

# The Executive Board Agenda

Chairman Johnson will convene a meeting of the Centralina COG Executive Board at 6:30 p.m. on Wednesday, September 14, 2016. A light dinner will be served at 6:00 p.m. The meeting will be held in the Catawba Room of the Centralina CCOG Office on the 12<sup>th</sup> floor of the 525 North Tryon Street building.

Time	Item	Presenter
6:00 p.m.	<b>Dinner</b> Please RSVP to Kelly Weston at <a href="mailto:kweston@centralina.org">kweston@centralina.org</a> or (704) 348-2728 by <b>12:00 p.m. on Monday, September 12<sup>th</sup></b> so that catering can be arranged.	Kelly Weston
6:30 p.m.	<b>Call to Order, Welcome &amp; Declaration of Quorum</b>	Michael Johnson
	<b>Amendments to the Agenda</b> (if any)	Michael Johnson
<b>Consent Items:</b> <i>Consent agenda items may be considered in one motion and without discussion except for those items removed by a Board member.</i>		
6:35 p.m. <b>Item 1</b> Pages 4 - 7	<b>Approval of the June 8, 2016 Executive Board Meeting Minutes</b> The minutes of the June 8, 2016 meeting have been distributed to all members of the Executive Board and should be approved if correct.  <b>Action/Recommendation:</b> <i>I move to approve the June 8, 2016 Executive Board Meeting minutes.</i>	Michael Johnson
<b>Item 2</b> Pages 8 - 9	<b>Review of Amendment to the Operating Budget for Fiscal Year Ended June 30, 2016</b> At the June 8, 2016 meeting, the Executive Board authorized the Finance Committee to approve an amended budget on their behalf on or before June 30, 2016 and then provide the full Executive Board with a copy of the approved budget at its next meeting.  <b>Action/Recommendation:</b> <i>For informational purposes only.</i>	Marsha Sutton
<b>Item 3</b> Pages 10 - 24	<b>Approval of North Carolina Department of Transportation Funding Agreement for the Greater Charlotte Regional Freight Mobility Plan</b> NCDOT is providing matching funds to FHWA funds through the State Planning and Research (SPR) funds for the development of the Greater Charlotte Regional Freight Mobility Plan. This funding will permit completion of the essential elements for this project.  <b>Action/Recommendation:</b> Authorize the Executive Director to execute NCDOT funding agreement #6722 for the Greater Charlotte Regional Freight Mobility Plan in the amount of \$210,510.	Jessica Hill
<b>Regular Business Items:</b>		
6:40 p.m. <b>Item 4</b> 10 minutes Pages 25 - 26	<b>Merit Pay Adjustment</b> The budget for the Fiscal Year Ending June 30, 2016 has been prepared with a 2% merit adjustment included in department budgets. The budget as prepared is balanced including this increase. However, it has been our practice to receive separate authorization for implementation of the merit increase budget from the Executive Board.  <b>Action/Recommendation:</b> <i>Provide direction to staff regarding changes to budget plans and authorize the provision of merit increases with a total pool of 2% of salaries based on employee evaluation results.</i>	Jim Prosser
6:50 p.m. <b>Item 5</b> 20 minutes	<b>Federal Relations Update</b> Leslie Mazingo of Strategics Consulting will present a performance measures report for the period July-August 2016, based on performance measures developed in	Leslie Mazingo

# The Executive Board Agenda

Time	Item	Presenter
<p>Pages 27 - 28 ➤ <b>Handout</b></p>	<p>consultation with the Federal Relations Committee.</p> <p><b>Action/Recommendation:</b> The Board is asked to provide feedback on the performance measures.</p> <p>The Board is asked to accept the July-August Performance Report as information.</p> <p><i>I move that the Strategic Consulting Performance Report for July-August 2016 be accepted.</i></p>	
<p><b>7:10 p.m.</b> <b>Item 6</b> 20 minutes Pages 29 - 30 ➤ <b>Handout</b></p>	<p><b>Centralina Foundation Fundraising Update</b> Centralina Foundation chair Sarah McAulay will share a brief progress update on private-sector fundraising efforts and will then share with Executive Board members the Foundation’s confidential prospecting documents, asking for Board members’ assistance with ongoing prospecting efforts.</p> <p><b>Action/Recommendation:</b> Individual members of the Board are asked to volunteer to assist with Centralina Foundation’s “Intentional Inquiries” prospecting by committing to:</p> <ul style="list-style-type: none"> <li>a) identifying two or more new prospects (with contact person info), or new contacts at existing prospects, where the Board member has or can provide a relationship connection (“friend-raising”); and/or,</li> <li>b) making a phone call (or arrange for it to be made) to the relationship connection, to provide an introduction for Centralina Foundation and an anticipated request from Jennifer Nichols for an exploratory meeting (“door-opening” for a meeting); and/or,</li> <li>c) accompanying one or more Centralina Foundation representatives to an exploratory meeting with a prospect with which the Board member has a relationship connection (“door-opening” at a meeting).</li> </ul> <p>The Board is asked to pass a resolution encouraging such volunteer commitments:</p> <p><i>Resolved, whereas Centralina Foundation is partnering with CCOG on certain high-priority regional initiatives and is working to secure private-sector funding for those initiatives, and whereas relationship connections are key to Centralina Foundation’s Intentional Inquiries approach, CCOG does hereby encourage its Executive Board members to commit to assisting with those efforts through “friend-raising” and “door-opening.”</i></p>	<p>Sarah McAulay and Jennifer Nichols</p>
<p><b>7:30 p.m.</b> <b>Item 7</b> 5 minutes Pages 31 - 41</p>	<p><b>Catawba Wateree Relicensing Agreement Update</b> Staff will present an update on modifications to the Comprehensive Relicensing Agreement (CRA) for the Catawba Wateree Hydro Project.</p> <p><b>Action/Recommendation:</b></p> <ol style="list-style-type: none"> <li>1. <i>Receive as information.</i></li> <li>2. <i>Take note that the CRA, formally executed on December 22, 2006, following the November 2015 issuance of a New License by FERC, is remerging as a working document that informs and guides many opportunities and decisions to be made along the Catawba River in near and long-term future and should be actively incorporated into local discussions related to the Catawba River.</i></li> </ol>	<p>Jason Wager</p>
<p><b>7:35 p.m.</b> <b>Item 8</b> 5 minutes Pages 42 - 45</p>	<p><b>CCOG Regional Conference Update</b> Staff will provide a brief update of planning activities for the CCOG Regional Conference. Staff will also present a Conference budget proposal for the Executive Board’s review and approval. To assist with meeting the event’s sponsorship goals,</p>	<p>Patsy Kinsey</p>

# The Executive Board Agenda

Time	Item	Presenter
	<p>staff will request the Board Members' assistance in securing top- level sponsors.</p> <p><b>Action/Recommendation:</b> <i>I move that the Executive Board approve the proposed budget for the 2017 CCOG Regional Conference and commit to assisting staff with recruiting sponsors as outlined in the sponsorship plan presented.</i></p>	
<p><b>7:40 p.m.</b> <b>Item 9</b> 15 minutes Pages 46 - 79</p>	<p><b>CCOG Building Update</b> A lease agreement has been prepared for 9815 David Taylor Drive. The lease includes the following key terms:</p> <ol style="list-style-type: none"> <li>1. 62-month term including first 2 months no cost rent.</li> <li>2. Lease commences on January 1, 2017</li> <li>3. Leased space 16,693 square feet includes space for large meeting room to accommodate Board of Delegates meetings (and similar uses).</li> <li>4. Lease cost initial year \$283,781 (\$17/sf). Annual increase of 3%.</li> <li>5. Upfit allowance of \$283,781.</li> </ol> <p>Centralina has secured a release from our current sublease with Bank of America for the remainder of the term (May 2018).</p> <p><b>Action/Recommendation:</b> <i>Motion to authorize execution of a lease agreement for 9815 David Taylor Drive for a term of 62 months commencing January 1, 2017.</i></p>	<p>Jim Prosser</p>
<p><b>7:55 p.m.</b> <b>Item 10</b> 5 minutes</p>	<p><b>Report on North Carolina Association of Regional Councils 2016-17 Work Plan</b> Commissioner Joe Carpenter will present a summary of the 2016-17 Work Plan drafted by the Board of Directors of the N.C. Association of Regional Council Directors at its August meeting.</p> <p><b>Action/Recommendation:</b> <i>For informational purposes only.</i></p>	<p>Joe Carpenter</p>
<p><b>8:00 p.m.</b> 5 minutes</p>	<p><b>Comments from the Executive Board</b></p>	<p>Board Members</p>
<p><b>8:05 p.m.</b> 5 minutes</p>	<p><b>Comments from the Chair</b></p>	<p>Michael Johnson</p>
<p><b>8:10 p.m.</b> 5 minutes</p>	<p><b>Comments from the Executive Director</b></p>	<p>Jim Prosser</p>
<p><b>8:15 p.m.</b></p>	<p><b>Adjournment</b></p>	<p>Michael Johnson</p>
<p><i>Centralina Council of Governments complies with the Americans with Disabilities Act (ADA), which prohibits discrimination on the basis of disability. Centralina Council of Governments will make reasonable accommodations in all programs/services to enable participation by an individual with a disability who meets essential eligibility requirements. Centralina Council of Governments' programs will be available in the most integrated setting for each individual. If any accommodations are necessary for participation, please contact the Clerk to the Board, 525 North Tryon Street, 12<sup>th</sup> Floor, Charlotte, NC 28202, phone (704) 348-2728. Please allow 72 hours advance notice for preparation. Visit our website: <a href="http://www.centralina.org">www.centralina.org</a>.</i></p>		



Centralina Council of Governments

**Item 1**



**Executive Board Minutes**

**June 8, 2016**

<b>Officers Present</b>	<b>Delegates Present</b>	<b>Delegates Not Present</b>	<b>Centralina Staff</b>
Michael Johnson, Chair Patsy Kinsey, Vice Chair Bill Feather, Treasurer	Joe Carpenter Bill Deter Richard Turner Jarvis Woodburn  <i>Via phone</i> Martha Sue Hall Martin Oakes	Kathy Kitts, Secretary Bobby Compton George Dunlap Bill Lawhon Devin Rhyne Jerry Simpson John Woods	Vicki Bott Debi Lee Mike Manis Jim Prosser Marsha Sutton Suzanne Tungate Kelly Weston Venecia White  <i>Guests</i> Sarah McAulay Leslie Mozingo Tony Zeiss

**Call to Order and Welcome**

Chairman Michael Johnson, City of Statesville called the meeting to order.

Kelly Weston, Clerk to the Board, confirmed that a quorum was present.

**Amendments to the Agenda**

There were no amendments to the agenda.

Vice Chair Patsy Kinsey, City of Charlotte, made a motion to adopt the agenda. Commissioner Joe Carpenter, Gaston County, seconded the motion and it carried unanimously.

**Consent Items**

Mayor Pro Tem Martha Sue Hall, City of Albemarle, requested removal of Item 3 for discussion.

Commissioner Carpenter made a motion to adopt the remaining Consent Agenda items:

- 1. Approval of the March 9, 2016 Executive Board Meeting Minutes**
- 2. Approval of FY17 Information Technology Service Agreement**
- 4. Volunteer Transportation Services Update**

Treasurer Bill Feather, Town of Granite Quarry, seconded the motion and it carried unanimously.

**3. CCOG Insurance Coverage Update**

In response to Mayor Pro Tem Hall’s question, Executive Director Jim Prosser indicated that staff looked into the North Carolina League of Municipalities’ liability and property insurance coverage.

Mayor Pro Tem Hall noted that, she serves on the League’s Risk Management Services Board.

Mr. Prosser noted that the requested motion will not include action related to the Workers' Compensation insurance because CCOG will continue that coverage through the League.

Commissioner Carpenter made a motion that staff be authorized to bind liability and property insurance coverage for coverage effective July 1, 2016, with or without a change in CCOG's Workers' Compensation coverage, based on staff's assessment of options as presented in a final proposal to Arthur J. Gallagher. The motion was seconded and it carried unanimously.

**5. Resolution Honoring Dr. Tony Zeiss**

Chairman Johnson read the resolution acknowledging the contributions of Dr. Tony Zeiss, President of Central Piedmont Community College, to the Greater Charlotte region.

Dr. Zeiss expressed his appreciation for the honor and thanked Chairman Johnson and the Board Members for their leadership.

**6. Proposed Amendment to the Operating Budget for Fiscal Year Ended June 30, 2016**

Marsha Sutton, Finance Director, presented an overview of the amended budget. She explained that staff has made adjustments to the placeholder budget the Board of Delegates adopted in February based on anticipated actual numbers. She noted that the budget will need another amendment before June 30, 2016 and the auditors have recommended that the Executive Board authorize the Finance Committee to approve an amended budget.

Treasurer Feather made a motion amending the annual operating budget ordinance as presented at the meeting in the amount of \$6,676,038. Commissioner Jarvis Woodburn, Anson County, seconded the motion and it carried unanimously.

Treasurer Feather made a motion to amend the pass-through budget ordinance as presented at the meeting in the amount of \$15,526,681. Commissioner Carpenter seconded the motion and it carried unanimously.

Treasurer Feather made a motion delegating the Executive Committee's approval authority to the Finance subcommittee for any amendments required to the Fiscal Year 15-16 budget ordinances approved tonight in order to comply with General Statute 159. This authority is limited to any amendments needed after tonight in June, July, or August. These amendments will then be reported at the next regularly scheduled Executive Committee meeting to be held in September 2016. Commissioner Carpenter seconded the motion and it carried unanimously.

**7. CCOG Audit Firm Selection**

Treasurer Feather reported that staff recommends working with Dixon Hughes Goodman, LLP for an additional year since the budget is so far along and staff does not want to delay the audit again. The decision to change to a different firm can be made next year.

Chairman Johnson noted that the Finance Committee met and decided that it would be impractical to select a new firm in such a short timeframe.

In response to Vice Chair Kinsey's question, Mr. Prosser indicated that the next audit firm Request for Proposal process will begin in January.

Treasurer Feather added that Pete Teague will step down from the position he held with the previous audit process and a new person will assume his role.

**8. Federal Relations Update**

Leslie Mazingo, Strategics Consulting, presented a recap of federal relations activities during the year. She noted that she has helped make legislative connections and that her approach is working because federal representatives are becoming better advocates for CCOG.

Commissioner Carpenter noted that it is important to have a good consultant working with CCOG.

Mayor Pro Tem Hall inquired if CCOG should continue spending money on Strategic's services if there has not been a return on investment. She suggested ensuring that extending the contract would be cost-efficient.

Council Member Richard Turner, City of Belmont, added that working with Ms. Mozingo will give CCOG an edge.

Treasurer Feather expressed concern that CCOG has not seen anything to justify the \$42,000 cost of the contract. He noted that the \$99,000 Ms. Mozingo helped recover for the Town of Matthews was not returned directly to CCOG.

Vice Chair Kinsey made a motion that the contract for federal relations consulting services with Strategic Consulting be renewed as proposed and charged staff with presenting measurable metrics at the next Executive Board meeting. Council Member Turner seconded the motion and it carried unanimously.

#### **9. Private-Sector Fundraising Update**

Sarah McAulay, Centralina Foundation Trustee, requested that each Executive Board member provide staff with a contact name for fundraising.

Mr. Prosser noted that fundraising consultant Jennifer Nichols has a very effective and professional approach to making funding requests. The Executive Board members help is needed to identify prospects, but they will not ask the prospects for money.

By consensus, the Executive Board agreed to submit to staff two contacts from the list of funding prospects.

Chairman Johnson asked the Executive Board members to talk to staff in their communities about providing funding for the Greater Charlotte Regional Freight Plan if their community has not already made a contribution.

#### **10. Lumina Update**

Mike Manis, Community and Economic Development Director, presented a briefing on the status of the Lumina Community Postsecondary Attainment Grant. He noted that in the fall, he will present a final operation and funding plan for the People/Skills/Prosperity project to the Board. He added that the program aligns with existing Workforce Development Boards and local job centers and that Centralina Workforce Development Board, Charlotte Works, and Gaston Works are partners in the project.

Treasurer Feather made a motion for the Executive Board to endorse the current Lumina Centralina Partnership for Attainment and Career Pathways work program, People/Skills/Prosperity, and support a final product engagement implementation and funding plan to be completed by late fall 2016. Commissioner Carpenter seconded the motion and it carried unanimously.

#### **Comments from the Executive Board**

Commissioner Carpenter noted that employers test interpersonal skills when hiring employees.

#### **Comments from the Chair**

Chairman Johnson reported that the North Carolina Chapter of the American Planning Association recognized Trade and Matthews Streets in the Town of Matthews and Center and Broad Streets in the City of Statesville as Great Main Streets as part of the 2016 Great Places Awards Program.

He also reported that the Centralina Workforce Development Board was named Cabarrus Economic Development Commission's 2016 Supporter of the Year.

Chairman Johnson also noted that the N.C. Department of Commerce highlighted NCWorks in its May newsletter.

**Comments from the Executive Director**

Mr. Prosser noted that staff continues to hear a lot of good comments about the work CCOG is doing, which is due to the Board's leadership that has pushed the organization in that direction. Others have pointed out CCOG's ability to constantly frame its work in making sure that it is helping communities to achieve job and economic growth and to improve quality of life.

**Adjournment**

With no further business to be discussed, Chairman Johnson adjourned the meeting at 8:20 p.m.

