

Onslow Water & Sewer Authority
Board of Directors' Special Meeting 228 Georgetown Road Jacksonville
Thursday, July 24, 2025
APPROVED MINUTES

CALL TO ORDER: Having a quorum, Chairman Royce Bennett called the meeting to order at 4:00 pm. Board members present included Chairman Michael Royce Bennett, Vice Chairman Paul Conner, Secretary/Treasurer Richard Grant, Directors Jerry Bittner, Joe Brown, Gregory Hines, Tony Padgett, and Robert Warden.

1. APPROVAL OF AGENDA – Director Gregory Hines made a motion to approve the agenda as submitted. Vice Chairman Paul Conner seconded the motion. All were in favor. The agenda was approved as submitted.

2. BUSINESS

A. Southeast Regional Wastewater Treatment Plant Upgrade and Expansion Progressive Design-Build (PDB)

Chairman Royce Bennett called on CEO, Franky Howard, to present the item. Mr. Howard, explained that ONWASA issued a Request for Qualifications (RFQ) for the Southeast Regional Wastewater Treatment Plant Upgrade and Expansion Progressive Design-Build Project on May 29, 2025. Five proposals were received by the July 3rd deadline. After a thorough review, the top four teams were selected for interviews with a panel of staff and two Board members. Following an extensive interview process, staff determined that T.A. Loving was the most qualified and responsive Design-Build Team to meet the needs of the project. He explained that this is the first time ONWASA has done a project like this so they will continue to use HDR as an Owner Advisor to get us through this process. He shared that they have been very helpful.

Mr. Howard clarified that what the Board is being requested to do at this point is to approve this selection and authorize staff to negotiate the contract terms to get to the Guaranteed Maximum Price (GMP), and staff would bring that back to the Board for final approval. Mr. Howard said he plans to suggest the Board schedule a meeting in August to keep this project moving on time and if we can not make that work the next regular meeting will be September 18th. Mr. Howard asked if there were any questions about the process or the recommendation. He shared that TA Loving has been doing a lot of work with us recently and had a strong presentation.

Vice Chairman Paul Conner said he did not have a question about the recommendation he has a question about the process adding it is a little bit more than the design build process. He went on to say like you said in your email we have a treatment issue, but we have a bigger disposal issue. Vice Chairman Conner said if we work on a design build, and we don't have a remedy on the disposal what do we do adding how does that play into this process. Mr. Howard replied that is a legitimate and good question. He explained that each firm addressed that differently and the TA Loving Group had a hydrologist that had proposed drain fields or EOPs in our existing spray fields. He said they thought we could gain some capacity that way by going subsurface. Mr. Howard went on to explain that the State has released the rules on the zero or no flow creek disposal, and we have a couple of options with that in the region. Vice Chairman Conner said in talking to different people about dealing with the State it isn't above them to lead you down the road trying to help you out only to get to the end and realize it isn't going to work. Mr. Howard replied we did initiate a study of the site because we knew that we had to answer that question before we got too far with the process. Mr. Lohr added that field work for the study started before we even went out for RFQ. Vice Chairman Paul Conner inquired if we do this and we do the design and we get ready to break ground and we still don't have an answer on what we are going to do with the water what then. Mr. Howard said we would not get that far and explained

there are what they call off ramps to this process for example if you get to 60% of the design and you don't want to proceed with the contractor for whatever reason you can off ramp and take the design. Mr. Howard shared that Surf City is in the same boat we are in sharing that they have an approval to do a discharge on NE Cape Fear River and approached us to see if we would partner with that project but the problem is it is 35 miles away. Mr. Howard added it is definitely a regional issue and that should help us with the legislature.

Chairman Royce Bennett said so you will not let us get down the road too far before we have discharge plans. Mr. Howard said no that is why we initiated that study, we wanted to get permits in hand before we got too far with design and the reason we are looking at phases. Director Greg Hines said he appreciated the fact that he was able to sit in on this procedure saying it was a good process. Mr. Howard said TA Loving was the only one that came in with a schedule in red letters saying they projected they could be done two months ahead of our proposed schedule. Everyone else said the schedule would be a challenge. Director Warden said but take what Loving said with a grain of salt as far as schedule because talk is cheap and nothing against them, they are a good company but there are a lot of unknowns. Mr. Howard replied good point adding their Notice to Proceed date is in August so if we make that good but if not, we will be a month behind out of the gate. Chairman Bennett said he appreciates Director Padgett and Director Hines sitting in on those meetings adding it was good to have additional sets of eyes and ears. Director Warden said how are you negotiating the GMP with them, how will they come up with a GMP when they don't even have a bare bones design. Mr. Howard said we won't get to that point until November. Mr. Lohr said the design will be initiated quickly and the biggest load is on the designer in the beginning probably 80% of what we need to do to get to the 30% stage is the engineers responsibility. Mr. Lohr explained in between all of that we will be meeting with the contractor and their team and begin to look at cost of certain things that can be pinned down and all of that information will be shared with us throughout the process. Director Warden said will we have an independent idea estimate cost. Mr. Howard replied that is where HDR comes into play yes they have it in their fee schedule. Mr. Lohr added that our Owner Advisor [HDR] has a very qualified conceptualist there that knows how to estimates things before you get down to the 100% design stage. Mr. Howard said the number we put in the RFQ was just a range because the State legally requires a dollar amount be posted in the RFQ. Director Hines said the staff did a great job with the interviews and did a lot of work on that. Director Padgett said it was very organized, and everyone was treated the same adding nobody can say they didn't get asked the same questions and have the same opportunities. Director Warden said he would remind folks design build is not the cheapest upfront way to go but where you hopefully save money is with the speed and time is money. Director Hines said how do we control change orders isn't it a common thing in this stuff. Director Lohr replied no. Director Warden explained change orders should be lower with design build because they are responsible for the design and if there is an issue TA Loving runs into that is on them where with traditional, we have the risk.

Action: A motion was made by Director Robert Warden to authorize staff and legal counsel to begin contract negotiations with T.A. Loving regarding the Southeast Regional Wastewater Treatment Plant Upgrade and Expansion Progressive Design-Build Project. A second was made by Director Tony Padgett. All were in favor, the motion passed unanimously.

**B. Consideration of Property Purchase – Hubert Homeplace Property – Church Road
[A COPY OF THE AGREEMENT FOR PURCHASE AND SALE MAY BE FOUND AT EXHIBIT
A AND ARE FULLY INCORPORATED HEREIN BY REFERENCE]**

Chairman Royce Bennett called on CEO, Franky Howard, to present the item. Mr. Howard reminded the Board that in May of this year, ONWASA staff was approached by the owner of a parcel of land adjacent to the Hubert Water Treatment Plant. He explained the property owner expressed interest in selling the property to ONWASA and after reviewing the location and its potential value to the Authority's operations an appraisal was done. Mr. Howard shared that it has a nice shop on the property with barn doors, rolling gate, bathroom with showers and that was about half of the value on the appraisal. Mr. Howard said the one downside is it is on a septic with drain field, and it will probably have to be abandoned, and we would connect it to our sewer pump station that is going in beside it. Mr. Howard shared that staff is looking into the viability of using the site for a raw water well adding that the State has been out to visit the site. He informed the Board that the appraisal came in at about \$530,000 and when the property owner first approached ONWASA his price was right at \$900,000 so the appraised value and proposed purchase price is just over half of the original amount. He went on to share that staff evaluated the proposed purchase and recommends proceeding under the negotiated terms.

Action: A motion was made by Vice Chairman Paul Conner to authorize the CEO to execute all documents necessary to complete the purchase of the property in accordance with the terms outlined in the contract. A second was made by Director Robert Warden. All were in favor, the motion passed unanimously.

C. Condemnation of Utility Easement

[A COPY OF THE NOTICE OF CONDEMNATION LETTER MAY BE FOUND AT EXHIBIT B AND ARE FULLY INCORPORATED HEREIN BY REFERENCE]

Chairman Royce Bennett called on Authority Attorney, Mr. Brett DeSelms, to present the item. Mr. DeSelms explained ONWASA is preparing to undertake a force main project that will convey flow through a 12-inch pipe from the Holly Ridge Wastewater Service Area to the Summerhouse Wastewater Treatment Plant, and ultimately to the Southeast Regional Wastewater Treatment Plant. To complete the project, ONWASA requires a permanent utility easement across a parcel, PIN # 424703033559. Mr. DeSelms stated that ONWASA has determined the value of the easement to be \$975. He shared that the property is owned by three entities and two of the three have agreed to the purchase price of the easement. He went on to explain attempts were made to reach the third entity as well as that entities attorney and they have been nonresponsive. Mr. DeSelms shared that realizing the cost associated with the condemnation action does not make financial sense, so we offered \$1500 but were still unable to get a response from the third entity. Mr. DeSelms said what he is requesting is authorization to move forward with the condemnation of the utility easement across the parcel. Vice Chairman Paul Conner asked what is it going to cost to do this. Mr. DeSelms replied that since it is a lawsuit you have to file that so there are court cost associated with it and attorney fees. He said if they do not contest it the cost would likely be under \$5,000 but if they do contest it then we would have to get an appraiser, and they would get an appraiser so it could be more adding he doesn't expect that to be the case. Director Greg Hines said he has never liked the idea of taking other people's property but sometimes there is no other choice. Mr. DeSelms said we did everything we could to avoid this, this was not our first choice and the last thing we wanted to do.

Action: Vice Chairman Paul Conner made a motion to authorize Brett J. DeSelms to file and prosecute a condemnation action against the Property's owners in order to obtain a permanent utility easement in the Property. A second was made by Director Tony Padgett. All were in favor, the motion passed unanimously.

D. Advanced Metering Infrastructure – Equipment Acquisition & Installation for Phase 2

[A COPY OF THE AMENDED PROJECT ORDINANCE & BUDGET AMENDMENT AND SENSUS CONTRACT MAY BE FOUND AT EXHIBIT C AND ARE FULLY INCORPORATED HEREIN BY REFERENCE]

Chairman Royce Bennett called on Mr. Franky J. Howard, CEO, to present the item. Mr. Howard reported that staff would like to proceed with the next phase of the AMI Pilot Project to complete the installation of meters on the island. He explained that the meter changeout for the Old Settlers section of the island, which is the Surf City area, was completed the previous week, with approximately 1,100 meters installed. The next phase will include an additional 2,100 meters, completing the remainder of the island.

Mr. Howard stated that the quote and contract for the project have been reviewed. He noted that during the July 4th weekend, staff was able to remotely monitor pressure using the new meters, which proved to be very beneficial.

Director Bennett asked whether customers would be able to view that information themselves. Mr. Howard responded that there are software options available that could allow customers to access data through a secure login; however, at this time, customers may contact ONWASA to request that information, and staff can provide it if the system data is available.

Vice Chairman Paul Conner asked if the system would notify staff when a meter malfunctions. Mr. Howard confirmed that alerts can be configured within the system to detect issues such as leaks, pressure changes, and other parameters. Vice Chairman Conner noted that this would eliminate the need to wait for the next monthly meter reading to detect a problem, and Mr. Howard agreed.

Action: Director Tony Padgett made a motion to adopt the Advanced Metering Infrastructure Amended Project Ordinance and Corresponding Budget Amendment, to proceed with the contract with Sensus/Ferguson Enterprises for the acquisition and installation of the referenced equipment as a sole source vendor and authorize the Chief Executive Officer to execute the contract and any additional documents as required in connection with this action. A second was made by Director Greg Hines. All were in favor, the motion passed unanimously.

E. FY25 BUDGET ROLLOVER TO FY26

[A COPY OF THE PURCHASE ORDER ROLLOVER LIST AND BUDGET AMENDMENT MAY BE FOUND AT EXHIBIT D AND ARE FULLY INCORPORATED HEREIN BY REFERENCE]

Chairman Royce Bennett called on CFO, Eric Adams, to present the item. Mr. Adams explained that each year the Finance Department tracks purchases or projects that were not finalized by the close of the fiscal year on June 30. He noted that, as in prior years, staff was requested Board approval to allocate fund balance to finalize those outstanding purchases and projects.

Director Warden said I am just curious I don't recall doing this for the City of Jacksonville once we approved it in a budget for that year then it is just an open contract, is there a requirement for Water & Sewer Authorities to do this. Mr. Adams replied no and had we included it in our Budget Ordinance for FY26 then we would not have had to but for additional transparency we do this.

Action: Director Tony Padgett made a motion to approve the Purchase Order Rollover and Associated Budget Amendment to fully cover the Rollover Purchases. A second was made by Director Joe Brown. All were in favor, the motion passed unanimously.

F. Discussion of Potential Changes of the Composition of the ONWASA Board of Directors

Chairman Royce Bennett called on Authority Attorney, Mr. Brett DeSelms, to begin the discussion. Mr. DeSelms presented information regarding potential changes to the composition of the ONWASA Board of Directors. He explained that there had been discussions about whether the board's composition could be changed and how to change it. He went on to say after research, he has determined that the bylaws could be changed without any input other than the Board's, though there are some notice requirements that must be followed before changing the bylaws. He said regarding the Articles of Incorporation it is not as clear what steps must be taken to change those, it does not say one way or the other. Mr. DeSelms added the proposed change was to remove the requirement that board members must be elected officials allowing the County and Municipalities to still appoint elected officials if they wished but they would not be required to do so and he noted that the proposed term would be three years. Mr. DeSelms explained what this is meant to do is provide for continuity of the Board because you could have a large number of members not win their elections or not run again and you could have a huge turnover at one time. He said additionally there was discussion about the current 8-member board and the potential for a 4-4 tie vote. He shared that one idea was to have each member organization propose a candidate, then have the ONWASA Board vote on the recommendation, with the County making the final selection from the board generated list since it represents the most people in the service area.

Director Warden asked if it would have to be unanimous. Mr. DeSelms said it is interesting the Articles of Incorporation do not say one way or the other, but we think so. He explained if this was a non-profit business, and it is not then the directors could do it. He shared that we looked at other entities like Cape Fear Public Utility. Mr. Howard added and they have a provision in their articles that speaks to how to change them but ours does not. Director Warden said so it does not have a provision to say if it has to be the majority of the member governments or not. Mr. DeSelms replied it does not [have the provision]. Mr. DeSelms said he believes it is the safest route and ensures everyone has input and for the public standpoint to is to have each member organization to approve the proposed change.

Director Greg Hines said some of us have been on this Board a long time and he doesn't think we have ever had a tie vote so I think adding the extra member would complicate things and he doesn't see where it will help one way or the other. Director Warden replied we aren't just talking about now or what we did in the past but is there a potential for a tie vote. Director Hines replied there is a potential for anything, but we have never had it happen and the way the Board is made up with the towns and the county He can't see it. Vice Chairman Paul Conner said he doesn't have a problem changing the composition. Director Greg Hines inquired about the Chairman voting on every issue or if he only voted in a tie then that would solve the issue as well like the Mayor of Jacksonville. Director Joe Brown said this board except for him have been together a long time. He added that he doesn't think being an elected official makes you qualified for understanding ONWASA and there would probably be a way to get a more qualified person like for example an engineer. Vice Chairman Paul Conner inquired the Board will not stipulate who the member government boards choose, correct they could decide to appoint someone from outside their corporate limits, is that correct? Mr. DeSelms said that would be up to them they can pick anyone they want.

