



**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE TOWN OF NAGS HEAD
REGARDING REDEMPTION OF WATER CONSUMPTION UNITS**

WHEREAS, the Town credited Ammons Dare Corporation with 1000 water consumption units ("WCUs") under a 1987 agreement.

WHEREAS, the Town agreed that it would redeem unused WCUs if surplus funds become available for such a purpose, but did not agree to any particular time table for refunding pre-purchased WCUs.

WHEREAS, the Town has authority to redeem unused prepaid WCUs that are owned by people or entities other than Ammons Dare Corporation.

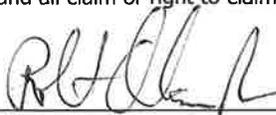
WHEREAS, the Town desires to avoid mistaken refund payments, and wants to ensure that, when any prepaid WCUs are redeemed, any claim to that particular prepaid WCU is eliminated.

WHEREAS, the Town wishes to establish a procedure to be followed to authorize administrative decisions to be made as to whether and when to refund or redeem prepaid WCUs.

NOW, THEREFORE BE IT RESOLVED, the Board of Commissioners hereby adopts the following procedure to be followed when the Town receives requests to refund or redeem prepaid WCUs:

1. Any person, firm or entity desiring to have the Town redeem a prepaid WCU must make a written application specifying the number of WCUs they claim they hold, and acknowledging that once redeemed, they can no longer make any use of that particular prepaid WCU. The application must include a statement made under oath verifying that the applicant is the owner of the claimed WCUs.
2. The party requesting redemption of a prepaid WCU must provide a chain of title certified by a North Carolina licensed attorney establishing that the applicant is the owner of and has full rights and title to the claimed WCUs.
3. Town staff and the Town Attorney will review the application and the claimed chain of title, and will determine whether redemption of the claimed prepaid WCUs is consistent with and allowed by Town ordinances. Town staff and the Town Attorney may require such additional documentation as they deem necessary to ensure that no other party may assert any rights to or ownership of the WCUs in issue.
4. If the Town staff and the Town Attorney are satisfied that the applicant has demonstrated its ownership of the claimed WCUs and that the WCUs can be redeemed in compliance with Chapter 44 of the Town Code, then Town staff must determine whether there are surplus funds available for the purpose of redeeming the WCU(s) as requested.
5. If all the conditions 1-4 above are met, then the WCUs may be redeemed by the Town's payment of \$2000 per unit. The party receiving payment must sign an acknowledgment that payment by the Town constitutes payment in full and final satisfaction of any and all claim or right to claim title to the WCU.

Adopted this the 4th day of September 2013.


Robert O. Oakes, Jr., Mayor
Town of Nags Head

Attest:


Carolyn F. Morris, Town Clerk

