

December 14, 2011

The Martin County Board of Commissioners met in Regular Session on Wednesday, December 14, 2011 at 7:00 p.m. in the Board Room, Martin County Governmental Center at 305 East Main Street, Williamston, North Carolina.

ASSEMBLY

Chairman Elmo “Butch” Lilley, Vice Chairman Tommy W. Bowen, Commissioner Ronnie Smith, Commissioner Derek Price, Commissioner Bob Hyman, County Manager David Bone, County Attorney J. Melvin Bowen, and Clerk to the Board Marion B. Thompson.

Chairman Lilley called the meeting to order.

Commissioner Price led the pledge of allegiance. Vice Chairman Bowen offered the invocation.

Chairman Lilley extended a welcome to all.

AGENDA APPROVAL

The administrative staff asked that the following items be added to the agenda: Approve Tri-Party Agreement for Syfan Manufacturing and Resolution Designation of Applicant’s Agent for Hurricane Irene.

Commissioner Hyman asked that Committee on Dog Hunting be added to the agenda. Chairman Lilley stated that back-up had not been given by the deadline and this item was not time sensitive. However, if a majority of the board approved the addition, it would be added. Commissioner Hyman made the MOTION, with a SECOND by Vice Chairman Bowen to add Committee on Dog Hunting to the agenda. Commissioners Bowen, Price and Hyman voted FOR the motion. Commissioners Lilley and Smith voted AGAINST. The item was ADDED to the agenda by a MAJORITY vote.

On the same MOTION, Commissioners Bowen, Price and Hyman voted FOR approval of the agenda with all additions. Commissioners Lilley and Smith voted AGAINST. The agenda was APPROVED with all additions by a MAJORITY vote.

BOARD REORGANIZATION

Election of Chairman: Upon being instructed by the Commissioner Lilley, County Manager Bone, solicited nominees for chairman. Vice Chairman Bowen made a MOTION, with a SECOND by Commissioner Smith, to nominate Elmo “Butch” Lilley as Chairman for the coming year. Mr. Lilley expressed his acceptance of the nomination. The motion to nominate Elmo “Butch” Lilley as Chairman was unanimously APPROVED by the Board.

Election of Vice Chairman: Chairman Lilley called for nominations for Vice Chairman of the Martin County Board of Commissioners. Commissioner Price made a MOTION, with a

SECOND by Commissioner Smith, to nominate Tommy Bowen as Vice Chairman for the coming year. The motion was unanimously APPROVED by the Board.

Appointment of County Attorney: Commissioner Smith made a MOTION, with a SECOND by Vice Chairman Bowen, to appoint J. Melvin Bowen as County Attorney. The motion was unanimously APPROVED by the Board.

Appointment of Clerk to the Board: Vice Chairman Bowen made a MOTION, with a SECOND by Commissioner Smith, to appoint Marion B. Thompson as Clerk to the Board. The motion was unanimously APPROVED by the Board.

2012 Schedule of Meetings: Commissioner Price made a MOTION, with a SECOND by Commissioner Price, to approve the 2012 Schedule of Meetings and Budget Meeting Schedule as presented. The motion was unanimously APPROVED by the Board. The schedule adopted is listed below:

**2012 MARTIN COUNTY
MEETING SCHEDULE**

<u>Date of Meeting</u>	<u>Type Meeting</u>	<u>Date Backup Needed Due by 12:00 Noon</u>
January 11, 2012	Regular Meeting	January 4, 2012
February 8, 2012	Regular Meeting	February 1, 2012
March 14, 2012	Regular Meeting	March 7, 2012
March 21, 2012	Departmental Budget Presentations	
March 22, 2012	Departmental Budget Presentations (if needed)	
April 11, 2012	Regular Meeting	April 4, 2012
April 18, 2012	Agency Budget Presentations/Budget Workshop	
To Be Announced	Joint Budget Meeting with Board of Education	
May 9, 2012	Regular Meeting	May 2, 2012
To Be Announced	Budget Workshop (s) (After Receipt of Bd of Ed Budget)	
June 13, 2012	Budget Public Hearing	
June 13, 2012	Regular Meeting	June 6, 2012
June 13, 2012	Adopt Budget	
June 27, 2012	Year End Budget Ordinance Amendments '11-'12	If Needed
July 11, 2012	Regular Meeting	July 5, 2012
August 8, 2012	Regular Meeting	August 1, 2012
September 12, 2012	Regular Meeting	September 5, 2012
October 10, 2012	Regular Meeting	October 3, 2012
November 14, 2012	Regular Meeting	November 7, 2012
*December 3, 2012	Regular Meeting	November 26, 2012

* date changed so that officials can be sworn in on first Monday of December

**2012 MARTIN COUNTY
BUDGET SCHEDULE**

January 12, 2012	General Budget Discussion/Current Budget Update - Department Head
February 1, 2012	Budget Sheets to Department Heads
February 24, 2012	Departmental Budget Requests Due
March 5-16, 2012	Manager Meetings with Department Heads
March 21, 2012	Departmental Budget Presentations
March 22, 2012	Departmental Budget Presentations (if needed)
March 28, 2012	Agency Budget Requests Due
April 18, 2012	Agency Budget Presentations/Budget Workshop
To Be Announced	Joint Budget Meeting with Board of Education
To Be Announced	Budget Workshop (s)
May 29, 2012	Ad to paper before noon
May 31, 2012	Budget Ready for Public Inspection
June 13, 2012	Budget Public Hearing
June 13, 2012	Adopt Budget

PUBLIC COMMENTS - None

CONSENT AGENDA

Commissioner Smith introduced a MOTION, with a SECOND by Commissioner Price to approve the following consent agenda items as presented. The motion was unanimously APPROVED.

1. **Minutes** for November 9, 2011, Regular & Closed Sessions.
2. **Financial Report** for November 2011 for informational purpose only.
3. **Tax Relief Orders** for November 2011 in the amount of \$ 11,448.09.

Year	Levy	Lname	Fname	Remarks	Value	Total
2011		Barnes	Alvin C.	Bill of Sale	2,240	16.13
2011		Cratch	Rodger Earl	Bill of Sale	1,380	9.94
2011		Meetze	Jacob Earl Jr	High Mileage	1,800	13.50
2011		Smith	Paul D	High Mileage	2,140	15.30

2011	Smith	Paul D	High Mileage	3,000	21.45
2011	Cantle Hospitality LLC		Clerk Error	1,120,040	7,504.27
2004	Durham	Susie Hudson Heirs	Double List	7,000	208.45
2005	Durham	Susie Hudson Heirs	Double List	7,000	208.45
2006	Durham	Susie Hudson Heirs	Double List	7,000	208.45
2007	Durham	Susie Hudson Heirs	Double List	7,000	208.45
2008	Durham	Susie Hudson Heirs	Double List	9,000	75.15
2009	Durham	Susie Hudson Heirs	Double List	8,890	64.01
2010	Durham	Susie Hudson Heirs	Double List	8,890	64.01
2011	Durham	Susie Hudson Heirs	Double List	8,890	64.01
2011	Everett & Johnson Inc		Error in Landfill Fee		162.00
2011	Everett	Edna S	Error in Landfill Fee		648.00
2011	Harris & Lilley Fertilizer		Error In Listing	51,366	367.26
2011	Lilley	Herman N	Error in Landfill Fee		162.00
2011	Manning	Phillip E	Error in Landfill Fee		162.00
2011	Matthews	D G & Sons Inc	Error in Landfill Fee		162.00
2011	Matthews	D G & Sons Inc	Error in Landfill Fee		162.00
2011	Matthews	D G III Etals	Error in Landfill Fee		162.00
2011	Rich & Trush Inc		Error in Landfill Fee		162.00
2011	Savage	Nicole P	Repo Sold Mobile	46,040	345.30
2010	Taffer	Edward D	Home Sold Mobile	7,300	57.01
2011	Taffer	Edward D	Home	6,780	52.95
2011	James	Larry Earl	Error in Landfill Fee		162.00
			Total		11,448.09

4. Tax Collector's Report for November 2011.

Month	Property Taxes	Property Taxes	MV Taxes	Mv Taxes
	Month to Date	Year to Date	Month to Date	Year to Date
Nov-11	1,106,222.26	3,863,072.19	89,413.50	436,949.74

5. Board Appointments/Reappointments – Juvenile Crime Prevention Council

The JCPC Board requests that the Board of Commissioners reappoint the following members for another two (2) year term which would expire December 21, 2013.