Chairman Bennett explained that he has spoken with everyone on the Board, and we need to find a way to make the Board more sustainable and more professional for the 65 million dollar a year business we are now. Director Bittner inquired why would it

be more professional. Chairman Bennett said more maybe knowledgeable would be it. Director Warden said you really have two issues here and one is probably better than the other idea giving the authority to the individual members who they want to represent them he thinks is a very good idea but on the other hand if you get 9 members you might have one member not show up so you could still have a tie vote so he isn't sure that is a solve all solution. He said if we ever get down the road and have a problem with a tie vote and that becomes an issue then that might be the time to address that. Chairman Bennett added the reason for this discussion is I would like the Board to be in agreement on what changes they wanted to make before taking the proposal to their respective municipal boards. He suggested limiting the changes to removing the elected official requirement and establishing 3-year terms rather than adding the extra member.

Mr. DeSelms shared what we can do is go back to the terms from when ONWASA was formed and figure out when those terms should be ending now and spell out in the bylaws and make it clear for everyone and stay on the staggard terms. Mr. DeSelms stated if it is okay with the Board he will draft a resolution for each of the member organizations' boards to consider and would file the required notices for amending the bylaws and articles of incorporation and the ONWASA Board would vote on the changes contingent upon all member organizations agreeing to them.

Director Jerry Bittner asked Mr. DeSelms to clarify what is being proposed. Mr. DeSelms said to let him know if his understanding is not correct but what he believes we have landed on is remove the requirement of having to be an elected official and spelling out when the terms end for each seat, so it is clear in the bylaws. Director Bittner said so we are going to ask each member government body to concede that the appointed member does not have to be an elected official and may be a private citizen. Mr. DeSelms replied yes. Director Bittner followed up asking if a private citizen is appointed does he or she still serve at the pleasure of the governing body appointing them. Mr. DeSelms replied yes nothing changes other than they do not have to be an elected official and may be a private citizen.

Action: No formal motion was made.

3. CEO COMMENTS

Mr. Howard asked the Board to be on the lookout for communication regarding scheduling a Special Meeting for potentially August 28th.

4. DIRECTOR COMMENTS

Director Tony Padgett thanked staff again for letting him sit in on the presentations and selection process for the Design Build Project and said staff did an excellent job. He said he learned a lot and at the end of the day he thinks staff will make the best decision for the rate payers and he thanks them for that.

There were no other director comments.

5. ADJOURNMENT: Chairman Bennett adjourned the meeting at 5:02 pm.

The minutes were approved on November 13, 2025.

Onslow Water & Sewer Authority Board of Directors



Michael Royce Bennett, Chairman



ATTEST:



Heather W Norris, Clerk



AGREEMENT FOR PURCHASE AND SALE OF IMPROVED REAL PROPERTY

THIS AGREEMENT, including any and all addenda attached hereto ("Agreement"), is by and between ONSLOW WATER AND SEWER AUTHORITY a(n) authority organized under the provisions of the North Carolina Water and Sewer Authorities Act ("Buyer"), and DOMINICK S. BUTCH (Seller").

(NOTE: If the Buyer or Seller is an entity, in order to form a binding agreement and complete a transaction, the entities listed as Buyer or Seller in this Agreement should be validly formed and in good standing with the Secretary of State in the State of formation of the entity.)

FOR AND IN CONSIDERATION OF THE MUTUAL PROMISES SET FORTH HEREIN AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES HERETO AGREE AS FOLLOWS:

Section 1. Terms and Definitions: The terms listed below shall have the respective meaning given them as set forth adjacent to each term.

(a) "Property": (Address) 135 Church Road, Hubert, NC 28539

Plat Reference: PORTION OF Lot(s) 5, Hubert Homeplace Property of SA Starling Estate as shown on Plat Book or Slide 5 at Page(s) 61.

ONSLOW County, consisting of 3.85 acres.

If this box is checked, "Property" shall mean that property described on Exhibit A attached hereto and incorporated herewith by reference,

(For information purposes: (i) the tax parcel number of the Property is 532504942705 ; and, (ii) some or all of the Property, consisting of approximately 3.85 acres, is described in Deed Book 2139, Page No. 709, ONSLOW County.)

together with all buildings and improvements thereon and all fixtures and appurtenances thereto and all personal property, if any, itemized on Exhibit A.

\$530,000.00 (b) "Purchase Price" shall mean the sum of FIVE HUNDRED THIRTY THOUSAND DOLLARS payable on the following terms:

\$0.0 (i) "Earnest Money" shall mean \$0.0 Dollars or terms as follows: n/a

The Earnest Money shall be deposited in escrow with n/a (name of person/entity with whom deposited-"Escrow Agent") within five (5) calendar days of the Contract Date, to be applied as part payment of the Purchase Price of the Property at Closing, or disbursed as agreed upon under the provisions of Section 10 herein. Should Buyer fail to deliver the Earnest Money by the date required hereunder, or should any check or other funds paid by Buyer be dishonored, for any reason, by the institution upon which the payment is drawn, Buyer shall have one (1) banking day after written notice of such dishonor to deliver cash, official bank check, wire transfer or electronic transfer to the Escrow Agent. If Buyer fails to deliver the required funds within one (1) banking day after written notice, then Seller may terminate this Agreement by written notice to Buyer at any time thereafter, provided Seller has not then received acknowledgement by Escrow Agent of its receipt of funds from Buyer. If the Escrow Agent has not delivered to the Seller the acknowledgement of Earnest Money on the last page of this Agreement by the calendar day following the date the Earnest Money is required to be delivered hereunder, it shall be presumed that the Earnest Money was not delivered by the required time (unless, upon the written request of Seller, Escrow Agent can provide proof of its receipt of the Earnest Money by the required time). Buyer and Seller consent to the



This form jointly approved by: North Carolina Bar Association's Real Property Section North Carolina Association of REALTORS®, Inc.

STANDARD FORM 580-T Revised 7/2023 © 7/2023

Buyer Initials FJH Seller Initials DSB

Handwritten notes: 6/25/25, FJH, 7-1-25

disclosure by the Escrow Agent, to the parties to this Agreement, the Broker(s) and any Buyer lender, of any material facts pertaining to the Earnest Money.

ANY EARNEST MONEY DEPOSITED BY BUYER IN A TRUST ACCOUNT MAY BE PLACED IN AN INTEREST BEARING TRUST ACCOUNT, AND: (check only ONE box)

ANY INTEREST EARNED THEREON SHALL BE APPLIED AS PART PAYMENT OF THE PURCHASE PRICE OF THE PROPERTY AT CLOSING, OR DISBURSED AS AGREED UPON UNDER THE PROVISIONS OF SECTION 10 HEREIN. (Buyer's Taxpayer Identification Number is: _____)

ANY INTEREST EARNED THEREON SHALL BELONG TO THE ACCOUNT HOLDER IN CONSIDERATION OF THE EXPENSES INCURRED BY MAINTAINING SUCH ACCOUNT AND RECORDS ASSOCIATED THEREWITH.

\$0.0 _____

(ii) Delivery of a promissory note secured by a deed of trust, said promissory note in the amount of _____ Dollars being payable over a term of _____ years, with an amortization period of _____ years, payable in monthly installments of principal, together with accrued interest on the outstanding principal balance at the rate of _____ percent (_____%) per annum in the amount of \$ _____, with the first principal payment beginning on the first day of the month next succeeding the date of Closing, or such other terms as may be set forth on Exhibit B. At any time, the promissory note may be prepaid in whole or in part without penalty and without further interest on the amounts prepaid from the date of such prepayment. (NOTE: In the event of Buyer's subsequent default upon a promissory note and deed of trust given hereunder, Seller's remedies may be limited to foreclosure of the Property. If the deed of trust given hereunder is subordinated to senior financing, the material terms of such financing must be set forth on Exhibit B. If such senior financing is subsequently foreclosed, the Seller may have no remedy to recover under the note.)

\$530,000.00 _____

(iii) Cash, balance of Purchase Price, at Closing in the amount of FIVE HUNDRED THIRTY THOUSAND Dollars.

Buyer, at Buyer's expense, shall be entitled to pursue qualification for and approval of any loan Buyer intends to obtain in connection with the transaction contemplated by this Agreement. (Note: Buyer's obligations under this Agreement are not conditioned upon obtaining or closing any loan. Therefore, Buyer is advised to consult with Buyer's lender prior to signing this offer to assure that the Examination Period allows sufficient time for Buyer's lender to provide Buyer sufficient information to decide whether to proceed with or terminate the transaction.)

*DSA
6/25/25
FJH
7-1-25*

(c) "Closing" shall mean the date of completion of the process detailed in Section 11 of this Agreement. Closing shall occur on or before WITHIN 30 DAYS OF BOARD APPROVAL. But no later than 8/26/25 or this contract becomes void unless extensions are granted by seller.

(d) "Contract Date" means the date this Agreement has been fully executed by both Buyer and Seller.

(e) "Examination Period" shall mean the period beginning on the first day after the Contract Date and extending through 5:00pm (based upon time at the locale of the Property) on the date of Closing. **TIME IS OF THE ESSENCE AS TO THE EXAMINATION PERIOD.**

(f) "Broker(s)" shall mean:
n/a _____ ("Listing Agency"),

Acting as: Seller's Agent; Dual Agent

and n/a _____ ("Selling Agency"),

Acting as: Buyer's Agent; Seller's (Sub)Agent; Dual Agent

(g) **"Seller's Notice Address"** shall be as follows:

814 New Bridge Street Ste C

Jacksonville, NC 28540

e-mail address: _____ fax number: _____

except as same may be changed pursuant to Section 12.

(h) **"Buyer's Notice Address"** shall be as follows:

Mewborn & DeSelms

829 Gum Branch Road Suite C, Jacksonville, NC 28540

e-mail address: bdeselms@mewbornlaw.biz fax number: _____

except as same may be changed pursuant to Section 12.

- (i) If this block is marked, additional terms of this Agreement are set forth on **Exhibit B** attached hereto and incorporated herein by reference. (Note: Under North Carolina law, real estate agents are not permitted to draft conditions or contingencies to this Agreement.)
- (j) If this block is marked, additional terms of this Agreement are set forth on the Additional Provisions Addendum (Form 581-T) attached hereto and incorporated herein by reference.
- (k) If this block is marked, additional terms of this Agreement are set forth on the Back Up Agreement Addendum (Form 581A-T) attached hereto and incorporated herein by reference.

Section 2. Sale of Property and Payment of Purchase Price: Seller agrees to sell and Buyer agrees to buy the Property for the Purchase Price.

Section 3. Proration of Expenses and Payment of Costs: Seller and Buyer agree that all property taxes (on a calendar year basis), leases, rents, mortgage payments and utilities or any other assumed liabilities as detailed on attached **Exhibit B, and/or Exhibit C, as applicable**, if any, shall be prorated as of the date of Closing. Seller shall pay for preparation of a deed and all other documents necessary to perform Seller's obligations under this Agreement, excise tax (revenue stamps), any deferred or rollback taxes, and other conveyance fees or taxes required by law, any fees required for confirming Seller's account payment information on owners' association dues or assessments for payment or proration; any fees imposed by an owners' association and/or a management company as agent of the owners' association in connection with the transaction contemplated by this Agreement other than those fees required to be paid by Buyer in this Section 3 below, and the following:

Buyer shall pay recording costs, costs of any title search, title insurance, survey, the cost of any inspections or investigations undertaken by Buyer under this Agreement, charges required by an owners' association declaration to be paid by Buyer for Buyer's future use and enjoyment of the Property, including, without limitation, working capital contributions, membership fees, or charges for Buyer's use of the common elements and/or services provided to Buyer, any costs or charges for determining restrictive covenant compliance, and the following:

Each party shall pay its own attorney's fees.

Section 4. Deliveries: Seller agrees to use best efforts to deliver to Buyer, as soon as reasonably possible after the Contract Date, copies of all material information relevant to the Property in the possession of Seller, including but not limited to: title insurance policies (and copies of any documents referenced therein), surveys, soil test reports, environmental surveys or reports, site plans, civil drawings, building plans, maintenance records and copies of all presently effective warranties or service contracts related to the Property. Seller authorizes (1) any attorney presently or previously representing Seller to release and disclose any title insurance policy in such attorney's file to Buyer and both Buyer's and Seller's agents and attorneys; and (2) the Property's title insurer or its agent to release and disclose all materials in the Property's title insurer's (or title insurer's agent's) file to Buyer and both Buyer's and Seller's agents and attorneys. If

Buyer Initials FJH

Seller Initials DSB

Buyer does not consummate the Closing for any reason other than Seller default, then Buyer shall return to Seller all hard copy materials delivered by Seller to Buyer pursuant to this Section 4 (or Section 7, if applicable), if any, and shall, upon Seller's request, following release of the Earnest Money, provide to Seller copies of (subject to the ownership and copyright interests of the preparer thereof) any and all studies, reports, surveys and other information relating directly to the Property prepared by or at the request of Buyer, its employees and agents, without any warranty or representation by Buyer as to the contents, accuracy or correctness thereof. Notwithstanding the above provisions regarding delivery and return of information and documentation, should there exist a separate non-disclosure, confidentiality, or similar agreement between Buyer and Seller, the terms of which conflict with this provision insofar as delivery and return of information and documentation, then the terms of such non-disclosure, confidentiality, or similar agreement shall control as to the delivery and return of information and documentation.

Section 5. Evidence of Title: Seller agrees to convey fee simple insurable title to the Property without exception for mechanics' liens, free and clear of all liens, encumbrances and defects of title other than: (a) zoning ordinances affecting the Property, (b) Leases (as defined in Section 7, if applicable) and (c) specific instruments on the public record at the Contract Date agreed to by Buyer (not objected to by Buyer prior to the end of the Examination Period), which specific instruments shall be enumerated in the deed referenced in Section 11 (items 5(a), 5(b) and 5(c) being collectively "Permitted Exceptions"); provided that Seller shall be required to satisfy, at or prior to Closing, any encumbrances that may be satisfied by the payment of a fixed sum of money, such as deeds of trust, mortgages or statutory liens. Seller shall not enter into or record any instrument that affects the Property (or any personal property listed on Exhibit A) after the Contract Date without the prior written consent of Buyer, which consent shall not be unreasonably withheld, conditioned or delayed.

Section 6. Conditions: This Agreement and the rights and obligations of the parties under this Agreement are hereby made expressly conditioned upon fulfillment (or waiver by Buyer, whether explicit or implied) of the following conditions:

(a) **Title Examination:** After the Contract Date, Buyer shall, at Buyer's expense, cause a title examination to be made of the Property before the end of the Examination Period. In the event that such title examination shall show that Seller's title is not fee simple insurable, subject only to Permitted Exceptions, then Buyer shall promptly notify Seller in writing of all such title defects and exceptions, in no case later than the end of the Examination Period, and Seller shall have thirty (30) days to cure said noticed defects. If Seller does not cure the defects or objections within thirty (30) days of notice thereof, then Buyer may terminate this Agreement and receive a return of Earnest Money (notwithstanding that the Examination Period may have expired). If Buyer is to purchase title insurance, the insuring company must be licensed to do business in the state in which the Property is located. Title to the Property must be insurable at regular rates, subject only to standard exceptions and Permitted Exceptions.

