

Currituck County Board of Commissioners Agenda

Historic Currituck County Courthouse

Date: Monday, April 07, 2008

Time: 7:00 PM

Work Sessions

4:00 p.m. Cooperative Extension Center Open House

5:30 p.m. Moyock Central Wastewater

Regular Agenda

7:00 p.m. Invocation
Pledge of Allegiance

Item 1 Approval of Agenda

Item 2 Public Comment

Please limit comments to items not appearing on the regular agenda, please limit comments to 3 minutes.

Item 3 **Presentation by "Project Graduation"**

Item 4 **Mr. Richard Horn, request funding for Food Pantry**

Item 5 **Public Hearing and Action - Street Name Petition to Change from Overton Lane to Cooper Landing Drive**

Item 6 **Public Hearing and Action** PB 08-13 Coinjock Meadows:
Request to rezone 1.9 acres from General Business (GB) to Mixed Residential (RA) and 2.6 acres from Agricultural (A) to Mixed Residential (RA). The property is located along Worth Guard Road, approximately 4/10th of a mile from the north bank of the Coinjock Canal, Tax Map 70, Parcel 13 (pt.), Crawford Township.

Item 7 **Public Hearing and Action** PB 08-07 Villas At The Pointe:
Special Use Permit for a 90 unit Residential Multi-Family development. The property is located on Caratoke Hwy., 890 feet south of Pointe Golf Club Drive, Tax Map 124, Parcel 105B, Poplar Branch Township, Currituck Co.

Item 8 **Public Hearing and Action** PB 08-06 Bobby Waddell: Request for Sketch Plan/Special Use Permit for two single family lots located in Moyock at 1952 Tulls Creek Road, Tax Map 40, Parcel 2C, Crawford Township.

Item 9 **Public Hearing and Action** PB 08-11 Joel Justice: Request to rezone 29 acres from Agricultural (A) to Residential (R). The property is located in Jarvisburg at Indian Kettle Road, Tax Map 109, Parcels 53F, 50A, and 53E, Poplar Branch Township.

Item 10 **Public Hearing and Action** PB 08-12 Currituck County Text Amendment: Request to amend Chapter 9: Infrastructure of the Currituck County Unified Development Ordinance to exempt family subdivisions from public water and fire protection requirements.

Item 11 **Consent Agenda:**

1. Change Order for Jarvisburg Elementary School
2. Change Order for Shawboro Elementary School
3. Petition for Addition to State Maintained Road System-Brabble Street and Womack Drive
4. Letter to De-obligate 2005 CDBG Scattered-Site Funding
5. Approval of March 17, 2008, Minutes
6. Budget Amendments
7. Select Custom Apparatus, Inc contract to purchase 5 ambulances

Item 12 Commissioner's Report

Item 13 County Manager's Report

Adjourn

STREET NAME PETITION

rev. 7/07

Currituck County GIS
P.O. Box 9
Currituck, NC 27929

The General Statutes of the State of North Carolina, GS 153A-239.1, authorizes the Currituck County Board of Commissioners to name or rename any street or road within the county.

It is the goal of Currituck County to prevent and eliminate street name duplication.

We the undersigned present this petition and request that action be taken administratively or a public hearing be called by the Currituck County Board of Commissioners to consider the following matter indicated by a check mark (✓) and described below:

- () Assignment of a name to an unnamed street. (If the name is approved, all costs of signage and installation shall be the responsibility of the applicant(s) petitioning for the naming unless street is in a subdivision created prior to 4/2/89 and a sign was never installed.)
- (✓) Changing the name of a street. (If the street name is changed, all costs of signage and installation shall be the responsibility of the applicant(s) petitioning for the name change)

Location of Street:

Describe location in relation to major highways or state streets:

Overton Lane is located on the west side of Narrow Shore Rd. It is the existing street name at Cooper Landing.

Township(s):

(If in more than one township, list all townships) Poplar Branch

Street Number - Private

(SR & four digits) SR _____ (Highway Number) N.C.# _____ U.S.# _____

Present Name of Street:

Name or names by which the street is known (If the street has no name, write "no name"): Overton Lane

New Name Proposed for the Street:

Petitioner(s) have consulted Currituck County GIS and found that the name proposed for the street does not duplicate or sound deceptively

similar to the name of any other street in Currituck County, and hereby propose that the street be named:

Cooper Landing Drive
from its point beginning at Narrow Shore Rd (give street name or number) extending approximately 1150 Feet miles, to its terminus at cul-de-sac (street name or number if applicable).

Reason for Petition:

Explain why it is necessary for the street to be named or renamed:

The property owners would like to rename Overton Lane to Cooper Landing Drive so that the street name identifies the subdivision. This has many short term and long term practical reasons.

Petition Leader:

(Petition Leader must own property along the petitioned street or petition is void)

*MLS listing address/Advertising
*Deliveries/Directions, etc.

Name Cooper Quality Construction, Inc (John Cooper)

Address PO Box 129

City Poplar Branch State NC Zip Code 27965

Telephone (Home) 252-453-8785 (Other) 252-207-8877

Tax Map Number and Parcel Number of Petition Leader:

82C/082C00000030000, 082C00000040000, 082C0000005000

082C00000060000, 082C00000070000, 082C00000080000

082C00000090000, 082C00000100000, 082C00000110000

Petitioners: 082C00000120000, 082C00000130000, 082C00000140000

Petitioners must own property along the street.

A resolution by the Currituck County Board of Commissioners states that "Petitions must be signed by at least 50% plus one of the property owners along the street to be named or renamed in order to be considered by the Board of Commissioners" (unless otherwise required by the County).

Please list information in the correct category. **Along with each signature include: address, telephone number, tax map number, and parcel number.**

Property Owners

1. Cooper Quality / Narrow Shores.
PO Box 129
Poplar Branch, NC 27965
252-453-8785

PIN: 0822000000316082200000140000
Signature: [Handwritten Signature]

PIN: _____
Signature: _____

2. _____

PIN: _____
Signature: _____

PIN: _____
Signature: _____

3. _____

PIN: _____
Signature: _____

9. _____

PIN: _____
Signature: _____

4. _____

PIN: _____
Signature: _____

10. _____

PIN: _____
Signature: _____

5. _____

PIN: _____
Signature: _____

11. _____

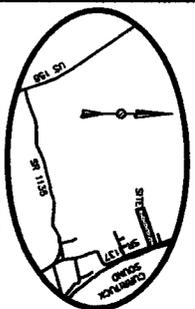
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Signature: _____

6. _____

PIN: _____
Signature: _____

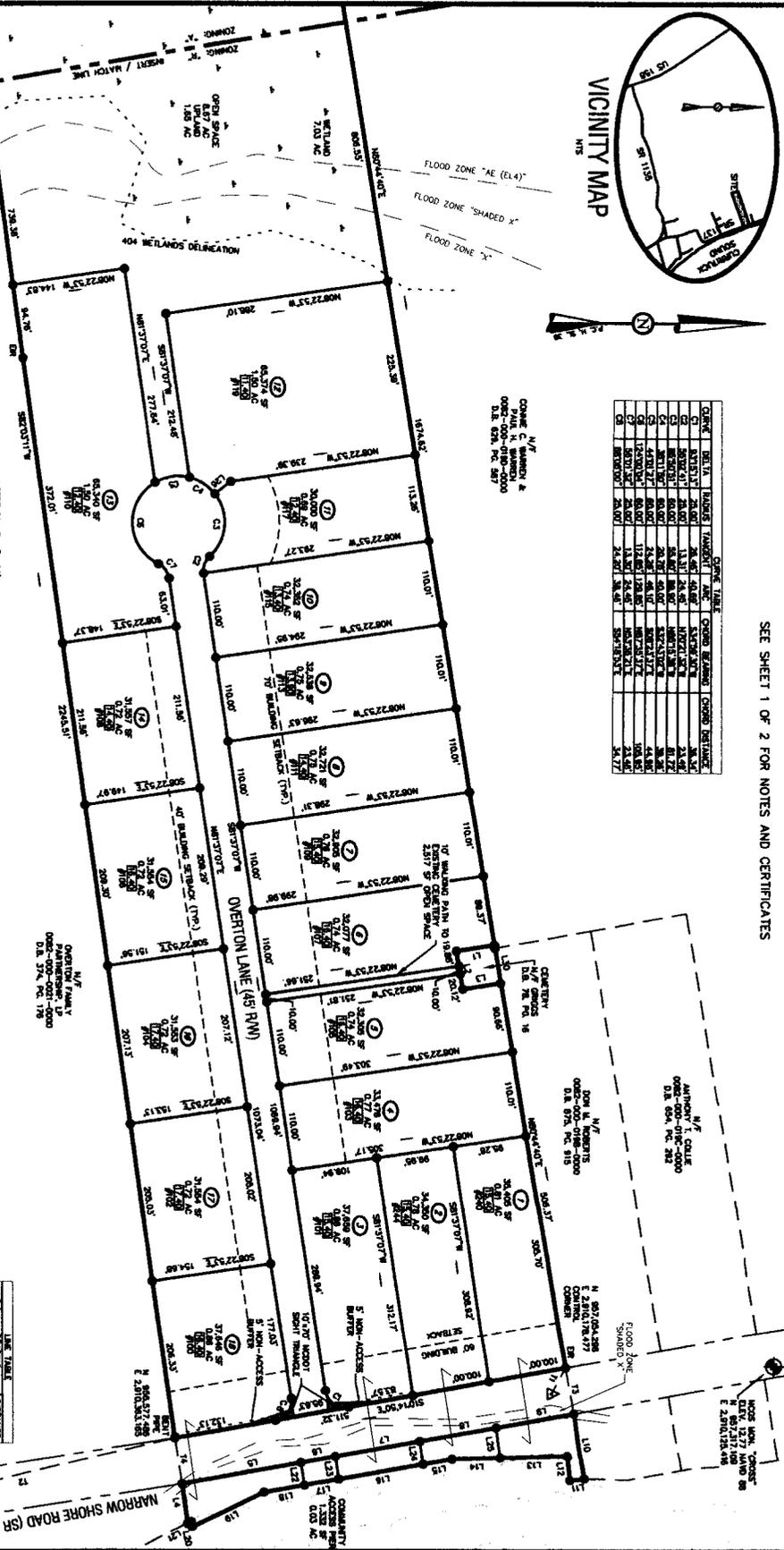
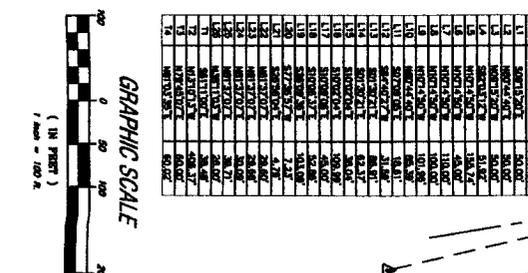
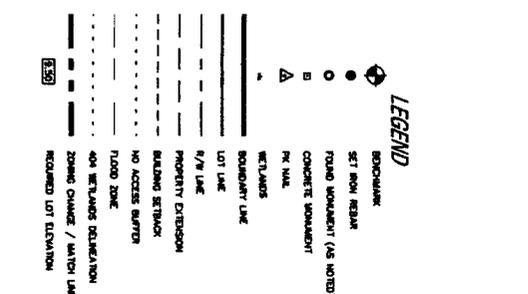
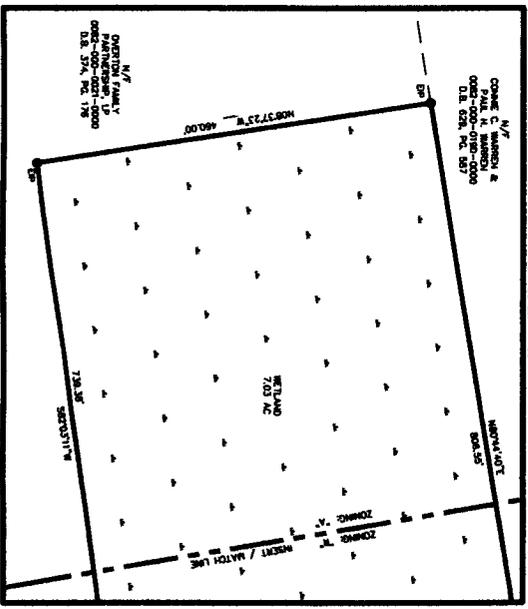
12. _____

PIN: _____
Signature: _____



OWNER	BLDG	BLDG #	LANDST	ACRES	CHANG	BLDG	CHANG	BLDG
C1	1000	1000	1000	1000	1000	1000	1000	1000
C2	1000	1000	1000	1000	1000	1000	1000	1000
C3	1000	1000	1000	1000	1000	1000	1000	1000
C4	1000	1000	1000	1000	1000	1000	1000	1000
C5	1000	1000	1000	1000	1000	1000	1000	1000
C6	1000	1000	1000	1000	1000	1000	1000	1000
C7	1000	1000	1000	1000	1000	1000	1000	1000
C8	1000	1000	1000	1000	1000	1000	1000	1000
C9	1000	1000	1000	1000	1000	1000	1000	1000
C10	1000	1000	1000	1000	1000	1000	1000	1000

SEE SHEET 1 OF 2 FOR NOTES AND CERTIFICATES



2

FINAL PLAT
FOR
COOPER LANDING
POPLAR BRANCH TOWNSHIP
CURRITUCK COUNTY
NORTH CAROLINA

DATE: _____ DRAWN: JMS
CHECKED: _____ APPROVED: EJM
SCALE: _____ PROJECT # 050895
DRAWING # 050895 FP
SHEET # 2 OF 2

Hyman & Robey, PC
Land Surveyors
Engineers
150 A US HWY 158 E
Camden, North Carolina 27921
(252) 338-7913 (252) 333-1888



PUBLIC HEARING

The Currituck County Board of Commissioners will hold a public hearing Monday, April 7, 2008, at 7:00 p.m. at the Historic Courthouse on changing the name of Overton Lane located on the west side of Narrow Shore Road to Cooper Landing Drive. The public is invited to make comments. If you need additional information, please call the County Manger's office 232-2075.

Gwen H. Keene, CMC
Clerk to the Board

Please publish 1 time March 23, 2008

**CASE ANALYSIS FOR THE
BOARD OF COMMISSIONERS
MEETING DATE: APRIL 7, 2008
Zoning Map Amendment:
PB 08-13 Coinjock Meadows: A & GB to RA**

TYPE OF REQUEST: Request to rezone 1.9 acres from General Business (GB) to Mixed Residential (RA) and 2.6 acres from Agricultural (A) to Mixed Residential (RA).

LOCATION: Located along Worth Guard Road, approximately 4/10th of a mile from the north bank of the Coinjock Canal.

TAX ID: Tax Map 70, Parcel 13 (pt.)
(007000000130000)

OWNERS: Coinjock Meadows, LLC.
PO Box 190
Nags Head, NC 27959

APPLICANT: Currituck County Planning Department

ENGINEER: Quible and Associates
Eduardo Valdivieso
PO Drawer 970
Kitty Hawk, NC 27949

ZONING:	<u>Current Zoning</u> General Business (GB) 1.9 AC Agricultural (A) 2.6 AC	<u>Proposed Zoning</u> Mixed Residential (RA)
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ZONING HISTORY: The property was split zoned A and GB on the 1989 zoning atlas.

On June 4, 2007 approximately 33 acres of the tract was rezoned to Residential Mixed (RA).

SURROUNDING PROPERTY:

	Land Use	Zoning
NORTH:	Agricultural	A and GB
SOUTH:	Residential	RA
EAST:	Residential, undeveloped, and wetlands	A and RA
WEST:	Residential and undeveloped	GB and RA

EXISTING LAND USE: Agricultural (undeveloped)

PROPOSED LAND USE: To permit the uses allowed in the RA zoning district.

**LAND USE PLAN
CLASSIFICATION:**

The subject properties are designated **Full Service** (1.9 acres) and **Conservation Class** (2.6 acres) within the **Barco/Coinjock./Airport** sub-area by the 2006 Land Use Plan. With respect to residential development in Full Service Areas, base development density is contemplated to be 2 units per acre but could be increased to 3-4 units per acre through overlay zoning depending upon services available and the potential impact on the surrounding area. Areas in the Conservation class considered developable may accommodate extremely low density residential development not to exceed 1-3 units per acre.

**PUBLIC SERVICES
AND UTILITIES:**

The Crawford Volunteer Fire Department provides fire protection for this area. Electric, telephone, County water and cable are currently available.

TRANSPORTATION:

The parent tract has 724 feet of frontage on Worth Guard Road.

FLOOD ZONE:

The 2.6 acre portion of the request is located in Flood Zone AE (4). The 1.9 acre portion of the request is located outside of the 100 year flood plain.

WETLANDS:

The 2.6 acre portion of the request is considered wetlands according to the North Carolina general wetland maps. A wetland delineation certified by the US Army Corps of Engineers would be needed to determine the exact wetlands limits.

SOILS:

The Currituck County Soils map indicates the subject properties contain marginal soils for on-site septic systems.

**STAFF
RECOMMENDATION:**

On June 4, 2007 approximately 33 acres of the tract was rezoned RA. This approval excluded 1.9 acres of General Business (GB) zoning due to a mapping error, as well as 2.6 acres of Agricultural (A) zoning that is designated as Conservation class by the 2006 Land Use Plan. At that time, the Planning Department recommended the area designated as Conservation class not be included in the rezoning request.

The Board of Commissioners subsequently approved a Sketch Plan/Special Use Permit for a Planned Residential Development (PRD) on September 17, 2007. The approved PRD design concept for the site included the 1.9 acre area zoned General Business (GB) and the 2.6 acre area zoned Agricultural (A). Per the Unified Development Ordinance, a PRD is not permitted in the GB or A zoning districts.

Considering the intent of the Board of Commissioners was established with the approval of the Sketch Plan/Special Use Permit for the site, County staff has agreed to process a rezoning request to ensure consistency between the subject property's zoning designation and approved PRD design concept. As such,

staff recommends approval of the request rezone 1.9 acres from General Business (GB) to Mixed Residential (RA) and 2.6 acres from Agricultural (A) to Mixed Residential (RA).

PLANNING BOARD DISCUSSION

Mr. Kovacs asked if there were any planned uses in the RA area.

Mr. Valdivieso stated this area is the designated wetlands.

Ms. Turner stated that it looks like three separate parcels.

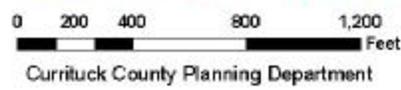
Mr. Woody stated that it is one parcel, but with three separate zoning districts.

ACTION

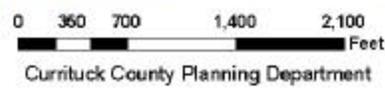
Mr. Kovacs motion to recommend approval to rezone 1.9 acres from General Business (GB) to Mixed Residential (RA) and 2.6 acres from Agricultural (A) to Mixed Residential (RA) according to the 2006 Land Use Plan. Mr. Bell seconded the motion. Motion passed unanimously.

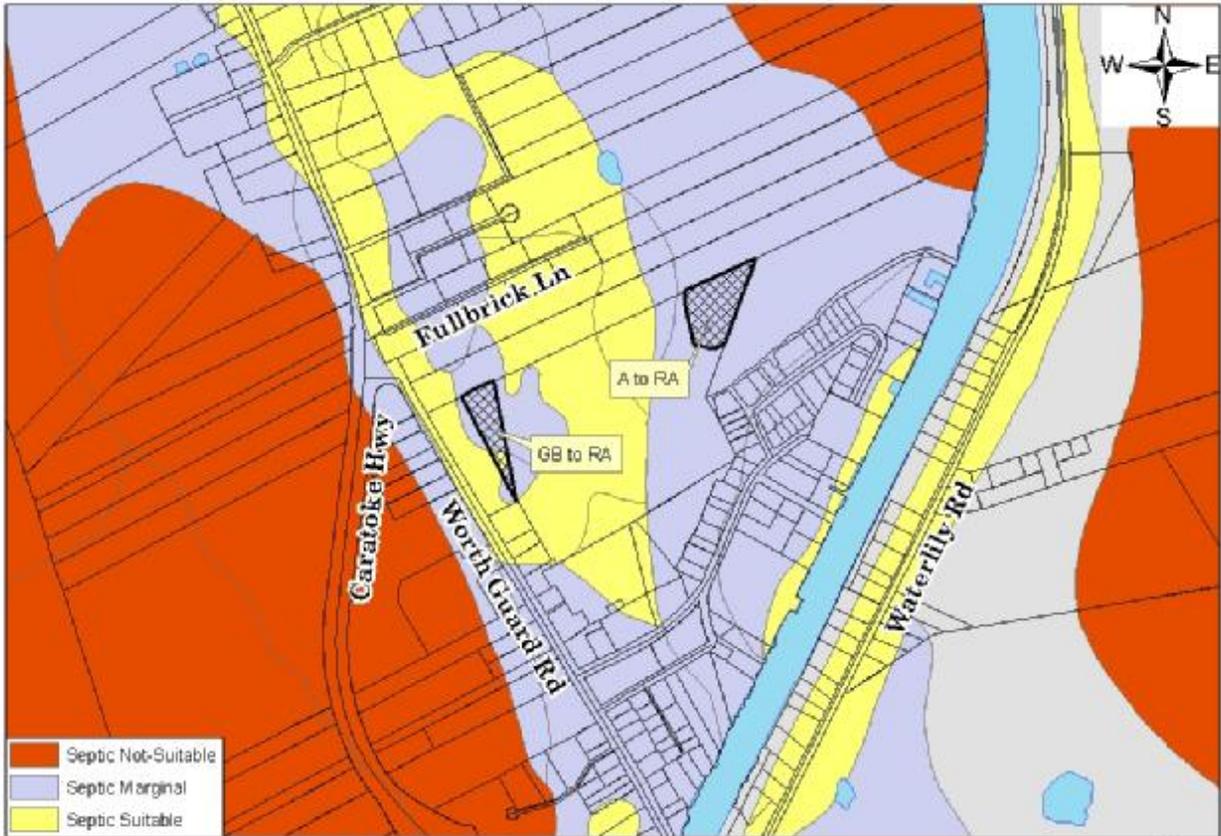


**PB 08-13 COINJOCK MEADOWS
REZONING: A & GB TO RA**



**PB 08-13 COINJOCK MEADOWS
REZONING: A & GB TO RA**





**PB 08-13 COINJOCK MEADOWS
REZONING: A & GB TO RA**

0 350 700 1,400 2,100 Feet
Currituck County Planning Department



CASE ANALYSIS FOR THE BOARD OF COMMISSIONERS
MEETING DATE: April 7, 2008
PB 08-07 Villas at the Pointe

ITEM: PB 08-07 Villas at the Pointe, Special Use Permit for a 90 unit Residential Multi-Family development

LOCATION: The property is located on Caratoke Hwy., 890 feet south of Pointe Golf Club Drive, Tax Map 124, Parcel 105B, Poplar Branch Township, Currituck Co.

TAX ID: Tax Map 124, Parcel 105B
(0124-000-105B-0000)

OWNER: Villas at the Pointe, LLC (BD&A)
821 Ocean Trail, Suite 4
Corolla, NC 27927

**APPLICANT/
ENGINEER:** Landmark Engineering
Victor White
PO Box 1190
Kitty Hawk, NC 27949

CURRENT ZONING: General Business (GB) with a Residential Multi- Family Overlay (RMF)

ZONING HISTORY: This property was split zoned until 2006 as Agricultural and General Business. On July 17, 2006, the Board of Commissioners rezoned the entire property to General Business (GB). At its December 4, 2006 meeting, the Board of Commissioners approved a request to create a 23 acre Multi-Family Overlay zone (RMF)

LAND AREA: 23 acres

NUMBER OF UNITS: 90 Townhomes

DENSITY: 3.9 units per acre

OPEN SPACE: The development is required to have 35% (8.05 acres) open space. The plan indicates 57.77% (13.27 acres) will be provided.

SURROUNDING PROPERTY:

	Land Use	Zoning
NORTH:	Golf Course and Residential	GB and A
SOUTH	Mix of Residential and Commercial (Storage)	GB and A
EAST:	Vacant	A
WEST:	Across Caratoke Highway: Mix of Commercial and Residential Uses	GB, HM, LM

EXISTING LAND USE: Vacant

PUBLIC SERVICES AND UTILITIES:

The Lower Currituck Volunteer Fire Department provides fire protection for this area. Electric service, telephone and public water are available.

TRANSPORTATION:

The site has 200 linear feet of frontage on Caratoke Highway. The interior streets will asphalt, 20 feet wide with curbs and gutters. Each dwelling will have two parking spaces.

LOT COVERAGE:

The RMF overlay standards permit a lot coverage of 40%. The plan dated 2-25-08 indicates the lot coverage will be 32.4 %.

FLOOD ZONE:

This site has 5.36 acres in Flood Zone AE 6 with the remainder in Flood Zones X and Shaded X (out of the Special Flood Hazard Area).

SOILS:

The Currituck County Soils map indicates the property contains 1.02 acres of suitable soils, 1.5 acres of marginal soils and 20 acres of un-suitable soils for on-site septic systems.

WASTEWATER:

Wastewater will be routed from each unit to a central conventional disposal field. The applicant has indicated the treatment will be an engineered TS-2 system with a sub-surface disposal.

DRAINAGE:

An engineered drainage system will be installed that has curbs and gutters along the streets collecting the water and then sending the stormwater to ponds.

NARRATIVE:

- Villas at the Pointe, LLC (a division of BD&A) is seeking special use permit approval of a 90 unit attached condominium development. The exterior of all buildings will be held in common ownership by a condominium association.
- Each building is anticipated to have 6 units each with 2 parking spaces for the homes.
- The buildings are anticipated to be 2 stories with a town home design, with 9 units constructed to ADA accessibility standards.
- The amenities for the development will be a community clubhouse, swimming pool and two tennis courts.
- The development is adjacent to The Pointe golf course. There will be no connection to the course through this development.
- A parking lot for the mail boxes and a school bus stop shelter will be constructed adjacent to Caratoke Highway for all residents.
- Each residential unit will have a rolling solid waste disposal unit to be collected by a contracted waste hauler.

SPECIAL USE PERMITS CRITERIA:

Special use permits are intended to allow the Board of Commissioners flexibility in the administration of the UDO. In order to approve a special use permit, certain criteria must be satisfied. The criteria are outlined as follows:

1. *The application is complete.*

The application has met the submission requirements for a special use permit.

2. *The proposed use is among those listed in the Table of Permissible Uses as a special use indicated with an "S".*

A multi-family development is a permitted use in a RMF overlay and GB zoning district.

3. *The conditions proposed meet or exceed the minimum requirements of this ordinance and are agreed to by the applicant.*

If all of the conditions are adopted, the proposal will meet the requirements of the UDO.

4. *The special use will not endanger the public health or safety.*

Public health and safety issues including stormwater management, wastewater disposal and access for emergency services have been adequately addressed for this development.

5. *The special use will not injure the value of adjoining or abutting property and will be in harmony with the area in which it is located.*

The proposed 90 unit residential multi-family development should have no negative impact on adjoining property. The adjoining uses include residential and a golf course. The proposed development is consistent with the objectives of the Currituck County Unified Development Ordinance and promotes compatibility between the subject property and surrounding area.

6. *The special use will be in conformity with the Land Use Plan, Thoroughfare Plan, or other officially adopted plan.*

This property is classified **Full Service** within the **Point Harbor sub-area** in the 2006 Land Use Plan. With respect to residential development, base development density is contemplated to be 2 units per acre in Full Service areas but could be increased to 3-4 units per acre through overlay zoning depending upon services available and the potential impact on the surrounding area. A greater diversity in housing types (i.e. semi-detached, attached, multi-family) would be considered appropriate in the Full Service areas.

The policy emphasis of the Point Harbor area is to allow portions to continue to evolve as a full service community, but with better attention to the planning needed to protect residential areas and the natural features that make the area so attractive.

The following Land Use Plan policies are also relevant to this request:

POLICY AG6: For areas experiencing intense development pressure, new residential development may be allowed to locate in COMPACT, VILLAGE-LIKE CLUSTERS, PREFERABLY NEAR EXISTING, NON-AGRICULTURAL ACTIVITIES AND SERVICES, or in other locations that will not interfere with resource production activities.

POLICY HN1: Currituck County shall encourage development to occur at densities appropriate for the location. LOCATION AND DENSITY FACTORS shall include whether the development is within an environmentally suitable area, the type and capacity of sewage treatment available to the site, the adequacy of transportation facilities providing access to the site, and the proximity of the site to existing and planned urban services.

POLICY HN3: Currituck County shall especially encourage two forms of residential development, each with the objective of avoiding traditional suburban sprawl:

1. OPEN SPACE DEVELOPMENTS that cluster homes on less land,

preserving permanently dedicated open space and often employ on-site or community sewage treatment. These types of developments are likely to occur primarily in the Conservation, Rural, and to a certain extent the Limited Service areas identified on the Future Land Use Map.

2. COMPACT, MIXED USE DEVELOPMENTS or DEVELOPMENTS NEAR A MIXTURE OF USES that promote a return to balanced, self-supporting community centers generally served by centralized water and sewer. The types of development are contemplated for the Full Service Areas identified on the Future Land Use Map.

The proposed special use permit is in **compliance** with the policy emphasis of the **Full Service** classification, the **Point Harbor sub-area**; policies AG6, HN1, and HN3 of the 2006 Land Use Plan.

7. *The special use will not exceed the county's ability to provide adequate public facilities, including, but not limited to, schools, fire and rescue, law enforcement, and other county facilities. Applicable state standards and guidelines shall be followed for determining when public facilities are adequate. Such facilities must be in place or programmed to be in place within two years after the initial approval of the plan (sketch plan in the case of major subdivisions).*

The revised capacity formula and generation rates taken from the Tischler & Associates, Inc. study (2004) were used to calculate the capacity under the existing ordinance. The proposed development will yield the following calculations:

Villas at the Pointe (90 Dwellings)	Available Capacity	Demand	Remaining School Capacity if approved
Elementary School (Griggs-Jarvisburg)	280	23	257
Middle School	50	7	43
High School	59	13	46

- i. The Currituck Water Department has adequate water to serve the proposed 90 dwelling residential development.
- ii. Staff has determined adequate public facilities exist to serve this subdivision.

STAFF RECOMMENDATION

Because it appears the application has satisfied the criteria for granting a Special Use Permit approval as outlined above, staff recommends **conditional approval** of the application subject to satisfaction of the TRC comments, and subject to the following conditions:

CODE and SPECIAL USE PERMIT REQUIREMENTS:

1. This development shall be subject to final plan approval by the Technical Review Committee (TRC).
2. A revised site plan shall be submitted to the Technical Review Committee for a review of the infrastructure construction plans and a revised site plan. The revised site plan shall meet the requirements for a commercial site plan (UDO Section 11.13.4)
3. The final plan shall be approved by TRC conditional on the site plan matching the building plans submitted for each unit.
4. The applicant shall submit detailed drawings that comply with the standards for a commercial site plan for Technical Review Committee Review. (11.14.4)
5. A recorded deed of easements along with a map of the easements shall be recorded in the Currituck County Registry of Deeds for the following (Section 9.2.1 Utility Easements):
 - a) A utility easement shall be dedicated to the Currituck County Water Department for all areas that contain county water lines.
 - b) A utility easement area shall be established for all drainage infrastructures, power, telephone and cable lines.
 - c) The width of the drainage and utility easement shall be determined by each agency. (Section 9.2.1 Utility Easements)
6. The final site plan shall indicate who will be responsible for the stormwater system maintenance.
7. Correct the property lines to reflect the recombination plat filed at Plat Cabinet J, Slide 109 in the Currituck Register of Deeds office.
8. No clearing, grading, filling or other land disturbing activities shall take place prior to a final plan approval being issued. The applicant shall secure all required Federal State and local permits, including: a NC Stormwater Management permit, a NC Sedimentation and Erosion Control permit, and an Environmental Health or Division of Water Quality wastewater permit.
9. The construction of streets, parking and infrastructure may begin after a final plan approval is issued by the Technical Review Committee. This approval may be issued in phases.
10. No part of the open space shall be encumbered by an active or repair septic area, roadways, drainage systems or utility lines. (Chapter 17, Definition of Open Space) The final plan submission shall deduct these areas from the open space calculation.

11. If a tree designated for preservation is removed or dies after a certificate of occupancy is issued, the permit recipient or successor shall be responsible for replacement. (Section 5.7 Bufferyard Maintenance)
12. Payment of water tap fees will be required prior to the building permits being issued for each unit.
13. A 404 wetlands delineation and permit to cross the wetlands with a road shall be required prior to the approval of the final plan.
14. A shading calculation shall be required on the revised plan.
15. All drive aisles with 90 degree parking are required to have a 24 foot drive aisle. The aisle on the lot adjacent to the school bus stop shall be enlarged to 24 feet.
16. Prior to the first Certificate of Compliance/ Occupancy (C/O) being issued, the applicant shall supply the Planning Department with a copy of the executed contract for solid waste disposal for each unit. Each storage area for the rolling disposal units shall be fully screened with a solid fence tall enough to accommodate the trash containers. These disposal units are required in lieu of providing dumpsters for the residential units, as described in UDO section 4.6.4(F). Dumpsters shall be required for any commercial buildings.
17. The buildings shall be in a condominium form of ownership with no subdivision occurring.
18. The required bufferyard for exterior property lines in an RMF (section 4.6.3) is a Type A, not a Type B as shown. The planting heights and materials used can be modified administratively according to section 5.6, Flexibility in Administration.
19. Architectural elevations shall be submitted with each application for a building permit. These elevations have to be approved by Planning Department staff before each building permit is issued. (Section 4.6.4) The following standards of review will be used:
 - a) Variation in exterior architectural materials (siding, roofing);
 - b) Vertical and horizontal relief in buildings (roof lines, eaves, bump-outs);
 - c) Variation in house styles/types; and
 - d) Inclusion of front porches, projecting bays, vestibules.
 - e) Attached dwelling units containing more than (5) units in a row shall have facades, which alternate siding styles and patterns to provide visual distinction to each unit. Alternation between siding and brick is encouraged.
 - f) For the commercial structures, the following standards shall apply:
 - i) Facades of buildings shall incorporate, but not mimic, the sense of lightness or weight exhibited in the architecture of existing buildings on neighboring properties or the vernacular of the general area and shall incorporate similar proportions of solids (i.e. siding, blank walls, etc.) to voids (i.e. windows, door openings, etc.);

- ii) Facades shall be designed to reduce the massive scale and the one dimensional appearance of large retail buildings and to provide visual interest.
- iii) The street facing elevations shall incorporate functioning windows into the overall design concept. Functioning windows are defined as those windows which let light into the interior of the structure and are integrated and related to the interior layout of the space.
- iv) Large expanses of blank walls shall be avoided. The public facade shall incorporate windows and primary doorway entrances along the street frontage as well as projecting elements such as eaves, cornices, canopies, projecting bays, shadow lines, and overhangs.
- v) Building materials include brick, wood, fiber-cement siding, stone textured split face block, tinted and textured concrete masonry, or synthetic stucco. Metal building materials shall only be permitted on elevations not visible from the main entrance road or used as accent materials.