- School Superintendent Ron Melchiorre, ex officio
- Sheriff Dan Gibbs, ex officio
- James Ward, County Commissioners' appointee
- Director of Social Services Susan Davenport, ex officio
- NIFF Program Director Sondra McCleary, ex officio
- Chief of Police Travis Cowan, ex officio
- Deborah Fonville, County Commissioners' appointee
- District Court Judge Regina Parker, ex officio
- Phyllis V. Roebuck, County Commissioners' appointee
- James "Jimmie" Horton, County Commissioners' appointee

ECBH Representative Sherry Ramsome, ex officio, was appointed to fill the unexpired term through December 31, 2012 of ECBH representative Paula Johnson who has been transferred.

The following individuals were recommended for first time appointments for two year term which would expire December 31, 2013.

- Anthony Howell- Commissioners' appointee
- Program Manager Auquisha Carr-Divine Intervention for Youth, ex officio
- Program Manager Willie Peele-Smithwick Chapel Year Round Enrichment Program, ex officio
- Program Manager Franklin (Cordell) Moore-Restore Initiative (Brothers Giving Back), ex officio

6. East Carolina Behavioral Health Quarterly Fiscal Monitoring Report – for informational purpose only.

7. Declaring Badge & Service Side Arm Surplus

Deputy Kenneth Lambert will be retiring from full time service with the Martin County Sheriff's Office effective December 28, 2011. Deputy Lambert has served with the Martin County Sheriff's Office for five years. Deputy Lambert has met the qualifications to retire with full benefits due to age and career total years in fulltime law enforcement.

Sheriff Gibbs recommended the Board of County Commissioners declare Deputy Lambert's badge (Smith and Warren) and pistol (Glock 22 .40 caliber, serial number HUG501) surplus in accordance with NC General Statue 20-187.2.

8. Clerk's Report included each month for informational purposes.

INTRODUCTION OF NEW EMPLOYEES

There were no new full time employees hired since last month.

PRESENTATIONS

MCRWASA WTP Update – The Wooten Company

The following data was taken from a power point presentation given by Vice President Dan Boone and Project Engineer Chris Thomson on the Martin County Regional Water and Sewer Authority (MCRWASA) Water Treatment Plant (WTP).

Early in 1970s, the State observed groundwater issues in Central Coastal Plain, including water level declines and a large cone of depression.

In 1998, the State Division of Water resources (DWR) cited water supply dangers in region. Central Coastal Plain Capacity use investigation report described: Increasing potential for salt water encroachment, Evidence of aquifer dewatering, and Reports of extreme loss of well yield.

In 2001, the State approved the Central Coastal Plain Capacity Use Area Rules (CCPCUAR). CCPCUAR, consisting of fifteen counties, became effective August 1, 2002. The CCPCUA rules require water users to cut back on use of these overused aquifers and increase use of other water sources (including alternative aquifers, surface water, and other sources) over a sixteen year period. All ground water users using more than 100,000 gallons per day are required to have a water use permit in order to continue withdrawing.

In 2005, Martin County Water Resources Master Plan documented pending water supply deficit. Potential alternatives included: Ground Water aquifers, Roanoke River, or CCPCUA Boundary Change.

In 2007, Martin County Regional Water and Sewer Authority (Martin County, Williamston, and Robersonville) incorporated. Due to the availability of an alternative source, Robersonville withdrew from the Authority in March 2009. The Authority was created to deal with the water deficit on a regional level.

In 2009, the Authority studied the water supply alternatives. The Preliminary Engineering Report (PER) and Environmental Assessment (EA) was started. The PER developed alternatives for two (2) MGD suppliers. These included: Castle Hayne WTP, Reverse Osmosis WTP (in Salty Zones of Cretaceous Aquifers), Roanoke River WTP, and Unconfined (?) Black Creek WTP and Castle Hayne WTP. The PER alternatives were presented to the Authority and member entities. The Roanoke WTP was selected. United States Department of Agriculture (USDA) approved the PER.

With the state mandate, current data indicate that Central Martin County (salt water concerns) would be most impacted by the required maximum reduction (75%); western region-30% and no reduction eastern region. Withdrawal reductions would be in three phases which began August 2008, next reduction August 2013 and maximum reduction by August 2018.

Current activities of MCRWASA include the following short-term measures:

- Planning and construction of an interconnection from Town of Robersonville (planned completion 2012); and

- Planning and construction of a new water supply well (Penco 1 & 2) in Martin County District 1 (planned completion 2012)

The MCRWASA water treatment plant project is being designed and is to be constructed by September 2015. Current funding includes:

- \$2.8 million in USDA grant funding
- \$18.17 million in USDA loan funding, and
- A \$40,000 Rural Center grant.

Additional possible funding sources include:

- \$1.5 million from Economic Development Administration (EDA) grant (currently not secured),
- \$3.0 million 50/50 grant/loan from the Drinking Water State Revolving Fund (DWSRF),
- State direct appropriation from the NC Division of Water Resources,
- Federal direct appropriation from the federal government or a State and Tribal Assistance Grant (STAG).

However, the project must be permit ready.

Monthly county water bills are projected to increase from about \$32 to an average of about \$45 per month.

Commissioner Price expressed concerns over the potential loss of water customers (residents reverting to wells usage) and the fact that the unfunded mandates did not affect all county residents equally. Wooten Vice President Boone explained history has shown in other areas that customers were not lost but remained on the system. Customer education is necessary.

Commissioner Smith added there are advantages to tapping into the Roanoke River. There is a need to move forward. The water shortage is global.

When questioned how the lines were determined, Mr. Boone responded that the State drew the lines after a number of studies by the Corp of Engineers. Aquifers are being used faster than they are being replaced. The State has pledged to review the data every five years.

Chairman Lilley questioned how the State after demanding the installation of wells years ago, are now demanding a different water source. Mr. Boone answered current wells will be retained and used. Wells are the most cost efficient and will provide up to 25% of the demand.

Request for Support Golden Leaf Grant Application Mobile Dental Clinic

Martin Tyrell Washington Health Director Kathleen DeVoreJones requested the Board of Commissioners support after receiving a favorable response to a preliminary \$275,000 Golden Leaf loan application for a mobile dental clinic.

Ms. DeVoreJones stated the MTW District Health Department has been invited by the Golden Leaf to submit a full proposal for funding to purchase a fully-equipped two-operator mobile

dental unit for providing preventive and restorative dental care and oral health education to children and adults in Martin County. The van will screen, prophylax, and treat children during the school year, rotating to the 11 public schools in Martin County twice each month. During school vacation times, the proposed location of the van would be the government complex in downtown Williamston or to go to the 5 un-served towns in Martin County to offer services to adults who are uninsured or have Medicaid. The van will be equipped with a wheelchair lift to treat non-ambulatory patients in nursing homes.

The Martin County dental van will create 3 full time permanent jobs: 1 dentist, 1 dental assistant, and 1 dental assistant/program manager; serve as a laboratory site for Martin Community College dental assistant students; and become the only dental clinic in Martin County that regularly accepts patients with Medicaid/Health Choice and reduces fees for uninsured patients. MTW's 1,648 young dental patients who live in Martin County and the over 2,000 Martin County children with Medicaid/Health Choice who received no dental services last year will have easy access to care from an established dental practice. MTW dental staff will make oral health presentations in the schools and community to promote oral hygiene and our dental services.