(b) **Same Condition:** If the Property is not in substantially the same condition at Closing as of the date of the offer, reasonable wear and tear excepted, then the Buyer may (i) terminate this Agreement and receive a return of the Earnest Money or (ii) proceed to Closing whereupon Buyer shall be entitled to receive, in addition to the Property, any of the Seller's insurance proceeds payable on account of the damage or destruction applicable to the Property.

(c) **Inspections:** Buyer, its agents or representatives, at Buyer's expense and at reasonable times during normal business hours, shall have the right to enter upon the Property for the purpose of inspecting, examining, conducting timber cruises, and surveying the Property; provided, however, that Buyer shall not conduct any invasive testing of any nature without the prior express written approval of Seller as to each specific invasive test intended to be conducted by Buyer. Buyer shall conduct all such on-site inspections, examinations, testing, timber cruises and surveying of the Property in a good and workmanlike manner, at Buyer's expense, shall repair any damage to the Property caused by Buyer's entry and on-site inspections and shall conduct same in a manner that does not unreasonably interfere with Seller's or any tenant's use and enjoyment of the Property. In that respect, Buyer shall make reasonable efforts to undertake on-site inspections outside of the hours Seller's or any tenant's business is open to the public. Buyer shall provide Seller or any tenant (as applicable) reasonable advance notice of and Buyer shall cause its agents or representatives and third party service providers (e.g. inspectors, surveyors, etc.) to give reasonable advance notice of any entry onto the Property. Buyer shall be obligated to observe and comply with any terms of any tenant lease which conditions access to such tenant's space at the Property. Upon Seller's request, Buyer shall provide to Seller evidence of general liability insurance. Buyer shall also have a right to review and inspect all contracts or other agreements affecting or related directly to the Property and shall be entitled to review such books and records of Seller that relate directly to the operation and maintenance of the Property, provided, however, that Buyer shall not disclose any information regarding this Property (or any tenant therein) unless required by law, and the same shall be regarded as confidential, to any person, except to its attorneys, accountants, lenders and other professional advisors, in which case Buyer shall obtain their agreement to maintain such confidentiality. Buyer assumes all responsibility for the acts of itself and its agents or representatives in exercising its rights under this Section 6(c) and agrees to indemnify and hold Seller harmless from any damages resulting therefrom. This indemnification obligation of Buyer shall survive the Closing or earlier termination of this Agreement. Except as provided in Section 6(b) above, Buyer shall have from the Contract Date through the end of the Examination Period to perform the above inspections, examinations and testing. **IF BUYER CHOOSES NOT TO PURCHASE THE PROPERTY, FOR ANY REASON OR NO REASON, AND PROVIDES WRITTEN NOTICE TO SELLER THEREOF PRIOR TO THE**

EXPIRATION OF THE EXAMINATION PERIOD, THEN THIS AGREEMENT SHALL TERMINATE, AND BUYER SHALL RECEIVE A RETURN OF THE EARNEST MONEY.

Section 7. Leases (Check one of the following, as applicable):

FJH
7-1-25
DSB
6/25/25

uncheck box DSB 6/25/25

If this box is checked, Seller affirmatively represents and warrants that there are no Leases (as hereinafter defined) affecting the Property.

If this box is checked, Seller discloses that there are one or more leases affecting the Property ("Leases"), and the following provisions are hereby made a part of this Agreement.

(a) A list of all Leases shall be set forth on Exhibit C. Seller represents and warrants that, as of the Contract Date, there are no other Leases, oral or written, recorded or not, nor any subleases affecting the Property, except as set forth on Exhibit C. Unless written consent is given by Buyer, Seller will not enter in to any Lease affecting the Property nor terminate any Lease in Exhibit C during the effectiveness of this Agreement. Buyer agrees to take no action which would affect any lease in Exhibit C prior to Closing;

(b) Seller shall deliver copies of any Leases to Buyer pursuant to Section 4 as if the Leases were listed therein;

(c) Seller represents and warrants that, as of the Contract Date, there are no current defaults (or any existing situation which, with the passage of time, or the giving of notice, or both, or at the election of either landlord or tenant, could constitute a default) either by Seller, as landlord, or by any tenant under any Lease ("Lease Default"). In the event there is any Lease Default as of the Contract Date, Seller agrees to provide Buyer with a detailed description of the situation in accordance with Section 4. Seller agrees not to commit a Lease Default as Landlord after the Contract Date; and agrees further to notify Buyer immediately in the event a Lease Default arises or is claimed, asserted or threatened to be asserted by either Seller or a tenant under the Lease.

(d) In addition to the conditions provided in Section 6 of this Agreement, this Agreement and the rights and obligations of the parties under this Agreement are hereby made expressly conditioned upon the assignment of Seller's interest in any Lease to Buyer in form and content acceptable to Buyer (with tenant's written consent and acknowledgement, if required under the Lease). Seller agrees to deliver an assignment of any Lease at or before Closing, with any security deposits held by Seller under any Leases to be transferred or credited to Buyer at or before Closing. The assignment shall provide: (i) that Seller shall defend, indemnify and hold Buyer harmless from claims, losses, damages and liabilities (including, without limitation, court costs and attorneys' fees) asserted against or incurred by Buyer which are caused by or the result of any default by Seller under any Lease prior to the date of Closing, and (ii) that Buyer shall defend, indemnify and hold Seller harmless from claims, losses, damages and liabilities (including, without limitation, court costs and attorneys' fees) asserted against or incurred by Seller which are caused by or the result of any default by Buyer under any Lease after the date of Closing.

(e) Seller also agrees to work diligently to obtain any tenant signatures on any estoppel certificates in such form as Buyer may reasonably request and to work diligently to obtain any subordination, nondisturbance and attornment agreements in such form as Buyer may reasonably request.

Section 8. Environmental: Seller represents and warrants that it has no actual knowledge of the presence or disposal, except as in accordance with applicable law, within the buildings or on the Property of hazardous or toxic waste or substances, which are defined as those substances, materials, and wastes, including, but not limited to: those substances, materials and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 CFR Part 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302.4) and amendments thereto, or such substances, materials and wastes, which are or become regulated under any applicable local, state or federal law, including, without limitation, any material, waste or substance which is (i) petroleum, (ii) asbestos, (iii) polychlorinated biphenyls, (iv) designated as a Hazardous Substance pursuant to Section 311 of the Clean Water Act of 1977 (33 U.S.C. §1321) or listed pursuant to Section 307 of the Clean Water Act of 1977 (33 U.S.C. §1317), (v) defined as a hazardous waste pursuant to Section 1004 of the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §6903) or (vi) defined as a hazardous substance pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §9601). Seller has no actual knowledge of any contamination of the Property from such substances as may have been disposed of or stored on neighboring tracts.

Section 9. Risk of Loss/Damage/Repair: Until Closing, the risk of loss or damage to the Property, except as otherwise provided herein, shall be borne by Seller. Except as to maintaining the Property in its same condition, Seller shall have no responsibility for the repair of the Property, including any improvements, unless the parties hereto agree in writing.

Section 10. Earnest Money Disbursement: In the event that any condition hereto is not satisfied, then the Earnest Money shall be

Buyer Initials FJH Seller Initials DSB

refunded to Buyer. In the event of breach of this Agreement by Seller, the Earnest Money shall be refunded to Buyer upon Buyer's request, but such return shall not affect any other remedies available to Buyer for such breach. In the event of breach of this Agreement by Buyer, the Earnest Money shall be paid to Seller as liquidated damages and as Seller's sole and exclusive remedy for such breach, but without limiting Seller's rights under Section 6(c) or Section 22 of this Agreement. It is acknowledged by the parties that payment of the Earnest Money to Seller in the event of a breach of this Agreement by Buyer is compensatory and not punitive, such amount being a reasonable estimation of the actual loss that Seller would incur as a result of such breach. The payment of the Earnest Money to Seller shall not constitute a penalty or forfeiture but actual compensation for Seller's anticipated loss, both parties acknowledging the difficulty determining Seller's actual damages for such breach.

NOTE: In the event of a dispute between Seller and Buyer over the disposition of the Earnest Money held in escrow, a licensed real estate broker is required by state law (and Escrow Agent, if not a broker, hereby agrees) to retain the Earnest Money in the Escrow Agent's trust or escrow account until Escrow Agent has obtained a written release from the parties consenting to its disposition or until disbursement is ordered by a court of competent jurisdiction. Alternatively, if a broker or an attorney licensed to practice law in North Carolina is holding the Earnest Money, the broker or attorney may deposit the disputed monies with the appropriate clerk of court in accordance with the provisions of N.C.G.S. §93A- 12.

Seller and Buyer hereby agree and acknowledge that the Escrow Agent assumes no liability in connection with the holding of the Earnest Money pursuant hereto except for negligence or willful misconduct of Escrow Agent. Escrow Agent shall not be responsible for the validity, correctness or genuineness of any document or notice referred to under this Agreement. Seller and Buyer hereby agree to indemnify, protect, save and hold harmless Escrow Agent and its successors, assigns and agents pursuant to this Agreement, from any and all liabilities, obligations, losses, damages, claims, actions, suits, costs or expenses (including attorney fees) of whatsoever kind or nature imposed on, incurred by or asserted against Escrow Agent which in any way relate to or arise out of the execution and delivery of this Agreement and any action taken hereunder; provided, however, that Seller and Buyer shall have no such obligation to indemnify, save and hold harmless Escrow Agent for any liability incurred by, imposed upon or established against it as a result of Escrow Agent's negligence or willful misconduct.

Section 11. Closing: At or before Closing, Seller shall deliver to Buyer a special warranty deed unless otherwise specified on **Exhibit B** and other documents customarily executed or delivered by a seller in similar transactions, including without limitation, a bill of sale for any personalty listed on **Exhibit A**, an owner's affidavit, lien waiver forms (and such other lien related documentation as shall permit the Property to be conveyed free and clear of any claim for mechanics' liens) and a non-foreign status affidavit (pursuant to the Foreign Investment in Real Property Tax Act), and Buyer shall cause to be delivered the funds necessary to pay to Seller the Purchase Price. The Closing shall be conducted by Buyer's attorney or handed in such other manner as the parties hereto may mutually agree in writing. Possession shall be delivered at Closing, unless otherwise agreed herein. The Purchase Price and other funds to be disbursed pursuant to this Agreement shall not be disbursed until the Buyer's attorney's (or other designated settlement agent's) receipt of authorization to disburse all necessary funds.

Section 12. Notices: Unless otherwise provided herein, all notices and other communications which may be or are required to be given or made by any party to the other in connection herewith shall be in writing (which shall include electronic mail) and shall be deemed to have been properly given and received (i) on the date delivered in person or (ii) the date deposited in the United States mail, registered or certified, return receipt requested, to the addresses set out in Section 1(g) as to Seller, and in Section 1(h) as to Buyer, or at such other addresses as specified by written notice delivered in accordance herewith, (iii) at such time as the sender performs the final act to send such transmission, in a form capable of being processed by the receiving party's system, to any electronic mail address or facsimile number, if any, provided in Section 1(g) as to Seller, and in Section 1(h) as to Buyer or (iv) on the date deposited with a recognized overnight delivery service, addressed to the addresses set out in Section 1(g) as to Seller, and in Section 1(h) as to Buyer, or at such other addresses as specified by written notice delivered in accordance herewith. If a notice is sent by more than one method, it will be deemed received upon the earlier of the dates of receipt pursuant to this Section.

Section 13. Counterparts; Entire Agreement: This Agreement may be executed in one or more counterparts, which taken together, shall constitute one and the same original document. Copies of original signature pages of this Agreement may be exchanged via facsimile or e-mail, and any such copies shall constitute originals. This Agreement constitutes the sole and entire agreement among the parties hereto and no modification of this Agreement shall be binding unless in writing and signed by all parties hereto. The invalidity of one or more provisions of this Agreement shall not affect the validity of any other provisions hereof and this Agreement shall be construed and enforced as if such invalid provisions were not included.

Section 14. Enforceability: This Agreement shall become a contract when signed by both Buyer and Seller and such signing is communicated to both parties; it being expressly agreed that notice given in accordance with Section 12 is not required for effective communication for the purposes of this Section 14. The parties acknowledge and agree that: (i) the initials lines at the bottom of each page of this Agreement are merely evidence of their having reviewed the terms of each page, and (ii) the complete execution of such initials lines shall not be a condition of the effectiveness of this Agreement. This Agreement shall be binding upon and inure to the benefit of the parties, their heirs, successors and assigns and their personal representatives.

Section 15. Adverse Information and Compliance with Laws:

(a) **Seller Knowledge/Assessments:** Seller has no actual knowledge of (i) condemnation(s) affecting or contemplated with respect to the Property; (ii) actions, suits or proceedings pending or threatened against the Property; (iii) changes contemplated in any applicable laws, ordinances or restrictions affecting the Property; or (iv) governmental special assessments, either pending or confirmed, for sidewalk, paving, water, sewer, or other improvements on or adjoining the Property, and no pending or confirmed owners' association special assessments, except as follows (Insert "None" or the identification of any matters relating to (i) through (iv) above, if any):

Note: For purposes of this Agreement: (i) a "special assessment" is defined as a charge against the Property by a governmental authority in addition to ad valorem taxes and recurring governmental service fees levied with such taxes, or by an owners' association in addition to any regular assessment (dues), either of which may be a lien against the Property; a special assessment may be either pending or confirmed; (ii) a "confirmed" special assessment is defined as an assessment that has been approved by a governmental agency or an owners' association for the purpose(s) stated, whether, at the time of Closing, it is payable in a lump sum or future installments; (iii) a "pending" special assessment is defined as an assessment that is under formal consideration by a governmental agency or an owners' association but which has not been approved prior to Closing. Seller shall pay, in full at Closing, all confirmed governmental or association special assessments, provided that the amount thereof can be reasonably determined or estimated. The payment of such determined or estimated amount shall be the final payment between Buyer and Seller as to any confirmed special assessments. If the amount of any special assessment cannot be reasonably determined or estimated, the special assessment shall be deemed a pending special assessment. Buyer shall take title subject to all pending special assessments disclosed by Seller herein, if any.

(b) **Compliance:** To Seller's actual knowledge, (i) Seller has complied with all applicable laws, ordinances, regulations, statutes, rules and restrictions pertaining to or affecting the Property; (ii) performance of the Agreement will not result in the breach of, constitute any default under or result in the imposition of any lien or encumbrance upon the Property under any agreement or other instrument to which Seller is a party or by which Seller or the Property is bound; and (iii) there are no legal actions, suits or other legal or administrative proceedings pending or threatened against the Property, and Seller is not aware of any facts which might result in any such action, suit or other proceeding.