The Following Technical Review Committee Comments shall be conditions of the permit. A meeting was held on February 20, 2008 and the reviewing agencies had the following comments and requirements:

1. NCDOT: Approved with the following conditions:

- a) This site is located on US 158 which is a Strategic Highway Corridor envisioned to become a Boulevard. This limits the number of driveways to a maximum of 1 driveway per parcel. This site proposes only one access and therefore meets this requirement. In the future, the developer should understand that the proposed full movement driveway may become restricted to Right-in/Right-out once a median is ever constructed.
- b) A typical 10 ft x 70 ft sight triangle should be provided along the right of way on each side of the proposed entrance.
- c) I recommend that the site have a right turn lane with 50 feet of full storage. Based on the roadway characteristics and the driveway manual requirements, the deceleration length will be 250 ft with a taper of 200 ft. (i.e. 100 ft of full lane width and 200 ft taper).
- d) The entrance should be constructed with 25 ft radii minimum. It is assumed that the driveway will have 1 lane entering the site and two lanes exiting the site (1 left, 1 right). The exit pavement width should be an 18 ft minimum and an entrance pavement width of 14 ft minimum.
- e) The driveway median island should extend to within 6-12 ft from the edge of the through travel lane. (12 ft. preferred)

- f) The school bus pavilion area should be designed to accommodate typical full size school buses entering and exiting the parking/ pick up area. A turning template should be shown illustrating that this movement can be performed safely.
- g) The plat and plan sheets should show that all internal roads are private and are not part of the State Highway System.
- h) All pavement markings for the driveway and improvements on US 158 shall be thermoplastic material. A pavement marking detail and turn lane construction detail shall also be provided and approved prior to construction.
- i) A permanent access easement and connectivity should be provided and shown along the driveway for the adjacent lots located along US 158, south of the proposed driveway.

2. CURRITUCK COUNTY SOIL AND WATER: Approved as is. A stormwater plan will be required with the final site plan.

3. CURRITUCK COUNTY ENGINEER/ PUBLIC WORKS: The submittal appears to be at the Sketch Plan level.

- a) I have many, many comments if this is a Preliminary Plat type submittal.
- b) If this is a Sketch Plan, my general comments are to address all water and sewer issues, address all stormwater requirements, and look at the flows from Tig-ma-tar ditch.

4. CURRITUCK COUNTY WATER DEPARTMENT: Approved with the following conditions:

- a) There is no water or wastewater connection within 150' club house. This needs to be shown
- b) Submit waterline specifications to the water department and do a jack and bore on NC 158.

5. CURRITUCK COUNTY FIRE SERVICES: Approved with the following conditions:

- a) Fire department connections for the automatic fire suppression systems must be located in such a manner that when fire apparatus connects to both the fire department connection and the fire hydrant both lanes of the road are not blocked.
- b) Fire apparatus must be able to come within 150' of all portions of the exterior of the structure. From this location the truck should not back greater than 150' without a turnaround.

6. CURRITUCK INSPECTIONS DEPARTMENT: No comments at this stage.

7. **N.C. DIVISION OF COASTAL MANAGEMENT:** The plan was reviewed with no comment.
8. **ALBEMARLE REGIONAL HEALTH SERVICES:** Approved with the following comments:
 - a) This should be a TS-2 system with sub-surface disposal.
 - b) Must have a tri-party agreement signed and recorded for each unit in place (in case system were to fail) that states who's responsible.
9. **CURRITUCK COUNTY RECREATION:** The plan was reviewed with no comment.
10. **CURRITUCK COUNTY EMERGENCY MANAGEMENT:** No comment.
11. **CURRITUCK COUNTY GIS/ TAX MAPPING:** Approved with no comment.
12. **NC OFFICE OF STATE ARCHEOLOGY:** Approved as is.

STAFF RECOMMENDED CONDITIONS:

1. The condominium documents for each unit shall be submitted for review and approval by the Planning Department prior to each unit receiving a building permit.
 2. Staff recommends the following be submitted with the landscaping plan:
 - a) A landscape plan shall be submitted in conjunction with the final plan showing the location, spacing, caliper dimension, and species of proposed landscaping materials.
 - b) Approximate location and description of the protective tree fencing, staking, or continuous ribbon to be installed which, at a minimum, follows the drip line of all trees to be retained along adjoining areas of clearing, grading, or other construction activity.
 - c) Existing trees should be retained to the maximum extent possible.
 - d) Shrubs shall be at least ten (10) gallons in size, and trees must be at least two (2) inches in caliper at planting.
 - e) A summary table of the number of new trees to be planted and existing trees to be retained along with calculations showing the buffer and shading requirements have been satisfied. Grouping of trees in tree preservation areas may be keyed to the summary table by area rather than having each individual tree labeled on the plan;
 - f) Location, spacing, and caliper dimension, and species of new trees to be provided.
 - g) A note on the plan indicating that a one-year full-price replacement guarantee on all required new trees planted is held by the applicant and an additional one-year guarantee on replacement plant. The applicant is expected to maintain plantings, including watering all plants when natural rainfall is less than one inch per week.
-

PLANNING BOARD DISCUSSION

Victor White, Landmark Engineering appeared before the board.

Mr. Webb presented the case analysis to the board.

Ms. Turner asked why the school bus could not come in to the front entrance of the subdivision and use the parking lot where the mail boxes will be to turn around.

Mr. Webb stated that normally school buses do not go down private drives. This would be a decision for school transportation department to make.

Mr. White stated that this is the reason that they put a school bus shelter in but they will check with the school transportation department to see if buses can come into the subdivision for pick up.

Mr. Kovacs stated that there are 2 parking spaces per unit.

Mr. White stated additional parking will be provided and units will have a 1 car garage.

Mr. Webb stated that the streets are 20 feet wide which will allow for parking.

Ms. Robbins asked if emergency vehicles would be able to pass on the streets if there were cars parked.

Mr. White stated yes.

Mr. Bell asked if there was a limitation on how many units that could be built per year.

Mr. Webb stated no.

Mr. White had a few comments on the conditions which will be worked out at the final TRC meeting but wanted them in the minutes.

1. A revised site plan will be submitted to the Technical Review Committee, with a multi-family overlay they are required to have a Type A buffer, they would like to have a Type B buffer.
2. Clearing, grading, and filling cannot be started until all permits have been secured. Mr. White stated they have a core permit to fill the wetlands for the crossing of the road to the entrance to the property.
3. Prior to the first building permit being issued, the applicant shall supply the Planning Department with a copy of the executed contract for solid waste disposal. Mr. White would like staff to consider this recommendation prior to occupancy.
4. A one year replacement guarantee on the landscaping. If a tree dies and is replaced at 11 months and then adding another one year replacement guarantee to that tree.

Mr. Kovacs asked if the units that have been designated as handicapped, does it include exterior and interior.

Mr. White stated they are ADA accessible exterior and interior.

Mr. West asked Mr. White when he expected the build out of this project.

Mr. White estimated years.

Mr. West asked if phasing would be considered by the developer because the county schools could be over loaded with 90 units being built.

Mr. White stated that some phasing will be done but feels these units will be purchased by mixed ages so this would not put a burden on the school system.

Mr. Kovacs asked if any thought had been given to disposing the waste water on the golf course.

Mr. White stated no but they look at doing a package treatment plant to treating it to reuse quality so it could be used to irrigate the site.

Mr. Kovacs stated that the disposal area should be clear cut and worked out before hand.

Mr. Webb stated that the UDO gives administration the flexibility with a written affidavit to change a Type A buffer to a Type B buffer. The one year guarantee on landscaping is a condition of the ordinance.

Ms. Turner would like to have the school buses and routes looked further into by the developer.

Mr. Kovacs asked the price range of these units.

Mr. White stated a 3 bedroom town home will range from \$249,000 which is the low end to \$349,000 which is the high end.

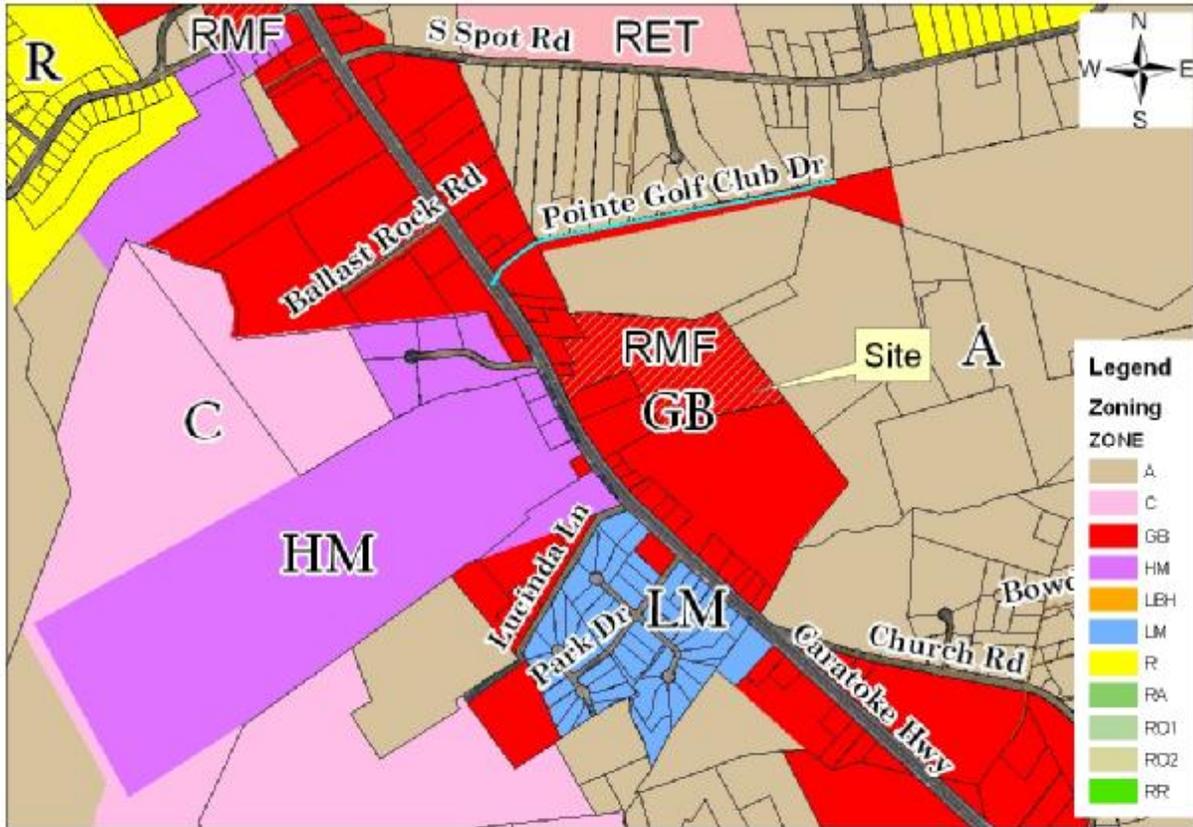
ACTION

Mr. Kovacs motion to recommend approval of the special use permit for a 90 unit residential multi-family development as presented. Ms. Robbins seconded the motion. Motion passed unanimously.



PB 08-07 Villas at the Pointe SUP



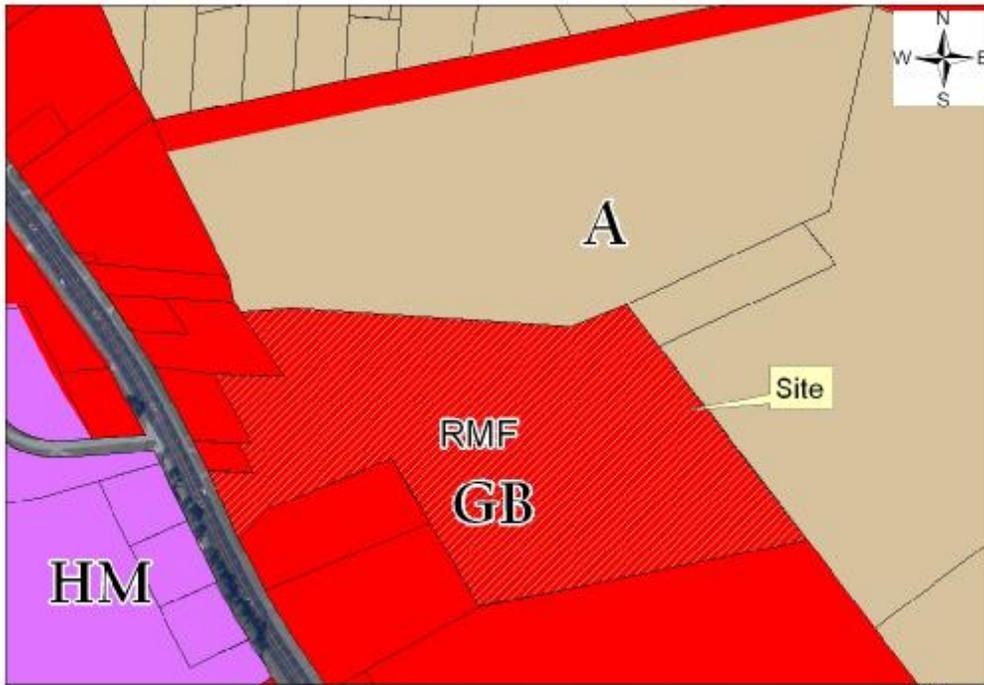


PB 08-07 Villas at the Pointe



Currituck County Planning Department

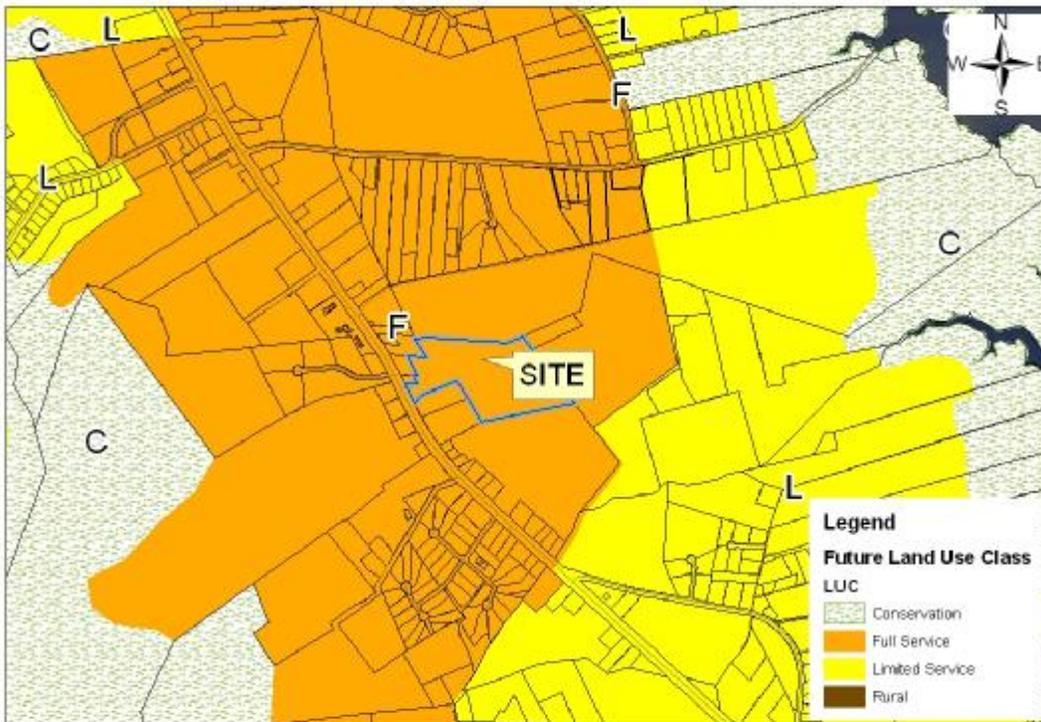




PB 08-07 Villas at the Pointe



Currituck County Planning Department

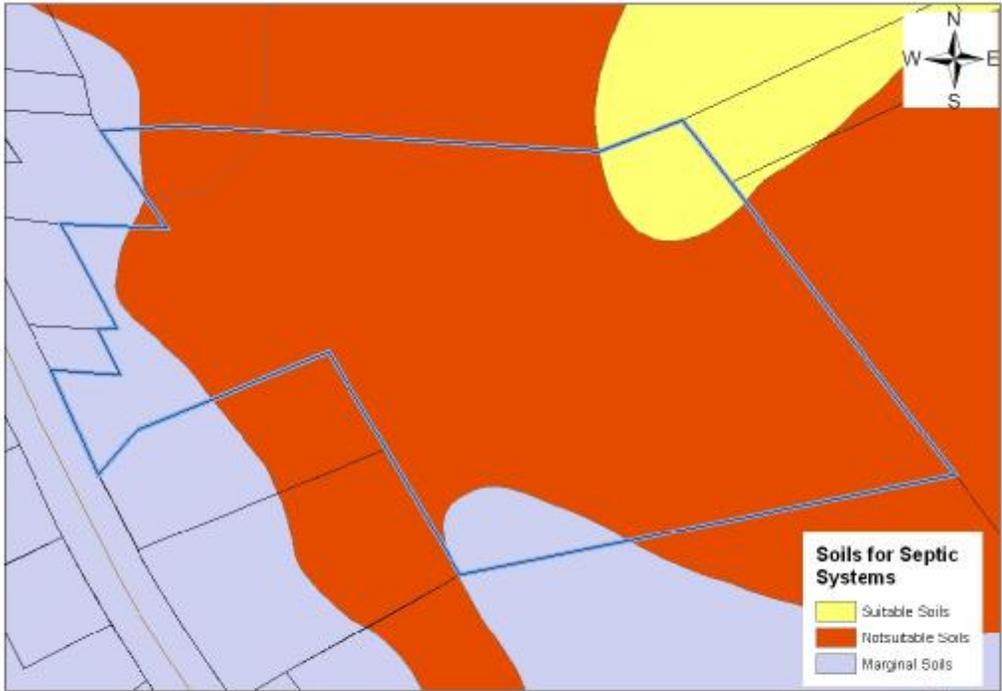


PB 08-07 Villas at the Pointe SUP

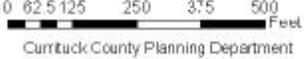


Currituck County Planning Department





PB 08-07 Villas at the Pointe SUP



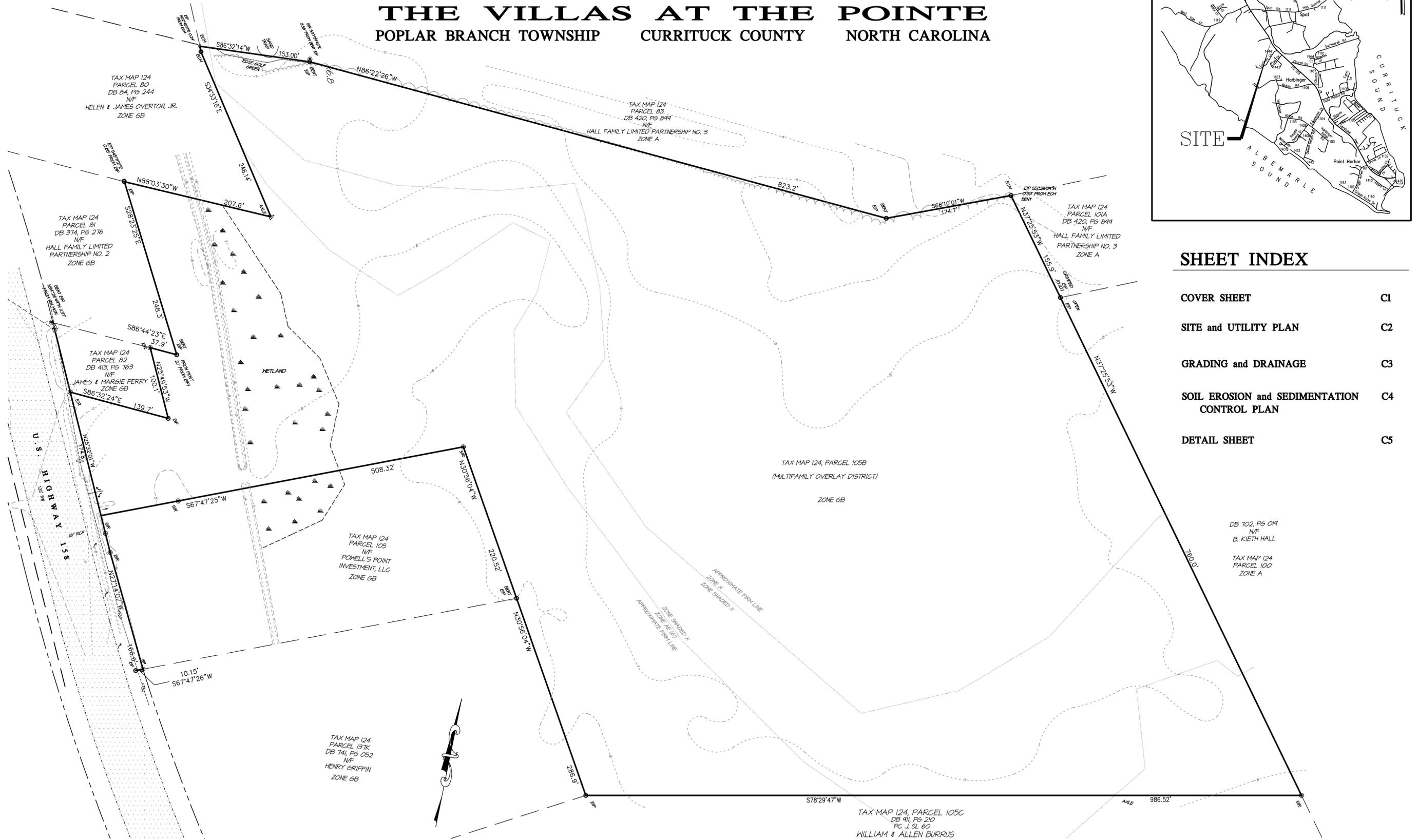
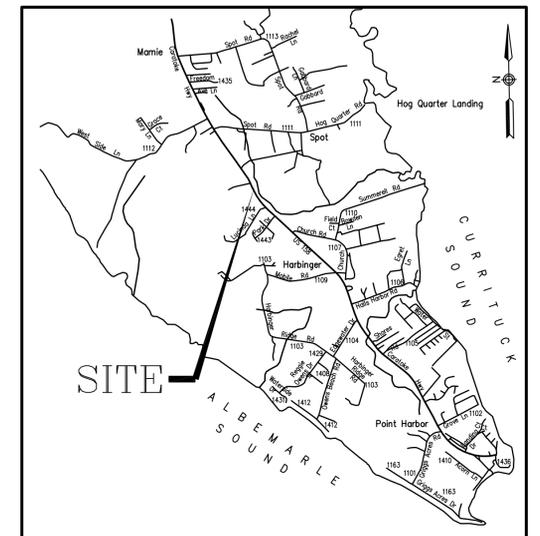
PB 08-07 Villas at the Pointe SUP



PRELIMINARY DEVELOPMENT PLANS

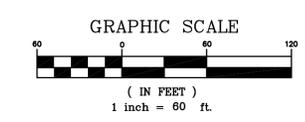
SUBMITTED FOR COUNTY TECHNICAL REVIEW:

THE VILLAS AT THE POINTE POPLAR BRANCH TOWNSHIP CURRITUCK COUNTY NORTH CAROLINA



SHEET INDEX

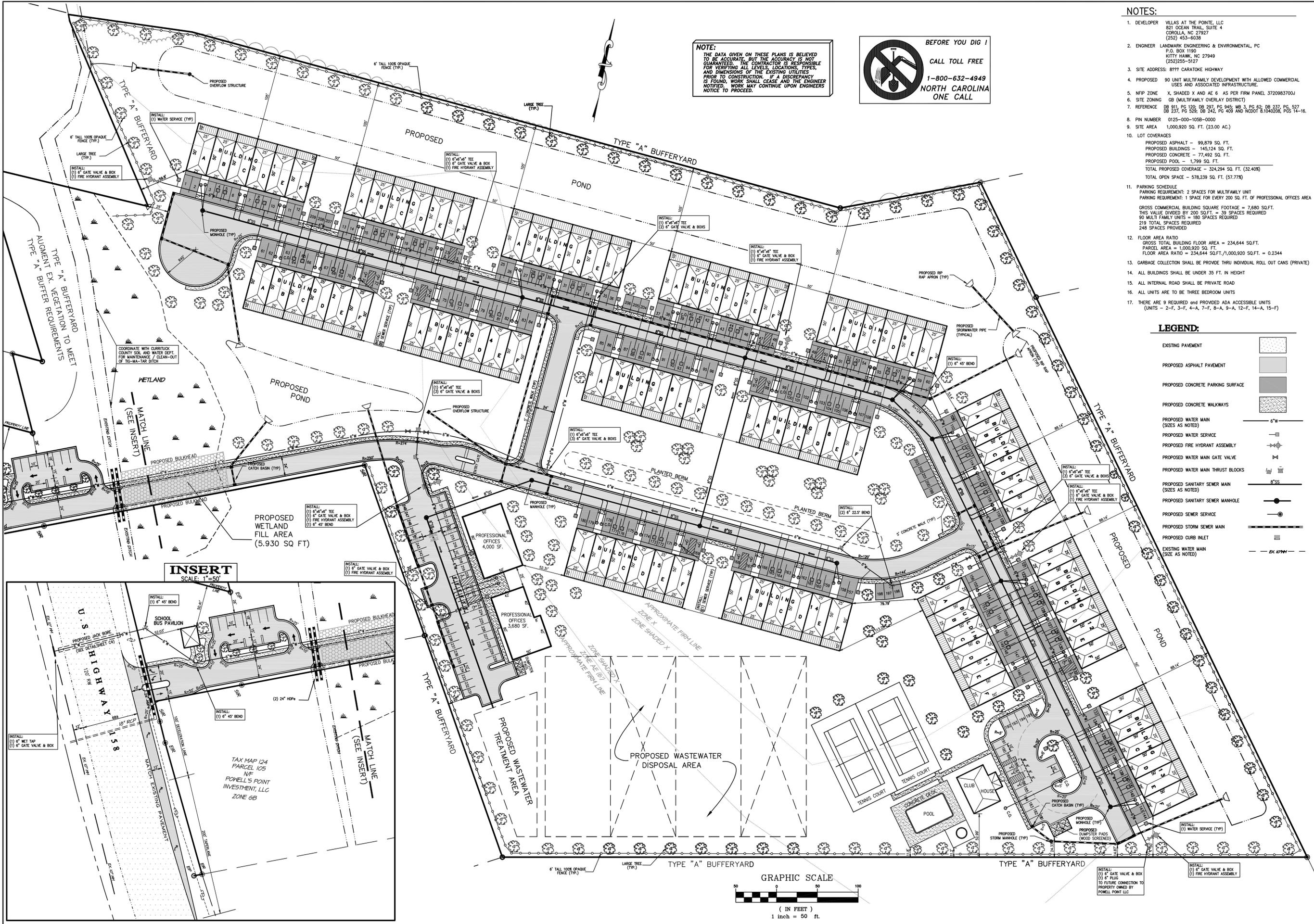
COVER SHEET	C1
SITE and UTILITY PLAN	C2
GRADING and DRAINAGE	C3
SOIL EROSION and SEDIMENTATION CONTROL PLAN	C4
DETAIL SHEET	C5



Villas at the Pointe
 POPLAR BRANCH TOWNSHIP CURRITUCK COUNTY NORTH CAROLINA
LANDMARK ENGINEERING & ENVIRONMENTAL, P.C.
 CIVIL, ENVIRONMENTAL & GEOTECHNICAL ENGINEERING SERVICES
 P.O. BOX 1190, KITTY HAWK, NC 27949 TEL: (252) 256-5127 E-Mail: landmarkengineering@earthlink.net

Project # P07005
 Designed By: VEW
 Drawn By: VEW/DSN
 Checked By: VEW
 Issued Date: 1/11/08

SHEET NO.
C1
 OF 5 SHEETS



NOTE:
 THE DATA GIVEN ON THESE PLANS IS BELIEVED TO BE ACCURATE, BUT THE ACCURACY IS NOT GUARANTEED. THE CONTRACTOR IS RESPONSIBLE FOR VERIFYING ALL LEVELS, LOCATIONS, TYPES, AND DIMENSIONS OF THE EXISTING UTILITIES PRIOR TO CONSTRUCTION. IF A DISCREPANCY IS FOUND, WORK SHALL CEASE AND THE ENGINEER NOTIFIED. WORK MAY CONTINUE UPON ENGINEER'S NOTICE TO PROCEED.

BEFORE YOU DIG!
 CALL TOLL FREE
 1-800-632-4949
 NORTH CAROLINA ONE CALL

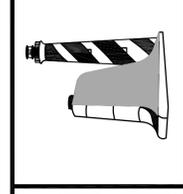
- NOTES:**
- DEVELOPER: VILLAS AT THE POINTE, LLC
 821 OCEAN TRAIL, SUITE 4
 COROLLA, NC 27927
 (252) 453-6038
 - ENGINEER: LANDMARK ENGINEERING & ENVIRONMENTAL, PC
 P.O. BOX 1190
 KITTY HAWK, NC 27949
 (252)255-5127
 - SITE ADDRESS: 8797 CARATOKE HIGHWAY
 - PROPOSED: 90 UNIT MULTIFAMILY DEVELOPMENT WITH ALLOWED COMMERCIAL USES AND ASSOCIATED INFRASTRUCTURE.
 - NFP ZONE: X, SHADED X AND AE 6 AS PER FIRM PANEL 3720983700J
 - SITE ZONING: GB (MULTIFAMILY OVERLAY DISTRICT)
 - REFERENCE: DB 911, PG 120; DB 297, PG 945; MB 3, PG 62; DB 237, PG 527; DB 237, PG 528; DB 242, PG 409 AND NCDOT 8.1040208, PGS 14-16.
 - PIN NUMBER: 0125-000-1058-0000
 - SITE AREA: 1,000,920 SQ. FT. (23.00 AC.)
 - LOT COVERAGES:
 PROPOSED ASPHALT - 99,879 SQ. FT.
 PROPOSED BUILDINGS - 145,124 SQ. FT.
 PROPOSED CONCRETE - 77,492 SQ. FT.
 PROPOSED POOL - 1,799 SQ. FT.
 TOTAL PROPOSED COVERAGE - 324,294 SQ. FT. (32.40%)
 TOTAL OPEN SPACE - 578,239 SQ. FT. (57.77%)
 - PARKING SCHEDULE:
 PARKING REQUIREMENT: 2 SPACES FOR MULTIFAMILY UNIT
 PARKING REQUIREMENT: 1 SPACE FOR EVERY 200 SQ. FT. OF PROFESSIONAL OFFICES AREA
 GROSS COMMERCIAL BUILDING SQUARE FOOTAGE = 7,680 SQ.FT.
 THIS VALUE DIVIDED BY 200 SQ.FT. = 39 SPACES REQUIRED
 90 MULTI FAMILY UNITS = 180 SPACES REQUIRED
 219 TOTAL SPACES REQUIRED
 248 SPACES PROVIDED
 - FLOOR AREA RATIO:
 GROSS TOTAL BUILDING FLOOR AREA = 234,644 SQ.FT.
 PARCEL AREA = 1,000,920 SQ. FT.
 FLOOR AREA RATIO = 234,644 SQ.FT./1,000,920 SQ.FT. = 0.2344
 - GARBAGE COLLECTION SHALL BE PROVIDED THRU INDIVIDUAL ROLL OUT CANS (PRIVATE)
 - ALL BUILDINGS SHALL BE UNDER 35 FT. IN HEIGHT
 - ALL INTERNAL ROAD SHALL BE PRIVATE ROAD
 - ALL UNITS ARE TO BE THREE BEDROOM UNITS
 - THERE ARE 9 REQUIRED AND PROVIDED ADA ACCESSIBLE UNITS
 (UNITS - 2-F, 3-F, 4-A, 7-F, 8-A, 9-A, 12-F, 14-A, 15-F)

LEGEND:

EXISTING PAVEMENT	
PROPOSED ASPHALT PAVEMENT	
PROPOSED CONCRETE PARKING SURFACE	
PROPOSED CONCRETE WALKWAYS	
PROPOSED WATER MAIN (SIZES AS NOTED)	
PROPOSED WATER SERVICE	
PROPOSED FIRE HYDRANT ASSEMBLY	
PROPOSED WATER MAIN GATE VALVE	
PROPOSED WATER MAIN THRUST BLOCKS	
PROPOSED SANITARY SEWER MAIN (SIZES AS NOTED)	
PROPOSED SANITARY SEWER MANHOLE	
PROPOSED SEWER SERVICE	
PROPOSED STORM SEWER MAIN	
PROPOSED CURB INLET	
EXISTING WATER MAIN (SIZE AS NOTED)	



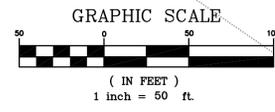
NO.	DATE	DESCRIPTION
1	02-25-08	REVISED AS PER SKETCH PLAN TECHNICAL REVIEW



SITE and UTILITY PLAN
Villas at the Pointe
 POPLAR BRANCH TOWNSHIP CURRITUCK COUNTY NORTH CAROLINA
LANDMARK ENGINEERING & ENVIRONMENTAL, P.C.
 CIVIL, ENVIRONMENTAL & GEOTECHNICAL ENGINEERING SERVICES
 P.O. BOX 1190, KITTY HAWK, NC 27949
 TEL: (252) 255-5127
 E-Mail: landmarkengineering@earthlink.net

Project # P07005
 Designed By: VEW
 Drawn By: VEW/DSN
 Checked By: VEW
 Issued Date: 1/17/08

SHEET NO.
C2
 OF 5 SHEETS



**CASE ANALYSIS FOR THE
BOARD OF COMMISSIONERS
MEETING DATE: 4-7-08
PB 08-06 Bobby Waddell, Sketch Plan**

ITEM: PB 08-06 Bobby Waddell: Sketch Plan/Special Use Permit for a two lot residential subdivision.

LOCATION: The 5.88 property is located in Moyock at 1952 Tulls Creek Road, Crawford Township.

TAX ID: Tax Map 40, Parcel 2C

ZONING DISTRICT: Agricultural/Residential

OWNER: Bobby Waddell
110 Widgeon Dr
Currituck, NC 27929

ENGINEER: Hyman & Robey
150 US Hwy 158 E.
PO Box 339
Camden, NC 27921
252-338-2913

PRESENT USE: Vacant

SURROUNDING PROPERTY:

	Land Use	Zoning
NORTH:	Single Family Dwellings	R & A
SOUTH:	Vacant	R & A
EAST:	Vacant	R
WEST:	Vacant	A

SCHOOL DISTRICT: J.P. Knapp Elementary

SIZE OF SITE: 2.78 Acres to be subdivided (of a total of 5.88 acres)

NUMBER OF LOTS: 2 (Total of 7)

DENSITY: .71 of a unit per acre

- MINIMUM LOT SIZE:** 40,000 SF (allowable) and 58,370 (proposed).
- STREETS:** The lot will be created on an existing state maintained road, Tulls Creek Road (SR 1222).
- WATER:** This development is required to connect to county water.
- FIRE:** This development is located within the jurisdiction of the Crawford Volunteer Fire Department. A fire hydrant is located within 500' of each lot.
- WASTEWATER:** Individual, on-site septic systems will be provided.
- SOILS:** The Currituck County Soil Suitability map indicates the soils to be Roanoke fine sandy loam. This soil is poorly suited to most urban and recreation uses because of wetness, flooding, slow permeability, and low strength.
- OPEN SPACE:** Not required.
- DRAINAGE:** The applicant is proposing infiltration swales along lot lines and road rights-of-way.

NARRATIVE OF REQUEST:

- The parent parcel of this tract has been previously subdivided the maximum number of times under the minor subdivision regulations. This is the sixth and seventh split from the parent parcel, thus requiring major subdivision review.
- This is lot 3 of the Warddell Farm, Phase 2 minor subdivision recorded April 20, 1999 (PC G/ SL 1).
- According to the Development Impact Statement, the developer, Bryan Beshears, intends upon building custom homes on the resulting lots.
- The owner will recombine the rear lot labeled 3A with PIN 0040-000-002D-0000 that is not part of this subdivision approval. This is necessary so that the front lot labeled 3A and lot 3B do not exceed the maximum lot width to depth ratio of 1:4.

TECHNICAL REVIEW COMMITTEE COMMENTS (January 16, 2008):

Planning:

1. As originally presented, these lots exceeded to width to depth (1:4) ratio as specified in Section 2.6.3 Lot Requirements (G) of the UDO. The applicant is proposing a recombination of property to address this situation. The recombination plat must be recorded in the Currituck County Register of Deeds office.
2. Correct flood zone to 5.4'.