The Health Department will provide \$103,765 in start-up costs from its fund balance. On behalf of the Health Department, Director DeVoreJones requested the following from the Board of Commissioners: a strong letter of support, agree to Martin County Government providing a "home" parking site and hook up space at the government complex next to MTW's home health facility on Watts Street, and a donation up to \$6,000 rather the up to \$12,000 that was originally requested to assist with the start up costs.

Chairman Lilley stated he believed this is a reasonable request.

Commissioner Price made a MOTION to support and approve the requests presented by the Health Director, with a SECOND by Commissioner Hyman. The motion was unanimously APPROVED.

Approve Resolution to Amend the EDC Golden Leaf Grant Application

Chairman Laurence Lilley and EDC Executive Director Marvin Davis updated the Board of Commissioners on the progress-to date of the shell building, discussed the Golden Leaf grant and requested consideration of approval of a Resolution to Amend the EDC Golden Leaf Grant Application.

1.Update on Activities and Progress-to date of the Shell Building

"The process being used for construction price and construction of the shell building is a design build process. The design build process is the most cost effective way to obtain a construction price of a building. While this process may have taken slightly more time, it has been worthwhile to get to a very favorable pricing of the shell structure.

To get to this point of final pricing, several things have been accomplished. Geotech soil borings have been one of the more extensive matters undertaken. Soil borings have been taken at two

different times. The first soil borings was taken under parts of the building footprint and other areas of the site. Given the Geotech report of the soil conditions and amount of excavation and fill that would be needed, a second Geotech soil boring was commissioned which took additional borings at covered building corners not previously sampled and areas for potential expansion of the building footprint. Based upon these complete information, and analysis by engineers, the best cost efficient approach was determined, which is to let the soil "surcharge". This requires the soil to be excavated and the site "laid open" for a few months for the soil to get to a curing point of the water removed from the excavated soil and the soil exposed by excavation. Then a composite mixture of onsite soil and fill material trucked in will be used as the building pad. All of this is done to prepare a building footprint that can adequately hold the loads in the floor for an industrial company.

Several matters were kept in mind when using and laying out the building in Everett's Park. They were:

- *Locate the building to take advantage of the exiting roadwork already in place.* The shell building is being located beside the Syfan building at the intersection of the two existing roads. This will also cluster the builds to give "mass" to the buildings in Everett's Park.
- *Take advantage of the railroad spur.* A railroad spur is a very valuable commodity for industrial development. A spur line is presently behind Syfan. The shell building footprint and potential expansion has been sited so a potential company can use the rail line if they have a need to do so. It is also cited so the rail line can be extended to other future buildings in Everett's Park.
- *Use of existing infrastructure in the ground.* The shell building was sited to utilize the existing water and sewer lines in the ground so that costs of line extensions would not have to occur.
- *Use of four lane, US 64 as a marketing tool.* The building was cited on a small knoll so that it would have good visibility from US 64. The front façade of the building where the administrative portion of the building will be toward US 64. Particular attention has been paid to the front façade so that it will be attractive. The visible location on US 64 and the attractiveness of the shell building will help market the property for sale.
- *Traffic Circulation.* The site was planned so that there would be good traffic circulation on the property for cars by employees and visitors and trucks for incoming raw material and outgoing produced material.

The shell building will have the following characteristics:

- It will be a 53,000 square foot shell building, with the production area being 50,000 square feet and the administrative area being 3,000 square feet.
- The exterior walls of the production space will be tilt up concrete. The exterior walls of the administrative portion will be brick.
- The roof will be a 60 mil TPO roof on slope.
- There will be 30" clear height inside the shell building production area. Clear height is very important to a production facility.

- Initially, there will be limited lighting to show the building inside and exterior lighting for security and marketing of the building from US 64 at night.
- There will be a limited drive up and parking area to show the building.

Three companies submitted design build prices on the shell building. They were Hudson Brothers Construction Company, Choate Construction Company and A. R. Chesson Construction Company. A. R. Chesson Company had the best price and was recommended by Collier and Oakley, the architectural firm of EDC. The design-build construction price is \$1,670,000.

As previously stated, the design-build construction pricing of the building coupled with the favorable construction climate we are in, provided a very favorable price of the shell building. This favorable pricing allowed us to consider constructing another smaller shell building, for economic development purposes and be within our original GoldenLeaf grant and total project costs. This smaller shell building will be approximately 11,500 square feet. It will be located on the ‘front line’ near US 64 where by necessity of the configuration of the property, smaller buildings will be built. We will go through a design-build process on this building as we have on the other one. The estimated cost of this building is \$530,000. A proposed site plan of where the shell building will be located on site is enter into these minutes by reference. The proposed building is in accord with the master plan of the park.

Everett’s Park land was purchased on February 24, 1997. There are 128.6 acres remaining in the site. The first shell building was constructed in approximately 1998. The first occupant of the shell building was Atlantic Structures and the facility is presently occupied by Syfan.”

2. Discuss the GoldenLeaf Grant

“The GoldenLeaf grant is a result of an intensive Community Assistance Imitative process conducted by GoldenLeaf. This process started with notices of the first community meeting going out in December, 2009 and the first meeting held in January, 2010. Monthly community meetings were held until June, 2010. A ranking by community participants at the meetings ranked economic development the highest priority for Martin County. A citizen’s task force ranked the shell building as the highest priority project for use of GoldenLeaf funds.

A grant application for a shell building was made to GoldenLeaf August 16, 2010. The total project costs estimated in the grant application was \$2.2 million with \$1.1 million coming from the GoldenLeaf grant and \$1.1 million from the County. The County adopted a resolution June 9, 2010 which supported the shell building project and the commitment of a match of local funds, which was included in the grant application to GoldenLeaf.

After the GoldenLeaf application was submitted, all projects and the entities making the applications appeared before a GoldenLeaf Board of Directors review committee for a question and answer session about the details of the projects. The GoldenLeaf Board of Directors awarded the \$1.1 grant for the shell building project and the grant agreement was signed in November, 2010.

It has always been the thought that a major project such as this would take multiple years to accomplish. The construction will certainly not be completed in Fiscal Year 2011-2012 which ends June 30, 2012. The County budgeted \$1,000,000 in FY 2011-2012 for the predominant part of the match of the GoldenLeaf grant.

These funds will be set up in a separate account to be a revolving fund, so as the building is sold the County's portion of the sale proceeds will be recaptured and used for additional shell buildings in the future.

As the design build construction costs have now been determined and construction contract is being prepared for signing, we are at a point of getting ready to draw down the grant funds. As a part of any grant, there are certain assurances the granting agency wants to receive from the community. Also, the application was initially made for a shell building and within the amounts of projected project funds there are two buildings, so the original grant application will have to be amended."

3. Approve Resolution to Amend the EDC Golden Leaf Application

The following Resolution Regarding the Martin County Industrial Shell Building was before the Board for consideration. The Board of Directors of the EDC recommends that the County Commissioners adopt this resolution.

Commissioner Smith commented on the difficulties of getting occupants for a shell building. Mr. Laurence Lilley stated a marketing project for the shell building has already began by the EDC through private funding contributed by the Committee of 100.

Commissioner Smith formed a MOTION, with a SECOND by Vice Chairman Bowen to approve the resolution as presented. The motion was unanimously APPROVED.

