



**Town of Beaufort, NC**  
701 Front St. - P.O. Box 390 - Beaufort, N.C. 28516  
252-728-2141 - 252-728-3982 fax - www.beaufortnc.org

**Board of Commissioners**  
**Regular Meeting**  
**6:00 PM Monday, September 08, 2025**  
**Train Depot, 614 Broad Street**

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**Call to Order/Pledge of Allegiance**

**Roll Call**

**Agenda Approval**

**Items of Consent**

- [1.](#) Meeting Minutes: August 11 & 25, 2025
- [2.](#) Rolling on Middle: Skate Event Application
- [3.](#) Dia De Los Muertos Festival Event Application
- [4.](#) FY 2026 Budget Amendment #1
- [5.](#) Resolution: Financing with First Bank (Fuel Farm)
- [6.](#) ARP Policies: Internal Control and Conflict of Interest

**Public Comment**

**New Business**

- |   |           |
|---|-----------|
| 1. County Comprehensive Transportation Plan (CTP)<br>a. Amanda Killian, NCDOT           | K. Garner |
| <a href="#">2.</a> Sewer Allocation Request: 801 Mulberry                               | S. Bell   |
| <a href="#">3.</a> Sewer Allocation Request: 265 & 275 Hwy 101                          | S. Bell   |
| <a href="#">4.</a> Resolution: Petition for Annexation of 143 & 179 Pinner's Point Road | E. Lewis  |

**Manager Report**

1. Recognition of Public Beach and Coastal Waterfront Access Grant Award

**Mayor/Commissioner Comments**

**Closed Session**

1. Pursuant to NCGS 143-318.11 (a) (3)

**Adjourn**



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**Board of Commissioners  
Regular Meeting  
6:00 PM Monday, September 8, 2025**

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**AGENDA CATEGORY:** Items of Consent

**SUBJECT:** Meeting Minutes: August 11 & 25, 2025

**REQUESTED ACTION:**

Approval of draft minutes for the following meetings:

- August 11- Board of Commissioners Regular Meeting
- August 25- Board of Commissioners/Planning Board Joint Work Session Meeting

**SUBMITTED BY:**

Elizabeth Lewis, Assistant Town Manager/Town Clerk



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**Board of Commissioners**  
**Regular Meeting**  
**6:00 PM Monday, August 11, 2025**  
**Train Depot, 614 Broad Street**

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**Call to Order/Pledge of Allegiance**

Mayor Harker called the meeting to order at 6:00 PM, welcomed those attending in person and online, and led the Pledge of Allegiance.

**Roll Call**

Elizabeth Lewis, Town Clerk, called the roll:

**PRESENT:**

- Mayor Harker
- Mayor Pro Tem Cooper
- Commissioner Gillikin
- Commissioner LoPiccolo
- Commissioner Oliver
- Commissioner Spiegler

**ABSENT:** None

**Agenda Approval**

Commissioner Cooper made a motion to approve the agenda as presented.

The motion carried unanimously with a (5-0) vote.

**Presentation of a Proclamation**

1. Honoring Patricia Suggs, Beaufort Historical Association

Mayor Harker presented a Proclamation to Patricia Suggs honoring her 25 years of service as Executive Director of the Beaufort Historical Association. The proclamation highlighted her visionary leadership, which helped position Beaufort as one of North Carolina's most cherished historic towns. Under her direction, the association had grown in scope, reputation, and impact. Her accomplishments included spearheading numerous programs and events such as Christmas candlelight tours, summer and fall party fundraisers, establishing the Beaufort Historical Foundation, and preserving the iconic double-decker bus. Mayor Harker proclaimed August 22, 2025, as "Patricia Suggs Day" in

recognition of her retirement and lasting contributions to the town's historic character, civic pride, and cultural legacy. Note, a full copy of the Proclamation is incorporated in the meeting packet.

### Items of Consent

1. Meeting Minutes
2. Ann Street Closure for Halloween Night
3. Personnel Policy Revision to Vacation Leave: Accrual Rate Policy
4. 2025 Pirate Invasion Event Request
5. Budget Amendments - Capital Reserve Fund and Waterfront Improvement Project

Commissioner Cooper made a motion to approve the Items of Consent as presented.

The motion carried unanimously with a (5-0) vote.

### Public Hearing

1. Financing of Fuel Farm

Commissioner Gillikin made a motion to open the floor to conduct a Public Hearing on whether the Town should approve a financing agreement with First Bank for the construction and installation of a Fuel Tank Farm.

The motion carried unanimously with a (5-0) vote.

Mike Bradley (120 Craven Street) spoke first, identifying himself as the former director of NC Boating Industry Services for 22 years. He shared a coastal boating guide map showing that 85% of the 121 coastal marinas in North Carolina sell fuel. He explained that for private marinas, fuel sales are typically the most significant revenue component, but for municipal marinas like Beaufort's, the goal isn't to make a profit but rather to operate without costing taxpayers money. He noted the Beaufort Waterfront Operations and Finance Committee had put plans in motion for the Town docks to achieve this goal.

Dexter Matthews (606 Ann Street), a member of the Beaufort Waterfront Operations and Finance Committee and former Director of the Division of Waste Management at the NC Department of Environmental Quality, thanked the council for voting to move forward with the installation of a new underground storage tank. He noted that new tanks pose much less environmental risk than older tanks, even with required upgrades. He emphasized that the Town Manager had made an excellent presentation on financing and the ability for repayment through revenue generated from dock operations. Matthews explained that tank fees required of commercial tank owners act as an insurance policy in the event of a release, though the Town would need to demonstrate ability to meet required deductibles.

Weymouth Tillett (105 Third Street) spoke about the robust profitability of the Beaufort docks, which increases the probability of settling the debt for the fuel project ahead of schedule. He noted the docks have performed well for over four decades despite economic fluctuations, hurricanes, and dredging uncertainties. He mentioned that F3 manages over 20 municipal marinas successfully, and wherever they operate, slip occupancy, net revenue, and customer satisfaction increase. He countered the notion that Beaufort is getting out of its lane by putting in the fuel tanks, noting that 30% of the thousands of marinas in the US are local, state, or federally owned, and most offer fueling services.

Barry Slade (109 Planters Way), a marine industry professional and member of the BEWAF committee, addressed what he called misinformation in recent media coverage. He clarified that the cost comparison between leasing from the Gear family and buying a town-owned tank was incorrect. [ ] explained that the \$200,000 lease cost is annual, not

total, meaning after six years the town would have spent \$1.2 million and still be leasing, whereas with the purchase plan, the town would own the tank outright in five years. He also pointed out that the Gear property is for sale, creating risk of price increases or complete removal of tanks by a new owner. Regarding environmental concerns, he noted the plan would replace decades-old tanks at the water's edge with a brand-new tank set farther from the water, meeting all modern safety standards. He added that F3 confirmed that 100% of municipal marinas they manage own their fuel tanks.

Kevin McHugh (124 Queen Street) stated his support for the fuel farm project but offered an alternative financing suggestion. He proposed selling the property at 611 Front Street, that was purchased by the town for \$1.5 million to gain riparian rights, and using those proceeds to fund the fuel farm instead of borrowing. He noted that during the February Board of Commissioners Retreat, the future use of 611 Front Street was discussed but no specific operational plan was established. He questioned how the property aligned with the Town's budget priorities and infrastructure needs, especially considering the Town's water and sewer project is underfunded by \$6.5 million and months behind schedule.

Mayor Harker confirmed there were no other individuals who wished to speak.

Commissioner Cooper made a motion to close the Public Hearing.

The motion carried unanimously with a (5-0) vote.

## Old Business

### 1. Wastewater Allocation Request- 302 Island Drive

Donovan Willis, Public Utilities Manager, presented information regarding the wastewater allocation request for 302 Island Drive, standing in for Town Engineer, Sam Bell. He noted this item was tabled at a previous meeting pending additional information, which had been provided by Mr. Bell.

Commissioner Oliver questioned what obligation the Town had to provide services to these properties.

Town Attorney, Arey Grady, clarified that the town had an obligation to existing customers as of 2014, but that obligation does not extend to new customers.

Commissioner Oliver expressed concern about future requests and the need to be fair, noting that Mr. Bell had detailed some service pump issues. He indicated support for providing sewer service where possible, especially considering the alternatives, but recognized the need to address how future requests would be handled.

Commissioner Gillikin shared concerns about the Town's wastewater treatment capacity, noting that according to Mr. Bell's synopsis, there were about 150 houses at Deerfield that could potentially be developed and need service, while the town only has room for about 392 houses before hitting the 80% threshold where the State would begin monitoring.

Commissioner Spiegler suggested approving the request and then developing a plan to address future request.

Commissioner LoPiccolo expressed concerns about adding lots outside the Town's ETJ (extraterritorial jurisdiction), noting the Town has no obligation to provide services to these areas. He suggested the Town should focus on projects within the Town of Beaufort limits, that have precedence.

Commissioner Oliver elaborated that about one-third of the Town's 75% sewer plant capacity is serving sewer effluent, while two-thirds is handling stormwater. He emphasized that the Town does not have a sewer capacity problem but rather a storm water infiltration and inflow problem. He suggested the Board should instruct staff to seek grants to address stormwater issues in addition to the improvements expected from USDA funding.

Commissioner Oliver made a motion to deny the request for wastewater allocation at 302 Island Drive, noting it was outside of the Town's limits and there was no obligation to provide the services.

The motion carried with a (3-2) vote.

Voting Yea: Commissioner Oliver, Commissioner Gillikin, Commissioner LoPiccolo

Voting Nay: Commissioner Spiegler, Commissioner Cooper

## 2. F3 Marinas Draft Contract

Town Attorney, Arey Grady, presented the draft contract with F3 Marina for managing the Beaufort Town Docks and highlighted the key terms of the proposed agreement. Under the draft, F3 would be appointed as the exclusive manager of the Town docks for a five-year term ending December 31, 2030. The boardwalk would remain under Town control for continued public use, while F3 would operate a first-class marina providing diesel fuel, dockage, and other marina-related services. F3 would collect revenue, deposit it in a segregated bank account, and remit funds to the Town on a monthly basis. They would also be responsible for staffing, employment, and providing management reports with detailed information on vessel numbers, revenue, occupancy rates, and related data. Routine maintenance would be handled by F3, while more substantial renovations would either be completed by the Town or performed by F3 with an additional management fee. F3 would use a reservation system such as Marina Go or Dockwa, and signage would prioritize "Beaufort Town Docks" over the F3 brand. The Town would be responsible for supporting F3 to maintain the docks in first-class condition and supplying diesel fuel by April 1, 2026, to ensure service operations. Importantly, the Town would retain control of all fee schedules, with an annual budgeting process jointly conducted between F3 and the Town. F3 would also implement an aggressive marketing program promoting both the docks and local businesses and services. The management fee would be set at a flat 3% of revenues, and F3 would be required to maintain \$10 million in liability insurance coverage. Finally, the contract would allow the Town to terminate the agreement for any reason with 90 days' notice.

Commissioner Cooper asked about employee expenses.

Mr. Grady clarified that while F3 would employ the staff, the Town would reimburse those expenses.

Commissioner Spiegler noted that F3 values hiring local people, which was important to the Town during the interview process.

Commissioner LoPiccolo highlighted a provision that allows the Town to designate certain areas of the docks for free public access for periods not exceeding three hours. He also asked about who would set fuel prices.

Town Manager, Matt Zapp, explained that while the management company has expertise in setting competitive rates, the Town could establish parameters or thresholds.

Commissioner Oliver explained that while he had previously opposed the fuel farm project because he wanted F3 to demonstrate a stronger financial investment, but he was now fully supportive of the proposed contract. He emphasized two matters still requiring attention: establishing how diesel fuel will be supplied during the initial months of the agreement and clarifying the official contract start date.

Commissioner Spiegler clarified that the contract start date would be no later than January 1, 2026, with a 60-day ramp-up period potentially beginning November 1, 2025. She also took a moment to recognize Haywood Weeks for his nearly 50 years of service managing the docks.

The Board decided to finalize the contract's approval after closed session to address the start date.

3. Godette Hotel- 400 Pollock Street- Encroachment Agreement

Mr. Grady provided an update on the encroachment agreement for the Godette Hotel. He reported that the owner and owner's lawyer had returned edits to the Town's initial draft, most of which were acceptable. One area where he countered was regarding temporary removal of the second-floor patio overhang, ensuring that if removed for renovation, it could be replaced within a reasonable timeframe. He noted the next step would be to get a timeline from the owner for rehabilitation of the building. He reiterated that while the Town is willing to agree to the form of the encroachment agreement, it would not be signed until a schedule is provided.

Mayor Harker expressed concern about continued delays, noting the building's deteriorating condition and historical significance.

Commissioner Cooper agreed, stating he felt the owner was trying to dictate terms to the Town rather than the reverse.

Commissioner LoPiccolo emphasized that the Town has made multiple attempts to aid in the building's rehabilitation, noting its historical significance to the community. He expressed hope that the owner would move forward or that Preservation North Carolina might be able to help find someone else to undertake the project.

The Board discussed a reasonable timeline to have a response from the owner. Mr. Zapp suggested a specific deadline of 5:00 pm on September 15th to allow time for inclusion in the September 22nd agenda packet.

Commissioner Oliver made a motion to approve the amended encroachment agreement as drafted by Mr. Grady, with execution and delivery subject to receipt of an acceptable timeline from the owner by 5:00 pm on September 15, 2025.

The motion carried unanimously with a (5-0) vote.

### Public Comment

Barry Slade (109 Planters Way) thanked Commissioner Oliver for clarifying his previous vote on the fuel farm and expressed thanks to Town staff for negotiations on the F3 Marina agreement. He noted that the Beaufort Waterfront Operations and Finance (BWOF) committee had carefully considered the timing of the fuel tank installation for January-March, as little fuel is sold during those months. He acknowledged that change can be difficult but reassured citizens that the changes were favorable for the Town and much of it, like accounting, marketing, budgeting, would not be visible to someone walking the docks but would allow better management of the waterfront.

Joey McClure (425 Front Street), owner/operator of Fishtowne Brewhouse, thanked the Board for trying to be fair in dealing with the food truck issue. He addressed concerns that giving Fishtowne a grace period showed favoritism, noting that no other business is being affected by the ordinance like Fishtowne since no other business needs to use a public parking space for a food truck. He asked how it would be favoritism to give the only business being penalized a grace period to figure out another solution, and requested the Board allow Fishtowne the next 4.5 months to get through this year.

Adam Grieco (113 Finch Loop) spoke about the Godette Hotel, sharing his experience from time spent on a Native American reservation in South Dakota. He drew parallels between the difficulty Native Americans have trusting outside help based on historical experiences and what might be happening with the hotel owner. He noted the building's historical significance to the black community and encouraged the Board to be respectful toward the owner, even while acknowledging he was making assumptions about her motivations.

## New Business

### 1. Food Truck – Temporary Waiver Request

Kyle Garner, Planning Director, presented the food truck temporary waiver request for two applicants. He explained that during the July 28th BOC Work Session, the Board directed staff to develop criteria for a temporary waiver of food truck enforcement at specific locations. Staff created criteria requiring applicants to submit a formal letter requesting permission to operate on public property, including a specific location/parking space, a map, and a list of mobile food vendors that would be included. The waiver would be effective through December 31, 2025.

Two requests were received:

- Fishtown Brew House (133B Turner Street) requested use of a loading/unloading zone extending to the 15-minute parking space in front of their business.
- Beaufort Spirits Company (513 Front Street) requested parking space #905, currently used as a golf cart parking space.

Commissioner Cooper expressed concern about allowing food trucks on Front Street, noting the Board had previously discussed protecting Front Street businesses from competing with food trucks.

Commissioner Gillikin shared an excerpt from an email she had sent to a concerned business owner, explaining that while she understood concerns about favoritism, the board needed to take responsibility for delaying ordinance revisions and allowing Fishtowne to operate with food trucks for years. She felt the Town owed Fishtowne the ability to continue through the end of the season but didn't intend for the waiver to apply to Front Street.

Commissioner LoPiccolo disagreed, noting that the community had overwhelmingly expressed support for food trucks. He questioned the fairness of allowing one location but not another that was close by. He also raised concerns about how the designated spaces would be managed, questioning whether a private business would control access to public property.

Commissioner Cooper supported the Fishtowne waiver, noting they do not serve food in their facility and are providing a service to customers. He opposed the Front Street request to protect established restaurants from competition.

Commissioner Spiegler supported the Fishtowne waiver for the 4.5-month grace period but was hesitant about the Front Street application since the Board had consistently stated Front Street was not appropriate for food trucks due to traffic and other concerns.

Commissioner Oliver acknowledged that having established criteria that allowed anyone to apply, the Board should be consistent in approving both requests or neither, though he personally would prefer not to have food trucks on public property at all.

Commissioner Cooper noted the Board had no obligation to approve either request.

Mayor Harker asked what the pleasure of the Board was when considering the Fishtowne Brewhouse's food truck temporary waiver request.

Commissioner Cooper made a motion to approve the temporary waiver request for food trucks at Fishtowne Brewhouse, set to expire on December 31, 2025.

The motion carried unanimously with a (5-0) vote.

Mayor Harker asked what the pleasure of the Board was when considering the Beaufort Spirits Company's food truck temporary waiver request.

Commissioner LoPiccolo made a motion to approve the temporary waiver request for food trucks at Beaufort Spirits Company, set to expire on December 31, 2025.

The motion was denied with a (3-2) vote.

Voting Yea: Commissioner LoPiccolo, Commissioner Oliver

Voting Nay: Commissioner Gillikin, Commissioner Cooper, Commissioner Spiegler

Mr. Garner noted that staff would be working on a two-phased approach, with phase one addressing food trucks through the temporary waiver and phase two creating a more permanent solution through the Land Development Ordinance. He confirmed they hoped to have something for the Board to consider by December.

## 2. Parks and Recreation Advisory Board Appointment

Commissioner Cooper made a motion to open the floor for nominations for the Parks and Recreation Advisory Board.

The motion carried unanimously with a (5-0) vote.

Commissioner Cooper nominated Bruce Mann.

Commissioner Gillikin made a motion to close the floor for nominations.

The motion carried unanimously with a (5-0) vote.

Bruce Mann was appointed by acclamation to the Parks and Recreation Advisory Board with a term ending September 30, 2027.

Bruce Mann was appointed by acclamation to the Parks and Recreation Advisory Board.

## 3. Wastewater Allocation Request- 308 Island Drive

Mr. Willis presented a wastewater allocation request for 308 Island Drive in Deerfield Shores, for one unit requiring 180 gallons per day.

Commissioner Spiegler noted that, similar to the prior request for 302 Island Drive, she supported approval of this request, with the understanding that the Board should determine a broader policy direction moving forward.

Commissioner Oliver reiterated his concerns about approving out-of-town sewer connections, emphasizing that sewer capacity is a critical community resource. He maintained that the Town's primary issue is stormwater inflow and infiltration (I&I), rather than a lack of sewer capacity.

Commissioner Oliver made a motion to deny the application for 180 gallons per day at 308 Island Drive.

The motion carried with a (4-1) vote.

Voting Yea: Commissioner LoPiccolo, Commissioner Gillikin, Commissioner Cooper, Commissioner Oliver

Voting Nay: Commissioner Spiegler

## Manager Report

Town Manager, Matt Zapp, provided several updates. He reported that the fuel farm contract with Oakes Grading had been executed. He also noted that USDA water and sewer project funds had been potentially allocated, and the Town would need to determine within the next three years whether to accept and utilize those funds. He shared that an updated active projects list would be distributed to the commissioners electronically.

Mr. Zapp further advised that a property appraisal was underway for the Town-owned property on Front Street. Regarding sidewalk safety, he explained 9 at a 2024 assessment by Precision Safe Sidewalks

identified more than 1,700 areas requiring grinding to achieve ADA compliance, at an estimated cost of \$175,000. The Board reached consensus to move forward with the current assessment rather than commission a new one at a cost of \$4,800. He reported that Public Works was addressing sidewalk sections in extreme need in the 100 block of Pollock Street. He noted this work included removing damaged sections, correcting tree root extrusions, and installing new sidewalks.

### **Mayor/Commissioner Comments**

Commissioner Spiegler thanked everyone who participated in the meeting and the Town staff for their work.

Commissioner Oliver shared the following statement:

I continue searching for an effective way to help Beaufort find its balance between healthy growth and fiscal responsibility. In my search, I repeatably observe the tremendous importance of free enterprise in Beaufort. Generational private investment is directly responsible for the compounded financial success that we all enjoy today. We need to thank those who preceded us. I will speak of only a few, list more and omit many:

- Dr. John Costlow who promoted urban development and planning.
- Claude Wheatly, Piggy Potter and others who created our menhaden industry.
- Haywood Weeks who took the risk on the docks on August 29, 1978, 47 years ago to the month.
- Leonard Safrit who headquarters his enterprises in Beaufort.
- Randy Ramsey who collaborated with Hunter Chadwick to create what is now known as Safe Harbor Jarrett Bay and The Vault.
- Fred McCune and Joey, serial entrepreneurs.
- John Lampros, parking genius in support of his church.
- Preston Development, a patient, trusted quality developer.
- Benji and Wendy Park, lifelong restauranters and civic mentors.
- Jerry Sutton who spearheaded the Gallants Channel rebirth.
- Sammy Ballou and Phil Lewis with multiple successful projects.
- Jeff Adams and Ann running dockside establishments.
- George Aswad providing memories for many via his NPS concession.
- Doug Townsend volunteering through the Safe Harbor investment attempt and now investing in multiple hospitality ventures.
- Susan Sanders, George Rose and Tommy Simpson, consummate retailers.
- Kristen Prescott and Bradley a young, capable family who moved and are investing here.

What are the lessons to be learned? Beaufort is blessed with knowledgeable, energetic, productive citizens. We are best served to collaborate with and encourage their economic development efforts. Free enterprise has built and sustains Beaufort and its employment. Remember we were "the coolest small town in America" more than a dozen years ago.

Commissioner Cooper reminded everyone that hurricane season was approaching and urged residents to prepare by knowing evacuation routes, having emergency bags ready with medications and supplies, maintaining full gas tanks, and not running generators in enclosed spaces. He thanked town staff, especially public works, for their efforts during the recent heat wave.

Commissioner LoPiccolo clarified the history of the Godette Hotel, noting that the current owner is an investor who purchased the property from Preservation North Carolina, not a family member with long-standing ties to the property. He emphasized that the Board takes financial decisions seriously and may need to raise capital funds in the future, possibly through property sales. He appreciated the community turnout at the meeting.

Mayor Harker recognized Pat Wesson for initiating "Free Food Friday" at Randolph Johnson Park, addressing food insecurities for students during summer. She announced the final food drop-off would be August 15th and encouraged generous donations. She also promoted the Heritage Community Picnic at Randolph Johnson Park on Saturday, August 16th at noon, featuring games, events, and food in partnership with Purvis Chapel. She echoed Commissioner Cooper's hurricane preparedness message, noting that the County was monitoring a potential storm.

**Closed Session**

- 1. NCGS 143-318.11 (a) (3) and NCGS 143-318.11 (a) (6)

Commissioner Cooper made a motion to enter closed session pursuant to NCGS 143-318.11 (a) (3) and NCGS 143-318.11 (a) (6).

The motion carried unanimously with a (5-0) vote.

Upon returning to open session, the Board addressed one remaining item of business regarding the F3 Marina contract. The draft contract had previously been reviewed in open session. The Board discussed and clarified the effective date of the agreement, establishing November 1, 2025, as the effective date, with F3 assuming physical control of the docks on January 1, 2026.

Commissioner Oliver made a motion to approve the F3 Marina contract with the amendment to Section 5.4, revising the year from 2025 to 2026, and to set the effective date as November 1, 2025, with operational control beginning January 1, 2026.

The motion carried unanimously with a (5-0) vote.

There was no further business or action taken by the Board.

**Adjourn**

Commissioner Cooper made a motion to adjourn the meeting at 8:56 PM.

The motion carried unanimously with a (5-0) vote.

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Sharon E. Harker, Mayor

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Elizabeth Lewis, Town Clerk



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**Board of Commissioners/Planning Board Joint Meeting**  
**4:00 PM Monday, August 25, 2025**  
**Train Depot, 614 Broad Street**

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**Call To Order**

Mayor Harker called the meeting to order at 4:00 PM

**Roll Call**

Mayor Harker called the roll.

Those present from the Board of Commissioners were:

- Mayor Harker
- Mayor Pro Tem Cooper
- Commissioner Gillikin
- Commissioner LoPiccolo
- Commissioner Oliver
- Commissioner Spiegler

*None were absent.*

Those present from the Planning Board were:

- Ryan Neve
- Tammy Hunsucker
- George Stanziale

*Those absent were:*

- Becky Bowler
- Victor Fasolino
- Clark Patton
- Jeff Vreugdenhil

**Agenda Approval**

Commissioner Cooper made a motion to approve the agenda.

The motion carried unanimously.

## Presentations

### 1. UDO Coastal Resilience Overlay District Draft

Mayor Harker welcomed everyone in person and online, thanked the UDO Steering Committee, consultants, and the public for their engagement, and reminded residents of the UDO Panel Q&A scheduled for August 26 at 6:00 p.m. She shared that questions could be submitted in advance to Town Planner, Michelle Eitner.

Ms. Eitner welcomed Kelly Cousino, with White Smith Cousino as the lead presenter.

Ms. Cousino reviewed the draft Coastal Resilience Overlay District (CR-O), developed with staff and the UDO Steering Committee since March 2025. It was noted that the draft aligns with the Non-Intensification Zone (NIZ) guidance of the Town's Comprehensive and CAMA Land Use Plan.

#### **Key Points from the Presentation:**

**Subdistricts:** CR-NIZ (coterminous with FEMA AE/VE "100-year floodplain") and CR-M (coterminous with FEMA shaded X "500-year floodplain").

**Applicability:** Applies to new development and redevelopment exceeding 50% of replacement value.

**Uses:** CR-NIZ prohibits new critical facilities and new residential other than detached single-family homes; CR-M follows base zoning.

**Density:** CR-NIZ capped at 5 du/acre; Steering Committee also considered "bedrooms per acre."

#### **Impervious Surface Coverage:**

CR-NIZ: 30% (residential), 50% (nonresidential).

CR-M: 40% (residential), 60% (nonresidential).

Exemptions for H-BD, H-WBD, R-8A, and projects requiring NCDEQ stormwater permits.

Detached single-family homes guaranteed 2,500 sq. ft. minimum.

**Shoreline Standards:** 20-ft buffer on natural waterfronts; planting area provisions; existing hardened shorelines may remain/rebuilt ( $\leq 2$  ft shift).

**Low Impact Development (LID):** Required on larger projects subject to stormwater regulations.

**Incentives:** Stormwater retrofits for older developed lots; enhanced construction standards with cumulative incentives.

**Next Steps:** Planning Board review September 15; Board of Commissioners review October 27; additional outreach in September and October; Steering Committee reconvening mid-October.

Following the presentation, the Board of Commissioners and Planning Board members discussed the draft Coastal Resilience Overlay District in detail, asking specific questions about its applicability, standards, and potential impacts on development and redevelopment

Commissioner Spiegler asked if the overlay required homes to be 20 feet back from the water.

Ms. Eitner clarified that while the CR-O requires a 20-ft shoreline buffer, CAMA mandates a 30-ft buffer, which in practice governs setbacks in most cases.

Planning Board Member George Stanziale asked about townhomes in the NIZ under the 5 du/acre cap.

Planning Board Member Ryan Neve explained the Steering Committee's intent was to limit density and households in the most hazard-prone zones, since townhomes often cluster near the water. The overlay aims to minimize exposure by restricting new residential to detached single-family homes.

Commissioner Oliver praised the draft's clarity but urged tying references to sea level rise directly to NOAA projections for precision. He also recommended engaging builders or engineers to validate the costs and feasibility of incentive-based options, stressing that incentives must align with actual market costs.

Commissioner Oliver raised concerns about pending state legislation on downzoning, questioning whether to wait before adopting the overlay.

Town Attorney, Arey Grady, advised moving forward, noting state legislative changes were unlikely before 2026. He suggested the Town adopt its plan now and adjust later if required by law.

Commissioner Oliver also noted that residents often ask, "What is the NIZ?" He typically explains it as the 100-year floodplain. He recommended adopting this terminology in outreach and ordinance language to reduce confusion. Other members agreed that plain-language terms (100-year and 500-year floodplain) should be paired with CR-NIZ/CR-M acronyms.

Planning Board Member Tammy Hunsucker questioned the flexibility of allowing telecommunications towers in the NIZ.

Ms. Cousino explained towers would only be permitted if no feasible alternative exists and must meet federal standards but acknowledged the language could be clarified.

Board members also discussed existing schools, water plants, and other facilities, emphasizing that the ordinance must avoid creating undue hardship for existing critical facilities.

Commissioner LoPiccolo asked about the rationale for the 30% cap in CR-NIZ.

Ms. Cousino explained it reflects regional practice and local parcel analysis, balanced with the 2,500 sq. ft. allowance for single-family lots.

Commissioner LoPiccolo asked how fully paved lots, or existing businesses would be treated.

Consultants and staff agreed the draft should explicitly address whether credits for existing impervious areas apply.

Board members raised concerns about how homeowners and businesses could rebuild after damage.

Commissioner Oliver emphasized that business owners should not face undue hardship in rebuilding, and the draft should make clear how structures under the 50% threshold can be rebuilt without triggering stricter standards.

Commissioner Oliver noted new shoreline, buffer, and construction standards could increase inspection and code enforcement demands, and the Town should anticipate budgeting for this.

Commissioner Gillikin recommended creating a companion administrative manual or FAQ with worked scenarios to preserve legislative intent and ensure consistency over time.

Consultants agreed, noting such manuals are common and could be prepared alongside the UDO.

Commissioner Oliver asked whether the Urban Waterfront Redevelopment exemption in CAMA was reflected in the draft.

Ms. Cousino confirmed the functional effect was present but agreed it should be explicitly named for clarity and alignment across plans.

**Adjourn**

Mayor Harker thanked the boards, consultants, staff, and the community for their substantial work on the draft. She emphasized that input from both boards will shape revisions ahead of the Planning Board's September 15th review and the Board of Commissioners October 27th work session.

With no further business, Commissioner Cooper moved to adjourn at 5:10 p.m. The motion carried unanimously.

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Sharon E. Harker, Mayor

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Elizabeth Lewis, Town Clerk



**Town of Beaufort, NC**

701 Front St. - P.O. Box 390 - Beaufort, N.C. 28516  
252-728-2141 - 252-728-3982 fax - www.beaufortnc.org

**Board of Commissioners  
Regular Meeting  
6:00 PM – Monday, Sept. 8, 2025**

**AGENDA CATEGORY:** Items of Consent

**SUBJECT:** Rolling on Middle Skate Event

The Periwinkle has submitted an event application to host the first annual Rolling on Middle Skate Event on Saturday, Oct. 25 from 1-4 p.m. The event would require Middle Lane to be closed from 1-4 p.m. to all traffic.

The event would feature an open skate for roller skates, skateboards, strider bikes (kids only), vendors, and a Tech Deck competition with three semi-professional skateboarders and judges.

The Beaufort Police Department would deploy vehicle barricades at either end of Middle Lane to prohibit traffic during the event. The closure would begin approximately 30 minutes before and last 30 minutes after the event, making the closure time 12:30-4:30 p.m. One PD staff member will need to be hired to monitor the barricades for the duration.

Other than the above-mentioned Town resources, no other Town resources will be required. No alcohol waiver is being requested. This is a family-oriented event.

Town staff has reviewed the application and does not see any significant issues. Communication & coordination with the business owners on Middle Lane, especially the owners of the paid parking lot on Middle and Sinclair's golf cart, is required.

**Definition and Basic Concepts of a Tech Deck**

A tech deck can be defined simply as a miniature skateboard used for performing tricks and stunts, mirroring the real deal. These tiny boards often bear intricate designs and branding that reflect the personalities of the skaters and the skate brands they admire.

For many, the common ground lies in the shared language of tricks and stunts, despite the size difference. Terms like "ollie" and "kickflip" are as relevant on a tech deck as they are on a full-sized skateboard. Conversely, some enthusiasts elevate the experience by engaging in competitions or developing unique tech deck routines that require precision and practice.

The beauty lies in the accessibility of tech decks; you don't need an entire skate park or a handful of friends to enjoy. Just grab one and you're good to go! It encourages solo practice, allowing skaters to refine their skills anywhere, be it at home or during breaks at a coffee shop. In this sense, the tech deck becomes a tool of dedication and self-improvement.

*Source: <https://theskateboardinghell.com/articles/tech-decks-guide-enthusiasts>*

Date Application Received:

2.

Permit Number:



## APPLICATION FOR SPECIAL EVENT PERMIT

Please return completed application form with permit fee and paperwork to:

Events Coordinator, Town of Beaufort  
 701 Front Street  
 P.O. Box 390  
 Beaufort, NC 28516  
 Phone: (252) 728-2141 Email: [r.johnson@beaufortnc.org](mailto:r.johnson@beaufortnc.org)

Applications submitted late or incomplete may not receive approval and may not be issued a permit.

## EVENT BASICS

Event Name: **Rolling on Middle : Skate event**

Location of Event Site: \_\_\_\_\_

\_\_\_\_\_110 MIDDLE LANE\_\_\_\_\_ (If more than one site is being requested please be specific and list each one individually below)

Run by: \_\_\_\_\_ the periwinkle \_\_\_\_\_ Applicant

(Organizer) Name: \_\_\_\_\_beckie harmon\_\_\_\_\_ Contact # \_\_\_\_\_252-229-3553\_\_\_\_\_

Day of Event Contact #: \_\_\_\_\_252-229-3553\_\_\_\_\_ Email:

\_\_\_\_theperiwinklenc@gmail.com\_\_\_\_\_ Type of Event:

- Festival
- Parade
- 5K Race
- 10K Race

Music Event

Other \_\_\_

Actual Event Date(s): \_\_\_ open skate: \_\_\_\_\_

\_\_\_\_\_ OCTOBER 25 closure from 1pm-4pm\_

Set-Up Date: \_\_\_

Tear Down Date: \_\_

Estimated Attendance: \_\_\_50-100\_\_\_\_\_ Admission Fees: \_\_\_0\_\_\_\_\_

Event Description: \_\_open skate on middle lane for roller skates, skateboards, strider bikes ok for kids. skateboard event on 110 middle lane lawn with vendors and a TECH DECK comp with 3 semi professional skateboarders and judges.\_\_\_\_\_

Name of Organization: \_\_\_the periwinkle \_\_\_\_\_ Primary

Contact Person: \_\_\_\_\_beckie harmon \_\_\_\_\_ Mailing

Address: \_\_\_110 MIDDLE LANE\_\_\_\_\_ Email:

\_\_\_\_\_theperiwinklenc@gmail.com \_\_\_\_\_ Daytime Phone

#: \_\_\_\_\_2522293553\_\_\_\_\_ Cell Phone #: \_\_\_\_\_ Alternate Contact

Person: \_\_\_kris davis\_\_\_\_\_ Phone #: \_\_\_\_\_2526751065\_\_

Is your group a non-profit organization? \_\_no/ but is a fundraising event for a nonprofit\_ If yes, please provide documentation with your application.

## SITE PLAN

Site Plan Attached

Yes

No

(If you need help, please set up a meeting with the Town of Beaufort's Events Coordinator)



OTHER EVENT DETAILS

Please provide the name and contact information of all outside companies who are providing services during your event. IE: Tent Rentals, Inflatable Rentals, Port-A-Pottie Rentals, etc.

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-  
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Will there be canon/re-enactment fire during your event? \_\_\_\_\_ If yes, please coordinate with the Beaufort Fire Department for safety procedures.

ALCOHOL

Alcohol at the event YES \_ NO\_\_\_\_ Attach all required paperwork. Applicant is responsible for obtaining applicable ABC License and Liquor Liability Insurance. Applicant must provide a clearly marked and contained area for alcohol consumption and hire two Town of Beaufort police officers at a rate of \$ \_\_\_\_\_ per hour for the duration. (The Police Chief will review the application for exceptions.) All local, state and Federal laws must be adhered to. I/we have read, understand and will comply with the rules outlined by the Town of Beaufort in the Town Code of Ordinances **as well as in the Event Procedures.**

\_\_\_\_\_ *beckie harmon* \_\_\_\_\_ (Applicant)

ROAD CLOSURES

Does your event require a road closure? \_\_xYES \_\_\_\_\_NO

Please provide specifics below: MIDDLE LANE

Road	Set-Up Time	Event Start Time	Finish Time	Tear Down Time
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If a road closure has any impact on area businesses and/or residents, the applicant will be required to inform all residents and/or businesses in the area of the road closure, by letter or hand-delivered flyer at least 14 days in advance of the event, of the particulars of the approved temporary road closure and any detour route available.

Emergency Vehicle Access Requirements: A road may be closed to regular traffic during an event, but an unobstructed fire lane must be left open at all times for emergency vehicles.



How will your event staff react to severe weather? \_\_\_\_\_ we will monitor weather issues very closely and if there is unfavorable weather we will reschedule

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How will you alert visitors to the event to evacuate the site? (If multiple sites are being requested, a plan must be submitted for each location)

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\_\_\_\_\_single site and visitors will be assisted in the event of a weather emergency to get to their vehicles

RISK ASSESSMENT

It is important for Event Organizers to identify risks and hazards associated with their event and know how to prevent these risks. Please identify possible risks for your event and list below (weather, food, fire, etc.) Please provide details. \_\_\_\_\_

\_\_\_\_\_ weather will be the only risk as event is outdoors and we will monitor closely. if weather is an issue we will cancel event. \_\_\_\_\_

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What training will you provide to your volunteers/staff/participants regarding emergencies?

\_\_\_\_\_volunteers will be instructed on how to manage the group and will respond accordingly, deferrening to the site manager Beckie Harmon \_\_\_\_\_

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TENTS

Will you have tents at your event? \_YES \_\_\_NO

Please list the tent sizes: \_\_\_\_\_

If your event includes tents, you must make arrangements with the Beaufort Fire Department for a tent permit. There is a \$50 fee. Please contact Tammy Turek at (252) 728-4325 to make arrangements. The Tent Permit Application and a list of requirements are available online at [www.beaufortnc.org](http://www.beaufortnc.org).

FOOD

Will there be food served at your event? \_\_\_YES \_\_\_\_\_NO

If yes, please provide a detailed list of all food vendors. One food Truck : Bokaninas

If yes, have you contacted the Carteret County Health Department to set up inspections? \_\_\_\_\_YES \_\_\_\_\_NO

All food vendors must have proper licensing, inspections, etc.

# VENDORS

Will there be vendors selling items at your event? \_\_\_\_\_ Yes \_\_\_x\_\_\_ No Please note vendors are only permitted to sell during the event hours listed on this application. Any vendor selling before or after the listed hours is in violation and subject to being shut-down. All vendors must have proper certifications and licenses. They must display the required state sales and use tax information and the event organizer must keep all of this information on file pursuant to North Carolina State laws.

# CHECKLIST

Please submit the following documents with your event application. Once all forms (if applicable) are received and the event is approved an Event Permit will be issued.

- o Tent Permit
- o Detailed Site Plan
- o Detailed Route Map (Parade/5K/10K)
- o Map of Road Closures
- o ABC Permit
- o Health Inspection Documentation
- o Insurance
- o Non-profit documentation
- o Private property parking permission letter
- o List of food vendors
- o List of vendors
- o Application Fee
- o Application Signature

I/We the event organizer \_\_\_\_\_ bekie harmon \_\_\_\_\_, on behalf of \_\_\_\_\_ the periwinkle \_\_\_\_\_, the party requesting the use of the Town of Beaufort facilities noted in the above application do hereby hold and save harmless and agree to indemnify the Town of Beaufort and its elected officials, directors, officers, employees, servants, agents, contractors and their respective heirs, executors, successors with respect to any and all liability, actions, debts, suits, demands, costs, damages and expenses whatsoever arising wither directly or indirectly as a result of the use of the Town of Beaufort's facilities, park, road or other and in accordance with the provisions contained in this policy. I/ We have read and understand this application, the event procedures and the requirements placed upon this applicant and organization. I agree to abide by the Town of Beaufort rules, regulations and ordinances.

*beckie harmon*

### Internal Use Only

Permission is granted to the applicant and/or sponsoring organization to use the streets/facilities/parks as listed in the application for the special event described.

Permit Issue Date: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

Insurance Certificate: Yes \_\_\_ No \_\_\_  
 Permit Fee: Yes \_\_\_ No \_\_\_  
 BOC Approval Date: \_\_\_\_\_  
 Police Chief Approval: \_\_\_\_\_  
 Fire Chief Approval: \_\_\_\_\_

Internal Use Only

Permission is granted to the applicant and/or sponsoring organization to use the streets/facilities/parks as listed in the application for the special event described.

Permit Issue Date: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

Insurance Certificate: Yes \_\_\_ No \_\_\_  
Permit Fee: Yes \_\_\_ No \_\_\_  
BOC Approval Date: \_\_\_\_\_  
Police Chief Approval: \_\_\_\_\_  
Fire Chief Approval: \_\_\_\_\_



**Town of Beaufort, NC**

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252-728-2141 - 252-728-3982 fax - www.beaufortnc.org

**Board of Commissioners  
Regular Meeting  
6:00 PM – Monday, Sept. 8, 2025**

**AGENDA CATEGORY:** Items of Consent  
**SUBJECT:** Dia De Los Muertos Festival Event Application

Arts in Beaufort has submitted an event application to host a Day of the Dead event on Friday, Nov. 1, 2025 in downtown Beaufort. The coordinators for this event are Liz Kopf and Dusty Lewis.

