

AGENDA

Catawba County Board of Commissioners Meeting
Tuesday, January 21, 2014, 7:00 p.m.
Robert E. Hibbits Meeting Room, 1924 Courthouse
30 North College Avenue, Newton, NC

1. Call to Order.
2. Pledge of Allegiance to the Flag.
3. Invocation.
4. [Approval of the minutes from the Board's Regular Meeting and Closed Session of December 16, 2013.](#)
5. Recognition of Special Guests.
6. Public Comment for Items Not on the Agenda.
7. Public Hearing:
 - a. [Request to Enter into an Amendment to an Existing Installment Financing Agreement Pursuant to North Carolina General Statutes for the Purpose of \(1\) Providing Funds to Pay the Costs of Constructing and Equipping an Expansion of, and Addition to, the County's Justice Center; \(2\) Refinance Prior Installment Financing Obligations of the County; and \(3\) Pay Costs related to Entering into the Amendment. *Presented by Finance Director Rodney Miller.*](#)
8. [Appointments.](#)
9. Departmental Reports:
 - a. [Catawba Valley Medical Center:](#)
 1. [Approval of Transfer of Property Owned by the County and Used for Medical Facility Owned by Catawba Valley Medical Center. *Presented by Eloise Bradshaw, Attorney for Catawba Valley Medical Center.*](#)
 2. [Approval of Sale of Property Owned by the County for the Benefit of Catawba Valley Medical Center in Alexander County. *Presented by Eloise Bradshaw, Attorney for Catawba Valley Medical Center.*](#)
 - b. [Economic Development Corporation:](#)
[HSM Economic Development Project. *Presented by Economic Development President Scott Millar.*](#)
 - c. [Social Services.](#)
[Annual Community Child Protection/Fatality Prevention Report. *Presented by Social Services Director John Eller.*](#)
10. Other Items of Business.
[Resolution in Support of Filling Vacant North Carolina Cooperative Extension Positions. *Presented by Assistant County Manager Mary Furtado.*](#)
11. Attorneys' Report.
12. Manager's Report.

13. Adjournment.

PERSONS WITH DISABILITIES: Individuals needing assistance should contact the County Clerk at 828-465-8990 within a reasonable time prior to the meeting. . Access to the 1924 Courthouse for individuals with disabilities is at the south side ("A" Street). The elevator is located at the north end of the building. Participation in public meetings is without regard to race, creed, religion, national origin, sex, age, color, or disability.

INFOTALK/INTERNET: The Catawba County Telephone Information System will allow you to use your touch tone telephone to obtain current information on Catawba County 24 hours a day. Information is updated on a regular basis. Dial 465-8468 and INFOTALK will direct your questions with easy to understand instructions. Reach Catawba County on the Internet at <http://www.catawbacountync.gov>.

CALENDAR: The February 2014 Board meetings will take place on Monday, February 3, 2014 at 9:30 a.m. and on Monday, February 17, 2014 at 7:00 p.m. in the Robert E. Hibbitts Meeting Room, 1924 Courthouse, 30 North College Avenue, Newton, NC.



**PREVIEW OF COUNTY COMMISSION AGENDA
TUESDAY, JANUARY 21, 2014, 7 P.M.
ROBERT E. HIBBITTS MEETING ROOM
1924 COURTHOUSE, NEWTON, N.C.**



The Catawba County Board of Commissioners will hold a public hearing on proposed amendments to an installment financing agreement, a deed of trust and related documents in connection with the construction of an expansion of the County's Justice Center, when the Board meets at 7 p.m. on Tuesday, January 21, 2014, at the 1924 Courthouse at 30 North College Avenue in Newton. The Board will also consider a recommended economic development agreement, in partnership with the Cities of Hickory and Conover, with HSM (formerly Hickory Springs Manufacturing) regarding the expansion of several HSM facilities located in the county that will create up to 162 new jobs and a target investment of \$3.3 million in new facilities and equipment.

The Board will consider the proposed transfer of property in the Denver Lakes Professional Park, owned by the County and used by a medical facility owned by Catawba Valley Medical Center, so that the property may be correctly reconfigured to encompass the footprint of the building. It will consider the proposed sale of County-owned property in Taylorsville, which includes an old, closed medical office building, to the Town of Taylorsville for the sum of \$50,000. It will consider a resolution in support of the filling of vacant North Carolina Cooperative Extension positions in Catawba County. And the Board will receive an annual presentation from the Community Child Protection/Fatality Prevention Team.

PLEASE NOTE THE CHANGE IN THE BOARD'S USUAL MEETING DATE BECAUSE THE THIRD MONDAY IN JANUARY IS MARTIN LUTHER KING JR. DAY AND COUNTY OFFICES ARE CLOSED.