Building Inspection Comments

1. Reviewed with no comment.

NCDOT Comments

1. Approved as is.

Health Department

No comment received.

Water Department Comments

1. Owner to have water service installed by NC utility contractor.

Fire Marshal Comments

1. Reviewed without comment.

County Engineer

1. Approved as is.

Soil and Water Comments

1. Approved as is.

Public Utility Director

No comment received.

CAMA Comments

1. Reviewed without comment.

Office of State Archaeology

1. Reviewed without comment.

Currituck County Schools

1. Reviewed with no comment.

Currituck County Parks and Recreation

1. Reviewed with no comment.

Embarq

1. Reviewed with no comment.

SPECIAL USE PERMIT CRITERIA:

Special use permits are intended to allow the Board of Commissioners flexibility in the administration of the UDO. It is recognized that some land uses have a particular impact on the surrounding land that cannot be determined and controlled by general zoning regulation. Through the special use permit procedure, property uses which

would otherwise be considered undesirable in certain districts can be developed subject to conditions of approval to minimize any negative effects they might have on surrounding properties. In order to approve a special use permit, certain criteria must be satisfied. The criteria are outlined as follows:

1. *Is the application complete?*
 - a. Based on staff review all required information has been submitted.
2. *Does the proposal comply with the provisions in the UDO for sketch plan approval?*
 - a. The proposed development complies with the provisions of the UDO for sketch plan approval.
3. *Does the proposal comply with the general standards for a special use permit/sketch plan?*
 - (a) *Will not endanger the public health or safety.*
 - i. Public health and safety issues including stormwater management, wastewater disposal, and access for emergency services have been adequately addressed within this proposal.
 - (b) *Will not injure the value of adjoining or abutting property.*
 - i. The proposed two lot residential subdivision should have no negative impact on adjoining property. The adjoining uses include single family dwellings and vacant lots.
 - (c) *Will be in harmony with the area in which it is located.*
 - i. The proposed residential subdivision should be similar and compatible with the neighborhood and have no negative impact on the adjoining property.
 - (d) *Will be in conformity with the Land Use Plan, Thoroughfare Plan, or other plans officially adopted by the Board.*
 - i. The 2006 Land Use Plan classifies this property as Limited Service in the Courthouse Sub-Area. In this sub-area, the policy emphasis of this plan is for the Courthouse sub-area to continue to grow as a small community center. Residential densities should be limited to one to two units per acre.
 - (e) *Will not exceed the county's ability to provide adequate public facilities, including, but not limited to, schools, fire and rescue, law enforcement, and*

other county facilities. Applicable state standards and guidelines shall be followed for determining when public facilities are adequate. Such facilities must be in place or programmed to be in place within two years after the initial approval of the sketch plan. In the case of subdivision and multifamily development at the sketch plan/special use, preliminary plat or final plat stage, the Board of Commissioners may establish time limits on the number of lots/units available for development to assure adequate public facilities are available in accordance with the UDO.

- i. Being a two lot subdivision, the development should have little impact on public facilities; therefore, staff has determined adequate public facilities exist to serve this subdivision.

STAFF RECOMMENDATION:

The proposed development meets the requirements for sketch plan/special use permit approval and the planning staff recommends approval subject to the findings of fact and the following:

Code and TRC Requirements

1. As originally presented, these lots exceeded to width to depth (1:4) ratio as specified in Section 2.6.3 Lot Requirements (G) of the UDO. The applicant is proposing a recombination of property to address this situation. The recombination plat must be recorded in the Currituck County Register of Deeds office prior to Preliminary Plat approval.
2. Correct the base flood elevation of the flood zone to 5.4'.
3. The owner shall have water service installed by NC licensed utility contractor.

PLANNING BOARD DISCUSSION 2-12-08

Eddie Hyman, Hyman & Robey, PC, Robert Hocutt, and Robert Clements appeared before the board.

Mr. Webb presented the case analysis to the board.

The Planning Board discussed a tract of property that has been subdivided the maximum number of times under the minor subdivision regulations.

Mr. West stated that the intentions of the Planning Board was to give property owners the right to split their property under the minor subdivision regulations so they could give their children part of the property to build on.

Mr. Hocutt stated that 2 years ago he was turned down to divide his eight acres. He stated these lots could not be divided per the deed. Mr. Hocutt stated the Planning

Board and the County turned him down to divide his property. Mr. Hocutt is against this request.

Bill Clements is an adjoining property owner who owns 6.83 acres which he brought seven years ago. He stated it is written in the covenant that these lots cannot be divided and if any one owner has an objection to it, this is enough to prevent it. He is against the request.

Mr. Hyman stated that he was not aware of the covenant and his states that all lots may be subdivided according to County ordinances.

PLANNING BOARD ACTION 2-12-08

Mr. West motion to table this request until the next Planning Board meeting on March 11, 2008 until clarification/research could be done on the request and deed restrictions. Ms. Turner seconded the motion. Motion passed unanimously.

PLANNING BOARD DISCUSSION 3-11-08

Eddie Hyman, Hyman and Robey appeared before the board. Mr. Webb presented the following case analysis to the board.
March 3, 2008

To: Planning Board

From: David Webb, AICP
Senior Planner

RE: PB 08-06 Bobby Waddell Sketch Plan
Meeting Date 3-11-2008

The Planning Board tabled this item at its February 12, 2008 and requested staff to research any previous approvals on this tract and any restrictive covenants. This property (1952 Tulls Creek Road) was a part of the Warddell Farms minor subdivision in 1999. The restrictive covenants (Deed Book 461/ Page 303) indicate that any properties can be re-subdivided if it meets the county's ordinance.

Staff finds no reason why this proposal cannot be approved with the following conditions:

STAFF RECOMMENDATION:

The proposed development meets the requirements for sketch plan/special use permit approval and the planning staff recommends approval subject to the findings of fact and the following:

Code and TRC Requirements

4. As originally presented, these lots exceeded to width to depth (1:4) ratio as specified in Section 2.6.3 Lot Requirements (G) of the UDO. The applicant is proposing a recombination of property to address this situation. The recombination plat must be recorded in the Currituck County Register of Deeds office prior to Preliminary Plat approval.
5. Correct the base flood elevation of the flood zone to 5.4'.
6. The owner shall have water service installed by NC licensed utility contractor.

DISCUSSION 3-11-08

Mr. West asked why the lots are being recombined.

Mr. Webb explained that originally these lots exceeded the width to depth (1:4) ratio as specified in Section 2.6.3 Lot Requirements (G) of the Unified Development Ordinance (UDO). The applicant is proposing a recombination of the property to address this situation.

Mr. Hyman stated he would be available to answer any questions.

PLANNING BOARD ACTION 3-11-08

Mr. West motion to recommend **denial** of the request for a sketch plan/special use permit for two single family lots located in Moyock at 1952 Tulls Creek Road, Tax Map 40, Parcel 2C, Crawford Township. Mr. Kovacs seconded the motion. Motion passed unanimously.



**PB 08-06 BOBBY WADDELL
SKETCH PLAN/SUP**

0 250 500 1,000 1,500 Feet
Currituck County Planning Department





**PB 08-06 BOBBY WADDELL
SKETCH PLAN/SUP**

0 250 500 1,000 1,500 Feet
Currituck County Planning Department





**PB 08-06 BOBBY WADDELL
SKETCH PLAN/SUP**





SKETCH PLAN
 FOR
BOBBY WADDELL

CRAWFORD TOWNSHIP
 CURRITUCK COUNTY
 NORTH CAROLINA

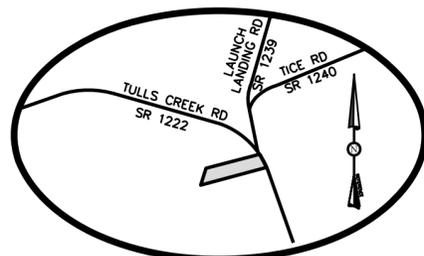
Project #: 070722
 Drawing #: 070722 SKETCH
 Drawn: GMK
 Checked: JHS
 Approved: ETH
 Date: 12/13/07
 Sheet #: 1 OF 1
 Scale: 1" = 100'

REVISIONS:
 NUM. DATE DESCRIPTION
 1 01-17-08 PER TRC

SHEET TITLE:
SKETCH PLAN

SHEET NUMBER:

1

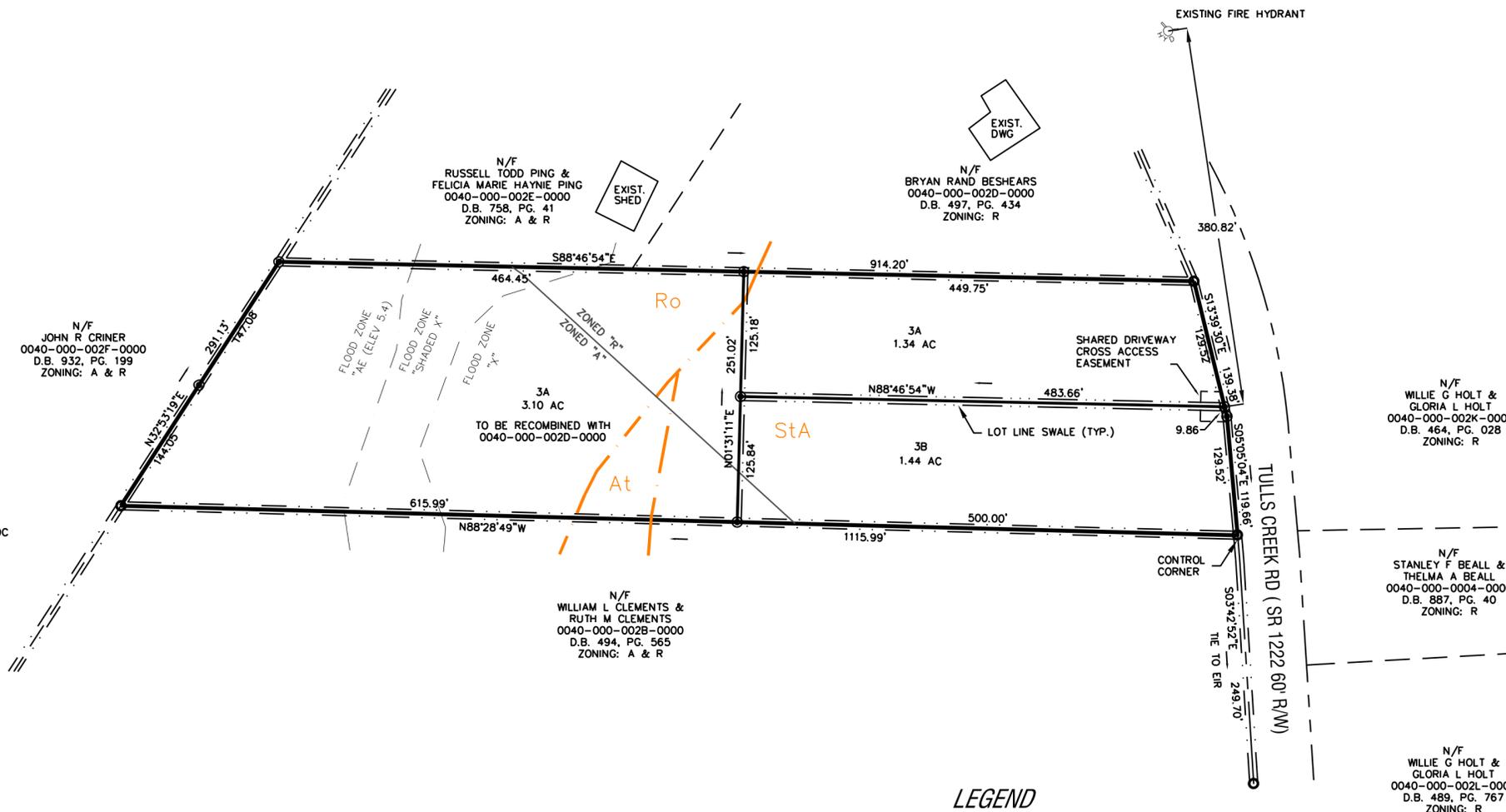


VICINITY MAP
 1" = 2000'



- OWNER/DEVELOPER:
BOBBY WADDELL
110 WIDGEON DRIVE
CURRITUCK, NC 27929
- PIN: 0040-000-002C-0000
PLAT CABINET G, PAGE 1
- SITE AREA: 5.88 AC
LOT 3A AREA: 2.79 AC
LOT 3B AREA: 3.09 AC
- TOTAL NUMBER OF LOTS: 2
- SITE ZONING: "A" AND "R"
- THIS PROPERTY IS LOCATED IN FLOOD ZONE "X", "SHADED X" AND "AE(ELEV 5)" AS SHOWN ON FLOOD PANEL 3721806000J, DATED DECEMBER 16, 2005. FLOOD ZONES ARE SCALED FROM F.I.R.M. FLOOD ZONES ARE SUBJECT TO CHANGE
- A 10' EASEMENT FOR UTILITIES AND DRAINAGE, ALONG REAR AND SIDE PROPERTY LINES AND A 15' EASEMENT ALONG THE FRONT PROPERTY LINE IS HEREBY ESTABLISHED. OR AS NOTED ON PLAT.
- BUILDING SETBACKS:
20' FRONT
15' SIDE
25' REAR
- SOIL TYPES:
At AUGUSTA
Ro ROANOKE
S1A STATE
- MINIMUM LOT SIZE: R ZONE=40000 SF
A ZONE=3 AC
SMALLEST LOT: 1.34 AC

NOTE: LOTS 3A AND 3B MUST SHARE DRIVEWAY ACCESS TO TULLS CREEK ROAD. SEE APPENDIX 9C OF THE CURRITUCK COUNTY UDO.



CERTIFICATE OF SURVEY AND ACCURACY

I, EDWARD T. HYMAN, JR., PLS HEREBY CERTIFY THAT THE SURVEY CREATES A SUBDIVISION OF LAND IN AN AREA COVERED BY A SUBDIVISION ORDINANCE.

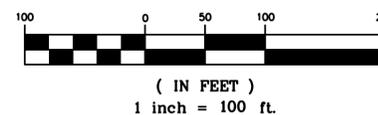
I, EDWARD T. HYMAN, JR. CERTIFY THAT THIS PLAT WAS DRAWN FROM AN ACTUAL FIELD LAND SURVEY MADE UNDER MY SUPERVISION; THAT THE DEED DESCRIPTION FOR SAID PROPERTY IS RECORDED IN D.B. 336, PG. 262; THAT THE ERROR OF CLOSURE IS 1:10,000+; THAT THIS MAP WAS PREPARED IN ACCORDANCE WITH GS 47-30, WITNESS MY ORIGINAL SIGNATURE, REG. NUMBER, AND SEAL THIS 10TH DAY OF DECEMBER, 2007.

PROFESSIONAL LAND SURVEYOR PLS L-2690

LEGEND

- SET IRON REBAR
- FOUND MONUMENT
- BOUNDARY LINE
- PROPERTY LINE
- - - R/W LINE
- - - PROPERTY EXTENSION
- - - FLOOD ZONE
- Ro SOIL TYPE
- ZONING
- ⊗ EXIST. FIRE HYDRANT
- - - EXISTING DITCH/SWALE
- - - PROPOSED DITCH/SWALE

GRAPHIC SCALE



**Case Analysis for the
BOARD OF COMMISSIONERS
Meeting Date: April 7, 2008
Zoning Map Amendment:
PB 08-11 Joel and Stacy Justice**

TYPE OF REQUEST: Rezone approximately 29 acres from Agricultural (A) to Residential (R).

LOCATION: Located on Indian Kettle Road approximately 350 feet south of the intersection with Forbes Road in Jarvisburg.

TAX ID: Map 109, Parcels 53F, 50A, and 53E

OWNERS: Joel and Stacy Justice
PO Box 69
Jarvisburg, NC 27947

APPLICANT: Same

ENGINEER: Bissell Professional Group

ZONING:	<u>Current</u> Agricultural (A)	<u>Proposed</u> Residential (R)
----------------	---	---

ZONING HISTORY: The property was zoned Agricultural (A) on the 1989 zoning atlas.

SURROUNDING PROPERTY:

	<u>Land Use</u>	<u>Zoning</u>
NORTH:	Single Family Dwelling	Agricultural (A)
SOUTH	Single Family Dwelling	Agricultural (A)
EAST:	Jarvisburg School	Agricultural (A)
WEST:	Single Family Dwelling	Agricultural (A)

EXISTING LAND USE: Single family dwelling and vacant.

PROPOSED LAND USE: No specific plans were presented with the application. The application states the purpose of the request is to continue residential development on the tract.

DENSITY:	<u>Allowed as Agricultural (A)</u> The site may net 12 lots.	<u>Proposed as Residential (R)</u> The site may net 31 lots.
-----------------	--	--

**LAND USE PLAN
CLASSIFICATION:**

The 2006 Land Use Plan classifies the subject property as **Limited Service** and within the **Jarvisburg Sub-Area**. The purpose of the Limited Service area is to provide for primarily residential development at low densities.

The **Jarvisburg Sub-Area** is coming under increasing pressure for development. An average density of one unit per acre is contemplated.

The policy emphasis of the Land Use Plan is to allow the Jarvisburg area to accommodate quality residential development at low densities while preserving the rural landscape between such developments. New residential development should be encouraged to locate in compact, walkable, neighborhoods built near an existing or proposed church, school, or compatibly designed general store.

The following Land Use Plan policies are also relevant to this request:

POLICY ES1: New development shall be permitted to locate only in areas with SUITABLE SOIL and where ADEQUATE INFRASTRUCTURE is available.

POLICY ES2: NON-COASTAL WETLANDS, including FRESHWATER SWAMPS, shall be conserved for the important role they play in absorbing floodwaters, filtering pollutants from stormwater runoff, recharging the ground water table, and providing critical habitat for many plant and animal species.

POLICY AG3: County ACTIONS CONCERNING INFRASTRUCTURE (e.g. schools, parks, and utilities) and regulations shall serve to direct new development first to targeted growth areas near existing settlements identified as Full Service areas on the Future Land Use Map, rather than “leapfrogging” to locations in the midst of farmland and greenspace identified as Rural and Conservation areas on the Future Land Use Map.

POLICY AG4: County growth management tools, including particularly zoning, should provide PROTECTION TO AGRICULTURE and other RESOURCE BASED ACTIVITIES

from incompatible land uses, such as a residential subdivision in the midst of generally uninterrupted farm land.

POLICY AG6: For areas experiencing intense development pressure, new residential development may be allowed to locate in COMPACT, VILLAGE-LIKE CLUSTERS, PREFERABLY NEAR EXISTING, NON-AGRICULTURAL ACTIVITIES AND SERVICES, or in other locations that will not interfere with resource production activities. Overall density shall remain very low, with permanent open space, dedicated during the development review process, surrounding such clusters of homes.

POLICY HN1: Currituck County shall encourage development to occur at densities appropriate for the location. LOCATION AND DENSITY FACTORS shall include whether the development is within an environmentally suitable area, the type and capacity of sewage treatment available to the site, the adequacy of transportation facilities providing access to the site, and the proximity of the site to existing and planned urban services. Projects within areas designated as Limited Service would be permitted a density of one to one and one half units per acre depending upon the surrounding development pattern and availability of resources.

PUBLIC SERVICES AND UTILITIES:

The Lower Currituck Volunteer Fire Department provides fire protection for this area. The closest fire hydrant is about 985 linear feet (0.18 miles) to the west. Electric service, telephone, county water, and cable are currently available for this site.

TRANSPORTATION:

The property has access to Indian Kettle Road (gravel). The parcel has approximately 45 linear feet of gravel street frontage on Indian Kettle Road.

FLOOD ZONE:

The property is outside of the 100 year floodplain. The FIRM Map panel is 3720992000J dated December 16, 2005. FIRM Map Index dated September 20, 2006.

SOILS:

The Currituck County Soils map indicates the property contains suitable, marginally suitable, and unsuitable soils for septic systems.

WETLANDS:

Approximately half of the property appears to be wetlands (Swamp Forest and Managed Pine Land).

STAFF

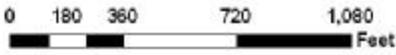
RECOMMENDATION:

Staff recommends **approval** of the request to rezone 29 acres from Agricultural (A) to Residential (R) for the following reasons:

- 1) The request complies with the 2006 Land Use Plan classification of Limited Service and the Jarvisburg sub-area recommendations for a density of one unit per acre.
- 2) The surrounding area, while zoned Agricultural, is emerging in a suburban low-density residential development pattern. The permitted density in the Residential (R) zoning district of one unit per 40,000 sq. ft. is in keeping with the surrounding area and appears to **comply** with the policies of the Land Use Plan.
- 3) New residential development should be encouraged to locate near an existing or proposed church, school, or compatibly designed general store. The subject property is adjacent to a Jarvisburg School which is under construction.

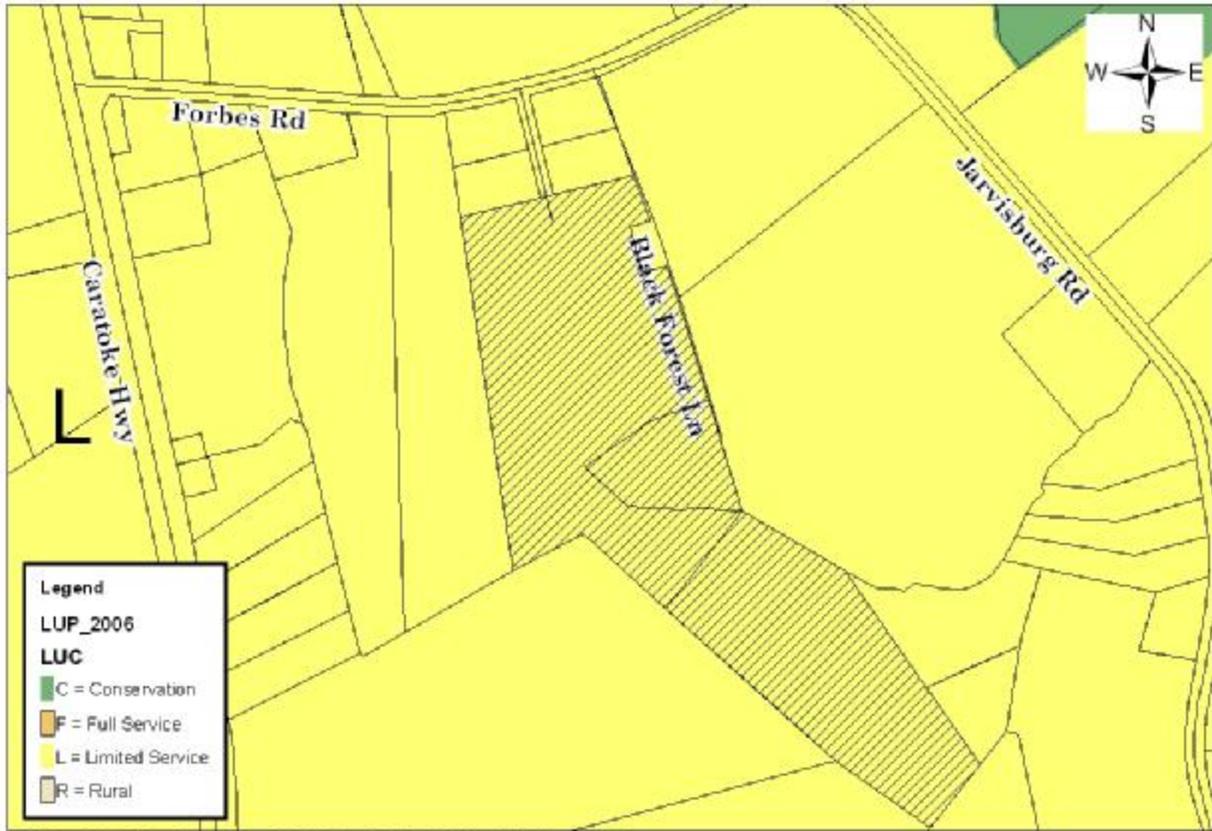


**PB 08-11 JOEL AND STACY JUSTICE
REZONING REQUEST
AERIAL VIEW**



Currituck County Planning Department

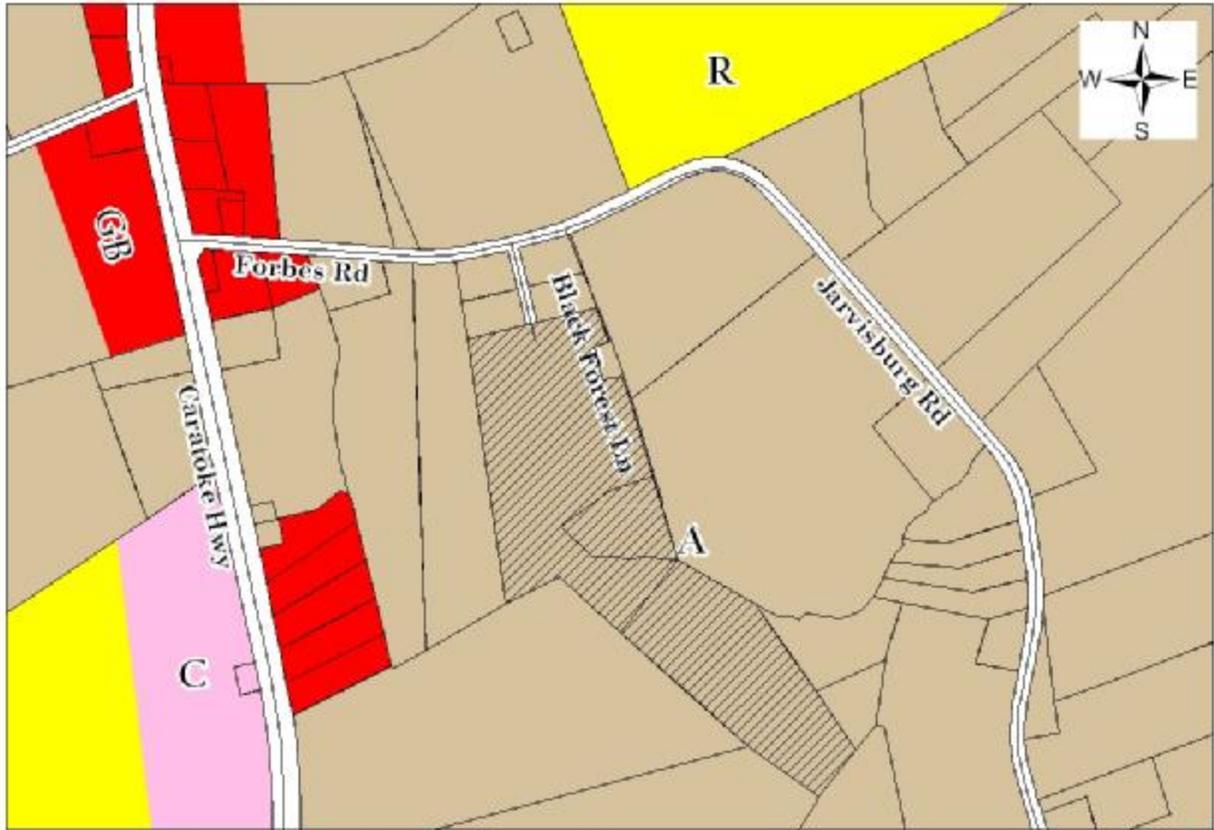




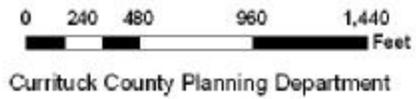
**PB 08-11 JOEL AND STACY JUSTICE
 REZONING REQUEST
 LAND USE CLASSIFICATION**

0 180 360 720 1,080 Feet
 Currituck County Planning Department



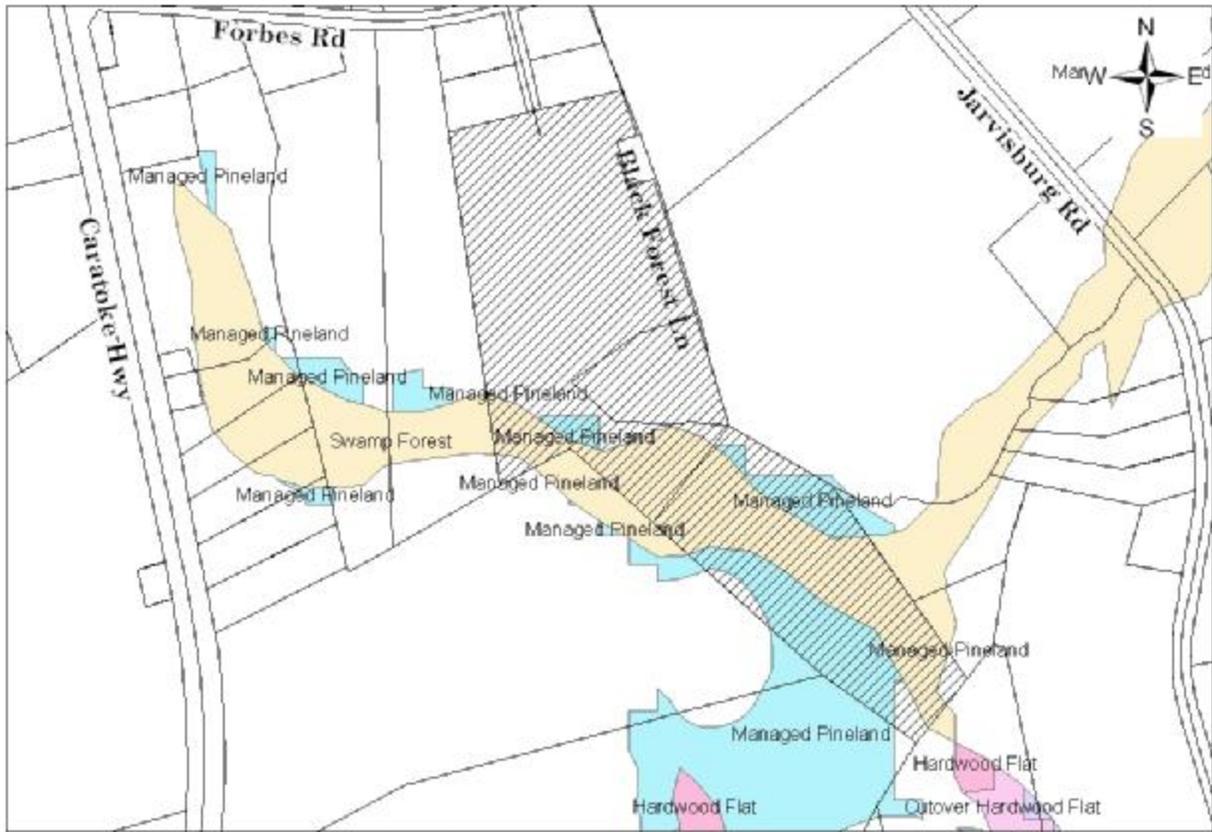


**PB 08-11 JOEL AND STACY JUSTICE
 REZONING REQUEST
 ZONING CLASSIFICATION**



Currituck County Planning Department

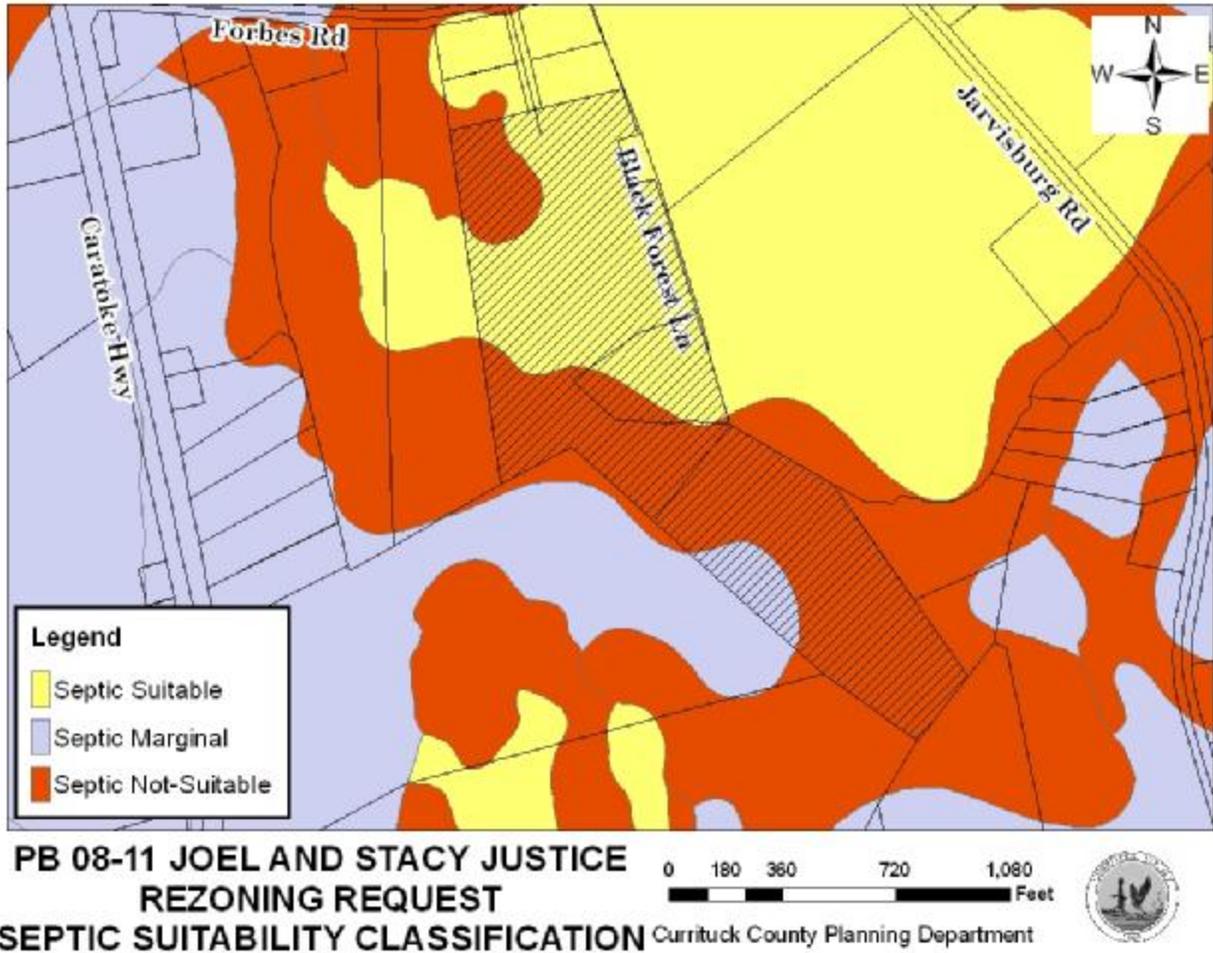




**PB 08-11 JOEL AND STACY JUSTICE
 REZONING REQUEST
 WETLAND CLASSIFICATION**

0 180 360 720 1,080
 Feet
 Currituck County Planning Department





PLANNING BOARD DISCUSSION

Mark Bissell, Bissell Professional Group and Joel Justice appeared before the board. Mr. Webb presented the case analysis to the board.

Mr. Bissell stated he is fine with the staff recommendations for the case analysis. Mr. Bissell stated that the rezoning will give the development an opportunity to offer affordable housing in the area.

Mr. West asked what the cost will be for affordable housing.

Mr. Justice stated he supports affordable housing that it could be in the form of 1, 2, and 3 bedroom town homes or condominium.

PLANNING BOARD ACTION

Mr. Kovacs motion to recommend **approval** with staff recommendations to rezone 29 acres from Agricultural (A) to Residential (R) according to the 2006 Land Use Plan. Ms. Turner seconded the motion. Motion passed unanimously.



MEMORANDUM

TO: Board of Commissioners

FROM: Planning Department

DATE: March 21, 2008

SUBJECT: PB 08-12 Amendment to the UDO to Exempt Family Subdivisions from Public Water and Fire Protection Regulations

The Board of Commissioners directed staff to prepare the attached amendment to the Unified Development Ordinance to exempt family subdivisions from public water and fire protection regulations. A family subdivision is a type of minor subdivision that allows for a parcel to be subdivided into a total of five lots, with no more than one lot created per year.