This third-year event is anticipated to attract an estimated 500-1,000 people. Organizers describe the event as a block party with Mexican food, music, vendors, and cultural activities related to the Mexican Day of the Dead celebration. The proposed event is from 5-9 p.m. with setup beginning at 7 a.m. and breakdown ending by 11 p.m.

Requests of the Town:

- Closure of Middle Lane from 6 a.m.-11 p.m. on Nov. 1, 2025
- Alcohol Waiver for Middle Lane
- Applicant is aware that they will be required to hire a minimum of two off-duty officers for the duration of the event at the for-hire rate.
- 8 Solid Waste cans & 6 Recycling cans

The applicant has spoken to businesses that will be impacted by the closure of Middle Lane. At this time, they are all working together to put on the event.

The Town’s Emergency Services Departments have reviewed the application and do not have any issues.

This event was very well coordinated in 2023 & 2024. Staff doesn’t foresee any issues. This is the same day as the Lions Club Bridge Run – both events are aware of the other.

**SUBMITTED BY: Rachel Johnson, Events Coordinator**

Date Application Received: 8/26/25 3.

Permit Number: **RECEIVED**

AUG 29 2025  
3:23 8



### APPLICATION FOR SPECIAL EVENT PERMIT

Please return completed application form with permit fee and paperwork to:

Events Coordinator, Town of Beaufort  
701 Front Street  
P.O. Box 390  
Beaufort, NC 28516  
Phone: (252) 728-2141 Email: [r.johnson@beaufortnc.org](mailto:r.johnson@beaufortnc.org)

Applications submitted late or incomplete may not receive approval and may not be issued a permit.

### EVENT BASICS

Event Name: Die de los Muertos (Day of the Dead) Festival

Location of Event Site: Middle Lane

(If more than one site is being requested please be specific and list each one individually below)

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

Run by: ~~Beaufort People Show~~ Arts In Beaufort

Applicant (Organizer) Name: Elizabeth Kopf (Liz) Contact # 252-728-7446

Day of Event Contact #: 252-728-7446 Email: lizkopf@gmail.com

Type of Event:

- Festival
- Parade
- 5K Race
- 10K Race

- Music Event
- Other Saturday

Actual Event Date(s): ~~Monday~~ - November 1 / Time of Event: 5:00pm - 9:00pm  
 Set-Up Date: ~~Monday~~ - November 1 / Start Time: 7:00 am - 5:00pm set-up  
 Tear Down Date: ~~Monday~~ - November 1 / End Time: 10:00 pm tear down done  
 Estimated Attendance: 1,000 approx. Admission Fees: Free to public

Event Description:

3rd Annual - Street festival/cultural event with the goal of celebrating a Mexican holiday/integrating the local hispanic community. Event features a Salsa band, Mexican/Hispanic food trucks, Beer Garden, vendors honoring lost relatives, arts/craft activities for children, and a free showing of an animated children's movie.

**ORGANIZER/APPLICANT INFORMATION**

Name of Organization: Beaufort Picture Show Arts In Beaufort - non-profit org.  
 Primary Contact Person: Liz Kopf - Board Member/Event Organizer  
 Mailing Address: 805 Broad St. Beaufort, NC 28516  
 Email: lizkopf@gmail.com  
 Daytime Phone #: 252-728-7446 Cell Phone #: 252-928-7446  
 Alternate Contact Person: Dustin Lewis Phone #: 252-725-1744

Is your group a non-profit organization? Yes. If yes, please provide documentation with your application.

**SITE PLAN**

Site Plan Attached

- Yes
- No

(If you need help, please set up a meeting with the Town of Beaufort's Events Coordinator)

A detailed site plan must be included with your event application. The following, should they be relevant, must be included in your Site Plan.

- Location of all tents and temporary structures
- Location of requested barricades and road closures
- Emergency exits
- Fire extinguishers, propane storage
- Location of command post, medical & first aid station, emergency vehicle access points and all exits and entrances (both emergency and for the public)
- Fencing, staging, bleachers, stages, inflatables, etc.
- Food/refreshment tent vendors, refreshment tents
- Food Trucks
- Location of Restrooms
- 5K/10K race routes

If the Site Plan is not submitted with the event application, the deadline is 45 days before the event, otherwise a permit will not be issued.

## PARKS & PARKING LOTS REQUESTED

Please mark all that apply:

- East Parking Lot
- West Parking Lot
- Craven Street Parking
- Middle Lane
- John Newton Park
- Lynn Eury Park
- Grayden Paul Park
- Topsail Marine Park
- Other Please list: \_\_\_\_\_

**Specific Requirements:** (Extra trash cans/recycling/electrical etc.) Please be specific and include each item on the Site Plan for the desired location. Please note extra charges may apply in accordance to the fee schedule. (Trash/Recycling Carts: \$10 each, Electricity: \$50)

9 Trash Cans  
 & Recycling Carts

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OTHER EVENT DETAILS

Please provide the name and contact information of all outside companies who are providing services during your event. IE: Tent Rentals, Inflatable Rentals, Port-A-Pottie Rentals, etc.

Beaufort Event Rentals  
Advanced Portable Toilets

Will there be canon/re-enactment fire during your event? No. If yes, please coordinate with the Beaufort Fire Department for safety procedures.

ALCOHOL

Alcohol at the event YES  NO  Attach all required paperwork. Applicant is responsible for obtaining applicable ABC License and Liquor Liability Insurance. Applicant must provide a clearly marked and contained area for alcohol consumption and hire two Town of Beaufort police officers at a rate of \$50 per hour for the duration. (The Police Chief will review the application for exceptions.) All local, state and Federal laws must be adhered to.

I/we have read, understand and will comply with the rules outlined by the Town of Beaufort in the Town Code of Ordinances as well as in the Event Procedures.

x Elizabeth C. Hoff (Applicant's Signature)

\*We are requesting that the Town allow alcohol consumption on public property.\*

ROAD CLOSURES

Does your event require a road closure?  YES  NO

Please provide specifics below: Saturday, November 1 only for closure

Road	Set-Up Time	Event Start Time	Finish Time	Tear Down Time
Middle lane	7:00am-5:00pm	5:00pm	9:00 pm	9:00pm-10:00pm

If a road closure has any impact on area businesses and/or residents, the applicant will be required to inform all residents and/or businesses in the area of the road closure, by letter or hand-delivered flyer at least 14 days in advance of the event, of the particulars of the approved temporary road closure and any detour route available.

Emergency Vehicle Access Requirements: A road may be closed to regular traffic during an event, but an unobstructed fire lane must be left open at all times for emergency vehicles.

**PARKING/PARKING LOTS**

Parking lots required for Event set-up: (Please mark on the site map if applicable) (Please note charges may apply. The rate is \$18 per day per space in the East & West parking lots and \$9 per on street parking space per day for special event closure during Pay-To-Park season).

Please list all parking lots and spaces you are requesting. Spaces are numbered so please be specific. Also please note that parking space closures MUST be approved by the Board of Commissioners. Event organizers are not permitted to acquire additional spaces without Town permission prior to an event.

N/A

Please list off-site Parking Location for Vendors & Event Staff: A letter of permission is required for the use of private property per the event procedures. Please include this with your event application.

N/A

All vendors will be on Middle Lane only.

Bicycle Parking: Yes  No

Bike racks on Middle Lane - public & private

Additional Handicap Parking: Yes  No  Location: \_\_\_\_\_

Event Parking: (Please outline your plan for day of parking for event attendees. Please include parking lot locations and the name/contact information for any shuttle/trolley service):

Attendees will utilize town parking in Beaufort, just as they did in 2021 at the event.

**PARADE/WALK INFORMATION**

Parade Assembly Area: \_\_\_\_\_ Time: \_\_\_\_\_

Parade Dismissal Area: \_\_\_\_\_ Time: \_\_\_\_\_

Parade Start Time: \_\_\_\_\_

N/A

**EMERGENCY MANAGEMENT**

Route Map Attached:  YES  NO (Please note a route map is required)

Designated Emergency personal/liaison (onsite): Liz Kopf

Cell #: 252-728-7446 Other Contact: ~~Bob Lane 252-330-4100~~  
Dustin Lewis - 252-725-1744

How will your event staff react to severe weather?

In the event of severe weather, the event will be canceled.

How will you alert visitors to the event to evacuate the site? (If multiple sites are being requested, a plan must be submitted for each location)

Evacuation orders or other critical information announcements will be made from the P.A. system at the stage. Volunteers will also assist in this event.

RISK ASSESSMENT

It is important for Event Organizers to identify risks and hazards associated with their event and know how to prevent these risks. Please identify possible risks for your event and list below (weather, food, fire, etc.) Please provide details.

Organizers will monitor weather & cancel event if necessary. Food vendors will be inspected & monitored for safety concerns, etc. Beer Garden volunteers will have alcohol training. No open flames or fire will be allowed.

What training will you provide to your volunteers/staff/participants regarding emergencies?

The majority of volunteers will be return volunteers who also worked the event last year. Pre-event meetings will be held including alcohol training, security concerns, inclement weather, etc.

TENTS

Will you have tents at your event? YES  NO

Please list the tent sizes: No tent rentals - only 10x10 pop-up tents.

If your event includes tents, you must make arrangements with the Beaufort Fire Department for a tent permit. There is a \$50 fee. Please contact Tammy Turek at (252) 728-4325 to make arrangements. The Tent Permit Application and a list of requirements are available online at www.beaufortnc.org.

FOOD

Will there be food served at your event? YES  NO

If yes, please provide a detailed list of all food vendors. Beaufort Grocery Company, Turner Street Market, Clawson's, Marmalade's, Taqueria Supta

If yes, have you contacted the Carteret County Health Department to set up inspections? YES  NO

All food vendors must have proper licensing, inspections, etc.

# VENDORS

Will there be vendors selling items at your event? \_\_\_\_\_ Yes X No

Please note vendors are only permitted to sell during the event hours listed on this application. Any vendor selling before or after the listed hours is in violation and subject to being shut-down.

All vendors must have proper certifications and licenses. They must display the required state sales and use tax information and the event organizer must keep all of this information on file pursuant to North Carolina State laws.

# CHECKLIST

Please submit the following documents with your event application. Once all forms (if applicable) are received and the event is approved an Event Permit will be issued.

- Tent Permit
- Detailed Site Plan
- Detailed Route Map (Parade/5K/10K)
- Map of Road Closures
- ABC Permit
- Health Inspection Documentation
- Insurance
- Non-profit documentation
- Private property parking permission letter
- List of food vendors
- List of vendors
- Application Fee
- Application Signature

Arts In Beaufort

~~Elizabeth C. Kopf~~ Liz Kopf, on behalf of ~~Arts In Beaufort~~, the party requesting the use of the Town of Beaufort facilities noted in the above application do hereby hold and save harmless and agree to indemnify the Town of Beaufort and its elected officials, directors, officers, employees, servants, agents, contractors and their respective heirs, executors, successors with respect to any and all liability, actions, debts, suits, demands, costs, damages and expenses whatsoever arising wither directly or indirectly as a result of the use of the Town of Beaufort's facilities, park, road or other and in accordance with the provisions contained in this policy. I/We have read and understand this application, the event procedures and the requirements placed upon this applicant and organization. I agree to abide by the Town of Beaufort rules, regulations and ordinances.

Applicant's Signature Elizabeth C. Kopf Date 8/29/25

### Internal Use Only

Permission is granted to the applicant and/or sponsoring organization to use the streets/facilities/parks as listed in the application for the special event described.

Permit Issue Date: \_\_\_\_\_  
Authorized Signature: \_\_\_\_\_

Insurance Certificate: Yes \_\_\_ No \_\_\_  
Permit Fee: Yes \_\_\_ No \_\_\_  
BOC Approval Date: \_\_\_\_\_  
Police Chief Approval: \_\_\_\_\_  
Fire Chief Approval: \_\_\_\_\_



**Town of Beaufort, NC**

701 Front St. - P.O. Box 390 - Beaufort, N.C. 28516

[www.beaufortnc.org](http://www.beaufortnc.org)

**Board of Commissioners**

**Regular Meeting**

**6:00 PM**

**Monday, September 8, 2025**

**Train Depot, 614 Broad Street**

**Beaufort, NC 28516**

**AGENDA CATEGORY:** Items of Consent

**SUBJECT:** FY 2026 Budget Amendment #1

**BRIEF SUMMARY:**

This amendment requests the appropriation of Fund Balance for purchases and professional services budgeted in FY 25 but not completed prior to June 30, 2025. Purchases and services include:

**General Fund \$60,500**

- Fire – Resue Equipment and Station2 Upgrades \$60,500

**Utility Fund \$43,000**

- Sewer – WWTP SCADA upgrades \$39,500
- Water – Well #4 Soft start \$3,500

**REQUESTED ACTION:**

Approve Budget Amendment #1

**EXPECTED LENGTH OF PRESENTATION:**

5 minutes

**SUBMITTED BY:**

Christi Wood – Finance Director

**BUDGET AMENDMENT REQUIRED:**

Yes



**TOWN OF BEAUFORT  
FY 2026 BUDGET AMENDMENT #1**

WHEREAS, the Town of Beaufort adopted its Fiscal Year 2026 Budget through Ordinance on June 9, 2025, and

WHEREAS, the Board of Commissioners recognizes that periodic modifications to the estimated revenues and expenditures for the fiscal year may be necessary for fiscal management purposes and to implement decisions of the Board of Commissioners;

BE IT THEREFORE ORDAINED that the Board of Commissioners amends the Fiscal Year 2026 Budget as follows:

**SECTION I: GENERAL FUND**

This amendment requests the appropriation of Fund Balance for purchases budgeted in FY 25 but not received prior to June 30, 2025. Purchases include:

General Fund \$60,500

- Fire – Rescue Equipment and Station 2 upgrades \$60,500

**A. REVENUE**

**INCREASE**

APPROPRIATED FUND BALANCE.....	\$ 60,500
<b>TOTAL INCREASE.....</b>	<b>\$ 60,500</b>

**B. EXPENDITURES AUTHORIZED BY DEPARTMENT**

**INCREASE**

FIRE.....	\$ 60,500
<b>TOTAL INCREASE.....</b>	<b>\$ 60,500</b>

**SECTION III: UTILITY FUND**

This amendment requests the appropriation of Fund Balance for purchases and professional services budgeted in FY 25 but not completed prior to June 30, 2025. Purchases and services include:

Utility Fund \$43,000

- Sewer – WWTP SCADE Upgrades \$39,500
- Water – Well #4 Soft Start \$3,500

**A. REVENUE**

**INCREASE**

APPROPRIATED FUND BALANCE.....	\$ 43,000
<b>TOTAL INCREASE.....</b>	<b>\$ 43,000</b>



**B. EXPENDITURES AUTHORIZED BY DEPARTMENT**

**INCREASE**

SEWER.....	\$ 39,500
WATER.....	\$ 3,500
<b>TOTAL INCREASE.....</b>	<b>\$ 43,000</b>

**SECTION VI: DISTRIBUTION**

Copies of this ordinance shall be furnished to the Town Manager and Finance Officer to be kept on file for their direction in the disbursement of funds.

Adopted this 8th day of September, 2025.

ATTEST:

\_\_\_\_\_  
Elizabeth Lewis  
Town Clerk

\_\_\_\_\_  
Sharon E. Harker  
Mayor



**Town of Beaufort, NC**  
701 Front St. - P.O. Box 390 - Beaufort, N.C. 28516  
252-728-2141 - 252-728-3982 fax - www.beaufortnc.org

**Board of Commissioners**  
**Regular Meeting**  
**6:00 PM – Monday, September 8, 2025**  
**Train Depot, 614 Broad Street**  
**Beaufort, NC 28516**

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**AGENDA CATEGORY:** Items of Consent  
**SUBJECT:** Resolution: Financing with First Bank (Fuel Farm)

**BRIEF SUMMARY:**

As you will recall, the Board of Commissioners has approved First Bank as the lender for the Fuel Tank Farm. Additionally, the Board adopted the resolution to file the application for approval of financing with the LGC. The Town has requested this item be on the LGC agenda at their meeting on September 9<sup>th</sup>. The loan closing is scheduled for late September.

The loan documents are attached and have been reviewed by Arey Grady, Town Attorney.

**REQUESTED ACTION:**

Adopt the resolution to approve the loan/loan documents from First Bank for the Fuel Tank Farm, contingent on LGC approval.

**EXPECTED LENGTH OF PRESENTATION:**

5 minutes

**SUBMITTED BY:**

Christi Wood – Finance Director

**BUDGET AMENDMENT REQUIRED: No**

September \_\_\_\_\_, 2025

**CERTIFICATE AS TO NON-ARBITRAGE AND OTHER MATTERS**

Town of Beaufort, North Carolina

\$1,200,000.00.00 Installment Financing Contract

We, Sharon Harker and Christi Wood are the Mayor and Finance Director respectively, of the Town of Beaufort, North Carolina (the "Town"). As said officers, we are charged, along with others, with the responsibility for the execution and delivery of the Town’s \$1,200,000.00 Installment Financing Contract (the "Contract") with First Bank (the "Bank"), dated as of September \_\_\_\_\_, 2025 and to be delivered this day, and we DO HEREBY CERTIFY, as follows:

1. Code and Regulations; Definitions. This Certificate as to Non-Arbitrage and Other Matters (the "Arbitrage Certificate") is being executed and delivered pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable related Treasury Regulations (the "Regulations"), for the purpose of setting forth the reasonable expectations of the Town on the date of this Arbitrage Certificate regarding the amount and use of the gross proceeds of the Contract, together with the facts and estimates on which such expectations are based. Unless otherwise defined in the text, various terms used herein that are defined in the Code, the Regulations or the Tax Compliance Agreement executed in connection with issuance of the Contract (the "Tax Compliance Agreement") have the meanings provided therein unless the context requires otherwise. The definitions of certain terms in the Code and the Regulations are summarized in the Tax Compliance Agreement.

2. Authorization. The Contract is being executed and delivered pursuant to a resolution adopted by the Town on July 14, 2025.

3. Governmental Purpose of Contract. The proceeds derived from the execution and delivery of the Contract and the investment earnings thereon, if any, will be used for the purpose of (a) purchasing and installing a fuel tank farm to serve vessels at the Beaufort Docks located in Beaufort, NC (the "Project"); and (b) to pay certain expenses incurred in connection with the execution and delivery of the Contract (the "Issuance Expenses").

4. Issuance of Contract; Use of Contract Proceeds. The Contract will be executed and delivered on the date of this Arbitrage Certificate in exchange for the purchase price thereof. On the basis of the facts, estimates and circumstances in existence on the date hereof, the Town reasonably expects the following with respect to the Contract and as to the use of the proceeds thereof:

(a) The total proceeds to be derived by the Town from the execution and delivery of the Contract in the amount of \$1,200,000 (representing the aggregate face amount of the Contract), together with the investment earnings thereon, if any, are expected to be needed and fully expended within three years from the date hereof to pay the costs of the Project.

(b) The proceeds to be derived from the execution and delivery of the Contract, together with the reasonably anticipated investment earnings thereon, do not

exceed the amounts reasonably estimated to be necessary for the purpose(s) described in paragraph 3 above.

(c) The costs of the Project to be paid from proceeds derived from the execution and delivery of the Contract or investment earnings thereon include only capital expenditures, plus related working capital expenditures to which the general de minimis exception under Treas. Reg. § 1.148-6(d)(3)(ii)(A) applies, that carry out the governmental purposes of the Contract.

5. General Three-Year Temporary Period Tests. For purposes of qualifying for the general three-year temporary period exception from yield restriction for the net sale proceeds and investment proceeds of an issue to be expended for capital projects.

(a) Expenditure Test. The Town reasonably expects that all of the investment proceeds of the Contract will have been expended for the purposes described in Paragraph 3 above by \_\_\_\_\_, 20\_\_\_\_, a date less than three (3) years from the date hereof.

(b) Due Diligence. The completion of the Project, and the expenditure of the aggregate proceeds including investment proceeds of the Contract, will proceed with due diligence to completion, which the Town reasonably anticipates will occur prior to \_\_\_\_\_, 20\_\_\_\_.

6. Debt Service Fund; Definition. The representations and certifications in this paragraph 6 pertain to that portion of the Town's General Fund that is reasonably expected to be used to pay Installment Payments under the Contract.

(a) The portion of the Town's General Fund that is reasonably expected to be used to pay Installment Payments under the Contract is referred to herein as the "Debt Service Fund." Amounts deposited to the credit of the Debt Service Fund will be used primarily to achieve a proper matching of the revenues of the Town and the Installment Payments under the Contract within each Year, and amounts deposited to such fund will be expended to pay Installment Payments under the Contract at least once a year except for any balance therein which, in the aggregate, will not exceed the greater of (i) the earnings on the Debt Service Fund for the immediately preceding year, or (ii) one-twelfth of the Installment Payments under the Contract for the immediately preceding year.

(b) Other than the Debt Service Fund, there are no funds or accounts established by the Town which are reasonably expected to be used to pay Installment Payments under the Contract, or which are or will be pledged as collateral for the Contract and for which there is a reasonable assurance that amounts therein will be available to pay Installment Payments under the Contract if the Town encounters financial difficulties.

7. Investment of Funds and Accounts. The proceeds derived from the execution and delivery of the Contract will be deposited on the date hereof in the general account of the Town. Pending withdrawal by the Town to pay costs of the Project, the proceeds derived from the execution and delivery of the Contract will be invested by the Town in accordance with the investment policies set forth below. The Town understands and represents that the proceeds derived from the execution and delivery of the Contract, investment earnings thereon, if any, and certain other monies related to the Contract as described below will be invested as follows:

(a) Proceeds derived from the execution and delivery of the Contract which are expected to be used to pay the costs of the Project may be invested at an unrestricted yield until expended for such purposes, but in no event for a period in excess of three years from the date hereof, and earnings on such amounts may be invested at an unrestricted yield for a period not in excess of three years from the date hereof or one year from the date of the receipt of the amount earned, whichever period ends later;

(b) Any amounts deposited in a fund or account that is reasonably expected to be used, directly or indirectly, to pay Installment Payments under the Contract and that is not depleted at least once each bond year ("Sinking Fund Money") may be invested at an unrestricted yield for a temporary period ending thirty days from the date of deposit. Earnings from investment of Sinking Fund Money, if any, that are retained in such fund are entitled to a temporary period ending thirty days from the date of receipt;

(c) Any amount that is directly or indirectly pledged as security for the payment of Installment Payments under the Contract by the Town, if there is a reasonable assurance that the amount will be available for such purpose if the Town encounters financial difficulty ("Pledge Fund Money"), may be invested at an unrestricted yield for a temporary period ending thirty days from the date of deposit. Earnings from investment of Pledge Fund Money, if any, that are retained in such fund are entitled to a temporary period ending thirty days from the date of receipt;

(d) Amounts described in subparagraphs (a) through (c) of this paragraph which may not be invested at an unrestricted yield pursuant to such subparagraphs may be invested at an unrestricted yield to the extent such amounts do not exceed \$100,000 in the aggregate (the "Minor Portion");

(e) Amounts described in subparagraphs (a) through (c) above, together with investment earnings thereon, which may not be invested at an unrestricted yield pursuant to such subparagraphs or subparagraph (d) above, respectively, shall be invested at a yield (determined after taking into account the amount of any permitted yield reduction payments pursuant to Treasury Regulations Section 1.148-5(c), if any) not in excess of the yield on the Contract or, if otherwise permitted by law, may be invested in Tax-Exempt Obligations as defined in subparagraph (f) below;

(f) All investments shall be purchased at prevailing market prices and shall be limited to securities for which there is an established market or investments which otherwise meet the safe harbor requirements for establishing "fair market price" as described in the Tax Compliance Agreement. For the purpose of this Arbitrage Certificate, the term "Tax-Exempt Obligation" shall mean (i) an obligation the interest on which is not includable in gross income of the owners thereof under Section 103(a) of the Code and the interest on which is not an item of tax preference within the meaning of Section 57(a)(5) of the Code, (ii) an interest in a regulated investment company described in Treasury Regulations Section 1.150-1(b), and (iii) Demand Deposit Securities of the United States Treasury Securities-State and Local Government Series ("Demand Deposit SLGS"). The Town understands that it may only invest in the foregoing if otherwise permitted by law.

8. Yield. For the purpose of this Arbitrage Certificate, "yield" means that discount rate which, when used in computing the present value of all the unconditionally payable payments of principal, interest and fees for a qualified guarantee paid and reasonably expected to be paid with respect to an obligation, produces an amount equal to the present value of the issue price of such obligation as determined under Code Section 148. Present value is computed as of the date of issue of the obligation. The yield on obligations acquired with amounts described in paragraph 7 above and the yield on the Contract shall be calculated by the use of the same frequency interval of compounding interest and other financial conventions. For purposes of calculating the yield on the Contract, the issue price of the Contract is equal to the aggregate principal amount of the Contract, \$1,200,000.00, being the aggregate amount paid by the Bank in cash for the Contract on the date hereof.

Based on the foregoing, the yield on the Contract has been determined to be not less than 3.9%.

9. Term of Contract not Longer than Necessary to Accomplish Governmental Purpose of Issue. Based on the Town's prior financing practices and experience, the Town considers that the scheduling of the principal components of the Installment Payments under the Contract is reasonable and that the Contract is not being issued with a term longer than reasonably necessary to accomplish the governmental purpose for which the Contract is being executed and delivered.

10. Reimbursement. The Town adopted a declaration of official intent to reimburse with respect to the Project on July 14, 2024 (the "Reimbursement Declaration"). Except for capital costs of the Project originally paid by the Town on or after July 11, 2024, the date upon which the Reimbursement Declaration was adopted, or paid by the Town not more than sixty (60) days prior thereto, no amount of the proceeds derived from the execution and delivery of the Agreement or any investment earnings thereon will be used to reimburse any expenditures paid by the Town with respect to the Project prior to the date hereof.

All costs of the Project to be reimbursed with proceeds derived from the execution and delivery of the Agreement represent capital expenditures which were either (i) paid within the eighteen month period immediately preceding the date hereof, or (ii) if not paid within such eighteen month period, paid with respect to property that was first placed in service within the eighteen month period immediately preceding the date hereof and each capital expenditure to be reimbursed was originally paid not more than three years prior to the date hereof.

11. Separate Issue. There are no other obligations which (a) have been or are to be sold at substantially the same time as the Contract (i.e., less than 15 days apart), (b) have been or are to be sold pursuant to the same plan of financing with the Contract, and (c) are to be paid from substantially the same source of funds as the Contract, determined without regard to guarantees from unrelated parties.

12. No Hedge Contract. As of the date hereof, the Town reasonably expects that (i) at least 85% of the spendable proceeds of the Contract will be expended within three years from the date hereof to carry out the governmental purposes for which the Contract is being issued and (ii) that not more than 50% of the proceeds derived from the execution and delivery of the Contract will be invested in investments having a substantially guaranteed yield for four years or more.

13. No Qualified Hedge. No qualified hedge (as defined in Treas. Reg. § 1.148-4(h)(2)) has been or will be entered into relating to the Contract.

14. Sale or Other Disposition of the Project. No part of any property comprising any portion of the Project has been, and the Town reasonably expects that no part of the Project will be, sold or otherwise disposed of prior to the final maturity date of the Contract, except such minor parts thereof as may be disposed of due to normal wear, obsolescence or depreciation in the ordinary course.

15. Tax Covenant. In the resolutions authorizing the issuance of the Contract, the Town has covenanted and agreed that, to the extent permitted by the Constitution and laws of the State of North Carolina, it will comply with the provisions of the Internal Revenue Code of 1986, as amended, so that the interest components of the Installment Payments under the Contract will remain exempt from existing Federal income taxes to which they are not subject on the date of execution and delivery of the Contract. The Town has thereby covenanted that it will not make any use of the proceeds of the Contract that would cause the Contract to be "arbitrage bonds" within the meaning of Section 148 of the Code and the applicable regulations promulgated from time to time thereunder, and has further covenanted that it will observe and not violate the requirements of Section 148 of the Code and the applicable regulations promulgated thereunder. Accordingly, the Town has set forth in its Tax Compliance Agreement executed in connection with the issuance of the Contract the guidelines it shall follow (a) to pay or cause to be paid to the United States the amount equal to the sum of (i) the excess of the aggregate amount earned from the investment of the gross proceeds of the Contract from the date of issue over the amount that would have been earned if the gross proceeds of the Contract had been invested at a yield equal to the yield on the Contract, plus (ii) the income earnings attributable to the excess amount described in (i), and (b) restrict the investment of any money that is necessary to prevent the Contract from becoming "arbitrage bonds" within the meaning of the Code.

16. Qualified Tax-Exempt Obligation. The Town hereby represents that it reasonably expects that the Town, all subordinate entities of the Town and all entities that issue obligations on behalf of the Town, will not issue in the aggregate more than \$10,000,000 of tax-exempt obligations (not counting (i) private activity bonds, except for qualified 501(c)(3) bonds as defined in the Code and (ii) "deemed designated" tax-exempt refunding obligations within the meaning of Section 265(b)(3)(D)(ii) of the Code) during calendar year 2025. In addition, the Town hereby

designates the Contract as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code.

17. Reasonable Expectations. To the best of the knowledge, information and belief of the undersigned, the facts and estimates set forth in this Arbitrage Certificate are accurate and the expectations set forth in this Arbitrage Certificate are reasonable and are made in good faith and there are no other facts or estimates that would materially change such expectations.

WITNESS the signatures of the undersigned the date first written above.

\_\_\_\_\_  
Sharon Harker, Mayor

\_\_\_\_\_  
Christi Wood, Finance Director

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**INSTALLMENT FINANCING CONTRACT**

between

**FIRST BANK**  
*as the Bank*

and

**TOWN OF BEAUFORT, NC**  
*as the Town*

Dated: September \_\_\_\_\_, 2025

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INSTALLMENT FINANCING CONTRACT  
REAL PROPERTY

THIS INSTALLMENT FINANCING CONTRACT, dated as of September \_\_\_\_\_, 2025, (the “Contract”), by and between **FIRST BANK**, a North Carolina banking association existing under the laws of the United States of America (the “Bank”); and **TOWN OF BEAUFORT, NORTH CAROLINA**, a body politic and corporate of the State of North Carolina (the “Town”);

W I T N E S E T H:

WHEREAS, the Town is a duly and validly created, organized and existing public body politic, duly created and existing under and by virtue of the Constitution and laws of the State of North Carolina; and

WHEREAS, the Town has the power, pursuant to Section 160A-20 of the General Statutes of North Carolina, to enter into installment contracts to finance the purchase of real or personal property/construction of improvements to real property; and

WHEREAS, the Bank desires to advance certain funds to enable the Town to undertake the Project, as hereinafter defined; and

WHEREAS, the Town desires to obtain such advance from the Bank pursuant to the terms and conditions hereinafter set forth; and

WHEREAS, the obligation of the Town to make Installment Payments, as hereinafter defined, and other payments required under Section 3 hereof shall constitute a limited obligation payable solely from currently budgeted appropriations of the Town and shall not constitute a pledge of the faith and credit of the Town within the meaning of any constitutional debt limitation or as otherwise prohibited by the North Carolina Constitution; and

WHEREAS, the Town has received approval of this Contract and its plan of financing from the North Carolina Local Government Commission; and

WHEREAS, the Town has held a public hearing with respect to the contract providing for the financing of the Project; and

WHEREAS, in order to further secure the obligations of the Town hereunder, the Town has executed the Deed of Trust, as hereinafter defined, to a trustee named therein, for the benefit of the Bank; and

WHEREAS, no deficiency judgment may be rendered against the Town in any action for breach of a contractual obligation under this Contract, and the taxing power of the Town is not and may not be pledged in any way, directly or indirectly or contingently, to secure any moneys due under this Contract; and

WHEREAS, the Bank and the Town each have duly authorized the execution and delivery of this Contract;

NOW, THEREFORE, for and in consideration of the premises and of the covenants hereinafter contained, and other valuable consideration, the parties hereto agree as follows:

SECTION 1. DEFINITIONS

For purposes of this Contract, the following definitions will apply:

1.1. “Deed of Trust” means the Deed of Trust and Security Agreement dated as of the date hereof from the Town to the deed of trust trustee named therein securing its obligations hereunder for the improvement of the Property.

1.2. “Environmental Laws” means any federal, state or local law, rule, regulation, permit, order or ordinance relating to the protection of the environment or human health or safety now or hereafter in effect, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. Section 9601, et seq.) (together with the regulations promulgated thereunder, “CERCLA”), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901, et seq.) (together with the regulations promulgated thereunder, “RCRA”), the Oil Pollution Act of 1990 (33 U.S.C. Section 2701, et seq.) (together with the regulations promulgated thereunder, “OPA”), the Emergency Planning and Community Right-to-Know Act, as amended (42 U.S.C. Section 11001, et seq.) (together with the regulations promulgated thereunder, “Title III”), the Clean Water Act, as amended (33 U.S.C. Section 1321, et seq.) (together with the regulations promulgated thereunder, “CWA”), the Clean Air Act, as amended (42 U.S.C. Section 7401, et seq.) (together with the regulations promulgated thereunder, “CAA”) and the Toxic Substances Control Act, as amended (15 U.S.C. Section 2601 et seq.) (together with the regulations promulgated thereunder, “TSCA”), and any state or local similar laws and regulations and any so-called local, state or federal “superfund” or “superlien” law.

1.3. “Governing Body” means the governing body of the Town.

1.4. “Hazardous Materials” means any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials, asbestos or any materials containing asbestos or petroleum, petroleum hydrocarbons, or any other substance or material as defined by (or for purposes of) any federal, state or local environmental law, ordinance, rule or regulation including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. sections 9601 et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. sections 1801 et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. sections 9601 et seq.), and the regulations adopted and publications promulgated pursuant thereto. Hazardous Materials shall not include materials used by the Town in connection with its operation of the Project, provided such materials are properly handled and contained in accordance with applicable federal and state laws.

1.5. “Installment Payments” means Installment Payments required to be made by the Town with respect to the Loan, as described in Section 3 of this Contract and in the Payment Schedule.

1.6. “Loan Amount” means One Million Two Hundred Thousand and 00/100 Dollars (\$1,200,000.00) all of which will be a tax-exempt loan and as described on Exhibit B, and which will be advanced by the Bank to enable the Town to undertake the Project.

1.7. “LGC” means the Local Government Commission of North Carolina established pursuant to Chapter 159 of the North Carolina General Statutes.

1.8. “Net Proceeds,” when used with respect to any proceeds from policies of insurance required hereunder or proceeds of any condemnation award arising out of the condemnation of all or any portion of the Property, means the amount remaining after deducting from the gross proceeds thereof all expenses (including, without limitation, attorneys’ fees and costs) incurred in the collection of such proceeds.

1.9. “Payment Schedule” means collectively the document labeled “Payment Schedule attached hereto as Exhibit B describing the Town’s Installment Payments, which are incorporated herein by reference.

1.10. “Prime Rate” means the Bank’s prime rate, which is one of the Bank’s variable rate indices for credit extensions and is set by the Bank at its discretion based on the Bank’s perception of market interest rate levels, trends and general economic conditions. It is not tied to any specific index published by any third party and is not represented by the Bank to be the lowest rate at which the Bank extends credit.

1.11. “Project” means the purchase and installation of fuel tank farm to serve vessels at the Beaufort Docks on property located in Town of Beaufort, more particularly described on Exhibit A.

1.12. “Property,” whether singular or plural, means that certain parcel or those certain parcels of land on which the Project is located, including as set forth on Exhibit A, together with all fixtures, equipment improvements and appurtenances thereon now or hereafter existing, as further described in the Deed of Trust. For purposes of this Contract, Property shall include the Collateral described in the Deed of Trust.

1.13. “Town” means Town of Beaufort, a body politic and corporate of the State of North Carolina, acting through its Governing Body.

SECTION 2. ADVANCE OF LOAN AMOUNT

The Bank agrees to advance the Loan Amount to the Town and the Town agrees to borrow the Loan Amount from the Bank to be applied in accordance with the terms and conditions of this Contract.

SECTION 3. INSTALLMENT PAYMENTS AND OTHER PAYMENTS

3.1. Amounts and Times of Installment Payments and Other Payments. Subject to the provisions of Section 13 hereof entitled “Limited Obligation of the Town,” the Town shall repay the Loan Amount in installments as provided in Exhibit B to this Contract. Each such installment shall be deemed to be an Installment Payment and shall be paid in the amount and at the time set

forth in the Payment Schedule except as provided herein. Installment Payments shall be sufficient in the aggregate to repay the Loan Amount together with interest thereon at a per annum rate equal to the rate per annum described in Exhibit B.

Interest on the Loan Amount as set forth on Exhibit B is based upon a 360-day year, with twelve (12) thirty (30) day months. The amortization schedule is based on all payments being received by the Bank on the scheduled due date. Interest shall continue to accrue on any payment that is not paid when due until such payment is made.

3.2. Place of Payments. All payments required to be made to the Bank hereunder shall be made at the Bank’s principal office or as may be otherwise directed by the Bank or its assignee.

3.3. Late Charges. Should the Town fail to pay any Installment Payment or any other sum required to be paid to the Bank within fifteen (15) days after the due date thereof, the Town shall pay a late payment charge equal to four percent (4%) of the delinquent payment. The acceptance or assessment of a late charge shall not constitute a waiver of default or Event of Default or impair any other rights or remedies of the Bank.

3.4. Abatement of Installment Payments. Subject to Section 13 hereof entitled “Limited Obligation of the Town,” there shall be no abatement or reduction of the Installment Payments or other payments by the Town for any reason, including but not limited to, any defense, recoupment, setoff, counterclaim, or any claim (real or contingent) arising out of or related to the Project. The Town assumes and shall bear the entire risk of loss and damage to the Project from any cause whatsoever, it being the intention of the parties that the Installment Payments and other payments shall be made in all events unless the obligation to make such Installment Payments and other payments is terminated as otherwise provided herein.

3.5. Prepayment of Installment Payments. Upon at least thirty (30) business days prior written notice to the Bank, the Town has the right to prepay all or part of the Loan Amount upon payment of the principal component of Installment Payments to be prepaid, plus the interest component of Installment Payments with respect thereto to the date of prepayment.

SECTION 4. NATURE OF CONTRACT

This Contract is an installment financing contract pursuant to Section 160A-20 of the General Statutes of North Carolina and a security agreement pursuant to Article 9 of Chapter 25 (the “Uniform Commercial Code - Secured Transactions”) of the General Statutes of North Carolina.

SECTION 5. RESPONSIBILITIES AND COVENANTS OF THE TOWN

5.1. Maintenance, Care and Use. The Town shall construct and use the Property in a careful and proper manner, in compliance with all applicable laws and regulations, and shall take no action to adversely affect the Property, and shall take all reasonable action to preserve the Property in good condition, repair, appearance and working order for the purposes intended, ordinary wear and tear excepted, including, without limitation, at its sole cost and expense, to repair and maintain the Property, and to replace any part of the Property as may from time to time become worn out, lost, stolen, destroyed or damaged or unfit for use. Any and all additions to or

replacements of the Property and all parts thereof shall constitute accessions to the Property and shall be subject to all the terms and conditions of this Contract and the Deed of Trust.

5.2. Inspection. The Bank shall have the right upon reasonable prior notice to the Town to enter into and upon the Property to inspect the Property or any part thereof during normal business hours.

5.3. Encumbrances. Except as permitted by the Deed of Trust, the Town shall not directly or indirectly create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Property, or the rights of the Town therein, except with the prior written consent of the Bank.

5.4. Utilities. The Town shall pay, when due, all charges for utility services used in connection with the Property. There shall be no abatement of the Installment Payments on account of interruption of any such services.

5.5. Taxes. The Town shall pay, when due, any and all taxes levied by any governmental body as a result of the Town’s ownership, possession, or use of the Property or as a direct or indirect result of the improvement or construction of the Project by the Town.

5.6. Risk of Loss. Subject to the provisions of Section 13 hereof entitled “Limited Obligation of the Town,” the Town shall bear all risk of loss to and condemnation of the Property. In the event of loss or damage to the Property, the Town shall either (a) continue to make the Installment Payments due hereunder and repair, reconstruct and restore the applicable portion of the Property to the satisfaction of the Bank, or (b) prepay in full the principal components of the outstanding Installment Payments in accordance with Section 3.5 hereof.

5.7. Performance by the Bank of the Town’s Responsibilities. Any performance required of the Town or any payments required to be made by the Town may, if not timely performed or paid, be performed or paid by the Bank, and, in that event, the Bank shall be immediately reimbursed by the Town for such payments and for any costs and expenses, legal or otherwise, associated with the payments or other performance by the Bank, with interest thereon at a per annum rate equal to the Prime Rate in effect on the last business day of the calendar month preceding the payment (but not exceeding the maximum rate, if any, permitted by applicable law).

5.8. Financial Statements. The Town agrees that it will furnish to the Bank current audited financial statements (as soon as practicable after the Town’s acceptance thereof) and no later than one hundred eighty (180) days after the end of the Town’s fiscal year, and, if requested by the Bank, the Town’s annual budget as submitted or approved, and permit the Bank or its agents and representatives to inspect the Town’s books and records except as prohibited by law and make extracts therefrom at its own expense during regular business hours and in a manner which will not disrupt the normal business routine of the Town. The Town shall furnish to the Bank current unaudited financial statements at such reasonable times as the Bank may request. The Town represents and warrants to the Bank that all financial statements which have been delivered to the Bank in connection with this Contract fairly and accurately reflect the Town’s financial condition and there has been no material adverse change in the Town’s financial condition as reflected in the financial statements since the date thereof.