*Centralina Council of Governments complies with the Americans with Disabilities Act (ADA), which prohibits discrimination on the basis of disability. Centralina Council of Governments will make reasonable accommodations in all programs/services to enable participation by an individual with a disability who meets essential eligibility requirements. Centralina Council of Governments' programs will be available in the most integrated setting for each individual. If any accommodations are necessary for participation, please contact the Clerk to the Board, 525 North Tryon Street, 12<sup>th</sup> Floor, Charlotte, NC 28202, [kweston@centralina.org](mailto:kweston@centralina.org) or phone (704) 348-2728. Please allow 72 hours advance notice for preparation. Visit our website: [www.centralina.org](http://www.centralina.org).*





Centralina Council of Governments

**Item 2**



## Board Agenda Item Cover Sheet

<b>Board Meeting Date:</b>	September 14, 2016	<b>Agenda Item Type:</b>	<b>Consent:</b>	X	<b>Regular:</b>	
<b>Submitting Person:</b>	Marsha Sutton	<b>Presentation Time (est.):</b>	N/A			
<b>Presenter at meeting:</b>	Marsha Sutton	<b>Phone Number/Ext:</b>	(704) 348-2716			
		<b>Email:</b>	<a href="mailto:msutton@centralina.org">msutton@centralina.org</a>			
<b>Alternate Contact Person:</b>	Jim Prosser	<b>Phone Number/Ext:</b>	(704) 348-2703			
		<b>Email:</b>	<a href="mailto:jprosser@centralina.org">jprosser@centralina.org</a>			
<b>Submitting Department:</b>	<b>Finance</b>	<b>Department Head Approval:</b>				
<b>Board Expectation:</b> <i>(required action or responsibility expected from Board members)</i>						
There is no required action by the Executive Committee. This document is provided for informational purposes only.						
<b>Description of Agenda Item:</b>						
<b><i>Proposed Amendment to the Operating Budget for Fiscal Year Ended June 30, 2016</i></b>						
At the June 8, 2016 meeting, the Executive Committee authorized the Finance Committee to approve an amended budget on their behalf on or before June 30, 2016 and then provide the full Executive Committee with a copy of the approved budget at their next meeting.						
<b>Background &amp; Basis of Recommendations:</b>						
These budgets are adjusted when new grants are awarded, revised, or any other additional funding sources are received to ensure expenditures are appropriated prior to incurring the expenditure and during the year-end adjusting and accrual process.						
<b>Action / Recommendation:</b>						
For informational purposes only.						
<b>Time Sensitivity</b> <i>(none or explain):</i>	The final amendment to the current year operating and pass through budgets must occur before June 30, 2016. The attached budget was approved on June 30, 2016 by a unanimous vote.					
<b>Budget Impact</b> <i>(if applicable):</i>	Because General Statute 159-8 requires operation under a balanced budget, this budget includes speculative revenue. This revenue is reviewed regularly and the budget is adjusted to reflect more accurately the true anticipated revenue while insuring that all expenditures are budgeted before being appropriated.					
<b>List of Attachments</b> <i>(if any):</i>	Amendments to the Operating Budget and Pass-Through Budget					

**Fiscal Year 2015 -2016 Amended Annual Grant Projects Budget Ordinance**

<u>Program</u>	<u>FY2015-2016 Adopted Budget</u>	<u>FY2015-2016 Amended 6.30.2016 Budget</u>
<b>Workforce Development</b>		
Adult Services Program Year 2015	1,506,714	2,512,895
Dislocated Worker Program Year 2015	1,667,991	1,744,189
Youth Services Program Year 2015	1,403,267	1,525,137
	-	-
	-	-
	-	-
	<u>4,577,972</u>	<u>5,782,221</u>
<b>Area Agency on Aging</b>		
HCC Block Grant	8,556,735	8,582,888
USDA Supplement	700,000	452,916
Title III-B Legal	76,730	67,580
Family Caregiver	550,968	464,092
Disease Prevention/Health Promotion	45,000	42,900
State Senior Center General Purpose	50,000	117,800
Title V	938,223	0
Heat Fan Relief	20,000	16,284
	<u>10,937,656</u>	<u>9,744,460</u>
<b>Total Grant Projects Budget</b>	<u>15,515,628</u>	<u>15,526,681</u>



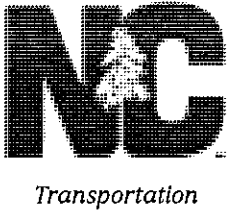
Centralina Council of Governments

**Item 3**



## Board Agenda Item Cover Sheet

<b>Board Meeting Date:</b>	September 14, 2016	<b>Agenda Item Type:</b>	<b>Consent:</b>	X	<b>Regular:</b>
<b>Submitting Person:</b>	Jessica Hill	<b>Presentation Time (est.):</b>	0		
<b>Presenter at meeting:</b>	Jim Prosser	<b>Phone Number/Ext:</b>			
		<b>Email:</b>			
<b>Alternate Contact Person:</b>		<b>Phone Number/Ext:</b>			
		<b>Email:</b>			
<b>Submitting Department:</b>	Planning	<b>Department Head Approval:</b>	<i>Michelle E. Nance</i>		
<b>Board Expectation:</b> <i>(required action or responsibility expected from Board members)</i>					
Approval of NCDOT funding agreement #6722 for the Greater Charlotte Regional Freight Mobility Plan					
<b>Description of Agenda Item:</b>					
Funding agreement with NCDOT to complete the Greater Charlotte Regional Freight Mobility Plan.					
<b>Background &amp; Basis of Recommendations:</b>					
NCDOT is providing matching funds to FHWA funds through the State Planning and Research (SPR) funds for the development of the Greater Charlotte Regional Freight Mobility Plan. This funding will permit completion of the essential elements for this project.					
<b>Action / Recommendation:</b>					
Authorize the Executive Director to execute NCDOT funding agreement #6722 for the Greater Charlotte Regional Freight Mobility Plan in the amount of \$210,510.					
<b>Time Sensitivity (none or explain):</b>	Authorization to execute this agreement at the September 14 Executive Board meeting will permit sufficient time to complete the work necessary				
<b>Budget Impact (if applicable):</b>	The current year Planning budget was prepared anticipating match for this grant. Since match will not be required, approval of this contract will provide a positive impact on Planning budget.				
<b>List of Attachments (if any):</b>	NCDOT funding agreement				



PAT McCRORY  
*Governor*

NICHOLAS J. TENNYSON  
*Secretary*

August 17, 2016

Ms. Jessica Hill, AICP  
Senior Planner-Sustainability  
Centralina Council of Governments  
525 North Tryon Street, 12th Floor  
Charlotte, NC 28202

Subject: Funding Agreement #6722 - Greater Charlotte Regional Freight Mobility Plan

Dear Jessica:

Attached is the funding agreement for State Planning and Research (SPR) funds for the development of the Greater Charlotte Regional Freight Mobility Plan. Upon review and approval, please have the enclosed three originals executed and return them to me. I will coordinate NCDOT approval and provide you an executed copy.

If you have any questions, please do not hesitate to call or email me at (919) 707-0909, ewthomas@ncdot.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'Earlene W. Thomas', written over a large, stylized circular scribble.

Earlene W. Thomas, PE  
Western Unit Head, Transportation Planning Branch

*Enclosure*

cc: Jamal Alavi, PE, Manager, Transportation Planning Branch  
Linda Dosse, PE, CRTPO Coordinator, Transportation Planning Branch  
*File:* Charlotte Regional Transportation Planning Organization (original)

Nothing Compares<sup>SM</sup>

NORTH CAROLINA

**LOCALLY ADMINISTERED PROJECT -  
FEDERAL**

MECKLENBURG COUNTY

DATE: 8/16/2016

NORTH CAROLINA DEPARTMENT OF  
TRANSPORTATION

TIP #: M-0512

AND

WBS Elements: PE 44843.10.12

CENTRALINA COUNCIL OF  
GOVERNMENTS (CCOG)

FEDERAL-AID NUMBER: SPR-0SPR(102)

CFDA #: 20.205

Total Funds [NCDOT Participation] \$210,510

THIS AGREEMENT is made and entered into on the last date executed below, by and between the North Carolina Department of Transportation, an agency of the State of North Carolina, hereinafter referred to as the "Department" and the Centralina Council of Governments, hereinafter referred to as the "Agency".

**WITNESSETH:**

WHEREAS, 23 USC 505 allows State Planning and Research (SPR) federal funds to be available certain transportation activities; and,

WHEREAS, the Agency has requested federal funding to develop a Greater Charlotte Regional Freight Mobility Plan, hereinafter referred to as the Project; and,

WHEREAS, subject to the availability of federal funds, the Agency has been designated as a recipient to receive funds allocated to the Department by the Federal Highway Administration (FHWA) up to and not to exceed the maximum award amount of \$210,510 for the Project; and,

WHEREAS, the Department has agreed to administer the disbursement of said funds on behalf of FHWA to the Agency for the Project in accordance with the Project scope of work and in accordance with the provisions set out in this Agreement; and,

WHEREAS, the Department has programmed funding in the approved annual SPR budget for the Project; and,

WHEREAS, the Agency has agreed to repayment plan for a previously funded project, namely C-4904 and understands that failure to comply with said repayment plan may adversely affect the availability of these SPR funds; and,

Agreement ID # 6722

1

WHEREAS, the governing board of the Agency has agreed to participate in certain costs and to assume certain responsibilities in the manner and to the extent as hereinafter set out; and,

WHEREAS, this Agreement is made under the authority granted to the Department by the North Carolina General Assembly including, but not limited to, the following applicable legislation: General Statutes of North Carolina (NCGS) Section 136-66.1, Section 136-71.6, Section 160A-296 and 297, Section 136-18, Section 136-41.3 and Section 20-169, to participate in the planning, construction and/or implementation of the Project approved by the Board of Transportation.

NOW, THEREFORE, this Agreement states the promises and undertakings of each party as herein provided, and the parties do hereby covenant and agree, each with the other, as follows:

## **1. GENERAL PROVISIONS**

### **FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT**

All parties to this Agreement, including contractors, subcontractors, and subsequent workforces, associated with any work under the terms of this Agreement shall provide reports as required by the Federal Funding Accountability and Transparency Act (FFATA) for this Project.

### **AGREEMENT MODIFICATIONS**

Any modification to scope, funding, responsibilities, or time frame will be agreed upon by all parties by means of a Supplemental Agreement.

### **LOCAL PUBLIC AGENCY TO PERFORM ALL WORK**

The Agency shall be responsible for administering all work performed and for certifying to the Department that all terms set forth in this Agreement are met and adhered to by the Agency and/or its contractors and agents. The Department will provide technical oversight to guide the Agency. The Department must approve any assignment or transfer of the responsibilities of the Agency set forth in this Agreement to other parties or entities.

### **PERSON IN RESPONSIBLE CHARGE**

The Agency shall designate a person or persons to be in responsible charge of the Project, in accordance with Title 23 of the Code of Federal Regulations, Part 635.105. The person, or persons, shall be expected to:



- Administer governmental project activities, including those dealing with cost, time, adherence to contract requirements, construction quality and scope of Federal-aid projects;
- Maintain knowledge of day to day project operations and safety issues;
- Make or participate in decisions about changed conditions or scope changes that require change orders or supplemental agreements;
- Visit and review the project in accordance with the project scope and scale;
- Review financial processes, transactions and documentation to reduce the likelihood of fraud, waste, and abuse;
- Direct project staff, agency or consultant, to carry out project administration and contract oversight, including proper documentation; and
- Be aware of the qualifications, assignments and on-the-job performance of the agency and consultant staff at all stages of the project.

The person in responsible charge must be a full-time employee of the Agency, but the duties may be split among several employees, if necessary.

#### **COMPLIANCE WITH STATE/FEDERAL POLICY**

The Agency, and/or its agent, including all contractors, subcontractors, or sub-recipients shall comply with all applicable Federal and State policies and procedures, stated both in this Agreement and in the Department's guidelines and procedures, including the *Local Programs Management Handbook*.

#### **FAILURE TO COMPLY - CONSEQUENCES**

Failure on the part of the Agency to comply with any of the provisions of this Agreement will be grounds for the Department to terminate participation in the costs of the Project and, if applicable, seek repayment of any reimbursed funds.

## **2. SCOPE OF PROJECT**

The Project consists of a study that will assess the current state of truck and rail freight system operations, identify ways to effectively prioritize and address future freight needs, identify links that connect the mobility of freight modalities to regional economic development goals and

address key opportunities, and align recommendations and action steps for regional partners, as further described in the Statement of Work, attached hereto as Attachment A.

The Department's funding participation in the Project shall be restricted to the deliverables of the Greater Charlotte Regional Plan as shown in Attachment A.

### 3. FUNDING

#### REIMBURSEMENT FOR ELIGIBLE ACTIVITIES

Subject to compliance by the Agency with the provisions set forth in this Agreement and the availability of federal funds, the Department shall reimburse one hundred percent (100%) of eligible expenses incurred by the Agency up to a maximum amount of Two Hundred Ten Thousand Five Hundred Ten Dollars (\$210,510), as detailed below. The Department is providing the non-federal match to the allocated federal funds. Any costs incurred by the Agency that exceed this funding will be the responsibility of the Agency.

#### FUNDING TABLE

<b>Fund Source</b>	<b>Federal Funds Amount</b>	<b>Reimbursement Rate</b>	<b>Non-Federal (State) Match</b>	<b>Non-Federal (State) Match Rate</b>
SPR Funding	\$168,408	80%	\$42,102	20%
<b>Total Estimated Cost</b>		<b>\$210,510</b>		

### 4. PERIOD OF PERFORMANCE

The Agency shall complete the Project by 6/30/2017. Completion for this Agreement is defined as completion of all implementation activities, acceptance of the project, and submission of a final reimbursement package to the Department.

If additional time is needed to complete the Project, then a supplemental agreement must be executed. The Department and/or FHWA reserves the right to revoke the funds awarded if the Agency is unable to meet milestone dates included herein.

## 5. FUNDING AUTHORIZATION

Upon receipt of an executed agreement, the Department will authorize funds and will issue a Notice to Proceed to the Agency, in writing, once funds have been authorized and can be expended.

## 6. PROCUREMENT OF MATERIALS AND SERVICES

When procuring materials and services, including professional services, the Agency shall comply with the following, as applicable:

- Title 2 Code of Federal Regulations Part 200.318;
- Title 23 of the Code of Federal Regulations, Part 172;
- Title 40 United States Code, Chapter 11, Section 1101-1104;
- NCGS 143-64, Parts 31 and 32;
- TPB's Procurement of Consultant Services by MPO procedure;
- The Department's Small Professional Service Firm (SPSF) Program Guidelines;
- The Department's Policies and Procedures for Major Professional or Specialized Services Contracts for contracts valued at or above \$50k; and,
- The Department's Local Programs Management Handbook for professional service contracts valued under \$50k.

Said policies and standards are incorporated in this Agreement by reference at [www.fhwa.dot.gov/legregs/legislat.html](http://www.fhwa.dot.gov/legregs/legislat.html) and [www.ncleg.net/gascripts/Statutes/Statutes.asp](http://www.ncleg.net/gascripts/Statutes/Statutes.asp).

- The Agency shall ensure that a qualified firm is obtained through an equitable selection process, and that prescribed work is properly accomplished in a timely manner and at a just and reasonable cost.
- All professional services firms shall be pre-qualified by the Department in the Work Codes advertised.
- A pre-negotiation audit will be conducted by the Department's External Audit Branch.
- The Agency shall not execute a consultant contract until the Department's review has been completed.
-

## **SMALL PROFESSIONAL AND ENGINEERING SERVICES FIRMS REQUIREMENTS**

Any contract entered into with another party to perform work associated with the requirements of this Agreement shall contain appropriate provisions regarding the utilization of Small Professional Services Firms (SPSF). This policy conforms with the SPSF Guidelines as approved by the North Carolina Board of Transportation.

- The Municipality shall not advertise nor enter into a contract for services performed as part of this Agreement, unless the Department provides written approval of the advertisement or the contents of the contract.
- If the Municipality fails to comply with these requirements, the Department will withhold funding until these requirements are met.

### **WORK BY ENTITY**

If the Design, Planning, Contract Administration and/or Construction Engineering and Inspection required for this project will be undertaken by the Agency, and the Agency requests reimbursement, then the Agency must submit a request and supporting documentation to the Department for review and approval, prior to any work being initiated by the Agency.

## **7. PLAN AND DEVELOPMENT**

The Agency shall prepare the Greater Charlotte Regional Freight Mobility Plan, according to the Work Plan attached as Appendix A.

### **SUBMITTAL REQUIREMENTS**

During the process of development, all draft copies of the plan and related information shall be submitted to the Department at:

Transportation Planning Branch

ATTN: Linda Dosse

NCDOT Project Manager

1554 Mail Service Center

Raleigh, NC 27699-1554

## **CHANGE ORDERS**

If any changes in the Project are necessary, the Department must approve such changes prior to the work being performed.

## **8. ADMINISTRATION**

- The Agency shall designate a full-time permanent employee to serve as a Project Manager.
- At a minimum, quarterly meetings will be held between all parties to discuss and review the progress of the Project. A meeting report will be written and submitted to all parties.

## **9. FINAL PROJECT CERTIFICATION**

Upon completion of the Project, the Agency shall provide a certification to the Department that all work performed for this Project is in accordance with all applicable standards, guidelines, and regulations. The Agency shall provide all reports as required by the funding.

## **10. REIMBURSEMENT**

### **SCOPE OF REIMBURSEMENT**

Activities eligible for funding reimbursement shall include the deliverables of the Greater Charlotte Regional Plan as shown in Attachment A.

### **REIMBURSEMENT GUIDANCE**

The Agency shall adhere to applicable administrative requirements of Title 2 Code of Federal Regulations, Part 200 ([www.fhwa.dot.gov/legregs/directives/fapgtoc.htm](http://www.fhwa.dot.gov/legregs/directives/fapgtoc.htm)) "Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards." Reimbursement to the Agency shall be subject to the policies and procedures contained in Title 23 Code of Federal Regulations, Part 140 and Part 172, which is being incorporated into this Agreement by reference at [www.fhwa.dot.gov/legregs/directives/fapgtoc.htm](http://www.fhwa.dot.gov/legregs/directives/fapgtoc.htm). Reimbursement to the Agency shall be subject to the guidance contained in Title 2 Code of Federal Regulations, Part 170 (<http://edocket.access.gpo.gov/2010/pdf/2010-22705.pdf>) and Office of Management and Budget (OMB) "Federal Funding Accountability and Transparency Act" (FFATA). Said reimbursement shall also be subject to the Department being reimbursed by the Federal Highway Administration and subject to compliance by the Agency with all applicable federal policy and procedures.

## **REIMBURSEMENT LIMITS**

- **WORK PERFORMED BEFORE NOTIFICATION**

Any costs incurred by the Agency prior to written notification by the Department to proceed with the work shall not be eligible for reimbursement.

- **NO REIMBURSEMENT IN EXCESS OF APPROVED FUNDING**

At no time shall the Department reimburse the Agency costs that exceed the total funding per this Agreement and any Supplemental Agreements.

- **UNSUBSTANTIATED COSTS**

The Agency agrees that it shall bear all costs for which it is unable to substantiate actual costs or any costs that have been deemed unallowable by the Federal Highway Administration and/or the Department's Financial Management Division.

- **WORK PERFORMED BY NCDOT**

The Department does not anticipate any charges to this Project; however, in the event that the Department needs to charge to the Project, it shall reduce the maximum award amount of \$210,510 available to the Agency under this Agreement.

## **BILLING THE DEPARTMENT**

- **PROCEDURE**

The Agency may bill the Department for eligible Project costs in accordance with the Department's guidelines and procedures. Proper supporting documentation shall accompany each invoice as may be required by the Department. By submittal of each invoice, the Agency certifies that it has adhered to all applicable state and federal laws and regulations as set forth in this Agreement.

Along with each invoice, the Agency is responsible for submitting the FFATA Subrecipient Information Form, which is available at <https://connect.ncdot.gov/municipalities/Funding/Pages/default.aspx>.

- **INTERNAL APPROVALS**

Reimbursement to the Agency shall be made upon approval of the invoice by the Department's Financial Management Division.

- **TIMELY SUBMITTAL OF INVOICES**

The Agency may invoice the Department monthly for work accomplished, but no less than once every six (6) months to keep the Project funds active and available. If the Agency is unable to invoice the Department, then they must provide an explanation. Failure to submit invoices or explanation may result in de-obligation of funds.

- **FINAL INVOICE**

All invoices associated with the Project must be submitted within six (6) months of the completion of construction and acceptance of the Project to be eligible for reimbursement by the Department. Any invoices submitted after this time will not be eligible for reimbursement.

## **11. REPORTING REQUIREMENTS AND RECORDS RETENTION**

### **PROJECT EVALUATION REPORTS**

The Agency is responsible for providing reporting in accordance with the Statement of Work (Attachment A).

### **PROJECT RECORDS**

The Agency and its agents shall maintain all books, documents, papers, accounting records, Project records and such other evidence as may be appropriate to substantiate costs incurred under this Agreement. Further, the Agency shall make such materials available at its office and shall require its agent to make such materials available at its office at all reasonable times during the contract period, and for five (5) years from the date of payment of the final voucher by the Federal Highway Administration, for inspection and audit by the Department's Financial Management Section, the Federal Highway Administration, or any authorized representatives of the Federal Government.

## **12. OTHER PROVISIONS**

### **REFERENCES**

It will be the responsibility of the Agency to follow the current and/or most recent edition of references, websites, specifications, standards, guidelines, recommendations, regulations and/or general statutes, as stated in this Agreement.

