but not limited to:
    - i. **OPTIONOR CLOSING COSTS.** Optionor shall be responsible for payment of the following Closing costs associated with the Property purchase: (i) Optionor's attorneys' fees; (ii) Optionor's brokers' fees and commissions, if any; (iii) fees associated with the preparation of a Special Warranty Deed to vest title in Optionee, along with other conveyancing documents as may be reasonably required by Optionee's Closing attorney (the "Closing Attorney") and/or the title insurance company to effectively vest title to the Property in Optionee; (iv) Optionor FedEx/Courier Fees, and/or wire fees, if any; and (v) other fees associated with the Property purchase customarily deemed a "Seller" expense.  
Optionor is exempt from the customary tax payment obligations associated with the ownership or sale of the Property.
    - ii. **OPTIONEE CLOSING COSTS.** Optionee shall be responsible for payment of the following Closing costs associated with the Property purchase: (i) the Purchase Price, subject to reduction by any deposits made or credits received; (ii) Optionee's attorneys' fees; (iii) the title examination; (iv) title insurance; (v) Optionee's respective brokers' fees

and commissions, if any; (vi) fees associated with the preparation of ancillary documents that may be reasonably required at Closing and customarily deemed a "Buyer" expense, if any; (vii) tax assessments, if any, as of the date title to the Property vests in Optionee; (viii) survey and/or other Due Diligence Inspection activity costs or expenses; (ix) recording fees; (x) FedEx/Courier or wire fees, if any; and (xi) other fees associated with the Property purchase customarily a "Buyer" expense.

7. **OPTIONOR CLOSING OBLIGATIONS.** At or prior to Closing, as applicable, and as a condition precedent to Optionee's obligation to pay the Purchase Price, Optionor shall:
  - a. Deliver to Closing Attorney all conveyancing or transfer instruments as may be reasonably requested to effect the Property purchase;
  - b. Deliver to Closing Attorney such certificates, affidavits and other documents as Optionee's title insurance company shall reasonably request to insure title;
  - c. Deliver to Closing Attorney Optionor Affidavit in form satisfying the requirements of Section 1445 of Internal Revenue Code of 1986, as amended, or any successor provision, affirming that Optionor is not a foreign entity; and
  - d. Deliver to Closing Attorney an entity resolution or other document satisfactory to the Closing Attorney and the title insurance company evidencing authority of Optionor's officer to execute the required conveyancing and settlement documents on behalf of Optionor.
  - e. Deliver to Optionee all permits, approvals, licenses, drawings, specifications, warranties, contracts as well as any other documentation owned or in the possession of Optionor, if any, which could reasonably be used by Optionee in connection with Optionee's ownership of the Property; and
  - f. Deliver to Optionee possession of the Property upon Closing Attorney's receipt of all required Closing funds, and recordation of Optionor's executed Special Warranty Deed.
  
8. **COVENANTS, REPRESENTATIONS AND WARRANTIES OF OPTIONOR.** Optionor hereby covenants, represents and warrants the following:
  - a. **SPECIAL ASSESSMENTS.** Optionor is unaware of any special assessments that are a lien on the Property, or could become a lien on the Property if not paid;
  - b. **TITLE.** Optionor has not taken and will not take any action that will or may affect Optionor's title to the Property and pursuant to the conditions and terms contained herein Optionor shall convey the Property to Optionee by Special Warranty Deed free and clear of all liens and encumbrances, excepting easements and restrictions of record, and/or other permitted encumbrances agreed to by the Parties and set

forth on **EXHIBIT B** attached hereto and incorporated herein by reference (the "Permitted Encumbrances;")

