



South Granville Water and Sewer Authority

December 4, 2013

The Honorable Darryl Moss, Mayor
City of Creedmoor
111 Masonic Street (Hand Delivered)
P. O. Box 765
Creedmoor, NC 27522

Board
Members

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Chair

Dave Currin
Vice-Chair

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Mize,
Director

Beverly Beal,
Secretary

Dear Mayor Moss:

The South Granville Water and Sewer Authority ("SGWASA") Negotiating Committee (the "Committee") met yesterday morning and considered the changes the City of Creedmoor ("Creedmoor") requested in its November 22, 2013 draft revisions to the Asset Purchase Agreement ("APA"). The attached document shows the changes the Committee is willing to recommend to the SGWASA Board.

We are hopeful that the Creedmoor Board of Commissioners will find this latest draft acceptable. I will call attention to several salient deal points which must be met before the Committee will recommend the APA for consideration by the full SGWASA Board:

- All rights to the Inter-Basin Transfer Application and/or any related agreements must be transferred to SGWASA;
- SGWASA will build a wireless telecommunications facility ("WTF") tower replicating Creedmoor's current capacity on the existing water tank for WTF devices and will cooperate in the transfer of the existing WTF devices to the new tower, but will not agree to limit its rights to control activities on water towers in the future;
- The APA must not address an ETJ expansion or municipal service areas; and
- The schedules to the APA must be completed.

The Committee is prepared to move this Agreement forward in a deliberate manner. We do not believe that any meetings of the Committee with Creedmoor elected officials will be productive until the Committee receives for review a version of the APA meeting the requirements above. SGWASA does not plan to have a regular meeting in December. If the parties can come to agreeable terms acceptable to the Committee, the Committee will recommend the APA to the full SGWASA Board in January.

We look forward to finalizing this Agreement in the near future and to welcoming Creedmoor as a full member of SGWASA.

Sincerely,

Thomas W. Lane