## **INDEMNIFICATION OF DEPARTMENT**

The Agency agrees to indemnify and hold harmless the Department, FHWA and the State of North Carolina, to the extent allowed by law, for any and all claim for payment, damages and/or liabilities of any nature, asserted against the Department in connection with this Project. The Department shall not be responsible for any damages or claims, which may be initiated by third parties.

## **DEBARMENT POLICY**

It is the policy of the Department not to enter into any agreement with parties that have been debarred by any government agency (Federal or State). By execution of this agreement, the Agency certifies that neither it nor its agents or contractors are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any Federal or State Agency or Department and that it will not enter into agreements with any entity that is debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction.

## **TITLE VI - CIVIL RIGHTS ACT OF 1964**

The Agency shall comply with Title VI of the Civil Rights Act of 1964, (Title 49 CFR, Subtitle A, Part 21). Title VI prohibits discrimination on the basis of race, color, national origin, disability, gender, and age in all programs or activities of any recipient of Federal assistance.

## **OTHER AGREEMENTS**

The Agency is solely responsible for all agreements, contracts, and work orders entered into or issued by the Agency for this Project. The Department is not responsible for any expenses or obligations incurred for the Project except those specifically eligible for Surface Transportation Program funds and obligations as approved by the Department under the terms of this Agreement.

## **AVAILABILITY OF FUNDS**

All terms and conditions of this Agreement are dependent upon, and, subject to the allocation of funds for the purpose set forth in the Agreement and the Agreement shall automatically terminate if funds cease to be available.



## **IMPROPER USE OF FUNDS**

Where either the Department or the FHWA determines that the funds paid to the Agency for this Project are not used in accordance with the terms of this Agreement, the Department will bill the Agency.

## **TERMINATION OF PROJECT**

If the Agency decides to terminate the Project without the concurrence of the Department, the Agency shall reimburse the Department one hundred percent (100%) of all costs expended by the Department and associated with the Project.

## **AUDITS**

In accordance with 2 CFR 200 "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," Subpart F – Audit Requirements and the Federal Single Audit Act Amendments of 1996, the Agency shall arrange for an annual independent financial and compliance audit of its fiscal operations. The Agency shall furnish the Department with a copy of the annual independent audit report within thirty (30) days of completion of the report, but not later than nine (9) months after the Agency's fiscal year ends.

## **REIMBURSEMENT BY AGENCY**

For all monies due the Department as referenced in this Agreement, reimbursement shall be made by the Agency to the Department within sixty (60) days of receiving an invoice. A late payment penalty and interest shall be charged on any unpaid balance due in accordance with NCGS 147-86.23.

## **ENTIRE AGREEMENT**

This Agreement contains the entire agreement between the parties and there are no understandings or agreements, verbal or otherwise, regarding this Agreement except as expressly set forth herein.

## **AUTHORIZATION TO EXECUTE**

The parties hereby acknowledge that the individual executing the Agreement on their behalf is authorized to execute this Agreement on their behalf and to bind the respective entities to the

terms contained herein and that he has read this Agreement, conferred with his attorney, and fully understands its contents.

### **FACSIMILE SIGNATURES**

A copy or facsimile copy of the signature of any party shall be deemed an original with each fully executed copy of the Agreement as binding as an original, and the parties agree that this Agreement can be executed in counterparts, as duplicate originals, with facsimile signatures sufficient to evidence an agreement to be bound by the terms of the Agreement.

### **GIFT BAN**

By Executive Order 24, issued by Governor Perdue, and NCGS 133-32, it is unlawful for any vendor or contractor (i.e. architect, bidder, contractor, construction manager, design professional, engineer, landlord, offeror, seller, subcontractor, supplier, or vendor), to make gifts or to give favors to any State employee of the Governor's Cabinet Agencies (i.e. Administration, Commerce, Correction, Crime Control and Public Safety, Cultural Resources, Environment and Natural Resources, Health and Human Services, Juvenile Justice and Delinquency Prevention, Revenue, Transportation, and the Office of the Governor).

### **IRAN DIVESTMENT ACT**

Pursuant to G.S. 147-86.59, any person identified as engaging in investment activities in Iran, determined by appearing on the Final Divestment List created by the State Treasurer pursuant to G.S. 147-86.58, is ineligible to contract with the State of North Carolina or any political subdivision of the State. The Iran Divestment Act of 2015, G.S. 147-86.55 et seq. requires that each vendor, prior to contracting with the State, certify that the contracting party meets the requirements of the Iran Disinvestment Act. The State Treasurer's Final Divestment List can be found on the State Treasurer's website at the address [www.nctreasurer.com/iran](http://www.nctreasurer.com/iran) and will be updated every 180 days.

By execution of this Agreement each Party certifies that neither it nor its Agents or Contactors/Subcontractors 1) are on the Final Divestment List of entities that the State Treasurer has determined engages in investment activities in Iran; 2) shall not utilize on any contract with the State agency any subcontractor that is identified on the Final Divestment List; and 3) that the undersigned are authorized by the Parties to make this Certification.

During the term of this Agreement, should the Parties receive information that a person is in violation of the Act as stated above, the Department will offer the person an opportunity to respond and the Department will take action as appropriate and provided for by law, rule, or

contract. Should this Act be voided by NC General Statute, this Agreement will remain valid; however this certification will no longer be required.

### **13. SUNSET PROVISION**

All terms and conditions of this Agreement are dependent upon, and subject to, the allocation of funds for the purpose set forth in the Agreement and the Agreement shall automatically terminate if funds cease to be available.

IT IS UNDERSTOOD AND AGREED that the approval of the Project by the Department is subject to the conditions of this Agreement, and that no expenditures of funds on the part of the Department will be made until the terms of this Agreement have been complied with on the part of the Agency.

IN WITNESS WHEREOF, this Agreement has been executed, in duplicate, the day and year heretofore set out, on the part of the Department and the Agency by authority duly given.

L.S. ATTEST: CENTRALINA COUNCIL OF GOVERNMENTS

BY: \_\_\_\_\_ BY: \_\_\_\_\_

TITLE: \_\_\_\_\_ TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

NCGS 133-32 and Executive Order 24 prohibit the offer to, or acceptance by, any State Employee of any gift from anyone with a contract with the State, or from any person seeking to do business with the State. By execution of any response in this procurement, you attest, for your entire organization and its employees or agents, that you are not aware that any such gift has been offered, accepted, or promised by any employees of your organization.

Approved by \_\_\_\_\_ of the Centralina Council of Governments as attested to by the signature of \_\_\_\_\_ Clerk of the \_\_\_\_\_ on \_\_\_\_\_(Date)

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

(SEAL)

\_\_\_\_\_  
(FINANCE OFFICER)

Federal Tax Identification Number

\_\_\_\_\_  
Centralina Council of Governments

Remittance Address:

\_\_\_\_\_  
DEPARTMENT OF TRANSPORTATION

BY: \_\_\_\_\_  
(CHIEF ENGINEER)

DATE: \_\_\_\_\_

APPROVED BY BOARD OF TRANSPORTATION ITEM O: \_\_\_\_\_(Date)



Centralina Council of Governments

**Item 4**



## Board Agenda Item Cover Sheet

<b>Board Meeting Date:</b>	September 14, 2016	<b>Agenda Item Type:</b>	<b>Consent:</b>		<b>Regular:</b>	X
<b>Submitting Person:</b>	Jim Prosser	<b>Presentation Time (est.):</b>	10 minutes			
<b>Presenter at meeting:</b>	Jim Prosser	<b>Phone Number/Ext:</b>	(704) 348-2703			
		<b>Email:</b>	<a href="mailto:jprosser@centralina.org">jprosser@centralina.org</a>			
<b>Alternate Contact:</b>	None	<b>Phone Number/Ext:</b>				
		<b>Email:</b>				
<b>Submitting Department:</b>	Executive	<b>Department Head Approval:</b>				
<b>Board Expectation:</b> <i>(required action or responsibility expected from Board members)</i>						
Authorize payment of merit pay for Centralina employees effective July 1, 2016.						
<b>Description of Agenda Item:</b>						
Merit pay adjustments						
<b>Background &amp; Basis of Recommendations:</b>						
<p>The budget for the Fiscal Year Ending June 30, 2016 has been prepared with a 2% merit adjustment included in department budgets. The budget as prepared is balanced including this increase. However, it has been our practice to receive separate authorization for implementation of the merit increase budget from the Executive Board.</p> <p>Cost of living adjustments (separate from merit increases) have not been included within the budget, so for most employees, potential merit increases will be the only salary increase realized. Merit adjustments are based on employee performance review and are expected to range from 0% to 3%. Merit pay also supports maintaining competitive pay for our employees which is especially important given the need to retain and attract high performing staff for the increasingly challenging and complex work delivered by Centralina in a highly competitive region.</p> <p>Over the last seven years, the Board has authorized salary adjustment as follows:  2009 – No increase or merit adjustments  2010 – No increase or merit adjustments  2011 – No increase or merit adjustments  2012 – Cost of living adjustment (across the board) 2.5%  2013 – Pay and class adjustments (varied – and merit adjustment pool of 2.5%  2014 – 2.5% merit adjustment pool (exact amount per employee varies dependent upon performance).  2015 – 2.5% merit adjustment pool (exact amount per employee varies dependent upon performance).</p> <p>The cost of providing a merit increase pool of 2% is estimated at \$48,000. Of that amount, \$34,000 will be reimbursed by grant revenues (direct and indirect), leaving a net amount of \$14,000 to be funded by non-grant funds. The principle sources of non-grant funds include member dues and technical contract services. Projected revenues from these sources indicate sufficient revenues to recover the cost of merit increases.</p> <p>Not providing the increase would provide additional revenue (\$14,000 to offset prior years' operating deficit reflecting the net amount funded from non-grant sources. The portion of savings achieved by not providing merit increases for positions funded by grants would not be available to contribute to fund balance.</p> <p>While an increase of fund balance would clearly be beneficial, the recommendation for a merit increase is based on the belief that doing so will support a work environment needed to continue to grow our existing and new services required to sustain long-term financial stability.</p>						



<b>Action / Recommendation:</b>	
Provide direction to staff regarding changes to budget plans and authorize the provision of merit increases with a total pool of 2% of salaries based on employee evaluation results.	
<b>Time Sensitivity</b> ( <i>none or explain</i> ):	As noted.
<b>Budget Impact</b> ( <i>if applicable</i> ):	Merit increases would add a gross cost of \$48,000 and approximately \$14,000 net of non-grant reimbursed cost.
<b>List of Attachments</b> ( <i>if any</i> ):	None.



Centralina Council of Governments

**Item 5**





## Board Agenda Item Cover Sheet

<b>Board Meeting Date:</b>	September 14, 2016	<b>Agenda Item Type:</b>	<b>Consent:</b>	<b>Regular:</b>	x
<b>Submitting Person:</b>	Vicki Bott	<b>Presentation Time (est.):</b>	20 minutes		
<b>Presenter at meeting:</b>	Leslie Mozingo	<b>Phone Number/Ext:</b>	202-255-5760		
		<b>Email:</b>	<a href="mailto:leslie@strategics.consulting">leslie@strategics.consulting</a>		
<b>Alternate Contact Person:</b>	Vicki Bott	<b>Phone Number/Ext:</b>	704-348-2702		
		<b>Email:</b>	<a href="mailto:vbott@centralina.org">vbott@centralina.org</a>		
<b>Submitting Department:</b>	<b>Grants Dev.</b>	<b>Department Head Approval:</b>			
<b>Board Expectation: (required action or responsibility expected from Board members)</b>					
The Executive Board will review performance measures on federal relations consulting services provided by Strategics Consulting, and consider accepting an initial performance report.					
<b>Description of Agenda Item:</b>					
Leslie Mozingo of Strategics Consulting will present a performance measures report for the period July-August 2016, based on performance measures developed in consultation with the Federal Relations Committee.					
<b>Background &amp; Basis of Recommendations:</b>					
At its June 8 meeting, the Executive Board requested that specific performance measures for CCOG's contract with Strategics Consulting be developed and reported on at each Executive Board meeting.					
The Chairman subsequently formed the Federal Relations Committee and asked Patsy Kinsey, George Dunlap, Martin Oakes, and Bill Feather to join him on it. The Committee met with Leslie Mozingo of Strategics and Vicki Bott of CCOG in August to develop those measures.					
Leslie prepared a July-August Performance Report based on those measures for the Executive Board's review at this September meeting.					
<b>Action / Recommendation:</b>					
The Board is asked to provide feedback on the performance measures.					
The Board is asked to accept the July-August Performance Report as information.					
<i>I move that the Strategics Consulting Performance Report for July-August 2016 be accepted.</i>					
<b>Time Sensitivity (none or explain):</b>	Feedback from the Executive Board concerning the report will shape both ongoing activities under the contract with Strategics and future reports.				
<b>Budget Impact (if applicable):</b>	None.				
<b>List of Attachments (if any):</b>	Recommended Performance Metrics				

## **FEDERAL CONSULTING AGREEMENT WITH STRATEGICS PERFORMANCE METRICS**

Recognizing that these things take time, CCOG will use the following performance measures to acknowledge and evaluate progress made by our federal consultant.

### **VALUE TO CCOG**

Review and provide feedback on federal competitive grants prior to submission, draft letters of support and organize support strategies.

Analyze federal agency grants for areas of opportunities to support CCOG priorities:

- Innovation Corridors
- Career Headlight
- Regional Freight

Where there are no good fits, work with CCOG to start creating new opportunities for the priorities listed above.

Alert CCOG to competitive grant funding opportunity announcements.

Alert CCOG to legislation and executive action where new funding opportunities are created.

Build knowledge of CCOG's positive reputation with Congressional Delegation and Executive Offices.

Connect CCOG with key points of contact.

Report quarterly to Executive Board.

### **VALUE TO CCOG MEMBERS**

Provide notice on competitive grant opportunities for local governments.

Conduct quarterly "Lunch and Learn" grants workshops at CCOG offices.

Review and provide feedback on six federal competitive grants brought forward from CCOG members on a first-come-first-serve basis, prior to submission, as well as draft letters of support and organize support strategy for those six applications.

Draft customized talking points for communications with Congressional Delegation and staff members.



Centralina Council of Governments

**Item 6**



## Board Agenda Item Cover Sheet

<b>Board Meeting Date:</b>	September 14, 2016	<b>Agenda Item Type:</b>	<b>Consent:</b>	<b>Regular:</b>	x
<b>Submitting Person:</b>	Vicki Bott	<b>Presentation Time (est.):</b>	20 minutes		
<b>Presenter at meeting:</b>	Sarah McAulay, Jennifer Nichols	<b>Phone Number/Ext:</b>			
		<b>Email:</b>			
<b>Alternate Contact Person:</b>	Vicki Bott	<b>Phone Number/Ext:</b>	704-348-2702		
		<b>Email:</b>	<a href="mailto:vbott@centralina.org">vbott@centralina.org</a>		
<b>Submitting Department:</b>	<b>Grants Development</b>	<b>Department Head Approval:</b>			
<b>Board Expectation:</b> <i>(required action or responsibility expected from Board members)</i>					
The Executive Board will be asked to assist with “friend-raising” and “door-opening” in support of Centralina Foundation’s efforts to raise funds for initiatives on which it is partnering with CCOG.					
<b>Description of Agenda Item:</b>					
Centralina Foundation chair Sarah McAulay will share a brief progress update on private-sector fundraising efforts and will then share with Executive Board members the Foundation’s <u>confidential</u> prospecting documents, asking for Board members’ assistance with ongoing prospecting efforts.					
<b>Background &amp; Basis of Recommendations:</b>					
Centralina Foundation is partnering with CCOG to obtain private-sector support for certain regional initiatives of CCOG that the Foundation’s Board of Trustees has adopted as its priorities.					
The Centralina Foundation has engaged Jennifer Nichols as its private-sector fundraising consultant and has adopted the Intentional Inquiries approach recommended by Ms. Nichols. In this approach, funding prospect organizations are first approached to see if a mutually beneficial relationship is possible (“relationship exploration”). This approach relies on identifying an existing relationship connection between the prospect and the Foundation or its network of partners or champions (“friend-raising”). The existing relationship connection then makes an introduction for the Foundation (“door-opening”) so the Foundation can ask for a relationship exploration meeting.					
The Foundation has been conducting the Intentional Inquiries approach within its network of relationship connections, but to be most successful, needs to broaden that network to include relationship connections of its partners and champions, such as CCOG Executive Board members. The Foundation seeks the assistance of Executive Board members with friend-raising and door-opening.					
<b>Action / Recommendation:</b>					
Individual members of the Board are asked to volunteer to assist with Centralina Foundation’s “Intentional Inquiries” prospecting by committing to:					
<ul style="list-style-type: none"> <li>a) identifying two or more new prospects (with contact person info), or new contacts at existing prospects, where the Board member has or can provide a relationship connection (“friend-raising”); and/or,</li> <li>b) making a phone call (or arrange for it to be made) to the relationship connection, to provide an introduction for Centralina Foundation and an anticipated request from Jennifer Nichols for an exploratory meeting (“door-opening” for a meeting); and/or,</li> <li>c) accompanying one or more Centralina Foundation representatives to an exploratory meeting with a prospect with which the Board member has a relationship connection (“door-opening” at a meeting).</li> </ul>					
The Board is asked to pass a resolution encouraging such volunteer commitments:					
<i>Resolved, whereas Centralina Foundation is partnering with CCOG on certain high-priority regional initiatives and is working to secure private-sector funding for those initiatives, and whereas relationship connections are key to Centralina Foundation’s Intentional Inquiries approach, CCOG does hereby</i>					



*encourage its Executive Board members to commit to assisting with those efforts through “friend-raising” and “door-opening.”*

<b>Time Sensitivity</b> <i>(none or explain):</i>	The Regional Freight Project and Centralina Career Headlight Initiative are both at a juncture where additional non-governmental funds are needed if they are to move forward and achieve maximum impact for the region.
<b>Budget Impact</b> <i>(if applicable):</i>	Funds raised by the Foundation for CCOG initiatives will enable those programs to continue operating, and will provide much-needed infusions of cash, improving CCOG’s financial position.
<b>List of Attachments</b> <i>(if any):</i>	None. (Confidential handouts will be shared at the meeting.)