- c. **AUTHORITY.** Optionor is an entity with the legal capacity to enter into and consummate the transaction contemplated in this Agreement. This Agreement constitutes the authorized, valid and legally binding obligations of Optionor as related to the contemplated Property purchase;
- d. **NO VIOLATION OF AGREEMENTS OR APPLICABLE LAWS.** The execution and delivery of this Agreement, the consummation Property purchase, and the fulfillment of the terms hereof will not result in a breach of any terms or provisions of, or constitute a default under any agreement of Optionor, or any instrument to which Optionor is a party, or by which Optionor is bound, or any order, writ, injunction or decree of any court or governmental department, commission, board, bureau, agency or instrumentality, or any applicable law, rule or regulation applicable to Optionor or the Property. Optionor further warrants that all consents, approvals, and/or or authorizations to enter into this Agreement and subsequent Property sale have been obtained;
- e. **LITIGATION AND DISPUTES.** To the best of Optionor's knowledge, there are no actions, suits or proceedings pending, threatened, against or affecting Optionor or the Property before any court or before any governmental or administrative body or agency, which if determined adversely to Optionor or the Property, would have a material adverse effect on Optionor's ability to perform its obligations hereunder;
- f. **ENVIRONMENTAL MATTERS.**
  - i. To the best of Optionor's knowledge, the Property and Optionor's use, operation, and occupancy thereof, is in compliance with all permitting and licensing requirements, environmental laws and/or other applicable laws pertaining to human health or safety, including but not limited to those laws pertaining to governing the use and disposal of hazardous substances, pollution, or environmental protection; and
  - ii. To the best of Optionor's knowledge, the Property is not listed or proposed for listing on the National Priority List promulgated pursuant to the Comprehensive Environmental Compensation Liability Act of 1980, as amended ("CERCLA"), nor is it listed on the Comprehensive Environmental Response Compensation Liability Information System ("CERCLIS") or on any state list of sites requiring environmental investigation or clean-up.
- g. **EMINENT DOMAIN.** In the event Optionor or Optionee receives any notice of any condemnation proceedings or other proceedings in the nature of eminent domain affecting the Property, it will forthwith send a copy of such notice to the other. Upon receipt of such notice, either party shall have the right to cancel this



With a Copy to: Kitchen Law, PLLC  
502 Main St. Ext., Unit 110  
Swansboro, NC 28584  
ATTN: Chuck Kitchen, Esq.

Optionee: Jacksonville Onslow Economic Development Partnership  
421 Court Street  
Jacksonville North Carolina 28540

With a Copy to: Rizzo & Blackburn, PLLC  
115 Triton Lane  
Surf City, NC 28445  
ATTN: Kathy R. Blackburn

10. **RIGHT TO ASSIGNMENT.** The Parties hereto shall have the full and unrestricted right to assign its interest in this Agreement at any time by executing an Assignment thereof and forwarding the same to the other party at the notice address provided above. In the event of assignment, any assignee shall be entitled to all rights, and shall assume the responsibility of all obligations and duties contained in this Agreement of the respective assignor, automatically and without the necessity of executing further instruments or documents. Upon any such assignment, the assignor shall no longer be entitled to any rights hereunder and shall be relieved and released from all obligations and duties contained herein.
11. **RECORDATION OF AGREEMENT.** Contemporaneously with the execution of this Agreement, Optionee shall, at its expense, cause this Option to be recorded in the County Registry in which the Property is located. In the event the Purchase Option is not exercised by Optionee by the end of the Option Period, Optionee shall, at Optionor's request, execute and record a termination of the Purchase Option.
12. **NO WAIVER.** The failure of either party to insist upon strict performance of the terms and conditions contained herein, or a Parties' waiver of any breach of this Agreement, shall not be construed as waiving subsequent breach or strict performance of any such terms and conditions, or breach, but the same shall continue and remain in full force and effect as if no such forbearance or waiver occurred.
13. **DEFAULT AND REMEDY.** Any party hereto seeking enforcement of the terms and conditions of this Agreement or the sale of the Property, shall be entitled to all remedies available at law or in equity.
14. **GOVERNING LAW, VENUE, JURISDICTION.** This Agreement shall be governed, construed, and enforced in accordance with the laws of the State of North Carolina. Venue shall be in a court of competent jurisdiction located in Onslow County, North Carolina.
15. **SEVERABILITY.** Any provision contained herein held to be invalid or unenforceable by a court of competent jurisdiction shall be stricken from this Agreement, and all other terms and conditions contained herein shall remain in full force and effect.