The Board of Commissioners approved an amendment on September 4, 2007 to require all minor subdivisions to adhere to public water and fire protection regulations as a measure to protect ISO (Insurance Services Organization) ratings. Under the proposed language, conventional minor, private access, and major subdivisions will still have to adhere to public water and fire protection regulations.

What follows are the minutes from the February 12 and March 11 Planning Board meetings and a draft of the text amendment. The Planning Board recommended denial of the amendment as presented due to a concern with possible long-term impacts on community ISO ratings.

Should you have any questions, do not hesitate to contact Ben Woody at 232-6029.

Planning Board Meeting – February 12, 2008

DISCUSSION

Mr. West asked that the definition of a family be clarified.

Mr. Kovacs stated that the text amendment was done to comply with the ISO rating. He was concerned if the planning board approved this text amendment as presented, how it would affect the County's ISO rating.

Mr. Burgess stated he supports the amendment as presented.

ACTION

Mr. Keel motion to recommend tabling the proposed Currituck County text amendment to the UDO to exempt family subdivisions from public water and fire protection regulations until staff can see how or if the County's ISO rating will be affected. Mr. Etheridge seconded the motion. Motion passed unanimously.

Planning Board Meeting – March 11, 2008

DISCUSSION

Mr. Woody stated he spoke to Mr. Mims who is the County's Fire Marshal. The Fire Marshal recommended that all houses to be built should be within 500 feet of a fire hydrant. With regards to the ISO rating, the Fire Marshal stated that with short term it would not hurt the ISO rating, but in long term this could hurt the ISO rating.

Mr. Keel asked how many subdivisions in the county would be affected by the proposed text amendment.

Mr. Webb stated that it would effect past and future family subdivisions. A family subdivision means that one lot per year, with a cap of 5 lots, which can be created out of a larger parcel.

Mr. Burgess supports the amendment. Mr. Burgess states it would put a hardship on them to install the water line.

Ms. Burgess supports the amendment. Ms. Burgess said that when this ordinance came up she compared the process that they have been through like playing a board game.

Mr. Burgess suggested that the county exempt applicants who have already started this process and be able to continue and that future applicants who apply for a subdivision have the restrictions apply.

Mr. Kovacs asked about fire equipment not being able to get to a location.

The board discussed exemptions of applicants who have already started the process.

Ms. Turner stated that the new ISO ratings are very new and people have not seen this reflected in their homeowner's insurance bills, but with time it will be a positive reduction in their premium.

ACTION

Ms. Turner motion to recommend denial of the Currituck County text amendment to exempt family subdivisions as presented. Ms. Robbins seconded the motion. Ayes: Alvin Keel, Joe Kovacs, Bobby Bell, William Etheridge, Arthur Winter, Elizabeth Turner, Forrest Midgette, and Bren Robbins. Nays: Manly West.

CURRITUCK COUNTY
PB 08-12
UDO AMENDMENT REQUEST
Family Subdivisions – Public Water and Fire Protection

BE IT ORDAINED by the Board of Commissioners of the County of Currituck, North Carolina that the Unified Development Ordinance of the County of Currituck be amended as follows:

Item 1:

9.2.6.1 Water Supply System Required

- A. Every principal use and every lot within a subdivision, *including a minor excluding a family* subdivision, shall be served by a means of water supply that is adequate to accommodate the reasonable needs of such use or subdivision lot and that complies with all applicable health regulations.
- B. The permit issuing authority may, before issuing any permit under this ordinance, make such investigation and require the developer to submit such information as appears reasonably necessary to ensure that the developer or his successor will be able to comply with this section.
- C. All developable lots within planned unit developments and planned residential developments shall be connected and serviced by a central water system.
- D. Whenever it is legally possible and practicable in terms of topography to connect to a county water line (other than a line owned by the Ocean Sands Water and Sewer District) by running a connecting line not more than the distance set forth below, then the subdivider shall install water lines in the subdivision, *including a minor excluding a family* subdivision, so that all lots to be developed will be able to connect to the county water system. The developer shall provide all the necessary pipes and accessories for installation of the water lines as set forth herein and all materials and pipes so provided must meet or exceed the requirements established for the county water system. Individual lots within a subdivision given initial sketch plan approval after March 4, 1996 shall be required to connect to the county water system.

Item 2:

9.2.6.2 Water System Requirements

- A. All lots within a subdivision submitted after April 16, 1990, *including a minor subdivision*, excluding *a family subdivision and* the areas of Fruitville Township and Moyock – Gibbs Woods Township, shall connect to a

centralized water system by running a water main in accordance with the standards set forth below. The subdivider shall install water mains in the subdivision such that all lots to be developed will be able to connect to the centralized water system. Water mains shall be installed in road right-of-ways or dedicated water easements.

- B. If the proposed development is for residential purposes, **including minor excluding family** subdivisions, then the distance which the connection must be made shall be as follows: 100 feet per unit for the first ten residential units plus an additional 20 feet for each additional unit. For example, a proposed subdivision with 30 residential lots would have to be located over 1,400 feet from an existing water main to qualify for this exemption (10 units x 100) + (20 units x 20). In multi-family developments, each individual dwelling unit shall be counted as one residential unit;

Item 3:

9.2.6.3 County Long Range Water Extension Plan

If a public water supply system is to be provided to the area within a five-year period as indicated in the county's long range water extension plan, official map, or other official document, the county may require installation of a capped system, or dry lines (mains only), within the road right-of-way; or the county may require a payment in lieu of the improvement. This provision shall apply to all subdivisions, **including minor excluding family** subdivisions, submitted after March 4, 1996 when the subdivision is within a distance of proposed water lines as follow: 100 feet per unit for the first ten units plus 20 feet for each unit in excess of 10 units.

Item 4:

9.2.6.5 Exceptions

- A. Individual lots within a subdivision having been given a minimum of sketch plan approval prior to March 4, 1996 which remains valid, shall not be required to connect to the county water system.
- B. **Including minor Excluding family** subdivisions, in cases where there is no centralized water system within a given area, or the distance from a proposed subdivision to an existing water main exceeds the formula above, the subdivider shall be exempted from connecting to the centralized water system but shall bond for the water improvements (including fire hydrants, laterals, service lines, meter boxes, and yokes) at a rate of cost + 20% to be installed at a later date. The county shall place the bond amount within an escrow account and use it for installing water mains in the subdivision when connection to the centralized water becomes available. Connection of

individual lots to the future water main within an existing subdivision shall be the responsibility of the lot owner;

Item 5:

9.3.1 General Provisions

A. Every subdivision, ~~including a minor~~ **excluding a family** subdivision, that is served by a county owned water system or central water system shall include a system of fire hydrants sufficient to provide adequate fire protection for the buildings located or intended to be located within such development.

Item 6:

The provisions of this ordinance are severable and if any of its provisions or any sentence, clause, or paragraph or the application thereof to any person or circumstance shall be held unconstitutional or violative of the Laws of the State of North Carolina by any court of competent jurisdiction, the decision of such court shall not affect or impair any of the remaining provisions which can be given effect without the invalid provision or application.

Item 7:

This ordinance amendment shall be in effect from and after the _____ day of _____, 2008.

Board of Commissioners' Chairman

Attest:

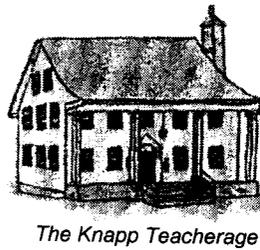
Gwen H. Keene
Clerk to the Board

DATE ADOPTED: _____
MOTION TO ADOPT BY COMMISSIONER: _____
SECONDED BY COMMISSIONER: _____
VOTE: ____AYES ____NAYS_____

PLANNING BOARD DATE: February 12, 2008
PLANNING BOARD RECOMMENDATION: _____
VOTE: ____AYES ____NAYS_____
ADVERTISEMENT DATE OF PUBLIC HEARING: _____

BOARD OF COMMISSIONERS PUBLIC HEARING: _____
BOARD OF COMMISSIONERS ACTION: _____
POSTED IN UNIFIED DEVELOPMENT ORDINANCE: _____
AMENDMENT NUMBER: _____

C. Michael Warren
Superintendent



PHONE: 252-232- 2223
FAX: 252-232-3655
COURIER#: 10-69-03

Currituck County Schools

MEMO

TO: Sandra Hill

FROM: Kelly McClellan (P)

DATE: March 19, 2008

SUBJECT: Change orders for Jarvisburg Elementary

Sandra,

Attached you will find the following change order for Jarvisburg Elementary.

- Change order # 2 to B&M Contracting

If anyone has any questions, or needs clarification on the change order, please contact Bruce McDonald at 232-2223 ext. 253.

Thanks,
Kelly



Since 1927

M.B. Kahn Construction Co., Inc.
P.O. BOX 1179 / COLUMBIA, SC 29202 / (803) 736-2950 / FAX (803) 736-9501 / www.mbkahn.com

CONSTRUCTION
MANAGEMENT
DIVISION

March 13, 2008

Currituck Count Board of Education
2958 Caratoke Highway
Currituck, NC 27929

Attn: Mr. Bruce MacDonald
Ref: Jarvisburg Elementary School
Electrical Contract
Contract Change Order No. 2

Dear Bruce:

As a result of previously approved Change Orders on Jarvisburg Elementary School, attached herewith are 6 copies of Change Order No. 2 to B&M Contractors, Inc.

The purpose of this change is to provide the Contractor with a 24 calendar day time extension as a result of the owner re-issuing the original Contract. As a result, the date of the scheduled Notice to Proceed was delayed from January 21, 2007 until February 14, 2007.

We therefore recommend that owner accept and execute this modification. This is a no cost change. Please return 3 fully executed copies for our file and distribution.

Please let me know if I can be of any further assistance.

Sincerely,

Buddy Sivils
M.B. Kahn Construction Company, Inc.
C.M. Division
757-297-6460

CHANGE ORDER

CONSTRUCTION MANAGEMENT EDITION

PROJECT:
 New Jarvisburg Elementary School
 Jarvisburg, North Carolina

CHANGE ORDER NUMBER: 2
INITIATION DATE: January 16, 2008
ARCHITECT'S PROJECT NO: 06-611
CM'S PROJECT NO. 6069
CONTRACT FOR: Electrical Contract
CONTRACT DATE: January 17, 2007

TO: B & M Contractors, Inc.
 500 North Poindexter Street
 Elizabeth City, NC 27909

You are directed to make the following changes in this Contract:

Extension to Contract completion dates:

1. Revised date of Substantial Completion - April 15, 2008
2. Revised date of Final Completion - May 15, 2008

This time extension is a result of the Owner re-issuing the original contract which restricted the issuance of the scheduled Notice to Proceed date from January 21, 2007, until February 14, 2008, (24 Calendar Day Delay)

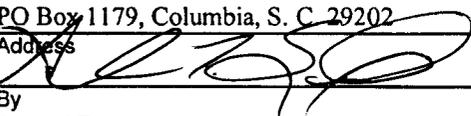
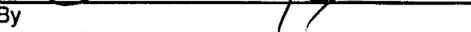
Total This Change **\$0.00**

Not valid until signed by the Owner, the Architect and the Construction Manager.
 Signature of the Contractor indicates agreement herewith, including any adjustment in the Contract Sum or the Contract Time.

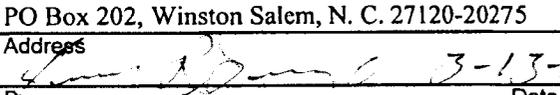
The original Contract Sum was	\$1,546,114.00
Net change by previously authorized Change Orders	(\$5,209.00)
The Contract Sum prior to this Change Order was	\$1,540,905.00
The Contract Sum will be decreased by this Change Order	\$0.00
The new Contract Sum including this Change Order will be	\$1,540,905.00

The Contract Time will be revised by 24 Calendar Days.
 The Date of Substantial Completion as of the date of this Change Order therefore is April 15, 2008

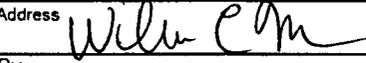
Recommended:

M. B. Kahn Construction Company
 Construction Manager
 PO Box 1179, Columbia, S. C. 29202
 Address 
 By  Date 3/13/08

Approved:

Walter, Robbs, Callahan & Pierce Architects PA
 Architect
 PO Box 202, Winston Salem, N. C. 27120-20275
 Address 
 By  Date 3-13-08

Agreed To:

B & M Contractors, Inc.
 Contractor
 500 North Poindexter Street, Elizabeth City, NC 27909
 Address 
 By  Date 3/13/08

Authorized:

Currituck County Board of Education
 Owner
 2958 Caratoke Highway, Currituck, NC 27929
 Address 
 By  Date 3-14-08



51848-597000

C. Michael Warren
Superintendent

The Knapp Teacherage

PHONE: 252-232- 2223
FAX: 252-232-3655
COURIER#: 10-69-03

Currituck County Schools

MEMO

TO: Sandra Hill
FROM: Kelly McClellan
DATE: March 19, 2008 (V)
SUBJECT: Change orders for Shawboro Elementary

Sandra,

Attached you will find the following change order for Shawboro Elementary.

- Change order # 8 to McKenzie Construction Corporation

If anyone has any questions, or needs clarification on the change order, please contact Bruce McDonald at 232-2223 ext. 253.

Thanks,
Kelly



Since 1927

M.B. Kahn Construction Co., Inc.
P.O. BOX 1179 / COLUMBIA, SC 29202 / (803) 736-2950 / FAX (803) 736-9501 / www.mbkahn.com

CONSTRUCTION
MANAGEMENT
DIVISION

March 13, 2008

Currituck Count Board of Education
2958 Caratoke Highway
Currituck, NC 27929

Attn: Mr. Bruce MacDonald
Ref: North Elementary School
Contract Change order No. 8

Dear Bruce:

As a result of previously approved Change Orders on North Elementary School, attached herewith are 6 copies of Change Order No. 8 to McKenzie Construction Corporation for the owner's execution.

This change order consists of the following:

Delete the vibration isolation rails from roof curbs for RTU-1 through RTU-4 and ERV-4. Since the rooftop units already have built in vibration isolation, no additional isolation is required.

In summary, this proposal have been reviewed and approved by the Engineer of Record to be incorporated into this Contract. The net total of this change reflects a net Credit of (\$12,302.00) to McKenzie Construction Corporation's Contract.

We therefore recommend that owner accept and execute this modification. Please execute and return 3 copies for our file and distribution to the Contractor and Architect. Please let me know if I can be of any further assistance.

Sincerely,

Buddy Sivils
M.B. Kahn Construction Company, Inc.
C.M. Division
757-297-6460

CHANGE ORDER

CONSTRUCTION MANAGEMENT EDITION

PROJECT: North Elementary School 370 Shawboro Road Moyock, NC 27958	CHANGE ORDER NUMBER: 8
	INITIATION DATE: February 27, 2008
	ARCHITECT'S PROJECT NO: 06-611
TO: McKenzie Construction Corporation 1711 Mediterranean Ave. Virginia Beach, Va. 23451	CM'S PROJECT NO. 6069.02
	CONTRACT FOR: SP Contract
	CONTRACT DATE: June 6, 2007

You are directed to make the following changes in this Contract:

Delete the vibration isolation curbs for RTU-1 through RTU-4 and ERV 4 per PCO No. 013 and McKenzie Construction Corporation COP No. 29	Deduct	(12,302.00)
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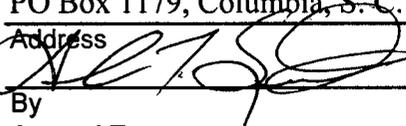
Total This Change	Deduct	(\$12,302.00)
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Not valid until signed by the Owner, the Architect and the Construction Manager.

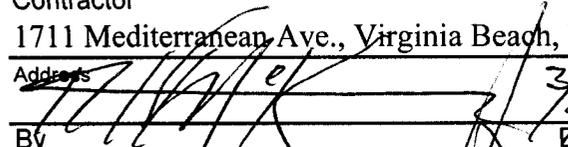
Signature of the Contractor indicates agreement herewith, including any adjustment in the Contract Sum or the Contract Time.

The original Contract Sum was	\$15,961,456.00	
Net change by previously authorized Change Orders	\$244,904.48	
The Contract Sum prior to this Change Order was	\$16,206,360.48	
The Contract Sum will be increased by this Change Order	(\$12,302.00)	
The new Contract Sum including this Change Order will be	\$16,194,058.48	
The Contract Time will be unchanged by	0	Days.
The Date of Substantial Completion as of the date of this Change Order therefore is		

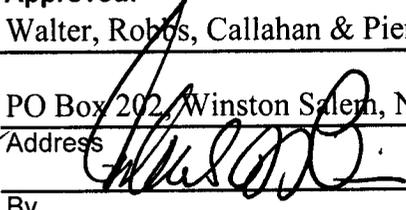
Recommended:

M. B. Kahn Construction Company, Inc.
Construction Manager
PO Box 1179, Columbia, S. C. 29202
Address
By  2/13/08 Date

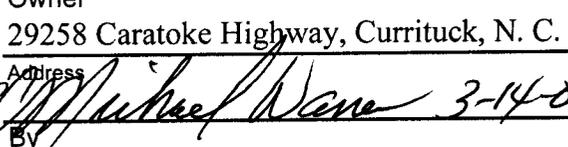
Agreed To:

McKenzie Construction Corporation
Contractor
1711 Mediterranean Ave., Virginia Beach, Va.
Address
By  3/3/08 Date

Approved:

Walter, Robbs, Callahan & Pierce Architects PA
PO Box 202, Winston Salem, N. C. 27120-20275
Address
By  2-28-08 Date

Authorized:

Currituck County Board of Education
Owner
29258 Caratoke Highway, Currituck, N. C. 27929
Address
By  3-14-08 Date

1711 Mediterranean Ave.
Virginia Beach, VA 23451
Phone (757) 422-6177
Fax (757) 422-6631
Email mhodges@mckenzie-construction.com



FAX

TO: Buddy Silvis **FAX:** 252-334-9993
COMPANY: M.B. Kahn **FROM:** Michael H. Hodges
DATE: February 25, 2008 **PAGES:** 4
RE: North Elementary School **CC:** Matt Norton
Bernie Campbell

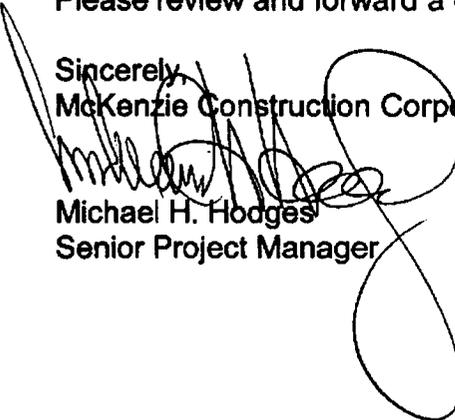
Urgent For Review Comment Reply

Change Order Proposal (COP) #29

Please reference the attached **COP #29** regarding the Deletion of the Vibration Isolations Bases for RTU's 1-4 & ERV-4 for this project. This change was requested PCO #13.

Please review and forward a contract modification for this additional work.

Sincerely,
McKenzie Construction Corporation


Michael H. Hodges
Senior Project Manager

CONTRACT TITLE: **North Elementary School** PROJECT NO:

Owner
Currituck County Schools

DESCRIPTION: **Change Order Request # 29**
Delete Vibration Isolations for RTU 1-4 & ERV-4

				Revisions/Comments
1 Direct Materials			0.00	
2 Sales Tax on Materials	6.5 % of line 1	6.50%	0.00	
3 Direct Labor			0.00	
4 Insurance, Taxes, and Fringe Benefits	24 % of line 3	24.00%	0.00	
5 Rental Equipment			0.00	
6 Sales Tax on Rental Equipment	6.5 % of line 5	6.50%	0.00	
7 Equipment Ownership and Operating Expenses				
8 SUBTOTAL (add lines 1 - 7)			0.00	
9 Extended Performance	0			
10 SUBTOTAL (Add Lines 8 & 9)			0.00	

Prime Remarks:
SUB-CONTRACTOR'S WORK

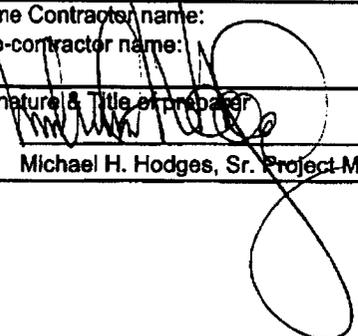
11 Direct Materials			0.00	
12 Sales Tax on Materials	6.5 % of line 12	6.50%	0.00	
13 Direct Labor			0.00	
14 Insurance, Taxes, and Fringe Benefits	24 % of line 13	24.00%	0.00	
15 Rental Equipment			0.00	
16 Sales Tax on Rental Equipment	6.5 % of line 15	6.50%	0.00	
17 Equipment Ownership and Operating Expenses			0.00	
18 SUBTOTAL (add lines 11 - 17)			0.00	
19 Field Overhead	0 % of line 18	0.00%	0.00	
20 SUBTOTAL (add lines 18 & 19)			0.00	
21 Home Office Overhead	10 % of line 20	10.00%	0.00	
22 Profit	5 % of line 20	5.00%	0.00	
23 SUBTOTAL (Add Lines 20 - 22)			-12,180.00	See Attached

Sub's Remarks:

SUMMARY

24 Prime Contractor's Work (from line 10)			0.00	
25 Sub-contractor's Work (from line 23)			-12,180.00	
26 SUBTOTAL (add lines 24 & 25)			-12,180.00	
27 Prime Overhead & Profit on sub-contractor	7 % of line 25	0.00%	0.00	
28 Prime's Home Office Overhead/Profit	15 % of line 24	15.00%	0.00	
29 SUBTOTAL (add lines 26 - 29)			-12,180.00	
30 Prime Contractor's Bond Premium & Ins.	1 % of line 50	1.00%	-121.80	
31 TOTAL (Add Lines 29 & 30)			-12,302.00	

Prime Contractor name: **McKenzie Construction Corporation**
Sub-contractor name: **CB Plumbing**

Signature & Title of preparer: 
Michael H. Hodges, Sr. Project Manager Date: **February 25, 2008**



CB PLUMBING & MECHANICAL, INC.

910 MADDREY DRIVE - CAMDEN, NORTH CAROLINA 27921
PHONE 252-338-6221 - FAX 252-338-1609 - Email: cbplumbing@aol.com

January 29, 2008

To: McKenzie Construction Corp.
Mr. Michael H. Hodges
1711 Mediterranean Avenue
Virginia Beach, VA 23451

Project: North Elementary School
Moyock, North Carolina

RFP #4 Vibration Isolation Deduct, RTU-1 thru 4 & ERV-4

This RFP #4 is a deduct to the original contract for deleting the vibration isolation bases under RTU-1 thru 4 and ERV-4 as requested by Scott Elliott, P.E., Consulting Engineering Services, Inc. Acoustical System will remain as submitted. If you have any questions or comments, please do not hesitate to contact us.

RFP #4 Deduct from Original Contract: \$ 12,180.00

An approved change order, including this document, is required in order for the changes listed above to be executed.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. J. Brown', with a long horizontal flourish extending to the right.

Christopher J. Brown, V.P.

Price Valid for 30 days from above date.

Faxed to (757-422-6631) Emailed to: MHodges@McKenzie-Construction.com

**North Carolina Department of Transportation
Division of Highways
Petition for Road Addition**

ROADWAY INFORMATION: (Please Print/Type)

County: CURRITUCK Road Name: BRABBLE ST WOMACK DR
(Please list additional street names and lengths on the back of this form.)

Subdivision Name: WOODARD ACRES Length (miles): _____

Number of occupied homes having street frontage: 28 Located (miles): _____

miles N S E W of the intersection of Route _____ and Route _____
(Check one) (SR, NC, US) (SR, NC, US)

We, the undersigned, being property owners and/or developers of WOODARD ACRES in CURRITUCK County, do hereby request the Division of Highways to add the above described road.

CONTACT PERSON: Name and Address of First Petitioner. (Please Print/Type)

Name: WILMA L BURTON Phone Number: 453-2794

Street Address: 302 BRABBLE ST

Mailing Address: CURRITUCK NC 27929

PROPERTY OWNERS

<u>Name</u>	<u>Mailing Address</u>	<u>Telephone</u>
<u>WILMA L. BURTON</u>	<u>302 BRABBLE ST</u>	<u>453-2794</u>
<u>MARGUERITE ROACH</u>	<u>125 WOMACK DR</u>	<u>453-2791</u>
<u>KENNETH A. ROACH</u>	<u>125 WOMACK DR</u>	<u>453-2791</u>
<u>ROBERT MORIN</u>	<u>122 WOMACK DR</u>	<u>453-6929</u>
<u>BARBARA MORIN</u>	<u>122 WOMACK DR</u>	<u>453-6929</u>
<u>DEBRA BURTON</u>	<u>120 WOMACK DR</u>	<u>453-3421</u>
<u>ANDY BURTON</u>	<u>120 WOMACK DR</u>	<u>453-3421</u>
<u>LEROY E PORTER</u>	<u>118 WOMACK DR</u>	<u>453-8119</u>

PROPERTY OWNERS

<u>Name</u>	<u>Mailing Address</u>	<u>Telephone</u>
JAMES W. HELMS	114 WOMACK DR	453-4594
CONNIE SMITH	110 WOMACK DR	453-4094
SAMUEL SMITH	110 WOMACK DR	453-4094
CINDI WILLIAMSON	109 WOMACK DR	453-6235
DARIN MELLOTT	107 WOMACK DR	(757) 482-7610
RYAN MELLOTT	107 WOMACK DR	(757) 373-3256
LOU LLOYD-ZANNINI	101 WOMACK DR	453-4614
LINDA LLOYD-ZANNINI	101 WOMACK DR	453-4614
EDNA S HASTY	105 WOMACK DR	453-8486
JAMES E HASTY	105 WOMACK DR	453-6386
CHRISTOPHER G MARSHALL	108 WOMACK DR	453-2588
LISA W MARSHALL	108 WOMACK DR	453-2588
POLLY M SILER	292 BRABBLE ST	453-2782
JUDITH MITCHELL	304 BRABBLE ST	453-2426
A J SMALL	311 BRABBLE ST	453-2716
KATHIE SMALL	311 BRABBLE ST	453-2716
ELIZABETH SYKERS	112 WOMACK DR	453-3810
GWEN DODSON	119 WOMACK DR	(757) 479-4814
RONNIE DODSON	119 WOMACK DR	(757) 479-4814
EILEEN HELMS	114 WOMACK DR	453-4594
BENNIE CADDEN	298 BRABBLE ST	457-5048
TRACY DANIELS	300 BRABBLE ST	453-2617
STEVE DANIELS	300 BRABBLE ST	453-2617
MINTA POLING	308 BRABBLE ST	453-4136
JAMES PADGETT	111 WOMACK DR	(757) 485-5779
HARRY C. LEE	115 WOMACK DR	(757) 464-0270
DON BOUCHER	715 POPLAR FOREST CT	(757) 436-2612
CARLA BOUCHER	715 POPLAR FOREST CT	(757) 436-2612
TIM LESTER		
KAREN LESTER		

MEMORANDUM

TO: Board of Commissioners
FROM: Dan Scanlon, County Manager
DATE: March 31, 2008
SUBJECT: CDBG Scattered Site Funding

Following is a letter which has been requested by the State to officially de-obligate 2005 CDBG funding.

Although the County was eligible for 2005 funds, the cycle has opened and closed because we still have the Ferebee project open from the 2002 cycle. Providing we can close out the Ferebee project, we are in line for 2008 funding.

If you have any questions, do not hesitate to contact me.



COUNTY OF CURRITUCK

BOARD OF COMMISSIONERS

Barry C. Nelms, Chairman
Gene A. Gregory, Vice-Chairman
Ernie Bowden
J. Owen Etheridge
Janet L. Taylor

County Manager's Office
Post Office Box 39
Currituck, North Carolina 27929-0039
Telephone (252) 232-2075 / Fax (252) 232-3551
State Courier # 10-69-17

DANIEL F. SCANLON II, CPA
County Manager

IKE McREE
Interim County Attorney

GWEN H. KEENE, CMC
Clerk to the Board

April 8, 2008

Ms Gloria Nance-Sims, Director
NC Department of Commerce, DCA
4313 Mail Service Center
Raleigh, NC 27699-4313

Re: Currituck County CDBG Scattered-Site Funding

Dear Ms. Nance-Sims,

Currituck County was awarded the CDBG Scattered Site Funding in 2005. There were delays in closing out the 2002 grant that prevented a timely start utilizing the 2005 funding which Currituck County contracted out to a third party administrator.

With such a short time left for the third party administrator to commit the 2005 funding, the Currituck County Board of Commissioners voted on April 7, 2008, to de-obligate the funding.

Currituck County is eligible to receive funding again in 2008 and looks forward to working with you on that funding. If you need further information, please contact me.

Thank you for your cooperation in this matter.

Sincerely,

Daniel F. Scanlon, II
County Manager

DFS/mg

cc: Board of Commissioners

CURRITUCK COUNTY
NORTH CAROLINA
MARCH 17, 2008

The Board of Commissioners met on March 17, 2008, at 7:00 p.m. for its regularly scheduled meeting at the Historic Courthouse in the Commissioners Meeting Room with the following members present: Chairman Nelms, Commissioners Bowden, Gregory, Taylor and Etheridge.

Invocation

Pledge of Allegiance

The Reverend David Blackman was present to give the invocation.

Approval of Agenda

Commissioner Gregory moved to amend the agenda by deleting from the Consent Agenda resolution on OLF; remove budget amendment for Knotts Island VFD; add budget amendment for Senior Center Bus; add resolution amending Tourism Board location and date of meeting. Commissioner Bowden seconded the motion. Motion carried.

- Item 1 Approval of Agenda
- Item 2 Public Comment
Please limit comments to items not appearing on the regular agenda, please limit comments to 3 minutes.
- Item 3 **Karen McCalpin, update on Corolla Wild Horse Fund**
- Item 4 **Corolla Ocean Rescue contract for Lifeguard Services**
- Item 5 **Public Hearing and Action** PB 08-10 Currituck County Text Amendment: Request to amend Chapter 4: Overlay Districts, Chapter 7: Signs, and Chapter 17: Definitions of the Currituck County Unified Development Ordinance to clarify the use of electronically controlled message signs.
- Item 6 **Review and Action** PB 07-16 Weeping Radish: Annual review of a special use permit for outdoor events. The property is located at 6810 Caratoke Hwy., Poplar Branch Township.
- Item 7 **Appointments to the Whalehead Board of Trustees**
- Item 8 **Consent Agenda:**
 - 1. Surplus resolution for Extension trailer
 - 2. Change Orders for Jarvisburg Elementary School
 - 3. Change Orders for Shawboro Elementary School
 - 4. Resolution opposing OLF Site in Camden County
 - 5. Budget Amendments
 - 6. Request to purchase ambulances through installment purchase agreement and piggy-back off of the Florida State contract
 - 7. Report of Unpaid 2007 Real Estate Taxes - Order Advertisement of Tax Liens
 - 8. Bond Order for Mainland Water Revenue Bonds
 - 9. Series Resolution for Mainland Water Revenue Bonds

- 10. Resolution to Declare County-Owned Parcel 110B-011-0016-0000 Surplus Property
- 11. Resolution Authorizing Upset Bid Process - Parcel 110B-011-0016-0000
- 12. Appointment of Scott Pollard to the Community Child Protection Team/Community Child Fatality Team

Item 9 Commissioner's Report

Item 10 County Manager's Report

Public Comment

Please limit comments to items not appearing on the regular agenda, please limit comments to 3 minutes.

Chairman Nelms opened the public comment period.

Janice Carter, Moyock, expressed concerns with Moyock Fire Department as paid instead of volunteers.

Commissioner Etheridge, commended EMS and Communication staff for their professionalism and service.

Chairman Nelms, updated public on Mediacom's loss of service and new services that they are installing.

There being no further comments, Chairman Nelms closed the public comment period.

Karen McCalpin, update on Corolla Wild Horse Fund

Ms. McCalpin, Director of the Wild Horse Fund, reviewed the tremendous progress they have made in the past 17 months. The herd has been reduced by 37 horses, exceeding their goal of 30 horses. The Current herd size is 87. She reported that they have worked diligently and resolutely to responsibly manage the herd and to achieve financial stability, and have been excellent stewards of the funds entrusted to them both by the county and the public.

Corolla Ocean Rescue contract for Lifeguard Services

Sylvia Wolfe, Corolla Ocean Rescue, reviewed the contract for Lifeguard services.

Commissioner Etheridge moved to approve. Commissioner Taylor seconded the motion. Motion carried.

In exchange for performance of services hereunder the COUNTY shall make payment to the CONTRACTOR for services rendered as follows: 2008- \$540, 960.00 (FIVE HUNDRED FORTY THOUSAND NINE HUNDRED SIXTY AND 00/100 DOLLARS) AND 2009- \$584,664.00 (FIVE

HUNDRED EIGHTY-FOUR THOUSAND SIX HUNDRED SIXTY-FOUR AND 00/100 DOLLARS.)

Public Hearing and Action PB 08-10 Currituck County Text Amendment: Request to amend Chapter 4: Overlay Districts, Chapter 7: Signs, and Chapter 17: Definitions of the Currituck County Unified Development Ordinance to clarify the use of electronically controlled message signs.

Ben Woody, Planning Director, reviewed the request.

The Board of Commissioners has directed staff to review the signage requirements in the Unified Development Ordinance (UDO) to define and clarify electronically controlled message signs. Please find attached an amendment that further defines the operation of electronically controlled message signs, including the requirement that text or graphics remain stationary for a minimum of five seconds. This amendment will not apply to the Outer Banks Overlay District.

Additionally, the UDO is not clear with regard to how vehicles can be used for advertising. The attached amendment also includes language that clarifies to what extent vehicles and/or trailers may be used for advertising purposes.

What follows are the minutes from the February 12 Planning Board meeting and a draft of the text amendment as described above. The Planning Board recommended unanimous approval with the condition that the electronically controlled message signs only change messages once per 30 seconds.

Planning Board Meeting – February 12, 2008

DISCUSSION

The Planning Board discussed the location of the County sign, animated signs, and message signs.

Mr. Woody stated that currently electronically controlled message signs can change only once per hour per the UDO. The County is asking for the message to change every five seconds. This would pertain only to the Mainland. Time and temperature is exempt.

ACTION

Mr. West motion to recommend approval of the Currituck County Text Amendment for Electronically Controlled Message Sign to the Unified Development Ordinance but the message to change every 30 seconds. Mr. Keel seconded the motion. Motion passed unanimously.

**Electronically Controlled Message Signs
PB 08-10
Currituck County
UDO Amendment Request**

An amendment to Chapter 4: Overlay Districts, Chapter 7: Signs, and Chapter 17: Definitions.

BE IT ORDAINED by the Board of Commissioners of the County of Currituck, North Carolina that the Unified Development Ordinance of the County of Currituck be amended as follows:

Item 1: That Chapter 7 Signs is amended by rewriting the following sections:

Section 7.2 Signs Excluded from Regulation

- A. Signs erected by, or on behalf of, or pursuant to, the authorization of a governmental body, including legal notices, ~~identification and informational~~ signs that identify public property or convey public information, and traffic, directional or regulatory signs.

Section 7.4.2 On-Premise Sign Additional Requirements

- A. No more than 50 percent of the area of a sign can be a message board, reader board or electronically controlled message sign. The message must remain stationary for a minimum of five seconds ~~cannot change more than one time per hour~~, except for time and temperature.