5.9. Other Responsibilities and Conditions. Simultaneously with the execution of this Contract and prior to the advancement of any funds hereunder by the Bank, the Town shall cause to be provided to the Bank the following:

- (a) Deed of Trust;
- (b) A Non-Arbitrage Certificate, Tax Compliance Agreement and IRS Form 8038-G with respect to the Tax-Exempt Loan Amount;
- (c) An Incumbency and Authorization Certificate in the form of Exhibit C attached hereto;
- (d) An Opinion Letter of counsel for the Town in the form of Exhibit D attached hereto;
- (e) A certificate in the form of Exhibit E attached hereto or other proof of insurance on the Project satisfactory to the Bank;
- (f) Certified copies of resolutions of the Governing Body authorizing the Town to enter into this Contract and carry out its terms, together with evidence of a public hearing held with respect to the Contract;
- (g) Proof of a title insurance policy insuring the Bank’s first lien position.
- (h) An opinion letter from qualified counsel which states that the interest on the Town’s obligations with respect to the Tax-Exempt Loan Amount will not be included in the gross income of the Bank for Federal and North Carolina income tax purposes, will not be an item of tax preference for purposes of the Federal alternative minimum income tax (the Bank to pay bond counsel);
- (i) Copies of all documents furnished by the Town to the LGC and issued by the LGC in connection with this Contract, including the certified approval by the Secretary of the LGC of this Contract and the transactions contemplated hereunder; and
- (j) Executed originals of any other documents and instruments required by Bank in connection with this Contract.

5.10. Environmental Covenants. To the best of the Town’s knowledge, the Property on which the Project is to be located is not now and has not ever been used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Materials and that no Hazardous Materials have ever been released on such Property except as otherwise disclosed in the Phase I Environmental Assessments previously provided to the Bank. The Town covenants that the Property shall be kept free of Hazardous Materials and shall not be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Materials, except in such quantities and in strict compliance in connection with the normal construction, maintenance and operation of the Project and in compliance with all Environmental Laws. The Town shall not cause or permit as a result of any intentional or unintentional act or omission on the part of the Town or any lessee, tenant, subtenant, licensee, guest, invitee, employee, agent or contractor, the installation of Hazardous Materials on the

Property or a release of Hazardous Materials onto the Property or suffer the presence of Hazardous Materials on the Property, except in connection with the normal construction, maintenance and operation of the Project or the Property and in compliance with all Environmental Laws. The Town shall comply with and ensure compliance by all sublessees, tenants, subtenants, licensees, guests, invitees, employees, agents and contractors with all applicable federal, state and local laws, ordinances, rules and regulations with respect to Hazardous Materials and shall keep the Property free and clear of any liens imposed pursuant to such laws, ordinances, rules and regulations. The Town has not received any notice from any governmental agency, entity or any other person who receives any notices from any governmental agency, entity or any other person with regard to Hazardous Materials on, from or affecting the Property. In the event the Town does receive any such notices, the Town shall immediately notify the Bank. The Town, at no expense to the Bank, shall conduct and complete all investigations, studies, sampling and testing and all remedial, removal and other actions necessary to comply with all applicable Environmental Laws. Notwithstanding the foregoing, there is an above-ground gasoline storage tank on the Property. To the knowledge of the Town, there has been no release from the tank in violation of any Environmental Laws.

5.11. Special Tax Covenants. The Town covenants that: (a) it will make no use of the Loan Amount which would cause the Town’s obligation to repay the Loan Amount to be an “arbitrage bond” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), or the Treasury Regulations promulgated thereunder; (b) so long as the Loan Amount remains in effect, the Town will comply with the requirements of the Code and the applicable Treasury Regulations promulgated thereunder and will not take or omit to take any action which will cause the interest paid or payable with respect to the Loan Amount to be includible in the gross income of the registered owner hereof; (c) the portion of the Project financed with the Loan shall be used exclusively for essential governmental purposes of the Town and no use shall be made of the Loan Proceeds or the Project, directly or indirectly, which would cause this Contract to be a “private activity bond” within the meaning of Section 141 of the Code; (d) no part of the payment of principal or interest under this Contract is or shall be guaranteed, in whole or in part, by the United States or any agency or instrumentality thereof; (e) no portion of Loan shall be used, directly or indirectly, in making loans the payment of principal or interest with respect to which are to be guaranteed, in whole or in part, by the United States or any agency or any instrumentality thereof; and (f) the Town shall not lease or otherwise make any of the Project available to any entity if such lease or other availability would cause the interest portion of the Installment Payments with respect to the Loan be included in the gross income of the Bank under the Code for income tax purposes.

The Town shall furnish promptly all information necessary to permit the Bank to file on or before its due date IRS Form 8038-G. The Town shall not take or omit to take any action that may cause a loss of the federal tax-exempt status of the Loan Amount or the interest thereon or the state tax-exempt status of the Contract or the interest thereon.

5.12. Covenant as to Tax Exemption.

(a) The Town shall not take or permit, or omit to take or cause to be taken, any action that would cause its obligations under this Contract to be "arbitrage bonds" or "private activity bonds" within the meaning of the Code, or otherwise adversely affect the exclusion from gross income for federal income tax purposes of the designated interest component of Installment Payments to which such components would otherwise be entitled and, if it should take or permit, or omit to take or cause to be taken, any such action, the Town shall take or cause to be taken all lawful actions within its power necessary to rescind or correct such actions or omissions promptly upon having knowledge thereof.

(b) In particular, the Town covenants that it shall not permit the Loan Amount, plus the investment earnings thereon (the "Proceeds"), to be used in any manner that would result in five percent (5%) or more of the Installment Payments being directly or indirectly secured by an interest in property, or derived from payments in respect of property or borrowed money, being in either case used in a trade or business carried on by any person other than a governmental unit, as provided in Code Section 141(b), or result in five percent (5%) or more of the Proceeds being used directly or indirectly to make or finance loans to any persons other than a governmental unit, as provided in Code Section 141(c); provided, however, that if the Town receives an opinion of counsel that compliance with any such covenant is not required to prevent the interest components of Installment Payments from being includable in Beneficiary's gross income for federal income tax purposes under existing law, the Town need not comply with such covenant.

5.13. Appropriations of Payments. (a) The Town reasonably believes and represents and warrants that funds sufficient to make all Installment Payments during the term of this Contract can be obtained. While recognizing that it is not empowered to make any binding commitment to make Installment Payments or any other payments beyond its current fiscal year, the Governing Body of the Town in authorizing the execution of this Contract has stated its intent to make annual appropriations sufficient to make the Installment Payments and has recommended that future governing bodies continue to do so during the term of this Contract.

(a) The Town Administrator or Finance Officer shall include in the initial proposal for each of the Town's annual budgets the amount of all Installment Payments coming due during the fiscal year to which such budget is applicable. Notwithstanding that the Town Manager or Finance Officer includes an appropriation for Installment Payments in a proposed budget, the Town may terminate all its obligations hereunder by not appropriating sufficient funds to make the scheduled Installment Payments. In the event the Governing Body determines not to appropriate in its budget an amount sufficient to pay all Installment Payments coming due in the applicable fiscal year, the Governing Body shall adopt a resolution specifically deleting such appropriation from the proposed budget for that fiscal year. Such resolution shall state the reasons for such deletion, shall be adopted by a vote identifying those voting for and against and abstaining from the resolution, and shall be recorded in the minutes of the Governing Body. A copy of such resolution shall be promptly sent to the Bank. Such failure to appropriate shall constitute an Event of Default.

(b) If the amount equal to the Installment Payments which will be due during the next fiscal year has not been appropriated by the Town in its budget, the Town Manager or Finance Officer shall deliver to the Bank, within ten (10) days after the adoption of the Town's budget for such fiscal year, but not later than fifteen (15) days after the start of such fiscal year, a certificate from the Finance

Officer of the Town stating that the Town did not make such appropriation. A copy of such certificate shall be sent to the LGC.

5.14. Improvement of the Project. The Town has complied and shall comply with the applicable provisions of Article 8 of Chapter 143 of the General Statutes of North Carolina. The Town has caused and shall cause any construction to be carried on continuously in accordance with the plans and specifications and with all applicable ordinances and statutes, and in accordance with the requirements of all regularly constituted authorities having jurisdiction over same. The Town has complied and will comply with all applicable laws, regulations and requirements of any governmental authority having jurisdiction over the Project and has secured, or caused to be secured, or will secure or cause to be secured, all regulatory approvals, authorizations, consents and permits necessary for the improvement of the Project.

5.15. Liens. The Town shall not directly or indirectly create, incur, assume or suffer to exist any lien, charge, security interest, encumbrance or claim on or with respect to the Property (except the security interest granted to the Bank or as permitted by Section 5.3). The Town shall promptly, at its own expense, take such action as may be necessary to duly discharge any such lien, security interest, charge, encumbrance or claim if the same shall arise at any time. The Town shall reimburse the Bank for any expense incurred by it in order to discharge or remove any such lien, security interest, encumbrance or claim.

SECTION 6. DEED OF TRUST

6.1. Security Interest. In order to secure its obligations hereunder, the Town shall deliver to the Bank the Deed of Trust. The Deed of Trust will also constitute a fixture filing under Article 9 of Chapter 25 (the “Uniform Commercial Code – Secured Transactions.”) of the General Statutes of North Carolina with respect to the fixtures that are part of the Property.

SECTION 7. INSURANCE AND UNFORESEEN LOSSES

7.1. Insurance. During the period of construction of the Project, the Town shall maintain (or cause its contractors) to maintain at all times a non-reporting builders risk policy of insurance in the loan amount with the Bank named as additional insured. Upon completion of construction of Improvements on the Property, the Town shall obtain and maintain, at its expense, at all times until termination of this Contract a broad form extended coverage policy of insurance covering the Property and providing the insurance protection described in this Section. The Town shall maintain at its own expense for any improvements constructed on the property, fire, casualty, public liability, property damage and theft insurance, and such other insurance in such amounts and with such deductibles, if permitted, as required by the Bank from time to time. The Property shall be insured in an amount equal to the total replacement value of such future improvements located upon the Property or the Loan Amount, whichever is greater. All such insurance shall be maintained a municipal risk pool or with an insurance company or companies licensed to do business in North Carolina and shall contain a standard mortgagee clause designating the Bank as additional insured or loss payee as its interest may appear. The Town shall deliver to the Bank the policies of insurance or duplicates thereof or other evidence satisfactory to the Bank of such insurance coverage. Each insurer shall agree by endorsement upon the policy or policies issued by it that (i) it will give thirty (30) days prior written notice to the Bank of the cancellation or

material modification of such policy; and (ii) the coverage of the Bank shall not be terminated, reduced or affected in any manner regardless of any breach or violation by the Town of any warranties, declarations and conditions of such insurance. If the requirements of the foregoing sentence are not possible for a municipal risk pool, the Town shall work with the risk pool to afford the Bank equivalent protections to the extent reasonably possible. The Town agrees to cooperate fully in all accident insurance investigations, claims and litigation proceedings. The Town shall cooperate fully with the Bank in filing any proof of loss with respect to any insurance policy described above. In no event shall the Town voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim with respect to the Property without the written consent of the Bank.

7.2. Damage or Destruction. (a) The Town shall notify the Bank immediately in the event (i) of any damage to or destruction from fire or other casualty of any portion of the Property or (ii) that a material defect in the construction of the Property becomes apparent, if the Town determines in good faith that such damage, destruction or loss will cost more than \$250,000 to repair, replace and restore.

7.3. Condemnation; Loss of Title. (a) In the case of a taking of all or any part of the Property or any right therein under the exercise of the power of eminent domain or any loss of all or any part of the Property because of loss of title thereto, or the commencement of any proceedings or negotiations which might result in such a taking or loss, the party upon whom notice of such taking is served or with whom such proceedings or negotiations are commenced or who learns of a loss of title shall give prompt notice to the other. Each such notice shall describe generally the nature and extent of such condemnation, taking, loss, proceedings or negotiations. All obligations of the Town under this Contract (except obligations to make Installment Payments when due) shall terminate as to the portion of the Property as to which there is a loss of title or which is condemned or taken when such loss of title is finally adjudicated or when title thereto vests in the party condemning or taking the same, as the case may be (hereinafter referred to as the "Takings Date"). The Town shall pay over to the Bank (and hereby irrevocably assigns, transfers and sets over to the Bank) all right, title and interest of the Town in and to any Net Proceeds payable as to any such loss of title, condemnation or taking during the term of this Contract.

(b) In the event of any such loss of title, condemnation or taking, the Town shall deliver the Net Proceeds from the condemnation proceeding to the Bank.

(c) The Bank shall, at the expense of the Town, cooperate fully with the Town in the contest of any prospective or pending condemnation proceedings or in any contest over title with respect to the Property or any part thereof. Except in the case of an ongoing uncured Event of Default, in no event shall the Bank voluntarily settle, or consent to the settlement of, any prospective or pending condemnation proceedings, or proceedings as to title, with respect to the Property or any part thereof without the consent of the Town.

SECTION 8. WARRANTIES AND REPRESENTATIONS OF THE TOWN

The Town warrants and represents to the Bank (all such representations and warranties being continuing) as follows:

(a) The Town is a body corporate and politic duly created and existing under the laws of the State of North Carolina as a political subdivision of the State of North Carolina, and has all powers necessary to enter into the transactions contemplated by this Contract and to carry out its obligations hereunder;

(b) This Contract and all other documents relating hereto, have been duly and validly authorized, approved, executed and delivered by the Town, and the performance by the Town of its obligations under such documents has been approved and authorized under all laws, regulations and procedures applicable to the Town, including, but not limited to, compliance with all applicable public meeting and bidding requirements, and the transactions contemplated by this Contract and all other documents relating hereto constitute a public purpose for which public funds may be expended pursuant to the Constitution and laws of the State of North Carolina, and, assuming due authorization, execution and delivery hereof by the Bank, constitute valid, legal and binding obligations of the Town, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by general principles of equity or by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and as those other laws may be further limited by the provisions of Section 160A-20 of the General Statutes of North Carolina, as amended;

(c) No approval or consent is required from any governmental authority with respect to the entering into or performance by the Town of this Contract and the transactions contemplated hereby, or, if any such approval is required, it has been duly obtained, including any applicable approval of the LGC as evidenced by the Secretary's certificate hereon;

(d) There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or, to the best of the Town's knowledge, threatened, against or affecting the Town challenging the validity or enforceability of this Contract or any other documents relating hereto, or the performance of the Town's obligations hereunder, and compliance with the provisions hereof, under the circumstances contemplated hereby, does not and will not in any material respect conflict with, constitute on the part of the Town a breach of or default under, or result in the creation of a lien or other encumbrance on any property of the Town (except as contemplated herein) pursuant to any agreement or other instrument to which the Town is a party, or any existing law, regulation, court order or consent decree to which the Town is subject;

(e) There are no liens or encumbrances on the Property other than the Deed of Trust or any encumbrances permitted by Section 5.3.

(f) A resolution relating to the performance by the Town of this Contract and the transactions contemplated hereby has been duly adopted, is in full force and effect, and has not been in any respect amended, modified, revoked or rescinded;

(g) The Project is essential to the proper, efficient and economical operation of the Town and the delivery of its service and the Project will provide an essential use and permit the Town to carry out public functions that it is authorized by law to perform; and

(h) The security interest granted by the Town to the Bank in the Property shall have been duly perfected and shall constitute a first lien security interest in the Property subject to any encumbrances permitted by Section 5.3.

SECTION 9. INDEMNIFICATION

To the extent permitted by applicable law, the Town hereby agrees to indemnify protect and save the Bank, and the LGC and the members, commissioners, officers, directors and employees of each of the foregoing harmless from all liability, obligations, losses, claims, damages, actions, suits, proceedings, costs and expenses, including attorneys’ fees, arising out of, connected with, or resulting directly or indirectly from the Project or the Property, including without limitation, the possession, condition or use thereof. The indemnification arising under this section shall continue in full force and effect notwithstanding the payment in full of all obligations under this Contract.

SECTION 10. DISCLAIMER OF WARRANTIES

10.1. No Representations by the Bank. The Town acknowledges that it has inspected the Project and found the Project to be satisfactory and acknowledges and agrees that it has selected the Project based upon its own judgment and disclaims any reliance upon any statements or representations made by the Bank with respect thereto.

10.2. Disclaimer by the Bank. THE BANK MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, AS TO THE CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROJECT OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE PROJECT.

SECTION 11. DEFAULT AND REMEDIES

11.1. Definition of Event of Default. The Town shall be deemed to be in default hereunder upon the happening of any of the following events of default (each, an “Event of Default”):

(a) The Town shall fail to make any Installment Payment within ten (10) days after receipt of written notice of such failure provided the Bank shall only be required to give notice once in any twelve (12) month period; or

(b) The Town shall fail to make any other payment due hereunder within ten (10) days after receipt of written notice.

(c) The Town shall fail to perform or observe any term, condition or covenant of this Contract or shall breach any warranty by the Town herein or therein contained; or

(d) The Town shall fail to pay the property taxes or keep the Project insured at all times; or

(e) The Town shall file a voluntary proceeding in bankruptcy or reorganization; or

(f) Proceedings under any bankruptcy, insolvency, reorganization or similar litigation shall be instituted by or against the Town, or a receiver, custodian or similar officer shall be appointed for the Town or any of its property, and such proceedings or appointments shall not be vacated or fully stayed after the institution or occurrence thereof; or

(g) Any warranty, representation or statement made by the Town herein or in any other document executed or delivered in connection herewith is found to be incorrect or misleading in any material respect on the date made; or

(h) An attachment, levy or execution of a security interest or lien, except for the lien and security interest of the Bank or any encumbrances permitted by Section 5.3, is levied upon or with respect to the Project.

11.2. Remedies on Default. Subject to Section 13 hereof entitled “Limited Obligation of the Town,” upon the occurrence of any Event of Default, the Bank may exercise any one or more of the following remedies as the Bank in its sole discretion shall elect:

(a) Declare the entire principal amount of the Installment Payments and all accrued interest and other charges immediately due and payable without notice or demand to the Town;

(b) Proceed by appropriate court action to enforce performance by the Town of the applicable covenants of this Contract or to recover for the breach thereof;

(c) Exercise all the rights and remedies of a secured party or creditor under the Deed of Trust, Uniform Commercial Code of the State of North Carolina and the general laws of the State of North Carolina with respect to the enforcement of the security interest granted or reserved hereunder and under the Deed of Trust, including, without limitation, to the extent permitted by law, take possession of any collateral without any court order or other process of law and without liability for entering the Property and sell, lease, sublease or make other disposition of the same in a commercially reasonable manner for the account of the Town, and apply the proceeds of any such sale, lease, sublease or other disposition, after deducting all costs and expenses, including court costs and attorneys’ fees, incurred with the recovery, repair, storage and other sale, lease, sublease or other disposition costs, toward the balance due under this Contract and, thereafter, shall pay any remaining proceeds to the Town;

(d) Take possession of any proceeds of the Property, including Net Proceeds; or

(e) Pursue any other remedy available at law or equity to the Bank.

11.3. Further Remedies. Subject to Section 13 hereof, all remedies of the Bank are cumulative and may be exercised concurrently or separately. The exercise of any one remedy shall not be deemed an election of such remedy or preclude the exercise of any other remedy. The waiver by Bank of a default in any one instance shall not constitute a waiver of any other Event of Default. The Town agrees to pay to the Bank all court costs and reasonable attorney fees incurred by Bank in enforcing the Bank’s rights and remedies under this Contract.

SECTION 12. ASSIGNMENT

12.1. Assignment by the Town. The Town agrees not to sell, assign, lease, sublease, pledge or otherwise encumber or suffer a lien or encumbrance upon or against any interest in this Contract or the Property (except for the lien and security interest of the Bank or as permitted by Section 5.3) without the Bank’s prior written consent.

12.2. Assignment by the Bank. (a) The Bank may, at any time and from time to time, assign all or any part of its interest in the Project or this Contract, including, without limitation, Bank's rights to receive Installment Payments payable to Bank hereunder or thereunder, in accordance with this Section 12.2. Any assignment made by the Bank or any subsequent assignee shall not purport to convey any greater interest or rights than those held by the Bank pursuant to this Contract. The Bank or its assignees may assign or reassign all or any part of this Contract, including the assignment or reassignment of any partial interest through the use of certificates evidencing participation interests in this Contract, or making this Contract part of a pool of obligations without the consent of the LGC, so long as such assignment or reassignment is to (i) a bank, insurance company or similar institution or any other entity approved by the LGC; or (ii) a trustee for the purpose of issuing certificates of participation or other forms of certificates evidencing an undivided interest in the Contract, provided such certificates are sold only to a bank, insurance company or similar financial institution or other entity approved by the LGC. Notwithstanding the foregoing, unless to an affiliate controlling, controlled by or under common control with Bank, no assignment or reassignment of the Bank's interest in the Contract shall be effective unless and until the Town shall receive notice of such assignment or reassignment disclosing the name and address of each such assignee.

(b) The Town further agrees that the Bank's interest in this Contract may be assigned in whole or in part (subject to the limitations on assignment contained in Section 12.2(a)) upon terms which provide in effect that the assignor or assignee will act as a collection and paying agent for any holders of certificates of participation in this Contract, provided the Town receives notice of such assignment and such collection and paying agent covenants and agrees to maintain for the full remaining term of this Contract a written record of each assignment and reassignment of such certificates of participation.

(c) The Town agrees to execute any document reasonably required in connection with any assignment. Any assignor must provide notice of any assignment to the Town and the LGC, and the Town shall keep a complete and accurate record of all assignments as required by the Code. After the giving of any such notice, the Town shall thereafter make all payments in accordance with the notice to the assignee named therein and shall, if so requested, acknowledge such assignment in writing, but such acknowledgment shall in no way be deemed necessary to make the assignment effective.

(d) The Bank represents and warrants that it is familiar with federal and North Carolina legislation, rules and regulations as to limitations upon the public distribution of securities that have not been registered under the Securities Act of 1933, as amended, and that it is entering into this Contract for its own account and has no present intention of making any sale or other distribution of this Contract in violation of such legislation, rules or regulations. The Bank represents that it is familiar with the operations and financial condition of the Town, based solely upon information

furnished to the Bank by the Town, and has made such inquiries as it deems appropriate in connection with the Loan Amount.

SECTION 13. LIMITED OBLIGATION OF THE TOWN

NO PROVISION OF THIS CONTRACT SHALL BE CONSTRUED OR INTERPRETED AS CREATING A PLEDGE OF THE FAITH AND CREDIT OF THE TOWN WITHIN THE MEANING OF ANY CONSTITUTIONAL DEBT LIMITATION. NO PROVISION OF THIS CONTRACT SHALL BE CONSTRUED OR INTERPRETED AS CREATING A DELEGATION OF GOVERNMENTAL POWERS NOR AS A DONATION BY OR A LENDING OF THE CREDIT OF THE TOWN WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE OF NORTH CAROLINA. THIS CONTRACT SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE TOWN TO MAKE ANY PAYMENTS BEYOND THOSE APPROPRIATED IN THE SOLE DISCRETION OF THE TOWN FOR ANY FISCAL YEAR IN WHICH THIS CONTRACT IS IN EFFECT; PROVIDED, HOWEVER, ANY FAILURE OR REFUSAL BY THE TOWN TO APPROPRIATE FUNDS, WHICH RESULTS IN THE FAILURE BY THE TOWN TO MAKE ANY PAYMENT COMING DUE HEREUNDER WILL IN NO WAY OBLIVATE THE OCCURRENCE OF THE EVENT OF DEFAULT RESULTING FROM SUCH NONPAYMENT. NO DEFICIENCY JUDGMENT MAY BE RENDERED AGAINST THE TOWN IN ANY ACTION FOR BREACH OF A CONTRACTUAL OBLIGATION UNDER THIS CONTRACT, AND THE TAXING POWER OF THE TOWN IS NOT AND MAY NOT BE PLEDGED DIRECTLY OR INDIRECTLY OR CONTINGENTLY TO SECURE ANY MONEYS DUE UNDER THIS CONTRACT.

No provision of this Contract shall be construed to pledge or to create a lien on any class or source of the Town’s moneys. To the extent of any conflict between this Section and any other provision of this Contract, this Section shall take priority.

SECTION 14. TAX-EXEMPT INTEREST

14.1. Intent of Parties. It is the intention of the parties hereto that the interest portion of the Installment Payments paid by the Town to the Bank under this Contract shall be tax-exempt under Section 103 of the United States Internal Revenue Code. The Town will take no action or fail to take any action which would disqualify the Loan Amount from its status as tax-exempt under such section.

14.2. Determination or Event of Taxability. If at any time there is a Determination of Taxability or Event of Taxability, as such terms are hereinafter defined, the principal portion of the indebtedness of the Town to the Bank which is represented by the Installment Payments shall, from and after the Date of Taxability, as hereinafter defined, be adjusted to bear interest to preserve the Lender’s after-tax economic yield with respect to the interest components of the Installment Payments relating to the Advancement (the “Alternative Rate of Interest”), payable from the Date of Taxability to such time. In such event, the Town also shall be required to pay to the Bank all amounts, if any, which may be necessary to reimburse the Bank for any interest, penalties or other charges assessed by the Internal Revenue Service and the Department of Revenue of the State of North Carolina, as applicable against the Bank by reason of the Bank’s failure to include the interest portion of the Installment Payments (hereinafter called “Interest”) in

its gross income for income tax purposes. Installment Payment amounts under this Contract shall be increased as a result of the increased interest rate and additional interest as a result of such rate increase on all previous payments as to which such rate increase applies shall be paid to the Bank upon demand therefor. The Town shall pay to the Bank the Interest calculated at the above-mentioned Alternative Rate of Interest notwithstanding any transfer by the Bank or payment or prepayment by the Town prior to the date such Determination of Taxability was made.

An Event of Taxability shall mean any event, occurrence or situation, resulting from an action, or failure to act, by the Town, the effect of which is to cause the some or all of the Interest to be includible in the gross income of the Bank for federal income tax purposes. A Determination of Taxability shall mean a determination that the Interest is included in gross income of the Bank for federal income tax purposes, which determination shall be deemed to have been made upon the occurrence of the first to occur of the following: (a) the date on which the Bank is advised in writing by the Commissioner or any District Director of the Internal Revenue Service that, as a consequence of an action, or failure to act, by the Town, the Interest is included in the gross income of the Bank for federal income tax purposes; (b) the date on which the Town receives notice from the Bank that the Bank has been advised (i) in writing that the Internal Revenue Service has issued a statutory notice of deficiency or similar notice to the Bank which asserts, in effect, that Interest received by the Bank is included in the gross income of the Bank for federal income tax purposes, as a result of an action, or failure to act, by the Town, or (ii) by an opinion of counsel received by the Bank which concludes, in effect, that Interest is included in the gross income of the Bank for federal income tax purposes as a result of an action, or failure to act, by the Town; (c) the day on which the Town is advised in writing by the Commissioner or any District Director of the Internal Revenue Service that there has been issued a public or private ruling of the Internal Revenue Service that the Interest is included in the gross income of the Bank for federal income tax purposes as a result of an action, or failure to act, by the Town; or (d) the day on which the Town is advised in writing by counsel to the Bank that a final determination, from which no further right of appeal exists, has been made by a court of competent jurisdiction in the United States of America in a proceeding with respect to which the Town has been given written notice and an opportunity to participate and defend that the Interest is included in the gross income of the Bank for federal income tax purposes, as a result of an action, or failure to act, by the Town.

The Date of Taxability shall mean the first date upon which Interest is included in the gross income of the Bank for federal income tax purposes as a result of an Event of Taxability or a Determination of Taxability.

14.3. Duty to Notify the Bank. The Town agrees to give prompt written notice to the Bank upon the Town’s receipt of any oral or written notice or information from any source whatsoever to the effect that an Event of Taxability or a Determination of Taxability has occurred.

SECTION 15. MISCELLANEOUS

15.1. Waiver. No covenant or condition of this Contract can be waived except by the written consent of the Bank. Any failure of the Bank to require strict performance by the Town or any waiver by the Bank of any terms, covenants or conditions herein shall not be construed as a waiver of any other breach of the same or any other term, covenant or condition herein.

15.2. Severability. In the event any portion of this Contract shall be determined to be invalid under any applicable law, such provision shall be deemed void and the remainder of this Contract shall continue in full force and effect.

15.3. Governing Law. This Contract shall be construed, interpreted and enforced in accordance with the internal laws of the State of North Carolina.

15.4. Notices. Any and all notices, requests, demands, and other communications given under or in connection with this Contract shall be effective only if in writing and either personally delivered or mailed by registered or certified United States mail, postage prepaid, return receipt requested, addressed to the address of the recipient as described below, and shall be deemed to be received on the third day after the day it was deposited in the United States mail or on the day it was actually received, whichever is earlier.

Town: Town of Beaufort  
Attn: Elizabeth Lewis, Town Clerk  
701 Front St.  
Beaufort, NC 28516

c/o Grady Quattlebaum  
Attn: Arey Grady  
244-A Craven St.  
New Bern, NC 28560

Bank's Address: First Bank - Beaufort  
Attn: Jason Williams  
1503 Live Oak St.  
Beaufort, NC 28516

c/o Maynard Nexsen  
Attn: Erin Mosely  
800 Green Valley Rd., Suite 500  
Greensboro NC 27408

15.5. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Contract.

15.6. Entire Contract. This Contract, together with the Exhibits and attachments hereto, constitutes the entire Contract between the parties and this Contract shall not be modified, amended, altered or changed except by written agreement signed by the parties.

15.7. Binding Effect. Subject to the specific provisions of this Contract, this Contract shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

15.8. Time. Time is of the essence of this Contract and each and all of its provisions.

15.9. Execution in Counterparts. This Contract may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

15.10. No Advisory Services. The Town acknowledges and agrees that: (i) the transaction contemplated by this Agreement is an arm’s length, commercial transaction between the Town and the Bank in which the Bank is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the Town; (ii) Bank has not assumed any advisory or fiduciary responsibility to the Town with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether Bank has provided other services or is currently providing other services to the Town on other matters); (iii) the only obligations Bank has to the Town with respect to the transaction contemplated hereby expressly are set forth in this Contract; and (iv) the Town has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

15.11. E-Verify. The Bank understands that “E-Verify” is a federal program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law in accordance with Section 64-25(5) of the General Statutes of North Carolina, as amended. The Bank uses E-Verify to verify the work authorization of its employees in accordance with Section 64-26(a) of the General Statutes of North Carolina, as amended. The Bank will not use any subcontractors in connection with this Contract.

15.12. Iran Divestment Certification. As of the date hereof, the Bank is not listed on any list created and maintained by the North Carolina Department of State Treasurer pursuant to the Iran Divestment Act of 2015, Article 6E of Chapter 147 et seq. of the General Statutes of North Carolina.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed as of the day and year first above written.

TOWN OF BEAUFORT

By: \_\_\_\_\_ (Seal)  
Sharon Harker  
Mayor

By: \_\_\_\_\_ (Seal)  
Elizabeth Lewis  
Town Clerk

FIRST BANK

By: \_\_\_\_\_ (Seal)  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

This instrument has been preaudited in the manner required by The Local Government Budget and Fiscal Control Act.

\_\_\_\_\_  
Christi Wood  
Finance Director

Local Government Commission  
Signature page for Installment Financing Contract in the  
amount of \$1,200,000.00 by and between First Bank and  
Town of Beaufort dated September \_\_\_\_\_, 2025

This Contract has been approved under the provisions of Article 8, Chapter 159 of the General Statutes of North Carolina.

By: \_\_\_\_\_,  
\_\_\_\_\_, Secretary  
Local Government Commission

EXHIBIT A  
PROJECT DESCRIPTION

The Project consists of construction of an approximately \_\_\_\_\_ square foot \_\_\_\_\_ . Additionally, the Project includes the equipment, labor and materials necessary for repair and/or replacement of the fuel dispensers and connections to the existing above ground gasoline storage tank.

The parcel on which the Project will be constructed is more particularly described as:

EXHIBIT B  
PAYMENT SCHEDULE

Installment Financing Contract dated September \_\_\_\_\_, 2025

Borrower: Town of Beaufort

Loan Amount: \$1,200,000.00

Loan Amount /Payment Terms

The interest rate applicable to the Loan Amount is 3.9 % per annum fixed. Interest is calculated and imposed on the unpaid balance of the Loan Amount based on the payment schedule described herein. The Loan Amount plus interest shall be repaid by the Town to the Bank in five (5) annual installments of principal and interest payments beginning September 1, 2026 and continuing each calendar year on the \_\_\_\_\_ day of the month with one (1) final installment of principal and interest in the amount of \$249,360.00 on \_\_\_\_\_, 2030, all as shown on Exhibit B. All remaining principal and accrued but unpaid interest shall be due and payable on September 1, 2030.

**TOWN OF BEAUFORT**

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

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

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

EXHIBIT B-1  
AMORTIZATION SCHEDULE

B-1

EXHIBIT C

INCUMBENCY AND AUTHORIZATION CERTIFICATE

In connection with the execution and delivery by the Town of Beaufort (the "Town") of an Installment Financing Contract dated September \_\_\_\_\_, 2025, (the "Contract") with First Bank, I, Christi Wood, do hereby certify that I am the duly appointed Finance Manager of Town of Beaufort, a body corporate and politic existing under the laws of the State of North Carolina, and that I have custody of the official minutes and other pertinent records of that body.

I further certify that:

(1) As of the date of this certificate, the persons named below are duly appointed, qualified and acting incumbents of their respective offices of the Town and as such are familiar with its books and corporate records.

(2) The Town was duly established in the year \_\_\_\_\_. At all times since its establishment the Town has continually exercised the powers given to counties by the Constitution and laws of North Carolina.

(3) The persons named below were authorized by a resolution of the governing body of Town passed in a regular meeting held on \_\_\_\_\_ to execute and deliver on behalf of the Town the Contract to evidence the obligation of the Town in connection with the improvement and construction of the Project (as defined in the Contract), together with all other documents and instruments required and contemplated by the Contract, and to carry out the terms of all of the foregoing, all under and pursuant to the provisions of Section 160A-20 of the General Statutes of North Carolina, as amended. Such resolution was adopted at a meeting duly called and held on such date, at which meeting a quorum was present and acting throughout. Such resolution has not been amended, rescinded, terminated or otherwise revoked and is in full force and effect.

(4) The persons named below were on the date or dates of the execution of the Contract and the Deed of Trust and are on the date hereof the duly appointed and qualified incumbents of the offices of the Town appearing at the right of their respective names and the signatures appearing at the right of their respective names are their genuine signatures:

(5) The signatures set opposite the names and positions of the persons named below are such persons' true and authentic signatures.

<u>Name</u>	<u>Position</u>	<u>Signature</u>
Sharon Harker	Mayor	_____
Elizabeth Lewis	Town Clerk	_____
Christi Wood	Finance Director	_____

(6) The seal of the Town is the same seal of which an impression appears below and on the Contract.

(7) No litigation of any kind is now pending or, to the best of my information, knowledge and belief, threatened to restrain or enjoin the execution or delivery of the Contract, the Deed of Trust, or in any manner questioning the proceedings and authority under which the Contract and the Deed of Trust have been executed and delivered, or affecting the validity of such documents.

(8) The Town has obtained the proper authorization to execute and deliver the Contract, the Deed of Trust and all related documents necessary to complete the transaction contemplated thereby.

(9) Each of the Contract and the Deed of Trust has been duly authorized, executed and delivered by the Town. Assuming the due authorization, execution and delivery of each such agreements by the Bank, each such agreement constitutes a legal, valid and binding agreement of the Town enforceable against the Town in accordance with its terms. Such obligation does not constitute a pledge of the faith and credit of the State of North Carolina or of any county, city or other political subdivision of the State, including the Town. The rights and enforceability of the obligations of the Town under such agreements may be limited or otherwise affected by (a) bankruptcy, insolvency, reorganization, moratorium or other laws affecting the rights of creditors generally and (b) principles of equity, whether considered at law or in equity.

There has been no material adverse change in the financial condition of the Town since the date of the last annual financial statement of the Town provided to the Bank.

IN WITNESS WHEREOF, I have duly executed this certificate and have affixed to it the seal of the Town of Beaufort on this \_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_

[SEAL]

EXHIBIT D

[TO BE PLACED ON COUNSEL’S LETTERHEAD]

OPINION OF TOWN ATTORNEY

\_\_\_\_\_, 2025

First Bank  
1503 Live Oak St.  
Beaufort NC 28516

Re: \$1,200,000.00 Installment Financing Contract between Town of Beaufort (the “Town”) and First Bank (the “Bank”)

We are acting as counsel to the Town of Beaufort in connection with the authorization and delivery of the above-referenced Installment Financing Contract (the “Contract”). The Town is entering the Contract for the purchase and installation of fuel tank farms to serve vessels at the Beaufort Docks, as more particularly described on Exhibit A to the Contract (the “Project”). The Contract is being entered into by the Town pursuant to the provisions of Section 160A-20 of the General Statutes of North Carolina, as amended (the “Act”). This opinion is being rendered to the Bank in support of the obligation of Town of Beaufort, under the Contract and the documents related thereto.

In connection with preparing this opinion, we have reviewed (a) the Constitution and laws of the State of North Carolina (the “State”), (b) certain proceedings taken by the governing body of the Town, including a resolution adopted on [\_\_\_\_\_, 20\_\_] authorizing the filing of an application for approval of the Contract by the North Carolina Local Government Commission (the “LGC”), a Declaration of Official Intent to Reimburse Expenditures adopted on \_\_, 20\_\_ and a resolution adopted on \_\_\_\_, 20\_ approving the Agreements (as defined below) (collectively, the “Resolutions”), (c) the form of the Contract, the Deed of Trust and Security Agreement dated \_\_\_\_\_, 2025 and all other documents related thereto (collectively, the “Agreements”), and (d) such other information and documents as we have deemed appropriate.

Based upon the foregoing, we are of the opinion, as of the date hereof and under existing law, that:

1. The Town is a body politic and corporate duly existing under the Constitution and laws of the State. The Town has all necessary power and authority to (a) undertake the Project, (b) adopt the Resolutions, and (c) enter into and perform its obligations under the Agreements.
2. Each of the Resolutions was duly adopted.

3. Each of the Agreements has been duly authorized and executed by the Town. Assuming the due authorization, execution and delivery of any Agreement by the Bank, if required by the terms thereof, each such Agreement constitutes a legal, valid and binding agreement of the Town enforceable against the Town in accordance with its terms. Such obligation does not constitute a pledge of the faith and credit of the State of North Carolina or of any county, city or other political subdivision of the State, including the Town. The rights and enforceability of the obligations of the Town under the Contract may be limited or otherwise affected by (a) bankruptcy, insolvency, reorganization, moratorium or other laws affecting the rights of creditors generally and (b) principles of equity, whether considered at law or in equity.

4. The Project serves a public purpose for which public funds may be expended pursuant to the Constitution and laws of the State.

5. All necessary public hearings relating to the Resolutions and the execution, delivery and performance of the Agreements by the Town have been duly conducted as required by applicable law.

6. To the best of my knowledge, all permits, consents, approvals or authorizations of all governmental entities and regulatory bodies, and all filings and notices required on the Town’s part to have been obtained or completed in connection with the authorization, execution and delivery of the Agreements, the consummation of the transactions contemplated thereby and the improvement of the Project, including all necessary approvals from the LGC pursuant to the Act and Chapter 159, Article 8 of the North Carolina General Statutes, have been obtained and are in full effect, and I know of no reason why any future required permits, consents, approvals, authorizations or orders cannot be obtained as needed.

7. There is no litigation or any governmental administrative proceeding to which the Town (or any official thereof in an official capacity) is a party that is pending or, to the best of my knowledge after reasonable investigation, threatened with respect to (a) the Town’s organization or existence, (b) its authority to execute and deliver the Agreements or adopt the Resolutions or to comply with the terms thereof, (c) the validity or enforceability or any of the Agreements or the transactions contemplated thereby, (d) the title of the Town officers who executed the Agreements, (e) any authority or proceedings relating to the Town’s adoption of the Resolutions or its execution or delivery of any of the Agreements, or (f) the undertaking of the transactions contemplated by the Agreements and the Resolutions.

The opinions expressed above are subject to the following qualifications and limitations:

(a) The enforceability of the Contract will be subject to bankruptcy, insolvency and other laws affecting creditors’ rights generally. To the extent that remedies under the Contract require enforcement by a court of equity, the enforceability thereof may be limited by such principles of equity as the court having jurisdiction may impose.

(b) Pursuant to the Act, no deficiency judgment may be rendered against the Town in the event of a breach by the Town of its obligations under the Contract, including its obligation to pay the Installment Payments under the Contract, and the taxing power of the Town is not pledged, and may not be pledged, to pay any obligation of the Town under the Contract.

(c) Under North Carolina law, the recovery of attorneys' fees is limited by and subject to the procedures and limitations set forth in Section 6-21.2 of the General Statutes of North Carolina, as amended.

(d) We have assumed for purposes of all of our opinions contained herein that the Bank will exercise its rights under the Contract in good faith and in a commercially reasonable manner.

This opinion is for the sole benefit of the Bank and any assignee of the Contract and may not be relied upon by any other person without our prior written consent.

Very truly yours,

EXHIBIT E

CONTINUOUS INSURANCE COVERAGE DECLARATION

Installment Financing Contract Dated: September \_\_\_\_\_, 2025

Borrower: Town of Beaufort ("Town")

Bank: First Bank  
1503 Live Oak St.  
Beaufort, NC 28516  
Attn: Jason Williams

Insurance Co: \_\_\_\_\_

Policy #: \_\_\_\_\_

Agency: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Phone: \_\_\_\_\_

Whereas, the Town has entered into an Installment Financing Agreement with First Bank (the "Contract") to finance the improvement of real property ("Project") and insurance coverage is required by the Bank to protect the security interest in the Property (as defined in the Contract), the Town agrees to obtain and maintain insurance coverage on the Property in the event improvements are constructed on the Property with the above designated company or another company of its selection during the term of financing. If coverage is required and not acquired or renewed, and a loss occurs while the collateral is uninsured, the Town agrees to indemnify the Bank to the extent provided by law. The indemnification can be accomplished by the mutual agreement of the parties as follows:

\* The principal balance and accrued interest may be paid in full, in satisfaction of the obligation as provided in Section 3.5 of the Contract.