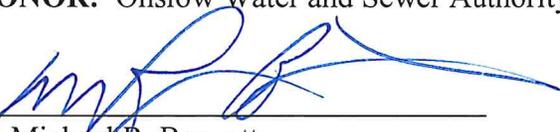
16. **AMENDMENT.** Any modification of this Agreement shall be binding only if placed in writing and signed by the Parties hereto.
17. **ENTIRE AGREEMENT.** This Agreement shall constitute the entire agreement between the Parties and any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding upon them except to the extent incorporated herein, or as modified in an amendment to this Agreement executed by the Parties.

WITNESS our signatures as of the day and year first above written.

**OPTIONOR:** Onslow Water and Sewer Authority

(SEAL)

By: \_\_\_\_\_



Michael R. Bennett  
Chairman, Board of Directors

ATTEST:



CLERK



NORTH CAROLINA  
ON SLOW COUNTY

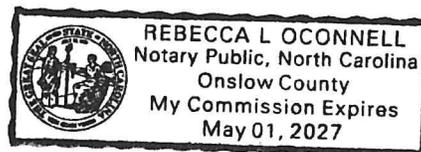
I, Rebecca L OConnell, a Notary Public, do hereby certify that Heather Norris personally appeared before me this day and acknowledged that She is the Clerk to the Board of the ONSLOW WATER AND SEWER AUTHORITY, that the foregoing instrument was executed in its name by its Chairman, attested by her as its Clerk, and its seal thereto affixed, all by order of the Board, first duly given.

Witness my hand and official seal, this the 22<sup>nd</sup> day of March 2024.

(SEAL)



NOTARY PUBLIC



My commission expires: May 1, 2027

**OPTIONEE:** Jacksonville Onslow Economic  
Development Partnership

By: \_\_\_\_\_  
Mark Sutherland, CEcD  
Executive Director

STATE OF NORTH CAROLINA, COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, a Notary Public of said State and  
\_\_\_\_\_ County, do hereby certify that MARK SUTHERLAND, personally  
appeared before me this day and acknowledged that he is the Executive Director of  
JACKSONVILLE ONSLOW ECONOMIC DEVELOPMENT PARTNERSHIP, and that being  
authorized to do so, executed the foregoing OPTION AGREEMENT TO PURCHASE on behalf  
of and as the act of the entity.

Witness my hand and official seal, this the \_\_\_\_\_ day of \_\_\_\_\_, 2023.

[OFFICIAL SEAL]

\_\_\_\_\_  
Notary Public Signature  
Printed Name: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