Centralina Council of Governments

**Item 7**



## Board Agenda Item Cover Sheet

<b>Board Meeting Date:</b>	September 14, 2016	<b>Agenda Item Type:</b>	<b>Consent:</b>	<b>Regular:</b>	X
<b>Submitting Person:</b>	Jason Wager	<b>Presentation Time (est.):</b>	5 minutes		
<b>Presenter at meeting:</b>	Jason Wager	<b>Phone Number/Ext:</b>	704-348-2707		
		<b>Email:</b>	<a href="mailto:jwager@centralina.org">jwager@centralina.org</a>		
<b>Alternate Contact Person:</b>	Jim Prosser	<b>Phone Number/Ext:</b>	704-348-2703		
		<b>Email:</b>	<a href="mailto:jprosser@centralina.org">jprosser@centralina.org</a>		
<b>Submitting Department:</b>	<b>Planning</b>	<b>Department Head Approval:</b>	<i>Michelle E. Nance</i>		
<b>Description of Agenda Item:</b>					
Catawba Wateree Relicensing Agreement Modification Update					
<b>Background &amp; Basis of Recommendations:</b>					
<ul style="list-style-type: none"> <li>• Modifications to the Comprehensive Relicensing Agreement (CRA) for the Catawba-Wateree Hydro Project, (FERC Project No. 2232) require the consent of all CRA Parties, which include Centralina and several CCOG member governments.</li> <li>• On May 25, 2016, Duke Energy distributed Revision 2 to all Parties thus beginning a 60-day period from the date the notice for Parties to review, sign, and return to Duke Energy its response to each proposed CRA modification. A summary of these revisions is attached to this packet.</li> <li>• These revisions had previously been: <ul style="list-style-type: none"> <li>• Presented at an All Parties meeting on February 29, 2016,</li> <li>• Discussed and reviewed at a Centralina hosted meeting of CCOG member governments that are also CRA Parties on March 23, 2016, and</li> <li>• Were posted by Duke Energy for comment and review from March 31 through May 2, 2016.</li> </ul> </li> <li>• Given that no significant comments or concerns were expressed and that the timing logistics of pulling together a quorum of the Centralina Executive Board to give the Executive Director authority to take formal action was not practical, Centralina staff decided the best course of action was to take advantage of the “60-day provision” in the CRA which states that Parties not responding within 60 days after receiving a CRA Revision are deemed to have consented to all modifications.</li> <li>• As of August 26, 2016, Duke Energy communicated that all CRA Revision 2 modifications have been approved by CRA Parties, with roughly half of the Parties responding by returning their completed signature forms.</li> </ul>					
<b>Action / Recommendation:</b>					
<ol style="list-style-type: none"> <li>1. Receive as information.</li> <li>2. Take note that the CRA, formally executed on December 22, 2006, following the November 2015 issuance of a New License by FERC, is remerging as a working document that informs and guides many opportunities and decisions to be made along the Catawba River in near and long-term future and should be actively incorporated into local discussions related to the Catawba River.</li> </ol>					
<b>Time Sensitivity (none or explain):</b>	None				
<b>Budget Impact (if applicable):</b>	None				
<b>List of Attachments (if any):</b>	Revision 2 to the CRA-Summary_May 2016				

## REVISION 2 of the Comprehensive Relicensing Agreement for the Catawba-Wateree Hydro Project, FERC Project No. 2232

### Summary of CRA Revision 2 Modifications

Modification	CRA Party Requesting (Reason)	Affected CRA Section(s)	Modification Implementation Date
Change 6,000 cfs recreation flow release at Wylie Hydro Station to 3,000 cfs	Carolina Canoe Club (Safety)	<u>Appendix A, page A-6</u>	After state water quality certification amendment and FERC license amendment approvals are received.
Repurpose East Wateree Access Area funding	Kershaw County, SC and SC Department of Natural Resources (Changed circumstances)	<u>10.27.35.4</u>	Immediately upon reissuance of this Revision incorporating Party approvals.
Additional option for funding for Upper Wylie Motorboat Launch Improvements	Belmont, NC, Mecklenburg County, NC and Duke Energy (Improve drought resiliency)	<u>10.27.21.3</u>	Immediately upon reissuance of this Revision incorporating Party approvals.
Technology flexibility for flood management at Lake Wateree	Duke Energy (Thorough consideration of options)	<u>14.6.3</u>	After FERC license amendment approval is received (Note: This is not a requirement of state water quality certifications).
Add six inches to James, Norman, and Wylie summer Normal Target Elevations (Catawba-Wateree Water Management Group's (CWWMG) Water Supply Master Plan)	Duke Energy and other CRA Parties that are also CWWMG Members (Improve drought resiliency)	<u>Appendix A, pages A-1 and A-2</u>	State water quality certification amendment and FERC license amendment approvals are required. If approvals are received, this modification would be implemented after Wateree Dam is modified to improve flood management or 12/31/2025 whichever is later.



## REVISION 2 of the Comprehensive Relicensing Agreement for the Catawba-Wateree Hydro Project, FERC Project No. 2232

### CRA Revision 2 Modified Text

The individual CRA modifications in their final form are presented as follows. For ease of identification, text modified from the December 22, 2006, Signature Copy of the CRA, Revision 1 is shown in bold italics.

### **CRA Appendix A, page A-6:**

(C) Wylie Development – Within 60 days following issuance of this license, the Licensee shall provide recreational flow releases at the Wylie Development in accordance with the following schedule in the table below. In addition, the Licensee shall, from May 1 to July 15 inclusive, release at least 1,300 cfs for six hours prior to the recreational flow release scheduled start times shown in the table below to ensure suitable water levels at Landsford Canal State Park.

<b>Wylie Development Recreational Flow Schedule</b>				
<b>Dates (inclusive)</b>	<b>Days / Description</b>	<b>Flow (at or above) (cfs)</b>	<b>Hour Start</b>	<b>Hour End</b>
Apr 1-Apr 30	Last full weekend – Saturday and Sunday	3,000	10:00 am	4:00 pm
May 1-Jun 15	Each Friday, Saturday and Sunday plus Memorial Day	3,000	10:00 am	4:00 pm
Jun 16-Jul 15	Each Friday, Saturday and Sunday plus Independence Day	<b><i>3,000</i></b>	10:00 am	4:00 pm
Jul 16-Aug 31	Each Saturday and Sunday	<b><i>3,000</i></b>	10:00 am	4:00 pm
Sep 1-Sep 30	Each Friday, Saturday and Sunday plus Labor Day	<b><i>3,000</i></b>	10:00 am	4:00 pm
Oct 1-Oct 31	Each Saturday and Sunday	3,000	10:00 am	4:00 pm

## REVISION 2 of the Comprehensive Relicensing Agreement for the Catawba-Wateree Hydro Project, FERC Project No. 2232

### CRA Section 10.27.35.4:

10.27.35.4 East Wateree Access Improvements – Provided that Kershaw County, SC is a Party to this Agreement and that Kershaw County, SC acquires in fee-simple ownership suitable property that adjoins the Licensee's property on the east side of Lake Wateree, the Licensee shall provide funding to Kershaw County, SC (up to \$900,000 total), within five years following the FERC's issuance of the New License and the closure of all rehearing and administrative challenge periods related to recreation, for the County to construct two motorized boat ramps with a courtesy dock, paved and lighted parking, and a swimming area with bathhouse and paved parking on the County-acquired property to improve public access to the east side of Lake Wateree. Kershaw County, SC shall manage the access area and shall maintain all facilities. This new access area shall not be included in the FERC Project Boundaries.

If Kershaw County, SC is not a Party to this Agreement, or if the County does not acquire suitable property **or chooses not to develop the described amenities**, then the Licensee shall make its funding, up to \$900,000 total, available, within **one year**, to **the SCDNR to support enhancement and protection of fish and wildlife populations, including rare, threatened or endangered species in the Catawba-Wateree River Basin; biodiversity protection and enhancement; environmental outreach programs; and/or the purchase of land in the Catawba-Wateree River Basin for conservation, wildlife management and/or compatible public recreation**. If **the SCDNR** does not agree **to use this funding in this manner**, the Licensee shall be under no obligation to provide these funds described in this Paragraph 10.27.35.4.

## REVISION 2 of the Comprehensive Relicensing Agreement for the Catawba-Wateree Hydro Project, FERC Project No. 2232

### CRA Section 10.27.21.3:

10.27.21.3 Upper Wylie Access Area – Provided that Mecklenburg County, NC is a Party to this Agreement and that Mecklenburg County, NC owns and provides suitable land at the Highway 74 Bridge, the Licensee shall provide to the County up to \$435,000 for the County to construct a double-lane concrete boat ramp **with courtesy** dock and paved and lighted parking for up to 100 vehicles and trailers within five years following FERC issuance of the New License and the closure of all rehearing and administrative challenge periods related to recreation. The County shall maintain the boating access facility.

If Mecklenburg County, NC is not a Party to this Agreement, chooses not to receive the funding **or not to build the subject access area**, or does not build the subject access area in the first five years following the FERC's issuance of the New License and the closure of all rehearing and administrative challenge periods related to recreation, then the Licensee shall **make its funding** (up to \$435,000) **available** within **five** years following the FERC's issuance of the New License and the closure of all rehearing and administrative challenge periods related to recreation **to be divided equally between Mecklenburg County, NC and the City of Belmont, NC (provided each is a Party to this Agreement). The City of Belmont shall use its funding to develop** public **motorboat** access facilities at **the Kevin Loftin Park adjoining the Highway 74 Bridge provided it agrees to maintain the enhancements for the term of the New License. Mecklenburg County, NC shall use its funding to make or arrange for enhancements (e.g., new boat ramp and/or extension of existing boat ramp(s) with other supporting amenities) at the existing Copperhead Access Area to facilitate launching and retrieval of motorboats with Lake Wylie at levels well below its Normal Minimum Elevation (target boat ramp use down to at least 91.0 ft local datum), provided Mecklenburg County, NC (the current Copperhead Access Area lessee) agrees to maintain the enhancements for the term of the New License. The Licensee will perform or arrange for the design of the ramp extension.**

**If either Mecklenburg County, NC or the City of Belmont, NC does not use its share of this funding as described, the funding will revert to the other Party to use to develop the amenities described in this Paragraph 10.27.21.3.**

**If neither Mecklenburg County, NC nor the City of Belmont, NC use its funding as described herein, then the Licensee shall** be under no obligation to provide the funding or **make the enhancements** in this Paragraph 10.27.21.3.

## REVISION 2 of the Comprehensive Relicensing Agreement for the Catawba-Wateree Hydro Project, FERC Project No. 2232

### CRA Section 14.6.3:

#### 14.6.3 Flood Management at Lake Wateree

14.6.3.1 The Parties agree that installing a bladder dam (similar in concept to the Bridgestone Rubber Dam Option evaluated in the Wateree High Water Level Management Study (Operations 08) conducted during the relicensing process) **or another flow release technology on** the dam's **spillway sufficient** to provide approximately 10,000 cfs flow release capacity with the reservoir at full pond elevation will improve the Licensee's flood management capabilities at Lake Wateree, but that it will not prevent flooding on Lake Wateree above any specific elevation.

14.6.3.2 The Parties agree that the existing flood easements held by the Licensee on Lake Wateree shall remain in place.

14.6.3.3 The Parties understand that even with the **improved flow release technology**, water elevations in the upstream areas of Lake Wateree may be substantially higher during flood events than the water elevations at Wateree Dam.

14.6.3.4 The Parties agree that, except for government entities with specific statutory responsibilities at the Project related to flood management, Parties to this Agreement shall not advocate for or request the installation of other or additional flood management structural improvements at or adjoining any Project dam or reservoir prior to issuance of the New License and the closure of all rehearing and administrative challenge periods.

14.6.3.5 The Parties agree that, except for government entities with specific statutory responsibilities at the Project related to flood management, Parties to this Agreement shall not advocate for or request the installation of other or additional flood management structural improvements at or adjoining Wateree Dam or Lake Wateree for at least the first 10 years following completion of the modifications to Wateree Dam.

14.6.3.6 Provided that all of the following conditions are met, the Licensee shall modify Wateree Dam to improve its ability to manage flooding events by removing a portion of the existing concrete from the dam's crest and installing **an improved flow technology, such as a** bladder dam (similar in concept to the Bridgestone Rubber Dam Option evaluated in the Wateree High Water Level Management Study (Operations 08) conducted during the relicensing process) **or another flow release technology on** the dam's spillway **sufficient** to provide approximately 10,000 cfs flow release capacity with the reservoir at full pond elevation.

- 1) Modification Feasibility – (i) Detailed engineering analysis of the dam modification to be conducted by the Licensee demonstrates that the modification is feasible; and, (ii) the Licensee is able to obtain the necessary approvals and permits, including FERC approval, to make the modification.
- 2) Reservoir Level Management during Construction – The approved construction technique allows construction costs to be reduced by maintaining the water level in Lake Wateree to the extent possible between the elevations

## REVISION 2 of the Comprehensive Relicensing Agreement for the Catawba-Wateree Hydro Project, FERC Project No. 2232

of approximately 93.0 ft and 94.0 ft for the duration of the dam construction (expected to take 6 to 10 months depending primarily on weather).

- 3) Both the Lake Wateree Association (LWA) and the Lake Wateree Homeowners' Association (WHOA) – Fairfield County are Parties to this Agreement.
- 4) Community Partnerships – Both the LWA and WHOA shall actively assist the Licensee during the period beginning approximately 18 months prior to the start of construction and continuing until approximately one year following construction completion to gain support from the lake community and to help minimize the impact of the construction project on the people and resources that depend on Lake Wateree. This assistance includes in-kind services to be provided by the LWA and WHOA to support activities such as:
  - a) Cultural resource studies, monitoring and looting prevention in support of the lowered reservoir levels;
  - b) Fish and wildlife studies and monitoring in support of the lowered reservoir levels;
  - c) Soliciting project support from members of the LWA and WHOA organizations as well as from other lake-area property owners;
  - d) Soliciting project support from owners of property in the vicinity of the Wateree River downstream of Wateree Dam;
  - e) Soliciting project support from the operators of businesses (public marinas, real estate companies, etc.);
  - f) Soliciting project support from resource agencies (e.g., SCDPRT, SCDNR, South Carolina Department of Health and Environmental Control, South Carolina Department of Archives and History, US Army Corps of Engineers, United States Fish and Wildlife Service, National Marine Fisheries Service, etc.);
  - g) Soliciting project support from owners of water intakes (e.g., City of Camden, Lugoff Elgin Water Authority, any fire protection hydrants);
  - h) Soliciting project support from the Catawba Indian Nation and local governments; and
  - i) Coordinating activities that require lake-use permits from the Licensee.

14.6.3.7 Dam Modification Schedule – The dam modification, ***either a bladder dam or another flow release technology to provide approximately 10,000 cfs flow***, shall occur on a schedule to be developed by the Licensee as part of the detailed engineering analysis and approved by the FERC. The Licensee shall file a license amendment request with the FERC including the detailed engineering analysis and schedule for approval within 18 months following the date of completion of the dam modifications at

**REVISION 2 of the Comprehensive Relicensing Agreement for the Catawba-Wateree Hydro Project, FERC Project No. 2232**

the Great Falls-Dearborn Development that are needed to provide prescribed flow releases. Completion of the construction at Wateree Dam, ***either a bladder dam or another flow release technology***, is targeted for eight years following the date of issuance of the New License and the closure of all rehearing and administrative challenge periods.

## REVISION 2 of the Comprehensive Relicensing Agreement for the Catawba-Wateree Hydro Project, FERC Project No. 2232

CRA Appendix A, pages A-1 and A-2:

### ARTICLE – Reservoir Elevations

(A) Reservoir Elevations – Within 60 days following the issuance of this license, to protect and enhance the Project’s values that may be affected by reservoir level fluctuations, the Licensee shall maintain the elevations of the Project reservoirs between the Normal Minimum and Normal Maximum Elevations indicated in the tables below and shall endeavor in good faith to achieve the Normal Target Elevations in the tables. All elevations in the tables below are relative to the top of the dam (including floodgates and flashboards where applicable) with 100.0 ft. = Full Pond Elevation. The elevations included in the tables are for the first day of the given month; elevations for other days of the month are determined by linear interpolation.

<b>Lake James (Full Pond is 1200.0 ft. above Mean Sea Level (MSL))</b>			
Month	Normal Minimum (ft.)	Normal Target (ft.)	Normal Maximum (ft.)
January	93	96	100
February	92	94	100
March	92	95	100
April	92	96	100
May - October	95	<i>98 (98.5 after Wateree Dam is modified to improve flood management or 12/31/2025 whichever is later)</i>	100
November - December	93	96	100

<b>Lake Rhodhiss (Full Pond is 995.1 ft. MSL)</b>			
Month	Normal Minimum (ft.)	Normal Target (ft.)	Normal Maximum (ft.)
January - December	94	97	100

<b>Lake Hickory (Full Pond is 935.0 ft. MSL)</b>			
Month	Normal Minimum (ft.)	Normal Target (ft.)	Normal Maximum (ft.)
January - February	94	96	100
March – December	94	97	100

<b>Lookout Shoals Lake (Full Pond is 838.1 ft. MSL)</b>			
Month	Normal Minimum (ft.)	Normal Target (ft.)	Normal Maximum (ft.)

## REVISION 2 of the Comprehensive Relicensing Agreement for the Catawba-Wateree Hydro Project, FERC Project No. 2232

January - December	94	97	100
--------------------	----	----	-----

<b>Lake Norman (Full Pond is 760.0 ft. MSL)</b>			
Month	Normal Minimum (ft.)	Normal Target (ft.)	Normal Maximum (ft.)
January	93	96	100
February	91	94	100
March	92.26	95.26	100
April	93.65	96.65	100
May - October	95	<i>98 (98.5 after Wateree Dam is modified to improve flood management or 12/31/2025 whichever is later)</i>	100
November	93.98	97	100
December	93	96	100

<b>Mountain Island Lake (Full Pond is 647.5 ft. MSL)</b>			
Month	Normal Minimum (ft.)	Normal Target (ft.)	Normal Maximum (ft.)
January - December	94.3	96	100

<b>Lake Wylie (Full Pond is 569.4 ft. MSL)</b>			
Month	Normal Minimum (ft.)	Normal Target (ft.)	Normal Maximum (ft.)
January - <i>April</i>	94	97	100
<i>May - October</i>	<i>94</i>	<i>97 (97.5 after Wateree Dam is modified to improve flood management or 12/31/2025 whichever is later)</i>	<i>100</i>
<i>November - December</i>	<i>94</i>	<i>97</i>	<i>100</i>

<b>Fishing Creek Reservoir (Full Pond is 417.2 ft. MSL)</b>			
Month	Normal Minimum (ft.)	Normal Target (ft.)	Normal Maximum (ft.)
January - December	95	98	100

<b>Great Falls Reservoir (Full Pond is 355.8 ft. MSL)</b>			
Month	Normal Minimum (ft.)	Normal Target (ft.)	Normal Maximum (ft.)
January - December	95	97.5	100



**REVISION 2 of the Comprehensive Relicensing Agreement for the Catawba-Wateree Hydro Project, FERC Project No. 2232**

IN WITNESS WHEREOF, having had opportunity to review the previously described CRA modifications, the Party named below indicates which CRA modifications the Party approves and does not approve. Each modification row must be signed and dated.