PUBLIC HEARING

The Board will hold a public hearing and consider adopting a resolution to approve amendments to an installment financing agreement, a deed of trust and related documents in connection with the construction of an addition to the County Justice Center that will house additional courtrooms, a 911 telecommunications center, an Emergency Operations Center and office space for Emergency Services, Clerk of Court and District Attorney staff. In 2007, the Board approved, after a countywide referendum, the addition of a 1/4 cent sales tax that would generate funds for additional courtrooms, a new Communications Center, an Emergency Operations Center, water and sewer needs and school operating costs. The funding from this revenue source totals approximately \$4.2 million annually, of which \$2,350,000 has been allocated to expand the Justice Center. These funds, along with 911 revenues, have accumulated every year since then and will total approximately \$20 million at the end of the current fiscal year.

In 2013, the Board approved construction bids for the Justice Center Expansion Project, which will consist of an expanded facility of approximately 140,000 square feet, a parking deck to accommodate the additional traffic, multiple utility/maintenance items and renovations to the existing facility. The contract was awarded to Hickory Construction Company and the total cost of the project is anticipated to be \$40 million, leaving a balance of \$20 million that will be financed by the County and repaid with the proceeds from the 1/4 cent sales tax.

All local governments in North Carolina that borrow funds greater than \$500,000, or for longer than five years to maturity, must receive approval from the Local Government Commission (LGC), a division of the North Carolina Department of State Treasurer. If approved by the Board of Commissioners, the LGC will consider this financing at its February 4, 2014, meeting in Raleigh. The County plans to sell Limited Obligation Bonds (similar to the Certificates of Participation issued for the County Jail expansion in 2005) on February 12, 2014. A notice of public hearing has been advertised more than ten days in advance of this January 21 meeting of the Board, per state law.

DEPARTMENTAL REPORTS

CATAWBA VALLEY MEDICAL CENTER

1. The Board will consider entering into a series of real estate transactions to correct an error in the configuration of

a Catawba Valley Medical Center (CVMC) medical office facility located in the Denver Lakes Professional Park, a planned unit development. It consists of two building sites located on Highway 16 in Denver. Because of narrow road frontage and zoning requirements, the development is “townhome” style, with the individual owners owning only the land on which the buildings sit and the balance of the land being common area, intended to be owned by the owner’s association. CVMC purchased its lot in 1998 and began construction of the building shortly thereafter. The building was completed in late 2000. For reasons that are unknown to the current management at CVMC, the medical office was not built wholly within the boundary of the lot purchased. This was discovered several months ago, when CVMC had a survey done. To remedy this situation, CVMC contacted the original developer, Hash Howard Sherrill & Associates, Inc. (“Hash Howard”) and requested its cooperation. It was also discovered that Hash Howard has never conveyed the common area to an owner’s association. Hash Howard has agreed to cooperate with CVMC to address both the lot configuration and the common area issues. An exchange of deeds will essentially correct the recorded real property records to reflect what is and has been the case on the ground. The proposed transactions to correct these errors include: 1) the County would deed the original lot back to Hash Howard with the statement that it is in consideration of a re-conveyance from Hash Howard to correct the error in the legal description; 2) a revised plat would be filed reconfiguring the CVMC lot so that the building is located wholly within the lot (lot remains 8,000 square feet in size); 3) Hash Howard would deed the reconfigured lot to the County; and 4) Hash Howard would deed all common areas within Denver Lakes Professional Park to the owner’s association.

2. The Board will consider a request from Catawba Valley Medical Center (CVMC) to approve the sale of an old medical office property located in Taylorsville to the Town of Taylorsville for the sum of \$50,000. The property in question is a one-half acre lot with a small medical office building located on 2nd Avenue in Taylorsville. CVMC purchased the property in May 1998 as part of the purchase of the assets of a medical practice. The medical building was constructed in the 1960s and was not deemed suitable by CVMC for use. Since its purchase in 1998, the building has been vacant and the hospital has made efforts to sell the property throughout that time. CVMC recently received an offer to purchase the property from the Town of Taylorsville for the sum of \$50,000. David Odom, manager of the Town of Taylorsville, has advised that the Town intends to purchase the property and lease it to a third party for an urgent care facility.

CVMC has no use for this property and its dilapidated condition makes it difficult to sell. The tax value of this parcel is \$186,419, but CVMC carries the property on its books at \$48,266. The hospital has not had a formal appraisal done, but the offer is within the range of the estimates of values that Paul Gadd, its real estate agent, has provided to the hospital from time to time. CVMC management has considered demolition of the structure, but believes that selling the property for \$50,000 is a better result.