RESOLUTION REGARDING THE MARTIN COUNTY INDUSTRIAL SHELL BUILDING REVOLVING FUND

WHEREAS, the GoldenLeaf Foundation has conducted a Community Assistance Initiative process in Martin County; and

WHEREAS, in the Community Assistance Initiative process economic development and the creation of jobs was the top priority of the citizens' group; and

WHEREAS, the creation of an industrial shell building revolving fund was the top priority project ranked by a citizens' team; and

WHEREAS, a grant application for an industrial shell building revolving fund was made to the GoldenLeaf Foundation, and the grant was awarded by the GoldenLeaf Foundation; and

WHEREAS, the GoldenLeaf Foundation grant request and award was \$1,100,000 and the County match was \$1,100,000; and

WHEREAS, Martin County Board of Commissioners has previously shown its support for this project by adoption of a resolution on June 9, 2010; and

WHEREAS, the Martin County matching funds of \$1,100,000 are on hand and available for the Martin County Industrial Building Revolving Fund project; and

WHEREAS, the property for the initial grant project is industrial property purchased by Martin County known as Everett's Park and further referenced by a deed found in Book W-15 page 1 in the Martin County Register of Deeds; and

WHEREAS, the County funds for use of the Martin County Industrial Building Revolving Fund are budgeted in a separate account; and

WHEREAS, the County proceeds from the sale or lease of said industrial buildings will be returned to a County financial account designated and earmarked for future perpetual use as an industrial shell building revolving fund; and

WHEREAS, favorable pricing has been received on the construction of the first industrial building at Everett's Park, which contains approximately 53,000 square feet;

NOW, THEREFORE, BE IT RESOLVED that the Martin County Commissioners and the Martin County Economic Development Corporation desire for the project activities in the initial application be amended to also include a smaller industrial building at Everett's Park of approximately 11,500 square feet within the same project budget of \$2,200,000 and do formally request said amendment to the GoldenLeaf Foundation.

BE IT FURTHER RESOLVED that the Martin County Commissioners express their appreciation to the GoldenLeaf Foundation for the support of economic development for the benefit and prosperity of citizens in Martin County.

Adopted, this the 14th day of December, 2011.

Elmo "Butch" Lilley, Chairman

Attest:

Marion B. Thompson, Clerk to the Board

Annual ABC Board Update

The financial report for year ending June 30, 2011 below was submitted by ABC Board Chairman Don Norman:

Martin County ABC Board
June 30, 2011 Financial Report

Sales	\$1,675,390
(Up \$38,988 from previous year)	
Distribution of Funds	
<u>Martin County</u>	
Profit Distribution	113,000
Bottle Tax	6,828
Law Enforcement	<u>2,929</u>
Total	122,757
<u>State of North Carolina</u>	
Sales Tax	131,404
Excise Tax	380,036
Mixed Beverage Tax	<u>3,687</u>
Total	515,127
Profit	74,656

ABC – Request for Capital Improvement Account

On behalf of the ABC Board, Chairman Don Norman requests the authority to establish a Capital Improvement line item in accordance with the General Statutes of the State of North Carolina 18B-805(d). County Manager Bone was in favor of a fund for long range planning for the ABC Board.

Vice Chairman Bowen made the MOTION, with a SECOND by Commissioner Price to approve the request of the local ABC Board in accordance with N.C. G. S. §18B-805(d) regarding a capital improvement fund. The motion was unanimously APPROVED.

Chairman Norman added he would be leaving the ABC Board in the near future. The Board of Commissioners extended words of gratitude for Chairman Norman's years of dedicated service to the ABC Board.

A short recess was taken.

Proposed Change in 4-H Agent Funding Formula

Extension Director Al Cochran began by stating 4-H Agent Danny Butler retired on Sept. 1, 2011. That position is now vacant. Christine Manning, the 4-H Program Assistant, plans to retire on March 1, 2012. Danny Butler's position was paid with both county and NCSU funds. The county paid 35% of his salary and the NCSU paid 65% of his salary. Director Cochran proposed that the County increase the county portion of the 4-H Agent position to 50% county funded. There is \$21,200 in the county budget for the 4-H agent position at the present time.

This should be enough to pay 50% of a new agent's salary. A new 4-H agent's starting salary is about \$35,000.

At the present time NCSU does not have money in the budget to fund a 4-H agent for Martin County. However, Dr. Rosalind Dale, the Eastern Region Program Coordinator for N.C. A. & T. State University thinks the County can get funding through N. C. A & T University for a 4-H agent in addition to the funding for the 4-H Program Assistant now being received.

Commissioner Smith commented what a great program 4-H is to the County; we need anything to increase student participation. Commissioner Smith made the MOTION, with a SECOND by Commissioner Hyman to change the 4-H Agent formula to 50% county funding and 50% state funding. The motion was unanimously APPROVED by the Board.

OLD BUSINESS

Dog Hunting Committee

Commissioner Hyman stated every year dog hunting in the County has been a hot topic. In March 2011, a meeting was held at the Martin County Auditorium at Riverside High School. Hunters were told to wait to see if the proposed regulations before the legislature would be adopted and might resolve the problems. Although some regulations have been put into place, there is still a problem with hunting with dogs.

Commissioner Hyman recommended establishing a committee after the order of Pitt County which contains five Landowners, five Dog Hunters, the Sheriff, a N. C. Wildlife Officer, the County Manager, and the County Attorney. It appears the committee in Pitt County has had a measure of success.

Commissioner Hyman stated with the help of Commissioner Bowen, they had a list of names of potential members for the committee: Landowners: Mr. Joe Ayers, Mr. Clift Keel, Mr. Larry Whitehurst, Mr. Jimmy Peaks, and Mr. Gary Speller; Dog Hunters: Mr. Jimmy Johnson, Mr. John Griffin, Mr. Jerry Barber, Mr. Jack Taylor, and Mr. Larry Ward; Sheriff Dan Gibbs, N. C. Wildlife Officer James Stridor, County Manager Bone, and County Attorney Bowen. Commissioner Hyman added the committee would make recommendations to the Board in an advisory capacity.

Commissioner Smith was concerned that Open Meeting Laws may have been violated by having a list of names that may have originated by a "majority" of Board members and the appearance of discussing and making decisions on County business before the meeting. Commissioner Smith cautioned the Board in moving forward in this direction.

Chairman Lilley objected to the fact that the issue did not make the cut-off deadline for the agenda packet. The list of names had been withheld until being announced at the meeting. Chairman Lilley did not see the issue as time sensitive and could wait until the January meeting.

After further discussion, Vice Chairman Bowen made a motion to table the dog hunting committee until the meeting in January, with a SECOND by Commissioner Price.

Commissioners Lilley, Bowen, and Price voted FOR tabling, with Commissioners Smith and Hyman voting AGAINST tabling this issue. The issue was tabled to the next meeting by a MAJORITY vote.

Approve Subordination of Syfan Tri Party Agreement

EDC Executive Director Marvin Davis stated the County sold the property where Syfan is located to Economic Development Corporation (EDC), and EDC is leasing to Syfan. The County has a lien on the property as security for monies owed to the County by EDC. Mr. Davis recommended giving the Chairman of the Board of Commissioners the authority to sign the Tri Party Agreement releasing the fixtures only to secure a loan for Syfan. County Manager Bone added Syfan has plans to move its banking services from an Israeli Bank to BB&T.

Commissioner Price gave the MOTION to approve the following agreement as presented and to authorize the Chairman to sign the agreement. Vice Chairman Bowen SECONDED the motion. The motion was unanimously APPROVED.

TRI-PARTY AGREEMENT

This TRI-PARTY AGREEMENT (this "Agreement") is executed as of December 14, 2011 by MARTIN COUNTY ECONOMIC DEVELOPMENT CORPORATION, a North Carolina nonprofit corporation, having an address of 415 E. Boulevard, Williamston, North Carolina 27892 (the "Landlord"), SYFAN MANUFACTURING, INC., an Delaware corporation, having a principal place of business at 1522 Twin Bridges Road, Everetts, North Carolina 27825 (the "Company"), MARTIN COUNTY, having an address of P. O. Box 668, Williamston, North Carolina 27892 ("Landlord Lender") in favor of BRANCH BANKING AND TRUST COMPANY, whose address is 514 SE Greenville Boulevard, Greenville, NC 27858 (the "Secured Party").

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Landlord, Company and Lender hereby agree with the Secured Party as follows:

1. The Landlord represents to the Secured Party that it is the owner of a certain premises commonly known as 1522 Twin Bridges Road, Everetts, North Carolina 27825, and more particularly described in the Lease (hereinafter the "Leased Premises") occupied by the Company pursuant to a Lease dated the 28th day of June, 2004 (as the same may be amended, supplemented or otherwise modified from time to time, and including any successor lease of any or all of the Leased Premises (the "Lease"). The Landlord has granted a deed of trust to Landlord Lender, which deed of trust is recorded in Book C-20, Page 138, Martin County Registry (the "Deed of Trust").