\* The Property is repaired to its original condition or replaced with equal value property at the expense of the Town.

The Town pledges to notify the Bank of a loss in whole or in part within ten (10) days of any loss and agrees to cooperate with the Bank in obtaining insurance proceeds or through indemnification for any losses. The Town further certifies that the Town takes full responsibility of notifying the insurance agency/company and maintaining continuous coverage on the collateral.

TOWN OF BEAUFORT

By: \_\_\_\_\_ (Seal)

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

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

Drawn By and Return To:

Erin Cowan Mosley, Esq.  
Maynard Nexsen, PC  
800 Green Valley Road, Suite 500  
Greensboro, NC 27408

STATE OF NORTH CAROLINA

COUNTY OF CARTERET

**DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES SECURITY  
AGREEMENT AND FINANCING STATEMENT  
FUTURE ADVANCES  
Pursuant to N.C. Gen. Stat. Section 160A-20**

(COLLATERAL IS OR INCLUDES FIXTURES)

THIS DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES SECURITY AGREEMENT AND FINANCING STATEMENT FUTURE ADVANCES (the “Deed of Trust”) is made and entered into as of this \_\_\_\_\_ day of September, 2025, by and between the **Town of Beaufort**, North Carolina, a political subdivision of the State of North Carolina, whose address is 701 Front St., Beaufort, North Carolina 28516 (hereinafter called the “Grantor”), **Kirsten E. Foyles**, a resident of Moore County, North Carolina, 340 Commerce Avenue, Suite 16, Southern Pines, North Carolina 28387, as Trustee (hereinafter called the “Trustee”), and **First Bank**, whose address is 1503 Live Oak St., Beaufort, NC 28516 (hereinafter called the “Beneficiary”);

WITNESSETH:

WHEREAS, in accordance with the provisions of N.C. Gen. Stat. Section 160A-20, the Beneficiary has agreed pursuant to an Installment Financing Contract by and between the Beneficiary and the Grantor, dated of even date (hereinafter called the “Contract”), to lend to or for the benefit of the Grantor up to the principal sum of One Million Two Hundred Thousand and 00/100 Dollars (\$1,200,000.00).

WHEREAS, all principal sums to be advanced to or for the benefit of the Grantor and secured by this Deed of Trust shall be evidenced by the Contract, which Contract may contain provisions for the adjustment of the interest rate, adjustments in the payments, extension or

renewal of the term, among other things, the terms of which are incorporated herein by reference and the final payment date for which if not sooner paid and if payment thereof is not extended, is September \_\_\_\_\_, 2030.

WHEREAS, the Grantor is indebted to the Beneficiary in an amount equal to the sum of all outstanding advances made under the Contract, as provided therein together with and payable with interest at the rate or rates specified in the Contract;

WHEREAS, the Grantor desires to secure the payment of the obligations under the Contract with interest and any extensions, renewals, modifications or amendments thereof, or substitutions or replacements therefore, in whole or in part, the payment of all other sums, with interest thereon, advanced in accordance with the Contract, or herewith, to protect the security of this Deed of Trust, or advanced to protect the rights of the Beneficiary hereunder or under the Contract, and to secure the performance of the covenants and agreements of the Grantor contained in the Contract and herein, by a conveyance of the lands and a grant of the security interests hereinafter described;

WHEREAS, all obligations of the Grantor hereunder are expressly made subject to the limitation of liability set forth in Section 13 of this Deed of Trust and Section 13 of the Contract;

NOW, THEREFORE, in consideration of the premises and in further consideration of the sum of One Dollar (\$1.00) paid to the Grantor by the Trustee, the receipt and sufficiency of which is hereby acknowledged, the Grantor has given, granted, bargained, and sold, and by these presents does give, grant, bargain, sell and convey unto the Trustee, its successors and assigns, the following described parcel of land and all improvements now or hereafter located thereon, lying and being in the County of Carteret, State of North Carolina, and more particularly described as follows:

**SEE EXHIBIT A ATTACHED HERETO AND BY THIS REFERENCE INCORPORATED HEREIN**

Such parcel of land together with all structures, buildings and other improvements (hereinafter called the "Improvements"), now or hereafter located thereon being hereinafter called the "Property."

TOGETHER WITH all fixtures existing upon the Property or acquired by the Grantor with funds advanced by the Beneficiary pursuant to the Contract, whether now owned or hereafter acquired, all property obtained in substitution or replacement therefore, and all property obtained in substitution or replacement for any portion thereof, and all proceeds of the foregoing (hereinafter called the "Collateral").

TOGETHER WITH all permits and licenses heretofore or hereafter granted with respect to the Property.

TO HAVE AND TO HOLD WITH POWER OF SALE the Property and Collateral, with all the rights, privileges, and appurtenances thereunto belonging or appertaining to the Trustee, its heirs, successors and assigns, in fee simple forever, upon the trusts and for the uses and purposes hereinafter set out;

And the Grantor covenants with the Beneficiary that it is seized of the Property and Collateral in fee and has the right to convey the same in fee simple; that title is marketable and free and clear of all encumbrances except for the permitted encumbrances shown and such other encumbrances as may be approved by the Beneficiary in writing as provided in the Contract; and that it will warrant and defend the title to the Property and Collateral against the lawful claims of all persons whomsoever.

THIS CONVEYANCE IS MADE UPON THIS SPECIAL TRUST, that if the Grantor shall pay all obligations under the Contract in accordance with its terms, together with interest thereon, and any renewals, extensions, modifications, amendments, substitutions or replacements thereof in whole or in part, shall pay all sums advanced under the Contract or hereunder to protect the security of this Deed of Trust or the rights of the Beneficiary, together with interest thereon, and shall comply with all the covenants, terms and conditions of the Contract, this Deed of Trust and all other documents and agreements entered into in connection therewith and herewith, then this conveyance shall be null and void and may be canceled of record at the request and at the cost of the Grantor.

**Section 1. EVENTS OF DEFAULT.** The occurrence of any one or more of the following events shall constitute an “Event of Default” hereunder:

(a) The Grantor’s failure to pay when due the installment payments of principal and interest as provided in the Contract or any other sum due under this Deed of Trust or the Contract;

(b) The Grantor’s breach of any of the terms, conditions or covenants contained in the Contract or this Deed of Trust;

(c) The actual or threatened demolition, injury or waste to the Property or Collateral which may impair its value;

(d) The appointment of a receiver for, or the filing of a petition of bankruptcy by or against, the Grantor;

(e) The Grantor’s default under the terms of any instrument to which this Deed of Trust is subordinate or which is subordinate to this Deed of Trust;

(f) Default by the Grantor in keeping, performing or observing any term, covenant, agreement or condition of the Contract, upon which the advances hereby secured were predicated, or default by the Grantor under any other agreement executed concurrently with the execution and delivery of the Contract and this Deed of Trust, including, without limitation, any agreement containing provisions relating to the rights of the Grantor to receive future advances or disbursements from the Beneficiary, the repayment of which is intended to be secured by this Deed of Trust;

(g) The making of any false statement, misrepresentation or withholding of facts by the Grantor in any loan application, financial statement, loan document or other instrument provided by the Grantor to Beneficiary or its agents as to any matter relied upon by Beneficiary in evaluating whether to extend or continue financing to the Grantor or any representation or warranty

made by the Grantor in the Contract or this Deed of Trust is found to be incorrect or misleading in a material respect; and

(h) If (1) any lien, charge or encumbrance other than the permitted encumbrances as provided in the Contract which is prior to or has priority over this Deed of Trust is found to exist, (2) proceedings are instituted or actions taken to enforce any lien, charge or encumbrance against the Property, or (3) all or any part of the Property or any interest or estate therein is sold, transferred or conveyed without the prior written consent of Beneficiary.

**Section 2. REMEDIES UPON DEFAULT.** Upon the occurrence of an Event of Default, the Beneficiary and Trustee shall have the following rights and remedies:

(a) The Beneficiary shall have the right, at its option, to declare all amounts payable under the Contract to be immediately due and payable, whereupon the same shall become immediately due and payable, regardless of the maturity date thereof.

(b) On the application of the Beneficiary, if the Beneficiary shall have declared the outstanding principal balance under the Contract to be immediately due and payable, the Beneficiary may foreclose the lien of this Deed of Trust pursuant to the power of sale hereby granted or by judicial proceeding. The Trustee is hereby granted a power of sale and may sell the Property or such part or parts thereof or interest therein as the Beneficiary may select after first having given such notice of hearing as to commencement of foreclosure proceedings and obtained such findings or leave of court as then may be required by law and then having given such notice and advertised the time and place of such sale in such manner as then may be provided by law, and upon such sale and any resale and upon compliance with the law then relating to foreclosure proceedings, to convey title to the purchaser.

Upon such sale(s), the Trustee shall convey title to the purchaser in fee simple. The Beneficiary shall have the right to bid at any sale thereunder and to credit any bid upon the amount owed under the Contract. The Trustee may require the successful bidder at any sale to deposit immediately with the Trustee cash or certified check in an amount not to exceed twenty-five percent (25%) of the bid, provided notice of such requirement is contained in the advertisement of the sale. The Trustee may reject the bid if the deposit is not immediately made, and thereupon the Trustee may declare the next highest bidder to be the Purchaser. Such deposit shall be refunded in case a resale is had; otherwise, it shall be applied to the purchase price. If Collateral is sold hereunder, it need not be at the place of sale. The published notice of public sale, however, shall state the time and place where the Collateral may be inspected prior to sale.

In the event a proceeding to exercise the power of sale contained herein is begun but not completed, the Grantor shall pay all expenses incurred by the Trustee and a partial commission computed as follows: one-fourth of the hereinafter-specified commission prior to the Trustee's issuance of a notice of hearing on the right to foreclose and one-half of the hereinafter-specified commission after the issuance of such notice and prior to sale. Such expenses and partial commission may be paid by the Beneficiary on behalf of the Grantor but, in any event, shall be secured by this Deed of Trust.

The foregoing shall in no way be construed to limit the powers of sale or restrict the discretion the Trustee may have under the provisions of Article 2A of Chapter 45 of the General Statutes of North Carolina, as the same may be from time to time amended, or such other laws as the Beneficiary or Trustee may be proceeding under, including the laws relating to judicial foreclosure if such is determined to be either the necessary or appropriate process to follow in foreclosing on the lien of this Deed of Trust. Except as provided in Section 13 herein, each legal, equitable or contractual right, power or remedy of the Beneficiary or Trustee now or hereafter provided herein or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power and remedy. The exercise or beginning of the exercise of any one or more of such rights, powers and remedies shall not preclude the simultaneous or later exercise of any or all such other rights, powers and remedies and without limiting the foregoing, the Trustee may sell the Property and Collateral separately or together, as a whole or in parts or parcels, at one or more sales conducted at different times and places.

(c) The Beneficiary shall have the right to collect rents, issues, profits and revenues according to the terms of Section 7 hereof.

(d) The Grantor and the Beneficiary have contemporaneously entered into the Contract and upon the occurrence of an Event of Default thereunder, the Beneficiary shall be entitled to exercise such rights and remedies as are contained in such Contract. The Beneficiary shall have the right to the appointment of a receiver to collect the rents and profits from the Property and Collateral without consideration of the value thereof or the solvency of any person liable for the payment of the amounts then owing. The Grantor consents to the ex parte appointment of a receiver without the necessity of a hearing. The Beneficiary at its option, in lieu of an appointment of a receiver, shall have the right to do all those things the receiver could have done. If such receiver should be appointed, or if there should be a sale of the Property and Collateral by foreclosure, as provided above, the Grantor or any person in possession of the Property and Collateral, as tenant or otherwise, shall become a tenant at will of the receiver or of the purchaser and may be removed by a writ of ejectment, summary ejectment or other lawful remedy.

(e) The Trustee may proceed against the Collateral as provided in and in accordance with the applicable provisions of the Uniform Commercial Code as adopted by the State of North Carolina. The Beneficiary may require the Grantor to assemble the Collateral, or evidence thereof, and make them reasonably available to the Beneficiary at one or more places to be designated by the Beneficiary which are reasonably convenient to the Beneficiary. The Beneficiary may take possession of the Collateral and hold, prepare for sale, lease or other disposition and sell, lease or otherwise dispose of the Collateral at public or private sale, for cash or on credit, as a whole or in part.

(f) The exercise by the Beneficiary of any right or remedy granted to the Beneficiary or Trustee in law or equity, or by this or any other document shall not be deemed an irrevocable election of remedies thereby precluding the Beneficiary or the Trustee from exercising or pursuing any other right or remedy granted to the Trustee or the Beneficiary under this Deed of Trust, the Contract, or any other document or at law or in equity. All remedies contained herein in the Contract or in any other separate agreement executed contemporaneously with the execution of this Deed of Trust are intended to be cumulative.

**Section 3. APPLICATION OF PROCEEDS.** Proceeds derived from the exercise of either the power of sale or the collection of rents and profits shall be applied to pay, first, costs and expenses, including the Trustee’s commission in the amount of five percent (5%) in the event of sale, reasonable attorney’s fees for legal services actually performed, and reasonable auctioneer’s fees if such expenses have been incurred and any other expenses or advances made or incurred in the protection of the rights of the Trustee or in the pursuit of any remedy hereunder; **second**, to taxes and assessments due and unpaid, if the Trustee deems it appropriate to do so; **third**, to the payment of any indebtedness, including principal and interest under the Contract, secured by this Deed of Trust in such order as the Beneficiary in its sole discretion may determine; and **fourth**, the balance, if any, to the person or persons entitled thereto.

**Section 4. PAYMENT OF AMOUNTS DUE UNDER THE CONTRACT.** The Grantor covenants and agrees that it will pay when due the principal and interest and other charges under the Contract.

**Section 5. PAYMENT OF TAXES, ASSESSMENTS AND OTHER AMOUNTS; MAINTENANCE OF INSURANCE.**

(a) The Grantor shall pay, or cause to be paid, when due, all charges for utility services used in connection with the Property and Collateral. The Grantor shall pay, when due, any and all taxes levied by any governmental body as a result of the Grantor's ownership, possession, or use of the Property and Collateral.

(b) The Grantor shall obtain and maintain, or cause to be obtained and maintained, at its expense, (i) during construction a non-reporting builders risk policy of insurance in the loan amount; and (ii) after completion of the Project at all times thereafter, a policy of insurance covering the Improvements on the Property and the Collateral and providing the insurance protection described in Section 7.1 of the Contract. All such insurance shall be maintained with an insurance company or companies licensed to do business in North Carolina and shall contain a standard mortgagee clause designating the Beneficiary as additional insured as its interest may appear. The Grantor shall deliver to the Beneficiary the policies of insurance or duplicates thereof or other evidence satisfactory to the Beneficiary of such insurance coverage. Each insurer shall agree by endorsement upon the policy or policies issued by it that (i) it will give thirty (30) days prior written notice to the Beneficiary of the cancellation or material modification of such policy; and (ii) the coverage of the Beneficiary shall not be terminated, reduced or affected in any manner regardless of any breach or violation by the Grantor of any warranties, declarations and conditions of such insurance. The Grantor agrees to cooperate fully in all accident insurance investigations, claims and litigation proceedings. The Grantor shall cooperate fully with the Beneficiary in filing any proof of loss with respect to any insurance policy described above. In no event shall the Grantor voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim with respect to the Property or the Collateral without the prior written consent of the Beneficiary.

**Section 6. MAINTENANCE OF THE PROPERTY.** The Grantor shall use the Property and the Collateral, or cause the Property and the Collateral to be used, in a careful and proper manner, in compliance with all applicable laws and regulations, and shall take no action to adversely affect the Property or the Collateral, and shall take all reasonable action to preserve the

Property and the Collateral in good condition, repair, appearance and working order for the purposes intended, ordinary wear and tear excepted, including, without limitation, at its sole cost and expense, to repair and maintain the Property and the Collateral, and to replace any part of the Property and the Collateral as may from time to time become worn out, lost, stolen, destroyed or damaged or unfit for use. Any and all additions to or replacements of the Property and the Collateral and all parts thereof shall constitute Improvements and shall be subject to all the terms and conditions of this Contract.

**Section 7. ASSIGNMENT OF RENTS AND LEASES.**

(a) As further security for the payment of the obligations under the Contract and for the faithful performance of all the covenants, agreements, terms and provisions of this Deed of Trust, the Grantor hereby sells, transfers and assigns unto the Beneficiary all the Grantor’s right, title and interest in and to the rents, issues, profits, revenues, royalties, rights and benefits from the Property. To that end, the Grantor hereby assigns and sets over unto the Beneficiary all leases of all or part of the Property now made, executed or delivered, whether written or verbal, or to be hereafter made, whether written or verbal (hereinafter referred to individually and collectively as “Tenants’ Leases”); **PROVIDED THAT NOTHING CONTAINED IN THIS SECTION 7, OR ELSEWHERE IN THIS DEED OF TRUST, SHALL CONSTITUTE CONSENT BY BENEFICIARY TO ANY SUCH TENANTS’ LEASES UNLESS OTHERWISE SPECIFICALLY PROVIDED IN THE CONTRACT.** The Grantor hereby authorizes and empowers the Beneficiary to collect these rents, issues, profits, revenues, royalties, rights and benefits as they shall become due and hereby directs each and all of the tenants of the Property to pay such rents, as may now be due or shall hereafter become due, to the Beneficiary, upon demand for payment thereof by the Beneficiary. No tenant shall be required to inquire concerning the authority of Beneficiary to collect rents or the occurrence of any Event of Default. No such demand shall be made unless and until there has been an Event of Default under the Contract or this Deed of Trust. Until such demand is made, the Grantor is authorized by the Beneficiary to collect or continue collecting such rents, issues, profits, revenues, royalties, rights and benefits; provided, however, the Grantor shall not collect any rents more than two months in advance without the prior written consent of the Beneficiary.

(b) The Grantor covenants and agrees: (i) that it will promptly and fully keep, perform and comply with all the terms, provisions, covenants, conditions and agreements imposed upon or assumed by it as landlord (or similar designation) under the Tenants’ Leases, and (ii) that it will not do, permit anything to be done, or omit or refrain from doing anything, the doing or omission of which will give any tenant a right to terminate any of the Tenants’ Leases.

(c) If the Grantor shall, in any manner, fail in any of the above covenants and agreements, the Beneficiary may (but shall not be obligated to) take any action the Beneficiary deems necessary or desirable to prevent or cure any default by the Grantor in the performance of or compliance with any of the Grantor’s covenants or obligations under any of the Tenants’ Leases. The Beneficiary shall have the right to enter upon the Property to such extent and as often as the Beneficiary, in its sole discretion, deems necessary or desirable in order to prevent or cure any such default by the Grantor. The Beneficiary may expend such sums of money as the Beneficiary, in its sole discretion, deems necessary for any such purpose. The Grantor hereby agrees to pay to

the Beneficiary, immediately upon demand, all sums so expended by the Beneficiary, together with interest thereon from the date of each such payment at the rate provided for in the Contract. All sums so expended by the Beneficiary, and the interest thereon, shall be secured by this Deed of Trust. The Grantor will give the Beneficiary immediate notice by certified mail of any notice of default or notice of cancellation received from any tenant. No such leases may be materially modified without the prior written consent of Beneficiary

**Section 8. DAMAGE, DESTRUCTION OR CONDEMNATION.** Pursuant to Section 7.2 of the Contract, in the event of any damage or destruction to the Improvements on the Property and the Collateral, the Grantor shall have the option to repair and restore the Improvements on the Property and the Collateral, or to prepay the unpaid balance of principal and interest due under the Contract. Pursuant to Section 7.3 of the Contract, in the event of a loss of title, condemnation or taking of all or any part of the Property, the Grantor shall have the option to restore the Property or to prepay the unpaid balance of principal and interest due under the Contract.

**Section 9. SECURITY AGREEMENT.**

(a) This Deed of Trust shall constitute a security agreement with respect to all Collateral of the Grantor. The Grantor hereby grants to the Beneficiary a security interest in the Collateral including, without limitation, all boilers, all heating, air conditioning and ventilating components and systems, all lighting, electrical power, plumbing, sprinkler and water components and systems, all carpets, wall coverings, screens and drapes, all mechanical and hydraulic components and systems and all appliances located on and used in connection with the operation or maintenance of the Improvements to the extent any of the foregoing constitutes personal property. The security interest in, and lien upon the Collateral shall be in addition to, and not in lieu of, any lien upon or security interest in the Collateral acquired under real property law.

With respect to those items of the Collateral which are or are to become fixtures related to the Property, **this Deed of Trust shall constitute a financing statement filed as a fixture filing.** The lien upon fixtures granted herein and perfected hereby shall be in addition to, and not in lieu of, any lien upon fixtures acquired under real property law. The fixtures are located on the land described on **Exhibit A** hereto, and the Grantor is the record owner of such land. The name and address of the Grantor, as debtor, and the Beneficiary, as secured party, are set forth in Section 11 hereof. The lien upon fixtures granted herein and perfected hereby shall be in addition to and not in lieu of any lien upon fixtures acquired under real property law.

With respect to the Collateral Beneficiary shall have all of the rights and remedies of a secured party under the applicable provisions of the Uniform Commercial Code as adopted in the State of North Carolina, including without limitation the right to cause such to be sold under the provisions of the UCC, and otherwise as provided by law. In exercising its remedies, Beneficiary may proceed against the items of the Collateral and any items of personal property separately or together and in any order whatsoever, without in any way affecting the availability of Beneficiary’s remedies. Upon demand by Beneficiary following an Event of Default hereunder, the Grantor will assemble all Collateral and any items of personal property and make them available to Beneficiary at the office of Beneficiary shall give the Grantor at least five (5) days’ prior written notice by mail of the time and place of any public sale or other disposition of such Collateral or of the time of or

after which any private sale or any other intended disposition is to be made and shall otherwise comply with applicable law, if any, with respect to the posting of notices. Any person permitted by law to purchase at any such sale may do so. Such Collateral may be sold at the location of the Property described on Exhibit A. This Agreement covers goods which are or are to become affixed to real property owned by the Grantor.

Except in the ordinary course of Grantor’s business, Grantor shall not remove the Collateral from its existing location without Beneficiary’s prior written consent. Grantor shall, whenever requested, advise Beneficiary of the exact location of the Collateral.

Except as otherwise provided for in this Agreement, Grantor shall not sell, offer to sell, or otherwise transfer or dispose of the Collateral. Grantor shall not pledge, mortgage, encumber or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance, or charge, other than the security interest provided for in this Agreement, without the prior written consent of Beneficiary. This includes security interests even if junior in right to the security interests granted under this Agreement.

**Section 10. ENVIRONMENTAL COVENANTS.**

(a) To the best of the Grantor's knowledge, the Property is not now and has not ever been used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Materials and that no Hazardous Materials have ever been installed on such Property except as previously disclosed to the Beneficiary in writing as required by the Contract. The Grantor covenants that such Property shall be kept free of Hazardous Materials and shall not be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Materials, except in connection with the normal construction, maintenance and operation of the Project and in such quantities and in strict compliance with all Environmental Laws. The Grantor shall not cause or permit as a result of any intentional or unintentional act or omission on the part of the Grantor or any lessee, tenant, subtenant, licensee, guest, invitee, employee, agent or contractor, the installation of Hazardous Materials in the Project or a release of Hazardous Materials onto the Property or suffer the presence of Hazardous Materials on the Property, except in connection with the normal construction, maintenance and operation of the Project and in compliance with all Environmental Laws. The Grantor shall comply with and ensure compliance by all lessees, sublessees, tenants, subtenants, licensees, guests, invitees, employees, agents and contractors with all applicable federal, state and local laws, ordinances, rules and regulations with respect to Hazardous Materials and shall keep the Property free and clear of any liens imposed pursuant to such laws, ordinances, rules and regulations. The Grantor has not received any notice from any governmental agency, entity or any other person who receives any notices from any governmental agency, entity or any other person with regard to Hazardous Materials on, from or affecting the Property. In the event the Grantor does receive any such notices, the Grantor shall immediately notify the Beneficiary. The Grantor, at no expense to the Beneficiary, shall conduct and complete all investigations, studies, sampling and testing and all remedial, removal and other actions necessary to comply with all applicable Environmental Laws.

(b) Notwithstanding the description of Collateral contained in this Deed of Trust, all Hazardous Materials (as defined in the Contract) are specifically excluded from

Collateral subject to this Deed of Trust. In addition, any and all underground storage tanks and piping located on the Property described above are specifically excluded as part of the Property.

**Section 11. NOTICES.** All notices, certificates and other communications hereunder shall be deemed given when mailed by registered or certified mail, postage prepaid, return receipt requested, addressed as follows: if to the Beneficiary, First Bank, 1503 Live Oak St., Beaufort NC 28516, Attn: James Woody, if to the Trustee, Kirsten Ellefson Foyles, Vice President/Legal Division, First Bank, 340 Commerce Avenue, Suite 16, Southern Pines, NC 28387; and if to the Grantor, 701 Front St., Beaufort NC 28516, Attn: Christi Wood, Finance Director. The Grantor, the Trustee and the Beneficiary may, by written notice given hereunder, designate a different address where communications should be sent.

**Section 12. MISCELLANEOUS.**

(a) No delay or forbearance by the Beneficiary in exercising any or all of its rights hereunder or rights otherwise afforded by law shall operate as a waiver thereof or preclude the exercise thereof during the continuance of any default as set forth herein or in the event of any subsequent default hereunder. In the event that the Beneficiary or the Trustee voluntarily or otherwise shall become a party to any suit or legal proceeding to protect the Property or to protect the title of the Trustee created by this Deed of Trust, the Trustee and the Beneficiary shall be saved harmless and shall be reimbursed by the Grantor for any amounts paid, including all reasonable costs, charges and attorney’s fees incurred in any such suit or proceeding to the full extent permitted by law. These amounts together with interest on the amounts at the rate set forth in the Contract shall be secured by this Deed of Trust and their payment enforced as if they were a part of the original debt.

(b) It is specifically agreed that the parties hereto shall in no event be deemed to have contracted for a greater rate of interest than the maximum rate permitted by law. Should a greater amount be collected, it shall be construed as a mutual mistake of the parties and the excess shall be returned to the party making such a payment.

(c) The Beneficiary shall at any time have the irrevocable right to remove the Trustee herein named without notice or cause and to appoint his successor by an instrument in writing, duly acknowledged, in such form as to entitle such written instrument to be recorded in North Carolina. In the event of the death or resignation of the Trustee herein named, the Beneficiary shall have the right to appoint his successor by such written instrument. Any Trustee so appointed shall be vested with the title to the Property and shall possess all the powers, duties and obligations herein conferred on the Trustee in the same manner and to the same extent as though such person were named herein as Trustee.

(d) All the terms and conditions of the Contract pursuant to which the obligations secured hereby are incurred, are incorporated by this reference and made a part hereof, except with respect to the security interest granted in the Property and the Collateral and with respect to the exercise of remedies with respect to the Property and the Collateral. To the extent of any conflict between this Deed of Trust and the Contract, the Contract shall take priority.

(e) The covenants, terms and conditions herein contained shall bind, and the benefits and powers shall inure to, the respective successors and assigns of the parties hereto. Whenever used herein, the singular number shall include the plural, the plural the singular. If two or more parties have joined as Grantor, each of the parties shall be jointly and severally obligated to perform the conditions and covenants herein contained. Notwithstanding the foregoing, any Grantor who executes this Deed of Trust but who does not execute the Contract hereby secured has executed the Deed of Trust only to subject whatever interest such Grantor has or may hereafter have in the Property, Improvements and Collateral to the lien and security interest created by this Deed of Trust. The term "Beneficiary" shall include any payee of the indebtedness hereby secured and any transferee or assignee thereof, whether by operation of law or otherwise.

(f) At Beneficiary's request, the Grantor shall execute, acknowledge and deliver such further instruments reasonably necessary or desired by Beneficiary to carry out more effectively the purposes of this Agreement or any other document related to the transactions contemplated hereby, and to subject to the liens and security interests hereof and thereof all or any part of the Property or Collateral intended to be given or conveyed hereunder or thereunder, whether now given or conveyed or acquired and conveyed subsequent to the date of this Agreement.

(g) The Grantor hereby waives any and all rights to require marshalling of any collateral in connection with the exercise of remedies under this Contract or as permitted by law.

**Section 13. LIMITED OBLIGATION OF THE GRANTOR.**

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, PURSUANT TO SECTION 160A-20 OF THE GENERAL STATUTES OF NORTH CAROLINA, NO DEFICIENCY JUDGMENT SHALL BE RENDERED AGAINST THE GRANTOR IN ANY ACTION FOR BREACH BY THE GRANTOR OF ITS OBLIGATIONS UNDER THE CONTRACT; THE REMEDIES PROVIDED UNDER THIS DEED OF TRUST, INCLUDING FORECLOSURE UNDER THIS DEED OF TRUST, BEING THE SOLE REMEDY GRANTED HEREBY. THE TAXING POWER OF THE GRANTOR IS NOT AND MAY NOT BE PLEDGED IN ANY WAY, DIRECTLY OR INDIRECTLY, TO SECURE THE PAYMENT OF ANY MONEYS DUE UNDER THE CONTRACT, INCLUDING THE INSTALLMENT PAYMENTS UNDER THE CONTRACT, OR ANY OTHER INSTRUMENT CONTEMPLATED HEREBY OR THEREBY. No provision of this Deed of Trust shall be construed or interpreted as creating a pledge of the faith and credit of Grantor within the meaning of the Constitution of the State of North Carolina. This Deed of Trust shall not directly or indirectly or contingently obligate Grantor to make any payments beyond the amount appropriated, if any, in the sole discretion of the Grantor for any fiscal year in which this Deed of Trust shall be in effect. Grantor may at the end of any fiscal year terminate its future payment obligations under the Contract secured by this Deed of Trust if Grantor has not appropriated sufficient funds to make the next fiscal year's scheduled payment obligations; however, during each fiscal year, Grantor shall exercise its best efforts to appropriate funds for such obligations due in the next fiscal year. **No deficiency judgment may be rendered against Grantor in any action for breach of a contractual obligation under the Contract or this Deed of Trust and the taxing power of the Grantor is not and may not be pledged directly or indirectly to secure any moneys due thereunder or hereunder.** In addition, any term of this Deed of Trust which is, or may have the

effect of being, a “non-substitution clause” is void and of no effect. To the extent of any conflict between this Section and any other provision of this Deed of Trust, this Section shall take priority. Notwithstanding the foregoing, nothing in this Section is intended to impair or prohibit foreclosure under this Deed of Trust if the Installment Payments (as defined under the Contract) are not paid when due or otherwise upon the occurrence of any Event of Default, and in such event, Beneficiary may request the Trustee to foreclose on the Property and Collateral as provided in this Deed of Trust.

**Section 14. GRANTOR'S CONTINUING OBLIGATIONS.** The Grantor shall remain liable for full performance of all its covenants under this Deed of Trust (subject to the limitations described in Section 13), including payment of all payments, notwithstanding the occurrence of any event or circumstances whatsoever, including any of the following:

- (a) Beneficiary's waiver of any right granted or remedy available to it;
- (b) The forbearance or extension of time for payment or performance of any obligation under this Deed of Trust, whether granted to the Grantor, a subsequent owner of the Property or Collateral or any other person;
- (c) The release of all or part of the Property or Collateral or the release of any party who assumes all or any part of such performance;
- (d) Any act or omission by Beneficiary (but this section provision does not relieve Beneficiary of any of its obligations under this Deed of Trust);
- (e) The sale of all or any part of the Property or Collateral; or
- (f) Another party's assumption of the Grantor's obligations under this Deed of Trust or the Contract.

**Section 15. FUTURE ADVANCES.** The obligations under the Contract secured by this Deed of Trust include present and future obligations of Grantor to Beneficiary, and this Deed of Trust is executed to secure all such obligations. The period in which future obligations may be incurred and secured by this Deed of Trust is the period between the date hereof and that date which is thirty (30) years from the date hereof. The amount of present obligations secured by this Deed of Trust is One Million Two Hundred Thousand and 00/100 Dollars (\$1,200,000.00) and the maximum principal amount, including present and future obligations, which may be secured by this Deed of Trust at any one time, is One Million Two Hundred Thousand and 00/100 Dollars (\$1,200,000.00). Any additional amounts advanced by Beneficiary pursuant to the provisions of this Deed of Trust shall be deemed necessary expenditures for the protection of the security. Each future advance need not be evidenced by a written instrument or notation signed by Grantor stipulating that such advance is secured by this Deed of Trust. All future obligations shall be considered to be made pursuant to the requirements of North Carolina General Statutes Section 45-67, et seq., or any amendments thereto.

**IN WITNESS WHEREOF**, this Deed of Trust is duly executed, sealed and delivered by the Grantor as of the day and year first above written.

GRANTOR:

TOWN OF BEAUFORT

By: \_\_\_\_\_ (Seal)  
Sharon Harker  
Mayor

By: \_\_\_\_\_ (Seal)  
Attest: Elizabeth Lewis  
Town Clerk

STATE OF NORTH CAROLINA        §  
   §  
COUNTY OF CARTERET            §

I certify that Sharon Harker, Mayor and Elizabeth Lewis, Town Clerk, personally appeared before me this day, each acknowledging to me that (s)he signed the foregoing document in the capacity indicated thereon.

Date: \_\_\_\_\_, 2025

\_\_\_\_\_  
Notary Public

Print Name: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

(Official Seal)

**Exhibit A**  
**Legal Description**

**ASSIGNMENT OF LICENSES and PERMITS**

**(NEW CONSTRUCTION)**

**THIS ASSIGNMENT OF LICENSES and PERMITS** (this "Assignment") is dated as of September \_\_, 2025 by **THE TOWN OF BEAUFORT, NORTH CAROLINA**, a North Carolina body politic and corporate of the State of North Carolina having an address of 701 Front St., Beaufort, NC (the "Borrower") to **FIRST BANK**, a North Carolina banking corporation with an address of 205 S.E. Broad Street, Southern Pines, NC 28388 ("Lender").

**WITNESSETH:**

**WHEREAS**, Borrower and Lender have executed a Installment Financing Agreement of even date herewith (the "Loan Agreement") pursuant to which Lender has agreed to make a loan to Borrower in the amount of One Million Two Hundred Thousand and 00/100 Dollars (\$1,200,00) (the "Loan"), for the construction of a fuel farm to be located on real property described as Carteret County Tax Parcel 730505196749000 (the "Real Property") as further defined in the Deed of Trust executed by Borrower and of even date herewith, pursuant to the terms and conditions set forth in the Loan Agreement (all capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Loan Agreement);

**WHEREAS**, the execution and delivery of this Assignment is a condition precedent to the performance by Lender of its obligations under the Loan Agreement;

**NOW, THEREFORE**, in consideration of the recitals set forth above and incorporated herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower hereby covenants and agrees as follows:

Assignment. Borrower hereby grants, transfers and assigns to Lender all the rights, title and interest of Borrower in, to and under the following agreements, contracts, guaranties, warranties, plans, specifications, licenses, permits and other items of personal property, whether now or hereafter executed, granted, received, acquired or issued:

- 1.1 to the extent assignable by Borrower, all contracts and subcontracts, together with any and all extensions, modifications, amendments and renewals thereof, which are entered into by Borrower, and \_\_\_\_\_[CONTRACTOR TO INSTALL EQUIPMENT] in connection with the performance of the work or the supply of labor, services or materials required for the construction of the improvements on the Real Property (the "Improvements");
- 1.2 to the extent assignable by Borrower, all guarantees, warranties, bonds, deposits, assurances and other undertakings, whether written, oral or statutory, covering the quality or performance of the work or the quality of the materials required by the Construction Contract, the Architect's Contract, contracts and subcontracts, together with any claims which may be asserted thereunder;
- 1.3 to the extent assignable by Borrower, all building permits, governmental permits, licenses, consents, approvals, authorizations and entitlements now or hereafter granted or

issued with respect to the Improvements, and all trade names, trademarks, service marks and logos used in connection with the construction, development, operation or intended use of the improvements on the Real Property;

1.4 all plans, specifications, drawings, surveys, renderings and models prepared for the construction of the Improvements in existence from time to time, together with all amendments, additions, changes, revisions and modifications thereof and all sketches and notes related thereto; and

1.5 to the extent assignable by Borrower, all other contracts, agreements, documents and instruments now in force or hereafter arising related to the Real Property or the Improvements, including but not limited to, all other construction contracts, subcontracts, supply contracts, supply subcontracts, architectural, design, engineering and development contracts and agreements between Borrower and other persons, and all general and supplemental conditions, amendments, modifications, additions and changes thereto related to the Real Property or the improvements or fixtures on the Real Property.

The items referred to in paragraphs 1.1 to 1.5 are collectively referred to as "Project Documents" or individually as "Project Document".

This Assignment is an absolute assignment and made for the purpose of securing: (a) the full and prompt payment when due, whether by acceleration or otherwise, with such interest as may accrue thereon, either before or after maturity thereof, of the Loan Agreement; (b) the full and prompt payment and performance of any and all obligations of Borrower to Lender hereunder and under the Loan Agreement and any Related Documents as defined therein (collectively referred to hereinafter as the "Loan Documents"); and (c) any and all other indebtedness, however incurred, which may now or hereafter be due and owing from Borrower to Lender, now existing or hereafter coming into existence, however and whenever incurred or evidenced, whether expressed or implied, direct or indirect, absolute or contingent, or due or to become due, and all renewals, modifications, consolidations and extensions thereof.

Borrower Covenants. Borrower hereby covenants and agrees:

To faithfully abide by, perform and discharge each and every obligation, covenant, condition and agreement of the Project Documents to be performed by Borrower and to enforce performance by each other party thereto of each and every obligation, covenant, condition and agreement to be performed by such other party.

To promptly provide Lender with copies of any and all written notices received or given by Borrower which allege, either directly or indirectly, that Borrower is in default in the performance of any obligation, covenant, condition or agreement of the Project Documents to be performed by Borrower, or that any other party to the Project Documents is in default in the performance of any obligation, covenant, condition or agreement of the Project Documents to be performed by such other party.

That the term "Event of Default", whenever used in this Assignment, shall have the meaning ascribed to such term in the Loan Agreement.

That upon the occurrence and during the continuance of any Event of Default, Lender may at its option, with or without notice or demand of any kind (except as may be provided herein or in any of the Loan Documents), and without waiving such Event of Default, exercise any or all of the following rights and remedies: (1) exercise any and all rights and remedies provided for hereunder or under the Loan Documents as well as such remedies as may be available at law or in equity; and (2) cure any such Event of Default in such manner and to such extent as Lender may deem reasonably necessary to protect the security hereof, including specifically, without limitation, the right (but not the obligation) to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Lender, and also the right (but not the obligation) to perform and discharge each and every obligation, covenant, condition and agreement of Borrower under the Project Documents, and, in exercising any such powers, to pay necessary costs and expenses, employ counsel and incur and pay attorneys' fees and expenses. Lender shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability of Borrower under any of the Project Documents, by reason of this Assignment, it being agreed that Lender shall be treated as agreeing to perform or discharge such obligation, duty or liability if (but only if) Lender shall, by written notice sent to the other contracting party to, or grantor or licensor of, such Property Document, expressly so elect.

That at any time after the occurrence and during the continuance of any Event of Default, Lender may, at its option, without notice, and without regard to the adequacy of security for the indebtedness hereby secured, either in person or by agent, with or without bringing any action or proceeding, or by a receiver to be appointed by a court at any time hereafter, exercise and enforce for its own benefit every right, power and authority under the Project Documents, or any of them, as fully as Borrower could itself.

That each contracting party to, or grantor or licensor of, any Project Document, upon receipt of written notice from Lender of the occurrence and continuance of any Event of Default and Lender's election to exercise its rights under this Assignment, shall be and is hereby irrevocably directed and authorized by Borrower to recognize and accept Lender as "owner", or as holder of such other Property Document, as the case may be, for any and all purposes as fully as it would recognize and accept Borrower and the performance of Borrower thereunder, and to perform such Project Document for the benefit of Lender in accordance with the terms and conditions thereof, without any obligation to determine whether or not any such Event of Default has in fact occurred and is continuing.

That further, and without limitation of the foregoing remedies, upon the occurrence and during the continuance of any Event of Default, Lender shall have the rights and remedies of a secured party under the Uniform Commercial Code as enacted in the State of North Carolina with respect to each and every Project Document in which a security interest may be obtained, in addition to the rights and remedies otherwise provided for by law or in equity or in any of the Loan Documents.