CRA Party: \_\_\_\_\_

<b>Modification</b>	<b>Approved</b>	<b>Not Approved</b>	<b>Authorized Signature</b>	<b>Print Name and Title</b>	<b>Date</b>
<b>Change 6,000 cfs recreation flow release at Wylie Hydro Station to 3,000 cfs</b>					
<b>Repurpose East Wateree Access Area funding</b>					
<b>Additional option for funding for Upper Wylie Motorboat Launch Improvements</b>					
<b>Technology flexibility for flood management at Lake Wateree</b>					
<b>Add six inches to James, Norman, and Wylie summer Normal Target Elevations (Catawba-Wateree Water Management Group's (CWWMG) Water Supply Master Plan)</b>					



Centralina Council of Governments

**Item 8**



## Board Agenda Item Cover Sheet

<b>Board Meeting Date:</b>	September 14, 2016	<b>Agenda Item Type:</b>	<b>Consent:</b>		<b>Regular:</b>	X
<b>Submitting Person:</b>	Kelly Weston	<b>Presentation Time (est.):</b>	5 minutes			
<b>Presenter at meeting:</b>	Patsy Kinsey	<b>Phone Number/Ext:</b>				
		<b>Email:</b>				
<b>Alternate Contact Person:</b>	Kelly Weston	<b>Phone Number/Ext:</b>	(704) 348-2728			
		<b>Email:</b>	<a href="mailto:kweston@centralina.org">kweston@centralina.org</a>			
<b>Submitting Department:</b>	<b>General Government</b>	<b>Department Head Approval:</b>	Jim Prosser			
<b>Board Expectation:</b> <i>(required action or responsibility expected from Board members)</i>						
The Executive Board is asked to receive an update on planning activities for the 2017 CCOG Regional Conference, approve a proposed budget for the event, and assist staff in recruiting Conference sponsors.						
<b>Description of Agenda Item:</b>						
Staff will provide a brief update of planning activities for the CCOG Regional Conference. Staff will also present a Conference budget proposal for the Executive Board's review and approval. To assist with meeting the event's sponsorship goals, staff will request the Board Members' assistance in securing top-level sponsors.						
<b>Background &amp; Basis of Recommendations:</b>						
<p>The CCOG Regional Conference, "Creative Solutions for Thriving Communities," is designed to provide elected officials and local government staff with practical tools and solutions to address their communities' biggest challenges. On December 3, 2015, CCOG held the second annual Conference in Gastonia, NC with a program that focused on economic and social resilience.</p> <p>Through a partnership with the Federal Reserve Bank of Richmond and the Federal Deposit Insurance Corporation, staff anticipates securing a keynote speaker at a cost-savings and attracting new sponsors.</p>						
<b>Action / Recommendation:</b>						
I move that the Executive Board approve the proposed budget for the 2017 CCOG Regional Conference and commit to assisting staff with recruiting sponsors as outlined in the sponsorship plan presented.						
<b>Time Sensitivity</b> <i>(none or explain):</i>	Sponsorship recruitment should begin as soon as possible in order to meet the sponsorship goal of approximately \$35,000.					
<b>Budget Impact</b> <i>(if applicable):</i>	Conference revenues of \$54,000 in the form of sponsorships and registration fees are expected to equal or exceed overall expenses of \$51,350.					
<b>List of Attachments</b> <i>(if any):</i>	<ul style="list-style-type: none"> <li>• Proposed 2017 CCOG Regional Conference Budget</li> <li>• Sponsorship Goals and Prospects</li> <li>• Prospect Suggestions</li> </ul>					

(as of 8-31-16)

### 2017 CCOG Conference Budget

<b>EXPENSES</b>	<b>Responsible Party</b>	<b>Apr. - Jun</b>	<b>Jul. - Feb.</b>	<b>Mar. - Jun.</b>	<b>TOTAL</b>
Venue (space rental, tables/chairs, A/V, WiFi)	CCOG	\$ 925.00	\$ 725.00		\$ 1,650
Breakfast	Sponsor				\$ 5,000
Morning Keynote Speaker & Travel Fees	Sponsor				\$ 7,500
Lunch	Richmond Fed				\$ 10,000
Break Refreshments	Sponsor				\$ 1,000
Afternoon Keynote Speaker Fees	Richmond Fed				\$ 7,500
Speaker Travel	Richmond Fed				\$ 1,000
Conference Consultant	CCOG				\$ 3,000
Pre-Conference Marketing	CCOG				\$ 4,000
Social Media	CCOG				\$ 1,000
Signage Printing	CCOG/Sponsor				\$ 1,000
Program Design and Printing	CCOG/Sponsor				\$ 5,000
Credit Card Fees	Richmond Fed				\$ 1,500
AICP Credits	CCOG/Sponsor				\$ 700
Conference Bags	Sponsor				\$ 1,000
Miscellaneous (Contingency)					\$ 500
<b>Estimated CCOG Expenses</b>		\$ 925.00	\$ 725	\$ -	\$ 15,850
<b>Estimated Fed Expenses</b>		\$ -	\$ -	\$ -	\$ 20,000
<b>Total Estimated Expenses</b>		\$ 925.00	\$ 725.00	\$ -	\$ 51,350
<b>REVENUE</b>		<b>Apr. - Jun</b>	<b>Jul. - Feb.</b>	<b>Mar. - Jun.</b>	<b>TOTAL</b>
Registration (based on 200 attendees @ \$100 each)					\$ 20,000
Sponsorships (including Fed)					\$ 34,500
<b>Total Estimated Revenue</b>		\$ -	\$ -	\$ -	\$ 54,500
<b>NET SURPLUS /(DEFICIT)</b>		\$ (925)	\$ (725)	\$ -	\$ 3,150



2017 CCOG Annual Conference

Conference Date: 4-6-17

### Sponsorship Goals & Prospects

Goal: \$35,000

Levels:

		Quantity	Total
Platinum	\$10,000	1	\$10,000
Gold	\$5,000	2	\$10,000
Silver	\$2,500	3	\$7,500
Bronze	\$1,250	6	\$7,500
<b>Tot.</b>			<b>\$35,000</b>

Targets:

- Banks, Credit Unions (CRA officers) – reach before end of Oct for 2017 annual budget-setting
- Professionals (e.g. real estate developers, engineering/design firms, lawyers)
- Major corporations (e.g. Google, Apple, etc.)
- Community Colleges
- Non-profits (EDCs, Chambers, healthcare institutions, Human Svcs)
- CCOG Vendors
- Employers of Board members, CCOG staff spouses
- Others?

Methods:

- Personalized request (in person meeting, telephone, email – depending on target level)
- GoFundMe/KickStart?

Tasks:

1. Develop sponsorship prospecting list
2. Develop sponsorship prospecting materials & web content
3. Secure Platinum (1) and Gold (2+) Conference Sponsors by Oct 31. (\$20,000+)
4. Secure Silver (3+) and Bronze (6+) Conference Sponsors by Dec 31. (\$15,000+)
5. Work with Registration and Program committees to secure commitments by mid-March for:
  - a. Exhibitor tables (5+ @ \$1,000 ea = \$5,000)
  - b. Event-day Program Ads (2 pages worth, var sizes pro-rated from \$500/pg = \$1,000)
  - c. Reserved Plenary Tables (2+ @ \$800 ea = \$1,600)

Please suggest at least 2 Platinum and 4 Gold prospects on the Prospects Suggestions sheet, attached.



## Prospect Suggestions 2017

Suggested by: \_\_\_\_\_

### Platinum/Gold Sponsor Prospects

✓	Organization	Contact	Title	Phone	Email

✓ if you can help “door-open” (request a meeting)



Centralina Council of Governments

**Item 9**



## Board Agenda Item Cover Sheet

<b>Board Meeting Date:</b>	September 14, 2016	<b>Agenda Item Type:</b>	<b>Consent:</b>	<b>Regular:</b>	X
<b>Submitting Person:</b>	Jim Prosser	<b>Presentation Time (est.):</b>	15 minutes		
<b>Presenter at meeting:</b>	Jim Prosser	<b>Phone Number/Ext:</b>	(704) 748-2703		
		<b>Email:</b>	<a href="mailto:jprosser@centralina.org">jprosser@centralina.org</a>		
<b>Alternate Contact Person:</b>	Linda Miller	<b>Phone Number/Ext:</b>	(704) 348-2712		
		<b>Email:</b>	<a href="mailto:lmiller@centralina.org">lmiller@centralina.org</a>		
<b>Submitting Department:</b>	Executive	<b>Department Head Approval:</b>			
<b>Board Expectation:</b> <i>(required action or responsibility expected from Board members)</i>					
Approval of lease agreement for 9815 David Taylor Drive.					
<b>Description of Agenda Item:</b>					
Approval of five-year lease agreement for Centralina COG offices for 9815 David Taylor Drive.					
<b>Background &amp; Basis of Recommendations:</b>					
<p>A lease agreement has been prepared for 9815 David Taylor Drive. The lease includes the following key terms:</p> <ol style="list-style-type: none"> <li>1. 62-month term including first 2 months no cost rent.</li> <li>2. Lease commences on January 1, 2017</li> <li>3. Leased space 16,693 square feet includes space for large meeting room to accommodate Board of Delegates meetings (and similar uses).</li> <li>4. Lease cost initial year \$283,781 (\$17/sf). Annual increase of 3%.</li> <li>5. Upfit allowance of \$283,781.</li> </ol> <p>Centralina has secured a release from our current sublease with Bank of America for the remainder of the term (May 2018).</p>					
<b>Action / Recommendation:</b>					
Motion to authorize execution of a lease agreement for 9815 David Taylor Drive for a term of 62 months commencing January 1, 2017.					
<b>Time Sensitivity (none or explain):</b>	Authorization of lease agreement will permit occupancy on January 1, 2017.				
<b>Budget Impact (if applicable):</b>	If this timeline is met, occupancy costs will be reduced by approximately \$50,000 in current fiscal year ending June 30, 2017. Annual savings are estimated to be approximately \$100,000 annually.				
<b>List of Attachments (if any):</b>	<ol style="list-style-type: none"> <li>1. Lease agreement</li> <li>2. Lease terms summary</li> <li>3. Building diagram</li> <li>4. Building marketing materials including location map</li> </ol>				



**LEASE AGREEMENT**  
(9815 David Taylor Drive, Charlotte, NC)

THIS LEASE AGREEMENT (the "**Lease**"), dated and entered into and effective as of \_\_\_\_\_, 2016, is made by and between **AVAGO TECHNOLOGIES WIRELESS (U.S.A.) MANUFACTURING, INC.**, a Delaware corporation (the "**Landlord**"), and **CENTRALINA COUNCIL OF GOVERNMENTS**, a Regional Council of Governments (the "**Tenant**").

**WHEREAS**, Landlord is the owner in fee simple of that certain approximately 18.71-acre parcel of land located at 9815 David Taylor Drive in Charlotte, Mecklenburg County, North Carolina, and more particularly described on Exhibit A attached hereto and made a part hereof (the "**Land**");

**WHEREAS**, located on the Land is a two-story office building (the "**Building**") (the Land, together with the Building, other building(s), and all other improvements on the Land, are collectively referred to herein as the "**Property**"); and

**WHEREAS**, Landlord is willing to lease to Tenant, and Tenant is willing to lease from Landlord, certain premises in the first floor of the Building and as more particularly described in Sec. 1(a) below (the "**Premises**"), on the terms and conditions set forth below.

**NOW, THEREFORE**, for and in consideration of the covenants contained herein and other good and valuable considerations, the receipt and sufficiency whereof are hereby acknowledged by each of the parties hereto, Landlord shall lease the Property to Tenant upon the terms and conditions set forth herein.

1. **PREMISES.**

(a) The "**Premises**" are comprised of 16,693 rentable square feet in the first floor of the Building, being 8,357 rentable square feet in the west wing and identified as Suite 100, and 8,336 rentable square feet in the east wing and identified as Suite 150, and as depicted on Exhibit B attached hereto and made a part hereof.

(b) Landlord also grants to Tenant during the Lease Term (as such term is defined in Sec. 2(a) below) the non-exclusive right to use the reception area in the first floor of the Building (as depicted on Exhibit B), and the kitchen in the second floor of the Building (as depicted on Exhibit B-1 attached hereto and made a part hereof) (collectively, the "**Shared Areas**").

(c) Landlord also grants to Tenant during the Lease Term the non-exclusive right to use the stairs and elevators from the Premises to the Shared Areas, entrances and exits, access roads and driveways, parking facilities, pedestrian walkways and sidewalks, landscaped areas, and trash or rubbish areas located on the Land (collectively, the

“**Common Areas**”). In particular, Landlord grants to Tenant during the Lease Term the non-exclusive right to use up to sixty-six (66) parking spaces located on the Land. Tenant shall be entitled to use, in common with others entitled thereto, the Common Areas subject to the terms and conditions of this Lease and to reasonable and uniform rules and regulations which may be prescribed from time to time by Landlord.

## 2. **TERM.**

(a) The initial term of this Lease (“**Initial Term**”) shall begin on the earlier of (i) the date that Landlord delivers the Premises to Tenant with the Work (as such term is defined in Sec. 3(c) of Exhibit C attached hereto and made a part hereof) Substantially Completed (as such term is defined in Sec. 6 of Exhibit C) and (ii) one hundred fifty (150) days after the date of this Lease (the “**Commencement Date**”). The Initial Term shall continue until the end of the sixty-second (62<sup>nd</sup>) full calendar month, unless Tenant extends the Lease term as provided in Sec. 2(b) below. The Initial Term and the “**Renewal Term**” (as defined in Sec. 2(b) below), if exercised, are collectively referred to herein as the “**Lease Term**”.

Tenant may have access to the Premises approximately three (3) weeks prior to Landlord’s projected Commencement Date (the “**Early Occupancy Period**”) for the purpose of installing its systems furniture, equipment and data cabling, if any. Tenant shall coordinate such access with Landlord so that such installation does not interfere with or delay the Work. Tenant agrees that all terms of this Lease, other than with respect to payment of Rent, shall apply during the Early Occupancy Period, including without limitation (x) Tenant’s obligation to indemnify Landlord and (y) maintain the insurance coverages required herein.

Within ten (10) business days of the Commencement Date, Landlord will deliver to Tenant a stipulation in the form attached to this Lease as Exhibit D (with the blanks properly completed). Within five (5) business days after its receipt of such commencement date stipulation, Tenant shall execute and deliver to Landlord a signed original thereof. Failure of Tenant to deliver to Landlord a signed original commencement date stipulation shall constitute a default, but shall not delay or prevent the occurrence of the Commencement Date.

(b) Landlord hereby grants to Tenant one (1) five (5) year renewal option (the “**Renewal Term**”) upon the same terms and conditions as are in effect during the Initial Term hereof, provided that: (i) at the time Tenant exercises its option with respect to the Renewal Term, Tenant is not in default of any of the terms, covenants and conditions of this Lease, (ii) Tenant provides Landlord with written notice (the “**Option Notice**”) of its election to exercise its option with respect to the Renewal Term not less than nine (9) months prior to the expiration of the Initial Term, and (iii) at the commencement of the Renewal Term, Tenant is not in default of any of the terms, covenants and conditions of this Lease. During the Renewal Term, if properly exercised, annual rent shall be at Fair-Market Value, which shall be determined as set forth in section 3(d) below

## 3. **RENT.**

(a) During the Initial Term, Tenant shall pay to Landlord an annual rental (“**Base Rent**”) as follows: (i) from the date that is two (2) months after the Commencement Date (the “**Rent Commencement Date**”) and continuing until the end of the twelfth (12<sup>th</sup>) full calendar month thereafter, Base Rent at the rate of Seventeen and 00/100 Dollars (\$17.00) per rentable square foot of the Premises, equal to Two Hundred Eighty-Three Thousand Seven Hundred Eighty-One and 00/100 Dollars (\$283,781.00) annually, and Twenty-Three-Thousand Six Hundred Forty-Eight and 42/100 Dollars (\$23,648.42) month; and (ii) during the remainder of the Initial Term, Base Rent shall increase three percent (3%) on each anniversary of the Rent Commencement Date.

(b) During the Lease Term, Base Rent shall be paid in equal monthly installments, in advance, on the first day of every calendar month without notice, offset, counterclaim or deduction.

(c) Any and all monetary obligations (other than Base Rent) owed by Tenant to Landlord under this Lease (including, but not limited to, the payment of any Excess Costs as defined in Sec. 7 of Exhibit C attached hereto) shall be “**Additional Rent.**” Base Rent and Additional Rent are collectively referred to herein as “**Rent.**” Rent for any partial months in the Lease Term shall be prorated based on the number of days in that month.

(d) For purposes of this Lease, “Fair-Market Value” shall mean the fair market value rental rate, including escalations (annual or otherwise) and all concessions, for comparable space in the office market of the Northeast/University area of Charlotte, North Carolina leased by third-party tenants, taking into consideration comparable leases and factors such as building size, building quality, floor height, parking availability and rate, lease term, square footage, creditworthiness of the tenant, and concessions for renewing tenants. Not later than forty-five (45) days after receiving Tenant’s Option Notice pursuant to Sec. 2(b) above, Landlord shall provide Tenant with Landlord’s good faith estimate of the Fair-Market Value. If Tenant disagrees with Landlord’s determination of Fair-Market Value, then the parties shall use their good faith efforts to agree upon the Fair-Market Value within forty-five (45) days after Tenant’s receipt of Landlord’s determination. If the parties are unable to agree upon the Fair-Market Value by the expiration of such forty-five (45) day period, Tenant’s Option Notice shall be deemed rescinded, and Tenant shall not have any right to any Renewal Term.

(e) If Tenant fails to pay any installment of Rent when due, then the full amount of the delinquent installment shall bear interest at the lesser of: (i) eight percent (8%) per annum; or (ii) the maximum rate permitted by law, from the date due until the date paid.

#### 4. **TAXES; UTILITIES; SERVICES.**

(a) During the Lease Term, (i) Landlord shall pay prior to delinquency all real estate taxes and assessments levied or imposed against the Property, and (ii) Tenant shall

pay prior to delinquency all personal property taxes levied or assessed against Tenant's personal property used in or about the Property.

(b) Landlord shall provide for Tenant's use heat, electricity, and water for customary general office use during normal business hours (being Mondays through Fridays, excluding national holidays, 7 a.m. – 6 p.m., and Saturdays, 9 a.m. – 1 p.m.). Landlord shall not be liable for any interruption or failure in the supply or character of any such utility services. Notwithstanding the normal business hours of the Building, Tenant may access the Premises on a 24/7/365 basis.

(c) Landlord shall not be obligated to furnish any utilities other than as stated in subsection (b) above. Any request by Tenant for additional or after-hour services and utilities must be communicated to Landlord at least twenty-four (24) hours prior to the time that such services and utilities are needed by Tenant. If Landlord elects to furnish services requested by Tenant, Tenant shall pay to Landlord as additional rent Landlord's cost for such services within thirty (30) days after billing. If Tenant requests Landlord elects to provide heat and air-conditioning in the Premises at times other than normal business hours as stated in subsection (b) above, Tenant shall pay to Landlord as additional rent for such additional utilities at the rate of Twenty-Five Dollars (\$25.00) per hour for each of the "east wing" or the "west wing" of the Premises.

(d) Landlord will provide janitorial services for trash removal, basic cleaning and dusting in the Premises two (2) days per week.

(e) Tenant shall make arrangements directly with the service providers for the Building for telephone, data and other communications service in the Premises desired by Tenant. Tenant shall pay for all such services used or consumed in the Premises, including the cost of installation, maintenance and replacement of any items.

5. **USE.** Tenant may use and occupy the Property only for general office use. Tenant may not use the Property for any other purpose without Landlord's prior written consent, which may be granted or withheld in Landlord's sole discretion.

6. **MAINTENANCE AND REPAIRS.**

(a) Except to the extent any such repairs or replacements are the responsibility of Tenant pursuant to the terms of Sec. 6(b) below Landlord shall be responsible for maintaining, repairing and replacing:

(i) the roof, foundations, exterior windows, doors, and walls, and all structural parts of the Building;

(ii) all Common Areas; and

(iii) all utility, sprinkler service, electrical and plumbing lines and HVAC and mechanical systems within or outside the Premises.

(b) Tenant shall, at its own cost and expense, be responsible for maintaining its telephone and cable service and its personal property. Tenant shall not commit or allow any waste to be committed on any portion of the Premises.

**7. ALTERATIONS AND IMPROVEMENTS; FIXTURES AND EQUIPMENT; LIENS; SIGNAGE.**

(a) Landlord has agreed to provide certain improvements with respect to the Premises as set forth in the work letter attached as Exhibit C (the "Work Letter"). In connection therewith, Landlord has agreed to provide an Upfit Allowance in the amount set forth in Sec. 8 of the Work Letter, to be disbursed as set forth in the Work Letter.