Section 7.7 Miscellaneous Restrictions and Prohibitions

- C. Signs that revolve or are animated or that utilize movement or apparent movement to attract attention of the public are prohibited (with the exception of message boards, and reader boards, and electronically controlled message signs subject to the regulations in this chapter). Without limiting the foregoing; banners, streamers, animated display boards, pennants, and propellers are prohibited but signs that only move occasionally because of wind are not prohibited if their movement:

1. Is not a primary design feature of the sign;
2. Is not intended to attract attention to the sign.

The restriction of this subsection shall not apply to signs specified in Section 7.2 (C) or (D) or to signs indicating the time, date or weather conditions and other such signs as specifically provided in these regulations, such as temporary signs and message board, reader board, and electronically controlled message signs.

Item 2: That Section 7.7 Miscellaneous Restrictions and Prohibitions is amended by adding the following subsection:

- I. Signs on vehicles and trailers that are parked in a location which is visible to the public and for a period of time which indicates that the principal use of the vehicle is for advertising rather than transport.

Item 3: That Chapter 17 Definitions is amended by adding the following underlined language:

Sign, Animated

Any sign which flashes, revolves, rotates, or swings by mechanical means or which uses a change of lighting to depict action or to create a special effect or scene.

Sign, Electronically Controlled Message

A sign on which the copy changes automatically on a lampbank, such that the message or display does not run continuously in the travel mode, and any message or display remains stationary for a minimum of five seconds. Any sign on which the message or display runs

continuously in the travel mode and/or on which any message or display does not remain stationary for a minimum five seconds shall be considered an animated sign.

Item 3: That Section 4.7.4.5 Prohibited Signs is amended by adding the following subsection:

T. Signs on vehicles and trailers that are parked in a location which is visible to the public and for a period of time which indicates that the principal use of the vehicle is for advertising rather than transport.

Item 4: The provisions of this Ordinance are severable and if any of its provisions or any sentence, clause, or paragraph or the application thereof to any person or circumstance shall be held unconstitutional or violative of the Laws of the State of North Carolina by any court of competent jurisdiction, the decision of such court shall not affect or impair any of the remaining provisions which can be given effect without the invalid provision or application.

Chairman Nelms opened the public hearing. There being no comments, he closed the public hearing.

Commissioner Gregory moved to approve with the 5 second change. Commissioner Bowden seconded the motion. Motion carried.

Review and Action PB 07-16 Weeping Radish: Annual review of a special use permit for outdoor events. The property is located at 6810 Caratoke Hwy., Poplar Branch Township.

Sworn testimony was given prior to making comments.

Ben Woody, Planning Director, reviewed the request.

On April 2, 2007 the Board of Commissioners approved a Special Use Permit for outdoor special events at the Weeping Radish Brewery property. The scope of the original approval included festivals and events to last for more than one day of duration outside of an enclosed building. As part of the approval, the Board requested the Special Use Permit be reviewed within one year.

Attached please find the conditions of the Special Use Permit and a site plan.

**SPECIAL USE PERMIT REVIEW
PB 07-16 Weeping Radish Farm Brewery**

1. The applicant shall notify the following departments in writing sixty (60) days prior to individual events or provide an annual schedule of events: Planning and Inspections, Emergency Services, Albemarle Regional Health Department, Currituck Sheriff's Department, and the Fire Prevention office (Fire Marshal).
2. Failure to notify these departments of a scheduled event will result in the immediate suspension of the use permit until it can be review at a scheduled Board of Commissioners meeting.
3. A noise permit issued by the Sheriff's Department shall be acquired prior to the event for any outdoor amplified sound.

4. No vehicles shall be parked within the right-of-way of Caratoke Highway, or within 20 feet of any adjoining property line in spaces that are not previously approved as part of the Weeping Radish Brewery operations.
5. A zoning permit shall be obtained for any on-premise signage. No sign advertising the event shall exceed the allowances of the Currituck County Unified Development Ordinance.
6. Portable toilets shall be provided per the requirements of the Health Department. A copy of the contract for the portable toilets with NC registered sewage pumper shall be submitted to the Department of Planning and Inspections one week prior to the event.
7. All vendors serving food shall receive permits from the Albemarle Regional Health Services 30 days prior to individual events. A list of the food vendors and copies of their permits shall be submitted by 25 days before individual events, to the Department of Planning and Inspections.
8. Any tents used for events will require a tent permit issued by the Department of Planning and Inspections. The tents shall be inspected by the Fire Marshall. The applicant shall be responsible for scheduling this inspection with the Fire Marshall.
9. Any arenas, bleachers, tents or other structures for the event shall be permitted and inspected 24 hours prior to the event commencing. The applicant shall be responsible for scheduling this inspection with the Inspections division.
10. All items associated with the event (tents, bleachers, litter, port-a-johns, etc.) shall be removed from the event site within three (3) days of the end of the event.
11. There shall be no fireworks used at this event that do not receive the prior, written approval of the Fire Marshal.
12. Upon a determination of need by the Sheriff and EMS director, Law Enforcement, EMS and a fire truck shall be scheduled to be on-site for each event and the NC Highway Patrol notified or contracted to provide traffic control.
13. Provide proof of Liability Insurance on an annual basis or individual events as applicable.
14. The applicant shall demonstrate compliance with the above stated conditions no less than 15 days prior to any event.

Commissioner Etheridge moved to approve a 3 year permit.
Commissioner Gregory seconded the motion. Motion carried.

Appointments to the Whalehead Board of Trustees

Commissioner Bowden moved to appoint Barbara Smith, Jeanne Meiggs and reappoint Marion Thorn, Gary Springer, Bill Richardson and Travis Morris. Commissioner Gregory seconded the motion. Motion carried.

Bond Order for Mainland Water Revenue Bonds Series

Chairman Nelms moved to approve the BOND ORDER AUTHORIZING THE ISSUANCE OF WATER SYSTEM REVENUE BONDS TO PROVIDE FUNDS FOR

IMPROVEMENTS TO THE WATER SYSTEM OF THE COUNTY; PROVIDING FOR THE ISSUANCE OF REVENUE BONDS; PROVIDING FOR THE COLLECTION OF SERVICE CHARGES FOR THE USE OF THE SYSTEM; PROVIDING FOR THE CREATION OF CERTAIN SPECIAL FUNDS; PLEDGING TO THE PAYMENT OF THE PRINCIPAL OF AND THE INTEREST ON THE REVENUE BONDS AND NOTES CERTAIN REVENUES OF THE SYSTEM; SETTING FORTH THE RIGHTS AND REMEDIES OF HOLDERS; AND SETTING FORTH THE DETAILS OF CERTAIN RELATED MATTERS

Commissioner Bowden seconded the motion. Motion carried.

WHEREAS, the County of Currituck, North Carolina (the "County") is authorized by The State and Local Government Revenue Bond Act, Article 5 of Chapter 159, to issue its revenue bonds to provide moneys for the acquisition, construction, reconstruction, extension, improvement or payment of the cost of one or more revenue bond projects, including water systems or facilities; and

WHEREAS, the County desires to finance the cost of making certain improvements to its water system that serves the mainland portion of the County including, but not limited to, the construction of a reverse osmosis water processing plant and related infrastructure; and

WHEREAS, the County now intends to issue its water system revenue bonds (the "Bonds") to finance the Project (defined below), which Bonds shall be secured by a pledge of Pledged Net Revenues; and

WHEREAS, each series of Bonds shall be issued pursuant to a Series Resolution which will provide for the terms for such series of Bonds; and

WHEREAS, the County also is authorized to issue Subordinate Debt, as defined herein, to finance Improvements to the System (as defined below);

NOW, THEREFORE, BE IT ORDERED by the County of Currituck, North Carolina, as follows:

ARTICLE I GENERAL PROVISIONS AND DEFINITIONS

Section 1.01. Contract with Holders. In consideration of the purchase and acceptance of the Bonds by those who shall hold the same from time to time, the provisions of this Bond Order shall be deemed to be and shall constitute a contract between the County and the Holders from time to time of the Bonds; and the covenants and agreements herein set forth to be performed by or on behalf of the County shall be for the equal benefit, protection and security of the Holders of any and all of the Bonds so issued or to be issued, without preference, priority or distinction as to lien or otherwise, except as otherwise hereinafter provided, of any one Bond over any other Bond by reason of priority in the issue, sale or negotiation thereof, or otherwise.

Section 1.02. Definitions. The following words and terms as used in this Bond Order shall have the following meanings, unless some other meaning is manifestly intended:

“Act” means The State and Local Government Revenue Bond Act, constituting Article 5 of Chapter 159 of the General Statutes of North Carolina, as amended.

“Annual Budget” means any budget or amended budget of Operating Expenses adopted or in effect pursuant to Section 7.08 of this Bond Order.

“Annual Debt Service” means the amount of payments required to be made for principal of and interest on any specified Indebtedness, including mandatory sinking fund redemptions, and payments pursuant to agreements with providers of credit enhancement or liquidity support with respect to such Indebtedness to reimburse such providers for debt service payments made with respect to such Indebtedness, scheduled to come due within a specified Fiscal Year, but excluding any capitalized interest funded from proceeds of Indebtedness. For purposes of calculating Annual Debt Service, the following assumptions are to be used to calculate the principal and interest due in such specified Fiscal Year:

(a) In determining the principal amount due in the Fiscal Year, payment shall be assumed to be made in accordance with any amortization schedule established for such Indebtedness (unless a different subsection of this definition applies for purposes of determining principal maturities or amortization), including any scheduled redemption of such specified Indebtedness on the basis of accreted value and, for such purpose, the redemption payment shall be deemed a principal payment;

(b) If any of the specified Indebtedness constitutes Tender Indebtedness, then Annual Debt Service on the options or obligations of the holders of such Indebtedness to tender the same for purchase or payment prior to their stated maturity or maturities shall be treated as a principal maturity occurring on the first date on which owners of such Indebtedness may or are required to tender such Indebtedness, except that any such option or obligation to tender Indebtedness shall be ignored and not treated as a principal maturity if (1) such Indebtedness is enhanced or secured by a letter of credit, such Indebtedness is rated at least in the “A” rating category (without regard to any rating refinement or gradation by numerical modifier or otherwise) by a Rating Agency, and such Indebtedness is rated in the two highest short-term note or commercial paper rating categories by a Rating Agency, and (2) any obligation the County may have, other than its obligation on such Indebtedness, to reimburse any provider of a credit or liquidity facility or a bond insurance policy, or similar arrangement shall have been incurred under and shall have met the tests and conditions for the issuance of such specified Indebtedness set forth in this Bond Order;

(c) If any of the specified Indebtedness constitutes Variable Rate Indebtedness, the interest rate on such Indebtedness shall be assumed to be 100% of the greater of (1) the daily average interest rate on such Indebtedness during the 12 months ending with the month preceding the date of calculation, or such shorter period that such Indebtedness shall have been Outstanding or (2) the rate of interest on such Indebtedness on the date of calculation; provided that, with respect to any Variable Rate Indebtedness which is being issued at the date of computation, the initial rate of such Indebtedness shall be used;

(d) Indebtedness that is no longer Outstanding pursuant to Section 11.01 or otherwise shall be disregarded and not included in the calculation of Annual Debt Service;

(e) For any Indebtedness for which a binding commitment, letter of credit or other credit arrangement providing for the extension of such Indebtedness beyond its original maturity date exists, the computation of the annual amount payable on account of principal and interest on such Indebtedness shall, at the option of the County, be made on the assumption that such Indebtedness will be amortized in accordance with such credit arrangement; and

(f) Upon incurrence of a Hedge Agreement, all calculations, including for the annual amount on account of principal and interest on Indebtedness subject to the Hedge Agreement, shall be made using the Hedge Fixed Rate for the applicable period and such Indebtedness shall not be considered as Variable Rate Indebtedness for such period.

“Auditors” means the independent firm of certified public accountants that is employed by the County to audit the County’s books and accounts at the end of each Fiscal Year.

“Beneficial Owners” means the person in whose name a Bond is recorded as beneficial owner of such Bond by the Securities Depository or a Participant or an Indirect Participant on the records of such Securities Depository, Participant or Indirect Participant, as the case may be, or such Person’s subrogee.

“Board” means the Board of Commissioners of the County of Currituck, North Carolina, or the board or body in which the general legislative powers of the County shall now or hereafter be vested.

“Bond Anticipation Notes” means any notes issued in anticipation of the issuance of Bonds.

“Bond” or “Bonds” means any bond or bonds authorized by Article II and includes any Bond Anticipation Notes, and Completion Bonds issued in accordance with this Bond Order, but does not include any Subordinate Debt.

“Bond Counsel” shall mean an attorney or firm of attorneys nationally recognized on the subject of municipal bonds.

“Bond Fund” means the fund created and so designated by Section 5.01.

“Bondholder” or “Holder” or any similar term, when used with reference to a Bond or Bonds means any person who shall be the registered owner of any outstanding Bond or Bonds.

“Bond Order” means this Bond Order, together with all orders amendatory hereof and all orders supplemental hereto as herein permitted, including all Series Resolutions.

“Bond Registrar” means initially the Finance Officer, and if a Paying Agent is appointed pursuant to Section 9.02, such Paying Agent and any successor Paying Agent.

“Book-Entry System” means “Book-Entry System” means a book-entry system established and operated for the recordation of Beneficial Owners of the Bonds pursuant to Section 2.20.

“Business Day” means a day on which banking business is transacted, but not including a Saturday, Sunday or legal holiday, or any day on which banking institutions are authorized by law to close in the county in which the Paying Agent has its principal corporate trust office.

“Capital Lease Obligation” means the obligation to make payments under leases that are (i) required to be capitalized in accordance with GAAP, (ii) related to the System, and (iii) expected to be paid from Pledged Net Revenues.

“Chairman” means the Chairman of the Board or the officer succeeding to or exercising his or her principal functions and duties.

“Clerk” means the Clerk to the County Board of Commissioners or the officer succeeding to or exercising his or her principal functions and duties.

“Commission” means the Local Government Commission of North Carolina or its designated representative.

“Completion Bonds” means any Bonds issued for the purpose of financing the completion of certain improvements to the Project for which Bonds have theretofore been issued in accordance with the provisions hereof, to the extent necessary to complete such improvements in the manner and scope contemplated at the time that such Bonds were originally issued, and, to the extent the same shall be applicable, in accordance with the general plans and specifications for such improvements as originally prepared with only such changes as have been made in conformance with the documents pursuant to which such Bonds were originally issued.

“Consulting Engineers” means (a) an Independent Consulting Engineer or (b) the designated person(s) within the Currituck County Water Department or of any successor department who is (1) an engineer experienced in the field of water engineering and (2) licensed and registered as a professional engineer in the State.

“Costs of the Project” means the cost of improvements, the cost of construction or reconstruction, the cost of all labor, materials, machinery and equipment, the cost of all lands, property, rights, easements, franchises and permits acquired, financing charges, interest prior to and during construction and for up to one year after completion of construction; start-up costs and operating capital; the cost of plans, specifications, surveys, estimates of costs and of revenues; the cost of engineering, legal and other professional services, including financial advisory services; costs of issuing any Series of Bonds, expenses necessary or incident to determining the feasibility or practicability of any such acquisition, construction or reconstruction, and such other expenses as may be necessary or incidental to the financing of the Project.

“Counsel” means an attorney or firm of attorneys selected by the County.

“County Representative” means the person or persons designated to act on behalf of the County by written certificate of the Board signed by the Chairman and furnished to the Paying Agent and the Depository containing the specimen signature of such person or persons.

“Debt Service Requirement” means, for any Indebtedness in any Fiscal Year, the amount of the Annual Debt Service for such Indebtedness for such Fiscal Year.

“Debt Service Reserve Fund” means the fund created and so designated by Section 5.01 of this Bond Order.

“Debt Service Reserve Requirement” means, with respect to any Indebtedness, an amount equal to the maximum Annual Debt Service for such Indebtedness for any Fiscal Year.

“Depository” means any bank or trust company duly authorized under the laws of the United States of America or the State of North Carolina to engage in the banking business within the State and designated by the Board as a depository of moneys under the provisions of this Bond Order.

“Finance Officer” means the Finance Officer of the County or the officer succeeding to his principal functions and duties.

“Fiscal Year” means the period of twelve months commencing on July 1 of any year and ending on June 30 of the following year.

“GAAP” means generally accepted accounting principles as applied to governmental entities.

“General Obligation System Bonds” means the principal amount of the County’s outstanding general obligation bonds, from time to time, the proceeds of which were used to finance facilities of the System.

“Hedge Agreement” means an interest rate swap, cap, collar, floor, forward or other hedging agreement, arrangement or security however denominated, expressly identified pursuant to its terms as being entered into in connection with and in order to hedge interest rate fluctuations on all or a portion of any Indebtedness where (a) interest on such Indebtedness or such portion of such Indebtedness is payable at a variable rate of interest for any future period of time or is calculated at a varying rate per annum, and (b) a fixed rate (for a swap), a maximum rate (for a cap) or a maximum and minimum rate (for a collar) is specified by the County in such agreement, or such Indebtedness, taken together with such agreement, results in a net fixed rate payable by the County for such period of time (the “Hedge Fixed Rate”), assuming the County and the party(ies) with whom the County has entered into the agreement make all payments required to be made by the terms of the agreement, provided that no such agreement may be entered into by the County unless any termination or similar payment which may be payable by the County thereunder is expressly subordinated to the obligation of the County on the Indebtedness, and that the party(ies) with whom the County has entered into the agreement shall have the same or higher rating as the Indebtedness to which it relates. If the rating of the Indebtedness or the party(ies) with whom the County has entered into such agreement is lowered, such agreement will continue in effect and expire in accordance with its terms.

“Impact Fees” means all nonrecurring fees that the County collects from developers, builders or others, if any, (1) to compensate the County for providing System capacity, and (2) to connect facilities related to installation of and expansion to the System.

“Indebtedness” means Senior Debt and Subordinate Debt.

“Independent Consulting Engineer” means an independent engineer, who is not an employee of the County, experienced in the field of water engineering and licensed and registered as a professional engineer in the State.

“Indirect Participant” means a broker-dealer, bank or other financial institution for which the Securities Depository holds Bonds as a securities depository through a Participant.

“Initial Bonds” means the Bonds authorized under Section 2.01 of this Bond Order and the Series Resolution adopted on the date of this Bond Order with respect to such Initial Bonds.

“Interest Payment Date” means, with respect to any Series of Bonds, each of the interest payment dates provided for in the Series Resolution relating to such Series.

“Net Proceeds” means the gross proceeds from any insurance recovery or recovery in any condemnation proceeding remaining after payment of attorneys’ fees, fees and all other expenses incurred in collection of such gross proceeds.

“Net Revenues” means for any period, Revenues less Operating Expenses for such period.

“Operating Expenses” means the County’s operating expenses for the operation, maintenance and repair of the System as determined in accordance with GAAP, except as modified by this definition. “Operating Expenses” do not include any reserves for operation, maintenance or repair or any allowance for depreciation, amortization, interest or similar charges, and any debt service payments in respect of Indebtedness.

“Participant” means a broker-dealer, bank or other financial institution for which the Securities Depository holds Bonds as a securities depository.

“Paying Agent” means initially the County’s Finance Officer, and if any Paying Agent is appointed pursuant to Section 9.02, such Paying Agent and any successor Paying Agent.

“Pledged Net Revenues” means Receipts received by the County for any period less Operating Expenses for such period.

“Project” means the acquisition, construction and equipping of a reverse osmosis water processing plant and related infrastructure, and any other System Improvements financed with the proceeds of Bonds.

“Qualified Investments” means any investments of political subdivisions of the State permitted under Section 159-30 of the General Statutes of North Carolina, as amended, or any successor provision.

“Rate Covenant” means the obligation of the County to fix, charge and collect rates, fees and other charges for the use of and the services furnished by the System sufficient to meet the requirements of Section 7.01(a).

“Rating Agency” or “Rating Agencies” means any securities rating agency, acceptable to the Commission, that shall have assigned a rating that is then in effect with respect to the Indebtedness.

“Receipts” means all income, receipts, proceeds and money received in any period from or arising out of the operation of the System, including all payments, proceeds, fees, charges, rents and all other income derived by or for the County for the use of and for the services and facilities furnished by or from the operation or ownership of the System, and all other income derived by the County from the operation or ownership of the System, and all rights to receive the same, whether in the form of accounts receivable, contract rights or other rights, and the proceeds of such rights whether now owned or held or hereafter coming into existence, and any proceeds of use and occupancy or business interruption insurance.

“Reserve Determination Date” means (a) each interest payment date for the Bonds or (b) any other date established in writing by a County Representative for the valuation of obligations on deposit in any Series Debt Service Reserve Account.

“Revenue Fund” means the fund created and so designated by Section 5.01 of this Bond Order.

“Revenues” means all revenues in respect of the System determined in accordance with GAAP, but excluding:

- (i) Impact Fees and the proceeds of any gifts, grants, bequests, contributions or donations, unless the Board adopts a resolution specifically designating any of the foregoing as “Revenues” under this Bond Order,
- (ii) the proceeds from the sale and disposition of all or any part of the System,
- (iii) reimbursements received by the County of advances made by it in respect of (A) the Project, (B) any refundings of Indebtedness and (C) any capital improvements,
- (iv) the investment income realized on, and the income and gains realized upon the maturity or sale of, securities held by or on behalf of the County in any funds, accounts and subaccounts established by or pursuant to this Bond Order, but only to the extent such income and gains as so realized are required to be deposited to some fund, account or subaccount other than the Revenue Fund as may be provided in this Bond Order or in any Series Resolution,
- (v) Net Proceeds or the proceeds of any other insurance other than any use and occupancy or business interruption insurance,
- (vi) the proceeds of any appropriation made by any political subdivision in the State or by the State or any State agency unless the proceeds of any such appropriation are designated, in whole or in part, as Revenues by the County and are available to pay Operating Expenses,
- (vii) the proceeds of any security deposits or moneys received to make refunds to users,
- (viii) the proceeds of any Indebtedness, and
- (ix) payments made by the counterparty in connection with any Hedge Agreement.

“Secretary” means the Secretary of the Commission or his or her designated assistant.

“Securities Depository” means The Depository Trust Company and any substitute for or successor to such securities depository that shall maintain a Book-Entry System with respect to the Bonds.

“Securities Depository Nominee” means the Securities Depository or the nominee of such Securities Depository in whose name the Bonds to be delivered to such Securities Depository during the continuation with such Securities Depository of participation in its Book-Entry System are to be registered on the bond register maintained by the Bond Registrar.

“Senior Debt” means Bonds issued under this Bond Order, and obligations of the County incurred pursuant to the State Bond Program.

“Series” or “Series of Bonds” means a separate series of Bonds issued under this Bond Order and a Series Resolution.

“Series Debt Service Reserve Account” for any Series of Bonds, to the extent required, shall have the meaning set forth in the Series Resolution authorizing such Series of Bonds.

“Series Debt Service Reserve Requirement” for any Series of Bonds, to the extent required shall have the meaning set forth in the Series Resolution authorizing such Series of Bonds.

“Series Resolution” means the resolution of the Board providing for the issuance of any Bonds and fixing the details thereof, as further described in Section 3.01.

“Service Charges” means rates, fees and charges, including service, connection and other charges, for the use of, and for the services and facilities furnished or to be furnished by the System, as prescribed or fixed by the Board.

“State” means the State of North Carolina.

“State Bond Program” means the proceeds of any general obligation bonds issued by the State out of which the State provides loans to local governments for water and wastewater capital projects.

“State Revolving Loan Program” means the program established by the Clean Water Revolving Loan and Grant Act providing a State source of funding for loans to local governments for water and wastewater capital projects.

“Subordinate Debt” means any bonds, notes, Capital Lease Obligations or other obligations issued or entered into in connection with the Project which (a) have pledged to their payment Pledged Net Revenues as a subordinate lien pledge after the pledge of Pledged Net Revenues to Senior Debt, (b) are expected to be paid from Pledged Net Revenues and not issued as Senior Debt or otherwise designated by the County as Subordinate Debt, (c) are funded from the State Revolving Loan Program, or (d) are General Obligation System Bonds (unless such General Obligation System Bonds are expected to be paid from the County’s general funds, as designated by the Board, in which case such General Obligation System Bonds shall not be considered Indebtedness).

“System” means all plants, systems, facilities, equipment or property owned, operated or maintained by the County in connection with collection, treatment, pumping and distribution of water through its water system serving the mainland portion of the County (but excluding any water service serving the Outer Banks portion of the County east of Currituck Sound) from time to time, together with all future extensions, improvements, enlargements and additions thereto, and all related infrastructure, which is separately presently accounted for in a fund by the County in its consolidated Audited Financial Statements, which fund is presently identified as the “Mainland Water Fund”.

“System Improvements” means any construction, reconstruction, improvement, enlargement, betterment or extension of the System, including all plants, works, instrumentalities and properties used or useful in collecting, treating, pumping and distributing water.

“Tender Indebtedness” means any indebtedness a feature of which is an option or obligation on the part of the holders of such indebtedness to tender all or a portion of such indebtedness to a fiduciary for mandatory purchase or redemption prior to the stated maturity date of such indebtedness, which may include Variable Rate Indebtedness with such a feature.

“Term Bonds” means any Bonds stated to mature on a specified date and required to be redeemed in part prior to maturity according to a sinking fund schedule.

“Variable Rate Indebtedness” means any indebtedness the interest rate on which is not established at the time of incurrence at a fixed or constant rate, provided that (a) the maximum interest rate on such indebtedness and the maximum rate payable to any credit provider with respect to such indebtedness shall be specified at the time of issuance of such indebtedness, (b) any credit provider of any credit facility shall cause such indebtedness to be rated by the Rating Agencies at least equal to the rating on such indebtedness in one of the two highest long-term rating categories of such Rating Agencies.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words “bond”, “owner”, “Holder” and “person” shall include corporations and associations, including public bodies, limited liability companies, partnerships and other legal entities, as well as natural persons. All references to “Sections” shall mean Sections of this Bond Order unless otherwise specifically provided.

ARTICLE II

TERMS, EXECUTION, AUTHENTICATION, DELIVERY AND REGISTRATION OF BONDS

Section 2.01. Authorization Bonds. Unless otherwise provided in the applicable Series Resolution, the Bonds shall be designated “Water System Revenue Bonds,” shall bear an appropriate series designation, shall be issuable only as registered Bonds without coupons, appropriately numbered in denominations of \$100,000 and any multiple of \$5,000 in excess thereof. The form, details, delivery and terms of each Series of Bonds and such other matters as the Board may deem appropriate shall be set forth in the applicable Series Resolution for such Series of Bonds. Principal, premium, if any, and interest shall be payable in lawful money of the United States of America. Each issue of Senior Debt issue shall be issued pursuant to a Series Resolution or evidenced by other documents and shall be equally and ratably secured by the

pledge of Pledged Net Revenues under this Bond Order, without preference, priority or distinction; provided, however, that the moneys in any Series Debt Service Reserve Account shall only secure the applicable Series.

Section 2.02. Terms of Bonds. The Bonds shall be issuable as fully registered bonds. The Bonds shall be dated, shall bear interest until their payment, such interest to the maturity thereof being payable at such rate or rates and at such time or times, and shall be stated to mature (subject to the right of prior redemption) at such times as set forth in the Series Resolution providing for the issuance of the Bonds. Each Bond shall be payable with respect to principal, redemption premium if any, and interest, in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts. The Bonds shall be redeemable prior to their respective maturities as provided in Article IV hereof and as additionally provided in the Series Resolution providing for the issuance of the Bonds.

Section 2.03. Execution of Bonds. Each Bond shall be executed in the name of the County by manual or facsimile signatures of the Chairman, or the County Manager, as designated by the Board, and the Clerk and shall have impressed or printed thereon the official seal of the County or a facsimile thereof; provided, however, that at least one manual signature must appear on each Bond (which may be the signature of the Secretary to the Commission's certificate). Any Bond may be signed, sealed or attested on behalf of the County by any person who, at the date of such act, shall hold the proper office, notwithstanding that at the date of such Bond or the date of delivery thereof such person shall not have held such office. In case any officer who shall have signed or sealed any of the Bonds shall cease to be such officer of the County before the Bonds so signed or sealed shall have been delivered, such Bonds may nevertheless be delivered as herein provided as if the person who so signed or sealed such Bonds had not ceased to be such officer.

Section 2.04. Registration and Transfer of Bonds. The County shall cause books for the registration of and for the registration of transfers of the Bonds as provided in this Bond Order to be kept by the Bond Registrar. The transfer of any Bond shall be registered upon the books kept for the registration of and registration of transfers of Bonds upon surrender thereof to the Bond Registrar together with an assignment duly executed by the Holder or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the County shall execute and the Bond Registrar shall authenticate and deliver in exchange for such Bond a new Bond of the same series registered in the name of the transferee in an aggregate principal amount equal to the unpaid principal amount of such Bond, having maturities corresponding to the principal installments of such Bond and bearing interest at the same rate. Any Bond issued hereunder shall be transferred only to a bank, insurance company, similar financial institution or other entity approved by the Commission; provided that such restrictions will not apply to any Bond that is secured by a letter of credit resulting in a rating of A or better by any Rating Agency.

In all cases in which the Bonds shall be transferred hereunder, the County shall execute, the Bond Registrar shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of this Bond Order. The County and the Bond Registrar may make a charge for every such transfer of Bonds sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to such transfer. Neither the County nor the Bond Registrar shall be required to make any such registration of transfer of Bonds during

the fifteen (15) days immediately preceding an interest payment date on the Bonds or in the case of any proposed redemption of Bonds, immediately preceding the date of mailing of notice of such redemption, or after such Bond or any portion thereof has been selected for redemption.

Section 2.05. Ownership of Bonds. As to any Bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of and the interest on any such Bond shall be made only to the Holder thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond including the interest thereon to the extent of the sum or sums so paid.

Section 2.06. Mutilated, Destroyed, Stolen or Lost Bonds. In case any outstanding Bond shall become mutilated or be destroyed, stolen or lost, the County may prepare and cause to be executed, authenticated and delivered a new Bond of like tenor, number and amount as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond and upon surrender of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, upon the owner furnishing to the satisfaction of the Bond Registrar, the Commission and the County evidence that such Bond has been destroyed, stolen or lost, proof of the ownership thereof, a surety Bond or other indemnification instrument in twice the face amount of the Bond or in such other amount required by applicable law, payment of the cost of preparing and issuing any new Bonds, including the reasonable expenses and charges of the County and the Bond Registrar in connection therewith and evidence of compliance with such other reasonable regulations as the Bond Registrar and Board may prescribe. All Bonds surrendered hereunder shall be surrendered to the Bond Registrar and shall be cancelled. All Bonds issued in accordance with this Section shall be signed by the Chairman and the Clerk who are in office at the time and shall contain a recital to the effect that they are issued in exchange for or in place of certain Bonds and are to be deemed a part of the same series as such Bonds.

Section 2.07. Authentication of Bonds. The Bonds shall bear a certificate of authentication and shall not be valid until the Bond Registrar shall have executed the certificate of authentication and inserted the date of authentication thereon. The Bond Registrar shall authenticate each Bond with the signature of an authorized officer or employee, but it shall not be necessary for the same person to authenticate all of the Bonds or all of the Bonds of any Series. Only such authenticated Bonds shall be entitled to any right or benefit under this Bond Order, and such certificate on any Bond issued hereunder shall be conclusive evidence that the Bond has been duly issued and is secured by the provisions hereof.

Section 2.08. Nonpresentment of Bonds. If any Bond is not presented for payment when the principal thereof becomes due (whether at maturity, by sinking fund redemption, upon acceleration or call for redemption or otherwise), all liability of the County to the holder thereof for the payment of such Bond shall be completely discharged if moneys sufficient to pay such Bond and the interest due thereon shall be held by the Paying Agent for the benefit of such holder, and thereupon it shall be the duty of the Paying Agent to hold such moneys, subject to the following paragraph, without liability for interest thereon, for the benefit of such holder, who shall thereafter be restricted exclusively to such moneys for any claim of whatever nature on his part under this Bond Order or on, or with respect to, such Bond.

All moneys which the County shall have set aside for the purpose of paying any Bonds either at the maturity thereof or upon call for redemption shall be held in trust for the respective

Holders of such Bonds. Any moneys which shall be set aside and which shall remain unclaimed by the Holders of such Bonds for the period of five years after the date on which such Bonds shall have become payable shall be treated as abandoned property pursuant to the provisions of G.S. 116B-53, and the County shall report and remit this property to the Escheat Fund according to the requirements of Article 1 of Chapter 116B of the North Carolina General Statutes. Thereafter the Holders of such Bonds shall look only to the Escheat Fund for payment and then only to the extent of the amounts so received without any interest thereon, and the County shall have no responsibility with respect to such moneys

Section 2.09. Book-Entry System. At the County's election, Bonds of any Series may be issued pursuant to a Book-Entry System administered by the Securities Depository with no physical distribution of Bond certificates to be made except as provided in this Section. In the event a Book-Entry System is utilized, any provision of this Bond Order, and Series Resolution or the Bonds requiring physical delivery of the shall, with respect to any Bonds held under the Book-Entry System, be deemed to be satisfied by a notation on the registration books by the Bond Registrar that such Bonds are subject to the Book-Entry System.

So long as a Book-Entry System is being used for any Series of Bonds, one Bond of such Series in the aggregate principal amount of each maturity of Bonds of such Series registered in the name of the Securities Depository Nominee will be issued and deposited with the Securities Depository and held in its custody. The Book-Entry System will be maintained by the Securities Depository and the Participants and Indirect Participants and will evidence beneficial ownership of the Bonds in authorized denominations, with registration of transfers of ownership effected on the records of the Securities Depository, the Participants and the Indirect Participants pursuant to rules and procedures established by the Securities Depository, the Participants and the Indirect Participants. The principal of, interest and any premium on each Bond held in the Book-Entry System shall be payable to the Securities Depository Nominee or any other person appearing on the registration books as the registered Holder of such Bond or his/her registered assigns or legal representative at the principal office of the Bond Registrar. So long as the Book-Entry System is in effect with respect to a Series of Bonds, the Securities Depository will be recognized as the Holder of the Bonds of such Series for all purposes. Transfer of principal, interest and any premium payments or notices to Participants and Indirect Participants will be the responsibility of the Securities Depository, and transfer of principal, interest and any premium payments or notices to Beneficial Owners will be the responsibility of the Participants and the Indirect Participants. No other party will be responsible or liable for such transfers of payments or notices or for maintaining, supervising or reviewing such records maintained by the Securities Depository, the Participants or the Indirect Participants. While the Securities Depository Nominee or the Securities Depository, as the case may be, is the registered owner of the Bonds of any Series, notwithstanding any other provisions set forth herein, payments of principal of, redemption premium, if any, and interest on the Bonds of such Series shall be made to the Securities Depository Nominee or the Securities Depository, as the case may be, by wire transfer in immediately available funds to the account of such Holder as may be specified in the registration books maintained by the Bond Registrar or by such other method of payment as the Bond Registrar may determine to be necessary or advisable with the concurrence of the Securities Depository.

If (y) the Securities Depository determines not to continue to administer a Book-Entry System for the Bonds of any Series, or (z) the County, with the consent of the Paying Agent,

determines that continuation of a Book-Entry System of evidence and transfer of ownership of the Bonds of any Series would adversely affect the interests of the Beneficial Owners thereof, the Book-Entry System will be discontinued, in which case the County and the Bond will deliver replacement Bonds of such Series in the form of fully registered certificates in authorized denominations in exchange for the outstanding Bonds of such Series.