ECONOMIC DEVELOPMENT CORPORATION

The Board will consider approval of an economic development agreement by and between Catawba County and HSM (formerly Hickory Springs Manufacturing), and approval for the County to enter into an agreement with the State of North Carolina under the NC One Fund Grants program in order to provide that funding under terms of the State of North Carolina and the North Carolina Department of Commerce Finance Center. In August 2013, HSM announced the expansion of several Catawba County facilities in the Cities of Hickory and Conover, creating up to 162 new jobs and a target investment of \$3.3 million in new facilities and equipment. The expansion projects were predicated on the subsequent approval of economic development agreement matching funds being provided by the State of North Carolina. The Catawba County Economic Development Corporation (EDC), in conjunction with the legal staff of the County and HSM, is bringing forward the final agreements for approval as allowed under North Carolina General Statutes. As is typical, the EDC has performed a cost benefits analysis showing the economic benefits of the proposed agreement, the creation of jobs and the net effects of the investment. Key to consideration of this project are the aspects of innovation and the transformation of this company into a high-tech, R&D-oriented global producer, all desired elements under the Innovate Catawba economic transformation process. As is usual, no incentives will be awarded until after the company has already achieved progress on its contractual obligations.

This project represents the total transformation of HSM from a basic supplier of furniture parts into an integrated and

global manufacturer and seller of complete product lines, including seats for mass transportation, end-user products such as outdoor and beach seating and many other products. Hickory Springs has changed its name to HSM to reflect this total transformation. HSM is placing a heavy reliance on innovation, research and design, creative product design and marketing as shown by this multi-part project. The project components include creation and investment in two Conover locations (Innovations Center on Debra Herman Road, with a \$500,000 investment and 19 jobs, and the Foam Tech Center on Farrington Street, with a \$1.55 million investment and three jobs) as well as two Hickory locations, which are manufacturing facility investments in a State-recognized Urban Progress Zone. The State has committed to over \$278,000 participation, requiring a local match. Conover has approved its participation and the Hickory City Council will consider approval of Hickory's participation at a January 21 public hearing.

The County's usual incentive grants process of granting a percentage of future receipts based on investment alone is not sufficient in this case to provide the required local match. The EDC is recommending a grant from each local governing unit of \$500 for each job created and a 3-year, 50% grant based on the realized income from these investments. Under this proposal, HSM would receive a one-time grant of \$1000 for each job (\$500 from the municipality for the job created within their jurisdiction and \$500 from the County, one time in the year following certification of the creation of that job) in addition to a 50% grant on the income received from the investment in their jurisdiction for each of three years following the investment (if the qualified investment were made in year three, the incentive would pay in the three years following the receipt of the payment of taxes on that investment). The total maximum payout of incentives for each jurisdiction under this proposal is as follows: Catawba County, \$110,839; Hickory, \$82,690; Conover, \$23,300.

Other considerations include that The Main Avenue, Hickory project is in a State-certified Urban Progress Zone, qualifying it for special treatment for North Carolina-based incentives; that this is an existing Catawba County corporate headquarters with a long standing track record of investment and jobs; that the entire transformation of the company is based on extensive investment in R&D and innovation and the type of jobs that investment requires; that HSM has contractually agreed to exceed Catawba County's average wage by \$6000 for all hires, and that the financial impact modeling for the project, using IMplan Analysis, totals \$69,887,015 for the years 2013-2015.

SOCIAL SERVICES

The Board will receive, and consider approving, the annual report of the work of the Community Child Protection & Fatality Prevention Team. This annual report is to update and keep the Board informed on activities to date. Upon the Board's approval, the Annual Plan will be submitted to the State.

The Catawba County Child Protection Team was established in 1992 as the result of an executive order by Governor James Martin. North Carolina later mandated a Child Fatality Review Team and Catawba County elected to combine the two into a single team as allowed under State guidelines, which first met in 1995. The combined teams have met quarterly since inception, except for specially called meetings.

This report addresses the work of the Community Child Protection and Fatality Prevention Team. The Child Protection Team has the legal responsibilities for reviewing cases of child fatalities when the family is known to Social Services, and identification of areas in Protective Services needing improvement in order to maximize the safety of the community's children. The Child Fatality Team's purpose is to provide a multi-agency, multi-disciplinary approach to study cases of childhood death in Catawba County in order to attempt to reduce child fatalities. The local directors of Social Services and Public Health have specific responsibilities for each team. Efforts continue to be made for the group to review additional individual Child Protective Services issues and satisfy the State's agreement with the federal government to use Child Protection Teams as a review mechanism in the Child Protective Services arena.