(c) **Owners' Association:** If the Property is subject to regulation by an owners' association, Seller shall deliver the following information to Buyer pursuant to Section 4 as if the same were listed therein (or Seller shall state that Seller does not have same in their possession or that such item is not applicable): (i) the name of the owners' association; (ii) the amount of regular assessments (dues); (iii) the name, address and telephone number of the president of the owners' association or of the association manager or management company; (iv) the owners' association website address; (v) the Seller's statement of account; (vi) the master insurance policy showing the coverage provided and the deductible amount; (vii) copies of any Declaration and/or Restrictive Covenants; (viii) the Rules and Regulations, (ix) the Articles of Incorporation and Bylaws of the owners' association; (x) the current financial statement and budget of the owners' association; (xi) the parking restrictions and information; and (xii) the architectural guidelines. Seller authorizes and directs any owners' association, any management company of the owners' association, any insurance company and any attorney who has previously represented the Seller to release to Buyer, Buyer's agents, representative, closing attorney or lender true and accurate copies of the foregoing items affecting the Property, including any amendments thereto.

Section 16. Survival of Representations and Warranties: All representations, warranties, covenants and agreements made by the parties hereto shall survive the Closing and delivery of the deed. Seller shall, at or within six (6) months after the Closing, and without further consideration, execute, acknowledge and deliver to Buyer such other documents and instruments, and take such other action as Buyer may reasonably request or as may be necessary to more effectively transfer to Buyer the Property described herein in accordance with this Agreement.

Section 17. Applicable Law: This Agreement shall be construed under the laws of the state in which the Property is located. This form has only been approved for use in North Carolina.

Section 18. Assignment: This Agreement is freely assignable unless otherwise expressly provided on **Exhibit B**.

Section 19. Tax-Deferred Exchange: In the event Buyer or Seller desires to effect a tax-deferred exchange in connection with the conveyance of the Property, Buyer and Seller agree to cooperate in effecting such exchange; provided, however, that the exchanging party shall be responsible for all additional costs associated with such exchange, and provided further that a non-exchanging party shall not assume any additional liability with respect to such tax-deferred exchange. Seller and Buyer shall execute such additional documents, at no cost to the non-exchanging party, as shall be required to give effect to this provision.

Section 20. Memorandum of Contract: Upon request by either party, the parties hereto shall execute a memorandum of contract in recordable form setting forth such provisions hereof (other than the Purchase Price and other sums due) as either party may wish to incorporate. Such memorandum of contract shall contain a statement that it automatically terminates and the Property is released from any effect thereby as of a specific date to be stated in the memorandum (which specific date shall be no later than the date of Closing). The cost of recording such memorandum of contract shall be borne by the party requesting execution of same.

Section 21. Authority: Each signatory to this Agreement represents and warrants that he or she has full authority to sign this Agreement and such instruments as may be necessary to effectuate any transaction contemplated by this Agreement on behalf of the party for whom he or she signs and that his or her signature binds such party.

Section 22. Brokers: Except as expressly provided herein, Buyer and Seller agree to indemnify and hold each other harmless from any and all claims of brokers, consultants or real estate agents by, through or under the indemnifying party for fees or commissions arising out of the sale of the Property to Buyer. Buyer and Seller represent and warrant to each other that: (i) except as to the Brokers designated under Section 1(f) of this Agreement, they have not employed nor engaged any brokers, consultants or real estate agents to be involved in this transaction and (ii) that the compensation of the Brokers is established by and shall be governed by separate agreements entered into as amongst the Brokers, the Buyer and/or the Seller.

Section 23. Attorneys Fees: If legal proceedings are instituted to enforce any provision of this Agreement, the prevailing party in the proceeding shall be entitled to recover from the non-prevailing party reasonable attorneys fees and court costs incurred in connection with the proceeding.

EIFS/SYNTHETIC STUCCO: If the adjacent box is checked, Seller discloses that the Property has been clad previously (either in whole or in part) with an "exterior insulating and finishing system" commonly known as "EIFS" or "synthetic stucco". Seller makes no representations or warranties regarding such system and Buyer is advised to make its own independent determinations with respect to conditions related to or occasioned by the existence of such materials at the Property.

THE NORTH CAROLINA ASSOCIATION OF REALTORS®, INC. AND THE NORTH CAROLINA BAR ASSOCIATION MAKE NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION. IF YOU DO NOT UNDERSTAND THIS FORM OR FEEL THAT IT DOES NOT PROVIDE FOR YOUR LEGAL NEEDS, YOU SHOULD CONSULT A NORTH CAROLINA REAL ESTATE ATTORNEY BEFORE YOU SIGN IT.

Buyer: Business Entity

Seller:

Onslow Water and Sewer Authority

Dominick S. Butch

By: [Signature] (SEAL)

[Signature] (SEAL)

Name: Franky Howard, CEO

Date: 6/25/25

Date: 6-24-25

WIRE FRAUD WARNING

To Buyers: Before sending any wire, you should call the closing agent's office to verify the instructions. If you receive wiring instructions for a different bank, branch location, account name or account number, they should be presumed fraudulent. Do not send any funds and contact the closing agent's office immediately.

To Sellers: If your proceeds will be wired, it is recommended that you provide wiring instructions at closing in writing in the presence of the closing agent. If you are unable to attend closing, you may be required to send an original notarized directive to the closing agent's office containing the wiring instructions. This directive may be sent with the deed, lien waiver and tax forms if those documents are being prepared for you by the closing agent. At a minimum, you should call the closing agent's office to provide the wire instructions. The wire instructions should be verified over the telephone via a call to you initiated by the closing agent's office to ensure that they are not from a fraudulent source.

Whether you are a buyer or a seller, you should call the closing agent's office at a number that is independently obtained. To ensure that your contact is legitimate, you should not rely on a phone number in an email from the closing agent's office, your real estate agent or anyone else.

The undersigned hereby acknowledges receipt of the Earnest Money set forth herein and agrees to hold said Earnest Money in accordance with the terms hereof.

(Name of Escrow Agent)

Date: _____

By: _____

Escrow Agent's contact/notice information is as follows:

e-mail address: _____ fax number: _____

except as same may be changed pursuant to Section 12.

EXHIBIT B
CONTINGENT SALE ADDENDUM

This addendum is attached to and made a part of the Agreement for Purchase and Sale of Improved Real Property ("Contract") between Seller and Buyer for the Seller's Property.

1. The Buyer's obligations under this Agreement for Purchase and Sale of Improved Real Property shall be contingent upon approval of ONWASA's Board of Directors in a public meeting.

IN THE EVENT OF A CONFLICT BETWEEN THIS ADDENDUM AND THE CONTRACT, THIS ADDENDUM SHALL CONTROL.

Entity Buyer:
Onslow Water and Sewer Authority

Seller:
Dominick S. Butch

By: *FH*
Name: Franky Howard, CEO
Date: 6-24-25

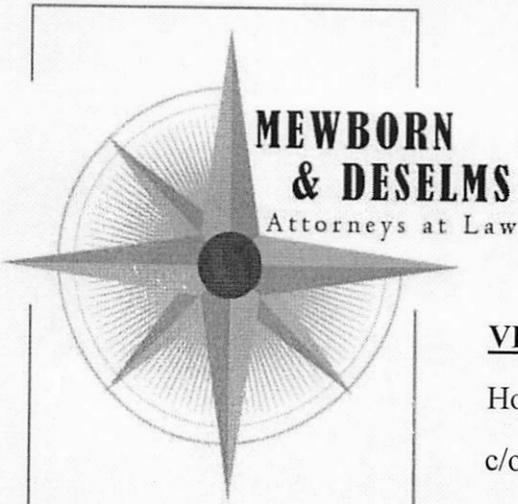
 D.S. Butch
Date: 6/25/25

Exhibit C
LIST OF LEASES

DSB
6/25/25
FSH 7-1-25

- ① Month to month verbal lease of premises to Mt. Pleasant Const. Co. Termination upon 30 day notice
- ② sign lease at Southeast corner of property to Lamar sign co.

May 16, 2025



VIA CERTIFIED MAIL

Holly Ridge Associates, LLC
c/o Henry E. Miller, III
P.O. Box 42
Wrightsville Beach, NC 28480

JEHR, LLC
c/o John A. Elmore, II
PO Box 381
Wrightsville Beach, NC 28480

Decoy Investments, LLC
c/o J Y Leech
206 Causeway Drive, Unit 171
Wrightsville Beach, NC 28480

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JONATHAN EURE
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HEATH TOPEL
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MICHAEL TUTON
mtuton@mewbornlaw.biz

.....

829 Gum Branch Road | Suite C
Jacksonville, NC 28540
P: 910.455.9755 | 800.509.8219
F: 910.346.3483 • mewbornlaw.biz

Re: L3 P3 Longleaf Acres, Onslow PIN # 424703033559

NOTICE OF CONDEMNATION

Dear Property Owner:

As you are likely aware, Onslow Water and Sewer Authority (hereinafter the "ONWASA") is preparing undertake a force main project that will convey flow through a 12 inch pipe from the Holly Ridge wastewater service area to the Summerhouse wastewater treatment plant, and ultimately to the Southeast Regional wastewater treatment plant (hereinafter the "Project"). In order to complete the Project ONWASA requires a permanent utility easement across your property as depicted in the attached Plat of Easement Survey. ONWASA has determined that the value of the utility easement is \$975. Through negotiations with two of the three of you, ONWASA has agreed to

pay \$1,500 in order to resolve this matter short of condemnation (i.e. \$500/owner).

ONWASA urges you to consider signing the attached easement agreement. This will allow ONWASA, and you, to move forward without undergoing any unnecessary expenditure. With that said, ONWASA is prepared to move forward with condemnation proceedings pursuant to N.C.G.S. § 40A, and a complaint will be filed on or after the **July 1, 2025**, should you still not have signed and returned to ONWASA an easement by said date. Pursuant to N.C.G.S. § 40A-42(a1)(2), title and the right to immediate possession shall vest in the ONWASA upon the filing of the complaint.

See below for more information on this condemnation, including its purpose, the property to be taken, an estimate of just compensation, and your rights.

PURPOSE

The purpose of the condemnation is to effectuate the implementation of the Project. The Project will allow ONWASA to undertake a force main project that will convey flow through a 12 inch pipe from the Holly Ridge wastewater service area to the Summerhouse wastewater treatment plant, and ultimately to the Southeast Regional wastewater treatment plant.

PROPERTY TO BE TAKEN

Prior to beginning the Project, ONWASA requires an easement to lawfully perform the necessary work associated with the Project on a portion of your property, depicted as the “New Permanent Utility Easement” on the enclosed Plat of Easement Survey.

JUST COMPENSATION

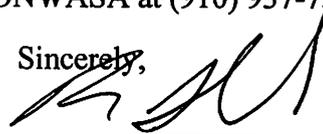
ONWASA estimates that monetary compensation in the amount of \$975 is just compensation for the interest sought.

RIGHTS

You have the right to file for injunctive relief before **July 1, 2025**, the date that the complaint is planned to be filed. Additionally, you have the right to answer the complaint after it has been filed. You will have 120 days from the date of service of the complaint to file an answer. Should you file an answer, ONWASA will have 30 days from the date of service to file a reply. N.C.G.S. § 40A-45, 46. Note that a failure to file an answer in the allotted period will be deemed an admission that an amount deposited, if any, is just compensation. *Id.* For any issue(s) raised by the pleadings other than compensation, the judge shall, upon motion and 10 days’ notice by either party, hear and determine the issue(s).

You are hereby advised to consult with an attorney regarding your rights. No part of this Notice of Condemnation is or shall be considered legal advice to you. If you have any questions on the ONWASA’s Project, please call Jeffrey T. Lohr, PE, Chief of Engineering for ONWASA at (910) 937-7509.

Sincerely,



Brett DeSelms

Attorney for ONWASA

Certificate of Professional Land Surveyor

I, J. Dylan Atkins, certify that this plat was drawn under my supervision from an actual survey made under my supervision from references as shown; that the boundaries not surveyed are clearly indicated as drawn from information found in references as shown; that the ratio of precision as calculated exceeds 1:10,000;

That this plat was prepared in accordance with G.S. 47-30 as amended and that this plat meets the requirements of G.S. 47-30 section F-11-D: that the survey is of another category, such as the recombination of existing parcels, a court-ordered survey, or other exemption or exception to the definition of subdivision; I further certify that this survey is of a proposed easement for a public utility as defined in G.S. 62-3.

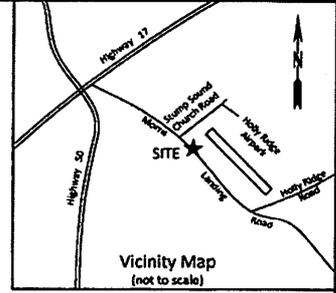
Without my original signature, registration number and seal this October 28th, 2024.

J. Dylan Atkins PLS L-5131



Legend/Abbreviations

- DB Deed Book
 - MB Map Book
 - Pg Page
 - PIN Parcel Identification Number
 - IPF Iron Pipe Found
 - IRF Iron Rod Found
 - NF Nail Found
 - CMF Concrete Monument Found
 - PUE Permanent Utility Easement
 - TCE Temporary Construction Easement
 - CP Computed Point (Unless otherwise noted)
 - O North Carolina State Road
 - NCSR Rad Radius
 - Ch Chord
-
- Surveyed Property Line
 - - - New Easement Line
 - - - Existing Easement Line
 - - - Calculated (Adjoining) Boundary Line



Stump Sound Church Road
(60' Public R/W)

Certificate of Review Officer

I, _____, Review Officer of Onslow County, certify that this Map or Plat to which this certification is affixed meets all statutory requirements for recording.

Review Officer: _____ Date: _____

Certificate of Subdivision Exemption

This plat represents a survey for a proposed public utility easement and is an exemption from the Town of Holly Ridge Subdivision Ordinance.

_____ Date: _____

Certificate of Ownership

I (we) _____ hereby certify that I (we) am (are) the owner(s) of the property shown hereon and that I (we) authorize the recording of this plat.

Holly Ridge Associates, L.L.C. _____ Date: _____

JEHR, LLC _____ Date: _____

Decoy Investments, LLC _____ Date: _____

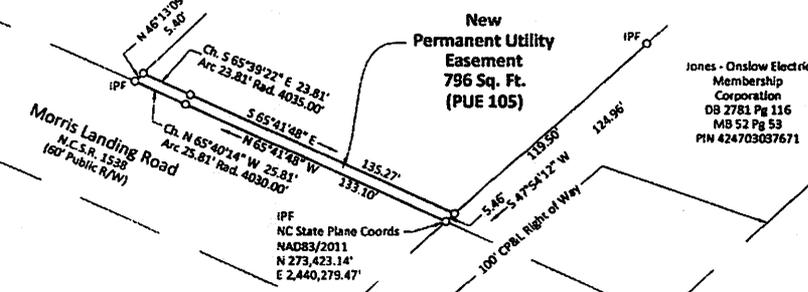
Notes

- The property shown is currently designated by Onslow County As PIN 42470303559.
- Unless otherwise noted all coordinates and distances shown hereon are US survey feet ground measurements. Measurements have been localized to NC State Plane NAD 83 (2011) coordinates North 294,000 sFT and East 2,451,000 sFT and NAVD 88 elevation 60.00 sFT yielding a combined factor of 0.9999503538. North Carolina Grid Coordinates shown hereon were derived from direct GNSS observations utilizing the North Carolina Geodetic Survey's RTK Network (NRS).