ARTICLE III ISSUANCE OF BONDS

Section 3.01. Conditions for Issuing Bonds. Before the issuance and authentication of any Series of Bonds by the Bond Registrar, the County shall file with the Bond Registrar the following:

- (a) A certified copy of the Bond Order;
- (b) An original executed counterpart of a Series Resolution which (1) shall include: (A) provisions authorizing the issuance, fixing the principal amount and setting forth the details of such Bonds, including their date, the interest rate or rates and the manner in which the Bonds are to bear and pay interest, the principal and interest payment dates of the Bonds, the purposes for which such Bonds are being issued, the manner of numbering of such Bonds, the Series designation, the denominations, the maturity dates and principal maturities, the principal amounts required to be redeemed pursuant to any mandatory redemption provisions or the manner for determining such principal amounts, any provisions for optional or extraordinary redemption before maturity, any provisions regarding a Series Debt Service Reserve Account; and (B) provisions for the application of the proceeds of such Bonds; and (2) may include: (A) provisions for credit facilities and for other funds and accounts to be established with respect to such Bonds; (B) provisions necessary or expedient for the issuance of Bonds bearing interest at a variable rate or other manner of bearing interest, including remarketing provisions, liquidity facility provisions and provisions for establishing the variable rate and converting to a fixed rate; (C) provisions for entering into Hedge Agreements, guarantees or other arrangements to limit interest rate risks; (D) in the case of refunding Bonds, provisions calling for redemption on payment of the Indebtedness to be refunded, and (E) such other provisions as the County may deem appropriate.
- (c) A certificate signed by the County Manager or Authorized Representative of the County and dated the date of such issuance, to the effect that:
 - (1) Either (A) upon and immediately following such issuance, no Event of Default has occurred which has not been cured or waived, and no event or condition exists which, with the giving of notice or lapse of time or both, would become an Event of Default or (B) if any such event or condition is happening or existing, specifying such event or condition, stating that the County will act with due diligence to correct such event or condition after the issuance of such Bonds, and describing in reasonable detail the actions to be taken by the County toward such correction; and
 - (2) All required approvals, limitations, conditions and provisions precedent to the issuance of such Series of Bonds have been obtained, observed, met and satisfied.

(d) All policies or certificates of insurance (and any amendments to such policies) or evidence of appropriate substitute arrangements required by this Bond Order in connection with the issuance of such Bonds and a certificate of the Finance Officer or County Representative that all policies (and amendments) or appropriate substitute arrangements required to be in effect at that time are in full force and effect and are in such forms as necessary to comply with and satisfy all requirements of this Bond Order.

(e) An Opinion or Opinions of Counsel, subject to customary exceptions and qualifications, substantially to the effect that the Series Resolution for such Series of Bonds has been duly adopted by the Board at a meeting duly called and held and complies in all respects with the requirements of this Bond Order.

(f) An opinion of Bond Counsel, subject to customary exceptions and qualifications, substantially to the effect that the issuance of such Bonds has been duly authorized, that such Bonds are valid and binding limited obligations of the County, and with respect to Bonds to be issued on a tax-exempt basis, that the interest on such Bonds is excludable from gross income for purposes of Federal income taxation.

(g) If such Bonds are issued to pay Costs of the Project, except in the case of the initial issuance of Bonds issued under this Bond Order, the following:

(1) Evidence that upon issuance of such Bonds, each Series Debt Service Reserve Account within the Debt Service Reserve Fund will contain the applicable Series Debt Service Reserve Requirement, if any; and

(2) Either (A) a certificate of the County Manager, the Finance Officer or County Representative, stating that based on the County's financial records for any 12 consecutive months (the "Test Period") prior to the issuance of such Bonds the County would have been able to meet the Rate Covenant in Section 7.01(a), taking into account (i) the maximum Annual Debt Service on the proposed additional Series of Bonds in the current or any future Fiscal Year, and (ii) the rates, fees and other charges which are in effect and any future changes therein as have been approved by the Board at the time of the delivery of the proposed additional Series of Bonds, or (B) a written statement of the County Manager, the Finance Officer or County Representative, which projects Operating Expenses, Revenues and Net Revenues for two full Fiscal Years following the anticipated completion of the System Improvements to be financed with such proposed additional Series of Bonds and which demonstrates that, on the basis of such projections, the County can comply with the Rate Covenant, taking into account those rates, fees and other charges which are in effect at the time of the delivery of the proposed additional Series of Bonds and any future changes therein as have been approved by the Board at the time of the delivery of the proposed additional Series of Bonds.

(h) Completion Bonds may be issued without limitation; provided, however, that prior to the issuance of such Completion Bonds, the County will furnish to the Bond Registrar (a) a certificate of a Consulting Engineer estimating the costs of completing the facilities for which such Completion Bonds are to be issued and (b) a certificate of the County Manager, the Finance Officer or County Representative, certifying that the amount of such Completion Bonds to be issued will be sufficient, together with other funds, if applicable, to complete construction

of the facilities as estimated by the Consulting Engineering with respect to which such Completion Bonds are to be issued.

(i) If any Bonds are issued to refund any Indebtedness, the following:

(1) Evidence that the County has made provisions as required by this Bond Order or the documents providing for issuance of Subordinate Debt for the payment or redemption of all Indebtedness to be refunded;

(2) Either (A) a written determination by the County Manager, the Finance Officer or County Representative, or other evidence satisfactory to the Bond Registrar that after the issuance of such Bonds and the provision for payment or redemption of all Indebtedness to be refunded, the Annual Debt Service requirements for each Fiscal Year in which there will be Outstanding Indebtedness not to be refunded will not increase more than 5% of what the Annual Debt Service requirements for such Fiscal Year would have been on all Senior Debt immediately prior to the issuance of such Bonds, including the Indebtedness to be refunded (if such Indebtedness was Senior Debt), and that the final maturity of Indebtedness being refunded has not been extended, or (B) a certificate as described in subsection (g)(2) of this Section.

(j) A request and authorization of the County, signed by the County Manager or County Representative, to the Bond Registrar to authenticate and deliver such Bonds to the purchaser upon receipt for the account of the County of a specified sum plus accrued interest to the date of delivery.

(k) Written evidence of approval by the Commission as required by Section 3.02.

Except for the requirements of subsection (c) of this Section (which may be waived by the purchasers of such Bonds by an instrument or concurrent instruments in writing signed by such purchasers), none of the requirements in this Section may be waived without the consent of the Commission and the holders of not less than a majority in aggregate principal amount of the Outstanding Bonds.

Section 3.02. Approval by Local Government Commission. No Bonds shall be issued unless they are approved and sold by the Commission and until the Secretary shall have endorsed thereon a certificate evidencing approval in accordance with the Act.

Section 3.03. Subordinate Debt. Notwithstanding anything in this Bond Order to the contrary, the County may at any time issue Subordinate Debt so long as rates, fees and charges are in effect or scheduled to go into effect to meet the Rate Covenant immediately after the issuance of such Subordinate Debt. Subordinate Debt may not be accelerated if any Senior Debt is outstanding. The proceedings approving the issuance or execution of any Subordinate Debt shall expressly provide such debt is subordinate to Senior Debt.

Section 3.04. Bond Anticipation Notes. The County is authorized to issue, in anticipation of the receipt of the net proceeds of any Bonds, System revenue Bond Anticipation Notes for the purpose of providing funds to pay the Costs of the Project or any System Improvements. The payment of the principal of, redemption premium, if any, and interest on such Notes shall be secured by a pledge, charge and lien upon the proceeds of any Bonds, if and

when issued, and by the pledge of the Pledged Net Revenues pursuant to Section 5.02. All covenants, obligations and agreements of the County contained in this Bond Order shall be deemed to be covenants, obligations and agreements of the County with the Holders of any Bond Anticipation Notes hereafter issued.

ARTICLE IV REDEMPTION OF BONDS BEFORE MATURITY

Section 4.01. Terms and Conditions. The Bonds, and the respective installments of principal corresponding thereto, shall be subject to redemption, both in whole and in part, at such times and prices, as may be provided by the Series Resolution authorizing the issuance of such Bonds. The Bonds of any Series to be called for redemption shall be selected as provided in the applicable Series Resolution. The Bond Registrar shall treat each Bond of a denomination greater than the minimum denomination authorized in the applicable Series Resolution as representing the number of separate Bonds of such minimum denomination as can be obtained by dividing the Bond's actual principal amount by such minimum denomination.

Section 4.02. Notice of Redemption and Prepayment. Unless otherwise provided in the applicable Series Resolution, the Bond Registrar, upon being satisfied as to the payment of its expenses, shall send notice of the call for redemption, identifying the Bonds or portions thereof to be redeemed, not less than 30 nor more than 60 days prior to the redemption date, (a) by facsimile, registered or certified mail or overnight express delivery, to the Commission and to the holder of each Bond to be redeemed at his address as it appears on the registration books kept by the Bond Registrar, (b) by facsimile, registered or certified mail or overnight express delivery, to all organizations registered with the Securities and Exchange Commission as securities depositories, and (c) to each nationally recognized municipal securities information repository designated as such by the Securities and Exchange Commission. No such notice with respect to mandatory sinking fund redemptions is required to be sent to the Commission.

Failure to give any notice specified in (a) above, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Bond with respect to which no such failure or defect has occurred. Failure to give any notice specified in (b) or (c) above, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Bonds with respect to which the notice specified in (a) above is correctly given.

Any notice mailed or provided herein shall conclusively be presumed to have been given whether or not actually received by any Bondholder.

Section 4.03. Payment of Redeemed Bonds. Notice having been given in the manner provided, the Bonds so called for redemption shall become due and payable on the redemption date so designated at the redemption price set forth in such notice. Upon presentation and surrender of the Bonds so called for redemption at the place of payment specified in such notice, together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the Holder or his duly authorized attorney, such Bonds shall be paid at the aforementioned redemption price. In case part but not all of an outstanding bond shall be selected for redemption, the Holder thereof or his attorney or legal representative shall present and surrender such Bond to the Bond Registrar for payment of the applicable redemption price and the County shall execute and the Bond Registrar shall authenticate and deliver to or upon the order of such Holder or his legal representative, without charge therefor, for the unredeemed portion of the

principal amount of the Bond so surrendered, a registered Bond of the same series and maturity, bearing interest at the same rate and of any authorized denomination.

If, on the redemption date, moneys for payment of the redemption price of all the Bonds to be redeemed shall be available therefor at the place of payment specified in the notice of redemption, then from and after the redemption date, the Bonds or the installments of principal thereof so called for redemption shall cease to bear interest. All moneys held for the redemption of particular Bond or for the prepayment of particular installments thereof shall be held in trust for the account of the Holders of the Bonds so to be redeemed or prepaid, subject to the provisions of Section 5.08.

If moneys shall not be available on the redemption date, such Bonds shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

The Paying Agent shall provide for a mandatory sinking fund redemption of any Term Bonds in accordance with the schedules set forth in the Series Resolution for such Bonds; provided, however, that on or before the forty-fifth (45th) day next preceding any such sinking fund payment date, the County may:

- (1) deliver to the Bond Registrar for cancellation Term Bonds of the maturity required to be redeemed on such sinking fund payment date in any aggregate principal amount desired; or
- (2) instruct the Bond Registrar to apply a credit against the County's next sinking fund redemption obligation for any such Term Bonds that previously have been redeemed (other than through the operation of the sinking fund) and canceled but not theretofore applied as a credit against any sinking fund redemption obligation.

Upon the occurrence of any of the events described in the subsections (1) or (2) of this Section, the Paying Agent shall credit against the County's sinking fund redemption obligation on the next sinking fund payment date the amount of such Term Bonds so delivered or previously redeemed. Any principal amount of such Term Bonds in excess of the principal amount required to be redeemed on such sinking fund payment date shall be similarly credited in such order as may be determined by the County Manager or the Finance Officer against future payments to the Sinking Fund Account and shall similarly reduce the principal amount of the Term Bonds of the applicable Series to be redeemed on the next sinking fund payment date. Within seven days of receipt of such Term Bonds or instructions to apply as a credit, any amounts remaining in the Sinking Fund Account in excess of the amount required to fulfill the remaining required sinking fund redemption obligation on the next sinking fund payment date shall be used in such manner as determined at the direction of the County.

Section 4.04. Cancellation of Redeemed Bonds. All Bonds redeemed prior to maturity shall be cancelled forthwith.

Section 4.05. Purchase in Lieu of Redemption. The County may purchase or cause to be purchased any Bonds of any particular Series or maturity in lieu of redemption of such Bonds (in which event any Bonds so purchased shall be cancelled as provided in Sections 2.08 and 4.04) or for any other purpose pursuant to written instructions given by the County to the Bond Registrar.

Such purchases shall be made in such manner as directed by the County. The County or the Paying Agent shall pay the purchase price of such Bonds together with accrued interest thereon from such funds as may be available therefor pursuant to this Bond Order, any Series Resolution, or as otherwise may be made available by the County.

ARTICLE V REVENUES AND FUNDS

Section 5.01. Creation of Funds and Accounts. There are hereby established the following funds and Accounts to be held by the Paying Agent as indicated below:

- (a) County of Currituck Water System Revenue Fund;
- (b) County of Currituck Water System Revenue Bond Fund, in which there shall be established an Interest Account, a Principal Account and a Sinking Fund Account, and a separate subaccount in each such Account with respect to each Series of Bonds issued hereunder, as applicable;
- (c) County of Currituck Water System Debt Service Reserve Fund, in which there shall be established a Series Debt Service Reserve Account for each Series of Bonds which has a Series Debt Service Reserve Requirement;
- (d) County of Currituck Water System Subordinate Debt Account.

The Funds and accounts described in 5.01(a) through (d) shall be held by the Finance Officer so long as (i) the County has not failed to be in compliance with the rate covenant described in Section 7.01 for two consecutive years, or (ii) an Event of Default has not occurred. If (i) or (ii) applies, such Funds and accounts shall be transferred to a Paying Agent (other than the Finance Officer) appointed in accordance with Section 9.02. So long as the Finance Officer holds the Funds and accounts, all money received for deposit in such Funds and accounts shall be held by a Depository on behalf of the County. The money in all of the funds, accounts and subaccounts established pursuant to this Article V shall be held in trust and applied as hereinafter provided and, pending such application, the money in the Bond Fund and the accounts and subaccounts therein shall be subject to a pledge, charge and lien in favor of the Holders of the respective Series of Bonds issued and Outstanding under this Bond Order and for the further security of such Holders, except as otherwise provided herein or in any Series Resolution.

Section 5.02. Pledge of Pledged Net Revenues. The County hereby pledges the Pledged Net Revenues to secure the payment of the principal of, redemption premium, if any, and interest on the Bonds. The Receipts, as received by the County, shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act and the lien of this pledge shall have priority over any or all other obligations and liabilities of the County, including any general obligation bonds or notes issued in anticipation thereof, heretofore or hereafter issued by the County for the purpose of providing water systems or facilities and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the County irrespective of whether such parties have notice thereof.

Section 5.03. Application of Receipts Received by the County. All Receipts collected by or on behalf of the County shall be deposited by the County with the Paying Agent as soon as practicable following the receipt thereof and held by the Paying Agent in the Revenue Fund. The County shall pay Operating Expenses from the moneys in the Revenue Fund in accordance with the Annual Budget; provided, however, that nothing in this Bond Order shall prevent the County from paying any Operating Expenses from any other funds legally available to the County for such purpose. Pledged Net Revenues shall be applied by the County in accordance with Section 5.04.

Any balance remaining in the Revenue Fund on June 30 of each Fiscal Year may be transferred by the County in the following Fiscal Year, by resolution of the Board, to the general fund or any other fund or account specified by the County; provided, however, that there shall be no existing Event of Default hereunder; and provided, further, that no such transfer shall be made unless no deficiency exists in any fund, account or subaccount as of such June 30 and there is filed with the Board a certificate certifying that, in such County Representative's opinion, the amount to be so transferred will not materially adversely affect the ability of the County to pay in such following Fiscal Year the Operating Expenses, make the payments required by Section 5.04 and meet all other financial obligations imposed by this Bond Order.

Section 5.04. Withdrawals from the Revenue Fund. Throughout the month but no later than the last Business Day of each month, the Finance Officer shall debit from the Revenue Fund amounts sufficient to pay Operating Expenses during such month. Pledged Net Revenues shall be disbursed on the last Business Day of each month in the following order (except that no distinction or preference shall exist in the use in an amount sufficient to make the following deposits of Pledged Net Revenues for payment into the Interest Account, the Principal Account or the Sinking Fund Account of the Bond Fund, such accounts being on a parity with each other as to payment from Pledged Net Revenues):

(a) To the subaccounts established for each Series of Bonds in the Interest Account, Principal Account and Sinking Fund Account in the Bond Fund the amounts, if any, set forth in the applicable Series Resolution with respect to each Series of Bonds and such deposits shall be adjusted to give credit for any other available money then in such interest account or subaccount or otherwise available and designated to be used for such purpose, and (ii) to the appropriate party, as determined by the County, the amount, if any, required for the payment of interest, principal and sinking fund payments on loans under the State Revolving Loan Program. Moneys in the Interest Account shall be used to pay interest required to be paid on any Interest Payment Date related to such Series of Bonds. Moneys in the Principal Account shall be used to pay principal required to be paid on any principal payment date related to such Series of Bonds. Moneys in the Sinking Fund Account shall be used to pay the amount required for mandatory sinking fund redemption on the applicable redemption date related to such Series of Bond.

(b) To the applicable Account in the Debt Service Reserve Fund with respect to each Senior Debt issue the amounts, if any, necessary to restore the amount on deposit therein to the related Series Debt Service Reserve Requirement.

(c) To the Subordinate Debt Account, the amount equal to the deposits to such funds and accounts required by the related Series Resolution or other documents evidencing such debt.

If the County fails to make the deposits required by subsection (a) through (c) of this Section, the Paying Agent shall give notice of such failure to the County Manager and the Commission within 10 days of such failure.

In the event the balance on deposit in the Principal Account, Sinking Fund Account or the Interest Account is insufficient for the purposes thereof, the Paying Agent shall transfer for deposit in such Accounts, such amounts as may be necessary therefor from the applicable Series Debt Service Reserve Account pursuant to Section 5.07. In addition, in the month following a month in which the County has failed to make any deposit or payment required by subsections (a), (b) and (c) of this Section 5.04, the County shall deposit or pay, in addition to the amounts then due, but only from Pledged Net Revenues, an amount sufficient to cure the deficiency in deposit or payment in the prior month unless such deficiency is cured by a transfer, pursuant to the terms of this Bond Order, of money to such fund or account.

In the event the amount on deposit in the Interest Account on any interest payment date shall exceed the amount required to pay interest on the Senior Debt on the next interest payment date, the County shall, if the amount on deposit in any Series Debt Service Reserve Account is less than the applicable Series Debt Service Reserve Requirement, instruct the Paying Agent to transfer such excess to any Series Debt Service Reserve Account to the extent of such deficiency, and otherwise retain any remaining excess in the Interest Account or instruct the Paying Agent to transfer any remaining excess to the related Principal Account to be credited against subsequent required deposits thereto, as determined by the County Manager or his designee.

In the event the amount on deposit in the Principal Account or Sinking Fund Account on any principal payment or mandatory redemption date shall exceed the amount required on such date to pay Bonds at maturity or to redeem Term Bonds pursuant to mandatory sinking fund requirements, the County shall, if the amount on deposit in any Series Debt Service Reserve Account is less than the applicable Series Debt Service Reserve Requirement, instruct the Paying Agent to transfer such excess to the Series Debt Service Reserve Account to the extent of such deficiency, and otherwise retain such excess in the Principal Account or instruct the Paying Agent to transfer such excess to the Interest Account to be credited against subsequent required deposits thereto, as determined by the Finance Officer or his designee.

Section 5.05. Application of Moneys in Bond Fund. All moneys in the Bond Fund shall be held in trust for the payment of the principal of and the interest on the Bonds and no amount shall be withdrawn from or paid out of the Bond Fund except as provided herein.

On each Interest Payment Date or on such other date as may be specified in the applicable Series Resolution, the Paying Agent shall withdraw from the applicable subaccount in the Interest Account and pay the amounts required to pay interest on the respective Bonds. On each principal payment date, the Paying Agent shall withdraw from the applicable subaccount in the Principal Account and pay the amount necessary to pay the principal of such Bonds at their respective maturities. Money held for the credit of the subaccounts in the Sinking Fund Account shall be applied during each Fiscal Year to the retirement, purchase, redemption or payment of Term Bonds in the manner provided in the applicable Series Resolution.

Section 5.06. Application of Moneys in Debt Service Reserve Fund.

(a) Each Series Resolution shall set forth whether an Account in the Debt Service Reserve Fund is required to be funded in the amount of the applicable Series Debt Service Reserve Requirement on the Closing Date of such Series of Bonds. To the extent that such Account shall be required to be funded pursuant to the terms of a Series Resolution, amounts in each Account in the Debt Service Reserve Fund shall be used to pay debt service on the related Series of Bonds on the date such debt service is due when insufficient funds for that purpose are available in the Bond Fund; provided, however, that all amounts in an Account in the Debt Service Reserve Fund shall be used, together with other amounts available for such purpose hereunder, to provide for payment of the related Series of Bonds when the aggregate of such amounts is sufficient for such purpose. Amounts in each Account of the Debt Service Reserve Fund shall be pledged to Holders of the related Series.

(b) In lieu of or in addition to cash or investments, at any time the County may cause to be deposited to the credit of any Series Debt Service Reserve Account any form of credit facility, including a surety bond, in the amount of all or a portion of the Series Debt Service Reserve Requirement, irrevocably payable to the Paying Agent as beneficiary for the holders of the respective Series of Bonds, which credit facility shall be satisfactory to the holders of such Series of Bonds.

If a disbursement is made pursuant to any credit facility, the County shall either (a) reinstate the maximum limits of such credit facility, or (b) deposit to the credit of the applicable Series Debt Service Reserve Account moneys in the amount of the disbursement made under such credit facility from available Revenues. To the extent such moneys are still insufficient, then the County shall transfer to the Paying Agent from any legally available moneys the amount of such deficiency as soon as practicable and in any event within one year by depositing one-twelfth of the required amount each month.

Amounts, if any, released from any Series Debt Service Reserve Account upon deposit to the credit of such Account of a credit facility shall, upon designation by a County Representative, accompanied by an opinion of Bond Counsel that such use will not adversely affect the exclusion from gross income of interest on the respective Series of Bonds, be transferred (a) to the subaccount of the Principal Account with respect to such Series of Bonds and used to pay principal of or to redeem such Series of Bonds, or (b) to the County to be used to pay all or any portion of the Costs of the Project designated by the County and approved by Bond Counsel.

(c) On or within five days after each Reserve Determination Date, the Paying Agent shall determine if the balance on deposit in each Series Debt Service Reserve Account was, as of the Reserve Determination Date, at least equal to the applicable Series Debt Service Reserve Requirement. In making such determination, any obligations in the Series Debt Service Reserve Account shall be valued in accordance with Section 6.03.

In the event the amount on deposit in any Series Debt Service Reserve Account is less than the applicable Series Debt Service Reserve Requirement, the Paying Agent shall transfer moneys to such Series Debt Service Reserve Account to restore such Series Debt Service Reserve Requirement from available Revenues. In the event the amount on deposit in a Series Debt Service Reserve Account is less than the applicable Series Debt Service Reserve

Requirement after such transfer, then the County shall transfer to the Paying Agent from any legally available moneys the amount of such deficiency as soon as practicable and in any event within one year by depositing one-twelfth of the required amount each month.

In the event the amount on deposit in a Series Debt Service Reserve Account exceeds the applicable Series Debt Service Reserve Requirement, the Paying Agent shall (a) transfer such excess to the Bond Fund to be deposited in the related Series subaccount in the Interest Account and the related Series subaccount in the Principal Account to the extent amounts in such subaccounts are less than the amounts required to be paid on the next interest payment date and principal payment date, respectively, (b) thereafter transfer such excess to the Bond Fund to be deposited, as directed by a County Representative, in the Interest Account or the Principal Account to the extent amounts in such accounts are less than the amounts required to be paid on the next interest payment date and principal payment date, respectively, and (c) transfer such excess to the County to be used to pay all or any portion of the Costs of the Project designated by the County and approved by Bond Counsel; provided, however, that if a County Representative calls for a Reserve Determination Date in connection with the refunding and/or defeasance of a Series of Bonds, then the Paying Agent is authorized to take such refunding and/or defeasance into account in valuing the Series Debt Service Reserve Account securing such Series of Bonds and is further authorized to apply the amount of any surplus arising from such valuation to reduce the amount of the refunding bonds and/or to provide for the defeasance of the Series of Bonds in such manner as the Authorized Representative of the County may direct.

Section 5.07. Disposition of Balances in Funds after Payment of Indebtedness. After the principal of and premium, if any, and interest on all of the Indebtedness, any amounts required to be paid pursuant to the terms of this Bond Order or any Series Resolution and all expenses and charges herein required have been paid or provision therefor has been made, the Paying Agent shall pay to the County any balance remaining in any fund then held by it.

Section 5.08. Unclaimed Moneys. All moneys which the County shall have withdrawn from the Bond Fund and Debt Service Reserve Fund or shall have withdrawn from any other source and set aside for the purpose of paying any of the Bonds hereby secured shall be subject to Section 2.08 hereof.

Section 5.09. Cancellation. All Bonds paid, redeemed or purchased either at or before maturity, shall, at the direction of the County, be delivered to the Paying Agent or to the County when such payment, redemption or purchase is made and such Bonds shall thereupon be cancelled. All Bonds cancelled under any of the provisions of this Bond Order shall be destroyed by the Bond Registrar which shall execute a certificate in duplicate describing the Bonds so destroyed, and one executed certificate shall be filed with the County and the second executed certificate shall be retained by the Bond Registrar.

Section 5.10. Revenues Received and Applied by the Paying Agent.

(a) If the Paying Agent shall have notice, pursuant to Section 7.01, that an Event of Default shall have occurred and be continuing, or if the Pledged Net Revenues shall for two consecutive Fiscal Years be less than the sum required pursuant to Section 7.01, the County shall designate a bank or trust company as the Paying Agent as required by Section 9.02 hereof, and all funds created under Section 5.01, including the Revenue Fund, shall thereafter be held by the Paying Agent, and thereafter the County shall deposit all Receipts, as received, with the Paying Agent.

(b) The Paying Agent shall apply such Receipts first in such amounts as it shall determine to pay Operating Expenses and thereafter to make the deposits required of the County pursuant to Section 5.04.

(c) All Receipts shall continue to be so deposited with the Paying Agent until all Events of Default hereunder have been cured to the satisfaction of the Paying Agent or provision deemed by the Paying Agent to be adequate shall have been made therefore and the Pledged Net Revenues shall be not less than the sum required pursuant to Section 7.01, as the case may be, whereupon (i) the Receipts held by the Paying Agent shall be transferred promptly to the Revenue Fund held by the County and (ii) the Receipts shall again be deposited when received in the Revenue Fund held by the County.

**ARTICLE VI
SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS**

Section 6.01. Security for Deposits. All moneys deposited with the County or any other Depository designated by the Board hereunder in excess of the amount guaranteed by the Federal Deposit Insurance Corporation or other Federal agency shall be continuously secured, for the benefit of the County and the Holders of the Bonds, in such manner as may then be required or permitted by applicable state or Federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds, including applicable regulations of the Commission.

Section 6.02. Investment of Funds. Moneys held for the credit of the Revenue Fund the Bond Fund shall, as nearly as may be practicable, be continuously invested and reinvested, at the County's direction, in Qualified Investments which shall mature, or which shall be subject to redemption by the holder thereof at the option of such holder, not later than the respective dates when the moneys held for the credit of each such Fund or Account will be required for the purposes intended. Moneys held for the credit of the Debt Service Reserve Fund shall, as nearly as may be practicable, be continuously invested and reinvested in Qualified Investments which shall mature, or which shall be subject to redemption by the holder thereof at the option of such holder, not later than three years after the date of such investment. Obligations and certificates of deposit purchased as investments of moneys in any such Fund or Account shall be deemed at all times to be part of such Fund or Account, and the interest accruing thereon and any profit realized therefrom shall be credited to such Fund or Account, and any loss resulting therefrom shall be charged to such Fund or Account. The County shall sell at the best price obtainable or present for redemption any obligations so purchased whenever it shall be necessary so to do in order to provide moneys to meet any payment or transfer from any such Fund or Account. Neither the County nor the County Representative shall be liable or responsible for any loss

resulting from any such investment. For the purpose of determining the amount on deposit to the credit of any such Fund or Account, obligations in which moneys in such Fund or Account have been invested shall be valued at the lower of cost or market.

Section 6.03. Valuation. In computing the amount in any fund or Account created by this Bond Order, except for the Debt Service Reserve Fund, obligations purchased as an investment of moneys therein shall be valued at cost or fair market value thereof, whichever is lower, plus accrued interest. Investments in the Debt Service Reserve Fund shall be valued at least semiannually at the fair market value thereof, plus accrued interest. Such valuations for each such fund or Account, other than the Debt Service Reserve Fund, shall be made by the party holding each such fund or Account at least annually not later than the end of each Fiscal Year and at such other times as the County may deem appropriate.

ARTICLE VII RATE COVENANT; OTHER COVENANTS

Section 7.01. Rates and Charges.

(a) The County covenants and agrees that, subject to any applicable requirements of law or regulations, it will fix Service Charges and from time to time to revise such Service Charges in such manner that the Net Revenues for each Fiscal Year shall not be less than an amount necessary to provide debt service coverage of one hundred fifteen percent (115%) of the Debt Service Requirement for all Senior Indebtedness for such Fiscal Year and one hundred percent (100%) of the Debt Service Requirement for all Subordinate Debt for such Fiscal Year.

(b) If at the end of any Fiscal Year the County is not in compliance with the Rate Covenant, the County shall immediately notify the Commission and request an Independent Consulting Engineer to submit a written report and recommendations with respect to increases in the County's rates, fees and other charges and improvements in the operations of and the services rendered by the Water System and the County's accounting and billing procedures necessary to bring the County into compliance with the Rate Covenant. The report and recommendations shall be filed with the Paying Agent, the County and the Commission within 120 days from the date of discovery of noncompliance with the Rate Covenant. The County shall promptly revise its rates, fees, charges, operations and services in conformity with the report and recommendations of the Independent Consulting Engineer to the extent permitted by law.

(c) If the County promptly revises its rates, fees, charges, operations, services and procedures in conformity with the report and recommendations of the Independent Consulting Engineer and otherwise follows such recommendations to the extent permitted by law so that the County is expected to be, when its actions become fully effective, in compliance with the Rate Covenant, then any failure to meet the Rate Covenant will not constitute an Event of Default under this Bond Order so long as no other Event of Default has occurred and is continuing.

Section 7.02. Payment of Bonds and Observance of Covenants. The County covenants that it will promptly pay the principal of and the interest on every Bond issued under the provisions of this Bond Order at the places, on the dates and in the manner provided herein and in such Bonds and any premium required for the retirement of such Bonds by purchase or redemption, according to the true intent and meaning thereof. Except as in this Bond Order otherwise provided, the principal, interest and premiums are payable solely from Pledged Net

Revenues, which are hereby pledged to the payment thereof in the manner and to the extent hereinabove particularly specified, and nothing in the Bonds or in this Bond Order shall be construed as obligating the County to pay the Bonds or the interest thereon except from Pledged Net Revenues or as pledging the faith and credit of the County or as obligating the County, directly or indirectly or contingently, to levy or to pledge any form of ad valorem tax whatever therefor. The County covenants that it shall faithfully do and perform and at all times fully observe any and all covenants, undertakings, stipulations and provisions contained herein or in the Bonds.

Section 7.03. Construction of Project and System Improvements. The County covenants that it will forthwith diligently proceed to complete the Project and any System Improvements in accordance with plans and specifications which shall have been approved by the Consulting Engineers and in conformity with law and all requirements of all governmental authorities having jurisdiction thereover, and that it will complete such construction with all expedition practicable.

The County further covenants and agrees that it will require each person, firm or corporation with whom it may contract for labor or materials in connection with the construction of the Project or any System Improvements to furnish a performance bond as required by law to insure completion and performance of such contract, or, in lieu thereof, to deposit with the Depository marketable securities having a market value equal to the amount of such contract and eligible as security for the deposit of trust funds under regulations of the Comptroller of the Currency of the United States, and to carry such workmen's compensation or employers' liability insurance as may be required by law and such builders, risk insurance, if any, as may be required by the Consulting Engineers. The County further covenants and agrees that in the event of any default under any such contract and the failure of the surety to complete the contract, the proceeds of any such performance bond or securities shall forthwith, upon receipt of such proceeds, be applied toward the completion of the contract in connection with which such performance bond or securities shall have been furnished.

Section 7.04. Operation and Maintenance of System. The County covenants that it shall at all times operate the System properly and in a sound and economical manner, and shall maintain, preserve and keep the same properly or cause the same to be so maintained, preserved and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make or cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation of the System may be properly and advantageously conducted.

Section 7.05. Rules, Regulations and Other Details. The County covenants that it shall establish and shall enforce reasonable rules and regulations governing the operation, use and services of the System and that all compensations, salaries, fees and wages paid by the County in connection with the maintenance, repair and operation of the System shall be reasonable. The County shall observe and perform or shall cause to be observed and performed all of the terms and conditions contained in the Act, and shall comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the System or the County.

The County further covenants that:

(a) it may require the owner, tenant or occupant of each lot or parcel of land within the County who is obligated to pay rates, fees or charges for the services and facilities furnished by the System to make a reasonable deposit with the County in advance to insure the payment of such rates, fees or charges and to be subject to application to the payment thereof if and when delinquent; and

(b) if any rates, fees or charges for the services and facilities furnished by the System shall not be paid within thirty days after the same shall become due and payable, the County shall at the expiration of such thirty day period disconnect the premises from the System, and the County may proceed to recover by appropriate legal action the amount of any such delinquent rates, fees or charges.

Section 7.06. Payment of Lawful Charges. The County covenants that, from Revenues, it will pay all taxes and assessments or other municipal or governmental charges lawfully levied or assessed upon or in respect of the System or upon any part and that, from such Revenues, it will pay or cause to be discharged, or will make adequate provision to satisfy and discharge, within sixty days after the same shall accrue, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the System or any part thereof or upon such Revenues; provided, however, that nothing in this Section contained shall require the County to pay or cause to be discharged, or make provision for, any such lien or charge so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

Section 7.07. Insurance and Reconstruction. The County shall continuously maintain insurance with recognized responsible commercial insurance companies against such risks and in such amounts as are customary for public bodies owning and operating similar systems, including (a) insurance against loss or damage to the System, (b) public liability insurance against liability for bodily injury, including death resulting therefrom, and for damage to property, including loss of use thereof, arising out of the ownership or operation of the System, and (c) workers' compensation insurance with respect to the System.

In lieu of insurance written by commercial insurance companies, the County may maintain a program of self-insurance or participate in group risk financing programs, including sponsored insurance programs, risk pools, risk retention groups, purchasing groups and captive insurance companies, and in state or Federal insurance programs; provided, however, that the County shall obtain and maintain on file an annual favorable written opinion of a Independent Consulting Engineer that such alternative is reasonably acceptable with respect to the coverages under all the circumstances.

Section 7.08. Annual Budget of Operating Expenses. The County covenants that it shall develop an Annual Budget for each Fiscal Year consistent with the budget preparation schedule set forth in the State's applicable fiscal control statutes. If for any reason the Board shall not have adopted the Annual Budget before the first day of any Fiscal Year, the budget for the preceding Fiscal Year shall, until the adoption of the Annual Budget, be deemed to be in force.

The Board may at any time adopt an amended or supplemental Annual Budget for the remainder of the then current Fiscal Year, but no such amended or supplemental budget shall be effective until it shall be approved in the manner hereinbefore prescribed for the Annual Budget.

The County covenants that the Operating Expenses incurred in any Fiscal Year will not exceed the reasonable and necessary amount thereof, and that it will not expend any amount or incur any obligations for maintenance, repair and operation in excess of the amounts provided for Operating Expenses in the appropriate budget. Nothing in this Section contained shall limit the amount which the County may expend for Operating Expenses in any Fiscal Year provided any amounts expended therefor in excess of the appropriate budget shall be received by the County from some source other than Revenues and the County shall not make any reimbursement therefor from such Revenues.