(b) Tenant shall not, without the prior written consent of Landlord, which consent may be granted by Landlord in its sole but reasonable discretion, make or cause to be made any alteration, improvement, addition or installation in or to the Premises subsequent to the initial occupancy of the Premises by Tenant. If Landlord so consents, before commencement of any such work or delivery of any materials into the Premises or the Building, Tenant shall furnish to Landlord for Landlord's approval: architectural plans and specifications, names and addresses of all contractors, contracts, all necessary permits and licenses, certificates of insurance and instruments of indemnification against any and all claims, costs, expenses, damages and liabilities which may arise in connection with such work, all in such form and amount as may be required by Landlord. Tenant agrees to hold Landlord and its agents (including any property manager) and employees harmless against all claims and liabilities of every kind, nature and description which may arise out of or in any way be connected with such work, subject to the waiver and waiver of subrogation provisions set forth in Section 8(d) below. Tenant shall pay the cost of all such work. Upon completion of such work, Tenant shall furnish Landlord with contractors' affidavits and final waivers of lien covering all labor, services and materials expended. All such work shall: (i) be done in compliance with all applicable legal, governmental and quasi-governmental requirements, ordinances and rules, and all requirements of applicable insurance companies; (ii) be done in a good and workmanlike manner and with the use of good grades of materials including fire protection grades equivalent with those of the Building; (iii) not adversely affect the structural integrity or the mechanical, electrical or plumbing systems of the Building or exceed applicable design load limits; and (iv) not entail cutting or boring into any structural portion of the Building, except with Landlord's prior written consent, which consent may be granted or withheld in Landlord's sole discretion. Notwithstanding the foregoing, Tenant may install decorative alterations such as installation of wall coverings, hanging of paintings, prints and other wall hangings, painting of walls or similar alterations affecting only the interior of the Premises. All alterations, improvements, additions and installations to or on the Premises shall (subject to subsection (c) below) become part of the Premises at the time of their installation and shall remain in the Premises at the expiration or termination of this Lease or termination of Tenant's right of possession of the Premises, without compensation or credit to Tenant.

(c) Any and all movable or removable furnishings, fixtures, equipment and personalty purchased by or belonging to Tenant, or leased from third parties by Tenant

and installed on the Property by Tenant (whether or not affixed), shall be herein called “**Tenant’s FF&E**”. Tenant shall own title to, or the leasehold interest in, as the case may be, Tenant’s FF&E to the exclusion of Landlord. At any time and from time to time during the term of this Lease, Tenant may remove and/or replace any of Tenant's FF&E from the Property; provided that Tenant shall repair the Property as necessary and appropriate.

(d) Tenant shall promptly remove and discharge any lien, security interest or encumbrance upon the Property which arises for any reason, including, without limitation, all liens which arise out of the possession, use, occupancy, construction, repair or rebuilding of the Property or by reason of labor or materials furnished to Tenant or for the Property. Tenant may provide a bond or other security reasonably acceptable to Landlord to remove or pay all costs associated with the removal of any such lien. Nothing contained in this Lease shall be construed as constituting the consent or request of Landlord, express or implied, to or for the performance (on behalf of or for the benefit of Landlord) by any contractor, laborer, material man or vendor, of any labor or services or for the furnishing of any materials for any construction, alteration, addition, repair or demolition of or to the Property. Notice is hereby given that Landlord will not be liable for any labor, services or materials furnished or to be furnished to Tenant, or to anyone holding an interest in the Property or any part thereof through or under Tenant, and that no mechanic's or other liens for any such labor, services or materials shall attach to or affect the interest of Landlord in and to the Property.

(e) Tenant may install signage at the Property, subject to (i) all applicable legal requirements and (ii) Landlord’s approval, which may be granted or withheld in its sole discretion.

## 8. **INSURANCE.**

(a) During the Lease Term, Tenant, at its sole cost and expense, shall maintain:

(i) Public liability insurance against claims for bodily injury, death or property damage, occurring on, in, or about the Property, in or about the adjoining streets, property and passage ways, such insurance to afford protection of not less than Three Million and 00/100 Dollars (\$3,000,000.00) in respect of bodily injury or death, and of not less than Two Million and 00/100 Dollars (\$2,000,000.00) for property damage.

(ii) Workers’ Compensation Insurance covering all persons employed in connection with any work done on or about the Property with respect to which claims for death or bodily injury could be asserted against Landlord, Tenant, or the Property.

(iii) Business interruption or rent loss insurance in amounts sufficient to all Rent due under this Lease for a period of at least one year.

(b) All such insurance shall be written by companies authorized to do business

in the state of North Carolina and carrying a claims paying ability rating of at least AX by Standard & Poor's Ratings Group and, with the exception of workers' compensation insurance and employer's liability insurance, shall name Landlord (and its lender) as an additional insured as its interest may appear.

If requested in writing by Landlord, each policy (except for workers' compensation insurance) shall also bear a mortgage endorsement in favor of the holder of any mortgage encumbering the Property, provided that Landlord shall provide the name and address of each such mortgagee to the Tenant. Any loss under such policy shall be made payable as the interests of the parties may appear.

(c) Tenant shall deliver to Landlord (and its lender upon request) certificates of insurance, reasonably satisfactory to Landlord (and its lender, if applicable) and evidencing the existence of all insurance which is required to be maintained by Tenant hereunder and payment of all premiums therefor, such delivery to be made (i) prior to Tenant's entry onto the Property and (ii) at least thirty (30) days prior to the expiration of any such insurance

(d) Landlord and Tenant shall each endeavor to secure an appropriate clause in, or an endorsement upon, each fire or extended coverage insurance policy obtained by it and covering the Property, Tenant's FF&E and any other property located therein or thereon, pursuant to which the respective insurance companies waive subrogation or permit the insured, prior to any loss, to agree with a third party to waive any claim it might have against said third party. The waiver of subrogation or permission for waiver of any claim hereinbefore referred to shall extend to the agents of each party and its employees. Subject to the foregoing provisions of this Article, and insofar as may be permitted by the terms of the insurance policies carried by it, each party hereby releases the other with respect to any claim (including a claim for negligence) which it might otherwise have against the other party for loss, damages or destruction with respect to its property by fire or other casualty, to the extent of the insurance coverage.

## 9. CASUALTY.

(a) If as a result of fire or casualty (hereinafter, a "**Casualty**"), the Building is completely destroyed or damaged to an extent of more than fifty percent (50%) of the full replacement cost thereof, Landlord may elect, by giving written notice to Tenant within ninety (90) days of such fire or casualty, either to:

(i) terminate this Lease as of the date of the Casualty; or

(ii) proceed diligently, as soon as practicable, to repair or restore the Building (other than leasehold improvements and personal property installed by Tenant) to substantially the same condition as existed immediately prior to the casualty.

If Landlord elects to repair or restore, Landlord's notice shall set forth Landlord's reasonable estimate of the time required to substantially complete the repair

or restoration. If Landlord's estimate indicates that the time required will exceed two hundred ten (210) days after the date of the Casualty, or if Landlord commences repair and restoration and fails to substantially complete same within two hundred ten (210) days from the date of the Casualty, then Tenant shall have the right to terminate this Lease as of the date of the Casualty by giving written notice of termination to Landlord within twenty (20) days after the date of Landlord's notice, or (ii) thirty (30) days of the date that is two hundred ten (210) days from the date of the Casualty.

(b) If as a result of a Casualty the Premises are completely destroyed or damaged to an extent of more than fifty percent (50%) of the full replacement cost thereof, Tenant may elect, by giving written notice to Tenant within ninety (90) days of such fire or casualty, to terminate this Lease as of the date of the casualty.

If Tenant does not elect to terminate this Lease pursuant to the preceding paragraph, Landlord shall proceed diligently, as soon as practicable, to repair or restore the Premises (other than leasehold improvements and personal property installed by Tenant) to substantially the same condition as existed immediately prior to the Casualty.

In such event, Landlord shall notify Tenant of Landlord's reasonable estimate of the time required to substantially complete the repair or restoration. If Landlord's estimate indicates that the time required will exceed two hundred ten (210) days after the date of the Casualty, or if Landlord commences repair and restoration and fails to substantially complete same within two hundred ten (210) days from the date of the Casualty, then Tenant shall have the right to terminate this Lease as of the date of the casualty by giving written notice of termination to Landlord within twenty (20) days after the date of Landlord's notice, or (ii) thirty (30) days of the date that is two hundred ten (210) days from the date of the Casualty.

(c) If either the Premises or the Building is damaged by a Casualty to an extent of fifty percent (50%) or less of the full replacement cost of the Premises or the Building, as the case may be, as described in subsections (a) and (b) above, and the Lease is not terminated pursuant to those provisions, then Landlord shall diligently proceed to repair and restore the damaged portions, other than any leasehold improvements and personal property installed by Tenant, to substantially the same condition as existed immediately prior to the Casualty, unless the damage occurs during the last twelve (12) months of the Lease Term, in which event either Landlord or Tenant shall have the right to terminate this Lease as of the date of the Casualty by giving written notice of termination to the other within thirty (30) days after the date of the Casualty.

If Landlord commences repair and restoration and fails to substantially complete same within two hundred ten (210) days from the date of the Casualty, then Tenant shall have the right, at its option, to terminate this Lease as of the date of the Casualty by giving written notice of termination to Landlord within twenty (20) days after the date that is two hundred ten (210) days from the date of the Casualty.

(d) If all or any part of the Premises is damaged by a Casualty and this Lease is not terminated, promptly after completion of Landlord's repair and restoration, Tenant



shall promptly and with due diligence repair and restore the leasehold improvements and personal property previously installed by Tenant pursuant to this Lease, or may install such other leasehold improvements and personal property as Tenant elects.

(e) Tenant shall not be entitled to any compensation or damages from Landlord, or any abatement of Rent, for the loss or the use of the whole or any part of Property and/or for any inconvenience or annoyance occasioned by any Casualty.

#### 10. **CONDEMNATION.**

(a) If all or any part of the Premises or the Building is permanently taken or condemned by any competent authority for any public use or purpose (including a deed given in lieu of condemnation) (hereinafter, a “**Taking**”), and the taking renders the Premises substantially untenable, this Lease shall terminate as of the date title vests in the condemning authority, and all Rent shall be apportioned as of that date.

In addition, notwithstanding anything in this Lease to the contrary, in the event of a Taking that results in a reduction of more than twenty-five percent (25%) of the parking spaces available to the Premises on the Land or that materially and adversely impairs vehicular access to the Building from David Taylor Drive, Tenant shall have the right to terminate this Lease effective as of the date title vests in the condemning authority by written notice to Landlord, and Tenant’s obligation to pay Rent shall terminate as of that date.

(b) In the event of a Taking, and this Lease is not terminated pursuant to Sec. 10(a) above, Rent shall be reduced for the period of the taking by an amount which bears the same ratio to Rent then in effect as the number of square feet of Rentable Area in the Premises taken or condemned, if any, bears to the Rentable Area of the Premises prior to the taking. Landlord, upon receipt and to the extent of the award in condemnation or proceeds of sale, shall make necessary repairs and restorations (exclusive of leasehold improvements and personal property installed by Tenant) to restore the Premises to as near its former condition as circumstances will permit, and to the Building to the extent necessary to constitute the remaining portion as a complete architectural unit. In the event of any Taking, the Rentable Area of the Premises specified in this Lease shall be reduced for all purposes under this Lease by the number of square feet of Rentable Area taken or condemned, as determined and certified by an independent professional architect selected by Landlord and reasonably satisfactory to Tenant.

(c) Landlord shall be entitled to receive the entire price or award from any Taking without any payment to Tenant, and Tenant hereby assigns to Landlord Tenant’s interest, if any, in such award; provided, however, Tenant shall have the right separately to pursue against the condemning authority an award for its personal property and in respect of its moving and relocation expenses.

(d) In the event of a Taking for an emergency or other temporary condition and does not involve a permanent Taking (a “**Temporary Taking**”), then this Lease will

continue in full force and effect without any abatement of Rent, and any and all Award for the Temporary Taking shall be paid to Landlord.

11. **ASSIGNMENT AND SUBLETTING.**

(a) Without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned, or delayed, Tenant shall not sublease the Property, permit the Property (or any part thereof) to be used or occupied by others, or assign, mortgage, pledge, hypothecate or otherwise transfer or permit the transfer of this Lease or its interest in this Lease, in whole or in part, by operation of law, court decree or otherwise.

(b) If Tenant desires to assign this Lease or enter into any sublease or license of the Property, Tenant shall deliver written notice of its intent to Landlord, together with a copy of the proposed assignment, sublease or license, at least twenty (20) days prior to the effective date of the proposed assignment or the commencement date of the term of the proposed sublease or license, as the case may be. Any approved sublease shall be subject to the terms and conditions of this Lease, and Tenant shall pay to Landlord, on the first day of each month during the term of the sublease, fifty percent (50%) of the excess of all rent and other consideration due from the subtenant for that month over that portion of the Rent due under this Lease for that month which is allocable on a square footage basis to the space sublet, after deduction of Tenant's reasonable costs incurred in connection with such sublease, including, without limitation, free rent concessions, tenant improvement costs, brokerage commissions and all other concessions that are given by Tenant as part of such transaction.

(c) In the event of any sublease or assignment, Tenant shall not be released or discharged from any liability under this Lease, including any extension of the Lease Term, except as may be expressly stated by Landlord's consent.

12. **COMPLIANCE WITH LAWS; AUTHORITY.**

(a) Tenant, at its sole expense, shall comply with all building and zoning laws and with all other laws, ordinances, orders, rules, regulations, and requirements of all federal, state and municipal governments and the appropriate departments, commissions, boards and officers thereof, including, without limitation, "Environmental Laws" (as such term is defined in Article 13 below), and in accordance with the rules, orders and regulations of any national or local Board of Fire Underwriters or any other body hereafter constituted exercising similar functions (collectively "Laws") regarding the use or operation of the Premises.

(b) By its delivery of this Lease, Tenant confirms that it has obtained all necessary authorization(s) to execute and deliver, and perform its obligations under, this Lease.

13. **ENVIRONMENTAL MATTERS.**

(a) Tenant shall not use, generate, manufacture, produce, store, release, discharge or dispose of on, in or under any portion of the Property, or transport to or from any portion of the Property, any Hazardous Material (as defined in Sec. 13(e) below), or allow any other person or entity to do so.

(b) Tenant shall comply with all applicable Environmental Laws with respect to Tenant's use and occupancy of the Premises and Property.

(c) Tenant shall promptly notify Landlord should Tenant receive notice of or otherwise become aware of any: (i) pending or threatened environmental regulatory action against Tenant, the Premises or the Property; (ii) claims made or threatened by any third party against Tenant or with respect to the Property relating to any loss or injury resulting from any Hazardous Material; (iii) release or discharge or threatened release or discharge of any Hazardous Material in, on, under or about the Premises or the Property; or (4) violation of any Environmental Law with respect to the Premises or the Property.

(d) Tenant shall indemnify, defend and hold harmless Landlord, its property manager, and their respective agents, employees, successors and assigns, from and against any and all liabilities, claims, demands, damages, liens, penalties, costs and expenses of every kind and nature (including without limitation reasonable attorneys' fees) directly or indirectly attributable to Tenant's failure to comply with this Sec. 13. Tenant's indemnity contained in this Sec. 13 shall survive the termination or expiration of this Lease.

(e) As used in this Lease, (i) "**Hazardous Material**" means any substance or material meeting any one or more of the following criteria: (a) it is or contains a substance designated as a hazardous waste, hazardous substance, hazardous material, pollutant, contaminant or toxic substance under any Environmental Law; (b) it is toxic, reactive, corrosive, ignitable, infectious, radioactive or otherwise hazardous; or (c) it is or contains, without limiting the foregoing, medical waste or petroleum hydrocarbons; and (ii) "**Environmental Law**" means any federal, state or local law, statute, ordinance, rule, regulation, permit, directive, license, approval, guidance, interpretation, order or other legal requirement relating to the protection of safety, human health or the environment.

(f) To the best of Landlord actual knowledge, without any duty to investigate, the Building is free from Hazardous Materials.

14. **SECURITY DEPOSIT.** As security for the performance of its obligations under this Lease, Tenant, upon its execution of this Lease, shall pay to Landlord a security deposit ("Security Deposit") in the amount of Twenty-Six Thousand Six Hundred Sixteen and 50/100 Dollars (\$26,616.50). The Security Deposit may be applied by Landlord to cure any default of Tenant under this Lease or the Work Letter, and upon notice by Landlord of such application, Tenant shall replenish the Security Deposit in full by promptly paying to Landlord the amount so applied. Landlord shall not pay any interest on the Security Deposit. Within forty-five (45) days after the Expiration Date, Landlord shall return to Tenant the balance, if any, of the Security Deposit. The Security Deposit shall not be deemed an advance payment of Rent or a measure of

damages for any default by Tenant under this Lease, nor shall it bar or defense to any action which Landlord may at any time commence against Tenant.

15. **SURRENDER UPON TERMINATION.** Tenant shall, on the termination of the Lease Term, surrender to Landlord the Property free of all leases, tenancies and rights of occupancy of all parties and in good and broom-clean condition and repair, damage due to fire and casualty only excepted. Tenant shall have removed all of its property, including but not limited to the FF&E as well as any and all cabling installed by or on behalf of Tenant, from the Property.

16. **EVENTS OF DEFAULT.**

(a) Each of the following events shall be an “**Event of Default**” by Tenant under this Lease:

(i) Tenant shall fail to pay any installment of the Rent due hereunder;

(ii) Tenant shall fail to perform any other obligation hereunder, and shall not have cured such default within thirty (30) days after written notice thereof to Tenant;

(iii) Tenant shall file a petition in bankruptcy or for reorganization or for an arrangement pursuant to any federal or state law or shall be adjudicated a bankrupt or become insolvent or shall make an assignment for the benefit of creditors, or if a petition proposing the adjudication of Tenant as bankrupt or its reorganization pursuant to any federal or state bankruptcy law or any similar federal or state law shall be filed in any court, and Tenant shall consent to or acquiesce in the filing thereof, or such petition shall not be discharged or denied within thirty (30) days after the filing thereof; or

(iv) If a receiver, trustee or conservator of Tenant, or of all or substantially all of its, or of the Property or Tenant's estate therein shall be appointed in any proceeding brought by Tenant, or if any such receiver, trustee or conservator shall be appointed in any proceeding brought against Tenant and shall not be discharged within thirty (30) days after such appointment, or if Tenant shall consent to or acquiesce in such appointment.

(b) Upon the occurrence of an event of default by Tenant under this Lease, Landlord, at its option, without further notice or demand to Tenant, may, in addition to all other rights and remedies provided in this Lease, at law or in equity:

(i) terminate this Lease and Tenant's right of possession of the Premises, and recover all damages to which Landlord is entitled under law, specifically including, without limitation, all Landlord's commercially reasonable expenses of reletting (including repairs, alterations, improvements, additions, decorations, legal fees and brokerage commissions); or

(ii) terminate Tenant's right of possession of the Premises without terminating this Lease, in which event Landlord shall use commercially reasonable efforts to relet all or part of the Premises for the account of Tenant, for such rent and term and upon such terms and conditions as are reasonably acceptable to Landlord; or

(iii) enter upon the Property in accordance with all applicable legal processes and in a commercially reasonable manner and do whatever Tenant is obligated to do under the terms of this Lease, and Tenant agrees that Landlord shall not be liable for any damages resulting to Tenant from such action, and Tenant further agrees that all sums expended or expenses reasonably incurred by Landlord in performing such duty shall be deemed to be additional rent under this Lease, due and payable upon demand by Landlord; or

(iv) exercise all other remedies and seek all damages available to Landlord at law or in equity, including, without limitation, injunctive relief.