2. The Landlord and the Landlord Lender acknowledge that each has been advised that in connection with certain Security Agreements by and between the Company and the Secured Party, the Company has granted the Secured Party a lien upon and security interest in substantially all of Company's personal property, including, without limitation, the Company's

trade fixtures and equipment (collectively, the "Collateral"), some or all of which Collateral is presently located, or may at any time hereafter be located, in, at, or upon the Leased Premises.

3. The Landlord and Landlord Lender agree:

(a) Secured Party shall have a first priority lien on the Collateral now or hereafter located at the Leased Premises;

(b) not to interfere with any enforcement by the Secured Party of the Secured Party's right in and to the Collateral;

(c) to permit the Secured Party and its representatives access to the Leased Premises at any time, and from time to time, in order to exercise the Secured Party's rights, including, without limitation, the right to inspect, preserve and/or remove the Collateral;

(d) to permit the Secured Party and its representatives to remove the Collateral from the Leased Premises at any time provided that the Secured Party shall promptly repair at the Secured Party's expense, any physical damage to the Leased Premises actually caused by such removal; and

(e) that all of the Collateral located on the Leased Premises will remain personal property and will not become fixtures or otherwise become part of the Leased Premises and shall remain separate property of Tenant.

4. This Agreement shall inure to the benefit of the Secured Party, its successors and assigns, shall be binding upon the Company, Landlord, Landlord Lender and their respective heirs, assigns, representatives, and successors.

IN WITNESS WHEREOF, the undersigned have executed this instrument in the manner prescribed by law as of the date first written above.

MARTIN COUNTY ECONOMIC DEVELOPMENT CORPORATION

By: _____

Title: _____

SYFAN MANUFACTURING, INC.

By: _____

Title: _____

MARTIN COUNTY

By: _____

Title: _____

Resolution Designation of Applicant's Agent

The Board of Commissioners was asked to approve a resolution (included in the minutes by reference) designating the County Manager and the Finance Officer as the primary and secondary agents, respectively, who will be authorized to execute and file applications for federal and/or state assistance on behalf of the County for disaster assistance (Public Law 93-288 as amended). This will give them the authority to represent and act for the County in all dealings with the State of North Carolina and the Federal Emergency Management Agency for all matters concerning Hurricane Irene.

Commissioner Smith made the MOTION, with a SECOND by Commissioner Price to approve the resolution as presented. The motion was APPROVED unanimously.

NEW BUSINESS

Road Naming Requests

The road naming ordinance for Martin County, Section 4.Naming/Numbering System, requires that a road be named once it has three or more homes on it. Having fit this category, Jerry and Gail Cornwell, 4721 Prison Camp Road, Williamston, NC and Calvin R. Cullipher, 22500 NC Hwy 125, Williamston, NC are requesting the assignment of road names to their property.

Of the three names choices submitted (1st-Big Apple Lane, 2nd-Big Apple Farms Lane, and 3rd-Big Apple Road), Tax Assessor Hilton Edmondson recommended *Big Apple Lane* for the Cornwell property.

Commissioner Price made the MOTION, with a SECOND by Commissioner Smith to approve *Big Apple Lane*. The motion was unanimously APPROVED.

Of the three names choices submitted (1st-Cullipher Lane, 2nd- Calvin Lane, and 3rd-Ray Lane, Tax Assessor Hilton Edmondson recommended *Calvin Lane* for the Cullipher property.

Vice Chairman Bowen made the MOTION, with a SECOND by Commissioner Price to approve *Calvin Lane*. The motion was unanimously APPROVED.

Approval of Airport Management Contract

County Manager Bone reported the management of the Martin County Airport and mowing of the airport have been administered in recent years by the same individual, Ms. Betty Roberson, under two separate contracts. Ms. Betty Roberson/Betty's Mowing Service has had the mowing contract for the Airport since 2003. Ms. Betty Roberson/Roberson Ventures, Inc. has had the airport administration contract since 2005. Ms. Roberson and the Martin County Airport Commission have mutually agreed to part ways.

The Martin County Airport Commission recommended Mr. Jesse Council/Juliet Charlie Aviation LLC to serve as the Administrator of the Martin County airport, effective January 1, 2012. Mr. Council has a varied aviation background. He is a certified flight instructor, flies charter services, performs some crop spraying, and brings a lot of aviation experience and knowledge to the table.

The proposed agreements for airport administration and grass mowing services have been combined into the following contract. The contract is being recommended by the Airport Commission.

Vice Chairman Bowen commented that Mr. Council brought a lot of experience to the table.

A MOTION to approve the contract as presented was given by Commissioner Smith, with a SECOND by Commissioner Hyman. The motion was APPROVED unanimously.

NORTH CAROLINA
MARTIN COUNTY

AIRPORT MANAGEMENT CONTRACT

THIS AGREEMENT made and entered into made and entered into this the ____ day of December, 2011 by and between the County of Martin, party of the first part, and Jesse Council / Juliet Charlie Aviation LLC, party of the second part, and existing under and by virtue of the laws of the State of North Carolina, hereinafter referred to as "County" and "Juliet Charlie Aviation LLC" and Jesse Council, hereinafter referred to as "Manager."

WITNESSETH:

WHEREAS, the County is the owner of an airport with improvements located thereon which is known as the Martin County, NC Airport located in Martin County, North Carolina.

AND WHEREAS, "Manager" desires to provide the services of Airport Manager for the Martin County, NC Airport.

NOW THEREFORE, for and in consideration of these premises and the mutual promises and covenants herein contained, the parties hereto do agree as follows:

SECTION ONE APPOINTMENT OF MANAGER

County appoints the Manager of the airport and Manager accepts the position of Manager of the airport located in the County of Martin, State of North Carolina. Manager expressly agrees to abide by and faithfully execute the rules and regulations adopted by the County regarding the activities and functions upon the premises of the County and to comply fully with all rules and regulations of the Federal Aviation Administration and the State of North Carolina that apply to the Martin County Airport as well as those lawfully adopted by the County.

Management is an independent contractor, not an agent nor an employee of the County of Martin or Martin County Airport. The County of Martin shall not be liable for any acts or omissions of management.

The Martin County Airport Commission will have the responsibility of supervising the Airport Manager. If the Airport Manager fails to perform according to the contract, the Airport Manager will be so advised verbally. The second failure will result in a written letter to Airport Manager and copy to County Manager. The third failure to perform as per the contract may result in termination of the contract.

This management contract shall continue for a period of three (3) years beginning on January 1, 2012 and terminating on December 31, 2014, unless sooner terminated as provided in this agreement.

SECTION TWO PAYMENT

For and in consideration of its services as agent in the operation of the airport, Authority agrees to compensate the manager as follows:

- A. 50,000 Dollars per year (\$4,166.65 per month).
- B. Allow the manager to charge airport customers a tie-down fee up to five dollars (\$5.00) per day to tie-down aircraft. (These tie-down fees will be collected by and for the manager as business revenue in exchange for services.)
- C. Allow the manager to charge an after-hours call-out fee (in an amount to be established by the Airport Commission) for fueling a plane after normal business hours. (This after-hours call-out fee will be collected by the manager and turned-in to the County, and then the County will pay these collected fees to the manager as part of his monthly compensation.)
- B. The financial arrangements in (a) above, will be reviewed by the parties annually and may be modified by written agreement of both parties.
- C. Use of offices, training and testing room in the terminal building at no cost for the duration of this contract.

SECTION THREE ADMINISTRATIVE DUTIES OF MANAGER

During the above-stated period, Manager shall be the agent of the Martin County Airport, and as such agent shall provide all adequate arrangements and equipment at the expense of and subject to the approval of the County for the operation and maintenance of the airport, together with all its facilities and appurtenances; shall make provisions for the leasing of ground and storage space for planes; and shall collect and hold in trust for, account to and turn over on demand to the County weekly, all sums collected for airport concessions, landing, storage, and other fees and rentals for ground, hangar, and waiting room space.