-1- Leo F. Vallante and wife Susan L. Vallante DB 4876 Pg 150 MB 36 Pg 178 PIN 424703030663

-2- _____

-3- Holly Ridge Associates, L.L.C. (1/3 Interest) DB 1419 Pg 89 DB 1424 Pg 321 and JEHR, LLC (1/3 Interest) DB 2633 Pg 567 and Decoy Investments, LLC (1/3 Interest) DB 2633 Pg 595 MB 31 Pg 106 PIN 424703033559



Southeast Service Area Wastewater Capacity Improvements Contract 1 - Transmission System

 119 Brookstown Avenue • Winston-Salem, NC 27101 (803) 722-8328 • thewootencompany.com License Number : F-0115	FIELD SURVEY BY:	Plat of Easement Survey Prepared For	DATE:
	FIELD SURVEY DATE:	Onslow Water and Sewer Authority	10/28/2024
	DRAWN BY:	crossing the property of Holly Ridge Associates, L.L.C. (1/3 interest) Deed Book 1419 at Page 89 and Deed Book 1424 at Page 321, JEHR, LLC (1/3 interest) Deed Book 2633 at Page 567, and Decoy Investments, LLC (1/3 interest) Deed Book 2633 at Page 595 (Owners)	PROJECT No. 2896-M
	CHECKED BY:	Stump Sound Township Onslow County North Carolina	DOCUMENT No. 2896AM-C003 SHEET No. 1 of 1

I:\Projects\Onslow\2896\AM-E_Sewer\Drawings\onslow\11_2024\11018_BA_LDC_C001.dwg D:\Users\JDA\OneDrive\Documents\2024\11018_BA_LDC_C001.dwg

Revenue Stamps: \$3.00

This deed prepared by: Mark T. Smith

Mail after recording to: The Right of Way Group, LLC c/o Rob Arnold 3604 Fair Oaks Court, Greenville, NC 27834

Parcel Identification Number: 053594

NORTH CAROLINA
ONslow COUNTY

PERMANENT EASEMENT

THIS EASEMENT, made and entered into this the ____ day of _____, 2025, by and between Holly Ridge Associates, LLC, a North Carolina Limited Liability Company, 1404 Commonwealth Drive STE 250, Wilmington, NC 28403 / Decoy Investments, LLC, a North Carolina Limited Liability Company, 206 Causeway Drive, Unit 171, Wrightsville Beach NC, 28480 / JEHR, LLC, a North Carolina Limited Liability Company, 1401 Airlie Rd, Wilmington, NC 28403, Grantors, and the ONslow WATER AND SEWER AUTHORITY, P.O. Box 1415, Jacksonville, NC 28540, a public instrumentality organized under the laws of the State of North Carolina, Grantee:

WITNESSETH

THAT WHEREAS, the Onslow Water and Sewer Authority has constructed, is now constructing, or proposes to construct a water and/or sewerage system for the use of its citizens, said project being commonly known as the ONWASA-SE Transmission Project, Holly Ridge and for that purpose requires an easement against lands owned by the Grantors.

NOW THEREFORE, in consideration of the sum of \$1,500.00 and other good and valuable considerations paid to the Grantors, the receipt of which is hereby fully acknowledged, the said Grantors, do hereby give, grant, quitclaim, and convey unto the Onslow Water and Sewer Authority, its successors and assigns, an exclusive, perpetual easement across land owned by the Grantors or in which said parties have an interest, lying and being in Stump Sound Township, Onslow County, North Carolina and more particularly described as follows:

A portion of that property as described in Deed Book * 2633, Page 567, Onslow County Registry. *Also DB 2633, Page 595, DB 1419, Page 89, and DB 1424, Page 321 Onslow County Registry. A map showing the above described property is recorded in Plat Book 31, Page 106. The easement conveyed herein is recorded in Plat Book _____, Page _____, Onslow County Registry.

Grantors herein covenant and agree that the Grantees shall have the right to go in and upon said parcels or strips of land to construct, install, improve, remove, repair, inspect, replace, operate, and maintain one or more lines of pipe, poles, mains, valves, visual markers, fire hydrants, and manholes for the purpose of transmitting sewage, water, or both and to install and maintain thereon, buildings, pumphouses, or other utilities with the right at all times of ingress, egress and regress through, over, and across lands as described and to go to and from said strip for the purpose of constructing, maintaining, and inspecting said lines and of making all necessary alterations and repairs thereto, including facilities or other utilities necessary in the operation or maintenance of said lines; said lines of pipe, poles, mains, manholes, valves, visual markers, fire hydrants, or utilities to be located on such for the proper operation of said installation and for conveying sewage, water, and other utilities as aforesaid, together with the right, privilege, and easement to tap the line or lines and to construct sewer and water laterals from the main to the outside boundary of the easement over which this easement and privilege extends; together with the privilege, easement and right to clear and keep clear the full width of said easement from brush, trees, and any or all other obstructions, structures, and encroachments, of any kind, except that the owners of the fee shall retain the right to cultivate the ground lying within the boundaries of the easement provided that such cultivation shall not interfere with the Grantee's right of ingress, egress, and regress to said easement for the purposes of installing, maintaining, and repairing of said lines of pipe, poles, mains, valves, visual markers, manholes, or other utilities as may be required; and provided further in all cases where there are roads or streets across tracts of land sufficient for the purpose of convenient egress, ingress, and regress in and from said strip of land, such roads or streets shall be used by the said Onslow Water and Sewer Authority when it is necessary or convenient to come in and upon said strip of land for the purposes aforesaid.

No building, utility, or structure of any kind, except such as constructed by the Onslow Water and Sewer Authority, shall be located or erected upon the above-described easement.

TO HAVE AND TO HOLD all and singular the rights, privileges, and easements as aforesaid, in, along, upon, and through said premises to the said Onslow Water and Sewer Authority, and its successors and assigns forever.

Special Provisions:

It is understood and agreed that the total consideration of \$1,500.00 is to be made payable as follows:

Holly Ridge Associates, LLC- \$500.00

Decoy Investments, LLC- \$500.00

JEHR, LLC- \$500.00

IN WITNESS WHEREOF, the Grantors have set their hands and seals the day and year first above written.

Holly Ridge Associates, LLC

BY: _____ (SEAL)
Henry E. Miller, Member/Manager

(Official Seal)	North Carolina, _____ County
	I, _____, a Notary Public for _____ County, North Carolina, do hereby certify that
	Henry E. Miller, Member/Manager _____ of
	Holly Ridge Associates, LLC _____, a limited liability company, personally came before me this day and acknowledged the due execution of the foregoing instrument on behalf of the company.
	Witness my hand and official seal this the _____ day of _____, 20 24 .
	_____ Notary Public
	My commission expires: _____

IN WITNESS WHEREOF, the Grantors have set their hands and seals the day and year first above written.

Decoy Investments, LLC

BY: _____ (SEAL)
D.K. Leech, Member/Manager

(Official Seal)	North Carolina, _____ County
	I, _____, a Notary Public for _____ County, North Carolina, do hereby certify that
	_____ D.K. Leech, Member/Manager of Decoy Investments, LLC, a limited liability company,
	personally came before me this day and acknowledged the due execution of the foregoing instrument on behalf of the company. Witness my hand and official seal this the _____ day of _____, 20 24 .
	_____ Notary Public
	My commission expires: _____

IN WITNESS WHEREOF, the Grantors have set their hands and seals the day and year first above written.

JEHR, LLC

BY: _____ (SEAL)
William J. Bland, II, Member/Manager

(Official Seal)	North Carolina, _____ County
	I, _____, a Notary Public for _____ County, North Carolina, do hereby certify that
	_____ of William J. Bland, Member/Manager
	_____ of JEHR, LLC, a limited liability company,
	personally came before me this day and acknowledged the due execution of the foregoing instrument on behalf of the company. Witness my hand and official seal this the _____ day of _____, 20 24 .
	_____ Notary Public
	My commission expires: _____

**ONSLow WATER & SEWER AUTHORITY
ADVANCED METERING INFRASTRUCTURE**

AMENDED PROJECT ORDINANCE

BE IT ORDAINED by the Board of Directors of Onslow Water & Sewer Authority (ONWASA) that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following Advanced Metering Infrastructure Project is hereby adopted:

Section I.

The Advanced Metering Infrastructure project consists of implementation and installation of a fully operable AMI meter system, which will enable interval automatic reading of all water meters within the service territory. Since the pilot service territory was a success, the project area is being expanded to include the remaining service area on Topsail Island.

Section II.

The officers of Onslow Water & Sewer Authority are hereby directed to proceed with the Advanced Metering Infrastructure Project.

Section III.

The following revenue is anticipated to be available to complete the project:

Fund Balance	\$ 3,060,462.50
Total	<u>\$ 3,060,462.50</u>

Section IV.

The following amounts are appropriated for the project:

Construction	\$ 3,060,462.50
Total	<u>\$ 3,060,462.50</u>

Section V.

The Finance Officer is hereby directed to maintain within the Water & Sewer Fund sufficient specific detailed accounting records to provide the accounting required by federal and state regulations and in accordance with generally accepted accounting procedures.

Section VI.

The Finance Officer is directed to report monthly on the financial status of the project and the total revenues received.

Section VII.

The Budget Officer is directed to include an analysis of past and future costs and revenues on this project as a part of every budget submission made to this Board.

Section VIII.

Copies of this Advanced Metering Infrastructure Project Ordinance shall be made available to the Budget Officer for direction in carrying out these projects.

Adopted this 24th day of July 2025.

ONslow WATER & SEWER
AUTHORITY BOARD OF
DIRECTORS



Michael R. Bennett, Chairman

Heather Norris, Clerk to the Board

Project Ordinance
 Advanced Metering Infrastructure
Amended Budget Amendment
 July 24, 2025

Budget Amendment – Fund 40

Department Number	General Ledger Name	General Ledger Number	Amount
	Revenue – Transfer from Operating - AMI	3709996	\$3,060,462.50
8792	Expenditure - Construction	8915800	\$3,060,462.50

Budget Amendment – Fund 61

Department Number	General Ledger Name	General Ledger Number	Amount
	Revenue – Fund Balance Appropriated	3919940	\$3,060,462.50
9910	Expenditure – Transfer to Capital Projects	8000040	\$3,060,462.50



**CONTRACT
AGREEMENT
2025**

PREPARED BY:

FERGUSON ENTERPRISES, LLC
751 LAKEFRONT COMMONS
NEWPORT NEWS, VA 23606

PREPARED FOR:

ON SLOW WATER AND SEWER AUTHORITY
228 GEORGETOWN RD
JACKSONVILLE, NC 28540



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 - **Attachment C – Change Order Request Form**
 - **Attachment D - Product Warranty**



CONTRACT AGREEMENT

This Agreement is made and entered into on **8-1-2025**, by and between **Ferguson Enterprises, LLC**, a Virginia limited liability company with a principal place of business at 751 Lakefront Commons, Newport News, VA 23606, acting as the "Contractor" ("**Ferguson Enterprises, LLC**"), and OWNER, **Onslow Water and Sewer Authority** with a principal place of business/residence at 228 Georgetown Rd, Jacksonville, NC 28540 ("Owner"). Ferguson and Owner may collectively be referred to as the "Parties" and individually as a "Party."

WORK

- a. The Contractor shall furnish all the labor, services, and materials as described in the Scope of Work attached hereto as Exhibit "A" (collectively called the "Work") necessary for the timely and proper completion of the Work described in this Agreement. The Contractor will provide a Payment and Performance Bond for the full amount of the Contract if required by Owner.
- b. CLEANUP. Contractor shall clean up, repair, restore, and otherwise return any site or location to the condition in which it was delivered to the Contractor.
- c. TERM. The date for final completion of the Project is **8-1-2026**, unless extended in writing by mutual agreement and submitted via change order. The Contractor shall perform the Work in conformance with the Contract Documents so as to complete the Project by the Completion Date. All materials and equipment provided shall be new, free from liens and covered by manufacturer warranties against defects. A copy of the manufacturer's warranty is attached hereto as Exhibit "B".
- d. PRICING/QUANTITIES. The Contract Sum set forth herein is based on the established quantities and unit pricing agreed to by the Parties.
- e. FEES. Contractor is subject to and responsible for paying fees to obtain all applicable contractor or business licenses. Owner will be responsible for obtaining any permits or approvals required by local, state or federal agencies to permit the Project.
- f. Change Order- Any change the to this contract, notice to proceed, or Statement or work must be submitted in a Change order (Exhibit D) the Owner for approval.

CONTRACT DOCUMENTS

The Contract Documents consist exclusively of the documents set forth below, all of which are incorporated into this Agreement:

- Attachment A - Scope of Work: Water Meter & Infrastructure Installation
- Attachment B – Project Pricing
- Attachment C – Change Order Request Form
- Attachment D – Product Warranty

TIME FOR COMPLETION AND PROJECT COORDINATION

PROJECT TIME SCHEDULE. The Work on the Project will begin on the date Owner issues a notice to proceed of this Agreement and be substantially completed by the Completion Date unless the Owner and



Contractor agree to different commencement and completion dates in writing. The Work will be deemed to be substantially complete on a route-by-route basis. Said work is complete when all work required for the route is ready for use by the Owner in its final inspection, and excluding items turned over to the Owner to address due to being outside the scope of Work or due to lack of Contractor ability to gain access to private property after reasonable efforts as required by this Agreement. The date of completion shall be extended for any delays beyond the reasonable control of Contractor, including but not limited to extreme weather conditions, acts of God, war, labor difficulties, accidents, inability to obtain materials, inability to gain access to properties, delays of carriers, contractors or suppliers, deteriorated condition of existing pipes and/or connections requiring non-standard installation as defined herein or any other causes of any kind whatever beyond the control of Contractor. In the event of uncooperative property owners, the Owner will assist the Contractor in gaining access to any required premises. If Contractor is unable to gain access with the Owner's assistance within thirty (30) days after completion of all other Work, then the installation in question will be turned over to the Owner who will be responsible for the installation.

Contractor is responsible for scheduling its subcontractors and for any delay resulting from their performance.

DELAYS AND ACCELERATIONS

- a. NOTICE OF DELAYS. The Contractor shall give the Owner written notice of any delay affecting its Work within 10 days after Contractor becomes aware of the delay.
- b. ACCELERATION OF THE WORK. If the Contractor fails to perform as required by the Contract schedule, the Owner may require the Contractor to accelerate its Work by adding workers or working additional shifts, extended shifts, or overtime, so that the Work is in final form before the Completion Date. If the Owner requires the Contractor to accelerate its Work, the Contractor shall take action reasonably required within ten days of the Notice.
- c. OWNER'S OBLIGATION TO PAY. The Owner shall pay the Contractor, as provided in this Paragraph, for the Contractor accelerating its Work so that its Work is in final form before the Completion Date so long as the acceleration is not required as a result of the Contractor's failure to stay on schedule.
- d. COMPENSATION FOR ACCELERATION OF THE WORK. To the extent that the Owner requires the Contractor to accelerate its Work and is obligated to pay under Section 4.2.1, the Owner shall pay the Contractor for the Contractor's additional costs of accelerating its Work, as determined in accordance with this Paragraph. The additional costs of accelerating the Work shall be: (a) any premium for overtime, additional shift work, or extended shift work; (b) the cost of any additional supervision required by the acceleration; and (c) out of-pocket cost of any additional equipment required for the acceleration.