THAT IN THE EXERCISE OF THE POWERS HEREIN GRANTED TO LENDER AND EXCEPT FOR THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF LENDER, ITS AGENTS, EMPLOYEES OR CONTRACTORS, NO LIABILITY SHALL BE ASSERTED OR ENFORCED AGAINST LENDER, ALL SUCH LIABILITY BEING HEREBY EXPRESSLY WAIVED AND RELEASED BY BORROWER. BORROWER HEREBY AGREES, TO THE EXTENT ALLOWED BY APPLICABLE LAW, TO INDEMNIFY AND HOLD LENDER FREE AND HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, LIABILITY, EXPENSE, COST, LOSS OR DAMAGE (INCLUDING ALL REASONABLE COSTS, EXPENSES AND ATTORNEYS' FEES INCURRED IN THE DEFENSE THEREOF BUT EXCLUDING ANY

AND ALL CLAIMS, DEMANDS, LIABILITY, EXPENSE, COSTS, LOSS OR DAMAGE DUE TO ANY GROSSLY NEGLIGENT ACTIONS OR OMISSIONS OF LENDER, ITS AGENTS, EMPLOYEES OR CONTRACTORS) WHICH MAY BE ASSERTED AGAINST, IMPOSED ON OR INCURRED BY LENDER BY REASON OF ANY ACT OR OMISSION OF BORROWER UNDER ANY OF THE PROJECT DOCUMENTS OR BY REASON OF THIS ASSIGNMENT OR THE EXERCISE OF LENDER’S RIGHTS AND REMEDIES UNDER THIS ASSIGNMENT OR UNDER ANY OF THE PROJECT DOCUMENTS OR BY REASON OF ANY ALLEGED OBLIGATION OR UNDERTAKING OF LENDER TO PERFORM OR DISCHARGE ANY OBLIGATION, DUTY OR LIABILITY OF BORROWER UNDER ANY OF THE PROJECT DOCUMENTS; PROVIDED, HOWEVER, THAT NOTHING HEREIN SHALL BE CONSTRUED TO OBLIGATE BORROWER TO INDEMNIFY AND HOLD LENDER FREE AND HARMLESS FROM AND AGAINST ANY CLAIM, DEMAND, LIABILITY, EXPENSE, COST, LOSS OR DAMAGE ASSERTED AGAINST, IMPOSED ON OR INCURRED BY LENDER BY REASON OF LENDER’S WILLFUL MISCONDUCT OR GROSS NEGLIGENCE. SHOULD LENDER INCUR ANY LIABILITY, EXPENSE, COST, LOSS OR DAMAGE, OR IN THE DEFENSE OF ANY SUCH CLAIMS OR DEMANDS, FOR WHICH IT IS TO BE INDEMNIFIED BY BORROWER AS AFORESAID, THE AMOUNT THEREOF SHALL BE SECURED BY THIS ASSIGNMENT, THE DEED OF TRUST AND THE OTHER LOAN DOCUMENTS (WHETHER OR NOT SUCH AMOUNT, WHEN AGGREGATED WITH OTHER SUMS SECURED BY THE DEED OF TRUST AND THE OTHER LOAN DOCUMENTS, EXCEEDS THE PRINCIPAL FACE AMOUNT OF THE LOAN AGREEMENT), SHALL BEAR INTEREST AT THE DEFAULT RATE SPECIFIED IN THE LOAN AGREEMENT FROM THE DATE INCURRED UNTIL PAID, AND SHALL BE DUE AND PAYABLE WITHIN TEN (10) BUSINESS DAYS OF DEMAND BY LENDER.

That Lender shall have the right to assign to any subsequent holder of the Loan Agreement, or to any person acquiring title to the Real Property, Improvements, or Project Documents, all the right, title, interest, power, and authority of the Borrower in, under, and by virtue of the Project Documents hereby or hereafter assigned.

Representations and Warranties. Borrower further hereby covenants, represents and warrants to Lender as of the date hereof that (i) Borrower has not previously assigned, granted, sold, pledged, transferred, mortgaged, hypothecated or otherwise encumbered the Project Documents or any of them, or its right, title and interest therein, and Borrower’s interests therein are not otherwise subject to any lien, encumbrance, claim, set-off or deduction, (ii) Borrower shall not assign, sell, pledge, transfer, mortgage, hypothecate or otherwise encumber its interests in the Project Document or any of them, (iii) Borrower has not performed, and will not perform, any act which might prevent Borrower from performing its undertakings hereunder or which might prevent Lender from operating under or enforcing any of the terms and conditions hereof or which would limit Lender in such operation or enforcement, (iv) Borrower is not in default under the Project Documents, or any of them, and to the Knowledge (hereinafter defined) of Borrower, no other party to the respective Project Documents is in default thereunder except as disclosed in writing to Lender, and no event has occurred that, with the lapse of time or notice, or both, would constitute a default by Borrower under any of the Project Documents, (v) except as provided in the Loan Agreement, no material amendments or modifications to any of the Project Documents will be made without the prior written consent of Lender, (vi) as of date hereof, Borrower has provided to Lender true, correct and complete copies of the Project Documents, and all are in full force and effect; (vii) the making of the Loan and the assignments described above shall not constitute a default or an event of default under any of the Project Documents which would permit a party to terminate its agreement or give rise to an action for damages; (viii) the Project Documents and any amendments thereto, accurately state the terms of the agreement between

Borrower and any signers to or issuers of the Project Documents; and (ix) to the Knowledge of Borrower, Borrower is in compliance with all federal, state and local environmental, fair employment and occupational safety and health statutes and regulations (including, but not limited to, the Equal Employment Opportunity Act and the Occupational Safety and Health Act); (x) upon execution of any Project Documents subsequent to the date hereof, Borrower will deliver a copy of such Project Document to Lender and will use reasonable efforts to require such of the parties thereto as Lender may designate to execute and deliver to Lender a consent to this Assignment; (xi) Borrower will enforce or secure the performance of each and every obligation, covenant and agreement of other parties to the Project Documents; (xii) that exercise of the Borrower's rights under the Project Documents will be sufficient to complete construction of the Improvements; and (xiii) other than a possessory interest in the Real Property, the Project Documents, and adequate funds, there are no contracts, rights, or items needed to complete the improvements on the Real Property. If the foregoing representation is or becomes untrue, Borrower shall promptly acquire and transfer to Lender all such additional matters as are required to complete the Improvements. For the purposes hereof, "Knowledge" shall mean the actual and constructive knowledge of Elizabeth Lewis, Town Clerk based on reasonable investigation.

Notices. All notices, demands, elections or requests provided for or permitted to be given pursuant to this Assignment shall be in writing and shall be deemed to have been sufficiently given when delivered or mailed in the manner set forth in the Loan Agreement.

Conflict/Loan Agreement. Any provision in the Loan Agreement that pertains to this Assignment shall be deemed to be incorporated herein as if such provision were fully set forth in this Assignment. In the event of any conflict between the terms of this Assignment and the terms of the Loan Agreement, the terms of the Loan Agreement shall prevail. A provision in this Assignment shall not be deemed to be inconsistent with the Loan Agreement by reason of fact that no provision in the Loan Agreement covers such provision in this Assignment or that this Assignment grants broader rights, powers or remedies to Lender.

Lender Covenants. Although this Assignment constitutes a present, current and absolute assignment of the Project Documents, so long as there shall exist no uncured Event of Default, Borrower shall have the right to exercise every right, power and authority under the Project Documents, and to perform and enforce performance of all obligations under the Project Documents. This Assignment shall terminate automatically when the indebtedness evidenced by the Loan Agreement is paid in full and all obligations, covenants, conditions and agreements of Borrower contained herein and in the Loan Documents are performed and discharged, and, in such event, upon the request of Borrower, Lender shall execute and deliver to Borrower instruments effective to evidence the termination of the this Assignment in a timely manner.

No Waiver/Cumulative Remedies. The exercise of any rights or remedies under this Assignment shall not be deemed to cure or waive any Event of Default, or waive, modify or affect any notice of default under any of the Loan Documents, or invalidate any act done pursuant to such notice. The rights and remedies of Lender herein provided shall be in addition to and not in substitution for the rights and remedies vested in Lender in any of the Loan Documents or at law or in equity, all of which rights and remedies are specifically reserved by Lender. The remedies herein provided or otherwise available to Lender shall be cumulative and may be exercised concurrently. The failure to exercise any of the remedies herein provided shall not constitute a waiver thereof, nor shall use of any of the remedies herein provided prevent the subsequent or concurrent resort to any other remedy or remedies.

Governing Law. This assignment and the obligations arising hereunder shall be governed by, and construed in accordance with, the laws of the State of North Carolina applicable to contracts made and performed in such state (without regard to principles of conflicts of laws) and any applicable law of the United States of America.

No Third Party Rights. It is expressly intended, understood and agreed that this Assignment and the Loan Documents are made and entered into for the sole protection and benefit of Borrower and Lender, and their respective legal representatives, successors and assigns (but in the case of assigns of Borrower, only if and to the extent that Lender has consented in writing to Borrower’s assignment of its rights or obligations hereunder or thereunder to such assigns); that no other person or persons shall have any right at any time to action hereon or rights to the proceeds of the Loan; that such proceeds of the Loan do not constitute a trust fund for the benefit of any third party; that no third party shall under any circumstances be entitled to any equitable lien on any such undisbursed proceeds of the Loan at any time; and that Lender shall have a lien upon and right to direct application of any such undisbursed proceeds of the Loan as provided in the Loan Documents.

Relationship. The relationship between Lender and Borrower is solely that of a lender and borrower, and nothing contained herein or in any of the Loan Documents shall in any manner be construed as making the parties hereto partners, joint venturers or any other relationship other than lender and borrower.

Severability. Borrower and Lender intend and believe that each provision in this Assignment comports with all applicable local, state or federal laws and judicial decisions. However, if any provision or provisions, or if any portion of any provision or provisions, in this Assignment is found by a court of law to be in violation of any applicable local, state or federal ordinance, statute, law, administrative or judicial decision or public policy, and if such court should declare such portion, provision or provisions of this Assignment to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent of both of Borrower and Lender that such portion, provision or provisions shall be given force to the fullest possible extent that they are legal, valid and enforceable, that the remainder of this Assignment shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained therein and that the rights, obligations and interests of Borrower and Lender under the remainder of this Assignment shall continue in full force and effect.

Cure by Lender. At any time and from time to time, and upon written notice by Lender to Borrower, Lender shall have the right, but shall have no obligation, to take all actions that Lender may determine to be reasonably necessary or appropriate to cure any default under any of the Project Documents and to protect the rights of Borrower or Lender thereunder, and may do so in Lender’s name, in the name of Borrower or otherwise. If any such action taken by Lender shall prove to be inadequate or invalid in whole or in part, Lender shall incur no liability on account thereof, and Borrower hereby agrees to defend, indemnify and hold Lender harmless from and against all losses, costs, liabilities and expenses, including attorneys’ fees, which Lender may incur or to which it may become subject in exercising any of its rights under this Assignment; provided, however, that Borrower shall not be obligated to indemnify Lender for any losses, costs, liabilities or expenses which arise as a result of the gross negligence or willful misconduct of Lender. Except to the extent arising as a result of Lender’s gross negligence or willful misconduct, Borrower shall, to the extent allowed by applicable law, defend, indemnify and hold Lender harmless from and against all losses, costs, liabilities and expenses, including attorneys’ fees, arising from or related to any failure by Borrower to perform any obligation of Borrower under any of the Project Documents. Notwithstanding anything herein to the

contrary, Borrower shall not be obligated for any claims with respect to matters (i) first arising after Lender or its nominee or designee shall have taken title to the Real Property, whether by foreclosure, deed in lieu of foreclosure or otherwise or after the entry of Lender as a mortgagee-in-possession with the exclusive right to operate the Real Property to the exclusion of Borrower or (ii) arising from the gross negligence or willful misconduct of Lender, any successor owner of the Real Property or any of their agents, employees or contractors.

Lender's Rights and Remedies. Upon the occurrence and during the continuance of an Event of Default, irrespective of whether a notice of default has been given with respect to such Event of Default, and with or without bringing any action or proceeding, Lender may, at its option, succeed to and proceed to enforce all of the rights, interests and remedies of Borrower under the Project Documents, amend, modify, cancel, terminate or replace the same, reassign Borrower's right, title and interest therein to any other person, and exercise any and all other rights of Borrower under the Project Documents, either in person or through an agent or receiver, without further notice to or consent by Borrower, and without regard to the adequacy of security for the indebtedness and obligations secured hereby or the availability of any other remedies. The exercise of any of the foregoing rights or remedies shall not cure or waive any default under any of the Loan Documents, or waive, modify or affect any notice of default thereunder, or invalidate any act done pursuant to any such notice. In addition to the rights and remedies of Lender as set forth in this Assignment, Lender shall be entitled to the benefit of all other rights and remedies set forth in the Loan Documents, at law or in equity.

Miscellaneous. This Assignment shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, legal representatives, successors and assigns. Borrower shall reimburse Lender for all actual expenses incurred by Lender in connection with the enforcement of Lender's rights under this Assignment, including, without limitation, reasonable attorneys' fees and disbursements for out-of-court workouts and settlements or for enforcement of rights under any state or federal statute, including without limitation, attorneys' fees incurred in bankruptcy and insolvency proceedings.

[SEE ATTACHED SIGNATURE PAGES]

**SIGNATURE PAGE  
TO  
ASSIGNMENT OF  
LICENSES AND PERMITS**

IN WITNESS WHEREOF, Borrower has executed this Assignment under seal as of the day, month and year first above written.

**TOWN SEAL**

**BORROWER:**

TOWN OF BEAUFORT, NORTH CAROLINA

By: \_\_\_\_\_  
Sharon Harker  
Mayor

By: \_\_\_\_\_  
Attest: Elizabeth Lewis  
Title: Town Clerk

STATE OF NORTH CAROLINA           §  
  §  
COUNTY OF MOORE                   §

I certify that Sharon Harker, Beaufort Mayor and Elizabeth Lewis, Beaufort Town Clerk, personally appeared before me this day, each acknowledging to me that (s)he signed the foregoing document in the capacity indicated thereon.

Date: \_\_\_\_\_, 2025

\_\_\_\_\_  
Notary Public

Print Name: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

(Official Seal)



**RESOLUTION OF THE TOWN OF BEAUFORT  
TO APPROVE FINANCING TERMS WITH FIRST BANK  
RESOLUTION NO. \_\_\_\_\_**

**WHEREAS:** The Town of Beaufort, NC (“Borrower”) has previously determined to undertake a project for the financing of a Fuel Tank Farm (the “Project”), and the Finance Officer has now presented a proposal for the financing of such Project.

**BE IT THEREFORE RESOLVED, as follows:**

1. The Borrower hereby determines to finance the Project through First Bank (“Lender”) in accordance with the proposal dated July 14, 2025. The amount financed shall not exceed \$1,200,000.00, the annual interest rate is 3.9%, and the financing term shall not exceed sixty (60) months from closing.
2. All financing contracts and all related documents for the closing of the financing (the “Financing Documents”) shall be consistent with the foregoing terms. Sharon Harker, as Borrower’s Mayor, Matt Zapp, as Borrower’s Town Manager, Elizabeth Lewis, as Borrower’s Town Clerk & Assistant Town Manager and Christi Wood, as Borrower’s Finance Officer, are all hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution.
3. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer's satisfaction. The Finance Officer is authorized to approve changes to any Financing Documents previously signed by Borrower officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Finance Officer shall approve, with the Finance Officer’s release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document’s final form.
4. The Borrower shall not take or omit to take any action the taking or omission of which shall cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. The Borrower hereby designates its obligations to make principal and interest payments under the Financing Documents as "qualified tax-exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3).
5. The Borrower intends that the adoption of this resolution will be a declaration of the Borrower’s official intent to reimburse expenditures for the Project that are to be financed from the proceeds of the Lender financing described above. The Borrower intends that funds that have been

advanced, or that may be advanced, from the Borrower’s general fund or any other Borrower fund related to the Project, for project costs may be reimbursed from the financing proceeds.

6. All prior actions of Borrower officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 2025.

**TOWN OF BEAUFORT**

By: \_\_\_\_\_  
SHARON HARKER, Mayor

(Town Seal)

\_\_\_\_\_  
Elizabeth Lewis, Town Clerk



**Town of Beaufort, NC**  
701 Front St. - P.O. Box 390 - Beaufort, N.C. 28516  
[www.beaufortnc.org](http://www.beaufortnc.org)

**Board of Commissioners  
Regular Meeting  
6:00 PM  
Monday, September 8, 2025  
Train Depot, 614 Broad Street  
Beaufort, NC 28516**

**AGENDA CATEGORY:** Items of Consent  
**SUBJECT:** ARP Policies: Internal Control and Conflict of Interest

**BRIEF SUMMARY:**

Several policies were approved previously as requirements for the ARP funding. These two policies were not included at that time.

- Internal Control Policy
- Conflict of Interest Policy

**REQUESTED ACTION:**

Approve the ARP Internal Control Policy and the ARP Conflict of Interest Policy

**EXPECTED LENGTH OF PRESENTATION:**

5 minutes

**SUBMITTED BY:**

Christi Wood – Finance Director

**BUDGET AMENDMENT REQUIRED:**

No

**INTERNAL CONTROL POLICY**  
**APPLICABLE TO CONTRACTS AND SUBAWARDS OF TOWN OF BEAUFORT**  
**SUPPORTED BY FEDERAL FINANCIAL ASSISTANCE**

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**Definitions**

- **Management** refers to employees who have direct responsibility for the day-to-day operations of the entity, including the implementation of internal controls. For the purposes of this policy, “management” includes: Town Manager and department heads.
- **Oversight Body**, as referenced in the Government Accountability Office’s Standards for Internal Control in the Federal Government, refers to an appointed body designated to perform oversight at the direction of the governing board. The oversight body of a local government is, by default, the governing board (Board of County Commissioners or City Council).

## Policy Overview and Purpose

Internal control is a process effected by an entity’s oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved. This policy outlines the internal control process established by the TOWN OF BEAUFORT to provide reasonable assurances that the unit will expend ARP/CSLFRF award funds in compliance with governing laws and regulations. This document is adopted in accordance with the following directive

from U.S. Treasury’s Compliance and Reporting Guidance: “Per 2 CFR Part 200.303, your organization must develop and implement effective internal controls to ensure that funding decisions under the ARP/CSLFRF award constitute eligible uses of funds, and document determinations.”<sup>2</sup>

### Internal Control Framework:

The TOWN OF BEAUFORT’s internal controls are modeled after the internal control framework set forth in the Government Accountability Office’s Standards for Internal Control in the Federal Government (the “Green Book”). As described in the Green Book, Management is responsible for establishing and maintaining the internal control system in compliance with the duties outlined in this policy. The Oversight Body’s primary role is to ensure management performs its internal control responsibilities. However, every employee bears some responsibility for the internal control process.

## The Green Book Recognizes Five Components of Internal Control: Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring

The TOWN OF BEAUFORT understands that each component must be present and functioning for the internal control process to operate at the optimal level. The responsibilities tied to each of the components are discussed below.

### 1. Control Environment

The control environment is the foundation for all other components of internal control, providing discipline and structure. Management values integrity, ethics, and competence in all operations, including the administration of federal awards. Management communicates and reinforces its expectations throughout the organization. Examples of management’s commitment to internal controls over expenditures of ARP/CSLFRF funds include, but are not limited to, the following:

- Management demonstrates a commitment to integrity and ethical values through its leadership, communications, personnel practices, and daily actions.
- Management conducts ongoing risk assessments to identify internal control weaknesses that may negatively impact the proper administration of the ARP/CSLFRF award.
- Management is committed to educating itself and staff on the compliance requirements tied to the administration of the ARP/CSLFRF award.
- Management adopts policies necessary to ensure compliance with the Uniform Guidance and the ARP/CSLFRF award terms and conditions.

1. U.S. Department of the Treasury, *Compliance and Reporting Guidance*, p. 8 (updated Sept. 20, 2022).

## 2. Risk Assessment

Management is committed to identifying and managing the risks that may arise during the administration of the ARP/CSLFRF award. The risk assessment component of internal control involves management evaluating the risks the entity faces that could negatively impact its ability to achieve its objectives. These objectives include:

- **Operational Objectives:** All assets are appropriately safeguarded against risks of fraud, theft, loss, or abuse.
- **Reporting Objectives:** Finance systems and processes produce accurate and reliable financial reporting for federal award expenditures. The TOWN OF BEAUFORT’s Schedule of Expenditures of Federal Awards (SEFA) is complete and accurate.
- **Compliance Objectives:** Ensure ARP/CSLFRF awards funds are expended in compliance with the award terms and conditions, federal and state law, and U.S. Treasury guidance.

### *Risk Identification*

Management shall identify risks that may impair the TOWN OF BEAUFORT’s ability to achieve its objectives. Management shall focus its risk assessment on areas of opportunity for employees to commit fraud. Specific areas and types of risk include:

- rapid growth in operations,
- changes in personnel,
- organizational restructuring, such as centralizing or decentralizing,
- new activities or service areas,
- new or revised information systems,
- new technologies in service delivery or information systems,
- changes in the operating or regulatory environment, and
- new or updated accounting and/or financial reporting practices.

### *Uniform Guidance Compliance & Risk Identification*

There are specific risks that arise in the administration of a grant award. Management will identify areas of risk that may impair the TOWN OF BEAUFORT’s ability to comply with the ARP/CSLFRF award’s terms and conditions and/or applicable state and federal law and regulations.

Specifically, the TOWN OF BEAUFORT will evaluate risks of non-compliance in the following compliance areas:

- Eligibility,
- Allowable Costs/Cost Principles,
- Period of Performance,
- Financial Management,
- Property Management,
- Procurement,
- Subrecipient Monitoring, and
- Program Income.

### *Risk Analysis*

Management shall determine the potential severity of liabilities associated with the risks identified by weighing the likelihood of occurrence against the degree of impact.

**Likelihood × Impact = Risk Priority**

After rating each risk for likelihood & impact, multiply to identify which risks are highest priority to control for.

		Risk Priority				
Likelihood	5	5	10	15	20	25
	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5
		1	2	3	4	5
		Impact				

Priority Rank Scale	
Low	1 to 4
Moderate	5 to 9
High	10 to 19
Very High	20+

**Risk Response**

Management shall review the results of the risk analysis and determine whether to implement control activities to mitigate risks. Management will respond to identified risks in one of three ways:

- accept the risk,
- reduce the risk by implementing control activities to help prevent or detect issues, or
- avoid the risk by not pursuing certain activities.

Management shall consider the relative cost of implementing controls versus the benefit(s) offered in deciding whether to mitigate risk(s) through the implementation of control activities. When possible, control activities will be implemented to mitigate risks that rate “High” or “Very High” on the Likelihood/Impact scale.

**3. Control Activities**

Control activities are the actions taken by management to respond to risks that may prevent the entity from achieving its objectives. The internal control activities are either preventative or detective. The TOWN OF BEAUFORT uses a variety of control activities that support strong internal controls, including, but not limited to the following:

- written policies and procedures,
- segregation of duties: separating authorization, custody, record-keeping, and reconciliation functions,
- authorizations to undertake projects/programs/expenditure,
- reconciliation of accounts and records,
- documentation and record-keeping,
- physical controls, including locks, physical barriers, and security systems to protect physical assets,
- IT controls, including passwords, access logs, and firewalls to protect sensitive data and restrict access to electronic data and files,
- staff training, or
- a combination of the above.

**4. Information and Communication**

The TOWN OF BEAUFORT communicates accurate and quality information to internal staff and personnel and to external stakeholders and community members. Communication plays an integral role in the internal control system by helping to promote transparency regarding the use of public funds. Management shall be responsible for communicating internal control processes to those employees directly involved in finance and/or grant administration. Management will communicate its policies, procedures, and internal controls through various handbooks, programs, training, and electronic communication.

Information regarding pertinent policies, processes, and control activities will flow down, across, and up the organizational structure. Internal control deficiencies should be reported upstream, with serious matters reported immediately to top-level management and/or to the governing board. Employees are required to report any critical issues within the internal control system to management as soon as possible after the discovery.

To ensure transparency regarding the use of ARP/CSLFRF funds, the TOWN OF BEAUFORT shall communicate quality information to community members and external stakeholders. The communication channels may include:

- The TOWN OF BEAUFORT produces a monthly newsletter, maintains a website with project information, and maintains a Facebook page.
- Project and Expenditure reports are available upon request.
- Governing board members and management are willing to engage directly with community members and answer questions via email and/or provide updates during regularly scheduled meetings.

**5. Monitoring**

The TOWN OF BEAUFORT shall conduct ongoing monitoring of the internal control system to identify its strengths and weaknesses. Internal and external audits will be conducted pursuant to federal and state law. These audit processes will test the effectiveness of internal controls over federal and state awards.

## Internal Controls & Uniform Guidance Compliance

**Financial Management, 2 CFR § 200.302**

**Overview:**

Each unit must have a financial management system in place to satisfy the requirements set forth in 2 CFR 200.302. A unit may rely on existing accounting processes and procedures, provided such processes adequately track the obligations and expenditures of ARP/CSLFRF funds.

**Objectives:**

Ensure compliance with the following requirements set forth in 2 CFR 200.302, as follows:

1. Track all federal awards received and related expenditures separately for each federal program.
2. Provide accurate, current, and complete financial data to enable the disclosure of the results of each federal award.

3. Identify the source and application of funds (i.e., the system must be able to track authorizations, obligations, and disbursements, and tie any expenditures to eligible uses of ARP/CSLFRF funds.
4. Maintain control over, and accountability for, all funds, property, and other assets.
5. Compare budgeted amounts with actual expenditures.
6. Expenditures must be supported by the TOWN OF BEAUFORT's written procedures for determining the allowability, reasonableness, and allocability of costs. (A written Allowable Cost/Cost Principles Policy is required.)

**Control Activities:**

- A recommended practice is to set up a grant project ordinance to separately account for and track expenditures of ARP/CSLFRF funds.
- Utilize a financial management system that meets the standards outlined in 2 CFR 200.302.

**Segregation of Duties:**

Duties and functions related to financial reporting are segregated to ensure no one person has control over all parts of a financial transaction.

**Documentation:**

Documentation of financial transactions is complete and accurate and facilitates tracing the transaction from authorization and initiation through disbursement.

- Finance Director shall ensure that, at a minimum, accounting records evidencing authorizations, obligations, and expenditures of ARP/CSLFRF funds are created and retained according to record retention requirements.
- Source documentation is retained, including paid invoices, payrolls, time and attendance records, contracts, and subaward documents.

**Reporting:**

Finance Director shall prepare monthly reports for the governing board that includes updates for grant project expenditures and a comparison of budget to actuals.

**Reconciliation:**

General ledger and subsidiary ledgers used to account for the receipt and disbursements of ARP/CSLFRF funds are reconciled monthly against account balances by someone who does not have record-keeping/bookkeeping functions.

**Communication & Monitoring:**

The Finance Director is responsible for communicating the financial management requirements and associated control activities to the appropriate personnel. All employees within the finance and accounting office have responsibility for internal controls, including the ongoing assessment of the effectiveness of internal control activities over the financial management system.

**Eligibility** (See Award Terms & Conditions for ARP/CSLFRF Eligibility Requirements)

**Overview:**

The unit is responsible for ensuring ARP/CSLFRF funds are expended on eligible projects and programs. The process for making eligibility determinations is described in the TOWN OF BEAUFORT’s Eligible Use Policy. (The control activities for Eligibility and Allowable Cost review are often combined.)

**Objectives:**

1. Ensure that supported projects and programs under the ARP/CSLFRF are eligible under one of the expenditure categories. (Eligible uses include projects identified in the Final Rule that fit within one of the four eligible use categories: COVID-19/Negative Economic Impacts, Revenue Replacement, Premium Pay, Investment in Necessary Broadband and Water/Sewer Infrastructure.)
2. Document eligibility review and project determinations.
3. Establish processes to ensure funds are not expended on ineligible uses. (Prohibited uses include bulk deposits into pension funds, debt services, replenishing financial reserves, the satisfaction of settlements and judgments, support for programs that undermine the effort to stop the spread of COVID-19, and any use that would violate state or local law.)

**Control Activities:**

- **Eligible Use Policy:** The TOWN OF BEAUFORT has adopted an ARP/CSLFRF Eligible Use Policy that explains the eligible uses of ARP/CSLFRF award funds and includes the TOWN OF BEAUFORT’s process for reviewing and documenting eligibility determinations.
- **Authorization:** Finance Director has reviewed applicable Treasury guidance, including the Final Rule, and has trained staff to conduct initial eligibility reviews for all project or program requests.

- **Documentation:** Each department is encouraged to use the SOG’s Sample Eligibility Worksheet to document the review process. This documentation is retained for the five-year record retention period. Finance Director is responsible for overseeing compliance with documentation and record retention requirements.

**Communication & Monitoring:**

Management will communicate eligibility requirements and project determinations internally to staff and externally to community members and stakeholders. Management will periodically review a sample of eligibility determinations to ensure that documentation is being maintained and that the supported projects are eligible.

**Allowable Costs/Cost Principles, 2 CFR §§ 200.400 to 200.476**

**Overview:**

The Uniform Guidance Cost Principles provide guidance on how to charge specific items of cost to a federal award. A written Allowable Cost/Cost Principles policy is required for compliance with 2 CFR 200 § 202.

Cost items charged using Revenue Replacement ARP/CSLFRF funds are subject to an allowable cost review. Cost items charged under the COVID-19/Negative Economic Impacts and Infrastructure Investment categories are subject to additional compliance requirements, including the Selected Item of Cost review. See Final Rule FAQ 13.15.

**Objectives:**

1. Ensure all costs charged to the federal award are allowable as defined in the Uniform Guidance, Subpart E—Cost Principles.
2. Consistently apply local policies to both federally financed and non-federally financed activities.
3. Treat costs consistently as direct or indirect costs.
4. Adequately document evidence of allowable cost review and other compliance requirements as necessary.
5. When applicable, appropriately charge indirect costs using either the Negotiated Independent Cost Rate Agreement (NICRA) or the de minimis rate of 10 percent.

**Control Activities:**

- **Policy:** The TOWN OF BEAUFORT has adopted an Allowable Cost/Cost Principles Policy, as required by 2 CFR 200.302.
- **Segregation of duties:** When possible, duties are segregated between those who initiate, approve, and record financial transactions.
- **Training:** Management trains staff to conduct an allowable cost review in compliance with the UG Cost Principles. (See Cost Principles Policy for specific compliance requirements.)

- **Documentation:** Finance Director shall ensure that documentation evidencing compliance with the Cost Principles is created and maintained through December 31, 2031. At a minimum, cost items will be reviewed for allowability prior to being charged to the federal award.

**Communication & Monitoring:**

Management shall ensure that staff is adequately trained to recognize allowable costs and associated compliance requirements for each eligibility category. Management shall periodically test the control activities by reviewing a sample of cost items charged to the ARP/CSLFRF award for allowability. Management will also test whether costs are charged to the proper project codes within the grant project ordinance.

**Period of Performance (See Award Terms and Conditions)**

**Overview:**

The Period of Performance covers the period of time the TOWN OF BEAUFORT may obligate and expend ARP/ CSLFRF funds. ARP/CSLFRF funds must be used for costs incurred between March 3, 2021, and December 31, 2024. For a cost to be incurred, the funds must be obligated (e.g., contract executed/pre-audit stage). All obligated funds must be expended by December 31, 2026. Any unspent award funds must be returned to the Treasury.

**Objective:**

Ensure that all obligations and expenditures are incurred during the ARP/CSLFRF award’s period of performance.

**Control Activities:**

- Management reviews obligation dates to ensure that all obligations are made for costs incurred between March 3, 2021, and December 31, 2024.
- Management trains staff to review obligation and expenditure dates on contracts, or when performing eligibility and allowable cost reviews.

**Communication & Monitoring:**

Management shall communicate pertinent dates, including the period of performance, to any staff responsible for obligating or expending federal award funds. Periodic testing by management will ensure that all obligations are incurred between March 3, 2021, and December 31, 2024.

**Procurement, Suspension & Debarment, 2 CFR §§ 200.317 to 200.327**

**Overview:**

Expenditures of ARP/CSLFRF funds under the revenue replacement category are exempt from federal procurement. When expending ARP/CSLFRF funds in other expenditure categories, the unit is required to adopt *written* procurement procedures and follow all federal procurement rules outlined in the Uniform Guidance (2 CFR §§ 200.318–200.327) as well as its own internal policies. Where established local or state rules are more strict than federal rules, the recipient must follow the most restrictive rule.

**Objectives:**

The Finance Director recognizes it must satisfy the minimum federal procurement requirements, as follows:

1. Adopt a written procurement policy that considers the procurement standards in § 200.318, which includes bidding contracts in compliance with federal bidding thresholds, oversight of contractors’ performance, and maintaining records to document the history of procurements.
2. Provide full and open competition in conducting procurements, consistent with the standards outlined in § 200.319 and § 200.320, which allow for non-competitive procurements only in limited circumstances.
3. Comply with the requirements of § 200.320(a) when using the micro-purchase and small purchase methods of procurement.
4. Use the sealed bids method for procurement contracts exceeding the simplified threshold. Utilize the competitive proposals method when sealed bidding is not possible.
5. Ensure noncompetitive procurement methods meet the conditions set forth under § 200.320(c).
6. Perform a cost or price analysis for every procurement action in excess of the simplified acquisition threshold, including contract modifications.
7. Pursuant to 2 CFR 200.319(b), if a firm assists in the development or drafting of specifications, statements of work, or bids or RFPs, the firm must be excluded from competing for the procurement.
8. Ensure that all contracts include the applicable contract provisions required by § 200.327 and described in Appendix II of 2 CFR 200.
9. Verify that a contractor is eligible by reviewing the suspended and debarred list on SAM.gov.
10. Restrict access to sensitive contractor information, such as Social Security numbers or federal tax ID numbers.

**General Procurement Control Activities:**

- Procurement Policy: The TOWN OF BEAUFORT maintains documented procurement procedures that are consistent with the standards outlined in §§ 200.317 through 200.327. This policy contains detailed processes and control activities for procurements made with federal funds.
- The Board of Commissioners must approve the following types of contracts
  1. Contracts subject to statutory bid thresholds
  2. Contracts with terms greater than one year
  3. Contracts exceeding budgetary approval, which require a budget amendment
  4. Contracts suggesting a significant policy change as determined by the Town Manager
- Town Manager is responsible for monitoring and documenting the performance of a contract for compliance with contract terms, conditions, and other specifications.
- Prenumbered purchase orders are used.
- A pre-audit certificate that is signed by the [finance officer or designated deputy] is attached to all purchase orders, invoices, or other contract obligations.
- Ensure purchasing forms have multiple copies so other departments, such as receiving and accounts payable, can be notified of the authorization.
- Micro-purchases may be awarded without soliciting competitive quotes if a determination is made that the price is reasonable.
- Cost items shall be reviewed for allowability pursuant to the review process set forth in the Allowable Cost Policy.
- Finance Director is responsible for identifying qualified vendors and rotating purchases made under the micro-purchase threshold among different suppliers. Management shall periodically check compliance with this control activity.
- Finance Director shall verify that contractors are not on the suspended or debarred list. A screenshot of the record check shall be maintained.
- Access to sensitive contractor information, such as Social Security numbers or federal tax ID numbers, is restricted.

**Segregation of Duties:**

- Duties are segregated between authorization, custody, record-keeping, and reconciliation.
- The person who sets up new contractors in the accounting system or edits information on existing vendors (record-keeping) is not the same as the person writing the checks (authorization).
- Reconciliations are performed by an employee who does not have record-keeping duties.
- Invoices and other supporting documentation are thoroughly reviewed prior to the invoice being approved (e.g., compare the receiving or packaging slip against the authorization).

**Documentation:**

Documenting the history of procurements is a top internal control priority for the TOWN OF BEAUFORT. All request personnel shall be trained on documentation and record retention policies. [Ideally, management will require the use of standard forms and templates for purchase orders, contracts, requests for proposals/bids, cost/price analyses, bid evaluation, etc.]

- Bid documents shall reflect all steps in the procurement process, including:
  - bid specifications and proof of advertisement (if required),
  - rationale for the selected method of procurement,

À bid submissions,

6.

- evaluation criteria,
  - basis for contractor selection or rejection,
  - justification for lack of competition, when applicable,
  - basis for award cost or price, and
  - contract agreement, including required UG contract clauses.
- Source documentation relating to procurements must be retained and should include sufficient details to support the transaction, including:
    - cost and quantity of items purchased,
    - model numbers,
    - purchase orders with and pre-audit certificates, and
    - personnel who authorized the sale, if applicable.
  - All records shall be maintained for a period of five (5) years after the ARP/CSLFRF period of performance (through December 31, 2031).

**Communication & Monitoring:**

Management shall ensure purchasing and finance staff understand federal procurement laws. Additional training shall be provided as necessary. Management will periodically review purchase orders and contracts to ensure that all charges are accounted for in the period in which the cost occurred and fall within the period of performance.

**Property Management, 2 CFR §§ 200.310 to 200.316**

**Overview:**

Except for property, supplies, or equipment acquired using revenue loss funds, the unit must follow the applicable provisions of the Uniform Guidance regarding property standards (2 CFR 200.310–316), subject to the requirements set out in FAQ 13.16.

Per FAQ 13.16, during the period of performance, the TOWN OF BEAUFORT may use property, supplies, or equipment purchased with ARP/CSLFRF funds for a purpose other than the purpose for which the initial purchase was made, provided the new use is consistent with another eligible use. After the period of performance, the TOWN OF BEAUFORT is more limited in how it may use the property purchased with ARP/CSLFRF funds.

**Objectives:**

1. Ensure real property, personal property, supplies, and equipment are used in compliance with the UG property standards (2 CFR 200.310–316), and subject to the requirements set out in FAQ 13.16.

2. Ensure documentation is maintained to substantiate any determination on whether the use of an asset is authorized for a particular purpose during and after the award period of performance.
3. Establish adequate safeguards to prevent loss, damage, or theft of property.
4. Follow adequate maintenance procedures to keep equipment in good condition.
5. Ensure proper disposition of real property and equipment in accordance with § 200.311(c) and § 200.313 (e).

**Control Activities:**

- **Insurance Coverage:** Purchase equivalent insurance coverage for real property and equipment as is provided to other property owned by the TOWN OF BEAUFORT. 2 CFR § 200.310.
- **Property Management Policy:** TOWN OF BEAUFORT has adopted a Property Management Policy that sets forth property management processes, including procedures for record-keeping, reporting, and disposition responsibilities for real and personal property.
- **Real Property Reporting:** Finance Director shall oversee the annual reporting requirements for any real property or personal property acquired with federal awards funds. Standard Form 429 shall be used to report real property and the Standard Form 428 shall be used to report tangible personal property, including equipment.
- **Equipment Management:** The TOWN OF BEAUFORT has procedures for managing equipment, whether acquired in whole or in part under a federal award, until disposition takes place. The TOWN OF BEAUFORT will, at a minimum, meet the following requirements:
  - Maintain equipment records that include a description of equipment, serial number/ model number, source of funding, acquisition date, location and condition of equipment, unit acquisition cost, and final data, including date of disposal, sales price, and method used to determine fair market value. § 200.313(d).
  - Ensure adequate safeguards to prevent loss, damage, or theft of property. Such safeguards may include attaching property tags to federally owned equipment that includes the FAIN. Any loss, damage, or theft will be investigated. § 200.313(d).
  - Regular maintenance will be performed to keep the property in good condition.
  - A physical inventory of equipment will be performed, and the results reconciled with the property records, at least once every two years.
  - If the TOWN OF BEAUFORT is authorized or required to sell equipment, proper sales procedures will be used to ensure the highest possible return.

**Communication & Monitoring:**

Management will train employees to understand the various compliance requirements set forth in the Uniform Guidance property management standards. Periodic testing of established controls shall be performed to ensure that all reporting and property management requirements are satisfied for both real property and equipment.

**Subrecipient Risk Assessment & Monitoring, 2 CFR §§ 200.331 to 200.333**

**Overview:**

Expenditures of revenue loss funds are exempt from compliance with this section. See [Final Rule FAQ 13.15](#). Each unit must design its own system of internal controls over subrecipient selection and monitoring that meet the requirements set forth in 2 CFR 200.331-.333.

**Objective:**

- Ensure compliance with requirements set forth in the Subaward Policy, which sets forth the UG compliance requirements in 2 CFR 200.331-.333.

**Control Activities:**

- The TOWN OF BEAUFORT has adopted a Subaward Policy. The policy outlines processes and control activities for the selection and oversight of subrecipients.
- Subrecipient agreements are reviewed and approved by knowledgeable staff to ensure all compliance requirements are captured and that all required elements set forth in 2 CFR § 200.332 are included.
- Management tracks subaward notifications and maintains copies of executed subaward agreements.
- Management conducts subrecipient risk assessments and approves individual subrecipient monitoring plans.
- Management requires a standard template to document all subrecipient agreements that includes the required elements outlined in the UG.
- Supervisors periodically reconcile subrecipient monitoring plans with actual monitoring activities that have been undertaken to ensure monitoring occurs as scheduled.
- Segregation of duties exists between those monitoring a subrecipient and those approving the conclusions regarding the subrecipient’s compliance.

**Communication & Monitoring:**

Management shall be responsible for communicating the compliance requirements and specific award terms and conditions to subrecipients. Management will ensure that external stakeholders are apprised of any subaward agreements executed using ARP/CSLFRF funds and the intended purpose of the supported program. Management shall conduct ongoing monitoring to ensure staff is selecting eligible subrecipients and is adequately monitoring each subrecipient’s compliance with the terms set forth in the subaward agreement.

**Program Income, 2 CFR § 200.307**

**Overview:**

Program income relates to gross income earned from expenditures of federal awards, such as income from fees for services performed, the use or rental of property acquired with program funds, and for the sale of items fabricated under the program. Program income is only triggered when income will be earned under the COVID-19/Economic Impacts Category or for income earned on a water/wastewater infrastructure project. When program income is earned, it is added back to the total ARP/CSLFRF award allocation.

**Objectives:**

1. Separately track and account for program income during the ARP/CSLFRF award’s period of performance.
2. Expend program income on eligible projects and programs during the period of performance (program income is added to the total ARP/CSLFRF award).

**Control Activities:**

- On a monthly basis, recorded program income is reconciled with supporting documentation, such as loan ledgers and other accounting records.
- Program income is separately tracked and accounted for within the grant project ordinance.
- Management ensures program income is added to the total ARP/CSLFRF award and used to support eligible projects and programs.
- Individuals who collect cash or other receipts are different from those who deposit receipts, generate invoices, record general ledger activity, and reconcile bank statements.