In the event a petition is filed by or against Tenant seeking a plan of reorganization or arrangement under the Bankruptcy Code, Landlord and Tenant agree, to the extent permitted by law, that the trustee in bankruptcy shall determine whether to assume or reject this Lease within sixty (60) days after the commencement of the case.

17. **HOLDING OVER BY TENANT.** If, without the consent of Landlord, Tenant shall remain in possession of the Property after the expiration of the Lease Term or the termination of Tenant's right of possession thereof, Tenant shall pay to Landlord one hundred fifty percent (150%) of the Base Rent then applicable, as well as other amounts payable under this Lease, for each month or partial month during which Tenant retains possession of the Property, or any part thereof. In addition, Tenant shall indemnify Landlord against all actual, out-of-pocket liabilities and damages sustained by Landlord by reason of such retention of possession. The provisions of this Sec. 18 shall not constitute a waiver by Landlord of any re-entry rights of Landlord available under this Lease or by law.

18. **COVENANT OF QUIET ENJOYMENT.** Landlord hereby covenants that Tenant shall at all times during the Lease Term peaceably and quietly enjoy the Property without any disturbance from Landlord or from any other person claiming under or through Landlord including any mortgagees of the Property.

19. **ESTOPPEL CERTIFICATE; FINANCIAL STATEMENT; SNDA.**

(a) Tenant shall, within thirty (30) days after its receipt of written request from Landlord, execute, acknowledge and deliver to Landlord a statement in writing and in form and substance reasonably requested by Landlord, executed by an appropriate officer of Tenant and certifying that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect as modified, and setting forth such modifications), the dates to which the Rent and other sums payable hereunder have been paid, and stating that no default on part of Tenant has occurred and remains uncured (or, if a default shall have occurred, stating with reasonable detail the nature of such default). Landlord and any mortgage holder or

prospective purchaser of the Property shall be entitled to rely upon such statement from Tenant.

(b) Tenant shall, within thirty (30) days after its receipt of written request from Landlord, deliver to Landlord Tenant’s most recent financial statements (including any notes to them).

(c) This Lease shall at all times be and remain prior and paramount to the lien or charge of all ground or underlying leases and deeds of trust or mortgages affecting the Property, and Tenant agrees to subordinate this Lease to a bona fide existing or future ground or underlying lease or first deed of trust or mortgage affecting the Property. Tenant agrees that if the Landlord or mortgagee, beneficiary or any other person claiming under such lease, mortgage or deed of trust shall succeed to the interest of the Landlord in this Lease, Tenant will recognize said Landlord, mortgagee, beneficiary or person as its Landlord under the terms of this Lease, provided that said Landlord, mortgagee, beneficiary or other person, during the period in which it shall be in possession of the Property, and thereafter its successors in interest, shall assume all of the obligations of Landlord hereunder and shall have executed and delivered the non-disturbance agreement referred to hereinabove. It is further understood and agreed that any purchaser taking title to the Property by reason of such foreclosure (or deed in lieu thereof) shall take title subject to the foregoing conditions of this Section.

20. **NOTICES.** Any notice or document required or permitted to be delivered hereunder shall be sent by a national overnight courier with a tracking system and addressed to the parties hereto at the respective addresses set out opposite their names below or at such other address as they have theretofore specified by written notice delivered in accordance herewith:

Landlord: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

With a copy to: c/o Broadcom  
1110 American Parkway NE  
Allentown, PA 18109  
Attn: Paul Bento, Senior Director, Corporate Counsel

Tenant: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

With a copy to: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

21. **WAIVER.** The waiver of any covenant or condition by Landlord shall not be construed as a waiver of a subsequent breach of the same covenant or condition, and the consent

or approval by Landlord to or of any act by Tenant requiring Landlord's consent, or approval shall not be deemed to render unnecessary Landlord's consent or approval to or of any subsequent similar act by Tenant. Any waiver must be in writing and signed by Landlord.

22. **REAL ESTATE BROKERS.** Tenant represents to Landlord that Tenant has not dealt with any real estate broker, provision broker, or finder receiving a commission in connection with this Lease, and no such person initiated or participated in the negotiation of this Lease, or showed the Premises to Tenant, except Paula Moss of CBRE, Inc. ("**Landlord's Broker**"), and Keith Bell and John Christenbury of Cushman & Wakefield ("**Tenant's Broker**"). Tenant agrees to indemnify and hold harmless Landlord and its property manager from and against any and all liabilities and claims for commissions and fees arising out of a breach of the foregoing representation. Landlord represents to Tenant that Landlord has not dealt with any real estate broker, provisional broker, or finder receiving a commission in connection with this Lease except for Landlord's Broker and Tenant's Broker, and no other person initiated or participated in the negotiation of this Lease. Landlord will pay Landlord's Broker and Tenant's Broker in accordance with a separate agreement between Landlord and each of Landlord's Broker and Tenant's Broker. Landlord agrees to indemnify and hold harmless Tenant from and against any and all liabilities and claims for commissions and fees arising out of a breach of the foregoing representations.

23. **LIABILITY OF LANDLORD.** Notwithstanding anything to the contrary provided in this Lease, it is specifically understood and agreed that there shall be absolutely no personal liability on the part of any partner, director, member, officer or shareholder of Landlord, its successors or assigns with respect to any of the terms, covenants and conditions of this Lease, and any liability on the part of Landlord shall be limited solely to the Property, such exculpation of liability to be absolute and without any exception whatsoever.

24. **ATTORNEY'S FEES.** In the event Landlord brings suit to enforce any provision hereof or for damages on account of any breach of this Lease, Landlord shall be entitled to recover from Tenant, in addition to any damages or other relief granted as a result of such litigation, all costs and expenses of such litigation and a reasonable attorneys' fee.

25. **MISCELLANEOUS.**

(a) The rights and obligations of the parties hereto shall be construed in accordance with the laws of the State of North Carolina. Any suit, action, or proceeding arising out of this Lease shall be submitted to and brought before the appropriate state and/or federal courts of the State of North Carolina.

(b) This Lease shall inure to the benefit of, and be binding upon, Landlord and Tenant, and their respective heirs, executors, legal representatives, successors, and permitted assigns.

(c) In the event that any provision of this Lease is held to be invalid or unenforceable, such holding shall not affect the validity or enforceability of any other provision hereof, and each provision of this Lease is agreed to be severable.

(d) Time is of the essence of this Lease.

(e) This Lease contains the entire agreement of the parties hereto with respect to the subject matter hereof, and no representations, inducements, promises or agreements, oral or otherwise, not expressly set forth herein, shall be of any force or effect. No amendment to this Lease and no waiver of any right hereunder shall be binding upon any party hereto unless such amendment or waiver is in writing and is signed by the party against whom enforcement thereof is sought.

[Remainder of page left intentionally blank.]



**IN WITNESS WHEREOF**, each of Landlord and Tenant has have executed this Lease Agreement as of the date first written above.

Landlord:

**AVAGO TECHNOLOGIES WIRELESS (U.S.A.)  
MANUFACTURING, INC.**

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

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

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

Tenant:

**CENTRALINA COUNCIL OF GOVERNMENTS**

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

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

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

**EXHIBIT A**

**Legal Description**

[from deed]

**EXHIBIT B**

**Floor Plan**

[CBRE to provide]

**EXHIBIT B-1**

**Floor Plan**

[to show kitchen on the second floor; CBRE to provide]

## EXHIBIT C

### Work Letter

#### 1. Test Fit.

(a) Landlord shall reimburse Tenant for the actual third-party, out-of-pocket expenses incurred by Tenant in connection with the preparation of preliminary space plan test fits for the Premises (the “**Space Planning Costs**”), such reimbursement not to exceed One Thousand Six Hundred Sixty-Nine and 30/100 Dollars (\$1,669.30) (the “**Space Planning Allowance**”), and subject to the provisions of this Sec. 1. Landlord shall provide Tenant the Space Planning Allowance after Tenant has delivered such invoice and confirmation of payment as Landlord may reasonably require.

(b) In the event Tenant’s total Space Planning Costs exceed the Space Planning Allowance, Tenant shall be solely responsible for such amounts in excess of the Space Planning Allowance.

(c) In the event Tenant’s total Space Planning Costs are less than the Space Planning Allowance, Landlord shall retain any such amounts.

(d) Landlord’s obligation to provide the Space Planning Allowance to Tenant shall expire at 11:59 pm on the date which is thirty (30) days following the date of this Lease.

#### 2. Space Plans.

(a) Preparation and Delivery. Tenant has requested that Landlord provide improvements with respect to the Premises as described in the general scope of work and a preliminary budget therefor shown in Schedule 1 attached hereto and made a part hereof. Promptly after the execution of this Lease, Landlord shall cause to be prepared a space plan prepared by an architect or design consultant selected by Landlord and approved by Tenant (the “**Designer**”), and depicting improvements to be installed in the Premises, together with a proposed construction schedule and preliminary budget in accordance with Tenant’s requirements set forth in Schedule 1 (collectively, the “**Preliminary Plans**”), and deliver the same to Tenant for its review and approval. The fee of such Designer shall be included in the Total Construction Costs (as such term is defined in Sec. 7 below). If, after the preparation of the Preliminary Plans, Tenant elects not to proceed with the work described therein, Tenant shall reimburse Landlord for all reasonable third-party expenses actually incurred by Landlord prior to its receipt of Tenant’s notice that Tenant has elected not to proceed.

(b) Approval Process. Tenant shall notify Landlord whether it approves of the submitted Preliminary Plans within five (5) business days after Landlord’s submission thereof. Failure to Tenant to respond with such five (5) business-day period shall be deemed to be Tenant’s approval. If Tenant disapproves of such Preliminary Plans, then Tenant shall notify Landlord thereof specifying in reasonable detail the

reasons for such disapproval, in which case Landlord shall, within five (5) business days after such notice, revise such Preliminary Plans in accordance with Tenant's objections and submit the revised Preliminary Plans to Tenant for its review and approval. Tenant shall notify Landlord in writing whether it approves of the resubmitted Preliminary Plans within two (2) business days after its receipt thereof. Failure to Tenant to respond with such two (2) business-day period shall be deemed to be Tenant's approval. If Tenant disapproves of such revised Preliminary Plans, then Tenant shall notify Landlord thereof specifying in reasonable detail the reasons for such disapproval, in which case Landlord shall, within three (3) business days after such notice, further revise such Preliminary Plans in accordance with Tenant's objections and submit the further revised Preliminary Plans to Tenant for its review and approval. This process shall be repeated until the Preliminary Plans have been approved by Landlord and Tenant.

3. **Working Drawings.**

(a) **Preparation and Delivery.** Within ten (10) business days after the Preliminary Plans have been approved by both Landlord and Tenant, Landlord shall cause to be prepared final working drawings prepared by the Designer of all improvements to be installed in the Premises, together with the proposed commencement and completion dates, general specification of finishes, and the construction budget (in form agreed upon between Landlord and Tenant) (collectively, the "**Construction Package**"), and deliver the same to Tenant for its review and approval.

(b) **Approval Process.** Tenant shall notify Landlord whether it approves of the submitted Construction Package within five (5) business days after Landlord's submission thereof. Failure to Tenant to respond with such five (5) business-day period shall be deemed to be Tenant's approval. If Tenant disapproves of the Construction Package (or any portion thereof), then Tenant shall notify Landlord thereof specifying in reasonable detail the reasons for such disapproval, in which case Landlord shall, within five (5) business days after such notice, revise the Construction Package in accordance with Tenant's objections and submit the revised Construction Package to Tenant for its review and approval. Tenant shall notify Landlord in writing whether it approves of the resubmitted Construction Package within two (2) business days after its receipt thereof. Failure to Tenant to respond with such two (2) business-day period shall be deemed to be Tenant's approval. If Tenant disapproves of such revised Construction Package, then Tenant shall notify Landlord thereof specifying in reasonable detail the reasons for such disapproval, in which case Landlord shall, within three (3) business days after such notice, further revise such Construction Package in accordance with Tenant's objections and submit the further revised Construction Package to Tenant for its review and approval. This process shall be repeated until the Construction Package has been approved by Landlord and Tenant.

(c) **Landlord's Approval; Performance of Work.** If any of Tenant's proposed construction work will affect the Building's Structure or the Building's Systems, then the working drawings pertaining thereto must be approved by Landlord, which shall not be unreasonably withheld. As used herein, "**Working Drawings**" means the final working drawings approved by Landlord and Tenant, as amended from time to

time by any approved changes thereto, and “**Work**” means all improvements to be constructed in accordance with and as indicated on the Working Drawings and the approved Construction Package. Landlord and Tenant shall sign the Construction Package to evidence each party’s approval thereof. Thereafter, Landlord shall cause the Work to be performed in accordance with the approved Construction Package.

4. **Bidding of Work.** Landlord shall competitively bid to three contractors selected by Landlord and approved by Tenant for HVAC, electrical, and plumbing components of the Work. The bid may be for a contract on a fixed fee or cost-plus basis. If the estimated Total Construction Costs are expected to exceed the Upfit Allowance, Tenant shall be allowed to review the submitted bids from such contractors to value engineer any of Tenant’s requested alterations. In such case, Tenant shall notify Landlord of any items in the Working Drawings that Tenant desires to change within five (5) business days after Landlord’s submission thereof to Tenant. Within ten (10) business days following Landlord’s submission of the initial construction bids to Tenant under the foregoing provisions (if applicable), Tenant shall have completed all of the following items: (1) finalized with Landlord the pricing of any requested revisions to the bids for the Work, and (2) approved in writing any overage in the Total Construction Costs in excess of the Construction Allowance. Unless approved by Tenant, Landlord shall select the contractor(s) that provided that lowest bid.

5. **Change Orders.** Tenant may initiate changes in the Work. Each such change must receive the prior written approval of Landlord, which shall not be unreasonably withheld. If Tenant requests any changes to the Work described in the Space Plans or the Working Drawings, then such increased costs and any additional design costs incurred in connection therewith as the result of any such change shall be added to the Total Construction Costs.

6. **Walk-Through; Punchlist.** When Landlord considers the Work in the Premises to be Substantially Completed (as defined below), Landlord will notify Tenant and, within two (2) business days thereafter, Landlord’s representative and Tenant’s representative shall conduct a walk-through of the Premises and identify any necessary touch-up work, repairs and minor completion items that are necessary for final completion of the Work. Neither Landlord’s representative nor Tenant’s representative shall unreasonably withhold his or her agreement on punchlist items. Landlord shall use reasonable efforts to cause the contractor performing the Work to complete all punchlist items within thirty (30) days after agreement thereon. As used herein “**Substantial Completion,**” “**Substantially Completed,**” and any derivations thereof mean the Work in the Premises is substantially completed (as reasonably determined by Landlord) in accordance with the Working Drawings. Substantial Completion may have occurred even though minor details of construction, decoration, landscaping and mechanical adjustments remain to be completed by Landlord.

7. **Excess Costs.** The cost of performing the Work (including design and space planning, preparation of the Working Drawings and the final “as-built” plan of the Work, costs of construction labor and materials, and building permits, all of which costs are herein collectively called the “**Total Construction Costs**”) (but Total Construction Costs shall not include Landlord’s legal expenses or interest costs) in excess of the Upfit Allowance (as defined in Sec. 8 below) (the “**Excess Costs**”) shall be paid by Tenant. Upon approval of the Working Drawings and selection of a contractor, Tenant shall promptly execute a work order agreement

prepared by Landlord which identifies such drawings and itemizes the Total Construction Costs and sets forth the Upfit Allowance, and Excess Costs, if any. Tenant shall pay the Excess Costs to Landlord prior to commencement of the Work.

8. **Upfit Allowance.** Landlord shall provide to Tenant an Upfit Allowance not to exceed Seventeen and 00/100 Dollars (\$17.00) per rentable square foot in the Premises, in the amount of Two Hundred Eighty-Three Thousand Seven Hundred Eighty-One and 00/100 Dollars (\$283,781.00) (the “**Upfit Allowance**”), to be applied toward the Total Construction Costs, as adjusted for any changes to the Work. The Upfit Allowance shall not be disbursed to Tenant in cash, but shall be applied by Landlord to the payment of the Total Construction Costs, if, as, and when the cost of the Work is actually incurred and paid by Landlord.

9. **Construction Management.** Landlord or its agent shall supervise the Work, make disbursements required to be made to the contractor, and act as a liaison between the contractor and Tenant and coordinate the relationship between the Work, the Building and the Building’s Systems. In consideration for Landlord’s construction supervision services, Tenant shall pay to Landlord a construction supervision fee equal to four and one-half percent (4.5%) of the Total Construction Costs, which shall be paid from the Upfit Allowance.

10. **Construction Representatives.** Landlord’s and Tenant’s representatives for coordination of construction and approval of change orders will be as follows, provided that either party may change its representative upon written notice to the other:

Landlord’s Representative: CBRE  
201 S College St, Suite 1700  
Charlotte, NC 28244  
Attn: Craig Aulebach  
E-mail: [craig.aulebach@cbre.com](mailto:craig.aulebach@cbre.com)  
Telephone: 704.264.3621

Tenant’s Representative: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_  
E-mail: \_\_\_\_\_  
Telephone: \_\_\_\_\_

## **Schedule 1**

[general scope of work and preliminary budget]



**EXHIBIT D**

**Commencement Date Stipulation**

Pursuant to that certain Lease Agreement (the "Lease") by and between **AVAGO TECHNOLOGIES WIRELESS (U.S.A.) MANUFACTURING, INC.**, a Delaware corporation (the "**Landlord**"), and **CENTRALINA COUNCIL OF GOVERNMENTS**, a Regional Council of Governments (the "**Tenant**"), dated as of \_\_\_\_\_, 2016 for certain premises identified as Suites 100 and 150 and located at 9815 David Taylor Drive in Charlotte, North Carolina, Landlord and Tenant hereby stipulate and certify that:

1. The Commencement Date under the Lease is \_\_\_\_\_, 20\_\_.
2. The expiration date of the Initial Term of the Lease is \_\_\_\_\_, \_\_\_\_\_, unless sooner terminated.

The terms and provisions of this Commencement Date Stipulation are hereby incorporated into the Lease and modify any and all provisions to the contrary contained therein.

**IN WITNESS WHEREOF**, each of Landlord and Tenant has have executed this Commencement Date Stipulation as of the date first written above.