Section 7.09. Records, Books and Audits. The County covenants that it will keep each of the funds of the System separate from all other funds of the County and that it will keep accurate records and accounts of all items of cost and of all expenditures relating to the System and of the Revenues collected and the application of such Revenues. Such records and accounts shall at all times during normal business hours be open to the inspection of the Commission and the Holders of the Bonds. The County covenants that it will maintain a separate fund in its financial statements for the System (which is currently designated as the "Mainland Water Fund").

The County further covenants that promptly after the close of each Fiscal Year it will cause an audit to be made of its books and accounts relating to the System by a firm of independent certified public accountants to be chosen by the Board and will cause an annual report of operations of the System to be prepared, such annual report to cover the matters usually contained in annual reports for similar systems. Within a reasonable time thereafter, reports of each such audit and copies of each such annual report shall be mailed by the Clerk to the Consulting Engineers, the Commission, the Paying Agent (if other than the Finance Officer) and, upon request, to each Bondholder. Each such audit report shall be in accordance with generally accepted accounting principles and shall set forth in respect of the preceding Fiscal Year, among other matters, the Revenues and Operating Expenses of the System, all deposits or transfers to the credit of and all withdrawals from each special fund created hereunder, the amounts on deposit at the end of such Fiscal Year to the credit of each such special fund including the details of any investment thereof, a balance sheet and also a certificate of such certified public accountants indicating whether (a) the moneys received by the County under this Bond Order have been applied in accordance with the provisions of this Bond Order, (b) the County is in compliance with the Rate Covenant as of the end of such Fiscal Year, and (c) the County is in default in the performance of any of the covenants contained in Article V hereof. Included in each such audit shall be a calculation of the rate covenant described in Section 5.01 for such Fiscal Year. In addition, in connection with the delivery of such audit report, the Finance Officer shall deliver to the Commission a certificate indicating that no Event of Default has occurred hereunder, or, if an Event of Default has occurred, the nature of such default.

Section 7.10. Sale or Encumbrance. The County covenants that it will not sell, lease or otherwise dispose of or encumber the System or any part thereof except with the consent of one hundred percent of the Holders. Notwithstanding the foregoing, the Board may, from time to time, sell or otherwise dispose of such property forming part of the System, including machinery, fixtures, apparatus, tools, instruments or other movable property, as the Board may determine is not needed in connection with the maintenance and operation of such System. The proceeds from any sale, lease or disposition of the System, in whole or in part, shall be applied to the

replacement of the properties so sold or otherwise disposed of or shall be deposited as provided in Section 5.04.

Section 7.11. Damage, Destruction, Condemnation and Loss of Title. If all or any part of the Project is destroyed or damaged by fire or other casualty, condemned or lost by failure of title, the County shall restore promptly the property destroyed or damaged to substantially the same condition as before such destruction, damage, condemnation or loss of title with such alterations and additions as the County may determine and which will not impair the capacity or character of the Project for the purpose for which it is then being used or is intended to be used. The County shall apply so much as may be necessary of such Net Proceeds received on account of any such destruction, damage, condemnation or loss of title to payment of the cost of such restoration, either on completion or as the work progresses. If such Net Proceeds are not sufficient to pay in full the cost of such restoration, the County shall pay so much of the cost as may be in excess of such Net Proceeds from any legally available moneys. Any balance of such Net Proceeds remaining after payment of such restoration shall be deposited in the Bond Fund.

Section 7.12. Creation of Liens. The County covenants that it will not create or permit to be created any charge or lien on the Pledged Net Revenues ranking equally with or prior to the charge or lien on the Pledged Net Revenues of the Bonds issued and secured hereunder unless otherwise required by applicable law.

Section 7.13. Instruments of Further Assurance. The County covenants that at any and all times it shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver all and every such further orders, resolutions, acts, conveyances, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting and confirming all and singular the rights, Revenues and other funds hereby pledged or intended so to be, or which the County may hereafter become bound to pledge or as may be reasonable and required to carry out the purposes of the Bond Order and comply with the Act. The County further covenants that it shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Net Revenues and all the rights of the Holders against all claims and demands of all persons whomsoever.

ARTICLE VIII DEFAULTS AND REMEDIES

Section 8.01. Events of Default. Each of the following events is hereby declared an “event of default”:

(a) payment of the principal and premium, if any, of any of the Bonds shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(b) payment of any installment of interest shall not be made when the same shall become due; or

(c) the County shall for any reason be rendered incapable of fulfilling its obligations hereunder; or

(d) any substantial part of the System, necessary for its efficient operation, shall be destroyed or damaged and shall not be promptly repaired, replaced or reconstructed (whether such failure promptly to repair, replace or reconstruct the same be occasioned by the impracticability of such repair replacement or reconstruction or the lack of funds therefor or any other reason); or

(e) an order or decree shall be entered, with the consent or acquiescence of the County, appointing a receiver or receivers of the System or of the Revenues, or if such order or decree, having been entered without the consent or acquiescence of the County shall not be vacated or discharged or stayed on appeal within sixty (60) days after the entry thereof; or

(f) any proceeding shall be instituted, with the consent or acquiescence of the County, for the purpose of effecting a composition or agreement between the County and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are under any circumstances payable out of Revenues; or

(g) the County shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Bond Order on the part of the County to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the County by the Holders of not less than twenty-five per centum (25%) in principal amount of the Bonds then outstanding.

Section 8.02. Bonds Declared Due and Payable. Upon the happening and continuance of any event of default specified in Section 8.01 of this Bond Order, then and in every such case the Holders of a majority in principal amount of the Bonds then outstanding may, by a notice in writing to the County, declare the principal of all of the Bonds then outstanding (if not then due and payable) to be due and payable immediately, and upon such declaration the same shall become and be immediately due and payable, anything contained in the Bonds or in this Bond Order to the contrary notwithstanding; provided, however, that if at any time after the principal of the Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Bond Order, moneys shall become available to pay the principal of all matured Bonds and all arrears of interest, if any, upon all the Bonds then outstanding (except the principal of any Bonds not then due by their terms and the interest accrued on such Bonds since the last interest payment date), and all other amounts then payable by the County hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with a Depositary, and every other default in the observance or performance of any covenant, condition or agreement contained in the Bonds or in this Bond Order (other than a default in the payment of the principal of such Bonds then due only because of a declaration under this Section), shall have been remedied to the satisfaction of the Holders, then and in every such case the Holders may, and upon the written request of the Holders of a majority in principal amount of the Bonds not then due by their terms and then outstanding shall, by written notice to the County, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

If at any time moneys are insufficient to pay the interest on or the principal of the Bonds as the same become due and payable, all moneys in the Bond Fund and Debt Service Reserve Fund, together with any moneys then available or thereafter becoming available for such purpose, shall be applied as provided in Section 8.07.

Section 8.03. Additional Remedies. Upon the happening and continuance of any event of default specified in Section 8.01 of this Bond Order, then and in every case the Holders may proceed to protect and enforce their rights hereunder and under the laws of the State of North Carolina, including the Act, by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as the Holders, shall deem most effectual to protect and enforce such rights.

Section 8.04. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Holders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 8.05. Waiver of Default. No delay or omission of the Holders of the Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Article to the Holders of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

The Holders of a majority of the Bonds may waive any default which shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Bond Order or before the completion of the enforcement of any other remedy under this Bond Order, but no such waiver shall extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon.

Section 8.06. Notice of Default. The County shall mail to the Commission and to the Holder of each Bond then outstanding written notice of the occurrence of any event of default set forth in Section 8.01 hereof as soon as practical, but in no event later than thirty (30) days after the County shall have notice that any such event of default has occurred.

Section 8.07. Application of Moneys. All moneys received by the Paying Agent pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys, the expenses, liabilities and advances incurred or made by the Paying Agent and its fees and the expenses of the County in carrying out this Bond Order, be deposited in the Bond Fund and applied as follows and for no other purpose:

(a) Unless the principal of all the holders of Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied:

First - To the payment to the persons entitled thereto of all installments of interest then due on the Senior Debt, in the order of the maturity of the installments of such interest and, if the amount

available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Senior Debt; and

Second - To the payment to the persons entitled thereto of the unpaid principal of and premium, if any, on any of the Senior Debt which shall have become due (other than Senior Debt called for redemption for the payment of which moneys are held pursuant to the provisions of this Bond Order), in the order of their due dates, with interest on such Senior Debt at the respective rates specified therein from the respective dates upon which they become due and, if the amount available shall not be sufficient to pay in full Senior Debt due on any particular date, together with such interest, then first to the payment of such interest, ratably, according to the amount of such interest due on such date, and then to the payment of such principal and premium, if any, ratably, according to the amount of such principal due on such date, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Senior Debt.

(b) If the principal of all the Senior Debt shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid on the Senior Debt, including, to the extent permitted by law, interest on overdue installments of interest, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any bond over any other bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Senior Debt.

(c) If the principal of all the Senior Debt shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article, then, subject to the provisions of subsection (b) of this Section in the event that the principal of all the Senior Debt shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of subsection (a) of this Section.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times and from time to time as the Paying Agent shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Paying Agent shall apply such moneys, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) on which such application is to be made and on such date interest on the amounts of principal to be paid and on such dates shall cease to accrue. The Paying Agent shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date.

Whenever there are moneys remaining after application to the Bond Fund for the payment of Senior Debt, the Paying Agent shall apply such remaining moneys, allocated in a similar manner as provided above, to the payment of Subordinate Debt.

Whenever the principal of and premium, if any, and interest on all Senior Debt have been paid under the provisions of this Section, all payments required by the terms of any Series Resolution have been paid and all expenses and charges of the Paying Agent have been paid, any balance remaining in the several funds created by this Bond Order shall be paid to the County as provided in Section 6.10.

ARTICLE IX THE PAYING AGENT AND BOND REGISTRAR

Section 9.01. Designation of Bond Registrar and Paying Agent. Upon issuance of the Initial Bond, the County's Finance Officer shall serve as Paying Agent and Bond Registrar. The Finance Officer may continue in such roles unless and until (a) the events described in Section 5.10(a) occur, or (b) the County adopts a Series Resolution providing for a Series of Bonds to be issued in any method other than a private placement with an institutional investor. In either event described in (a) or (b) above, the County shall appoint a Paying Agent and Bond Registrar meeting the requirements of Section 9.02, and shall transfer all funds and accounts created under Section 5.01 to such Paying Agent; provided that, so long as the events described in Section 5.10(a) have not occurred, the Revenue Fund shall continue to be held by the County. In addition, at any time during the continuation of an Event of Default, the Holders of at least a majority in principal amount of Bonds may appoint a Paying Agent and Bond Registrar meeting the requirements of Section 9.02. The County may at any time appoint a Bond Registrar and a Paying Agent meeting the requirements of Section 9.02 to administer the provisions of this Bond Order and may adopt such supplements to this Bond Order as shall be necessary or desirable to effectuate such appointment.

Section 9.02. Paying Agent. (a) The Paying Agent and Bond Registrar shall be a bank or trust company with trust powers organized under the laws of the United States of America or any state of the United States, or the District of Columbia, having a combined capital stock, surplus and undivided profits aggregating at least \$100,000,000. The Paying Agent and any successor Paying Agent may resign only upon giving sixty (60) days prior written notice to the County, the Commission and each Holder. Such resignation shall take effect only upon the appointment of a successor Paying Agent by the County, acceptable to the Commission (acceptance by the Commission to be evidenced by the successor trustee's appearance on the Commission's approved trustee list or by written consent by the Secretary or Assistant Secretary of the Commission), and the acceptance of such appointment by the successor Paying Agent. If no successor is appointed within sixty (60) days after the notice of resignation, the resigning party may appoint a successor or petition any court of competent jurisdiction to appoint a successor so long as such appointee is acceptable to the Commission (acceptance by the Commission to be evidenced by the successor trustee's appearance on the Commission's approved trustee list or by written consent by the Secretary or Assistant Secretary of the Commission). Upon appointment of a successor Paying Agent, the resigning Paying Agent shall assign all of its right, title and interest in any funds and accounts created under the Bond Order to the successor Paying Agent. Any successor Paying Agent shall meet the requirements of a Paying Agent set forth above and shall accept in writing its duties and responsibilities hereunder and such writing shall be filed with the County and the Commission.

(b) Any corporation into which the Paying Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Paying Agent shall be a party, or any corporation succeeding to all or any material part of the corporate trust business of the Paying Agent, shall be the successor of the Paying Agent hereunder without the execution or filing of any paper or any further act on the part of any Person, anything herein to the contrary notwithstanding, provided that such successor Paying Agent shall be eligible to serve as Paying Agent under the provisions of this Bond Order, including being acceptable to the Commission (acceptance by the Commission to be evidenced by the successor paying agent's appearance on the Commission's approved trustee list or by written consent by the Secretary or Assistant Secretary of the Commission). If the Paying Agent is not the successor corporation in any such merger or consolidation, the Paying Agent shall give notice of such event to the County and shall take such action as may be required to effect a transfer of the trust included in this Bond Order to such successor corporation

(c) Any Paying Agent approved pursuant to this Section must exercise the rights and powers granted to it with the same degree of care and skill in their exercise that a prudent person would exercise or use under the circumstances and in the conduct of such person's own affairs. Any such Paying Agent must act for the collective benefit of all owners of outstanding Bonds.

ARTICLE X SUPPLEMENTAL ORDERS

Section 10.01. Without Consent of Holders. The Board may amend this Bond Order in any respect prior to the delivery of the Initial Bonds; provided that, any such amendment shall be approved by the Commission.

The Board may from time to time and at any time following delivery of the Initial Bonds, adopt such orders supplemental hereto as shall not be inconsistent with the terms and provisions

hereof (which supplemental orders shall thereafter form a part hereof) so long as such supplemental orders will not, in the opinion of the Paying Agent, who may rely on the written opinion of legal counsel, materially and adversely affect the interest of the Holders:

(a) to cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Bond Order or in any supplemental order, or

(b) to grant to or confer upon the Holders of Senior Debt any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Holders, or

(c) to add to the conditions, limitations and restrictions on the issuance of Bonds under the provisions of this Bond Order other conditions, limitations and restrictions thereafter to be observed, or

(d) to add to the covenants and agreements of the County in this Bond Order other covenants and agreements thereafter to be observed by the County or to surrender any right or power herein reserved to or conferred upon the County, or

(e) to modify, amend or supplement this Bond Order in such manner as may be required by a Rating Agency to maintain or enhance its rating on the Senior Debt, provided that such modification, amendment or supplement does not materially adversely affect the holders of all Outstanding Senior Debt; or

(f) to modify, amend or supplement this Bond Order to implement any covenants or agreements contemplated by Section 8.04; or

(g) to authorize the issuance of and to secure one or more issues of Indebtedness pursuant to Article III.

At least thirty (30) days prior to the adoption of any supplemental order for any of the purposes set forth in the immediately preceding paragraph of this Section, the Bond Registrar, at the expense of the County, shall cause a notice of the proposed adoption of such supplemental order to be mailed, postage prepaid, to the owner of each Bond at the address appearing on the registration books and to the Commission. Such notice shall briefly set forth the nature of the proposed supplemental order and shall state that copies thereof are on file at the principal office of the Bond Registrar for inspection by all Holders.

Section 10.02. With Consent of Holders. Subject to the terms and provisions contained in this Section, and not otherwise, the Holders of not less than a majority in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time following delivery of any Bonds, anything contained in this Bond Order to the contrary notwithstanding, to consent to and approve the adoption, of such order or orders supplemental hereto as shall be deemed necessary or desirable by the Board for the purpose of modifying, altering, amending, adding to or rescinding, in particular, any of the terms or provisions contained in this Bond Order or in any supplemental order; provided, however, that nothing herein contained shall permit, or be construed as permitting, (a) an extension of the maturity of the principal of or the interest on any Bond issued hereunder without the consent of the Holder of such Bond, or (b) a reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon without

the consent of the Holder of such Bond, or (c) the creation of a lien upon or a pledge of Revenues other than the lien and pledge created by this Bond Order without the consent of the Holders of all Bonds outstanding, or (d) a preference or priority of any Senior Debt over any other Senior Debt without the consent of the Holders of all Senior Debt outstanding or (e) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental order without the consent of the Commission and the Holders of all Bonds outstanding. There shall be no modification of the Net Revenue pledge which secures the Subordinate Debt, if such respective modification would adversely affect the interest of the holders of such debt.

Section 10.03. Obtaining Consent of Holders. If at any time the Board shall determine that it is necessary or desirable to adopt any supplemental order for any of the purposes of Section 10.02, the Bond Registrar, at the expense of the County, shall cause notice of the proposed adoption of such supplemental order to be mailed, postage prepaid, to each Holder of Bonds at the addresses appearing on the registration books. Such notice shall briefly set forth the nature of the proposed supplemental order and shall state that copies thereof are on file at the principal corporate trust office of the Bond Registrar for inspection by all Holders. The Bond Registrar shall not, however, be subject to any liability to any Holder by reason of its failure to cause the notice required by this Section to be mailed and any such failure shall not affect the validity of such supplemental order when consented to and approved as provided in this Section.

Whenever, at any time within one year after the date of the first mailing of such notice, the County shall deliver to the Bond Registrar an instrument or instruments in writing purporting to be executed by the Holders of not less than a majority in aggregate principal amount of the Bonds then outstanding, which instrument or instruments shall refer to the proposed supplemental order described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Board may adopt such supplemental order in substantially such form, without liability or responsibility to any Holder of any Bond, whether or not such Holder shall have consented thereto.

If the Holders of not less than a majority in aggregate principal amount of the Bonds outstanding at the time of the adoption of such supplemental order shall have consented to and approved the adoption thereof as herein provided, no Holder of any Bond shall have any right to object to the adoption of such supplemental order, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Board from adopting the same or from taking any action pursuant to the provisions thereof.

Upon the adoption of any supplemental order pursuant to the provisions of this Section, this Bond Order shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Bond Order of the County, the Bond Registrar and all Holders of Bonds then outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Bond Order as so modified and amended.

Bonds owned or held by or for the account of the County shall not be deemed outstanding and shall be excluded for the purpose of any consent or any calculation provided for in this Article.

Bonds delivered after the effective date of any action taken as in this Article provided may bear a notation by endorsement or otherwise in form approved by the County and Bond Registrar as to such action. If the County and Bond Registrar shall so determine, new Bonds modified to conform to any such action shall be prepared, authenticated and delivered to the Holder of any Bond then outstanding without cost to such Holder in exchange for and upon surrender of such outstanding Bonds.

Section 10.04. Unanimous Consent of Holders. Notwithstanding anything contained in the foregoing provisions of this Article, the terms and provisions of this Bond Order or any order supplemental hereto and the rights and obligations of the County and of the Holders of the Bonds may be modified or amended in any respect upon the adoption by the Board of an order to that effect, approved by the Bond Registrar, and the filing with the Board of the written consent of the Commission and the Holders of all the Bonds. No notice to Holders shall be required.

ARTICLE XI MISCELLANEOUS PROVISIONS

Section 11.01. Discharge of Bond Order. If (a) (1) all Bonds and Subordinate Debt issued hereunder shall have become due and payable in accordance with their terms or otherwise as provided in this Bond Order or have been duly called for redemption or irrevocable instructions to call the Bonds or Subordinate Debt issued hereunder to pay them at maturity have been given by the County to the Bond Registrar, and (2) the Bond Registrar holds for such purpose cash or obligations that are either noncallable direct obligations of the United States of America or noncallable obligations, timely payment of which is guaranteed by the United States of America, the principal of and the interest on which, as verified by a licensed independent certified public accountant or other entity that is qualified to provide such calculations (in any case that carries errors and omissions insurance) reasonably acceptable to the Bond Registrar and the County, at maturity will be sufficient (without reinvestment) (A) to redeem in accordance with the relevant Section hereof all Bonds or Subordinate Debt issued hereunder that have been called for redemption, or for which irrevocable instructions for call for redemption have been given, on the date set for such redemption, (B) to pay at maturity all Bonds or Subordinate Debt issued hereunder not irrevocably called for redemption, (C) to pay interest accruing on any Bonds or Subordinate Debt issued hereunder prior to its redemption or payment at maturity, (D) to make all payments required by the terms of any Series Resolution, and (E) to pay the Bond Registrar's fees and expenses and any other fees and expenses for which the County is responsible under this Bond Order, including the costs and expenses of canceling and discharging this Bond Order; (b) the Bond Registrar shall have received notification from the holders of all other Indebtedness that such Indebtedness has been paid, or payment has been provided for such Indebtedness, in accordance with the documents related thereto; and (c) the Bond Registrar and the County have received an opinion of Bond Counsel that (A) the defeasance complies with the requirements of this section, and (B) the Bonds are no longer outstanding under the Bond Order, then the Bond Registrar shall, at the expense of the County, cancel and discharge this Bond Order and execute and deliver to the County such instruments in writing as shall be necessary to cancel the lien hereof, and assign and deliver to the County any property at the time subject to this Bond Order that may then be in its possession, except moneys or securities in which such moneys are invested which are held by the Bond Registrar for the payment of principal of, or premium, if any, or interest on the Bonds and Subordinate Debt issued hereunder.

Bonds for the payment or redemption of which cash or noncallable direct obligations of the United States of America the principal of and premium, if any, and interest on which will be sufficient therefor, as determined by the Bond Registrar in reliance on a report of a licensed independent certified public accountant, shall have been deposited with the Bond Registrar (whether upon or prior to the date of their maturity or their redemption date) shall be deemed to be paid, no longer Outstanding and legally defeased; provided, however, that if such Indebtedness is to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given or arrangements satisfactory to the Bond Registrar shall have been made for the giving thereof.

Section 11.02. Effect of County's Undertakings. All of the covenants, stipulations, obligations and agreements contained in this Bond Order shall be deemed to be covenants, stipulations, obligations and agreements of the County and of the Board to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall be binding upon the successor or successors thereof from time to time, and upon any officer, board, commission, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

The Board shall have the right to enter into a contract with any public or private agency for the maintenance, operation and improvement of the System for such periods of time and under such terms and conditions which are not inconsistent with the provisions of this Bond Order as the Board shall determine to be in the best interests of the County and of the Holders of Bonds issued pursuant to the provisions of this Bond Order.

Section 11.03. Notices. Any notice, demand, direction, request or other instrument authorized or required by this Bond Order to be given to or filed with the County or the Bond Registrar shall be deemed to have been sufficiently given or filed for all purposes of this Bond Order if and when sent by registered mail, return receipt requested to the County or to the Board if addressed to Judicial Center, 2795 Caratoke Hwy., Currituck, North Carolina 27929-0039, Attention: Finance Officer, to the Paying Agent and Bond Registrar, if addressed to the address set forth in the applicable Series Resolution; and to the Commission, if addressed to the Secretary, Local Government Commission, Albemarle Building, 325 N. Salisbury Street, Raleigh, North Carolina 27603-1385;

Section 11.04. Execution of Instruments by Holders and Proof of Ownership of Bonds. Any request, direction, consent or other instrument in writing required or permitted by this Bond Order to be signed or executed by Holders may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Holders in person or by agent appointed by an instrument in writing. Proof of the execution of any such instrument and of the ownership of Bonds shall be sufficient for any purpose of this Bond Order, and shall be conclusive in favor of the Bond Registrar with regard to any action taken by it under such instrument, if in accordance with the registration books.

Any request or consent of the Holder of any Bond shall bind every future Holder of the same Bond in respect of anything done by the Bond Registrar in pursuance of such request or consent.

Section 11.05. Parties Interested Herein. Except as herein otherwise expressly provided, nothing in this Bond Order expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the County, the Bond Registrar and the Holders of the Bonds issued under and secured by this Bond Order any right, remedy or claim, legal or equitable, under or by reason of this Bond Order or any provision hereof, this Bond Order and all its provisions being intended to be and being for the sole and exclusive benefit of the parties hereto and the Holders from time to time of the Bonds issued hereunder.

Section 11.06. Limited Obligations on Bonds. Nothing in the Bonds or in this Bond Order shall be construed as pledging either the faith and credit or the taxing power of the County for their payment, or to create any debt against the County, or as conveying or mortgaging the System or any part thereof.

Section 11.07. No Recourse Against Members, Officers or Employees of County or the Commission. No recourse under, or upon, any statement, obligation, covenant or agreement contained in this Bond Order, or in any Bond or Bond Anticipation Note hereby secured, or in any document or certification whatsoever, or under any judgment obtained against the County or the Commission, or by the enforcement of any assessment, or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, shall be had against any member, officer or employee of the County or the Commission, either directly or through the County for the payment for or to, the County or the Commission or any receiver of either of them, or for, or to, any owner or holder of Bonds or bond anticipation notes or otherwise, of any sum that may be due and unpaid upon any such Bond or bond anticipation note. Any and all personal liability of every nature, whether at common law or in equity or by statute or by constitution or otherwise, of any such member, officer or employee to respond by reason of any act or omission on his or her part or otherwise, for the payment for, or to, the County or the Commission or any receiver of either of them, or for, or to, any owner or holder of Bonds, bond anticipation notes or otherwise, of any sum that may remain due and unpaid upon the Bonds or bond anticipation notes hereby secured or any of them, is hereby expressly waived and released as an express condition of, and in consideration for, the adoption of this Bond Order and the issuance of the Bonds.

Section 11.08. Severability of Invalid Provisions. In case any one or more of the provisions of this Bond Order or of the Bonds issued hereunder shall for any reason be held to be illegal or valid, such illegality or invalidity shall not affect any other provision of this Bond Order or of such Bonds, but this Bond Order and such Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in the Bonds or in this Bond Order shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the County to the full extent permitted by law.

Section 11.09. Issuance of Other Obligations and Expenditures for System Improvements. Nothing in this Bond Order express or implied shall be construed as preventing the County from financing System Improvements by the issuance of obligations which are not secured under the provisions of this Bond Order or from making expenditures for System Improvements from moneys received by the County solely for such purpose.

Section 11.10. Applicable Law. This Bond Order is adopted with the intent that the laws of the State of North Carolina shall govern its construction.

Section 11.11. Headings, etc. Any headings preceding the texts hereof and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Bond Order, nor shall they affect its meaning, construction or effect.

Section 11.12. Officers' Authority. The officers and agents of the County are hereby authorized and directed to do all the acts and things required of them by the Bonds and this Bond Order for the full, punctual and complete performance of all of the terms, covenants, provisions and agreements contained in the Bonds and this Bond Order.

Section 11.13. Inconsistent Matters. All orders and resolutions and parts thereof, which are in conflict or inconsistent with any provisions of this Bond Order are hereby repealed and declared to be inapplicable to the provisions of this Bond Order.

Section 11.14. Effective Date. This Bond Order shall be effective immediately upon its adoption.

Resolution for Mainland Water Revenue Bonds

Commissioner Etheridge moved to approve the SERIES RESOLUTION AUTHORIZING THE ISSUANCE OF A \$19,000,000 CURRITUCK COUNTY WATER SYSTEM REVENUE BOND, SERIES 2008 PURSUANT TO THE PROVISIONS OF SECTION 2.01 OF THE BOND ORDER ADOPTED BY THE COUNTY COMMISSIONERS ON MARCH 17, 2008 AND REQUESTING THE LOCAL GOVERNMENT COMMISSION OF NORTH CAROLINA TO AWARD THE BONDS AT PRIVATE SALE. Commissioner Gregory seconded the motion. Motion carried.

WHEREAS, the County of Currituck, North Carolina (the "County"), a political subdivision of the State of North Carolina, owns a water system that serves the mainland portion of the County that is west of Currituck Sound (as further described in the Bond Order hereinafter referenced, the "System"), and

WHEREAS, the Board of Commissioners of the County (the "Board") on the date hereof adopted a bond order authorizing and securing Water System Revenue Bonds of the County (the "Bond Order"); and

WHEREAS, Article II of the Bond Order authorizes the issuance of revenue bonds of the County in one or more series from time to time for the purpose of providing funds for (a) paying all or any part of the cost of the Project or other System Improvements, each as defined in the Bond Order, and (b) paying expenses incidental and necessary or convenient thereto; and

WHEREAS, the Board has determined that it is necessary to acquire and construct the Project, as further described in Appendix A to this resolution; and

WHEREAS, the Board has received information to the effect that the County will be able to satisfy the requirements of Section 3.01 of the Bond Order with respect to such series of revenue bonds; and

WHEREAS, pursuant to Section 3.01 of the Bond Order, such revenue bonds are to have such terms and provisions as may be provided by a series resolution to be adopted by the Board prior to the issuance thereof; and

WHEREAS, the Commission has adopted a resolution to the effect that it approves the provisions of this resolution and recommends to the Board that the Board adopt this resolution;

NOW, THEREFORE, THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF CURRITUCK, NORTH CAROLINA DOES HEREBY DETERMINE AND RESOLVE, as follows:

Section 1.01. Capitalized words and terms used in this resolution (this "Series Resolution") and not otherwise defined herein shall have the same meanings in this Resolution as such words and terms are given in the Bond Order. In addition, the following term defined in the Bond Order is modified as set forth in this Series Resolution, but only so long as BB&T (as hereinafter defined) is the sole owner of Bonds issued under the Bond Order.

"Independent Consulting Engineer" means an independent engineer, who is not an employee of the County, experienced in the field of water engineering and licensed and registered as a professional engineer in the State, who shall be reasonably satisfactory to BB&T.

Section 1.02. Pursuant to the Act and Section 3.01 of the Bond Order, the Board hereby authorizes the issuance of revenue bonds of the County in the form of a single fully registered bond designated "Currituck County Water System Revenue Bond, Series 2008" (the "Series 2008 Bond") in the principal amount of \$19,000,000 for the purpose of providing funds, together with any other available funds, for (a) paying the Costs of the Project described in Appendix A hereto and (b) paying expenses incidental and necessary or convenient thereto. The Series 2008 Bond shall be dated as of the date of its delivery, shall be a Term Bond stated to mature (subject to the right of prior redemption) on March 1, 2028, subject to mandatory sinking fund redemption as described in Section 1.03 as set forth in Schedule I to the form of the Series 2008 Bond attached hereto as Appendix B and bearing interest at the rate of 4.09% per annum, shall be numbered R08-1 and shall be exchangeable for fully-registered bonds in denominations of not less than \$100,000 and multiples of \$5,000 in excess thereof. Interest on the Series 2008 Bond shall be payable on September 1, 2008 and thereafter semiannually on each March 1 and September 1 until the Series 2008 Bond is paid in full. There shall not be any Debt Service Reserve Requirement for the Series 2008 Bond, and the Series 2008 Bond shall not be secured by the Debt Service Reserve Fund.

Section 1.03. (a) The Series 2008 Bond shall be subject to optional redemption prior to maturity, in whole but not in part, on any Interest Payment Date through March 1, 2018, from any moneys that may be made available for such purpose, upon notice as provided in Article IV of the Bond Order and upon payment of a redemption price equal to 101% of the principal amount of the Series 2008 Bond being redeemed plus accrued interest to the redemption date. Thereafter the Series 2008 Bond shall be subject to optional redemption prior to maturity, in whole but not in part, on any Interest Payment Date from any moneys that may be made

available for such purpose, upon notice as provided in Article IV of the Bond Order and upon payment of a redemption price equal to 100% of the principal amount of the Series 2008 Bond being redeemed plus accrued interest to the redemption date.

(b) The Series 2008 Bond is subject to mandatory sinking fund redemption on the dates and in the amounts set forth on Schedule I to the form of the Series 2008 Bond, which schedule may not be modified without the consent of the Commission.

Section 1.04. The Series 2008 Bond and the Certificate of the Commission and the Certificate of Authentication to be endorsed on the Series 2008 Bond shall be substantially in the forms attached hereto as Appendix B, with such variations, omissions and insertions as are required or permitted by the this Series Resolution or the Bond Order.

Section 1.05. Payment of principal and interest on the Series 2008 Bond shall be made by the Bond Registrar on each Interest Payment Date to the person in whose name such Bond is registered on the registration books of the Bond Registrar at the close of business on the fifteenth (15th) day preceding such Interest Payment Date or mandatory sinking fund payment date by check mailed to such person at his address as it appears on such registration books or, if so instructed by the registered owner of the Series 2008 Bond (which instructions shall remain in effect until revoked by subsequent written instructions), by wire transfer on the Interest Payment Date to an account in the continental United States, as designated from time to time by the owner.

Section 1.06. The proceeds of the Series 2008 Bond will be deposited in the Project Fund created under the Project Fund Agreement dated as of March 20, 2008 between the County and BB&T (the "Project Fund Agreement"). Such funds will be delivered to the County and used to pay costs of the Project and costs of issuance with respect to the Series 2008 Bond in accordance with the terms of the Project Fund Agreement. Any interest earned or other income derived from the investment or deposit of moneys representing proceeds of the Series 2008 Bond shall be used to pay Costs of the Project.

Section 1.07. There is hereby created within the Bond Fund created by the Bond Order a Series 2008 Subaccount of the Interest Account and a Series 2008 Subaccount of the Sinking Fund Account. Subject to the provisions of Section 5.04 of the Bond Order, the County shall, on or before each Interest Payment Date and mandatory sinking fund payment date, withdraw from the Revenue Fund moneys in such amounts as shall be necessary for the purpose of making the deposits to be made pursuant to clauses (a) and (b) of this Section:

(a) commencing on September 1, 2008, and continuing on the 1st day of each March and September thereafter, to the Paying Agent for deposit to the credit of the Series 2008 Subaccount of the Interest Account the amount of interest to become due and payable on the Series 2008 Bond on such Interest Payment Date, after taking into account any amounts then held for the credit of the Series 2008 Subaccount of the Interest Account for the payment of such interest.

(b) commencing on March 1, 2009, and continuing on each March 1 thereafter, to the Paying Agent for deposit to the credit of the Series 2008 Subaccount of the Sinking Fund Account, the amount of the sinking fund payment on the Series 2008 Bond to become due and payable on such March 1, after taking into account any amounts then held for the credit of the Series 2008 Subaccount of the Sinking Fund Account for the payment of such sinking fund payment.

Notwithstanding the foregoing, so long as (a) the County is acting as Paying Agent under the Bond Order, and (b) BB&T is the sole owner of the Series 2008 Bond, the Paying Agent may make payments of principal and interest as it become dues on each Interest Payment Date directly from the Revenue Fund without first making the transfers described in (a) and (b) above.

Section 1.08. The Board hereby requests the Local Government Commission of North Carolina (the "LGC") to award the Series 2008 Bond at private sale without advertisement to Branch Banking & Trust Company ("BB&T") in the amount and at the interest rate set forth in this Resolution at a price of not less than the face value of the Series 2008 Bond plus any interest accrued thereon from the date thereof to the date of delivery of and payment therefor, subject to the approval thereof by the County Manager of the County or the Finance Officer. The provisions of the Project Fund Agreement presented to the Board for its consideration are hereby approved in all respects, and the County Manager of the County or the Finance Officer is hereby authorized to signify such approval by the execution of the Project Fund Agreement in substantially the form presented, such execution to be conclusive evidence of the approval thereof by the County.

Section 1.09. The County shall deliver to BB&T in each Fiscal Year the following:

- (a) A copy of any report and/or recommendation by an Independent Consulting Engineer under Section 7.01(b) of the Bond Order;
- (b) A copy of any notice delivered by the County pursuant to Section 7.01(b) that it is not in compliance with the Rate Covenant;
- (c) A copy of the Annual Budget promptly after its approval;
- (d) Within 150 days after the close of each Fiscal Year, a copy of the audit report for such Fiscal Year and the other documents to be prepared in connection with such audit report as required by Section 7.08 of the Bond Order; and
- (e) A copy of any notice delivered pursuant to Section 11.03 shall be delivered to BB&T as well at the following address: _____.