CORRECTIVE ACTION

If the Owner determines that the Contractor is not cooperating or coordinating its work properly with its subcontractors, not supplying sufficient skilled workers, not cleaning up, not furnishing the necessary materials, equipment, or any temporary services or facilities to perform the Work in strict conformance with the Contract Documents, or is not otherwise performing its obligations under the Contract Documents, the Contractor shall within ten (10) days after notice of such determination



commence such action as is reasonably necessary to correct the deficiencies noted by the Owner, including but not limited to, increasing the number of skilled workers, providing temporary services or facilities, and cleaning up the Project.

CONTRACT SUM

The Contract Sum to be paid by the Owner to the Contractor, as provided herein, for the satisfactory performance and completion of the Project and all of the duties, obligations, and responsibilities of the Contractor under this Agreement and the other Contract Documents will be \$1,596,130.65 (the "Contract Sum"). The Contract Sum is based upon the unit prices set forth in the Scope of Work and Exhibit C and will be adjusted based upon the unit costs to reflect the actual Work. The Contract Sum excludes all taxes imposed by law, including but not limited to any sales, use, and personal property taxes payable by or levied against the Contractor on account of the Work or the materials incorporated into the Work. All items in the Contract are pre-taxed unit cost and are subject to 7% sales tax which will be applied to Owner at time of sale/work.

RESERVED

LIMITATION AND LIABILITY

Under no circumstances shall the elected officials, officers, employees, council members, or agents of the Owner be personally liable for any obligations or claims arising out of or related to this Agreement.

PAYMENT

- a. **APPLICATIONS FOR PAYMENT.** The Owner has agreed to pay in accordance with the terms of this Contract after submission of a pay application reflecting the amount of Work completed as of the date the application for payment is submitted and including invoice for work performed and stored materials and equipment provided for the previous pay period and lien waivers for prior payments. Contractor will bill and Owner agrees to pay for equipment, including meters, radios and AMI equipment, based on prices set forth on Contractor's quotation upon receipt of Contractor's invoice. Contractor will bill and Owner agrees to pay monthly for documented labor charges at the unit prices set forth on Contractor's quotation. If any additional work beyond a standard meter installation (as defined in the Scope of Work attached hereto) is required due to the condition of existing pipe or meter connections such work shall be completed on a time and material basis if approved by the Owner. In the event Owner does not approve such additional work then Contractor shall not complete the installation of such meter and shall not bill the Owner the installation charge for such meter.
- b. The Owner may withhold payment in whole or in part to protect the Owner from loss because of: 1) The Contractor's default or failure to perform any of its obligations under the Contract Documents, including but not limited to failure to provide sufficient skilled workers; 2) Work, including equipment or materials, which is defective or otherwise does not conform to the Contract



Documents; 3) The filing of third party claims, or reasonable evidence that third party claims have been or will be filed; 4) The Work has not proceeded to the extent set forth in the application for payment; 4) The failure of the Contractor to make payments to its Subcontractors; and/or 5) Liens filed or reasonable evidence indicating the probable filing of such liens.

- c. The Owner will pay the Contractor within 30 days after receipt of the Contractor's payment application if the payment application has been properly submitted on a timely basis and is accompanied by all of the required documentation.

RETAINAGE

- a. **AMOUNT OF PAYMENTS:** The amount of the payments to the Contractor shall be determined in accordance with the following paragraphs:
- b. **PAYMENTS:** Payments under the Contract shall be made at the rate of 100% of the amount set forth in the Contractor's payment application and approved by the Owner. Payment applications shall be sent out monthly with all materials, software, and labor billed for the month.
- c. **DOCUMENTATION:** Upon request, the Contractor immediately shall supply the Owner with such information as may be requested so as to verify the amounts due to the Contractor. Contractor intends to bill for stored materials.
- d. **FINAL PAYMENT:**
 - i. The final application for payment shall be itemized including retainage, and the Contractor shall ensure that the final application for payment shall contain one copy of each of the following documents, if not previously delivered to the Owner: a) copies of applicable manufacturer warranties; b) a list of all Claims that Contractor believes are unsettled; and c) Such other documentation as required by the Contract Documents or applicable law.
 - ii. The making and acceptance of Final Payment by the Owner shall not constitute a waiver of Claims by the Owner
- e. **ESCROW ACCOUNT:** The Owner and the Contractor agree that no escrow account shall be required in connection with this Agreement and that retained funds will not earn interest.

CHANGE ORDERS

A Change Order is a written instrument signed by the Owner and the Contractor stating their agreement upon a change in the Work, the amount of the adjustment or the method for computing the amount of the adjustment of the Contract Sum, if any, and the extent of the adjustment in the Project Time Schedule, if any.

CLAIMS AND DISPUTES

- a. A Claim is a demand or assertion by one of the parties seeking, as a matter of right, adjustment, or interpretation of the terms of the Contract Documents, payment of money, extension of time, or other relief with respect to the terms of the Contract Documents. The responsibility to substantiate claims shall rest with the party making the Claim. Neither party shall knowingly present or cause to



be presented a false or fraudulent Claim. As a condition precedent to making a claim, such party shall submit an affidavit sworn to before a notary public or other person authorized to administer oaths, which states that:

- i. The Claim submitted herewith complies with “DEFAULT OF THE CONTRACTOR” paragraph of the Agreement.
 - ii. The respective party “shall not knowingly present or cause to be presented a false or fraudulent Claim.”
 - iii. If the Contractor wishes to make a Claim for additional time, the Contractor shall include an estimate of cost and probable effect of delay on progress of the Work. In the event of continuing delay, only one Claim is necessary. If adverse weather conditions are the basis for a Claim for additional time, such claim shall be documented by data substantiating that weather conditions had an adverse effect on the scheduled construction.
- b. Claims must be made by written notice.
 - c. If the Contractor wishes to make a Claim for an increase in the Contract Sum, written Notice as provided herein shall be given before proceeding to execute the Work except in the case of repairs authorized by Owner as provided in Section 10.1.
 - d. The Owner acknowledges and agrees that the installation prices quoted by Contractor are based upon a standard meter installation as described in the Scope of Work attached. Any conditions encountered which require additional work beyond a standard meter installation shall be handled as described herein or as otherwise agreed by the parties.
 - e. A party shall make all claims in writing within thirty (30) days after the occurrence of the event giving rise to the Claim.
 - f. Within ten (10) days of its receipt of a written request, a party shall make available to the other party or its Consultant any books, records, or other documents in its possession or to which it has access relating to any Claim and shall require its Subcontractors, regardless of tier, and materialmen to do likewise.

DEFAULT OF THE CONTRACTOR

- a. **EVENTS OF DEFAULT.** Each of the following constitutes an event of default of the Contractor:
 - i. The Contractor’s failure to perform any of its obligations under the Contract Documents and to proceed to commence to correct such failure within five (5) days after written notice thereof from the Owner or such other time as is provided in the Contract Documents, or
 - ii. The Contractor's failure thereafter to use its reasonable efforts to correct such failure, or
 - iii. The Contractor’s failure to pay its obligations as they become due or the Contractor’s insolvency.



- iv. **OWNER'S REMEDIES.** Upon the occurrence of an event of default the Owner shall have the following remedies, which shall be cumulative:
1. Order the Contractor to stop the Work, which the Contractor shall do immediately.
 2. To perform through others all or any part of the Work remaining to be done and to deduct the cost thereof from the unpaid balance of the Contract Sum or, if the unpaid balance of the Contract Sum is inadequate, to demand reimbursement of amounts previously paid to the Contractor.
 3. To terminate this Agreement and take possession of, for the purpose of completing the Work or any part of it, all materials and equipment to be installed as part of the Work, and to employ any person or persons to complete the Work, and the Contractor shall not be entitled to receive any further payment until the Work is completed; and/or,
 4. All other remedies which the Owner may have at law or in equity or otherwise under the Contract Documents.
- b. **TERMINATION OF AGREEMENT:** The termination of this Agreement shall be without prejudice to the Owner's rights and remedies, including without limitation the Owner's right to be indemnified by the Contractor.
- c. **PAYMENTS DUE CONTRACTOR:** If the unpaid balance of the Contract Sum exceeds the cost of finishing the Project, including any costs, expenses or damages incurred by the Owner as a result of the event of default, such excess shall be paid to the Contractor. If such costs exceed the unpaid balance, the Contractor shall pay the difference to the Owner. The obligations under this Paragraph shall survive the termination of this Agreement.

DEFAULT OF THE OWNER

- a. **EVENTS OF DEFAULT** - The following constitutes the exclusive events of default of the Owner:
- i. The failure of the Owner to perform any of its obligations under the Contract Documents and to correct such failure within thirty (30) days after receipt of written notice thereof from the Contractor specifying the default and the necessary corrective action; and/or
 - ii. The failure of the Owner to pay any undisputed amounts when due and such failure continues for 10 days after notice from the Contractor that such amount is unpaid.



b. CONTRACTOR'S REMEDY

- i. The Contractor's sole and exclusive remedy for the default of the Owner, other than the failure of the Owner to pay the Contractor, will be to bring a suit for damages. The Contractor's right to exercise that remedy shall be subject to its giving the Owner the required notices and following any other procedures required by the Contract Documents.
- ii. If the Owner fails to pay the Contractor as payment becomes due, the Contractor may, upon ten (10) days written Notice, stop the Work until payment of the amount owing has been received. An adjustment to the Contract Sum will be made as if the Work had been suspended for the convenience of the Owner under Section 16 of this Agreement.

SUSPENSION OR TERMINATION FOR THE CONVENIENCE OF THE OWNER**a. SUSPENSION FOR THE CONVENIENCE OF THE OWNER**

- i. The Owner may, without cause, order the Contractor to suspend, delay, or interrupt the Work in whole or in part for such period of time as the Owner may determine.
- ii. An adjustment may be made for increases in the cost of performance of the Work, including profit and overhead on the increased cost of performance, caused by the suspension, delay or interruption.
- iii. In the event the Work is suspended by the Owner for more than thirty (30) days for any reason other than breach by the Contractor, then the Contractor shall have the right, upon fifteen (15) days' notice to terminate this Agreement as to any remaining Work.

b. TERMINATION FOR THE CONVENIENCE OF THE OWNER

- i. After giving thirty (30) days written notice to the Contractor, the Owner may, in its discretion and without cause, terminate this Agreement for the Owner's convenience.
- ii. Upon receipt of a written notice from the Owner terminating this Agreement without cause and for the Owner's convenience, the Contractor shall: (a) immediately cease performing the Work, unless otherwise directed by the Owner, in which case the Contractor shall take the action directed by the Owner; (b) take all reasonable and necessary action to protect and preserve the Work; and (c) unless otherwise directed by the Owner, terminate all agreements with Subcontractors and suppliers.
- iii. If this Agreement is terminated without cause and for the Owner's convenience and there exists no event of the Contractor's default, as defined in this Agreement, the Owner will pay the Contractor for Work performed under this Agreement up to the date the notice of termination is received by the Contractor at the rates for Work provided under this Agreement. Owner will also pay Contractor for all equipment and



meters purchased for installation as part of the Work if not previously billed and paid by Owner.

- iv. The termination of this Agreement shall be without prejudice to any rights or remedies that exist at the time of termination.

INSURANCE AND INDEMNIFICATION

- a. The Contractor shall maintain:
- b. Commercial general liability insurance in the amount of \$2,000,000.00.
- c. Automobile liability insurance in the amount of \$5,000,000.00.
- d. Workers' compensation coverage as required by applicable state Law; and
- e. Umbrella/Excess liability coverage in the amount of \$5,000,000.00.
 - i. Owner shall be named as an additional insured for Commercial General Liability, Automobile liability, and Umbrella/Excess liability using a combination of CG2010 1219 AND CG2037 1219. Umbrella/Excess liability policy shall follow form of underlying policies.
 - ii. Insurance furnished by the Owner, if any, is not intended and shall not cover equipment and materials before they are physically incorporated into the Work or tools. The Contractor shall bear the entire risk of loss with respect to tools, equipment, and materials prior to incorporation into the Work.
 - iii. To the maximum extent permitted by law, the Contractor shall indemnify and hold harmless the Owner and the Owner's consultants, agents, and employees from and against all claims, damages, losses, and expenses, including but not limited to attorneys' and consultants' fees—whether made by Owner or a third-party—to the extent caused in whole or in part by the Contractor's negligent act, error, or willful misconduct in performance of the Work including but not limited to any claims for bodily injury, sickness, disease, or death or to injury to or destruction of or loss of use of real or personal property, claims for additional storage and handling charges, liens against funds, and/or claims related to the removal, handling, or use of any hazardous materials.
 - iv. The Contractor and/or the Contractor's subcontractors shall comply with Occupational Safety and Health Act of 1970 during the conduct and performance on and in connection with this Project.

WARRANTIES

The Contractor warrants and guarantees that:

- i. The Owner will have good title to the Work and all materials and equipment incorporated into the work will be new; and general care and good workmanship will be taken during installation.



- ii. Contractor guarantees installation services for a period of one (1) year from the meter installation date. All materials and equipment incorporated into the Work will be covered by applicable manufacturer's warranties provided to Owner and as set forth on Exhibit "D"
- iii. All manufacturers' warranties shall be made available to Owner or end user. Contractor shall coordinate manufacturer warranty service with the end user at Buyer's request. The sole warranty applicable to installation service provided (as applicable) is delineated as Installation Warranty (see above). Product warranties are solely from the respective manufacturer. With respect to the underlying products, **THE OWNER'S SOLE AND EXCLUSIVE WARRANTY IS THAT PROVIDED BY THE PRODUCT'S MANUFACTURER. CONTRACTOR HEREBY DISCLAIMS ALL EXPRESSED OR IMPLIED WARRANTIES, WHETHER IMPLIED BY OPERATION OF LAW OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS OR FITNESS FOR A PARTICULAR PURPOSE. UNDER NO CIRCUMSTANCES, AND IN NO EVENT, WILL CONTRACTOR BE LIABLE FOR PERSONAL INJURY OR PROPERTY DAMAGE OR ANY OTHER LOSS, DAMAGE, COST OF REPAIRS OR INCIDENTAL, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES RELATED TO THE UNDERLYING PRODUCTS PROVIDED.** All manufacturers' warranty and service obligations shall be for the benefit of the Owner

GENERAL

- a. **MODIFICATION:** No modification or waiver of any of the terms of this Agreement or of any other Contract Documents shall be effective against a party unless set forth in writing and signed by Owner. Under no circumstances shall forbearance, including the failure or repeated failure to insist upon compliance with the terms of the Contract Documents, constitute the waiver or modification of any such terms. The parties acknowledge that no person has authority to modify this Agreement or the other Contract Documents or to waive any of its or their terms, except as expressly provided in this Paragraph.
- b. **ASSIGNMENT:** The Contractor may not assign this Agreement without the written consent of the Owner, which the Owner may withhold in its sole discretion.
- c. **THIRD PARTIES:** Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Owner or the Contractor.
- d. **LAW AND JURISDICTION:** All questions regarding the validity, intention, or meaning of this Agreement or any modifications of it relating to the rights and obligations of the parties shall be construed and resolved under the laws of the State of North Carolina. Any action or proceeding or arising under this Contract shall be filled and heard in the Superior Court of the County where the project is located.
- e. **NOTICES:** Notices, requests, or demands by either party shall be in writing, unless otherwise expressly authorized, and shall be personally served, forwarded by expedited messenger service, or be given by registered or certified mail, return receipt requested, postage, prepaid, and, in the



case of the Owner, addressed to the address set forth at the beginning of this Agreement and, in the case of the Contractor, addressed to its address set forth at the beginning of this Agreement. Any party may change its address/FAX number by giving notice hereunder. All notices, requests, and demands shall be deemed received upon receipt in the case of personal delivery or delivery by expedited messenger service, including leaving the notice at the address provided herein during normal business hours; upon the expiration of three (3) days from the time of deposit in the United States mail or one day after delivery to overnight messenger with delivery receipt.