**Communication & Monitoring:**

Management shall identify program income requirements and communicate compliance requirements to staff. Management shall periodically review accounting records to ensure program income is separately accounted for during the award period of performance.

# Policy Checklist

**Required UG Policies:**

The following policies are required to ensure compliance with the Uniform Guidance:

- Eligible Use Policy (details the allowable activities under the ARP/CSLFRF award),
- Cost Principles/Allowable Cost Policy, and
- Conflict-of-Interest Policy.

**Optional UG Policies:**

These policies should be adopted if the programs or activities undertaken by the unit trigger compliance with any of the following UG compliance requirements:

- Subaward Policy,
- Property Management Policy, and
- Program Income Policy.

**Required Policies Under the ARP/CSLFRF Award Terms & Conditions:**

- Procurement Policy,<sup>3</sup>
- Records Retention Policy (ARP/CSLFRF records shall be maintained for five years after the period of performance),
- Civil Rights Compliance Policy, and
- Nondiscrimination Policy.

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2. Expenditures of revenue replacement ARP/CSLFRF funds are exempt from UG procurement. State and local procurement requirements apply. Any unit that triggers a federal Single Audit, even if only expending funds under revenue replacement, must adopt written procurement procedures and procure single audit services in accordance with 2 CFR §§ 200.320 and 200.509.

**CONFLICT OF INTEREST POLICY**

**APPLICABLE TO CONTRACTS AND SUBAWARDS OF TOWN OF BEAUFORT SUPPORTED BY FEDERAL FINANCIAL ASSISTANCE**

\* \* \* \* \*

**I. Scope of Policy**

- a. Purpose of Policy. This Conflict of Interest Policy (“*Policy*”) establishes conflict of interest standards that (1) apply when Town of Beaufort (“*Unit*”) enters into a Contract (as defined in Section II hereof) or makes a Subaward (as defined in Section II hereof), and (2) meet or exceed the requirements of North Carolina law and 2 C.F.R. § 200.318(c).
- b. Application of Policy. This Policy shall apply when the Unit (1) enters into a Contract to be funded, in part or in whole, by Federal Financial Assistance to which 2 C.F.R. § 200.318(c) applies, or (2) makes any Subaward to be funded by Federal Financial Assistance to which 2 C.F.R. § 200.318(c) applies. If a federal statute, regulation, or the terms of a financial assistance agreement applicable to a particular form of Federal Financial Assistance conflicts with any provision of this Policy, such federal statute, regulation, or terms of the financial assistance agreement shall govern.

**II. Definitions**

Capitalized terms used in this Policy shall have the meanings ascribed thereto in this Section II: Any capitalized term used in this Policy but not defined in this Section II shall have the meaning set forth in 2 C.F.R. § 200.1.

- a. “*COI Point of Contact*” means the individual identified in Section III(a) of this Policy.
- b. “*Contract*” means, for the purpose of Federal Financial Assistance, a legal instrument by which the Unit purchases property or services needed to carry out a program or project under a Federal award.
- c. “*Contractor*” means an entity or individual that receives a Contract.
- d. “*Covered Individual*” means a Public Officer, employee, or agent of the Unit.
- e. “*Covered Nonprofit Organization*” means a nonprofit corporation, organization, or association, incorporated or otherwise, that is organized or operating in the State of North Carolina primarily for religious, charitable, scientific, literary, public health and safety, or educational purposes, excluding any board, entity, or other organization created by the State of North Carolina or any political subdivision of the State (including the Unit).
- f. “*Direct Benefit*” means, with respect to a Public Officer or employee of the Unit, or the spouse of any such Public Officer or employee, (i) having a ten percent (10%) ownership interest or other interest in a Contract or Subaward; (ii) deriving any income or commission directly from a Contract or Subaward; or (iii) acquiring property under a Contract or Subaward.

- g. “*Federal Financial Assistance*” means Federal financial assistance that the Unit receives or administers in the form of grants, cooperative agreements, non-cash contributions or donations of property (including donated surplus property), direct appropriations, food commodities, and other Federal financial assistance (except that the term does not include loans, loan guarantees, interest subsidies, or insurance).
- h. “*Governing Board*” means the Board of Commissioners of the Unit.
- i. “*Immediate Family Member*” means, with respect to any Covered Individual, (i) a spouse, and parents thereof, (ii) a child, and parent thereof, (iii) a parent, and spouse thereof, (iv) a sibling, and spouse thereof, (v) a grandparent and grandchild, and spouses thereof, (vi) domestic partners and parents thereof, including domestic partners of any individual in (ii) through (v) of this definition; and (vii) any individual related by blood or affinity whose close association with the Covered Individual is the equivalent of a family relationship.
- j. “*Involved in Making or Administering*” means (i) with respect to a Public Official or employee, (a) overseeing the performance of a Contract or Subaward or having authority to make decisions regarding a Contract or Subaward or to interpret a Contract or Subaward, or (b) participating in the development of specifications or terms or in the preparation or award of a Contract or Subaward, (ii) only with respect to a Public Official, being a member of a board, commission, or other body of which the Public Official is a member, taking action on the Contract or Subaward, whether or not the Public Official actually participates in that action.
- k. “*Pass-Through Entity*” means a non-Federal entity that provides a Subaward to a Subrecipient to carry out part of a Federal program.
- l. “*Public Officer*” means an individual who is elected or appointed to serve or represent the Unit (including, without limitation, any member of the Governing Board), other than an employee or independent contractor of the Unit.
- m. “*Recipient*” means an entity, usually but not limited to a non-Federal entity, that receives a Federal award directly from a Federal awarding agency. The term does not include Subrecipients or individuals that are beneficiaries of the award.
- n. “*Related Party*” means (i) an Immediate Family Member of a Covered Individual, (ii) a partner of a Covered Individual, or (iii) a current or potential employer (other than the Unit) of a Covered Individual, of a partner of a Covered Individual, or of an Immediate Family Member of a Covered Individual.
- o. “*Subaward*” means an award provided by a Pass-Through Entity to carry out part of a Federal award received by the Pass-Through Entity. It does not include payments to a contractor or payments to a contractor or payments to an individual that is a beneficiary of a Federal program.

- p. “*Subcontract*” means mean any agreement entered into by a Subcontractor to furnish supplies or services for the performance of a Contract or a Subcontract. It includes, but is not limited to, purchase orders, and changes and modifications to purchase orders.
- q. “*Subcontractor*” means an entity that receives a Subcontract.
- r. “*Subrecipient*” means an entity, usually but not limited to a non-Federal entity, that receives a subaward from a Pass-Through Entity to carry out part of a Federal award; but does not include an individual that is a beneficiary of such award. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.
- s. “*Unit*” has the meaning specified in Section I hereof.

**III. COI Point of Contact.**

- a. Appointment of COI Point of Contact. Town Manager, an [employee] of the Unit, shall have primary responsibility for managing the disclosure and resolution of potential or actual conflicts of interest arising under this Policy. In the event that Town Manager is unable to serve in such capacity, Finance Director shall assume responsibility for managing the disclosure and resolution of conflicts of interest arising under this Policy. The individual with responsibility for managing the disclosure and resolution of potential or actual conflicts of interest under this Section III(a) shall be known as the “*COI Point of Contact*”.
- b. Distribution of Policy. The COI Point of Contact shall ensure that each Covered Individual receives a copy of this Policy.

**IV. Conflict of Interest Standards in Contracts and Subawards**

- a. North Carolina Law. North Carolina law restricts the behavior of Public Officials and employees of the Unit involved in contracting on behalf of the Unit. The Unit shall conduct the selection, award, and administration of Contracts and Subawards in accordance with the prohibitions imposed by the North Carolina General Statutes and restated in this Section III.
  - i. G.S. § 14-234(a)(1). A Public Officer or employee of the Unit Involved in Making or Administering a Contract or Subaward on behalf of the Unit shall not derive a Direct Benefit from such a Contract or Subaward.
  - ii. G.S. § 14-234(a)(3). No Public Officer or employee of the Unit may solicit or receive any gift, favor, reward, service, or promise of reward, including but not limited to a promise of future employment, in exchange for recommending, influencing, or attempting to influence the award of a Contract or Subaward by the Unit.

- iii. G.S. § 14-234.3. If a member of the Governing Board of the Unit serves as a director, officer, or governing board member of a Covered Nonprofit Organization, such member shall not (1) deliberate or vote on a Contract or Subaward between the Unit and the Covered Nonprofit Corporation, (2) attempt to influence any other person who deliberates or votes on a Contract or Subaward between the Unit and the Covered Nonprofit Corporation, or (3) solicit or receive any gift, favor, reward, service, or promise of future employment, in exchange for recommending or attempting to influence the award of a Contract or Subaward to the Covered Nonprofit Organization.
- iv. G.S. § 14-234.1. A Public Officer or employee of the Unit shall not, in contemplation of official action by the Public Officer or employee, or in reliance on information which was made known to the public official or employee and which has not been made public, (1) acquire a pecuniary interest in any property, transaction, or enterprise or gain any pecuniary benefit which may be affected by such information or other information, or (2) intentionally aid another in violating the provisions of this section.

b. Federal Standards.

- i. Prohibited Conflicts of Interest in Contracting. Without limiting any specific prohibition set forth in Section IV(a), a Covered Individual may not participate in the selection, award, or administration of a Contract or Subaward if such Covered Individual has a real or apparent conflict of interest.

- 1. Real Conflict of Interest. A real conflict of interest shall exist when the Covered Individual or any Related Party has a financial or other interest in or a tangible personal benefit from a firm considered for a Contract or Subaward. Exhibit A attached hereto provides a non-exhaustive list of examples of (i) financial or other interests in a firm considered for a Contract or Subaward, and (ii) tangible personal benefits from a firm considered for a Contract or Subaward.

- 2. Apparent Conflict of Interest. An apparent conflict of interest shall exist where a real conflict of interest may not exist under Section IV(b)(i)(1), but where a reasonable person with knowledge of the relevant facts would find that an existing situation or relationship creates the appearance that a Covered Individual or any Related Party has a financial or other interest in or a tangible personal benefit from a firm considered for a Contract or Subaward.

- ii. Identification and Management of Conflicts of Interest.

- 1. Duty to Disclose and Disclosure Forms

- a. Each Covered Individual expected to be or actually involved in the selection, award, or administration of a Contract or Subaward

has an ongoing duty to disclose to the COI Point of Contact potential real or apparent conflicts of interest arising under this Policy.

- b. Prior to the Unit’s award of a Contract or Subaward, the COI Point of Contact shall advise Covered Individuals expected to be involved in the selection, award, or administration of the Contract or Subaward of such duty.
- c. If the value of a proposed Contract or Subaward exceeds \$400,000, the COI Point of Contact shall collect a Conflict of Interest Disclosure Form contained in Exhibit C (for Contracts) and Exhibit E (for Subawards) from each Covered Individual and file such Conflict of Interest Disclosure Form in records of the Unit.

2. Identification Prior to Award of Contract or Subaward.

- a. Prior to the Unit’s award of a Contract or Subaward, the COI Point of Contact shall complete the appropriate Compliance Checklist contained in Exhibit B (for Contracts) and Exhibit D (for Subawards) attached hereto and file such Compliance Checklist in the records of the Unit.

3. Management Prior to Award of Contract or Subaward

- a. If, after completing the Compliance Checklist, the COI Point of Contact identifies a potential real or apparent conflict of interest relating to a proposed Contract or Subaward, the COI Point of Contact shall disclose such finding in writing to Town Manager and to each member of the Governing Board. If the Governing Board desires to enter into the proposed Contract or Subaward despite the identification by the COI Point of Contact of a potential real or apparent conflict of interest, it may either:
  - i. accept the finding of the COI Point of Contact and direct the COI Point of Contact to obtain authorization to enter into the Contract or Subaward from (a) if Unit is a Recipient of Federal Financial Assistance, the Federal awarding agency with appropriate mitigation measures, or (b) if Unit is a Subrecipient of Federal Financial Assistance, from the Pass-Through Entity that provided a Subaward to Unit; or
  - ii. reject the finding of the COI Point of Contact and enter into the Contract or Subaward. In rejecting any finding of the COI Point of Contact, the Governing Board shall in

writing document a justification supporting such rejection.

- b. If the COI Point of Contact does not identify a potential real or apparent conflict of interest relating to a proposed Contract or Subaward, the Unit may enter into the Contract or Subaward in accordance with the Unit’s purchasing or subaward policy.

4. Identification After Award of Contract or Subaward.

- a. If the COI Point of Contact discovers that a real or apparent conflict of interest has arisen after the Unit has entered into a Contract or Subaward, the COI Point of Contact shall, as soon as possible, disclose such finding to the Town Manager and to each member of the Governing Board. Upon discovery of such a real or apparent conflict of interest, the Unit shall cease all payments under the relevant Contract or Subaward until the conflict of interest has been resolved.

5. Management After Award of Contract or Subaward.

- a. Following the receipt of such disclosure of a potential real or apparent conflict of interest pursuant to Section IV(b)(ii)(4) , the Governing Board may reject the finding of the COI Point of Contact by documenting in writing a justification supporting such rejection. If the Governing Board fails to reject the finding of the COI Point of Contact within 15 days of receipt, the COI Point of Contact shall:
  - i. if Unit is a Recipient of Federal Financial Assistance funding the Contract or Subaward, disclose the conflict to the Federal awarding agency providing such Federal Financial Assistance in accordance with 2 C.F.R. § 200.112 and/or applicable regulations of the agency, or
  - ii. if Unit is a Subrecipient of Federal Financial Assistance, disclose the conflict to the Pass-Through Entity providing a Subaward to Unit in accordance with 2 C.F.R. § 200.112 and applicable regulations of the Federal awarding agency and the Pass-Through Entity.

V. Oversight of Subrecipient’s Conflict of Interest Standards

- a. Subrecipients of Unit Must Adopt Conflict of Interest Policy. Prior to the Unit’s execution of any Subaward for which the Unit serves as a Pass-Through Entity, the COI Point of Contact shall ensure that the proposed Subrecipient of Federal Financial Assistance has

adopted a conflict of interest policy that satisfies the requirements of 2 C.F.R. § 200.318(c)(1), 2 C.F.R. § 200.318(c)(2), and all other applicable federal regulations.

- b. Obligation to Disclose Subrecipient Conflicts of Interest. The COI Point of Contact shall ensure that the legal agreement under which the Unit makes a Subaward to a Subrecipient shall require such Subrecipient to disclose to the COI Point of Contact any potential real or apparent conflicts of interest that the Subrecipient identifies. Upon receipt of such disclosure, the COI Point of Contact shall disclose such information to the Federal awarding agency that funded the Subaward in accordance with that agency’s disclosure policy.

VI. **Gift Standards**

- a. Federal Standard. Subject to the exceptions set forth in Section VI(b), a Covered Individual may not solicit or accept gratuities, favors, or anything of monetary value from a Contractor or a Subcontractor.
- b. Exception. Notwithstanding Section VI(a), a Covered Individual may accept an unsolicited gift from a Contractor or Subcontractor of one or more types specified below if the gift has an aggregate market value of \$20 or less per source per occasion, provided that the aggregate market value of all gifts received by the Covered Individual pursuant to this Section VI(b) does not exceed \$50 in a calendar year:
  - i. honorariums for participating in meetings;
  - ii. advertising items or souvenirs of nominal value; or
  - iii. meals furnished at banquets.
- c. Internal Reporting. A Covered Individual shall report any gift accepted under Section VI(b) to the COI Point of Contact. If required by regulation of a Federal awarding agency, the COI Point of Contact shall report such gifts to the Federal awarding agency or a Pass-Through Entity for which the Unit is a Subrecipient.

VII. **Violations of Policy**

- a. Disciplinary Actions for Covered Individuals. Any Covered Individual that fails to disclose a real, apparent, or potential real or apparent conflict of interest arising with respect to the Covered Individual or Related Party may be subject to disciplinary action, including, but not limited to, an employee’s termination or suspension of employment with or without pay, the consideration or adoption of a resolution of censure of a Public Official by the Governing Board, or termination of an agent’s contract with the Unit.
- b. Disciplinary Actions for Contractors and Subcontractors. The Unit shall terminate any Contract with a Contractor or Subcontractor that violates any provision of this Policy.

- c. Protections for Whistleblowers. In accordance with 41 U.S.C. § 4712, the Unit shall not discharge, demote, or otherwise discriminate against an employee in reprisal for disclosing to any of the list of persons or entities provided below, information that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant: (i) a member of Congress or a representative of a committee of Congress; (ii) an Inspector General; (iii) the Government Accountability Office; (iv) a Treasury or other federal agency employee responsible for grant oversight or management; (v) an authorized official of the Department of Justice or other law enforcement agency; (vi) a court or grand jury; of (vii) a management official or other employee of the Unit, a Contractor, or Subcontractor who has the responsibility to investigate, discover, or address misconduct.

\* \* \* \* \*

Adopted this the 8th day of September, 2025.

**EXHIBIT A**

Examples

<b><i>Potential Examples of a “Financial or Other Interest” in a Firm or Organization Considered for a Contract or Subaward</i></b>	<b><i>Potential Examples of a “Tangible Personal Benefit” From a Firm or Organization Considered for a Contract or Subaward</i></b>
<p>Direct or indirect equity interest in a firm or organization considered for a Contract or Subaward, which may include:</p> <ul style="list-style-type: none"> <li>- Stock in a corporation.</li> <li>- Membership interest in a limited liability company.</li> <li>- Partnership interest in a general or limited partnership.</li> <li>- Any right to control the firm or organization’s affairs. For example, a controlling equity interest in an entity that controls or has the right to control a firm considered for a contract.</li> <li>- Option to purchase any equity interest in a firm or organization.</li> </ul>	<p>Opportunity to be employed by the firm considered for a contract, an affiliate of that firm, or any other firm with a relationship with the firm considered for a Contract.</p> <p>A position as a director or officer of the firm or organization, even if uncompensated.</p>
<p>Holder of any debt owed by a firm considered for a Contract or Subaward, which may include:</p> <ul style="list-style-type: none"> <li>- Secured debt (e.g., debt backed by an asset of the firm (like a firm’s building or equipment))</li> <li>- Unsecured debt (e.g., a promissory note evidencing a promise to repay a loan).               <ul style="list-style-type: none"> <li>o Holder of a judgment against the firm.</li> </ul> </li> </ul>	<p>A referral of business from a firm considered for a Contract or Subaward.</p>
<p>Supplier or contractor to a firm or organization considered for a Contract or Subaward.</p>	<p>Political or social influence (e.g., a promise of appointment to an local office or position on a public board or private board).</p>

**EXHIBIT B**

**COMPLIANCE CHECKLIST FOR OVERSIGHT OF CONTRACT CONFLICTS OF INTEREST**

The [\_\_\_\_\_] (“Unit”) has adopted a Conflict of Interest Policy (“Policy”) that governs the Unit’s expenditure of Federal Financial Assistance (as defined in Section II of the Policy). The Policy designates [\_\_\_\_\_] as the “COI Point of Contact.” The Policy requires the COI Point of Contact to complete this Compliance Checklist to identify potential real or apparent conflicts of interest in connection with proposed Contracts (as defined in Section II) and file the Checklist in the records of the Unit.

Instructions for Completion

1. The COI Point of Contact shall complete Steps 1 through 5 of the Checklist below.
2. If the value of the proposed Contract exceeds \$400,000, the COI Point of Contact shall collect a Conflict of Interest Disclosure Form from each Covered Individual.
3. If the COI Point of Contact identifies a potential real or apparent conflict of interest after completing this Compliance Checklist, the COI Point of Contact shall report such potential conflict of interest to [\_\_\_\_\_] and to each member of the Governing Board.

Definitions.

1. *Covered Individual.* Each person identified in Section 1 of this Checklist is a “Covered Individual” for purposes of this Compliance Checklist and the Policy.
2. *Immediate Family Member* means, with respect to any Covered Individual, (i) a spouse, and parents thereof, (ii) a child, and parent thereof, (iii) a parent, and spouse thereof, (iv) a sibling, and spouse thereof, (v) a grandparent and grandchild, and spouses thereof, (vi) domestic partners and parents thereof, including domestic partners of any individual in (ii) through (v) of this definition; and (vii) any individual related by blood or affinity whose close association with the Covered Individual is the equivalent of a family relationship.
3. *Related Party* means (i) an Immediate Family Member of a Covered Individual, (ii) a partner of a Covered Individual, or (iii) a current or potential employer (other than the Unit) of a Covered Individual, of a partner of a Covered Individual, or of an Immediate Family Member of a Covered Individual.

<b>Step</b>			
<b>1</b>	Identify the proposed Contract, counterparty, and the subject of the Contract.	<u>Name of Contract:</u> <hr/> <u>Name of Counterparty:</u> <hr/> <u>Subject of Contract:</u> <hr/>	
<b>2</b>	Identify all individuals involved in the selection, award, or administration of the Contract. These individuals are “Covered Individuals”. Ensure that each Covered Individual has been provided with a copy of the Conflict of Interest Policy.		
	<u><i>Public Officials</i></u>	<u><i>Employees</i></u>	<u><i>Agents</i></u>
<b>3</b>	Identify whether any Covered Individual has a (i) financial or other interest in, or (ii) tangible personal benefit from the firm considered for a Contract. [If the estimated Contract amount exceeds \$400,000, ensure that each Covered Individual files a Conflict of Interest Disclosure Form with the COI Point of Contact.]		
<b>Any identified interest in Step 3 is a potential “real” conflict of interest.</b>	<u><i>Public Officials</i></u>	<u><i>Employees</i></u>	<u><i>Agents</i></u>
<b>4</b>	Identify whether any Related Party has a (i) financial or other interest in or (ii) tangible personal benefit from the firm considered from a Contract. If the estimated Contract amount exceeds \$400,000, ensure that each Covered Individual files a Conflict of Interest Disclosure Form with the COI Point of Contact.		
<b>Any identified interest in Step 4 is a potential “real” conflict of interest.</b>	<u><i>Public Officials – Related Party</i></u>	<u><i>Employees – Related Party</i></u>	<u><i>Agents – Related Party</i></u>

<b>5</b>	Identify whether a reasonable person with knowledge of the relevant facts would find that an existing situation or relationship creates the <i>appearance</i> that a Covered Individual or any Related Party has a financial or other interest in or a tangible personal benefit from a firm considered for a Contract? If yes, explain.		
<b>Any identified interest in Step 5 is a potential “apparent” conflict of interest.</b>	<b><u>Public Officials</u></b>	<b><u>Employees</u></b>	<b><u>Agents</u></b>

COI Point of Contact: \_\_\_\_\_

Signature of COI Point of Contact: \_\_\_\_\_

Date of Completion: \_\_\_\_\_

**EXHIBIT C**

**CONTRACT CONFLICT OF INTEREST DISCLOSURE FORM**

**FOR OFFICIALS, EMPLOYEES, AND AGENTS**

The [\_\_\_\_\_] (“Unit”) has adopted a Conflict of Interest Policy (“Policy”) that governs the Unit’s expenditure of Federal Financial Assistance (as defined in Section II of the Policy). The Policy designates [\_\_\_\_\_] as the “COI Point of Contact.”

The COI Point of Contact has identified you as an official, employee, or agent of the Unit that may be involved in the selection, award, or administration of the following contract: \_\_\_\_\_ (the “Contract”). To safeguard the Unit’s expenditure of Federal Financial Assistance, the COI Point of Contact has requested that you identify any potential real or apparent conflicts of interest in the Firm considered for the award of a Contract. Using the Exhibit A to the Policy as a guide, please answer the following questions:

---

1. Do you have a financial or other interest in a firm considered for this Contract?

Yes \_\_\_\_\_ No \_\_\_\_\_ Unsure: \_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_

2. Will you receive any tangible personal benefit from a firm considered for this Contract?

Yes \_\_\_\_\_ No \_\_\_\_\_ Unsure: \_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_

3. For purposes of Question 3(a) and 3(b), your “Immediate Family Members” include: (i) your spouse and their parents, (ii) your child, (iii) your parent and any spouse of your parent, (iv) your sibling and any spouse of your sibling, (v) your grandparents or grandchildren, and the spouses of each, (vi) any domestic partner of any individual in (ii) through (v) of this definition; and (vii) any individual related by blood or affinity whose close association with you is the equivalent of a family relationship.

a. Do you have an Immediate Family Member with a financial or other interest in a firm considered for this Contract?

Yes \_\_\_\_\_ No \_\_\_\_\_ Unsure: \_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_

b. Do you have an Immediate Family Member that will receive a tangible personal benefit from a firm considered for this Contract?

Yes \_\_\_\_\_ No \_\_\_\_\_ Unsure: \_\_\_\_\_

4. Do you have any other partner with a financial or other interest in a firm considered for this Contract?

Yes \_\_\_\_\_ No \_\_\_\_\_ Unsure: \_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_

5. Will any other partner of yours receive any tangible personal benefit from a firm considered for this Contract?

Yes \_\_\_\_\_ No \_\_\_\_\_ Unsure: \_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_

6. Does your current or potential employer (other than the Unit) have a financial or other interest in a firm considered for this Contract or will such current or potential employer receive a tangible personal benefit from this Contract?

Yes \_\_\_\_\_ No \_\_\_\_\_ Unsure: \_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_

7. Benefits to Employers

a. Does a current or potential employer (other than the Unit) of any of your Immediate Family Members have a financial or other interest in a firm considered for this Contract?

Yes \_\_\_\_\_ No \_\_\_\_\_ Unsure: \_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_

b. Will a current or potential employer (other than the Unit) of any of your Immediate Family Members receive a tangible personal benefit from this Contract?

Yes \_\_\_\_\_ No \_\_\_\_\_ Unsure: \_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_

c. Does a current or potential employer (other than the Unit) of any partner of yours have a financial or other interest in a firm considered for this Contract?

Yes \_\_\_\_\_ No \_\_\_\_\_ Unsure: \_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_

d. Will a current or potential employer (other than the Unit) of any partner of yours receive a tangible personal benefit from this Contract?

Yes \_\_\_\_\_ No \_\_\_\_\_ Unsure: \_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_

8. Does any existing situation or relationship create the *appearance* that you have a financial or other interest in a firm considered for this Contract or will receive a tangible personal benefit from a firm considered for this Contract?

Yes \_\_\_\_\_ No \_\_\_\_\_ Unsure: \_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_

9. Does any existing situation or relationship create the *appearance* that any Immediate Family Member of yours has a financial or other interest in a firm considered for this Contract or will receive a tangible personal benefit from a firm considered for this Contract?

Yes \_\_\_\_\_ No \_\_\_\_\_ Unsure: \_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_

10. Does any existing situation or relationship create the *appearance* that your current or potential employer (other than the Unit) has a financial or other interest in a firm considered for this Contract or will receive a tangible personal benefit from a firm considered for this Contract?

Yes \_\_\_\_\_ No \_\_\_\_\_ Unsure: \_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_

11. Does any existing situation or relationship create the *appearance* that any current or potential employer (other than the Unit) of any of your Immediate Family Members has a financial or other

interest in a firm considered for this Contract or will receive a tangible personal benefit from a firm considered for this Contract?

Yes \_\_\_\_\_ No \_\_\_\_\_ Unsure: \_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_

12. Does any existing situation or relationship create the *appearance* that any current or potential employer (other than the Unit) of any other partner has a financial or other interest in a firm considered for this Contract or will receive a tangible personal benefit from a firm considered for this Contract?

Yes \_\_\_\_\_ No \_\_\_\_\_ Unsure: \_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_

\* \* \* \* \*

Sign Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Name of Employer \_\_\_\_\_

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

Date of Completion: \_\_\_\_\_

\* \* \* \* \*

**EXHIBIT D**

**COMPLIANCE CHECKLIST FOR SUBAWARD OVERSIGHT**

The [\_\_\_\_\_] (“Unit”) has adopted a Conflict of Interest Policy (“Policy”) that governs the Unit’s expenditure of Federal Financial Assistance (as defined in Section II of the Policy). The Policy designates [\_\_\_\_\_] as the “COI Point of Contact.” The Policy requires the COI Point of Contact to complete this Compliance Checklist to identify potential real or apparent conflicts of interest in connection with proposed Subawards (as defined in Section II) and file the Checklist in the records of the Unit.

Instructions for Completion

1. The COI Point of Contact shall complete Steps 1 through 5 of the Checklist below.
2. If the value of the proposed Subaward exceeds \$400,000, the COI Point of Contact shall collect a Conflict of Interest Disclosure Form from each Covered Individual.
3. If the COI Point of Contact identifies a potential real or apparent conflict of interest after completing this Compliance Checklist, the COI Point of Contact shall report such potential conflict of interest to [\_\_\_\_\_] and to each member of the Governing Board.

Definitions.

1. *Covered Individual.* Each person identified in Section 1 of this Checklist is a “Covered Individual” for purposes of this Compliance Checklist and the Policy.
2. *Immediate Family Member* means, with respect to any Covered Individual, (i) a spouse, and parents thereof, (ii) a child, and parent thereof, (iii) a parent, and spouse thereof, (iv) a sibling, and spouse thereof, (v) a grandparent and grandchild, and spouses thereof, (vi) domestic partners and parents thereof, including domestic partners of any individual in (ii) through (v) of this definition; and (vii) any individual related by blood or affinity whose close association with the Covered Individual is the equivalent of a family relationship.
3. *Related Party* means (i) an Immediate Family Member of a Covered Individual, (ii) a partner of a Covered Individual, or (iii) a current or potential employer (other than the Unit) of a Covered Individual, of a partner of a Covered Individual, or of an Immediate Family Member of a Covered Individual.

Step			
1	Identify the proposed Subaward, Subrecipient, and the subject of the Subaward.  <u>Name of Contract:</u> _____  <u>Name of Counterparty</u> _____  <u>Subject of Subaward:</u> _____		
2	Identify all individuals involved in the selection, award, or administration of the Subaward. These individuals are “Covered Individuals”. Ensure that each Covered Individual has been provided with a copy of the Conflict of Interest Policy.		
	<u><i>Public Officials</i></u>	<u><i>Employees</i></u>	<u><i>Agents</i></u>
3	Identify whether any Covered Individual has a (i) financial or other interest in, or (ii) tangible personal benefit from the firm considered for a Subaward. [If the estimated Subaward amount exceeds \$400,000, ensure that each Covered Individual files a Conflict of Interest Disclosure Form with the COI Point of Contact.]		
<b>Any identified interest in Step 3 is a potential “real” conflict of interest.</b>	<u><i>Public Officials</i></u>	<u><i>Employees</i></u>	<u><i>Agents</i></u>
4	Identify whether any Related Party has a (i) financial or other interest in or (ii) tangible personal benefit from the firm considered from a Subaward. If the estimated Subaward amount exceeds \$400,000, ensure that each Covered Individual files a Conflict of Interest Disclosure Form with the COI Point of Contact.]		
<b>Any identified interest in Step 4 is a potential “real” conflict of interest.</b>	<u><i>Public Officials – Related Party</i></u>	<u><i>Employees – Related Party</i></u>	<u><i>Agents – Related Party</i></u>

<b>5</b>	Identify whether a reasonable person with knowledge of the relevant facts would find that an existing situation or relationship creates the <i>appearance</i> that a Covered Individual or any Related Party has a financial or other interest in or a tangible personal benefit from a firm considered for a Subaward? If yes, explain.		
<b>Any identified interest in Step 5 is a potential “apparent” conflict of interest.</b>	<u><i>Public Officials</i></u>	<u><i>Employees</i></u>	<u><i>Agents</i></u>

COI Point of Contact: \_\_\_\_\_

Signature of COI Point of Contact: \_\_\_\_\_

Date of Completion: \_\_\_\_\_

**EXHIBIT E**

**SUBAWARD CONFLICT OF INTEREST DISCLOSURE FORM**

**FOR OFFICIALS, EMPLOYEES, AND AGENTS**

The [\_\_\_\_\_] (“Unit”) has adopted a Conflict of Interest Policy (“Policy”) that governs the Unit’s expenditure of Federal Financial Assistance (as defined in Section II of the Policy). The Policy designates [\_\_\_\_\_] as the COI Point of Contact.

The COI Point of Contact has identified you as an official, employee, or agent of the Unit that may be involved in the selection, award, or administration of the following subaward: \_\_\_\_\_ (the “Subaward”). To safeguard the Unit’s expenditure of Federal Financial Assistance, the COI Point of Contact has requested that you identify any potential real or apparent conflicts of interest in the Firm considered for the award of a Subaward. Using the Exhibit A to the Policy as a guide, please answer the following questions:

---

1. Do you have a financial or other interest in a firm considered for this Subaward?

Yes \_\_\_\_\_ No \_\_\_\_\_ Unsure: \_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_

2. Will you receive any tangible personal benefit from a firm considered for this Subaward?

Yes \_\_\_\_\_ No \_\_\_\_\_ Unsure: \_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_

3. For purposes of Question 3(a) and 3(b), your “Immediate Family Members” include: (i) your spouse and their parents, (ii) your child, (iii) your parent and any spouse of your parent, (iv) your sibling and any spouse of your sibling, (v) your grandparents or grandchildren, and the spouses of each, (vi) any domestic partner of any individual in (ii) through (v) of this definition; and (vii) any individual related by blood or affinity whose close association with you is the equivalent of a family relationship.

a. Do you have an Immediate Family Member with a financial or other interest in a firm considered for this Subaward?

Yes \_\_\_\_\_ No \_\_\_\_\_ Unsure: \_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_

b. Do you have an Immediate Family Member that will receive a tangible personal benefit from a firm considered for this Subaward?

Yes \_\_\_\_\_ No \_\_\_\_\_ Unsure: \_\_\_\_\_

4. Do you have any other partner with a financial or other interest in a firm considered for this Subaward?

Yes \_\_\_\_\_ No \_\_\_\_\_ Unsure: \_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_

5. Will any other partner of yours receive any tangible personal benefit from a firm considered for this Subaward?

Yes \_\_\_\_\_ No \_\_\_\_\_ Unsure: \_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_

6. Does your current or potential employer (other than the Unit) have a financial or other interest in a firm considered for this Subaward or will such current or potential employer receive a tangible personal benefit from this Subaward?

Yes \_\_\_\_\_ No \_\_\_\_\_ Unsure: \_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_

7. Benefits to Employers

a. Does a current or potential employer (other than the Unit) of any of your Immediate Family Members have a financial or other interest in a firm considered for this Subaward?

Yes \_\_\_\_\_ No \_\_\_\_\_ Unsure: \_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_

b. Will a current or potential employer (other than the Unit) of any of your Immediate Family Members receive a tangible personal benefit from this Subaward?

Yes \_\_\_\_\_ No \_\_\_\_\_ Unsure: \_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_

c. Does a current or potential employer (other than the Unit) of any partner of yours have a financial or other interest in a firm considered for this Subaward?

Yes \_\_\_\_\_ No \_\_\_\_\_ Unsure: \_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_

d. Will a current or potential employer (other than the Unit) of any partner of yours receive a tangible personal benefit from this Subaward?

Yes \_\_\_\_\_ No \_\_\_\_\_ Unsure: \_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_

8. Does any existing situation or relationship create the appearance that you have a financial or other interest in a firm considered for this Subaward or will receive a tangible personal benefit from a firm considered for this Subaward?

Yes \_\_\_\_\_ No \_\_\_\_\_ Unsure: \_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_

9. Does any existing situation or relationship create the appearance that any Immediate Family Member of yours has a financial or other interest in a firm considered for this Subaward or will receive a tangible personal benefit from a firm considered for this Subaward?

Yes \_\_\_\_\_ No \_\_\_\_\_ Unsure: \_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_

10. Does any existing situation or relationship create the appearance that your current or potential employer (other than the Unit) has a financial or other interest in a firm considered for this Subaward or will receive a tangible personal benefit from a firm considered for this Subaward?

Yes \_\_\_\_\_ No \_\_\_\_\_ Unsure: \_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_

11. Does any existing situation or relationship create the appearance that any current or potential employer (other than the Unit) of any of your Immediate Family Members has a financial or other

interest in a firm considered for this Subaward or will receive a tangible personal benefit from a firm considered for this Subaward?

Yes \_\_\_\_\_ No \_\_\_\_\_ Unsure: \_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_

12. Does any existing situation or relationship create the *appearance* that any current or potential employer (other than the Unit) of any other partner has a financial or other interest in a firm considered for this Subaward or will receive a tangible personal benefit from a firm considered for this Subaward?

Yes \_\_\_\_\_ No \_\_\_\_\_ Unsure: \_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_

\* \* \* \* \*

Sign Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Name of Employer \_\_\_\_\_

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

Date of Completion: \_\_\_\_\_

\* \* \* \* \*



**Town of Beaufort, NC**

701 Front St. - P.O. Box 390 - Beaufort, N.C. 28516  
252-728-2141 - 252-728-3982 fax - www.beaufortnc.org

**Board of Commissioners  
Regular Meeting**

**4:00 PM Monday, September 8, 2024 – 614 Broad Street**

---

**AGENDA CATEGORY:** New Business  
**SUBJECT:** County Comprehensive Transportation Plan (CTP)

**BRIEF SUMMARY:**

- On October 28, 2024, NCDOT Transportation Planning Engineers Hemal Shah and Amanda Killian gave a presentation of a draft of Carteret County Comprehensive Transportation Plan (CTP) and its process.
- Wednesday, May 7<sup>th</sup> NCDOT held a community input session at the Beaufort Library.

To date NCDOT has incorporated comments from the various groups and completed the CTP. The link below will provide full review of the draft CTP and supporting documents (given the size, a hyperlink is more applicable).

[Carteret County Comprehensive Transportation Plan](#)

It should be noted that the CTP is a guide to future transportation projects within a fifteen-year period in the County and does NOT include a ranking or prioritizing of projects as that is done through the State Transportation Improvement Program (STIP)

**REQUESTED ACTION:**

Adoption of the proposed County Comprehensive Transportation Plan

**EXPECTED LENGTH OF PRESENTATION:**

15 Minutes

**SUBMITTED BY:**

Kyle Garner, Planning Director

**BUDGET AMENDMENT REQUIRED:**

N/A



**RESOLUTION OF THE TOWN OF BEAUFORT, NORTH CAROLINA  
ADOPTING A COMPREHENSIVE TRANSPORTATION PLAN  
RESOLUTION NO. \_\_\_\_\_**

**WHEREAS**, the Town of Beaufort and the Transportation Planning Division, North Carolina Department of Transportation actively worked to develop a transportation plan for Carteret County; and

**WHEREAS**, the Town of Beaufort and the Department of Transportation are directed by North Carolina General Statutes 136-66.2 to reach agreement for a highway system that will serve present and anticipated volumes of vehicular traffic in and around the town; and

**WHEREAS**, it is recognized that the proper movement of traffic within and through the Town of Beaufort is highly desirable element of the comprehensive plan for the orderly growth and development of the town; and

**WHEREAS**, after full study of the plan, and following public input, the Town of Beaufort feel it to be in the best interest of the public to adopt a transportation plan pursuant to General Statutes 136-66.2;

**NOW THEREFORE, BE IT RESOLVED:** That the Carteret County Comprehensive Transportation Plan as shown on the attached map dated August 28, 205, be approved and adopted as a guide in the development of the transportation system in the Town of Beaufort and the same is hereby recommended to the North Carolina Department of Transportation for its subsequent adoption:

I, \_\_\_\_\_, \_\_\_\_\_, of the Town of Beaufort, North Carolina, hereby certify that the above is a true and correct copy of the excerpts from the minutes of the town Council members meeting of said town.

WITNESS my hand and the official seal of the Town of \_\_\_\_\_ this  
the \_\_\_\_\_

Adopted this 8<sup>th</sup> day of September 2025.

\_\_\_\_\_  
Sharon E. Harker, Mayor

Attest:

\_\_\_\_\_  
Elizabeth Lewis, Clerk

The following resolution was offered by Council member \_\_\_\_\_, and upon being put to a vote, was carried \_\_\_\_\_ on a \_\_\_\_\_ vote.

Certified by: \_\_\_\_\_ (SEAL)

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



**Town of Beaufort, NC**

701 Front St. - P.O. Box 390 - Beaufort, N.C. 28516 252-728-2141 - 252-728-3982 fax - www.beaufortnc.org

**Board of Commissioners  
Regular Meeting  
6:00 PM Monday, September 8, 2025**

**AGENDA CATEGORY:** New Business  
**SUBJECT:** Wastewater Allocation Request  
801 Mulberry Street

**BRIEF SUMMARY:**

The applicant Phillip Lewis is requesting that 7,989 gallons per day (gpd) of sewer treatment capacity be allocated for the development located at 801 Mulberry Street. 7,989 GPD represents 0.53% of the total WWTP capacity. Current capacity stands at 75.3%.

This request is considered Priority 1 category per Town allocation policy. The project is located within Town Limits and all state permits have been obtained. The Town approved the PUD for the development in 2022.

The 7,989 GPD of WW flow being requested is for new townhome and mixed-use development on the site outside of the original footprint of the existing school buildings. 7,500 GPD has been credited for redevelopment inside the original footprint.

**REQUESTED ACTION:**

Consider the allocation request of 7,989 GPD for the development located at 801 Mulberry Street.

**EXPECTED LENGTH OF PRESENTATION:**

15 minutes

**SUBMITTED BY:**

Sam Bell, PE, Town Engineer

**BUDGET AMENDMENT REQUIRED:**

No



**TOWN OF Beaufort**  
Public Services Department  
701 Front Street, Beaufort, NC 2816  
P.O. Box 390, Beaufort, NC 28516  
Phone: 252-728-2141

# WASTEWATER ALLOCATION REQUEST

The Town of Beaufort, in an effort to manage and maintain the sewer and water capacity for the Town, requires that this application be completed and submitted to the Town for consideration of a utility allocation. Review fee is due upon submittal of request.