The premises and facilities include but are not limited to the runway, taxiways, runway and taxiway lighting, and other related lighting systems, security systems, hangars, automobile parking areas, access roads, windsock, and area lighting and the terminal building.

In addition, it is specifically understood and agreed that the duties of the Manager

includes the following:

- A. Develop a checklist and inspect weekly the fencing, grass, lighting, signs, security system, storm water retention facilities, and navigational systems on the airport premises; report findings monthly to the County and Martin County Airport Commission; and oversee the correction of the deficiencies found in such inspection. Show checklist at each monthly Martin County Airport Commission meeting.
- B. Issue and rescind Notice to Airmen (NOTAM'S) concerning flight conditions or hazards, as necessary.
- C. Man the airport facilities with qualified personnel as needed but at least 8:00 A.M. to 5:00 P.M. seven days per week and provide worker's compensation insurance for personnel, according to State regulations.
- D. Provide on-call personnel to provide fueling services outside of regular business hours on an as-needed basis.
- E. Monitor all traffic of the Unicom traffic and respond on a timely basis and record and save all Unicom traffic around the clock.
- F. Ensure compliance with the Airport Rules and Regulations, as amended, and the Airport Emergency Plan.
- G. Provide excellent customer service to the customers of the Martin County Airport and citizens of Martin County; provide positive community information to all airport visitors; and serve as a goodwill ambassador for Martin County, in general.
- H. Provide professional telephone answering and return all calls received in a timely basis.
- I. Promptly advise the Martin County Manager and Chairman or Vice Chairman of the Martin County Airport Commission of problems and conditions that may require immediate attention.

SECTION FOUR FUELING DUTIES OF THE MANAGER

- A. **OPERATION.** The County / Airport Commission designates the Manager to operate the fuel system and provide fueling services on behalf of the Martin County Airport Commission.
- B. **FUEL SALES.** All sale proceeds from the sale of fuel at the Martin County Airport shall inure to the benefit of the County.

- C. Man the airport facilities with qualified personnel as needed but at least 8:00 A.M. to 5:00 P.M. seven days per week and provide worker's compensation insurance for personnel, according to State regulations.
- D. Provide on-call personnel to provide fueling services outside of regular business hours on an as-needed basis.

SECTION FIVE GRASS MOWING DUTIES OF THE MANAGER

The manager is responsible for the supervision and performance of the mowing of grass at the Airport, as specified in Section 6 of this agreement.

SECTION SIX GRASS MOWING SPECIFICATIONS

- A. All grass from the ditch north of the hanger to the ditch beside the runway #3 all the way South to the Airport Road, which is a state owned highway. This includes the airport entrance road, county property, and the area where the Martin County Airport sign is located to the woods on the East side of the Airport property all the way back beyond the terminal building to the hanger. The total area for grass mowing is 10± acres, which will be cut on a weekly basis as needed to maintain normal lawn grass height from January through December. This includes cutting and trimming around the hanger and terminal buildings, fence, main electric panel box, fuel pumps, fuel pump filler necks, airport taxi and apron lights, wind sock, crepe myrtle trees, and airport entrance sign.
- B. All areas around the runway and taxiway turn around for 40 feet on each side of the runway for a total of 10 acres which will be cut twice monthly to normal grass height. This area includes cutting around the runway lights, PAPI, VASI, by mower or chemical.
- C. The area at the end of runway #3, on the east side of the runway to the ditch. The distance from the end of runway #3, north is approximately 500 feet which will include all the area back to the state owned airport road. The area to the West side of runway #3 is a length of approximately 375 feet down the property line from airport road to the end of the concrete drainage site at the end of runway #3. The road frontage along Airport Road is approximately 175 feet. The distance from Airport Road, going north, is approximately 275 feet along the entrance road to Martin County Airport. The total area is approximately 4 ± acres and will be mowed monthly to normal grass height as the conditions warrant.
- D. All remaining property on the airport property will be cut when the grass reaches 18 inches in height and reduced to 6 inches in height. This area is expected to be cut twice or three times a year with the total acreage being 76± acres. This area

includes all areas facing and adjoining the state highway right of way. If the state highway department does not cut the area, it will be cut by the successful Martin County Airport grass mowing contract bidder.

- E. All ditches on the airport property, along state roads, Airport Road and Spring Green Road will be cut at least twice annually. This cutting will include the bottom, side, and top of the ditches. There is approximately 2,150 total running feet of ditches along state owned highways with an additional 14,000 running feet of ditches on the airport property.

SECTION SEVEN INSURANCE

- A. **INSURANCE.** Airport Manager is required to maintain primary workers compensation, general liability and hangar keeper's liability insurance.
- B. Martin County / Martin County Airport Commission will be named as additional insured on the Liability policy. Minimum liability limits of \$500,000 per occurrence are required. A certificate of insurance verifying coverage will be submitted to the Airport Commission annually.
- C. Insurance Claims should be recorded and reported to the County Manager within twenty-four (24) hours and reflected on monthly Managers report to the Airport Commission.
- D. From the initial term of this agreement and upon renewals, thereof, management shall procure and maintain in force and effect at all times the insurance coverage listed below, and shall furnish the County of Martin with Certificates of Insurance evidencing the required coverage for Workers Compensation Insurance as required by North Carolina Law and Comprehensive General Liability for Products/Completed Operations of \$500,000.

SECTION EIGHT USE OF AIRPORT

USE. Authority agrees to allow Manager to use the terminal and airport for airport service, charter service, crop spraying and flight instructions.

SECTION NINE TERMINATION

- A. A performance review, based on stated objectives, as it relates to the duties of the manager, contained herein, shall be conducted annually by the County / Airport Commission.
- B. The County may, at its option and by a minimum of sixty (60) days' advanced

written notice to the Manager, unilaterally terminate this contract.

- C. The Manager may, at his option, and upon a minimum of sixty (60) days' advanced written notice to the County, unilaterally terminate this contract.
- D. In the event Jesse Council is no longer the person in operation or control of Juliet Charlie Aviation LLC, the County shall have the right to terminate the contract immediately.
- E. Either party may cancel this agreement on thirty (30) days advanced written notice for any default on the part of the other in carrying out its terms.

SECTION TEN ENTIRE AGREEMENT

This agreement constitutes 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 on either party except to the extent incorporated in this agreement.

SECTION ELEVEN MODIFICATION OF AGREEMENT

Any modification of this agreement or additional obligation assumed by either party in connection with this agreement shall be binding only if in writing signed by each party or an authorized representative of each party.

SECTION TWELVE ATTORNEY FEES

In the event any action is filed in relation to this agreement, the unsuccessful party in the action shall pay to the successful party, in addition to all the sums that either party may be called on to pay, a reasonable sum for the successful party's attorney fees.

SECTION THIRTEEN ASSIGNMENT OF RIGHTS

The rights of each party under this agreement are personal to that party and may not be assigned or transferred to any other person, firm, corporation, or other entity without prior, express, and written consent of the other party.

IN **TESTIMONY WHEREOF**, the parties have executed this agreement in duplicate originals, one of which is retained by each of the parties hereto, the day and year first above written.

Martin County

By: _____ Date _____
Elmo "Butch" Lilley, Chairman
Martin County Board of Commissioners

Attest: _____
Marion Thompson, Clerk to the Board

(SEAL)

_____ (Contractor).

By: _____ Date _____
President

Attest: _____
Secretary

(SEAL)

Approval of Airport Corporate Agreement

The Martin County Airport has 10 T-hangars, as well as a larger, corporate hangar. The Airport charges \$150 per month rent for the T-hangars. The corporate hangar at the airport has been vacant for at least two years.