- f. **CONSTRUCTION:** The parties acknowledge that each party has reviewed this Agreement and the other Contract Documents and has voluntarily entered into this Agreement.
- g. **APPROVALS:** Any approvals required hereunder shall be made in the reasonable discretion of the individual providing approval.
- h. **PARTIAL INVALIDITY:** If any term or provision of this Agreement is found to be illegal, unenforceable, or in violation of any laws, statutes, ordinances, or regulations of any public authority having jurisdiction, then, notwithstanding such term or provision, this Agreement shall remain in full force and effect, and such term shall be deemed stricken; provided this Agreement shall be interpreted, when possible, so as to reflect the intentions of the parties as indicated by any such stricken term or provision.
- i. **COMPLIANCE WITH LAWS AND REGULATIONS:** The Contractor, at its expense, shall comply with all applicable federal, state, and local laws, rules, and regulations applicable to the Work.
- j. **PROJECT SAFETY:** The Contractor shall follow all applicable safety and health regulations during the progress of the Project and shall monitor all of its employees and its subcontractors for compliance with such safety and health regulations. In undertaking the responsibilities set forth in this Paragraph, the Contractor does not assume any duty or responsibility to the employees of any Subcontractor or supplier, regardless of tier, with respect to providing certain employer-employee related insurance benefits, including, but not limited to, disability and workers compensation coverage. The Owner assumes no responsibility for the development, review, or implementation of the any project safety plan or for Project safety and has no authority to direct the means and methods of the Contractor.
- k. **EQUAL OPPORTUNITY:** Contractor agrees that neither it, its subcontractors, or any person on the Contractor's or subcontractor's behalf, in any manner, shall discriminate against or intimidate any employee hired for the performance of work under the contract on account of race, color, citizenship status, religion, creed, gender, national origin, ancestry, age, physical or mental disability, military status, veteran status, genetic status, or any other characteristic protected by law.
- l. **ENTIRE AGREEMENT:** This Agreement and the other Contract Documents constitute the entire agreement among the parties with respect to their subject matter and will supersede all prior and contemporaneous, oral or written, agreements, negotiations, communications, representations, and understandings with respect to such subject matter, and no person is justified in relying on such agreements, negotiations, communications, representations, or understandings.
- m. **E-VERIFY:** Contractor understands that E-Verify is the federal program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law. Provided that Contractor is a person, business entity, or other organization that transacts business



in this State and that employs 25 or more employees in this State, then Contractor understands and certifies that they shall verify the work authorization of the employee through E-Verify in accordance federal law. Contractor further certifies that their subcontractors comply with E-Verify pursuant to federal law, and Contractor will ensure compliance with E-Verify by any subcontractors subsequently hired by Contractor.

SIGNATURES

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

For: "OWNER"

Onslow Water and Sewer Authority

By (Signature): Franky J. Howard

Name (Printed): Franky J. Howard

Title: CEO

Date: 07/25/2025

For: "CONTRACTOR"

Ferguson Enterprises, LLC

By (Signature): _____

Name (Printed): _____

Title: _____

Date: _____

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

J. Eric Adams
J. Eric Adams CFO



Attachment A Scope of Work

A. PROJECT MANAGEMENT SERVICES

A1. PROJECT MANAGEMENT

1. CONTRACTOR will designate a project manager to oversee the project and provide updates on its status and any issues to all identified project stakeholders.
2. CONTRACTOR will create and maintain action items; identify, document and resolve actions quickly to minimize impacts on project.
3. CONTRACTOR will conduct weekly project progress meetings with the project stakeholders, unless otherwise requested by the OWNER.
4. CONTRACTOR will provide the following deliverables:
 - *Project Timeline*
 - *Installation Schedule*
 - *Change Order Requests, as required.*

A2. PUBLIC OUTREACH Call Center, Door Hangers and Notifications

1. CONTRACTOR will design, print and provide the required door handers customized for your project.
2. CONTRACTOR will provide a call center to receive, log and resolve customer concerns. In the unlikely event the CONTRACTOR is unable to resolve the concern, the OWNER will be notified.
3. CONTRACTOR will provide the following deliverables:
 - *Print ready Door Hangers*
 - *Provide project phone number and Call Center*

A3. MMCO INTERFACE SETUP and CONFIGURATION

1. CONTRACTOR will initialize, configure, and test the Work Order Management System (“WOMS”) application.
2. CONTRACTOR will perform an initial data upload of the Customer-approved CIS meter and account data. The OWNER is required to provide the CIS data and utility billing file layout for the Mass Meter Change Out (MMCO).
3. CONTRACTOR will develop and execute test cases during the MCCO file testing process to exercise the functions and scenarios supported by the work order interface between the CIS and WOMS
4. CONTRACTOR will complete integration development between CONTRACTORS WOMS and CIS. The MMCO file will be submitted on a mutually agreed schedule by the OWNER and CONTRACTOR
5. CONTRACTOR to provide on-demand access to the WOMS portal (dashboard and installation-specific data) for installations completed through the previous day, including Account Details, Installation Photos, Substantial Completion Report, Production Summary, and Detail Reports, Issues Report, and Punch List Report.
6. CONTRACTOR to provide training to OWNER staff of the CONTRACTOR WOMS functions, including access and navigation of the WOMS, searching for meter exchanges, reviewing completed meter exchange data and pictures, reporting, and data exports.
7. CONTRACTOR will provide the following deliverables:
 - *Completed installation data and pictures, accessible via the web-based portal*
 - *On-demand installation (field production) report*
8. ACCEPTANCE CRITERIA for CONTRACTOR DELIVERABLES
 - *Access to completed meter installation date and pictures*
 - *Access to on-demand installation reports*



A4. PROJECT STORAGE

1. CONTRACTOR will supply storage containers for project materials, if necessary

A5. FIELD CREW MOBILIZATION

1. CONTRACTOR Subcontractors (Meter Installation & Infrastructure Vendor) will staff an onsite field service manager to oversee meter installations, infrastructure installations, field safety, quality control and field technician resources throughout the installation phase.
2. CONTRACTOR will work with the OWNER to develop the installation schedule.
3. CONTRACTOR Subcontractors will deploy skilled, E-verified, background and drug screened installation personnel to perform the necessary field meter change-outs and retrofits, ensuring safety, timeliness, and high-quality execution.

B. WATER METER INSTALLATION

B1. METER EXCHANGE/TRANSMITTER ACTIVATION AND CONFIGURATION

1. CONTRACTOR shall install meters per the Schedule and the black-out calendar provided by OWNER to ensure installations do not interfere with the OWNERS meter reading and billing schedules.
2. CONTRACTOR shall manage meter installations and the collection of meter exchange data.
3. CONTRACTOR subcontractors shall monitor field staff for compliance in all related safety and standard operating procedures (“SOP”).
4. CONTRACTOR assumes water meter installation will involve the complete exchange of existing meter with a new meter, register, and endpoints.
5. CONTRACTOR subcontractors will knock on the meter customers’ doors, attempt to notify the customer, and begin taking photos of: the meter pit area, the meter before its removal, the serial number and final reading of the old meter, and the new meter installation, including its flow direction and valve position. Additionally, the CONTRACTOR will collect data such as the final reading of the old meter, scanned serial and endpoint numbers of the new meter, and any other necessary comments.
6. CONTRACTOR shall staff a call center to address any post-installation OWNER inquiries.
7. CONTRACTOR shall rectify any plumbing issues within 18” of the meter box caused by improper meter installation.
8. CONTRACTOR shall obtain and store standard (+/- 4m) GPS coordinates of meter location. In the event GPS signals are not sufficient, CONTRACTOR shall geocode the endpoint to the service address.
9. CONTRACTOR shall collaborate with OWNER to address installations that require assistance and for approval of any Additional Rehabilitation Amounts.
10. CONTRACTOR shall provide Rehabilitation Work for accounts that meet the non-standard installation criteria (including an inoperable valve or curb stop, hidden meters behind a wall, or when concrete or asphalt work is required).
11. If CONTRACTOR encounters accounts that are not accessible, customer refusal, unsafe working conditions, additional work needed, unable to locate, meter tampering, meter leaks, fittings or piping that appear to have potential failure, or any other conditions preventing a meter install; then the CONTRACTOR will document and notify the customer. This process is known as Utility Assistance Required (**UAR**). These accounts will be passed to the OWNER to assist in the



resolution of obstacle(s) preventing installation. The OWNER is expected to correct and return the account to the CONTRACTOR. The CONTRACTOR will redispach the account for installation. If the issue remains unresolved for an extended period of time, or if the OWNER elects to assume responsibility for the issue and installation, the account will be Returned to Utility (RTU). The CONTRACTOR will document this decision and will not be responsible for completing the installation of the account. Should the OWNER later request the CONTRACTOR to revisit and perform the installation after a significant delay, additional fees may apply. A mutually agreeable process in writing can be established between the CONTRACTOR and OWNER.

12. CONTRACTOR shall apply an additional line-item rate for all meters located in Confined Spaces (CSE) as defined by OSHA. The cost of any special equipment required will be invoiced per contract pricing.
13. Any extra work will be performed per the standard hourly rates or remediation services unit and will be invoiced in accordance with contract pricing.
14. CONTRACTOR shall exchange meters as "like for like" (same meter size and lay length) with no plumbing modifications required. Water meters are to be on setters or equipped with standard meter connections that can be reused during installation activities. Meter exchanges do not include the provision of or replacement of expansion connectors, meter couplings, setters, or flanges. CONTRACTOR shall notify the OWNER of such conditions. Pricing for such services will be in accordance with contract pricing.
15. CONTRACTOR must be able to access the meter. CONTRACTOR shall assess a fee at the Hourly Rate for the removal of significant amounts of dirt, debris, or water required to prevent any foreign material entry (i.e. dirt, water, etc.) into the service lines.
16. CONTRACTOR shall clean out the pit to access the meter, when necessary, at the Field Labor Rate.
17. CONTRACTOR shall provide additional pricing for repairing pre-existing conditions such as excessive corrosion, plumbing irregularities, and breaks associated with degradation of supply lines. In the event an isolation device is not in good working condition, easily accessible, within 18" of the meter, and free of significant debris or obstructions, the CONTRACTOR shall notify the OWNER and Utility Assist Required (UAR) is required to complete the work. A mutually agreeable process in writing can be established between the CONTRACTOR and OWNER.
18. In the event CONTRACTOR is required to complete additional services to complete the meter exchange such as replace yoke, meter setting, replumb piping, box reset, box replacement, the item will be invoiced in accordance with contract pricing. A mutually agreeable process in writing can be established between the CONTRACTOR and OWNER.
19. CONTRACTOR will restore meter surroundings to pre-installation conditions and shall leave no meter location in an unsafe condition.
20. CONTRACTOR shall perform proper backfilling and compaction using existing location materials such as mulch or dirt as backfill. No additional materials will be brought to the location without an additional charge.
21. CONTRACTOR shall obtain and validate endpoint configurations meet established OWNER requirements.
22. CONTRACTOR shall ensure installers are properly trained and have required equipment to configure and activate endpoints.



23. CONTRACTOR shall install, configure, and activate endpoint to ensure network communication is established and operating.
24. CONTRACTOR will provide the following deliverables:
- *Project and Installation Schedule Updates*
 - *Black-Out schedule.*
 - *KPIs and Status Updates*
 - *On-demand access to web-based Meter Installation System (WOMS) for reports and installation data/images.*
 - *Installation of the new meters and transmitters*
 - *Electronic meter exchange data collection and images*
 - *Door hangers/advisory left with the customer*
 - *Validated data in the CONTRACTOR WOMs system*
 - *Completed Work Order data exports from WOMs*
 - *Verified meter communications on the network*
 - *Export of all data and images collected during installations*
 - *Notifications of Network Availability Issues*
25. ACCEPTANCE CRITERIA for CONTRACTOR DELIVERABLES
- *Final review and signed approval of the updated installation schedule and plan.*
 - *Access to WOMs installation reports.*

C. INFRASTRUCTURE INSTALLATION

Contractor will install a collector at the approved location(s). The contractor will schedule and coordinate installation dates and times with the Owner. In the event a location is unable to be used for installation the contractor and owner will find another suitable location(s). If a new location(s) is needed additional expenses may apply (via change order).

1. 70' Wood Pole Installation

CONTRACTOR will complete the following services for OWNER at the site:

- Install the customer provided Class 2 (70') wood pole at the beach access location in North Topsail Beach, NC.
 - It is expected that the OWNER supplies and transports the pole to the site prior to the date of installation.
- The pole will be installed direct embedment to a depth of 9' which is the estimated depth the structural engineer will call out. A 21' mast pipe installed 10' on the pole using heavy-duty chain mounts and 11' extending above in order to achieve the 70' RAD center.
 - If water is encountered while drilling the hole and the walls of the hole are caving in, a generator and high-capacity air compressor will be brought in to jet the pole to the correct depth. If this scenario arises and the generator and air compressor are necessary, additional charges may apply.
 - The hole will be backfilled with tamped native spoils as called out by the engineer.