**Wastewater Allocation Request Review Fee: \$50**

## SITE INFORMATION

Name of Project: 801 Mulberry Street Acreage of Property: 15.87 ac  
County Tag Number: N/A NC PIN: 7306184106000  
Address/Location: 801 Mulberry Street, Beaufort, NC 28516

Zoning District: PUD

Location Status:  Town Limits  Existing Out-of-Town Service Area  
 Out-of-Town Service Approval/Agreement

## APPLICANT INFORMATION

Applicant: Ballou-Lewis Properties, LLC  
Mailing Address: PO Box 662, Greenville, NC 27835  
Phone Number: (252) 531-9704 Fax: \_\_\_\_\_  
Contact Person: Phillip Lewis  
Email Address: lewisphil54@gmail.com

## PROPERTY OWNER INFORMATION

Name: Same as above  
Mailing Address: \_\_\_\_\_  
Phone Number: \_\_\_\_\_ Fax: \_\_\_\_\_  
Email Address: \_\_\_\_\_

## FOR OFFICE USE ONLY

Date Received: \_\_\_\_\_ File Number/Name: \_\_\_\_\_

# PROJECT INFORMATION

Use:  New    Expanded    Change      Use Type:  Residential    Commercial

Proposed Use(s): Mixed-Use      Existing Use(s): Vacant School

Developer Name: Ballou-Lewis Properties, LLC (c/o Phil Lewis)

Mailing Address: PO Box 662, Greenville, NC 27835

Phone Number: (252) 531-9704      Fax Number: \_\_\_\_\_

Email Address: lewisphil54@gmail.com

## ALLOCATION REQUEST (See instructions on page 3 regarding use of Professional Engineer)

The following supplemental information is required:

- Complete development proposal for Priority Levels 1, 2 or 3 allocation request
- Preliminary plan or sketch plan for Priority Level 4 allocation request meeting requirements for site plans as established on the Town's Building Permit Application or as described for sketch plans by the Town's Subdivision Ordinance
- If a phasing schedule is proposed, include as an attachment

**Residential:**

Gross Acreage: 9.55 ac

Single Family	# of Units	GPD per Unit	Total Requested GPD
1-2 Bedroom Units			
3 Bedroom Units			
>3 Bedroom Units			
<b>Total</b>		-----	

Multi-Family	# of Units	GPD per Unit	Total Requested GPD
1-2 Bedroom Units	24	120	2880
3 Bedroom Units	58	180	10440
>3 Bedroom Units	2	240	480
<b>Total</b>	42	-----	13800

**Non-Residential:** (Design Flow Guideline provided as Appendix A)\*

*\*If design flow deviates from the flow rates presented in Appendix A, provide supporting documentation/justification as an attachment in the form of 12 months of water bills demonstrating gallons per day utilized.*

Gross Acreage: 3.47 ac

Use	Measurement Unit	# of Units	GPD per Unit	Total Requested GPD
Commercial Footprint	1,060 sf	2	100 GPD/1000 SF	212
Retail Footprint	3 @ 1,034 sf, 5 @ 1,000 sf	8	100 GPD/1000 SF	810
Florest Shop (Ex. Retail)	6,667 sf	1	100 GPD/1000 SF	667
<b>Total</b>	16,889	11	-----	1,689

**TOTAL REQUESTED GALLONS PER DAY:** 7,989 GPD      (15,489 GPD total, 7,500 GPD credit)

## APPLICANT AFFIDAVIT

*I/We, the undersigned, do hereby make application and petition to the Town of Beaufort to approve the subject Wastewater Allocation. I hereby certify that I have full legal right to request such action and that the statements or information made in any paper or plans submitted herewith are true and correct to the best of my knowledge. I understand this application, related material and all attachments become official records of the Planning Department of the Town of Beaufort, North Carolina, and will not be returned.*

Phillip Lewis

Print Name

Signature of Applicant

Date

## ENGINEER'S CERTIFICATION

*The allocation request data provided on page 2 of this form shall be provided by a Professional Engineer for all requests except single lot residential infill requests and commercial requests equal to or less than 360 gallons per day. The certification statement below shall be completed by the Professional Engineer providing the data.*

I, Ronald D. Cullipher, P.E. hereby attest that the total requested allocation and the values used to derive the total are to the best of my knowledge, accurate and complete having been prepared in accordance with the instructions of this form while also adhering to applicable State laws, regulations, and rules, concerning the determination of design daily wastewater flows from facilities served by public wastewater collection and treatment systems.

Signed and Dated Professional Engineer Seal

The Cullipher Group, PA

Firm Name

151A NC Hwy 24

Address

(252) 773-0090

Telephone No.

ron@tcgpa.com

Email Address

**TOWN OF BEAUFORT OFFICE USE ONLY:**

Approved by:  Town Engineer  
 Board of Comissioners

Allocation approved: \_\_\_\_\_ gallons per day

Date of Approval: \_\_\_\_\_

Confirmation signature by:

\_\_\_\_\_  
Town Manager

## APPENDIX A: DESIGN FLOW RATES

The following table from the North Carolina Administrative Code 02T.0114 shall be used to determine the minimum allowable design daily flow of wastewater facilities. Alternatively, the Town in its sole and absolute discretion may calculate the customer's initial average daily wastewater flow based on data from the customer's operations (or from similarly situated customers) with a comparable sanitary sewer system, where such data are available and reasonably current.

Establishment Type	Daily Flow Rate
<b>Barber and Beauty Shops</b>	
Barber Shops	50 gal/chair
Beauty Shops	125 gal/booth or bowl
<b>Businesses, Offices and Factories</b>	
General business and office facilities	25 gal/employee/shift
Factories, excluding industrial waste	25 gal/employee/shift
Factories or businesses with showers or food preparation	35 gal/employee/shift
Warehouse	100 gal/loading bay
Warehouse – self storage (not including caretaker residence)	1 gal/unit
<b>Churches</b>	
Churches without kitchens, day care or camps	3 gal/seat
Churches with kitchen	5 gal/seat
Churches providing day care or camps	25 gal/person (child & employee)
<b>Fire, Rescue and Emergency Response</b>	
Fire or rescue stations without on-site staff	25 gal/person
Fire or rescue stations with on-site staff	50 gal/person/shift
<b>Food and Drink Facilities</b>	
Banquet, dining hall	30 gal/seat
Bars, cocktail lounges	20 gal/seat
Caterers	50 gal/100 sq. ft. floor space
Restaurant, full Service	40 gal/seat
Restaurant, single service articles	20 gal/seat
Restaurant, drive-in	50 gal/car space
Restaurant, carry out only	50 gal/100 sq. ft. floor space
Institutions, dining halls	5 gal/meal
Deli	40 gal/100 sq. ft. floor space
Bakery	10 gal/100 sq. ft. floor space
Meat department, butcher shop or fish market	75 gal/100 sq. ft. floor space
Specialty food stand or kiosk	50 gal/100 sq. ft. floor space
<b>Hotels and Motels</b>	
Hotels, motels and bed & breakfast facilities, without in-room cooking facilities	120 gal/room
Hotels and motels, with in-room cooking facilities	175 gal/room
Resort hotels	200 gal/room
Cottages, cabins	200 gal/unit
Self-service laundry facilities	500 gal/machine
<b>Medical, Dental and Veterinary Facilities</b>	
Medical or dental offices	250 gal/practitioner/shift
Veterinary offices (not including boarding)	250 gal/practitioner/shift
Veterinary hospitals, kennels, animal boarding facilities	20 gal/pen, cage, kennel or stall
Hospitals, medical	300 gal/bed
Hospitals, mental	150 gal/bed
Convalescent, nursing, rest homes without laundry facilities	60 gal/bed
Convalescent, nursing, rest homes with laundry facilities	120 gal/bed
Residential care facilities	60 gal/person
<b>Parks, Recreation, Camp Grounds, R-V Parks and other Outdoor Activity Facilities</b>	
Campgrounds with comfort station, without water or sewer hookups	75 gal/campsite

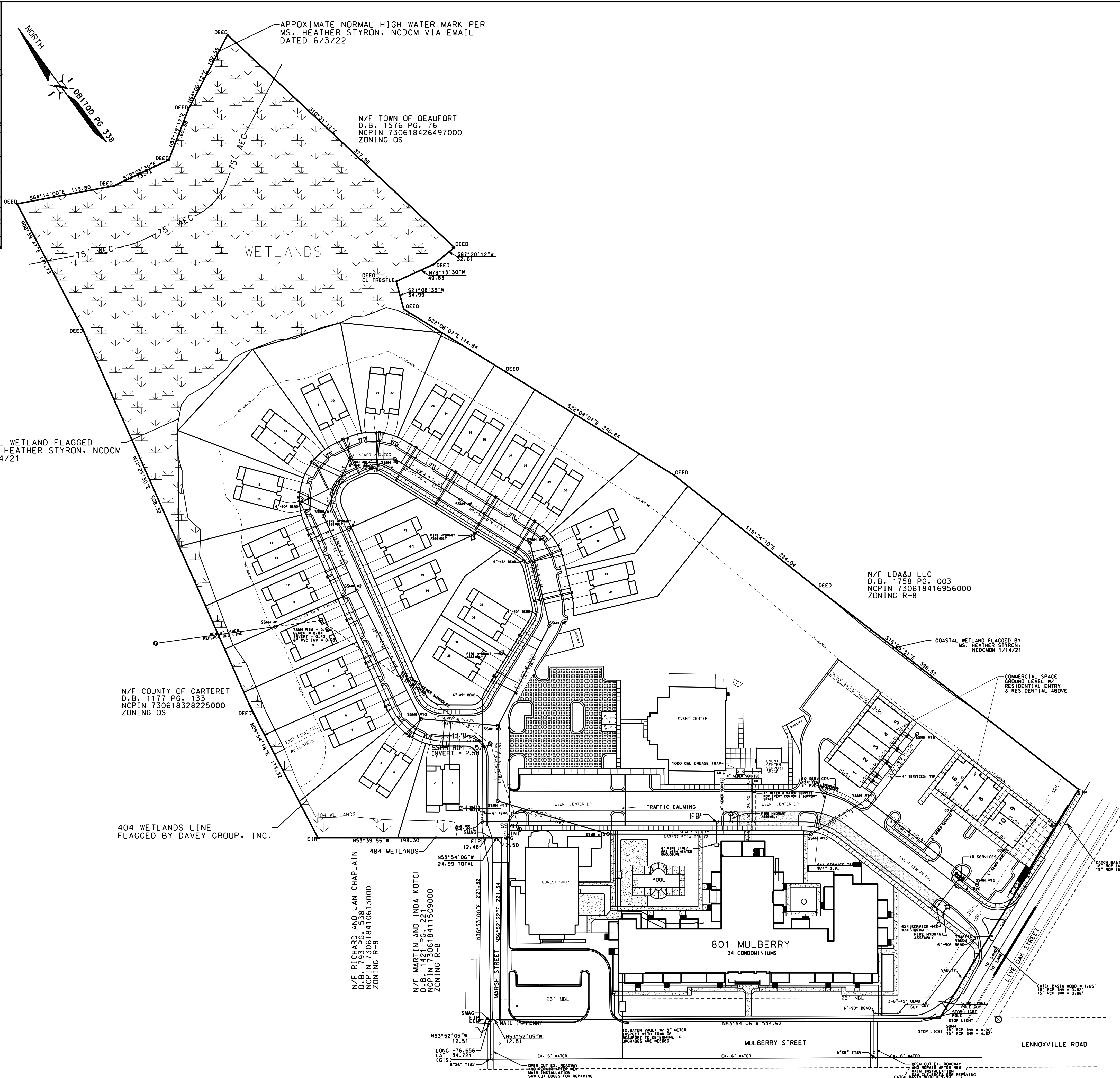
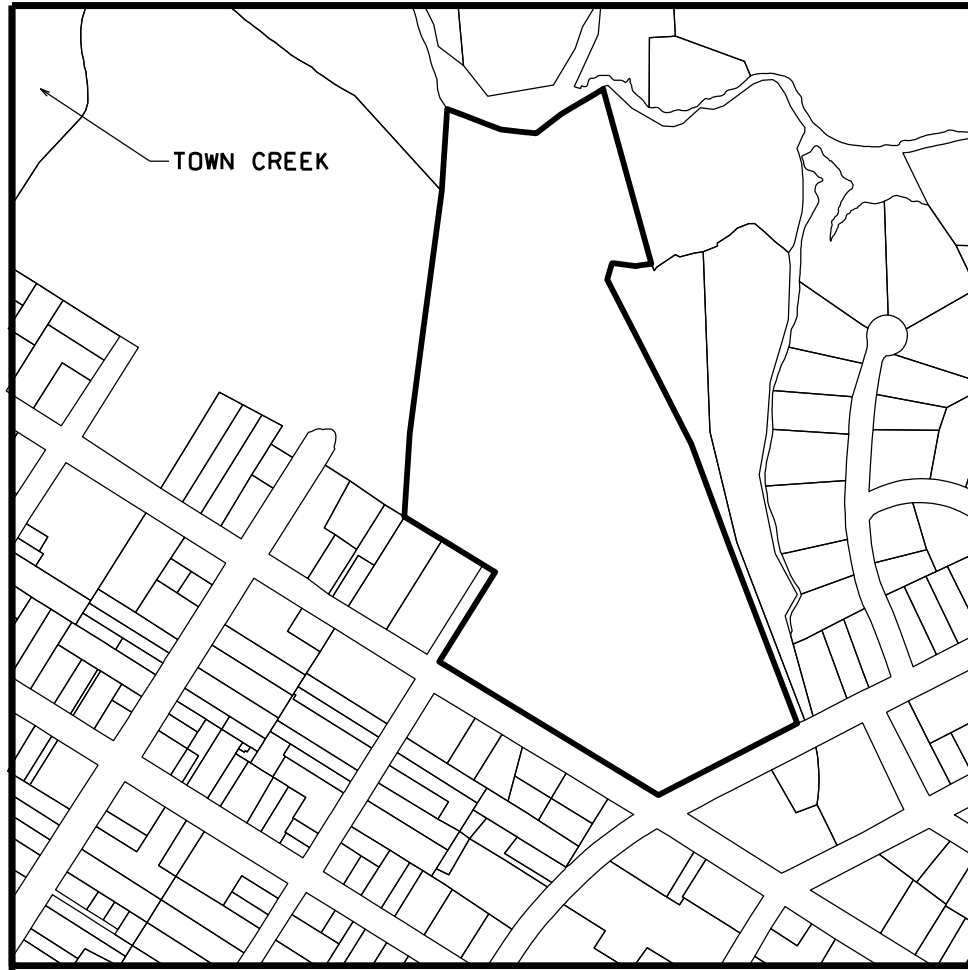
Establishment Type	Daily Flow Rate
Campgrounds with water and sewer hookups	100 gal/campsite
Campground dump station facility	50 gal/space
Construction, hunting or work camps with flush toilets	60 gal/person
Construction, hunting or work camps with chemical or portable toilets	40 gal/person
Parks with restroom facilities	250 gal/plumbing fixture
Summer camps without food preparation or laundry facilities	30 gal/person
Summer camps with food preparation and laundry facilities	60 gal/person
Swimming pools, bathhouses and spas	10 gal/person
Public access restrooms	325 gal/plumbing fixture
<b>Schools, Pre-school and Day Care</b>	
Day care and preschool facilities	25 gal/person (child & employee)
Schools with cafeteria, gym and showers	15 gal/student
Schools with cafeteria	12 gal/student
Schools without cafeteria, gym or showers	10 gal/student
Boarding schools	60 gal/person (student & employee)
<b>Service Stations and Car Wash Facilities</b>	
Service stations, gas stations	250 gal/plumbing fixture
Car wash facilities	1200 gal/bay
<b>Sports Centers</b>	
Bowling center	50 gal/lane
Fitness, exercise, karate or dance center	50 gal/100 sq. ft.
Tennis, racquet ball	50 gal/court
Gymnasium	50 gal/100 sq. ft.
Golf course with only minimal food service	250 gal/plumbing fixture
Country clubs	60 gal/member or patron
Mini golf, putt-putt	250 gal/plumbing fixture
Go-kart, motocross	250 gal/plumbing fixture
Batting cages, driving ranges	250 gal/plumbing fixture
Marinas without bathhouse	10 gal/slip
Marinas with bathhouse	30 gal/slip
Video game arcades, pool halls	250 gal/plumbing fixture
Stadiums, auditoriums, theaters, community centers	5 gal/seat
<b>Stores, Shopping Centers, Malls and Flea Markets</b>	
Auto, boat, recreational vehicle dealerships/showrooms with restrooms	125 gal/plumbing fixture
Convenience stores, with food preparation	60 gal/100 sq. ft.
Convenience stores, without food preparation	250 gal/plumbing fixture
Flea markets	30 gal/stall
Shopping centers and malls with food service	130 gal/1000 sq. ft.
Stores and shopping centers without food service	100 gal/1000 sq. ft.
<b>Transportation Terminals</b>	
Air, bus, train, ferry, port and dock	5 gal/passenger

Source: North Carolina Administrative Code 02T.0114, January 1, 2007

The North Carolina Division of Environmental Quality (NCDEQ) approved on August 8, 2022 the Town of Beaufort's request for an adjusted daily sewage flow rate (flow reduction) that would apply to all permitted but not yet tributary connections and all future connections from single-family, detached residential units within the Town of Beaufort service area. NCDEQ also approved on November 28, 2022 the Town's request that would apply to all permitted but not yet tributary multi-family residential units within the Town's service area. Accordingly, the in determining the volume from single-family, detached residential units and multi-family residential units, the flow rate shall be 60 gallons per day per bedroom. The minimum volume of sewage from each residential dwelling unit shall be 120 gallons per day and each additional bedroom above two bedrooms shall increase the volume by 60 gallons per day.

Each bedroom or any other room or addition that can function as a bedroom shall be considered a bedroom for design purposes.





COASTAL WETLAND FLAGGED BY MS. HEATHER STYRON, NCCDM ON 1/14/21

N/F COUNTY OF CARTERET  
D.B. 1177 PG. 133  
NCPIN 730618328225000  
ZONING OS

404 WETLANDS LINE FLAGGED BY DAVEY GROUP, INC.

N/F RICHARD AND JAN CHAPLAIN  
D.B. 1421 PG. 221  
NCPIN 730618410613000  
ZONING R-8

N/F MARTIN AND INDA KOTCH  
D.B. 1421 PG. 221  
NCPIN 730618411509000  
ZONING R-8

N/F LDA&J LLC  
D.B. 1758 PG. 003  
NCPIN 730618416956000  
ZONING R-8

APPROXIMATE NORMAL HIGH WATER MARK PER MS. HEATHER STYRON, NCCDM VIA EMAIL DATED 6/3/22

**LEGEND**

AC	ACRES
CB	CATCH BASIN
CFS	CUBIC FEET/SEC
DIA	DIAMETER
DIP	DUCTILE IRON PIPE
EL	ELEVATION
EP	EDGE OF PAVEMENT
EX.	EXISTING
FE	FINISHED ELEVATION
FH	FIRE HYDRANT
GV	GATE VALVE
INV	INVERT
LF	LINEAR FEET
MP	MAP
MH	MANHOLE
MIN	MINIMUM
N/F	NOW OR FORMERLY
NTS	NOT TO SCALE
OC	ON CENTER
OE	OVERHEAD ELECTRIC
PBO	PERMANENT BLOW OFF
PG	PAGE
PP	POWER POLE
RCP	REINFORCED CONCRETE PIPE
R/W	RIGHT OF WAY
STA	STATION
TBO	TEMPORARY BLOW OFF
TYP	TYPICAL
☉	EXISTING STREET LIGHT
○	PROPOSED STREET LIGHT
▨	GRASS PAVE
■	ASPHALT PAVEMENT
□	PERVIOUS SURFACE

**REVISIONS:**

No.	BY	DATE	DESCRIPTION
1	RDC	2/18/25	UPDATE PLANS

N/F BALLOU-LEWIS PROPERTIES, LLC  
ADDRESS: 801 MULBERRY STREET  
D.B. 1700 PG. 338  
NCPIN: 730618414806000

**OVERALL UTILITY PLAN**

**801 MULBERRY STREET**

BEAUFORT TWP., CARTERET COUNTY, NORTH CAROLINA

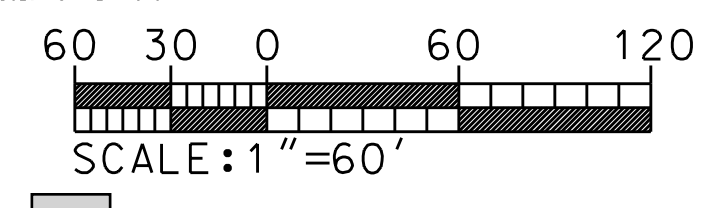
CLIENT: BALLOU-LEWIS PROPERTIES, LLC  
ADDRESS: PO BOX 662 GREENVILLE, NC 27835  
PHONE: 252-531-9704

DESIGNED: CD1/RDC  
DRAWN: CD1/RDC  
CHECKED: RDC  
APPROVED: RDC

**THE CULLIPHER GROUP, P.A.**  
ENGINEERING & SURVEYING SERVICES  
151A HIGHWAY 24 MORRISVILLE, N.C. 28557  
(252) 773-0090 LICENSE NO. C-4482  
preliminary not for construction

**RONALD D. CULLIPHER P.E.**

DATE: 7/12/24  
SCALE: 1"=60'



JOSH STEIN  
*Governor*

D. REID WILSON  
*Secretary*

RICHARD E. ROGERS, JR.  
*Director*



April 17, 2025

Elizabeth Lewis, Assistant Town Manager  
Town of Beaufort  
701 Front Street  
Beaufort, North Carolina 28516

Subject: Permit No. WQ0046344  
Town of Beaufort  
801 Mulberry Street Mixed Use Sewer  
Wastewater Collection System Extension  
Carteret County

Dear Mr. Lohr:

In accordance with your application received April 11, 2025 we are forwarding herewith Permit No. WQ0046344 dated April 17, 2025 to Town of Beaufort (Permittee) for the construction and operation upon certification of the subject wastewater collection system extension. This permit shall be effective from the date of issuance until rescinded and shall be subject to the conditions and limitations as specified therein. This cover letter shall be considered a part of this permit and is therefore incorporated therein by reference.

Please pay particular attention to the following conditions contained within this permit:

Special Conditions:

Condition I.1: No flow in excess of the quantity or number & type of connections permitted herein shall be made tributary to the subject sewer system until an application for permit modification has been submitted to and approved by the Division. [15A NCAC 02T.0304(b)]

Standard Conditions:

Condition II.1: This permit shall not be automatically transferable; a request must be made and approved.

Condition II.4: Requires that the wastewater collection facilities be properly operated and maintained in accordance with 15A NCAC 2T .0403 or any individual system-wide collection system permit issued to the Permittee.

Condition II.7: Upon completion of construction and prior to operation of these permitted facilities, the completed Engineering Certification form with checklist attached to this permit shall be



Submitted with the required supporting documents to the address provided on the form.

**Permit modifications are required for any changes resulting in non-compliance with this permit, regulations, or the Minimum Design Criteria.** [15A NCAC 02T.0116]

2.

Condition II.13: If the Permittee/Applicant holds a system-side collection system operation, maintenance and management permit (WQCS-prefix) from the Division, then the following applies: For all newly constructed, modified and rehabilitated pump stations, all equipment and components shall be sealed within a corrosion-resistant coating or encasement to the extent practicable and equivalent to the minimum design criteria unless the permittee can demonstrate it is not practicable or another form of corrosion resistance is employed. [15A NCAC 02T .0108 (b)]

It shall be responsibility of the Permittee to ensure that the as-constructed project meets the appropriate design criteria and rules. Failure to comply may result in penalties in accordance with North Carolina General Statute §143-215.6A through §143-215.6C, construction of additional or replacement wastewater collection facilities, and/or referral of the North Carolina-licensed Professional Engineer to the licensing board.

If any parts, requirements, or limitations contained in this permit are unacceptable, you have the right to request an adjudicatory hearing upon written request within 30 days following receipt of this permit. This request must be in the form of a written petition, conforming to Chapter 150B of North Carolina General Statutes, and filed with the Office of Administrative Hearings, 6714 Mail Service Center, Raleigh, NC 27699-6714. Unless such demands are made, this permit shall be final and binding.

If you need additional information concerning this matter, please contact Jordan Cocanower at (910) 796-7215 or via e-mail at [Jordan.cocanower@deq.nc.gov](mailto:Jordan.cocanower@deq.nc.gov).

Sincerely,

DocuSigned by:  
*Morella Sanchez King*  
E3ABA14AC7DC434...

Morella Sanchez King, Regional Supervisor  
Water Quality Regional Operations Section  
Wilmington Regional Office  
Division of Water Resources, NCDEQ

Cc: Ronald Cullipher, PE, The Cullipher Group, PA

Upload to Laserfiche



In accordance with the provisions of Article 21 of Chapter 143, General Statutes of North Carolina as amended, and other applicable Laws, Rules, and Regulations, permission is hereby granted to the

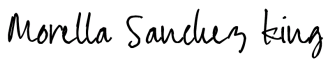
**TOWN OF BEAUFORT**  
CARTERET COUNTY

for the construction and operation upon certification of approximately 1,694 linear feet of 8-inch gravity sewer to serve 5 one-bedroom condos (600 gpd), 17 two-bedroom condos (2,040 gpd), 16 three-bedroom condos (2,880 gpd), 2 four-bedroom condos (480 gpd), two lofts (240 gpd), and 16,889 square feet of stores and shopping centers without food service (1,689 gpd) as part of the 801 Mulberry Street Mixed Use Sewer project, and the discharge of 7,929 gallons per day of collected domestic and commercial wastewater into the Town of Beaufort’s existing sewerage system, pursuant to the application received April 11, 2025 and in conformity with 15A NCAC 2T; the Division’s Gravity Sewer Minimum Design Criteria adopted February 12, 1996 as applicable; the Division’s Minimum Design Criteria for the Fast-Track Permitting of Pump Stations and Force Mains adopted June 1, 2000 as applicable; and other supporting data subsequently filed and approved by the Department of Environmental Quality and considered a part of this permit.

This permit shall be effective from the date of issuance until rescinded and shall be subject to the specified conditions and limitations contained therein.

**Permit Number:**           **WQ0046344**

**Issued Today:**           **April 17, 2025**

DocuSigned by:  
  
 E3ABA14AC7DC434...

---

Morella Sanchez King, Regional Supervisor  
 Wilmington Regional Office  
 Water Quality Regional Operations Section  
 Division of Water Resources, NCDEQ  
*By Authority of the Director and The Environmental Management Commission*

## SUPPLEMENT TO PERMIT COVER SHEET

**TOWN OF BEAUFORT** is hereby authorized to:

Construct, and then operate upon certification the aforementioned wastewater collection extension. The sewage and wastewater collected by this system shall be treated in the Beaufort Wastewater Treatment Facility in accordance with Permit Number NC0021831.

Permitting of this project does not constitute an acceptance of any part of the project that does not meet 15A NCAC 2T; the Division of Water Resources' (Division) Gravity Sewer Minimum Design Criteria adopted February 12, 1996 as applicable; and the Division's Minimum Design Criteria for the Fast-Track Permitting of Pump Stations and Force Mains adopted June 1, 2000 as applicable, unless specifically mentioned herein. Division approval is based on acceptance of the certification provided by a North Carolina-licensed Professional Engineer in the application. It shall be the Permittee's responsibility to ensure that the as-constructed project meets the appropriate design criteria and rules.

Construction and operation is contingent upon compliance with the Standard Conditions and any Special Conditions identified below.

### I. SPECIAL CONDITIONS

1. No flow in excess of the quantity or number & type of connections permitted herein shall be made tributary to the subject sewer system until an application for permit modification has been submitted to and approved by the Division. [15A NCAC 02T.0304(b)]

### II. STANDARD CONDITIONS

1. **This permit shall not be transferable.** In the event there is a desire for the wastewater collection facilities to change ownership, or there is a name change of the Permittee, a formal permit request shall be submitted to the Division accompanied by documentation from the parties involved, and other supporting materials as may be appropriate. The approval of this request shall be considered on its merits and may or may not be approved. [15A NCAC 02T.0104; G.S 143-215.1(d3)]
2. This permit shall become voidable unless the wastewater collection facilities are constructed in accordance with the conditions of this permit; 15A NCAC 2T; the Division's Gravity Sewer Minimum Design Criteria adopted February 12, 1996 as applicable; the Division's Minimum Design Criteria for the Fast-Track Permitting of Pump Stations and Force Mains adopted June 1, 2000 as applicable; and other supporting materials unless specifically mentioned herein. [15A NCAC 02T.0110]
3. This permit shall be effective only with respect to the nature and volume of wastes described in the application and other supporting data. [15A NCAC 02T .0110]
4. The wastewater collection facilities shall be properly maintained and operated at all times. The Permittee shall maintain compliance with an individual system-wide collection system permit for the operation and maintenance of these facilities as required by 15A NCAC 2T .0403. If an individual permit is not required, the following performance criteria shall be met: [15A NCAC 02T .0108(b)]

- a. The sewer system shall be effectively maintained and operated at all times to prevent discharge to land or surface waters, and to prevent any contravention of groundwater standards or surface water standards.
- b. A map of the sewer system shall be developed and shall be actively maintained.
- c. An operation and maintenance plan including pump station inspection frequency, preventative maintenance schedule, spare parts inventory and overflow response has been developed and implemented.
- d. Pump stations that are not connected to a telemetry system shall be inspected every day (i.e. 365 days per year). Pump stations that are connected to a telemetry system shall be inspected at least once per week.
- e. High-priority sewer lines shall be inspected at least once per every six-months and inspections are documented.
- f. A general observation of the entire sewer system shall be conducted at least once per year.
- g. Overflows and bypasses shall be reported to the appropriate Division regional office in accordance with 15A NCAC 2B .0506(a), and public notice shall be provided as required by North Carolina General Statute §143-215.1C.
- h. A Grease Control Program is in place as follows:
  - 1. For public owned collection systems, the Grease Control Program shall include at least biannual distribution of educational materials for both commercial and residential users and the legal means to require grease interceptors at existing establishments. The plan shall also include legal means for inspections of the grease interceptors, enforcement for violators and the legal means to control grease entering the system from other public and private satellite sewer systems.
  - 2. For privately owned collection systems, the Grease Control Program shall include at least bi-annual distribution of grease education materials to users of the collection system by the permittee or its representative.
  - 3. Grease education materials shall be distributed more often than required in Parts (1) and (2) of this Subparagraph if necessary to prevent grease-related sanitary sewer overflows.
- i. Right-of-ways and easements shall be maintained in the full easement width for personnel and equipment accessibility.
- j. Documentation shall be kept for Subparagraphs (a) through (i) of this Rule for a minimum of three years with exception of the map, which shall be maintained for the life of the system.

5. **Noncompliance Notification:**

The Permittee shall report by telephone to a water resources staff member at the Wilmington Regional Office, telephone number (910) 796-7215, as soon as possible, but in no case more than 24 hours or on the next working day, following the occurrence or first knowledge of the occurrence of either of the following:

- a. Any process unit failure, due to known or unknown reasons, that renders the facility incapable of adequate wastewater transport, such as mechanical or electrical failures of pumps, line blockage or breakage, etc.; or
- b. Any SSO and/or spill over 1,000 gallons; or
- c. Any SSO and/or spill, regardless of volume, that reaches surface water

Voice mail messages or faxed information is permissible, but this shall not be considered as the initial verbal report. Overflows and spills occurring outside normal business hours may also be reported to the Division of Emergency Management at telephone number (800) 858-0368 or (919) 733-3300. Persons reporting any of the above occurrences shall file a spill report by completing and submitting Part I of Form CS-SSO (or the most current Division approved form) within five days following first knowledge of the occurrence. This report must outline the actions taken or proposed to be taken to ensure that the problem does not recur. Part II of Form CS-SSO (or the most current Division approved form) can also be completed to show that the SSO was beyond control. [G.S. 143-215.1C(a1)]

6. Construction of the gravity sewers, pump stations, and force mains shall be scheduled so as not to interrupt service by the existing utilities nor result in an overflow or bypass discharge of wastewater to the surface waters of the State. [15A NCAC 02T.0108(b)]
7. Upon completion of construction and prior to operation of these permitted facilities, the completed Engineering Certification form with checklist attached to this permit shall be submitted with the required supporting documents to the address provided on the form. A complete certification is one where the form is fully executed and the supporting documents are provided as applicable. Any wastewater flow made tributary to the wastewater collection system extension prior to completion of this Engineer's Certification shall be considered a violation of the permit and shall subject the Permittee to appropriate enforcement actions.

**If the permit is issued to a private entity with an Operational Agreement, then a copy of the Articles of Incorporation, Declarations/Covenants/Restrictions, and Bylaws that have been appropriately filed with the applicable County's Register of Deeds office shall be submitted with the certification.**

A complete certification is one where the form is fully executed and the supporting documents are provided as applicable. Supporting documentation shall include the following:

- a. One copy of the project construction record drawings (plan & profile views of sewer lines & force mains) of the wastewater collection system extension. Final record drawings should be clear on the plans or in accepted electronic format and are defined as the design drawings that are marked up or annotated with after construction information and show required buffers, separation distances, material changes, etc.
- b. One copy of the supporting applicable design calculations including pipe and pump sizing, velocity, pump cycle times, and level control settings, pump station buoyancy, wet well storage, surge protection, detention time in the wet well, and force main, ability to flush low points in force mains with a pump cycle, and downstream sewer capacity analysis. If a portable power source or pump is dedicated to multiple stations, an evaluation of all the pump stations' storage capacities and the rotation schedule of the portable power source or pump, include travel timeframes, shall be provided.
- c. Changes to the project that do not result in non-compliance with this permit, regulations, or the Minimum Design Criteria should be clearly identified on the record drawings, on the certification in the space provided, or in written summary form.

**Prior to Certification (Final or Partial):** Permit modifications are required for any changes resulting in non-compliance with this permit (including pipe length changes of 10% or greater by type & size, increased flow, pump station design capacity design increases of 5% or greater, and increases in the number/type of connections), regulations, or the Minimum Design Criteria. Requested modifications or variances to the Minimum Design Criteria will be reviewed on a case-by-case basis and each on its own merit. Please note that variances to the Minimum Design Criteria should be requested and approved during the permitting process prior to construction. After-construction requests are

discouraged by the Division and may not be approved, thus requiring replacement or repair prior to certification & activation. [15A NCAC 02T .0116]

8. Gravity sewers installed greater than ten percent below the minimum required slope per the Division's Gravity Sewer Minimum Design Criteria shall not be acceptable and shall not be certified until corrected. If there is an unforeseen obstacle in the field where all viable solutions have been examined, a slope variance can be requested from the Division with firm supporting documentation. This shall be done through a permit modification with fee. Such variance requests will be evaluated on a case-by-case basis. Resolution of such request shall be evident prior to completing and submitting the construction certification. [ 15A NCAC 02T.0105(n)]
9. A copy of the construction record drawings shall be maintained on file by the Permittee for the life of the wastewater collection facilities. [15A NCAC 02T .0116]
10. Failure to abide by the conditions and limitations contained in this permit; 15A NCAC 2T; the Division's Gravity Sewer Design Criteria adopted February 12, 1996 as applicable; the Division's Minimum Design Criteria for the Fast-Track Permitting of Pump Station and Force Mains adopted June 1, 2000 as applicable; and other supporting materials may subject the Permittee to an enforcement action by the Division, in accordance with North Carolina General Statutes §143-215.6A through §143-215.6C, construction of additional or replacement wastewater collection facilities, and/or referral of the North Carolina-licensed Professional Engineer to the licensing board. [15A NCAC 02T .0104; 15A NCAC 02T .0108(b-c)]
11. In the event that the wastewater collection facilities fail to perform satisfactorily, including the creation of nuisance conditions, the Permittee shall take immediate corrective action, including those as may be required by this Division, such as the construction of additional or replacement facilities. [15A NCAC 02T .0110; 15A NCAC 02T .0108(b)]
12. The issuance of this permit shall not exempt the Permittee from complying with any and all statutes, rules, regulations, or ordinances that may be imposed by the Division any other Federal, State, or Local government agencies which have jurisdiction or obtaining other permits which may be required by the Division or any other Federal, State, of Local government agencies. [G.S. 143-215.1(b)]
13. If the Permittee/Applicant holds a system-side collection system operation, maintenance and management permit (WQCS-prefix) from the Division, then the following applies: For all newly constructed, modified and rehabilitated pump stations, all equipment and components shall be sealed within a corrosion-resistant coating or encasement to the extent practicable and equivalent to the minimum design criteria unless the permittee can demonstrate it is not practicable or another form of corrosion resistance is employed. [15A NCAC 02T .0108 (b)]



**SEWER ENGINEERING CERTIFICATION CHECKLIST**

2.

To be completed by the certifying engineer prior to operation of the permitted sewers, per 15A NCAC 02T.0116.

**Certifying Engineer:** \_\_\_\_\_

**Certification Review Date:** \_\_\_\_\_

**Project Name:** \_\_\_\_\_

**WQ00** \_\_\_\_\_ **Project County:** \_\_\_\_\_

- 1) Has permittee information changed since the permit was issued (or last modified): change of mailing address, change of ownership, transfer from developer to HOA/POA, etc.  Yes  No
  - If yes, please provide either a change of ownership form or new contact information. Note that transfer of permits from the developer to the HOA/POA must occur with the first certification.
- 2) Have the as-built drawings have been signed, sealed, and dated by an N.C. PE?  Yes  No
- 3) Final Engineering certification?  Yes  No
  - **If Partial Engineering certification, provide detailed narrative including what is being certified in the current phase, what was previously certified (if applicable), and what is left to be certified.**
- 4) Adequate information related to sewer lines:  Yes  No  N/A
  - Three feet minimum cover has been provided for all sewers unless ferrous pipe was installed.
  - Minimum diameters for gravity sewers are 8-inches for public lines and 6-inches for private lines.
  - Manholes have been installed: At the end of each line, at all changes in grade, size, or alignment, at all intersections, and at distances not greater than 425 feet; minimum diameter shall be 4 feet (48-inches).
- 5) Adequate information related to pump stations:  Yes  No  N/A
  - Ensure power reliability option was selected per 15A NCAC 02T.0305(h).
- 6) Was project construction completed in accordance with all of the following:  Yes  No  N/A
  - 15A NCAC 02T, Minimum Design Criteria (MDC) for the permitting of Gravity Sewers (latest version), and MDC for the Permitting of Pump Stations and Force Mains (latest version)?

If not, a variance approval is required in accordance with 15A NCAC 02T.0105(b), **prior to certification and operation.**

  - Contact the Central Office to discuss the variance to determine a course of action.
  - Applicant must submit two copies of the variance request form, plans, specifications, calculations, and any other pertinent information to the Central Office (one hard copy, one digital copy).
  - The central office will review the variance request, and if approvable, specific language regarding the variance will be incorporated into the permit, either via a special condition or a supplementary letter. A copy of the reissued permit with variance language or the variance letter must be maintained with the original documents.
- 7) Does the project contains high priority lines (15A NCAC 02T .0402(2))?  Yes  No
  - If yes, ensure that the permit already contains the necessary condition related to high priority lines 15A NCAC 02T.0403 (a)(5). If the permit does not include this language, the Fast Track reviewer will reissue the permit with the appropriate language.
- 8) Are Permit modifications are required for any changes resulting in non-compliance with this permit (including pipe length difference of 10% or greater, change in flow, pump station design capacity design change of 5% or greater, and change in the number/type of connections)?  Yes  No
  - If yes, a permit modification request must be submitted to the appropriate Regional Office, and **a modified permit with revised certification must be issued prior to certification and operation.**



**Town of Beaufort, NC**

701 Front St. - P.O. Box 390 - Beaufort, N.C. 28516  
252-728-2141 - 252-728-3982 fax - www.beaufortnc.org

**Board of Commissioners  
Regular Meeting  
6:00 PM Monday, September 8, 2025**

---

**AGENDA CATEGORY:** New Business  
**SUBJECT:** Wastewater Reservation Request  
265 & 275 Hwy 101

**BRIEF SUMMARY:**

The applicant Taft Development Group is requesting that 16,380 gallons per day (gpd) of sewer treatment capacity be reserved for a proposed residential development located at 265 & 275 Hwy 101. 16,380 GPD represents 1.1% of the total WWTP capacity. Current capacity stands at 75.3%.

The site is located within Town Limits. However, the request is considered a Priority 4 request per allocation policy. This request is speculative in nature. All permitting and approval requirements from the Town and other regulatory agencies have not been met. If approved, the developer would be required to pay 20% of the calculated system development fees in order to reserve the allocation for a period of 24 months.

**REQUESTED ACTION:**

Consider the allocation reservation request of 16,380 GPD for the new development located at 265 & 275 Hwy 101.

**EXPECTED LENGTH OF PRESENTATION:**

15 minutes

**SUBMITTED BY:**

Sam Bell, PE, Town Engineer

**BUDGET AMENDMENT REQUIRED:**

No



**TOWN OF Beaufort**  
Public Services Department  
701 Front Street, Beaufort, NC 2816  
P.O. Box 390, Beaufort, NC 28516  
Phone: 252-728-2141

## WASTEWATER ALLOCATION REQUEST

The Town of Beaufort, in an effort to manage and maintain the sewer and water capacity for the Town, requires that this application be completed and submitted to the Town for consideration of a utility allocation. Review fee is due upon submittal of request.