The Martin County Airport Commission has recommended Mr. Jesse Council / Juliet Charlie Aviation LLC to serve as the Administrator of the Martin County Airport. Mr. Council has expressed interest in leasing the corporate hangar for additional business activity. A hangar lease agreement has been revised for the corporate hangar and includes language that would allow Mr. Council to use the hangar the storage of aircraft, as well as for aviation-related business activities. The contract has been drafted with the assistance of the Airport Commission, county manager, county attorney and the county's airport consultants, the LPA Group. The rent for the corporate hangar recommended by the Airport Commission is \$200 per month.

Commissioner Hyman made the MOTION to approve the agreement as presented, with a SECOND by Vice Chairman Bowen. The motion was APPROVED by unanimous decision.

NORTH CAROLINA
MARTIN COUNTY

REVISED 12/14/2011

**MARTIN COUNTY AIRPORT COMMISSION
CORPORATE HANGAR SPACE LEASE AGREEMENT**

This Hangar Space Lease Agreement (herein "Agreement"), made and entered into this ____ day of _____, 20__ by and between the Martin County Airport Commission (the "Commission") and _____ (herein "Lessee") for the purpose of leasing certain of the Commission's Hangar Space to Lessee,

WITNESSETH:

WHEREAS the Commission is a duly constituted public body, established and operating under the laws of the State of North Carolina; and

WHEREAS Lessee is a [corporation / partnership / sole proprietorship / individual] established pursuant to the laws of North Carolina, and possessing a Certificate of Authority to do business in North Carolina, and having its principal place of business in _____, North Carolina; and

WHEREAS Martin County is the owner of certain improvements to its real property consisting of hangars at the Martin County Airport, and the County has authorized the Commission to lease such real property and upon such terms and conditions as the Commission determines to be in its best interest:

NOW, THEREFORE, in consideration of the premises and for other good and valuable considerations, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Lease of Hangar Space.

The Commission hereby leases to Lessee the Corporate Hangar Facility and appurtenant apron area. The Corporate Hangar shall be used and occupied by Lessee solely for aircraft storage, aircraft repair, office space and all other uses necessary for these purposes, as specified in Section 6 of this Agreement.

2. Term.

The term of this Agreement shall commence on _____, 20__, and shall continue in effect for month to month under the terms of this Agreement.

3. Rent.

For use of the Corporate Hangar Space, Lessee shall pay the Commission the amount of \$200.00 per month plus pay for all charges for utilities and water use (the water bill will be in Lessee's name). Lessee shall make rent payments at the address specified in Paragraph 19, payable in advance on the first day of each month, and deemed delinquent if not paid by the tenth (10th) of the month in which it is due with a delinquent fee of Twenty Five Dollars (\$25.00) being assessed to Lessee for payments received after the ten-day payment period. The amount of rent may be changed from time to time by the Commission upon Thirty (30) days prior written notice to Lessee. Default in payment of rent SHALL RESULT in the removal of the Aircraft from the leased space under the terms of Section 15 of this Agreement.

4. Utilities.

Lessee shall pay all charges for utilities and water use (the water bill will be in the Lessee's name).

5. Substitution of Hangar Space.

The Commission shall ensure that the Aircraft is stored in the Corporate Hangar during the terms and conditions of this Agreement, provided, however, that the Commission shall retain the right to move, park and/or relocate the Aircraft in and around the Corporate Hangar in the event that the Commission, in its sole discretion, determines that such a move is necessary or appropriate. The Commission reserves the right, at its discretion to place additional aircraft in the Corporate Hangar for whatever reason it deems appropriate and for whatever duration.

6. Use of the Hangar Space.

The Corporate Hangar Space shall be used for storage of Aircraft, Aircraft maintenance, permitted FBO operating activities, FBO maintenance facility, office space, crop spraying and flight training and shall be conducted by Lessee in, from or around the Corporate Hangar Space or the Corporate Hangar. The Lessee shall be responsible for any alterations to the hangar space for the above uses as per Section 10 of this agreement. Maintenance on the Aircraft shall be performed in the Corporate Hangar without the prior written approval of the Commission. Lessee shall control the conduct and demeanor of its employees and invitees, and of those doing business with it, in and around the Corporate Hangar and Hangar Space, and shall take all steps necessary to remove persons whom the Commission may, for good and sufficient cause, deem objectionable. Lessee shall keep the floor of the Corporate Hangar Space clean and free of debris at all times. In utilizing the Corporate Hangar Space during the term of this Agreement, Lessee agrees to and shall comply with all applicable ordinances, rules and regulations established by any federal, state or local government agency, by the Commission. For any specific services Lessee requests of Commission personnel, a minimum of a two-hour publication is required during published hours of operation. The Corporate Hangar shall not be used for the storage of flammable substances nor items not related to aviation. Storage of fuel is restricted to the fuel cells/tanks of the stored Aircraft only. No non-aviation-related commercial

or revenue producing activities shall be conducted in the Corporate Hangar. On the termination of this Agreement, by expiration or otherwise, Lessee shall immediately surrender possession of the Corporate Hangar Space and shall remove the Aircraft and all other property therefrom, leaving the Corporate Hangar Space in the same condition as when received, ordinary wear and tear excepted. Lessee shall be liable for any and all damage to the Corporate Hangar or to the Hangar Space caused by Lessee's use, including, but not limited to, bent or broken interior walls, damage to unsealed floors due to fuel oil spillage, or doors damaged due to Lessee's improper or negligent operation.

7. Automobile.

Automobiles may be parked only in designated areas. Authorized automobiles shall be driven on the aircraft operations area only by a licensed driver at a safe speed not to exceed the posted speed limit. Lessee shall maintain acceptable limits of liability and property damage insurance on its automobile and will exercise all controls and restraints necessary as to its employees, agents and invitees so as to comply with the intent of this Agreement.

8. Sublease/Assignment.

Lessee shall have no right to sublease the Corporate Hangar Space, or to assign this Agreement without the prior written approval of the Commission. The parking of aircraft not owned or leased by Lessee in the Hangar Space shall constitute a sublease, except customer Aircraft during maintenance or service of the Aircraft.

9. Condition of Premises.

Lessee shall accept the Corporate Hangar Space in its present condition without any liability or obligation on the part of the Commission to make any alterations, improvements or repairs of any kind on or about said Corporate Hangar Space. The Commission reserves the right to inspect areas without notice at any time.

10. Alterations.

Lessee covenants and agrees not to install any fixtures or make any alterations, additions or improvements to the Corporate Hangar Space without the prior written approval of the Commission. All fixtures installed or additions and improvements made to the Corporate Hangar Space shall become the Commission's property and shall remain in the Corporate Hangar Space at the termination of this Agreement, however terminated, without compensation or payment to Lessee.

11. Insurance.

Lessee will maintain insurance coverage sufficient to protect the interests of both the Lessee and the Commission, but in no case less than personal injury liability coverage in the amount of \$500,000.00 per occurrence with Martin County and the Martin County Airport Commission, its officers and employees named additional insured.

12. Casualty.

In the event the Corporate Hangar or the Hangar Space, or the means of access thereto, shall be damaged by fire or any other cause, the rent payable hereunder shall not abate provided that the Corporate Hangar Space is not rendered untenable by such damage. If the Corporate Hangar Space is rendered untenable and the Commission elects to repair the Corporate Hangar or Hangar Space, the rent shall abate for the period during which such repairs are being made, provided the damage was not caused by the acts or omissions of Lessee, its employees, agents or invitees, in which case the rent shall not abate. If the Corporate Hangar or Hangar Space is rendered untenable for any cause and the Commission elects not to repair the Hangar Space, this Agreement shall terminate and the Commission has no further obligations.

13. Indemnity-Force Majeure.

Lessee agrees to release, indemnify and hold the Commission, its officers and employees harmless from and against any and all liabilities, damages, business interruptions, delays, losses, claims, judgments, of any kind whatsoever, including all costs, attorney's fees, and expenses incidental thereto, which may be suffered by, or charged to, the Commission by reason of any loss of or damage to any property or injury to or death of any person arising out of or by reason of any breach, violation or non-performance by Lessee or its servants, employees or agents of any covenant or condition of the Agreement or by any act or failure to act of those persons. The Commission shall not be liable for its failure to perform this Agreement or for any loss, injury, damage or delay of any nature whatsoever resulting therefrom caused by any Act of God, fire, flood, accident, strike, labor dispute, riot, insurrection, war, aircraft crash or accident, acts of others, or any other cause beyond the Commission's control.