- An auger truck will be used to drill to the 9' depth.
 - It is the responsibility of the OWNER and CONTRACTOR to pick an exact point in the ground for the pole to be set. This exact location shall be marked with a white painted wooden stake by the OWNER or CONTRACTOR.
 - CONTRACTOR or its subcontractors will call the local 811 locate service for all public land sites to have the spot marked for underground pipes, wires, conduits, fiber, etc. by the local underground utility marking service.
 - CONTRACTOR or its subcontractors will additionally have a private GPR (ground penetrating radar) service scan the pole location for any sites on private land. This will be completed for an approximately 15' radius out from the white painted stake that marks the pole location.
 - If either of the utility locate services show any underground obstacles within 6' of the OWNER and CONTRACTOR chosen pole location, it is expected that OWNER and CONTRACTOR will determine a new pole location within the allowable area that has 6' clearance from all underground obstacles. The OWNER and CONTRACTOR shall then move the stake to the new location.
 - OWNER agrees to hold CONTRACTOR or its subcontractors harmless in the event that CONTRACTOR or its subcontractors damage any underground obstacles (utility lines, communication lines, etc.) while digging/drilling in the exact location chosen by OWNER and CONTRACTOR and marked for locate by the locate services.
 - CONTRACTOR or its subcontractors does not guarantee the accuracy of any locate service and OWNER assumes full responsibility for any damage to any underground obstacle that is incurred while the CONTRACTOR or its subcontractors dig/drill in the exact location chosen by the OWNER and CONTRACTOR.
 - CONTRACTOR or its subcontractors are not responsible for any underground damage so long as the digging/drilling was completed in the exact location chosen and marked by the OWNER and CONTRACTOR.
 - It is expected that no flaggers or lane closures will be necessary at any point throughout the process.
 - It is expected that the exact pole locations will be in grass/earth locations. If concrete, asphalt, or other types of locations are chosen, additional costs may be incurred.
 - CONTRACTOR or its subcontractors will dispose of all spoils from pole hole excavation on site. If a different course of action is requested with the spoils, additional costs may be incurred.
 - This quote does not include rock drilling or removal. If rock is encountered while digging in the location chosen by the OWNER and CONTRACTOR, a rock drilling truck will be



scheduled in order to accomplish the 10' depth, and the pole set will be rescheduled for a later date. Additional costs for both items may be incurred.

- It is expected that the location will have no overhead obstructions to navigate.
- It is expected that the area in the parking lot necessary to set up the crane/digger truck can be closed off for the day of installation.
- CONTRACTOR and OWNER, are responsible for all permitting and licensing associated with the pole install if any are necessary.

2. AMI Labor

The Contractor or its subcontractors will complete the following installation services for at the site while the pole is lying horizontally on the ground:

- Two heavy-duty through bolt wood pole mounts will be installed on the wood pole while it is lying horizontally on the ground.
- A 21'x2-3/8" pipe will be installed in the wood pole mounts, with 10' mounted to the pole and 11' extending above the top of the pole to achieve the 76' total RAD center.
- The DB589-Y transmit antenna will be mounted to the new mast pipe in a level and plumb position.
- A 1/2" LDF4 jumper will be built, connected to the antenna, and weatherproofed.
 - Jumper support hardware will be installed on the pipe.
- The 7/8" hardline cable will run from the bottom of the pole to the top jumper.
 - The hardline will be dressed in tripod/snap-in configuration. The tripods will be installed approximately every 4' on the vertical rise using galvanized lags.
- CONTRACTOR or its subcontractors will run a #6 ground from the mast pipe at the top of the pole to the ground rod at the bottom.
- The hardline will be grounded to the #6 ground at the top and bottom of the run.
- The hardline to jumper connection will be weatherproofed and the full system will be made ready for lift.
- The pole will be craned and set vertically.

The Contractor or its subcontractors will complete the following services for the Owner at the site once the pole is stood vertically.

- CONTRACTOR or its subcontractors will build the M400 as preferred by Sensus.
- CONTRACTOR or its subcontractors will install an 8'x5/8" ground rod at the bottom of the pole.
 - The ground coming from the mast pipe at the top of the pole, M400 cabinet, internal M400 ground bar, and bottom ground kit will be grounded to new ground rod.
- The M400 will be mounted to the bottom of the pole in a level and plumb position.



- A ½” LDF4 jumper will be installed from the M400 to the hardline.
- All connections and grounding kits will be weather proofed.
- All antennas and hardlines will be tested for quality using an Anritsu Site Master. Sweep Meter data and passing Sweep files will be provided to Ferguson upon completion.
- CONTRACTOR or its subcontractors are not responsible for the installation of any electrical.
- The site will be kept clean throughout the installation process and upon completion.

3. Materials for Installation at on a wood pole

The Contractor or its subcontractors will supply and transport the following equipment:

Equipment
Transmit Antenna: <ul style="list-style-type: none"> • DB589-Y
Remaining Materials: 7/8” hardline cable, 7/8” grounding kits, 7/8” hoisting grips, 7/8” snap-ins, 21’x2-3/8” mast pipe, hose clamps, tripods, ground wire, grommets, heavy-duty chain mounts, band-it straps, 1/2” jumper support material, remaining grounding material, ground rod, etc.

4. Structural Engineer Stamped Calculation Study

The Contractor or its subcontractors will complete the following services for the Owner at the site:

- CONTRACTOR or its subcontractors will work with their NC Licensed structural engineer to run a calculation study for the proposed poles.
- It is expected that no geotechnical study will need to be completed at the engineer can access the database with the necessary geotechnical information.
- The calculation will provide the necessary depth, width, and backfill material for the pole taking into account the sediment type, required wind speeds, and NC Building Codes.
 - OWNER must decide if the pole is going to be wood or steel prior to running the study.
- CONTRACTOR or its subcontractors will provide all necessary information to the engineer in order to run the study, including the type of equipment being installed on the pole, the heights of installation, model numbers, etc..
- This calculation study shall ensure the structural integrity of the new pole.
- This calculation study shall additionally ensure that the new pole is installed per NC Building Code given its location and the equipment being installed on it.



D. OWNER RESPONSIBILITIES

C1. OWNER responsibilities include, but are not limited to:

1. Assigning qualified personnel with decision-making authority to participate
2. Will comply with stakeholder responsibilities as defined in the Project Installation Plan
3. Communicate concerns and issues to the appropriate parties in a prompt manner
4. Reviewing and providing feedback on the door hangers
5. Providing CONTRACTOR with current and accurate CIS meter and account data
6. Notifying CIS vendor that the CONTRACTOR is an authorized agent to establish a mass meter change-out interface
7. Providing a secure location for project material storage OR secure location for storage container, if necessary
8. Supporting CONTRACTOR in the development of a scheduling/installation Black-Out Calendar
9. Will be responsible for processing completed work order files in the CIS
10. Will be responsible for performing the correct sequence of steps to process completed work order files and obtain meter reading following the Customer's legacy methods when necessary
11. Will provide at least one project-assigned experienced field services employee throughout the meter installation to support CONTRACTOR in completing the fieldwork. Support will include addressing Utility Assistance Required (UAR) accounts.
12. Will make reasonable efforts to resolve all Utility Assistance Required (UAR) requests from the CONTRACTOR within a timely manner. If the CONTRACTOR is unable to complete the work due to an unresolved period, the account may be returned to Utility (RTU) and removed from the CONTRACTOR's scope. A written agreement between the OWNER and CONTRACTOR may be established to address any exception or extended timelines.
13. Will review completed accounts when account signoff reports are received from CONTRACTOR and inform CONTRACTOR of acceptance or refusal reason within ten business days of notification.
14. Will be asked to sign a form stating that the work has been completed with no property damage, that the install area has been left clean, and that the customer will periodically check for leaks around the meter for at least three days. CONTRACTOR will be responsible for remedying any plumbing issue caused by the CONTRACTORS negligence during the meter retrofit. This will only be applicable to meters located in water customers homes/buildings. This will only be applicable to meters located and installed inside customers homes/buildings.

C2. ACCEPTANCE CRITERIA for CONTRACTOR deliverables

1. Final review and signed approval of the updated installation schedule and plan
2. Access to WOMS installation reports
3. Review, signoff, and acceptance of completed installations

APPROVALS

In the event changes to the SOW are required, additional costs could occur and will be submitted via change order.



Attachment B
PROJECT PRICING



Network:			
Sensus M420 Collector	2	\$ 40,000.00	\$ 80,000.00
Collector Install	2	\$ 100,000.00	\$ 200,000.00
Project:			
Project Management	1	\$ 8,000.00	\$ 8,000.00
Mass Meter Exchange	1	\$ 7,500.00	\$ 7,500.00
Mobilization	1	\$ 10,000.00	\$ 10,000.00
Equipment Mobilization	1	\$ 3,000.00	\$ 3,000.00
Meters & Transmitters:			
4" Cordonel Meter	2	\$ 5,483.20	\$ 10,966.40
3" Cordonel Meter	6	\$ 3,436.20	\$ 20,617.20
2" Cordonel Meter	29	\$ 2,875.95	\$ 83,402.55
1.5" Cordonel Meter	6	\$ 2,465.50	\$ 14,793.00
1" Iperl Meter	44	\$ 330.50	\$ 14,542.00
3/4 Iperl Meter	1863	\$ 186.50	\$ 347,449.50
3/4 Ally Meter	200	\$ 515.25	\$ 103,050.00
520M Transmitter	2150	\$ 198.50	\$ 426,775.00
Installation:			
4" Meter Install	2	\$ 1,572.00	\$ 3,144.00
3" Meter Install	6	\$ 1,286.00	\$ 7,716.00
2" Meter Install	29	\$ 634.00	\$ 18,386.00
1.5" Meter Install	6	\$ 600.00	\$ 3,600.00
1" Meter Install	44	\$ 77.00	\$ 3,388.00
3/4" Meter Install	2063	\$ 77.00	\$ 158,851.00
Drill Lid	2150	\$ 33.00	\$ 70,950.00
			\$ 1,596,130.65



Attachment C
CHANGE ORDER REQUEST FORM





**Change Order
Request Form**



PROJECT INFORMATION

Project Name		Change Order #	000
		Date of Request	
Project Owner		Project Manager	

Describe the Requested Change	
Describe the Reason for the requested change	
Supporting Documents (List all document(s) attached and describe how they support the Change Request	

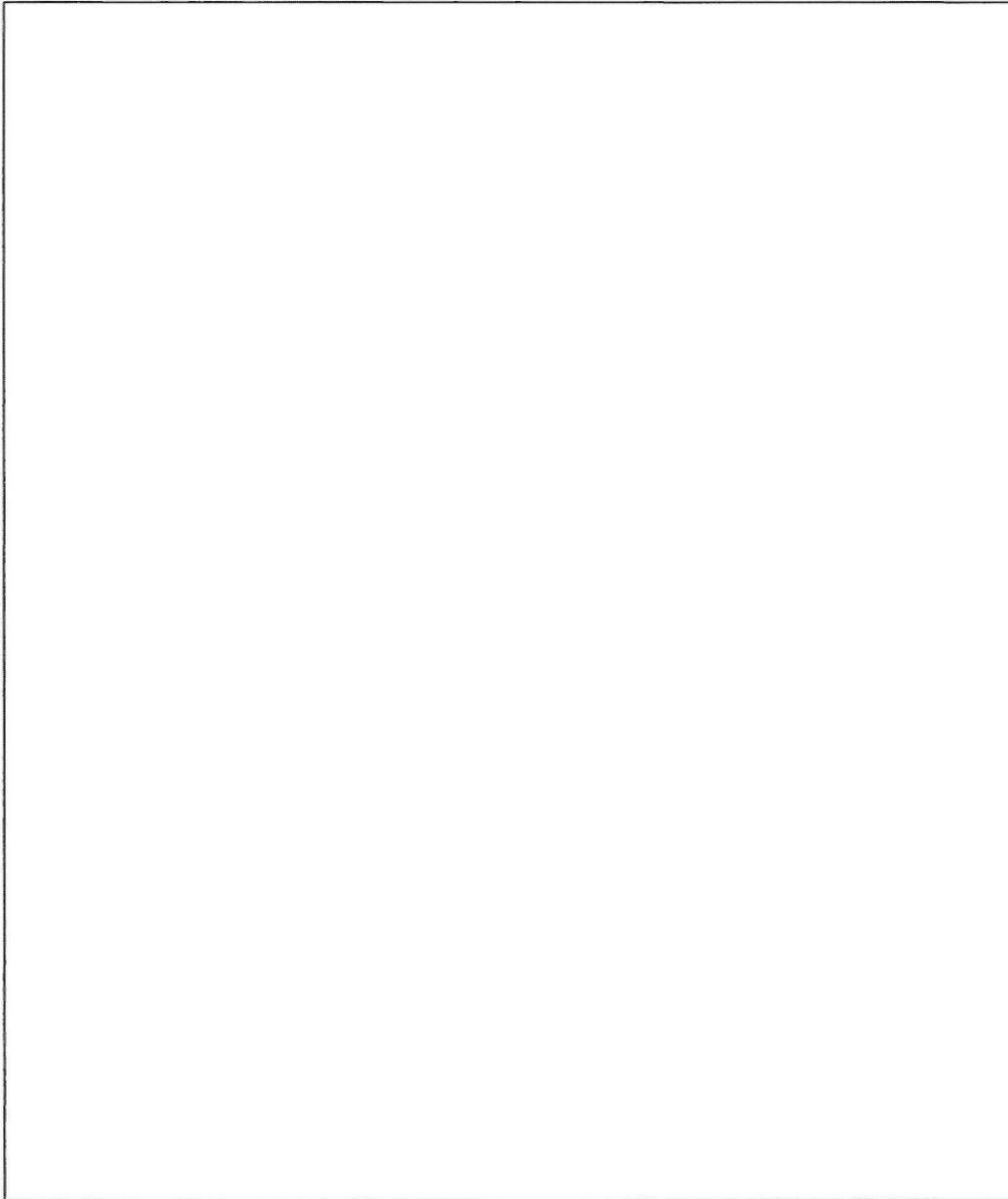
Budget Impact					
Line-Item Name	Line-Item Old Qty	Line-Item Old Cost	Line-Item New Qty	Line-Item New Cost	Total
Change 1 Value					
TOTAL CHANGE VALUE					

Decision	
<input type="checkbox"/> Approved	<input type="checkbox"/> Rejected
<input type="checkbox"/> Approved with modifications	<input type="checkbox"/> Deferred
Justifications	
Additional Comments	

_____ Approver's Printed Name	_____ Date
_____ Title	
_____ Signature	
_____ Ferguson Approver's Printed Name	_____ Date
_____ Title	
_____ Signature	



Copy of



Attachment D
PRODUCT WARRANTY



ON SLOW WATER & SEWER AUTHORITY REQUEST FOR BUDGET AMENDMENT

Budget Amendment#
Description

2
Purchase Order Rollover

Date: 7/24/25

Type	Account Number	Description	Dept#	Amount	PO#
Revenue	3919940	Fund Balance Appropriated	NA	\$1,588,978.65	NA
Expenditure	7007300	Other Improvements	7119	\$40,000.00	12601
Expenditure	7007300	Other Improvements	7119	\$45,865.00	13428
Expenditure	7007300	Other Improvements	7119	\$26,188.48	15079
Expenditure	7007300	Other Improvements	7121	\$213,267.00	14861
Expenditure	7007400	Equipment	7118	\$127,617.58	15127
Expenditure	7007400	Equipment	7119	\$108,000.00	14885
Expenditure	7007400	Equipment	7119	\$25,649.05	14953
Expenditure	7007401	Vehicles	7119	\$159,694.00	14016
Expenditure	7007401	Vehicles	7119	\$374,780.72	14268
Expenditure	7007401	Vehicles	7119	\$180,288.00	15129
Expenditure	7007401	Vehicles	7136	\$83,543.00	14888
Expenditure	7007405	Computer Equipment	7112	\$16,935.82	14489/14490/14492
Expenditure	7007405	Computer Equipment	7112	\$187,150.00	14699/14719/15125

Requested By: _____
Finance Director/CFO

Date: _____

Recommended By: [Signature]
Executive Director/CEO

Date: 7-25-25

Approved: _____
Board of Directors

Date: 7-24-2025