**Wastewater Allocation Request Review Fee: \$50**

### SITE INFORMATION

Name of Project: To Be Determined Acreage of Property: 19.67  
County Tag Number: N/A NC PIN: Multiple See below  
Address/Location: 265 & 275 Hwy 101 Beaufort NC  
730614447386000, 730615546839000, 730615549966000, & 730615640827000  
Zoning District: Pending TCA Rezoning  
Location Status:  Town Limits  Existing Out-of-Town Service Area  
 Out-of-Town Service Approval/Agreement

### APPLICANT INFORMATION

Applicant: Taft Development Group  
Mailing Address: 631 Dickinson Ave Greenville, NC 27834  
Phone Number: 252-375-1434 Fax: \_\_\_\_\_  
Contact Person: Kevin Johnston  
Email Address: kevin@tfonc.com

### PROPERTY OWNER INFORMATION

Name: Ballou-Lewis Properties, LLC  
Mailing Address: PO Box 662 Greenville, NC  
Phone Number: 252-531-9704 Fax: \_\_\_\_\_  
Email Address: lewisphil54@gmail.com

### FOR OFFICE USE ONLY

Date Received: \_\_\_\_\_ File Number/Name: \_\_\_\_\_

**PROJECT INFORMATION**

Use:  New  Expanded  Change      Use Type:  Residential  Commercial

Proposed Use(s): Residential Townhomes      Existing Use(s): Vacant

Developer Name: Taft Development Group  
 Mailing Address: 631 Dickinson Ave Greenville, NC 28534  
 Phone Number: 252-375-1434      Fax Number: \_\_\_\_\_  
 Email Address: kevin@tfunc.com

**ALLOCATION REQUEST (See instructions on page 3 regarding use of Professional Engineer)**

The following supplemental information is required:

- Complete development proposal for Priority Levels 1, 2 or 3 allocation request
- Preliminary plan or sketch plan for Priority Level 4 allocation request meeting requirements for site plans as established on the Town's Building Permit Application or as described for sketch plans by the Town's Subdivision Ordinance
- If a phasing schedule is proposed, include as an attachment

**Residential:**

Gross Acreage: 19.67

Single Family	# of Units	GPD per Unit	Total Requested GPD
1-2 Bedroom Units			
3 Bedroom Units			
>3 Bedroom Units			
<b>Total</b>		-----	

Multi-Family	# of Units	GPD per Unit	Total Requested GPD
1-2 Bedroom Units	42	120	5040
3 Bedroom Units	63	180	11340
>3 Bedroom Units			
<b>Total</b>		-----	16380

**Non-Residential: (Design Flow Guideline provided as Appendix A)\***

*\*If design flow deviates from the flow rates presented in Appendix A, provide supporting documentation/justification as an attachment in the form of 12 months of water bills demonstrating gallons per day utilized.*

Gross Acreage: \_\_\_\_\_

Use	Measurement Unit	# of Units	GPD per Unit	Total Requested GPD
<b>Total</b>			-----	

**TOTAL REQUESTED GALLONS PER DAY:** 16,380

# APPLICANT AFFIDAVIT

I/We, the undersigned, do hereby make application and petition to the Town of Beaufort to approve the subject Wastewater Allocation. I hereby certify that I have full legal right to request such action and that the statements or information made in any paper or plans submitted herewith are true and correct to the best of my knowledge. I understand this application, related material and all attachments become official records of the Planning Department of the Town of Beaufort, North Carolina, and will not be returned.

Johnny K. Johnston  
Print Name

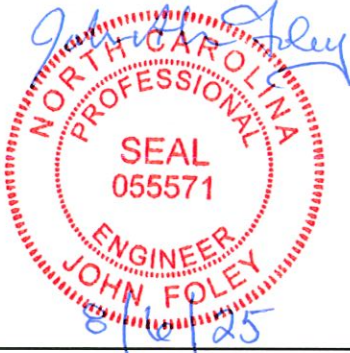
*Johnny K. Johnston*  
Signature of Applicant

8/6/25  
Date

# ENGINEER'S CERTIFICATION

The allocation request data provided on page 2 of this form shall be provided by a Professional Engineer for all requests except single lot residential infill requests and commercial requests equal to or less than 360 gallons per day. The certification statement below shall be completed by the Professional Engineer providing the data.

I, John "Alan" Foley hereby attest that the total requested allocation and the values used to derive the total are to the best of my knowledge, accurate and complete having been prepared in accordance with the instructions of this form while also adhering to applicable State laws, regulations, and rules, concerning the determination of design daily wastewater flows from facilities served by public wastewater collection and treatment systems.



Signed and Dated Professional Engineer Seal

Stroud Engineering, PA  
Firm Name

422 Hwy 24 Morehead City, NC 28557  
Address

252-247-7479  
Telephone No.

afoley@stroudengineer.com  
Email Address

Approved by:  Town Engineer  
 Board of Comissioners

Allocation approved: \_\_\_\_\_ gallons per day

Date of Approval: \_\_\_\_\_

Confirmation signature by:

\_\_\_\_\_  
Town Manager

## APPENDIX A: DESIGN FLOW RATES

The following table from the North Carolina Administrative Code 02T.0114 shall be used to determine the minimum allowable design daily flow of wastewater facilities. Alternatively, the Town in its sole and absolute discretion may calculate the customer's initial average daily wastewater flow based on data from the customer's operations (or from similarly situated customers) with a comparable sanitary sewer system, where such data are available and reasonably current.

Establishment Type	Daily Flow Rate
<b>Barber and Beauty Shops</b>	
Barber Shops	50 gal/chair
Beauty Shops	125 gal/booth or bowl
<b>Businesses, Offices and Factories</b>	
General business and office facilities	25 gal/employee/shift
Factories, excluding industrial waste	25 gal/employee/shift
Factories or businesses with showers or food preparation	35 gal/employee/shift
Warehouse	100 gal/loading bay
Warehouse – self storage (not including caretaker residence)	1 gal/unit
<b>Churches</b>	
Churches without kitchens, day care or camps	3 gal/seat
Churches with kitchen	5 gal/seat
Churches providing day care or camps	25 gal/person (child & employee)
<b>Fire, Rescue and Emergency Response</b>	
Fire or rescue stations without on-site staff	25 gal/person
Fire or rescue stations with on-site staff	50 gal/person/shift
<b>Food and Drink Facilities</b>	
Banquet, dining hall	30 gal/seat
Bars, cocktail lounges	20 gal/seat
Caterers	50 gal/100 sq. ft. floor space
Restaurant, full Service	40 gal/seat
Restaurant, single service articles	20 gal/seat
Restaurant, drive-in	50 gal/car space
Restaurant, carry out only	50 gal/100 sq. ft. floor space
Institutions, dining halls	5 gal/meal
Deli	40 gal/100 sq. ft. floor space
Bakery	10 gal/100 sq. ft. floor space
Meat department, butcher shop or fish market	75 gal/100 sq. ft. floor space
Specialty food stand or kiosk	50 gal/100 sq. ft. floor space
<b>Hotels and Motels</b>	
Hotels, motels and bed & breakfast facilities, without in-room cooking facilities	120 gal/room
Hotels and motels, with in-room cooking facilities	175 gal/room
Resort hotels	200 gal/room
Cottages, cabins	200 gal/unit
Self-service laundry facilities	500 gal/machine
<b>Medical, Dental and Veterinary Facilities</b>	
Medical or dental offices	250 gal/practitioner/shift
Veterinary offices (not including boarding)	250 gal/practitioner/shift
Veterinary hospitals, kennels, animal boarding facilities	20 gal/pen, cage, kennel or stall
Hospitals, medical	300 gal/bed
Hospitals, mental	150 gal/bed
Convalescent, nursing, rest homes without laundry facilities	60 gal/bed
Convalescent, nursing, rest homes with laundry facilities	120 gal/bed
Residential care facilities	60 gal/person
<b>Parks, Recreation, Camp Grounds, R-V Parks and other Outdoor Activity Facilities</b>	
Campgrounds with comfort station, without water or sewer hookups	75 gal/campsite

Establishment Type	Daily Flow Rate
Campgrounds with water and sewer hookups	100 gal/campsite
Campground dump station facility	50 gal/space
Construction, hunting or work camps with flush toilets	60 gal/person
Construction, hunting or work camps with chemical or portable toilets	40 gal/person
Parks with restroom facilities	250 gal/plumbing fixture
Summer camps without food preparation or laundry facilities	30 gal/person
Summer camps with food preparation and laundry facilities	60 gal/person
Swimming pools, bathhouses and spas	10 gal/person
Public access restrooms	325 gal/plumbing fixture
<b>Schools, Pre-school and Day Care</b>	
Day care and preschool facilities	25 gal/person (child & employee)
Schools with cafeteria, gym and showers	15 gal/student
Schools with cafeteria	12 gal/student
Schools without cafeteria, gym or showers	10 gal/student
Boarding schools	60 gal/person (student & employee)
<b>Service Stations and Car Wash Facilities</b>	
Service stations, gas stations	250 gal/plumbing fixture
Car wash facilities	1200 gal/bay
<b>Sports Centers</b>	
Bowling center	50 gal/lane
Fitness, exercise, karate or dance center	50 gal/100 sq. ft.
Tennis, racquet ball	50 gal/court
Gymnasium	50 gal/100 sq. ft.
Golf course with only minimal food service	250 gal/plumbing fixture
Country clubs	60 gal/member or patron
Mini golf, putt-putt	250 gal/plumbing fixture
Go-kart, motocross	250 gal/plumbing fixture
Batting cages, driving ranges	250 gal/plumbing fixture
Marinas without bathhouse	10 gal/slip
Marinas with bathhouse	30 gal/slip
Video game arcades, pool halls	250 gal/plumbing fixture
Stadiums, auditoriums, theaters, community centers	5 gal/seat
<b>Stores, Shopping Centers, Malls and Flea Markets</b>	
Auto, boat, recreational vehicle dealerships/showrooms with restrooms	125 gal/plumbing fixture
Convenience stores, with food preparation	60 gal/100 sq. ft.
Convenience stores, without food preparation	250 gal/plumbing fixture
Flea markets	30 gal/stall
Shopping centers and malls with food service	130 gal/1000 sq. ft.
Stores and shopping centers without food service	100 gal/1000 sq. ft.
<b>Transportation Terminals</b>	
Air, bus, train, ferry, port and dock	5 gal/passenger

Source: North Carolina Administrative Code 02T.0114, January 1, 2007

The North Carolina Division of Environmental Quality (NCDEQ) approved on August 8, 2022 the Town of Beaufort's request for an adjusted daily sewage flow rate (flow reduction) that would apply to all permitted but not yet tributary connections and all future connections from single-family, detached residential units within the Town of Beaufort service area. NCDEQ also approved on November 28, 2022 the Town's request that would apply to all permitted but not yet tributary multi-family residential units within the Town's service area. Accordingly, the in determining the volume from single-family, detached residential units and multi-family residential units, the flow rate shall be 60 gallons per day per bedroom. The minimum volume of sewage from each residential dwelling unit shall be 120 gallons per day and each additional bedroom above two bedrooms shall increase the volume by 60 gallons per day.

Each bedroom or any other room or addition that can function as a bedroom shall be considered a bedroom for design purposes.

Sewer Connection Options  
Proposed Taft Townhome Project  
Town of Beaufort, NC

An evaluation was performed to determine the possibility of connecting the proposed project to existing sanitary sewer system by gravity. The elevation of three existing manholes located in close proximity to the project were reviewed for suitability as follows:

- MH 377, located on east side of Hwy 101 near proposed main entrance, has invert elevation of ±4.6 ft.
- MH 373, located at the end of Olivia Road (appears to be on Lynch property – 106 Olivia), has invert elevation of ±3.92 ft. Note: MH is partially filled with mud and debris.
- MH 885, located on project property near 201 Ronnie Road, has invert elevation of ±1.99 ft.

The deepest and most easily accessible point of connection would be MH 885. The total length of gravity sewer main to traverse the project and connect with MH 885 would be approximately 2390 ft. Assuming 8-inch piping at 0.4% slope, the elevation drop would be ±9.6 ft. Meaning the invert of furthest new manhole would be elevation ±11.6 ft, resulting in finished grades exceeding elevation 14.6 ft. Given that the average existing grade is approximately elevation 9 ft, the fill required to allow a gravity sewer system connection was deemed unfeasible. The other two manholes were similarly evaluated and also found to be unfeasible for gravity connection; therefore, a centrally located pump station and force main is warranted. This proposed pump station and force main will need to conform with requirements of 15A NCAC 02T, as well as, other pertinent NCDEQ criteria and the Town of Beaufort requirements.

A gravity system will be utilized to collect wastewater from each building and convey flows to the pump station. A central location for the pump station is recommended to reduce depth of gravity pipe network. The pump station is expected to include duplex pumps with a stand-by power source. Based on 60 gallons per day per bedroom, an average daily flow of 16,380 gallons was calculated. A preliminary estimate of peak hourly flows is in the range of 45 gallons per minute. Pump selection and force main size necessary to convey the design flow will need to be coordinated with the Town of Beaufort.

The same manholes evaluated for gravity connection are potential points of connection for the force main. MH 377 would require directional drill under Hwy 101 and an encroachment permit with NCDOT. MH 373 has potential issues with disturbing private property. MH 885 would be the most readily accessible point of discharge for the force main. Information pertaining to downstream facilities (i.e. receiving pump station) was not available at the time of review; subsequently, the Town may request a different point of connection based on capacity of existing facilities.

Ownership and maintenance responsibilities for the gravity system, pump station and force main will need to be coordinated with the Town of Beaufort.

\*\*\*\*\*

End of Section





**Town of Beaufort, NC**

701 Front St. - P.O. Box 390 - Beaufort, N.C. 28516  
252-728-2141 - 252-728-3982 fax - www.beaufortnc.org

**Board of Commissioners  
Regular Meeting  
6:00 PM Monday, September 9, 2025**

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**AGENDA CATEGORY:** New Business

**SUBJECT:** Resolution: Petition for Annexation of 143 & 179 Pinners Point Road

**BRIEF SUMMARY:**

The Cullipher Group submitted a petition for annexation on behalf of property owner Roberta D. West and client Britt Development Company for portions of property located on Pinners Point Road, totaling 31.83 acres. The annexation application and map are attached for your review. The first step in this process involves Board action to instruct the Town Clerk to investigate the sufficiency of the annexation request.

**REQUESTED ACTION:**

Approval/Denial of the attached draft Resolution instructing the Town Clerk to investigate the petition for annexation submitted.

**SUBMITTED BY:**

Elizabeth Lewis, Town Clerk

**BUDGET AMENDMENT REQUIRED:**

N/A



**THE CULLIPHER GROUP, P.A.**  
**ENGINEERING & SURVEYING SERVICES**  
**C-4482**

**Request for Voluntary Annexation**

Mr. Matt Zapp, Town Manager  
Town of Beaufort  
701 Front St.  
Beaufort, NC 28516

Dear Manager:

As an agent for the applicant of the attached voluntary annexation request, I would like the Town Commissioners to consider my request for annexation. The property in question is located at 143 & 179 Pinner's Point Road. The property is currently undeveloped and is zoned within the Town of Beaufort's jurisdiction as R-20. The total size of the tracts is 31.83 acres. The property is contiguous to city limits. The property will be recombined to reflect the property lines shown on the attached Annexation Map.

- A) Attached is a list of adjoining property owners.
- B) The tax evaluation data for the property is as follows:
  - 1. Tax Parcel Numbers: 731609066438000, 731609153648000
  - 2. Owner(s) as listed on Deed: Pearl G. West Trustee
  - 3. Tax Value (by parcel): \$569,440 (Tract 1), \$460,563 (Tract 2)
- C) The anticipated impact to Town services is as follows (Tract 2 – residential only, Tract 1 – future business unknown at this time):
  - 1. Water: 32,800 GPD (Tract 2)
  - 2. Sewer: 14,760 GPD (Tract 2)
- D) Enclosed, please find the following information:
  - 1. A signed Application for Voluntary Annexation;
  - 2. Copy of Annexation Survey;
  - 3. Copy of the Deed for the Area to Be Annexed to verify ownership;
  - 4. Carteret County Tax Parcel Cards
  - 5. Flat fee of \$350.00

Sincerely,

Ronald D. Cullipher, PE



Town of Beaufort NC  
701 Front St. • P.O. Box 390 • Beaufort, N.C. 28516  
252-728-2141 • 252-728-3982 fax  
[www.beaufortnc.org](http://www.beaufortnc.org)

**APPLICATION FOR VOLUNTARY ANNEXATION REQUEST**

**Instructions:** Please complete the form below and include all required attachments, including the **\$350 application fee (to The Town of Beaufort)** and return to the Planning Department, Town Hall, 701 Front St., PO Box 390, Beaufort, NC, 28516. Incomplete applications will not be processed and returned to the applicant. Please contact Town Hall at (252) 728-2141 with any questions.

Applicant Name: Roberta D. West  
Applicant Address: 231 Pinners Point Road, Beaufort, NC 28516  
Phone Number: (252) 728-7353 Email: abweskin@att.net

Property Owner Name: Pearl G. West Trustee (c/o Roberta D. West)  
Address of Property: 143 & 179 Pinners Point Rd, Beaufort, NC 28516  
Phone Number: (252) 728-7353 Email: abweskin@att.net

**PROPERTY INFORMATION**

Property Address: 143, 149, 179, 189, 237 Pinners Point Rd Current Zoning: R-20  
15 Digit Pin: 731609066438000, 731609153648000 Size of Property (Square Feet or Acres): 31.83 ac

Is the property Contiguous to the City Limits:  Yes  No;

If Not Contiguous please indicate how many miles it is to the City Limits: \_\_\_\_\_

Current Use of Property:

- Residential  Vacant  
 Commercial  Other: \_\_\_\_\_

Roberta D. West Date: \_\_\_\_\_  
Applicant Signature

OFFICE USE ONLY Revised 7/22  
Received by: \_\_\_\_\_ Reviewed for Completeness By: \_\_\_\_\_  
Date: \_\_\_\_\_ Date Deemed Complete and Accepted: \_\_\_\_\_

Same as above \_\_\_\_\_ Date: \_\_\_\_\_  
Property Owner Signature (if different than above)

**A fee of \$350 to the Town of Beaufort must accompany this application.**

**REQUIRED ATTACHMENTS FOR A VOLUNTARY ANNEXATION REQUEST**

**Please provide the following as attachments to the voluntary annexation request form:**

1. Copy of the Annexation Survey (suitable for recording)
2. Copy of all the deeds for the area to be annexed to verify ownership
3. A TYPED list of adjoining property owners
4. Carteret County Tax Parcel Card (Included should be parcel number and tax value)
5. Anticipated impact to city services including estimated gallons of water/sewer per day

Annexation Request  
143, 149, 179, 189, 237 Pinners Point Road  
Beaufort, NC 28516  
Applicant: Britt Development Co. of Archdale, LLC

Adjoining Property Owners Within 100'

OWNER	NCPIN	DEED BOOK-PG	ZONE
1. Beaufort Agrihood Development, LLC 10 State Road #289 Bath, ME 04530	731609161556000	1778-056	R-20
2. Tiller School for Elementary Education, Inc. 1950 Live Oak Street Beaufort, NC 28516	731609066779000	739-713	R-8
3. State Employees Credit Union PO Drawer 26807 Raleigh, NC 27611	731609063522000	1394-4	B-1
4. Melton & Linda Lawrence 155 Pinners Point Road Beaufort, NC 28516	731609065043000	392-370	R-20
5. Melton & Linda Lawrence 155 Pinners Point Road Beaufort, NC 28516	731609055984000	1166-462	R-20
6. James Lawrence 169 Pinners Point Road Beaufort, NC 28516	731609056845000	778-225	R-20
7. Ryan & Debora Fulcher 2506 Azeele Street, #114 Tampa, FL 33609	731609058444000	1796-438	R-20
8. Forest Chapman 215 Pinners Point Road Beaufort, NC 28516	731609058395000	1679-337	R-20
9. Roberta West 231 Pinners Point Road Beaufort, NC 28516	731609150384000	1799-218	R-20

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10. Marvin & Linda Hines 5032 Aldridge Store Road La Grange, NC 28551	731609152370000	1657-213	R-20
11. Renee Boudreau Spear 257 Pinnars Point Road Beaufort, NC 28516	731609153261000	1183-251	R-20
12. Janelle McCord 7410 Morgan Road Cleves, OH 45002	731609155026000	1809-78	R-20
13. North River Methodist Church 2494 US Hwy 70 East Beaufort, NC 28516	731609157003000	1790-466	R-20
14. Donny & Betty Ward 293 Pinnars Point Road Beaufort, NC 28516	731613147920000	463-380	R-20
15. James & Hazel Guthrie 101 Howland Parkway Beaufort, NC 28516	731609158055000	1402-71	R-20
16. George & Sandra Wheatly PO Box 26 Smyrna, NC 28579	731609159181000	1818-275	R-20
17. George & Sandra Wheatly PO Box 26 Smyrna, NC 28579	731609251241000	1818-275	R-20
18. Eric & Meredith Siegmann 129 Howland Parkway Beaufort, NC 28516	731609252055000	1195-416	R-20
19. George & Sandra Wheatly PO Box 26 Smyrna, NC 28579	731609253204000	1818-275	R-20
20. William Kaeser & Maria Apolloni 215 Ash Lane Beaufort, NC 28516	731609252438000	1280-115	R-20
21. Terrence Smith 235 Ash Lane Beaufort, NC 28516	731609251730000	1305-284	R-20

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22. Bertie Eubanks Neely 846 Neely Road Asheboro, NC 27203	731609167703000	330-258	R-20
23. Dale & Judith Harmelink 1703A Front Street Beaufort, NC 28516	731609060491000	1657-296	B-1
24. Jean R Wellons, LLC 3003 Bridges Street Morehead City, NC 28557	731609062012000	1745-185	B-1/TCA
25. Derek & Lauren Jenkins 166 Pinners Point Road Beaufort, NC 28516	731609053892000	1650-375	R-8
26. Karen Joy Lewis 170 Pinners Point Road Beaufort, NC 28516	731609054713000	628-409	R-8
27. Cameron Brooks Stephenson 8009 Burgaw Lane Willow Springs, NC 27592	731609054656000	1733-179	R-8
28. Frost I, LLC 120 W Pelican Drive Oak Island, NC 28465	731609055552000	1856-375	R-8
29. Zachary D. Gillum 155 Glenda Drive Beaufort, NC 28516	731609056328000	1623-171	R-8
30. Harkaway Steep Point, LLC 712 Arendell Street Morehead City, NC 28557	731614249015000	1814-362	R-8

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PARCEL: 731609153648000  
 WEST PEARL G TRUSTEE  
 231 PINNERS POINT ROAD  
 BEAUFORT, NC 28516  
 ACCOUNT NUMBER: 65961

**Carteret County, North Carolina**

**Tax Districts**  
 01 County, 42 Beaufort Fire, 46 Beaufort Rescue  
 Jurisdiction: 0011 - 0011 BFT/BFT FIRE/RESCUE

Route Number:  
 Appraiser Area:  
 Tax Year: 2025 Reval Year: 2025  
 Visited By: FHERNANDEZ  
 Information Source: VXF

PARCEL INFORMATION		PROPERTY DESCRIPTION		VALUE SUMMARY	
ADDRESS: 1110011.00-Beaufort E of Live Oak N of Lenoxville		PT TR 2 PEARL G WEST 23.9380 AC		LAND VALUE:	450,720
NBHD: 11 - BEAUFORT				BUILDING VALUE:	0
MAP #: 7316				OBXF VALUE:	9,843
				APPRAISED VALUE:	460,563
				DEFERRED VALUE:	0
				ASSESSED VALUE:	460,563
				TAX EXEMPT(CA):	460,563

NOTES		PERMIT INFORMATION		SALES INFORMATION	
Date	Status	Amount	CO Date	Price	V/I   S   Book/Page   Valid Code
					0 V   1327/241   N
					0 V   1166/462   N

LAND DATA - MARKET VALUE								
I.#	CODE	DESCRIPTION	SIZE	TYPE	BASE RATE	ADJUSTMENTS	ADJUSTED UNIT PRICE	VALUE
176	TL	TILLABLE	5.34800	AC	20,000		19,674.645	105,220
	WD	WOODLAND	18.50000	AC	15,000		15,000	277,500
3	RA	RESIDENTIAL AGRICULTURE FRONTAGE	2.00000	AC	34,000		34,000	68,000
					Total Market Land	25.84800		450,720

OUTBUILDING DATA												
CODE	DESCRIPTION	UNITS	LENGTH	WIDTH	AREA	GRADE	CONDITION	AYB	% COMPLETE	RATE	VALUE	
G10	Shed	1	28	62	1,736	C	Fair	1970		15.7500	9,843	
											Total OBXF Value	9,843







Joy Lawrence 2P  
CARTERET COUNTY  
JL Date 11/30/2009 Time 12:31:00  
GR 1327241 Page 1 of 2

NORTH CAROLINA, CARTERET COUNTY  
This instrument and this certificate are duly filed at  
the date and time and in the Book and Page shown  
on the first page hereof.

BY Joy Lawrence  
Joy Lawrence, Register of Deeds  
Asst. Deputy, Register of Deeds

ExciseTax NTC

Recording Time, Book and Page

Tax Lot No. \_\_\_\_\_ Parcel Identifier No. 7316.09.06.8198000  
Verified by \_\_\_\_\_ County on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_  
by \_\_\_\_\_  
Mail after recording to  
Grantee \_\_\_\_\_

This instrument was prepared by Patrick E. Neighbors, Esq., Attorney-at-Law, 2500 Regency Parkway, Suite 108, Cary, North Carolina 27518 \*\*No title opinion given, nor representation rendered.

Brief description for the Index

**NORTH CAROLINA GENERAL WARRANTY DEED**

THIS DEED made this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_, by and between GRANTOR  
PEARL G. WEST

231 Pinners Point Road  
Beaufort, North Carolina 28516

GRANTEE

**PEARL G. WEST, trustee of the PEARL WEST  
REVOCABLE LIVING TRUST DATED**

11-19-09  
231 Pinners Point Road  
Beaufort, North Carolina 28516

Enter in the appropriate block for each party: name, address, and, if appropriate, character of entity, e.g. corporation or partnership  
The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.  
WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is here acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, all of the certain lot or parcel of land situated in the City of \_\_\_\_\_, Beaufort Township, Carteret County, North Carolina and more particularly described as follows:

Tract 1: Being an 18.674 acre parcel (pin = 7316.09069076).

Tract 2-11: Being all of lots 1,2,3,4, and 5, Block A, and lots 1,2,3,5, and 6, Block B, Gibbs Place as recorded in amp book 17, page 14.

**BOOK 1327 PAGE 241**

②

Tracts 12 and 13: Any right or interest in those 60 ft. wide strips shown as Briar Wood Road and Overland Road shown on plat of Gibbs Place recorded in map book 17, page 14, Carteret Registry.

The property hereinabove described was acquired by Grantor by instrument recorded in:  
Book 1166, Page 462

A map showing the above described property is recorded in Plat Book \_\_\_\_\_ page \_\_\_\_\_.

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

And the Grantor covenants with the Grantee, that Grantor is seized of the premises in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and the Grantor will warrant and defend the title against the lawful claims of all persons whomsoever except for the exceptions hereinafter stated.

Title to the property hereinabove described is subject to the following exceptions:

Of record. See prior granting instrument for any applicable exceptions.

IN WITNESS WHEREOF, the Grantor has hereunto set his hand and seal, or if corporate, has caused this instrument to be signed in corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, the day and year for above written.

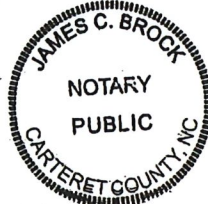
x Pearl G. West (seal)  
PEARL G. WEST

STATE OF NORTH CAROLINA  
COUNTY OF CARTERET

I, JAMES C BROCK, Notary Public Of CARTERET COUNTY, Do Hereby Certify That PEARL G. WEST Personally Appeared Before Me This Day And Acknowledged The Due Execution Of The Foregoing Instrument In Writing. Witness my hand and seal Or Stamp, This 30 Day Of NOVEMBER, 2009.

MY COMMISSION EXPIRES: 28 OCTOBER, 2012

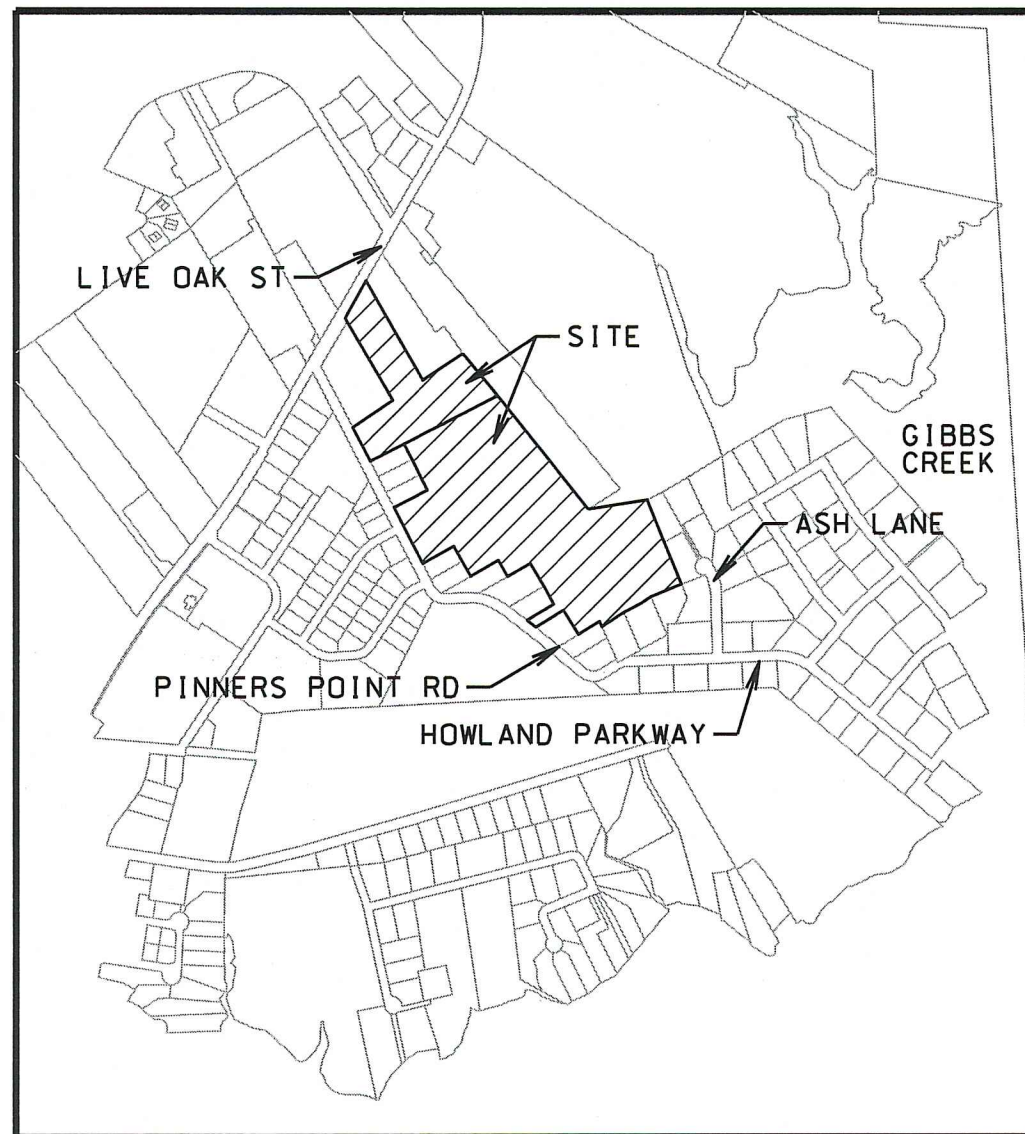
James C Brock  
NOTARY PUBLIC  
(SEAL OR STAMP)



is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

By \_\_\_\_\_ REGISTER OF DEEDS FOR Carteret County  
Deputy/Assistant - Register of Deeds

BOOK 1327 PAGE 241



VICINITY MAP N.T.S.

**REVIEW OFFICER CERTIFICATION**

COUNTY OF CARTERET  
 I, REVIEW OFFICER OF CARTERET COUNTY  
 CERTIFY THAT THE MAP OR PLAT TO WHICH THIS CERTIFICATION IS  
 AFFIXED MEETS ALL STATUTORY REQUIREMENTS FOR RECORDING.

REVIEW OFFICER \_\_\_\_\_ DATE \_\_\_\_\_

**REGISTER OF DEEDS CERTIFICATION**

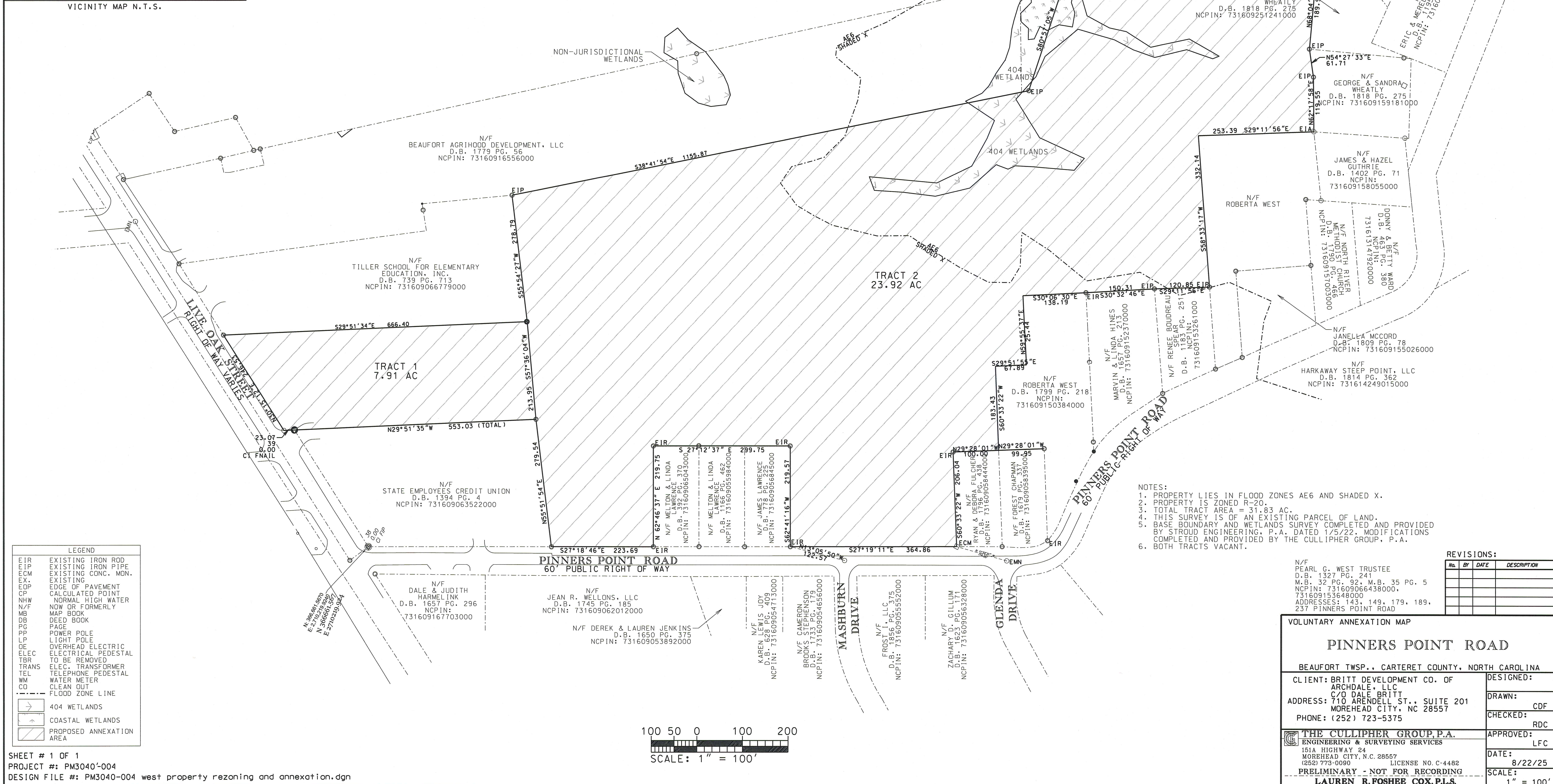
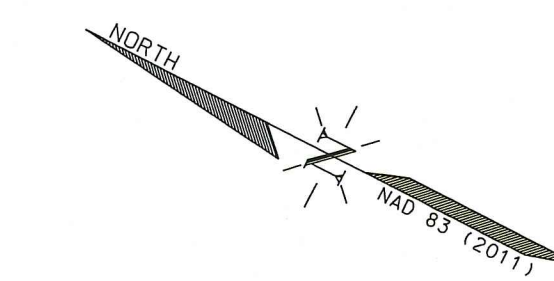
FILED FOR REGISTRATION AT \_\_\_\_\_ O'CLOCK  
 ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 2025.  
 RECORDED IN MAP BOOK \_\_\_\_\_ PAGE \_\_\_\_\_

KAREN S. HARDESTY, REGISTER OF DEEDS  
 BY: \_\_\_\_\_ ASSISTANT DEPUTY

**SURVEYOR'S CERTIFICATE**

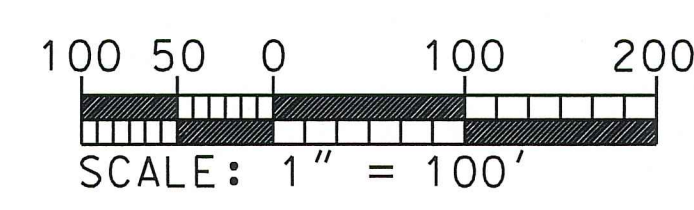
I, LAUREN R. FOSHEE COX, CERTIFY THAT THIS PLAT WAS DRAWN UNDER MY  
 SUPERVISION FROM AN ACTUAL SURVEY MADE UNDER MY SUPERVISION  
 (DEED DESCRIPTION RECORDED IN BOOKS REFERENCED); THAT THE  
 BOUNDARIES NOT SURVEYED ARE CLEARLY INDICATED AS DRAWN FROM  
 INFORMATION FOUND IN BOOKS REFERENCED ON THE FACE OF THIS PLAT;  
 THAT THE RATIO OF PRECISION AS CALCULATED IS 1:10,000+1 THAT  
 THIS SURVEY WAS PREPARED IN ACCORDANCE WITH GS 47-30 AS AMENDED.  
 WITNESS MY ORIGINAL SIGNATURE, LICENSE NUMBER, AND SEAL  
 THIS 13TH DAY OF AUGUST A.D. 2025

PROFESSIONAL LAND SURVEYOR L-5677



**LEGEND**

EIR	EXISTING IRON ROD
EIP	EXISTING IRON PIPE
ECM	EXISTING CONC. MON.
EX.	EXISTING
EDP	EDGE OF PAVEMENT
CP	CALCULATED POINT
NHW	NORMAL HIGH WATER
N/F	NOW OR FORMERLY
MB	MAP BOOK
DB	DEED BOOK
PG	PAGE
PP	POWER POLE
LP	LIGHT POLE
OE	OVERHEAD ELECTRIC
ELEC	ELECTRICAL PEDESTAL
TBR	TO BE REMOVED
TRANS	ELEC. TRANSFORMER
TEL	TELEPHONE PEDESTAL
WM	WATER METER
CO	CLEAN OUT
---	FLOOD ZONE LINE
→	404 WETLANDS
↑	COASTAL WETLANDS
▨	PROPOSED ANNEXATION AREA



- NOTES:**
1. PROPERTY LIES IN FLOOD ZONES AE6 AND SHADED X.
  2. PROPERTY IS ZONED R-20.
  3. TOTAL TRACT AREA = 31.83 AC.
  4. THIS SURVEY IS OF AN EXISTING PARCEL OF LAND.
  5. BASE BOUNDARY AND WETLANDS SURVEY COMPLETED AND PROVIDED BY STROUD ENGINEERING, P.A. DATED 1/5/22. MODIFICATIONS COMPLETED AND PROVIDED BY THE CULLIPHER GROUP, P.A.
  6. BOTH TRACTS VACANT.

**REVISIONS:**

No.	BY	DATE	DESCRIPTION

**VOLUNTARY ANNEXATION MAP**

**PINNERS POINT ROAD**

BEAUFORT TWP., CARTERET COUNTY, NORTH CAROLINA

CLIENT: BRITT DEVELOPMENT CO. OF ARCHDALE, LLC ADDRESS: 710 ARENDELL ST., SUITE 201 MOREHEAD CITY, NC 28557 PHONE: (252) 723-5375	DESIGNED: DRAWN: CDF CHECKED: RDC APPROVED: LFC
THE CULLIPHER GROUP, P.A. ENGINEERING & SURVEYING SERVICES 151A HIGHWAY 24 MORRISVILLE, N.C. 28557 (252) 773-0090 LICENSE NO. C-4482 PRELIMINARY - NOT FOR RECORDING LAUREN R. FOSHEE COX, P.L.S.	DATE: 8/22/25 SCALE: 1" = 100'



**RESOLUTION DIRECTING THE CLERK TO INVESTIGATE A PETITION  
RECEIVED UNDER G.S. 160A-31  
RESOLUTION NO. 25-\_\_\_\_\_**

**WHEREAS**, a petition requesting annexation of an area described in said petition was received on August 26, 2025, by the Town of Beaufort; and

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

**WHEREAS**, the Board of Commissioners of the Town of Beaufort deems it advisable to proceed in response to this request for annexation;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of the Town of Beaufort that:

The Town Clerk is hereby directed to investigate the sufficiency of the above described petition and to certify as soon as possible to the Board of Commissioners the result of this investigation.

Adopted this \_\_\_\_ day of September 2025.

\_\_\_\_\_  
Sharon E. Harker, Mayor

\_\_\_\_\_  
Elizabeth Lewis, Town Clerk