14. Disclaimer of Liability.

The Commission hereby disclaims, and Lessee hereby releases the Commission from any and all liability, whether in contract or tort (including strict liability and negligence), for any loss, damage or injury of any nature whatsoever sustained by Lessee, its employees, agents or invitees during the term of this Agreement, including but not limited to loss, damage or injury to the aircraft or other property of Lessee that may be located or stored in the Hangar Space, unless such loss, damage or injury is caused by the Commission's gross negligence. The parties hereby agree that under no circumstances shall the Commission be liable for direct, consequential, special or exemplary damages, whether in contract or tort (including strict liability and negligence), such as, but not limited to, loss of revenue or anticipated profits or other damage related to the leasing of the Hangar Space under this Agreement.

15. Default.

This Agreement shall be breached if: a) Lessee shall default in the payment hereunder or other payments for charges and services due the Commission; b) Lessee shall default in the performance of any other covenant herein; c) Lessee shall cease to do business as a going concern; d) a petition is filed by or against Lessee under the Bankruptcy Act or any amendment

thereto (including a petition for reorganization or an arrangement); e) Lessee assigns his/her property for the benefit of creditors.

In the event of any breach of this Agreement by Lessee, the Commission shall, at its option, and without further notice, have the right to terminate this Agreement and to remove the Aircraft and any other property of Lessee from the Hangar Space, using such force as may be necessary, without being deemed guilty of trespass, breach of peace or forcible entry and detainer, and Lessee expressly waives the service of any notice. Exercise by the Commission of either or both the rights specified above shall not prejudice the Commission's right to pursue any other remedy available to the Commission in law or equity. The Commission shall have a possessory lien, from the date rent is unpaid and due, in all personal property stored with the Corporate Hangar Space. Property stored in the Corporate Hangar Space may be sold to satisfy the lien if Lessee is in default. In order to provide notice of sale to enforce the Commission's possessory lien, Lessee shall disclose any lienholder or secured parties who have an interest in property that is or will be stored in the Corporate Hangar Space.

16. Thirty (30) Day Termination.

Either party to this Agreement shall have the right, with or without cause, to terminate this Agreement by giving thirty (30) days prior written notice to the other party.

17. Governing Law.

This Agreement shall be construed in accordance with the laws of the State of North Carolina and the Airport Rules and Regulations, as amended.

18. Relationship of Parties.

The relationship between the Commission and Lessee shall always and only be that of Lessor and Lessee. Lessee shall never at any time during the term of this Agreement become the agent of the Commission, and the Commission shall not be responsible for the acts or omissions of Lessee or its agents.

19. Remedies Cumulative.

The rights and remedies with respect to any of the terms and conditions of this Agreement shall be cumulative and not exclusive, and shall be in addition to all other rights and remedies.

20. Notices.

Any notice given by one party to the other in connection with this Agreement shall be in writing and shall be sent by certified or registered mail, return receipt requested:

- (1) If to the Commission, addressed to:

Martin County Airport Commission

C/O Martin County Manager
Post Office Box 668
Williamston, NC 27892

(2) If to Lessee, addressed to:

NAME: _____
ADDRESS: _____
CITY: _____ STATE: _____ ZIP: _____

Notices shall be deemed to have been received on the date of receipt as shown on the return receipt.

21. Integration.

This Agreement constitutes the entire agreement between the parties, and as of its effective date supersedes any and all prior independent agreements between the parties related to the leasing of the Hangar Space. Any change or modification hereof must be in writing signed by both parties.

22. Waiver.

The waiver by either party of any covenant or condition of this Agreement shall not thereafter preclude such party from demanding performance in accordance with the terms hereof.

23. Successors Bound.

This Agreement shall be binding and shall inure to the benefit of the heirs, legal representatives, successors and assigns of the parties hereto.

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

THE COMMISSION

LESSEE

By: _____

By: _____

Gene Powell
Name

Name

Commission Chairman
Title

Title

Budget Amendment # 8

The budget amendment below was given to the Board for their consideration.

BUDGET ORDINANCE AMENDMENT-8

BE IT ORDAINED by the Board of Commissioners of Martin County, North Carolina, that the following amendments be made to the annual budget ordinance for the fiscal year ending June 30, 2012.

Section 1. To amend the General Fund, the expenditures are to be changed as follows.

	Increase	Decrease
Public Safety		
Sheriff	\$ 7,043	

This will result in an increase of \$7,043.00 in the expenditures of the General Fund. To provide an increase in revenue for the above, the following revenues will be changed.

Restricted	\$ 7,043
------------	----------

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board and to the Finance Officer for their direction.

MOTION by Vice Chairman Bowen and SECONDED by Commissioner Price to adopt the above budget ordinance amendment this 14th day of December, 2011. The motion was unanimously APPROVED.

BOARD REPORTS – None

Short Recess

CLOSED SESSION

- NC G.S. §143-318.11(a)(5) Property Acquisition**
- NC G.S. §143-318.11(a)(3) Attorney Client Privileges**
- NC G.S. §143-318.11(a)(4) Economic Development**

Around 9:25 p.m., Commissioner Smith made a MOTION, with a SECOND by Commissioner Price to go into Closed Session according to NC G.S. §143-318.11(a)(5) Property Acquisition, and NC G.S. §143-318.11(a)(3) Attorney Client Privileges. Economic Development NC G.S. §143-318.11(a)(4) was delayed until next month. The motion was unanimously APPROVED.

Vice Chairman Bowen made a MOTION to end Closed Session around 9:40 p.m., with a SECOND by Commissioner Smith. The motion was unanimously APPROVED.

Open Session

MCRWASA Request for Temporary Loan for WTP

Commissioner Smith introduced a MOTION to approve a temporary loan of \$320,000 to the MCRWASA to purchase land for the water treatment plant. Commissioner Price SECONDED the motion. Commissioners Lilley, Bowen, Smith, and Hyman voted FOR the temporary loan, with Commissioner Price voting AGAINST stating he thought the project was too expensive. The motion was APPROVED by a majority.

During discussion, Vice Chairman Bowen stated the location and infrastructure are in place and he recommended the loan.

Moratoc Park PARTF Project Land Purchase/Exchange

Commissioner Price entertained a MOTION to proceed with the purchase of parcel #0503375 from William "Bill" Jones, Jr. for \$15,000 for usage as part of the PARTF project at Moratoc Park, to use a portion of the property purchased from Mr. Jones for exchange of the Robert "Bobby" Mack Stalls property #0500225, and to supplement Mr. Stalls' exchange with \$3,000 for fill dirt. Vice Chairman Bowen SECONDED the motion. The motion was APPROVED unanimously.

Approve Public Notice of Moratoc Park PARTF Project Land Exchange

In accordance with N.C. G.S. §160A-271, the county is required to publish a public notice of its intent to acquire property through an exchange at least 10 days prior to the regular meeting and to adopt a resolution of the Board's intention to authorize the exchange at a regular meeting.

Vice Chairman Bowen made a MOTION to authorize the county administrative staff to go forward with proceedings in accordance with North Carolina Statues to obtain the property for exchange. Commissioner Price SECONDED the motion. The motion was unanimously APPROVED.

ADJOURNMENT

With no further business to discuss, Vice Chairman Bowen made the MOTION to adjourn at 9:41 p.m., with a SECOND by Commissioner Smith. The motion was unanimously APPROVED.

The next regular meeting of the Martin County Board of Commissioners is scheduled for Wednesday, January 11, 2012 at 7:00 p.m. in the Board Room of the Martin County Governmental Center, 305 East Main Street, Williamston, North Carolina.

Elmo "Butch" Lilley, Chairman

Marion B. Thompson, Clerk to the Board