**EXHIBIT A**

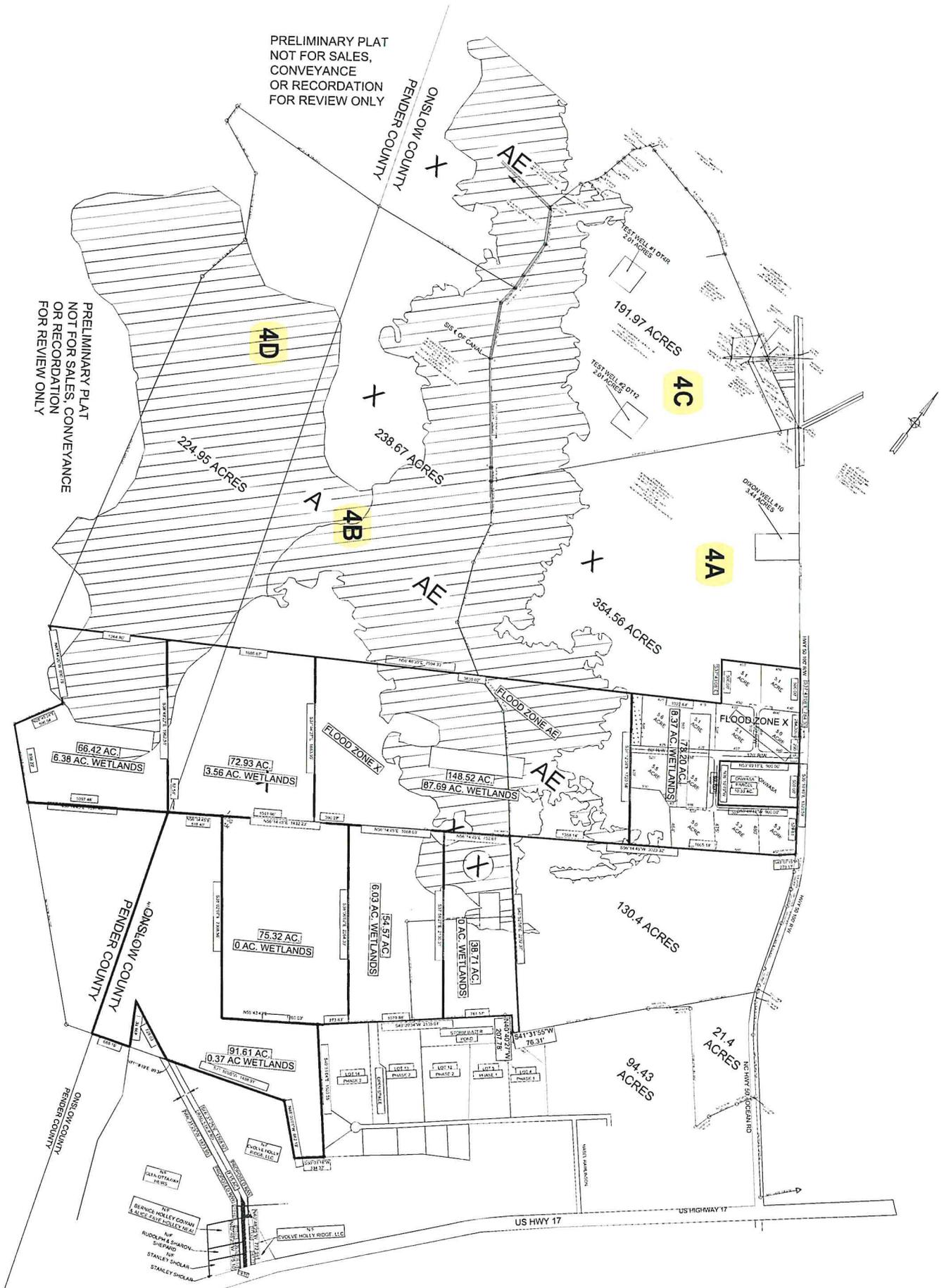
PROPERTY LEGAL DESCRIPTION

Being all of a certain parcel or tract of land located in Stump Sound Township, Onslow County, North Carolina, and being more particularly described as follows:

Being all of Phase 4A, 4B, 4C, and 4D as shown by plat entitled Preliminary Plat, CDIP Wachovia Tract, by Weston Lyall, PE, PLS, PLLC, dated March 14, 2024 to which reference is hereby made for a more particular description of same.

PRELIMINARY PLAT  
NOT FOR SALES,  
CONVEYANCE  
OR RECORDATION  
FOR REVIEW ONLY

PRELIMINARY PLAT  
NOT FOR SALES, CONVEYANCE  
OR RECORDATION  
FOR REVIEW ONLY



**EXHIBIT B**

PERMITTED ENCUMBRANCES

1. Existing Easements of Record
2. Existing Restrictions of Record