Section 1.10. So long as BB&T is the sole owner of all Bonds issued under the Bond Order, the sections of the Bond Order set forth below shall be amended to reads as follow:

- (a) The requirements for the issuance of any additional Series of Bonds set forth in Section 3.01(g)(2) under the Bond Order are hereby modified to read as follows:

(g)(2) A statement, signed by the County's auditors, setting forth their opinion that the estimated Net Revenues for each of the three full Fiscal Years following the issuance of such Series of Bonds will be sufficient to comply with the requirements of Section 7.01(a), taking into account all Bonds then outstanding and the scheduled debt service on the Series of Bonds to be issued. For the purposes of this subsection, any specified amount of capitalized interest to be included as an intended use of the proceeds of any such Series of Bonds (as certified by a County Representative) may be included in the calculation of Net Revenues. Estimates of future Revenues and Operating Expenses may take into

account (i) material increases in rates, fees and charges for the use of and for the services furnished or to be furnished by the System, if the Board has adopted a resolution stating its intent to adopt such increases, and (ii) estimated material increases in customers of the System if the Consulting Engineer has stated in writing that such estimates are reasonable. The County shall provide a copy of this certificate at least 30 days prior to the issuance of any such Series of Bonds by sending notice to the Paying Agent and to the registered owner of the 2008 Bond.

- (b) Any Paying Agent appointed pursuant to Section 9.02 of the Bond Order shall be reasonably acceptable to BB&T.
- (c) BB&T shall have the right to (i) make recommendations as to ways to increase revenues and decrease expenses, and to (ii) seek specific enforcement of the County's covenant to revise its rates, fees, operation and services in accordance with the recommendation of the Independent Consulting Engineer provided pursuant to Section 7.01(b).
- (d) No modification or amendment to the Bond Order shall be permitted under Section 10.01 without the written consent of BB&T.
- (e) Any verification provided under Section 11.01(a)(2) shall be provided by a certified public accountant or other entity approved by BB&T.
- (f) No Completion Bonds may be issued pursuant to Section 3.01(h) without the consent of BB&T unless the requirements of Section 3.01(g) have been met with respect to such Completion Bonds.

Section 1.11. The officers, agents and employees of the County are hereby authorized and directed to do all acts and things required of them by the provisions of the Series 2008 Bond, the Bond Order, the Project Fund Agreement and this Series Resolution for the full, punctual and complete performance of the terms, covenants, provisions and agreements therein, and any actions previously taken in connection therewith are hereby ratified, confirmed and approved.

Section 1.12. This Series Resolution shall take effect immediately upon its adoption.

APPENDIX A

DESCRIPTION OF THE PROJECT

1. Construction of a 1.5 MGD Reverse Osmosis Plant, together with 1.3 MG storage tank and related capital assets (including diffuser and pump)
2. Improvements to the water distribution system for the System, including an outfall/force main related to the Reverse Osmosis Plant, approximately 50,000 linear feet of upgraded transmission lines and 112,750 ft of force mains
3. Upgrade one waterline extension to 16" to extent possible from funding

4. Construction and installation of 2 Elevated Storage Tanks--one servicing the North and one servicing the South sections of the Mainland providing 800,000 Gallons of storage

5. Construction, engineering and lines for 4 additional wells providing approximately 1.75 MGD of water to the Osmosis Plant

APPENDIX B

PRIVATE PLACEMENT

No. R08-1		\$19,000,000
	United States of America State of North Carolina	

CURRITUCK COUNTY, NORTH CAROLINA

Water System Revenue Bond, Series 2008

<u>Maturity Date</u>	Interest Rate
March 1, 2028	4.09%

The County of Currituck (the “County”), a political subdivision of the State of North Carolina, for value received hereby promises to pay, solely from Net Revenues as hereinafter set forth, to Branch Banking & Trust Company or registered assigns or legal representative, on the maturity date specified above (or earlier as provided for herein), upon the presentation and surrender hereof at the offices of the Bond Registrar (which initially is the County, 2795 Caratoke Highway, Currituck, North Carolina 27929) or any successor Bond Registrar pursuant to the Bond Order hereinafter discussed (the “Bond Registrar”), the principal sum of NINETEEN MILLION DOLLARS AND NO/100 (\$19,000,000) in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts, and to pay, solely from the special fund, to the person in whose name this bond is registered at the close of business on the 15th day of each preceding Interest Payment Date (the “Regular Record Date”), by wire transfer to such account in the continental United States as directed by such person or otherwise as provided in the Series Resolution hereinafter mentioned, the principal payment on the Maturity Date, subject to earlier redemption as set forth herein, and interest on the unpaid principal amount of this bond from the date of this bond or from the March 1 or September 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is a March 1 or September 1 to which interest shall have been paid, in which case from such date, on March 1 and September 1 in each year, commencing September 1, 2008, in like coin or currency, at the rate per annum specified above until payment of the principal sum. So long as this bond is owned by any one registered owner, such registered owner or its attorney or legal representative may, but shall not be required to, present and surrender this bond to the Bond Registrar for payment of the final principal payment thereon at its maturity.

This bond represents a duly authorized series of revenue bonds of the County, designated “Water System Revenue Bond, Series 2008”, consisting of a single Term Bond, maturing on March 1, 2028, and subject to mandatory sinking fund redemption as set forth herein, and issued for the purpose of providing funds, together with any other available funds, for (i) paying the cost of acquiring and constructing the Project (as defined in the Bond Order), and (ii) paying expenses incidental and necessary to issuing the bond.

This bond is issued under and pursuant to the Constitution and laws of the State of North Carolina, including The State and Local Government Revenue Bond Act, as amended (the

“Act”), a bond order duly adopted by the Board of Commissioners of the County (the “Board”) on March 17, 2008 (the “Bond Order”), and a series resolution duly adopted by the Board on March 17, 2008 (the “Series Resolution”). The Bond Order provides for the issuance from time to time under the conditions, limitations and restrictions therein set forth of additional bonds to provide funds for paying all or any part of the cost of acquiring and constructing other System Improvements, to provide funds for completing payment of the cost of acquiring and constructing any System Improvements and to refund any bonds issued under the Bond Order and Indebtedness, as defined in the Bond Order, other than bonds (such additional bonds and this bond issued being herein collectively called the “Bonds”). The Bond Order also provides for the incurrence or assumption by the County of other obligations which are secured by a pledge, charge and lien upon and payable from Net Revenues (as defined in the Bond Order) on a parity with the Bonds (such obligations and the Bonds being herein collectively called “Senior Indebtedness”) and other obligations which are secured by a pledge, charge and lien upon and payable from the Revenues subordinate and junior in right of payment to Senior Indebtedness (“Subordinate Indebtedness”) under the conditions, limitations and restrictions therein set forth. Reference is hereby made to the Bond Order for provisions, among others, with respect to the custody and application of the proceeds of Bonds, the collection and disposition of Revenues, the nature and extent of the security for the Bonds and any Senior Indebtedness and Subordinate Indebtedness thereby created, the rights, duties and obligations of the County, the Bond Registrar and the Paying Agent and the rights of the registered owners of the Bonds. A certified copy of the Bond Order is on file at the office of the County’s Finance Officer. By the acceptance of this bond, the registered owner hereof assents to all of the provisions of the Bond Order.

The Bond Order provides for the charging, revising and collecting by the County of rates, fees and charges for the use of and for the services and facilities furnished or to be furnished by the System in order to produce at all times sufficient Revenues, together with certain other available funds, to pay the Operating Expenses and to pay the principal of and interest on all Senior Indebtedness and Subordinate Indebtedness as the same shall become due.

The Net Revenues are pledged by the Bond Order to the payment of the principal of and the interest and any redemption premium on the Bonds and other Senior Indebtedness and then Subordinate Indebtedness as provided in the Bond Order. The County is not obligated to pay the Bonds or Indebtedness other than Bonds except from the Net Revenues or other moneys made available therefor under the Bond Order. **NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NORTH CAROLINA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE COUNTY, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF AND THE INTEREST AND ANY REDEMPTION PREMIUM ON THIS BOND.**

The Bonds are issuable as fully registered bonds, in denominations of \$100,000 and integral multiples of \$5,000 in excess thereof. At the principal office of the Bond Registrar, in the manner and subject to the limitations and conditions provided in the Bond Order, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same series and maturity, of authorized denominations and bearing interest at the same rate.

As declared by the Act, this bond, subject only to the provisions for registration and registration of transfer stated herein and contained in the Bond Order, is an investment security within the meaning of and for all the purposes of Article 8 of the Uniform Commercial Code of the State of North Carolina. Notwithstanding any other provisions of the Bond Order or the Series

Resolution, the Bond Registrar shall not register the transfer of this bond to any person other than a bank, an insurance company or a similar financial institution unless such transfer has been previously approved by the Local Government Commission of North Carolina.

The transfer of this bond is registrable by the registered owner hereof in person or by his attorney or legal representative at the principal office of the Bond Registrar but only in the manner and subject to the limitations and conditions provided in the Bond Order and the Series Resolution and upon surrender and cancellation of this bond. Upon any such registration of transfer the County shall execute and the Bond Registrar shall authenticate and deliver, in exchange for this bond, a new Bond or Bonds, registered in the name of the transferee, of authorized denominations, in aggregate principal amount equal to the principal amount of this bond, of the same series and maturity and bearing interest at the same rate. The County or the Bond Registrar may make a charge for every such exchange or registration of transfer of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be made to any registered owner for the privilege of exchanging or registering the transfer of Bonds.

The Series 2008 Bond shall be subject to mandatory sinking fund redemption on the dates and in the amounts set forth on Schedule I hereto. In addition, the Series 2008 Bond shall be subject to redemption prior to maturity, in whole or in part, on any Interest Payment Date through March 1, 2018, at the option of the County, from any moneys that may be made available for such purpose, upon notice as provided in Article IV of the Bond Order and upon payment of a redemption price equal to 101% of the principal amount of the Series 2008 Bond to be redeemed plus accrued interest to the redemption date. Thereafter, the Series 2008 Bond shall be subject to redemption prior to maturity, in whole or in part, on any Interest Payment Date at the option of the County from any moneys that may be made available for such purpose, upon notice as provided in Article IV of the Bond Order and upon payment of a redemption price equal to 100% of the principal amount of the Series 2008 Bond to be redeemed plus accrued interest to the redemption date.

Except as hereinafter provided, not more than ninety (90) days and not less than thirty (30) days before the redemption date of any Bonds, the Bond Registrar shall cause a notice of any such redemption, either in whole or in part, signed by the Bond Registrar, to be mailed, first-class, postage prepaid, to the North Carolina Local Government Commission and all registered owners of Bonds or portions of Bonds to be redeemed at their addresses as they appear on the registration books of the County kept by the Bond Registrar, as provided in the Bond Order, but failure so to mail any such notice or any defect therein shall not affect the validity of the proceedings for such redemption as to any registered owners to whom such notice was given as so required. On the date designated for redemption, notice having been given as aforesaid, the Bonds or portions of Bonds so called for redemption shall become and be due and payable at the redemption price provided for the redemption of such Bonds or portions thereof on such date, and, if moneys for payment of the redemption price and the accrued interest are held by the Bond Registrar, as provided in the Bond Order, interest on such Bonds or portions thereof shall cease to accrue, such Bonds or portions thereof shall cease to be entitled to any benefit or security under the Bond Order, and the registered owners thereof shall have no rights in respect of such Bonds or portions thereof except to receive payment of the redemption price thereof and the accrued interest so held by the Bond Registrar. If a portion of this bond shall be called for redemption, a new Bond or Bonds in principal amount equal to the unredeemed portion hereof

will be issued to the registered owner upon surrender hereof. So long as this bond is owned by any one registered owner, notice of the redemption of this bond as a result of a mandatory sinking fund redemption need not be given as provided in the Bond Order, unless otherwise required by law, and such registered owner or its attorney or legal representative may, but shall not be required to, surrender this bond to the Bond Registrar for payment of the redemption price of this bond.

The registered owner of this bond shall have no rights to enforce the provisions of the Bond Order or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Bond Order or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Bond Order.

In certain events, on the conditions, in the manner and with the effect set forth in the Bond Order, the principal of all Bonds then outstanding under the Bond Order may become or may be declared due and payable before the stated maturities thereof, together with the interest accrued thereon.

Modifications or alterations of the Bond Order may be made by the County only to the extent and in the circumstances permitted by the Bond Order.

This bond is issued with the intent that the laws of the State of North Carolina shall govern its construction.

All acts, conditions and things required by the Constitution and laws of the State of North Carolina, the Bond Order and the Series Resolution to happen, exist and be performed precedent to and in the issuance of this bond have happened, exist and have been performed as so required.

This bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Bond Order until this bond shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed hereon.

SCHEDULE I

Sinking Fund Redemption	
March 1 of the following years	Amount
2009	\$500,000
2010	475,000
2011	500,000
2012	510,000
2013	540,000
2014	560,000
2015	585,000
2016	695,000
2017	735,000
2018	775,000
2019	1,090,000
2020	1,135,000
2021	1,180,000
2022	1,225,000
2023	1,280,000
2024	1,330,000
2025	1,385,000
2026	1,440,000
2027	1,500,000
2028	1,560,000

Consent Agenda:

1. Surplus resolution for Extension trailer
2. Change Orders for Jarvisburg Elementary School
3. Change Orders for Shawboro Elementary School
4. Resolution opposing OLF Site in Camden County
5. Budget Amendments
6. Request to purchase ambulances through installment purchase agreement and piggy-back off of the Florida State contract
7. Report of Unpaid 2007 Real Estate Taxes - Order Advertisement of Tax Liens
8. Resolution to Declare County-Owned Parcel 110B-011-0016-0000 Surplus Property
9. Resolution Authorizing Upset Bid Process - Parcel 110B-011-0016-0000
10. Appointment of Scott Pollard to the Community Child Protection Team/Community Child Fatality Team
11. Resolution Tourism Board change of meeting date and time

Commissioner Gregory moved to approve. Commissioner Bowden seconded the motion. Motion carried.

RESOLUTION

WHEREAS, the Board of Commissioners of Currituck County, North Carolina during its regularly scheduled meeting held on March 17, 2008 authorized the following, pursuant to GS 160A and 270(b), that the property listed below, be declared surplus and disposed of:

<u>Asset Tag</u>	<u>Description</u>	<u>Serial Number</u>
1047	1988 Roger's Trailer	36642

Budget Amendments

<u>Account Number</u>	<u>Account Description</u>	Debit		Credit	
		Decrease Revenue or Increase Expense		Increase Revenue or Decrease Expense	
55818-561000	Prof Services - Wells	\$	15,017		
55818-562000	Prof Services - Water Plant	\$	650,200		
55818-563000	Prof Services - Dist Sys	\$	73,517		
55818-588001	Wells-Contingency	\$	84,570		
55818-588002	Water Plant - Contingency	\$	575,129		
55818-588003	Distribution Sys - Contingency	\$	379,748		
55818-588004	Tanks - Contingency	\$	126,935		
55818-591001	600 GPM Deep Wells	\$	560,000		
55818-591002	Wells - Electrical/Scada	\$	160,000		
55818-591003	Wells - Raw Water Line #1	\$	83,700		
55818-591004	Wells - Raw Water Line #2	\$	42,000		
55818-592001	RO Plant	\$	8,889,474		
55818-592001	RO Plant	\$	1,344,610		
55818-592003	Outfall Diffuser	\$	402,000		
55818-592004	Raw Water Storage	\$	464,500		
55818-593001	500K Tank & 12" Tie Line	\$	183,000		
55818-593005	12" Waterline Moyock	\$	239,624		
55818-593006	Tulls Creek Booster	\$	250,000		
55818-593007	16" Line RO to Curr Tank	\$	744,687		
55818-593008	RO Outfall Main	\$	3,371,796		
55818-593009	12" DOT Betterment	\$	393,023		
55390-490000	Proceeds from Debt Issuance			\$	19,000,000
55390-495061	T F - Mainland Water Fund			\$	31,770
55818-593004	12" Waterline Guinea Road			\$	1,760

ambulance at Corolla in July 2007 and the third ambulance in March 2008. Capital Outlay funds will be available due to installment purchase for ambulances; therefore there will not be a payment this fiscal year. Funds are also being transferred for the EMS/Fire Advisory Board.

Net Budget Effect:

Operating Fund (10) - No change.

<u>Account Number</u>	<u>Account Description</u>	Debit		Credit	
		Decrease Revenue or Increase Expense		Increase Revenue or Decrease Expense	
10775-590000	Capital Outlay	\$	62,861		
10340-450500	Administration & Filing Fees			\$	62,861
		<u>\$ 62,861</u>		<u>\$ 62,861</u>	

Explanation: Senior Center (10775) - To increase appropriations to purchase 2007 Starcraft Bus for Senior Citizen's Center.

Net Budget Effect:

Operating Fund (10) - Increased by \$62,861.

RESOLUTION

WHEREAS, Currituck County obtained title to parcel 110B-011-0016-0000 located in the Poplar Branch Township through a property tax foreclosure; and

WHEREAS, this parcel is not currently serving a governmental use or purpose; and

WHEREAS, this parcel holds only a nominal value to Currituck County, and the County would be better served if this parcel was returned to the County tax roll.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of Currituck County, North Carolina, during its regularly scheduled meeting held on March 17, 2008, authorized that parcel 110B-011-0016-0000, located in Poplar Branch Township, recorded in Deed Book 476, page 473 is declared as surplus property, pursuant to North Carolina General Statute Section 160A-265.

RESOLUTION AUTHORIZING UPSET BID PROCESS

WHEREAS, The County of Currituck owns certain property, PIN 110B-011-0016-0000, 150 Michael Street, Lot 16, Block 11, Albemarle Sound Beach Estates, Jarvisburg, NC, located within Poplar Branch Township; and

WHEREAS, North Carolina General Statute 160-269 permits the county to sell property by upset bid, after receipt of an offer for the property; and

WHEREAS, the County has received an offer to purchase the property described above, in the amount of \$7,500.00, submitted by C. B. Gray of Norfolk, Virginia.

WHEREAS, C. B. Gray has paid the required five percent (5%) deposit on this offer;

THEREFORE, THE COUNTY COMMISSIONERS OF CURRITUCK COUNTY RESOLVE THAT:

1. The Board of Commissioners authorizes sale of the property described above through the upset bid procedure of North Carolina General Statute 160A-269.
2. The County Clerk shall cause a notice of the proposed sale to be published. The notice shall describe the property and the amount of the offer, and shall state the terms under which the offer may be upset.
3. Persons wishing to upset the offer that has been received shall submit a sealed bid with their offer to the office of the County Clerk within 10 days after the notice of sale is published. At the conclusion of the 10-day period the County Clerk shall open the bids, if any, and the highest such bid will become the new offer. If there is more than one bid in the highest amount, the first such bid received will become the new offer.
4. If a qualifying higher bid is received, the County Clerk shall cause a new notice of upset bid to be published, and shall continue to do so until a 10-day period has passed without any qualifying upset bid having been received. At that time, the amount of the final high bid shall be reported to the Board of Commissioners.
5. A qualifying higher bid is one that raises the existing offer by not less than ten percent (10%) of the first \$1,000.00 of that offer and five percent (5%) of the remainder of that offer.
6. A qualifying higher bid must also be accompanied by a deposit in the amount of five percent (5%) of the bid; the deposit may be made in cash, cashier's check, or certified check. The County will return the deposit on any bid not accepted, and will return the deposit on an offer subject to upset if a qualifying higher bid is received. The County will return the deposit of the final high bidder at closing.
7. The terms of the final sale are that
 - the County Commissioners must approve the final high offer before the sale is closed, which it will do within 30 days after the final upset bid period has passed, and
 - The buyer must pay with cash at the time of closing.
8. The County reserves the right to withdraw the property from sale at any time before the final high bid is accepted and the right to reject at any time all bids.
9. If no qualifying upset bid is received after the initial public notice, the offer set forth above is hereby accepted. The appropriate County officials are authorized to execute the instruments necessary to convey the property to C. B. Gray.

**A RESOLUTION OF THE COUNTY OF CURRITUCK, NORTH CAROLINA
ESTABLISHING A TOURISM ADVISORY BOARD**

Section 1. Advisory Board Established. There is hereby established a County of Currituck Tourism Advisory Board.

Section 2. Duties of the Advisory Board. The duties of the Tourism Advisory Board are to serve as the advisory body and to suggest policies to the Tourism Development Authority, the County Manager, and the Department of Travel and Tourism, within its powers and responsibilities as stated in this resolution. The Advisory Board shall serve as a liaison to the County and its citizens. The Advisory Board shall consult with and advise the Tourism Development Authority, the County Manager, and the Department of Travel and Tourism in matters affecting tourism:

- (a) the creation of a yearly County marketing plan;
- (b) the allocation of County occupancy tax to promote travel and tourism;
- (c) the acceptance of any grant, gift, bequest or donation, any personal or real property offered or made available for tourism purposes and which is judged to be of present or possible future use for tourism. Any gift, bequest of money or other property, any grant, devise of real or personal property so acquired shall be held by the County of Currituck and finally disposed of in accordance with the terms under which such grant, gift, or devise is made and accepted;
- (d) the construction, equipping, operation, and maintenance of visitor centers and any other buildings and structures necessary or useful to department function, and will advise in regard to other tourism facilities, which are owned or controlled by the Board of Commissioners or leased or loaned, to the County;
- (e) the recommendation of tourism events including: selection, participation, advertising, and other components of the Travel and Tourism Department's interaction with tourism related events.

Section 3. Member Composition, Appointment and Terms of Office. The Tourism Advisory Board shall be made up of seven (7) members appointed by the Tourism Development Authority. Each voting member must be a resident of Currituck County. The County Manager or his designee, the Travel and Tourism Director, and the Marketing Coordinator shall be permanent, non-voting members of the Advisory Board. The Tourism Development Authority shall appoint a member from the Authority to serve as a non-voting representative to the Advisory Board.

Initial appointments shall be arranged so that approximately one-third of the terms will expire each year, except for the representative from the Tourism Development Authority whose term shall be concurrent with their term of office. All terms will begin as of the first Board of Commissioners meeting in October of the year appointed unless the appointment is to fill the unexpired term of a vacant position, in which case the appointment would be effective immediately.

After the initial appointments, each future appointed member will be appointed for a three-year term and shall hold their office until their successors are appointed and qualified.

No member shall be allowed to serve for more than two consecutive terms unless extended by the Board of Commissioners due to extenuating circumstances.

Section 4. Officers, Adoption of Rules, Meetings. The Tourism Advisory Board shall select from its membership its officers each year at its November meeting. The officers shall include a Chairman and Vice-Chairman. The Chairman, or Vice-Chairman, shall conduct the orderly business of the Advisory Board. The Travel and Tourism Director shall be the Secretary and shall take minutes and cause the minutes to be printed and made available to the Tourism Development Authority, County Manager, and members of the Tourism Advisory Board following each meeting.

The Advisory Board may adopt rules and regulations covering its meetings as deemed necessary to conduct orderly business.

A quorum will be necessary to conduct official business. A simple majority of those present will be required to adopt resolutions.

The Tourism Advisory Board will meet at least quarterly (four times) during the year, unless the Chairman declares the meeting cancelled for lack of business. The regular meetings will be held at ~~(7:00 p.m.)~~ 5:00 p.m. on the second Monday of following months: February, May, August and November. The Board may amend this meeting schedule. The meetings will be held ~~(in the Historic Currituck Courthouse Meeting Room)~~ at advertised locations within Currituck County.

Members who miss two consecutive meetings in a calendar year may be removed from the Advisory Board by the Tourism Development Authority.

Section 5. Compensation The voting members of the Tourism Advisory Board shall be paid the sum of \$50.00 per meeting. Members shall be reimbursed for approved travel and subsistence in compliance with the general policies of the County, subject to the availability of funds.

Section 6. Effective Date. This resolution shall be effective upon its adoption.

Commissioner's Report

Commissioner Taylor announced that there would be a Town Meeting the next day on OLF.

Commissioner Bowden supports movement for wastewater treatment in Moyock.

Chairman Nelms stated that the new Welcome Center should be open by May 1. He also mentioned that the new library should be out for bid by end of the month.

County Manager's Report

Dan Scanlon, stated that the Board of Education will be using the Commissioners Meeting Room for their meetings beginning in April.

Adjourn

There being no further business, the meeting was adjourned.



BUDGET AMENDMENT

The Currituck County Board of Commissioners, at a meeting on the 7th day of April, 2008, passed the following amendment to the budget resolution for the fiscal year ending June 30, 2008.

<u>Account Number</u>	<u>Account Description</u>	Debit	Credit
		<u>Decrease Revenue or Increase Expense</u>	<u>Increase Revenue or Decrease Expense</u>
50548-545000	Contract Services	\$ 388,592	
50548-588000	Contingency	\$ 50,000	
50548-590000	Furnishings & Equipment	\$ 20,000	
50548-561000	Professional Services	\$ 15,049	
50548-570000	Reimbursable Expenses		\$ 75,000
50380-481000	Investment Earnings		\$ 398,641
		<u>\$ 473,641</u>	<u>\$ 473,641</u>

Explanation: Knotts Island Volunteer Fire Department Construction (50848) - To increase appropriations for change orders per architect memorandum dated March 26, 2008.

Net Budget Effect: County Governmental Construction Fund (50) - Increased by \$398,641.

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Clerk to the Board

BUDGET AMENDMENT

The Currituck County Board of Commissioners, at a meeting on the 7th day of April, 2008, passed the following amendment to the budget resolution for the fiscal year ending June 30, 2008.

<u>Account Number</u>	<u>Account Description</u>	<u>Debit</u>	<u>Credit</u>
		<u>Decrease Revenue or Increase Expense</u>	<u>Increase Revenue or Decrease Expense</u>
10752-561000	Professional Services	\$ 82,000	
10750-519800	TANF Transportation		\$ 9,000
10750-519801	TANF Service Components		\$ 3,000
10750-590000	Capital Outlay		\$ 4,800
10750-590441	Technology over \$1,000		\$ 700
10390-499900	Fund Appropriated Balance		\$ 64,500
		<u>\$ 82,000</u>	<u>\$ 82,000</u>

Explanation: **Social Services Administration (750): Professional Services**-Increase line item to cover increased attorney charges due to the difficult foster care cases that require extensive legal services and additional expert witness fees required for these cases.

Net Budget Effect: Operating Fund (10) - Increased by \$64,500.

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Clerk to the Board



BUDGET AMENDMENT

The Currituck County Board of Commissioners, at a meeting on the 7th day of April, 2008, passed the following amendment to the budget resolution for the fiscal year ending June 30, 2008.

<u>Account Number</u>	<u>Account Description</u>	Debit	Credit
		<u>Decrease Revenue or Increase Expense</u>	<u>Increase Revenue or Decrease Expense</u>
21690-545001	Lower Currituck Fire Dept	\$ 122,100	
21390-499900	Fund balance appropriated		\$ 122,100
		<u>\$ 122,100</u>	<u>\$ 122,100</u>

Explanation: *Poplar Branch Fire District - Lower Currituck VFD (21690)* - To increase appropriations to purchase a 2008 Dodge 5500 for \$81,625 and to purchase equipment for new vehicles. This will spend the balance of funds available from the fire district tax funds.

Net Budget Effect: Poplar Branch Fire District Fund (21) - Increased by \$122,100.

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Clerk to the Board

BUDGET AMENDMENT

The Currituck County Board of Commissioners, at a meeting on the 7th day of April, 2008, passed the following amendment to the budget resolution for the fiscal year ending June 30, 2008.

<u>Account Number</u>	<u>Account Description</u>	<u>Debit</u>	<u>Credit</u>
		<u>Decrease Revenue or Increase Expense</u>	<u>Increase Revenue or Decrease Expense</u>
10440-502000	Salaries - Regular	\$ 4,000	
10440-505000	FICA	\$ 306	
10440-507000	Retirement	\$ 394	
10440-590441	Technology over \$1,000	\$ 2,400	
10440-506000	Health Insurance		\$ 3,801
10445-502100	Salaries - Incentive		\$ 3,299
		<u>\$ 7,100</u>	<u>\$ 7,100</u>

Explanation: *Finance (10440)* - To transfer funds to hire an additional accounting clerk for the Finance Office and for a computer for this position.

Net Budget Effect: Operating Fund (10) - No change.

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Clerk to the Board

BUDGET AMENDMENT

The Currituck County Board of Commissioners, at a meeting on the 7th day of April, 2008, passed the following amendment to the budget resolution for the fiscal year ending June 30, 2008.

<u>Account Number</u>	<u>Account Description</u>	<u>Debit</u>	<u>Credit</u>
		<u>Decrease Revenue or Increase Expense</u>	<u>Increase Revenue or Decrease Expense</u>
21690-545003	Corolla Volunteer Fire Dept	\$ 73,000	
21390-499900	Fund balance appropriated		\$ 73,000
		<u>\$ 73,000</u>	<u>\$ 73,000</u>

Explanation: *Poplar Branch Fire District - Corolla VFD (21690)* - To increase appropriations to make improvements to the Whalehead Station, to update communications, upgrade the mobile command trailer and for additional turnout gear.

Net Budget Effect: Poplar Branch Fire District Fund (21) - Increased by \$73,000.

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Clerk to the Board

BUDGET AMENDMENT

The Currituck County Board of Commissioners, at a meeting on the 7th day of April, 2008, passed the following amendment to the budget resolution for the fiscal year ending June 30, 2008.

<u>Account Number</u>	<u>Account Description</u>	Debit Decrease Revenue or Increase Expense	Credit Increase Revenue or Decrease Expense
21690-545003	Corolla Volunteer Fire Dept	\$ 73,000	
21390-499900	Fund balance appropriated		\$ 73,000
		\$ 73,000	\$ 73,000

Explanation: *Poplar Branch Fire District - Lower Currituck VFD (21690)* - To increase appropriations to make improvements to the Whalehead Station, to update communications, upgrade the mobile command trailer and for additional turnout gear.

Net Budget Effect: Poplar Branch Fire District Fund (21) - Increased by \$73,000.

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Clerk to the Board

BUDGET AMENDMENT

The Currituck County Board of Commissioners, at a meeting on the 7th day of April, 2008, passed the following amendment to the budget resolution for the fiscal year ending June 30, 2008.

<u>Account Number</u>	<u>Account Description</u>	Debit	Credit
		<u>Decrease Revenue or Increase Expense</u>	<u>Increase Revenue or Decrease Expense</u>
26535-587010	T T - Operating Fund	\$ 318,028	
26390-499900	Fund Balance Appropriated		\$ 318,028
10535-590000	Capital Outlay	\$ 318,028	
10390-495026	T F - Emergency Telephone System		\$ 318,028
		<u>\$ 636,056</u>	<u>\$ 636,056</u>

Explanation: *Emergency Telephone System (26535); Communications (10535)* - To transfer residual wireline funds from the Emergency Telephone System Fund to the Operating Fund per HB1755, which became effective 1/1/2008. We will use \$250,000 of these funds to relocate/replace the antennas currently located on the old jail building, to build an aggregate building for the tower equipment and the remaining \$68,028 to move the ortho-photo portion of the GIS mapping project to the operating fund.

Net Budget Effect: Operating Fund (10) - Increased by \$318,028.
Emergency Telephone System Fund (26) - Increased by \$318,028.

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Clerk to the Board

BUDGET AMENDMENT

The Currituck County Board of Commissioners, at a meeting on the 7th day of April 2008 , passed the following amendment to the budget resolution for the fiscal year ending June 30, 2008.

<u>Account Number</u>	<u>Account Description</u>	Debit	Credit
		<u>Decrease Revenue or Increase Expense</u>	<u>Increase Revenue or Decrease Expense</u>
15446-502000	Salaries - Regular	\$ 6,698	
15446-503000	Salaries - Part time	\$ 9,548	
15446-505000	FICA	\$ 1,243	
15446-506000	Health Insurance	\$ 778	
15446-507000	Retirement	\$ 661	
15446-511000	Telephone & Postage	\$ 19,000	
15446-511010	Data Transmission	\$ 300	
15446-521100	Equipment Lease	\$ 500	
15446-513000	Utilities	\$ 8,000	
15446-526000	Advertising	\$ 1,000	
15446-526200	Promotional Efforts	\$ 8,000	
15446-532000	Supplies	\$ 4,500	
15446-545000	Contract Services	\$ 3,280	
15446-590441	Technology over \$1,000	\$ 1,600	
15380-481000	Investment Earnings		\$ 65,108
		<u>\$ 65,108</u>	<u>\$ 65,108</u>

Explanation: Occupancy Tax - Promotion (15446) - To appropriate funds for operating start-up costs for the Moyock visitors center. This includes a full-time Office Manager and part-time staff, overhead and purchase of a color printer.

Net Budget Effect: Occupancy Tax Fund (15) - Increased by \$64,508.

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Clerk to the Board

PURCHASE OF GOODS CONTRACT

STATE OF NORTH CAROLINA
COUNTY OF CURRITUCK

THIS CONTRACT, made and entered into this the 7th day April, 2008, for the period April 1st, 2008, through December 31st, 2008 for:

The purchase of five (5) Type IAD, Class I, Medium Duty ambulances by and between the County of Currituck, North Carolina, party of the first part, a political subdivision of the State of North Carolina, hereinafter called the **Purchaser**, and Select Custom Apparatus, Inc., whose principal office and place of business is located at 6127 N. Main Street, P.O. Box AP, Falkland, NC 27827, party of the second party, hereinafter called the **Seller**.

WITNESSETH:

1. TERMS

The Seller, in consideration of the sum of \$ 751,375.00 and other agreements, hereby sells and agrees to perform, the services to the Purchaser at the times, in the manner, at the prices, and at the place (s), referred to as set forth and described in Proposal No. 08-43-0123, (on file in the County of Currituck, Finance Department), all of which are made a part of this contract as if fully set forth herein word for word.

2. INDEMNITY

To the fullest extent permitted by laws and regulations, the Seller shall indemnify and hold harmless the Purchaser and its officials, agents, and employees from and against all claims, damages, losses, and expenses, direct, indirect, or consequential (including but Not limited to fees and charges of engineers or architects, attorneys, and other professionals and costs related to court action or arbitration) arising out of or resulting from the performance of this Contract or the actions of the Seller or its officials, employees, or contractors under this Contract or under the contracts entered into by the Seller in connection with this Contract. This indemnification shall survive the termination of this agreement. In the event there are legal suits brought against the Seller, it will be the Seller's responsibility to secure legal counsel to defend itself. In addition, protection should be provided, if reasonably possible, through the Seller securing adequate and appropriate insurance.

3. LAW CONTROLLING

The laws of the State of North Carolina shall control and govern this contract.

4. NON-ASSIGNMENT

This Agreement is not assignable by either party, by operation of law or otherwise.

5. MODIFICATION

This Contract may be modified only by a written agreement executed by both parties hereto.

6. INTEGRATION

This Contract sets forth the entire agreement between the Purchaser and the Seller and supersedes any and all other agreements on this subject between the parties.

7. HEADINGS

The subject headings of the paragraphs are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions. This agreement shall be deemed to have been drafted by both parties and No purposes of interpretation shall be made to the contrary.

8. DEFAULT

In the event of any Noncompliance of any term or terms of this contract by the Seller, the Purchaser may, at its sole option, declare the Seller in default and immediately terminate this contract. Should the Purchaser terminate this contract due to the default of the Seller, the Purchaser may in addition to its other rights contract with any other party to fulfill the Seller's obligations hereunder. This shall in No way limit the Purchaser's right to collect any other damages, whether legal or equitable, due to the default of the Seller.

9. DISPUTE RESOLUTION

Any claims, disputes or other controversies arising out of, and between parties to this Agreement which may ensue shall be subject to and decided by the appropriate general court of justice of Currituck County, North Carolina.

IN TESTIMONY WHEREOF, the County of Currituck has caused these presents to be signed in its name by its County Manager and its Corporate seal to be hereto affixed and attested by the Clerk to the Board of County Commissioners, all by order of the Currituck County Board of County Commissioners and said party of the second part, acting under and by virtue of the authority in them vested, have hereunto set their hand and seal, the day and year first written above.

(SEAL)

ATTEST:

Clerk to the Board

BY _____
County Manager

_____(SEAL)
Principal (Individual - partnership)

(CORPORATE SEAL)

_____(SEAL)

ATTEST:

Secretary

BY _____
President

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

Finance Officer