Landlord: **AVAGO TECHNOLOGIES WIRELESS (U.S.A.)  
MANUFACTURING, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Tenant: **CENTRALINA COUNCIL OF GOVERNMENTS**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



**Paula S. Moss**  
**Senior Associate**

201 S. College Street  
 Suite 1700  
 Charlotte, NC 28244-5782

CBRE  
 Brokerage Services

704 376 7979 Main  
 704 331 1275 Direct  
 704 331 1259 Fax

~~June 15, 2016~~  
August 1, 2016

paula.moss@cbre.com  
 www.cbre.com

Mr. Keith Bell  
 Mr. John Christenbury  
 Cushman & Wakefield  
 550 S Tryon St  
 Suite 3400  
 Charlotte, NC 28202

Re : Centralina Council of Governments – 9815 David Taylor Drive

Dear Keith and John:

CBRE, Inc., (“Broker”) as agent for the Landlord has been authorized to present the following business terms and conditions for your review and consideration. **THESE TERMS ARE CONFIDENTIAL AND WE REQUEST THAT THEY BE SHARED ONLY WITH THE PARTIES INVOLVED IN THE LEASE TRANSACTION.**

Tenant:	Centralina Council of Governments ( <a href="http://www.centralina.org">http://www.centralina.org</a> )
Building:	9815 David Taylor Dr.
Premises:	16,693 RSF – 8,357 SF on the west wing, 8,336 SF east wing, subject to a mutually agreed upon space plan.  Usable square footage is measured and a 15% factor is applied to calculate the rentable square footage of the Premises.
Lease Term:	<del>Sixty-two (62)</del> <del>Sixty-four (64)</del> <u>Sixty-two (62)</u> months
Lease Commencement:	Fourth (4 <sup>th</sup> ) quarter 2016. <u>Agreed, Tenant would like to occupy as soon as possible.</u> -
Early Access:	Tenant shall have access up to three (3) weeks prior to Tenant’s lease commencement for the purposes of installing its systems furniture, equipment and data cabling so long as such access does not impede Landlord’s ability to complete the construction. <u>Agreed</u>
Rental Rate:	\$17.00/RSF, full service <u>Agreed</u>

	<p>The lease shall escalate by three percent (3%) on each anniversary of the <del>lease-rent</del> commencement date. <u>AGREED.</u></p> <p>The first <del>two (2)</del> <del>four (4)</del> <u>two (2)</u> months of the lease term will be rent free.</p>
Operating Expenses and Real Estate Taxes:	Lease is inclusive of operating expenses and real estate taxes with <b>NO PASS-THROUGHS.</b> <u>Agreed</u>
Architecture:	Landlord will reimburse Tenant for the cost up to \$.10/SF to obtain a test fit. <u>Agreed</u>
Tenant Improvements:	Landlord will endeavor to provide a “turnkey” upfit based on a mutually acceptable floor plan. <u>Tenant will pay for all cost over a tenant improvement allowance of \$17.00 sf or \$283,781.00. This included all hard and soft cost to be limited to actual construction costs, architectural and engineering fees, project management fees, and permitting. Please confirm that construction can be performed during normal business hours. Work that is not disruptive can be performed during normal business hours.</u>
Restoration:	Tenant shall not be required to restore any standard office improvements subject to Landlord’s review of Tenant’s plan. Notwithstanding the foregoing, Tenant shall be required to remove its cabling. <u>Please confirm based on the proposed plan. Agreed.</u>
Option to Renew:	Tenant shall have <del>one (1)</del> <del>two (2)</del> <u>one (1)</u> five (5) year option to renew at the <del>greater of current market rate that is no greater than the or Tenant’s current lease rate at the end of the term.</del>
Right to Assign or Sublease:	Tenant shall have a right to assign or sublease the Premises subject to Landlord’s approval, which will not be unreasonably withheld. Suitable language acceptable to all parties to be negotiated in the lease document. <u>Agreed</u>
Expansion:	Landlord will make best efforts to accommodate Tenant’s future growth plans within the building. <u>Can Tenant have access to the upstairs kitchen and gathering room across from kitchen? Tenant may have access to the kitchen but not the gathering area.</u>
Signage:	Landlord is open to placing Tenant’s name on a tenant identification sign with visibility to David Taylor Dr. in accordance with local regulatory requirements. <u>Agreed at Tenant’s cost.</u>
Building Access and HVAC:	Tenant will have 24/7 access to the Premises, however it is understood that Tenant’s normal business operations are during the standard building hours below. <u>Agreed</u>

	<p>HVAC is provided during standard building hours, 7 am – 6 pm M-F, and Saturday 9 am – 1 pm upon request and when Tenant has employees working.</p> <p>Additional HVAC is available upon request and at the actual cost without mark-up. <u>Can you provide an estimate of the HVAC cost for a four (4) hour after hours meeting? \$25.00/hour per wing (i.e. if they only are cooling the side with the large training room, it would be \$25.00/hr.)</u></p>
Parking:	<p>The building has 180 spaces free and unreserved that are available to the occupants of the building on a first come, first served basis. Tenant will be provided a ratio not to exceed 4 spaces per 1,000 SF leased. <u>Tenant will have access to 66 parking spaces but approved to park in additional spaces outside of building standard hours. Tenant is approved to park additional spaces for after hours meetings as available.</u></p>
Card Key Access:	<p>The building is equipped with a card access system. Landlord will investigate if the system is expandable to incorporate Tenant's existing space and expansion. Landlord will provide 4 cards per 1,000 SF leased to Tenant for their use. <u>Please confirm- To the best of our knowledge, the system is expandable.</u></p>
Fiber Optic Cable:	<p>AT&amp;T has fiber running to the building.</p>
SNDA:	<p><u>Not offered. Tenant requires Landlord to use commercially reasonable efforts to secure a non-disturbance agreement for Tenant. Keith, we believe there is not a loan on the property so this would not be pertinent. In the interest of getting this proposal to you timely, I am leaving this open.</u></p>
Security deposit:	<p>Typical security deposit is equal to last month's rent but subject to review of Tenant's financials. First (paid) month's rent and security deposit due at lease execution. <u>Will send you link. Landlord is reviewing. Should have a response later today.</u></p>
Hazardous Materials:	<p>To the best of Landlord's knowledge, with no duty to investigate the building is free from hazardous substances in the office building. There are some chemicals used the fabrication area in the clean rooms but these are <u>heavily</u> monitored and under strict OSHA guidelines. <u>Agreed.</u></p>
<del>Security Deposit:</del>	<p><del>Security deposit is solely based on the financial strength of the entity signing the lease. Please provide financials at your earliest opportunity. First month's rent and security deposit due at lease execution. Will send you link</del></p>

Agency Representation/Broker:	CBRE, Inc. is exclusively representing the Landlord. Landlord recognizes Cushman & Wakefield as representing the Tenant in this transaction and Landlord shall pay a market fee equal to 4% of the gross rentals to Cushman & Wakefield and 2% of the gross rentals to CBRE per the terms of a separate agreement. <u>Agreed</u>
-------------------------------	--

The foregoing shall serve only as the basis for future discussions of the lease between the parties and shall not be construed as an offer, written agreement or legally binding obligation between the parties. Such an obligation will be created only when both parties execute a formal lease, covering all of the rights and obligations of the parties, which is then delivered by and between Landlord and Tenant. The terms of this proposal are based on Landlord's review and approval of Tenant's financial information. The above terms are valid through ~~August 20~~~~June 30~~, 2016.

Please let me know if there are any questions or comments. I look forward to discussing terms with you. In the event that the above terms are acceptable, please indicate acceptance by signing and dating below. Upon receipt of a signed document, I will have a lease drafted.

Sincerely,

CBRE

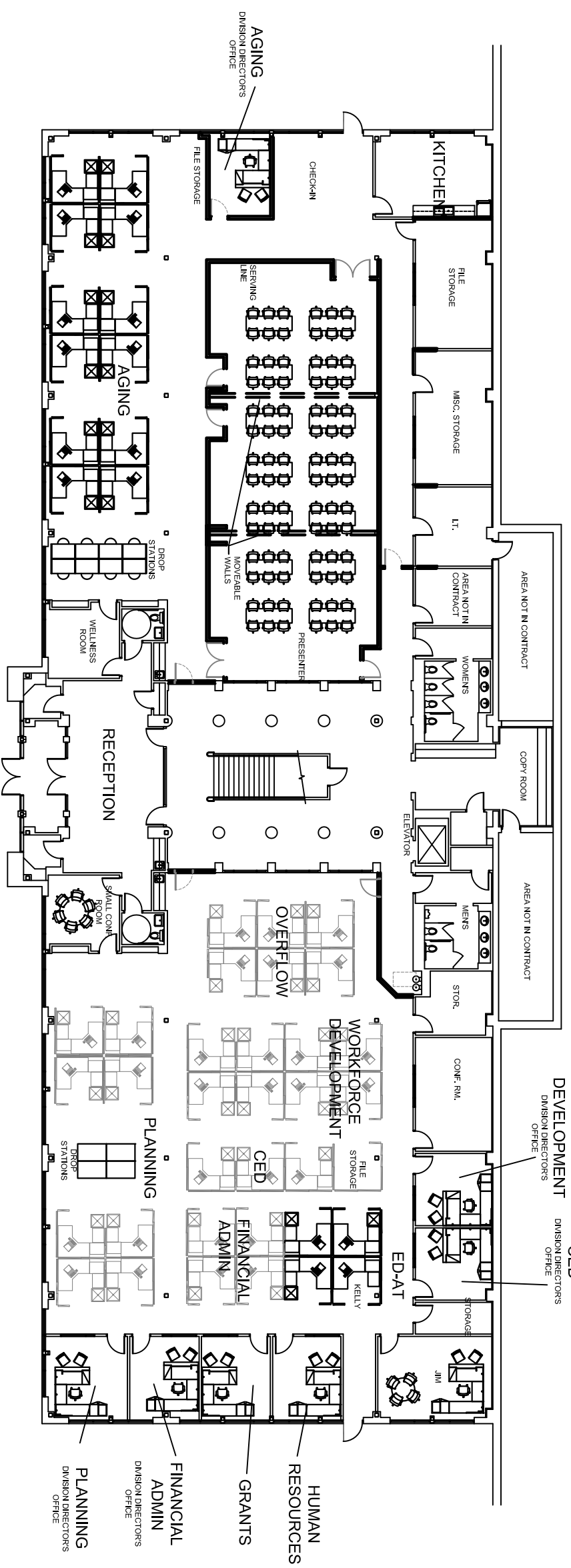


Paula S. Moss  
Senior Associate

AGREED AND ACCEPTED THIS \_\_\_\_\_  
DAY OF \_\_\_\_\_, 2016

TENANT: \_\_\_\_\_

BY: \_\_\_\_\_



1 NEW FLOOR PLAN  
 1/8" = 1'-0"

- ED-AT (ADMIN)  
 3 OFFICES  
 1 CUBICLE
- PLANNING  
 DIVISION DIRECTORS OFFICE  
 8 (8x8) CUBICLES  
 4 DROP STATIONS
- AGING  
 DIVISION DIRECTORS OFFICE  
 12 (8x8) CUBICLES  
 8 (4' LINEAR) DROP STATIONS
- FINANCIAL ADMIN  
 DIVISION DIRECTORS OFFICE  
 7 (8x8) CUBICLES
- WORKFORCE DEVELOPMENT  
 DIVISION DIRECTORS OFFICE  
 8 (8x8) CUBICLES
- CED  
 DIVISION DIRECTORS OFFICE  
 4 (8x8) CUBICLES
- OVERFLOW  
 6 (8x8) CUBES

- GENERAL OFFICE BENEFITS  
 +/-2,100 SF OF CONFERENCE SPACE  
 FOR BOARD MEETINGS AND OUTSIDE  
 TRAINING WITH MOVABLE WALLS TO  
 CREATE 3 MEDIUM CONFERENCE  
 ROOMS
- 3 (12 SEAT) CONFERENCE ROOMS  
 CREATED OUT OF CONFERENCE SPACE
- 2 SMALL (6 SEAT) CONFERENCE ROOMS
- 1 WELLNESS ROOMS
- FULL SERVICE KITCHEN
- IT CLOSET
- COPY ROOM
- FILE STORAGE
- MISC. STORAGE

NOT FOR CONSTRUCTION

© 2016 Labela, Inc. Davidson

CENTRALINA  
 COUNCIL OF  
 GOVERNMENTS



RENOVATION OF  
 MALLARD CREEK 1  
 8615 CLIFF CAMERON DRIVE  
 CHARLOTTE, NC

DATE	DESCRIPTION
08.01.16	REVIEW
APPROVED	APPROVED
PROJECT NUMBER	XXXXX
DRAWN BY	AD/WR
REVIEWED BY	AD/WR
ISSUED FOR	REVIEW
DATE	08.01.16
DRAWING NAME	

SCALE: NUMBER

# 9815 DAVID TAYLOR DRIVE

SPACES AVAILABLE UP TO 26,736 SQUARE FEET



FOR MORE INFORMATION  
PLEASE CONTACT:

**Paula Moss**

+1 704 331 1275

[paula.moss@cbre.com](mailto:paula.moss@cbre.com)

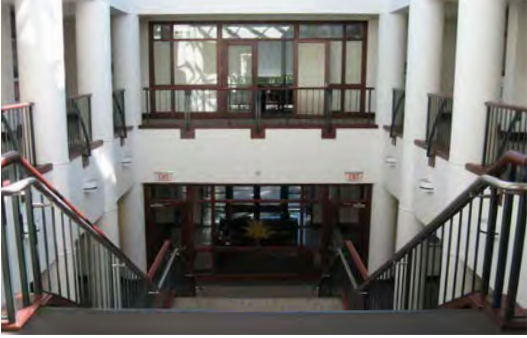
**Ralph Oldham**

+1 704 331 1250

[ralph.oldham@cbre.com](mailto:ralph.oldham@cbre.com)

- 8,336-26,736 sf available
- Class A office in the heart of University Research Park
- Open Plan with above-standard finishes
- Plug and play facility
- 4.8/1000 parking ratio

# CBRE



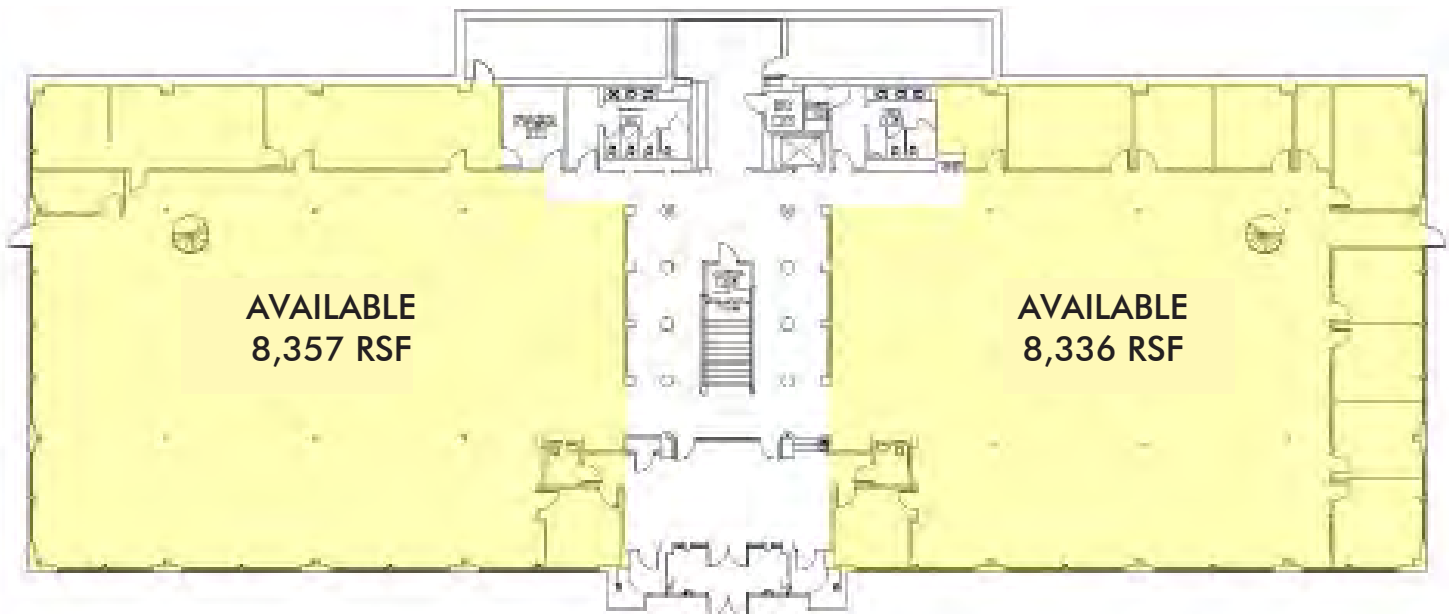
- Relaxing indoor and outdoor seating areas
- Shared access to large kitchen



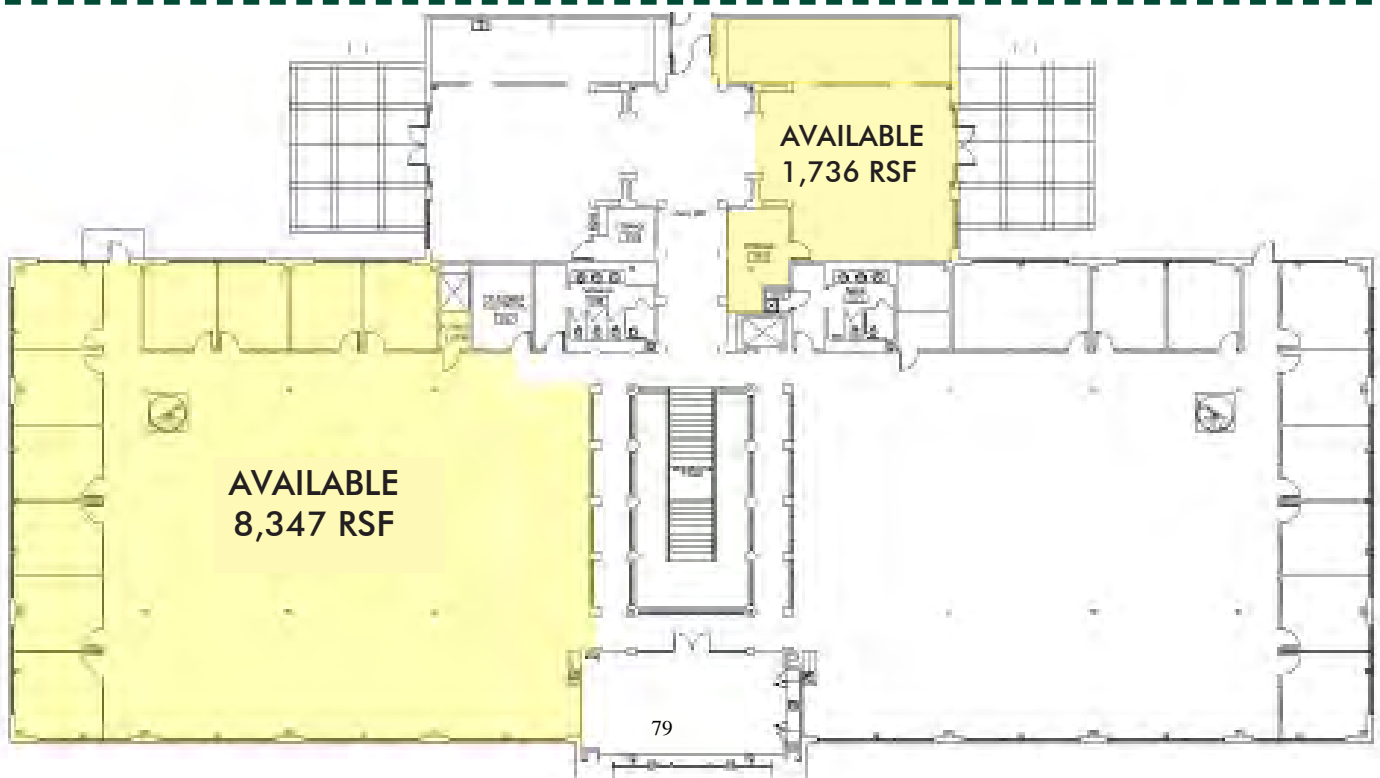
- Adjacent to the University Research Park walking trails
- Locker rooms with showers



- Herman Miller systems furniture available for use
- Access to Avago's large conference room



**1st Floor**



**2nd Floor**



**9815 David Taylor Drive  
Charlotte, NC 28262**