The Community Child Protection and Child Fatality Prevention Team has worked diligently in 2013 on fatality reviews; promoting Signs of Safety Training for case planning and engagement with families that +-have histories of maltreatment; supporting the Children's Advocacy and Protection Center's effort to reach 6000 citizens by 2016 regarding sexual abuse prevention; awareness regarding the dangers of distracted driving among teens; promoting a

“Neglect with Injury” protocol with law enforcement and Social Services; implementing an Infant Safe Sleeping Campaign to educate about the dangers of unsafe sleeping among parents with young children; and supporting the Project Lazarus initiative to curb drug overdose with prescribed drugs.

OTHER ITEMS OF BUSINESS

The Board will consider adopting a resolution in support of filling vacant North Carolina Cooperative Extension positions in Catawba County. For many years, Catawba County has had a long-standing partnership with North Carolina State University (NCSU) in funding and delivering programs of Cooperative Extension Services to the community. While the County and NCSU each fund approximately 50% of the salary and benefits expense associated with employees in the County’s local Extension Office, technically, these staff are employees of NCSU.

In recent years, Catawba County’s local Extension Office has been plagued by vacancies in a number of key positions. Most recently, vacancies in the Cooperative Extension Director, Family & Consumer Sciences and Livestock/Agriculture program areas have gone unaddressed. In the interest of maintaining program continuity and continuing to deliver these critical services to the public, the County has consistently pledged to contribute its share of the salaries associated with filling these positions and has requested through administrative channels – on numerous occasions – that NCSU commit to do the same. To date, these efforts have not yielded the desired results, as the vacancies remain unfilled. This situation is not unique to Catawba County. Recently, Perquimans County passed a resolution affirming the value of Cooperative Extension Services to the local community and supporting the filling of existing vacancies within Perquimans County’s local office as well as in neighboring counties.

CONTACT: DAVE HARDIN, PUBLIC INFORMATION OFFICER 465-8464

MEMORANDUM

To: Catawba County Board of Commissioners

From: Rodney N. Miller, Finance Director

Date: 01/21/14

Subject: Financing for Justice Center Expansion

Request

The Board of Commissioners is requested to adopt a resolution to approve amendments to an installment financing agreement, a deed of trust and related documents in connection with the construction of an addition to the County's Justice Center that will house additional courtrooms, a 911 telecommunications center, an Emergency Operations Center and office space for Emergency Services, Clerk of Court and District Attorney staff.

Background

In 2007, the Board of Commissioners approved, after a countywide referendum, the addition of a 1/4 cent sales tax that would generate funds for additional courtrooms, a new Communications Center, an Emergency Operations Center, water and sewer needs and school operating costs. The funding from this revenue source totals approximately \$4.2 million annually, of which \$2,350,000 has been allocated to expand the Justice Center. These funds, along with 911 revenues, have accumulated every year since then and will total approximately \$20 million at the end of the current fiscal year.

Review

In 2013, the Board approved construction bids for the Justice Center Expansion Project that will provide three new courtrooms and court support functions, a new 911 Communications Center, a new Emergency Operations Center, expanded Clerk of Court and District Attorney space and offices for emergency services and community corrections staff. The project will consist of an expanded facility of approximately 140,000 square feet, a parking deck to accommodate the additional traffic, multiple utility/maintenance items and renovations to the existing facility. The contract was awarded to Hickory Construction Company and the total project is anticipated to cost \$40 million, leaving a balance of \$20 million that will be financed by the County and repaid with the proceeds from the 1/4 cent sales tax.

All local governments in North Carolina that borrow funds greater than \$500,000 or longer than five years to maturity must receive approval by the Local Government Commission (LGC), a division of the NC Department of State Treasurer. If approved by the Board of Commissioners, the LGC will consider this financing at their February 4th meeting in Raleigh. The County plans to sell

Limited Obligation Bonds (similar to the Certificates of Participation issued for the Jail expansion in 2005) on February 12th. A notice of public hearing has been advertised more than ten days in advance of the January 21st meeting, per state law.

Recommendation

Staff recommends the Board of Commissioners adopt a resolution to approve amendments to an installment financing agreement, a deed of trust and related documents in connection with the construction of an addition to the County's Justice Center that will house additional courtrooms, a 911 telecommunications center, an Emergency Operations Center and office space for Emergency Services, Clerk of Court and District Attorney staff.

ESCROW AGREEMENT

ESCROW AGREEMENT dated as of February 1, 2014 (this “*Agreement*”) between the **COUNTY OF CATAWBA, NORTH CAROLINA** (the “*County*”) and **U.S. BANK NATIONAL ASSOCIATION**, as escrow agent (in such capacity, the “*Escrow Agent*”), a national banking association existing under the laws of the United States of America, which is authorized under such laws to exercise corporate trust powers.

WITNESSETH:

WHEREAS, the County has entered into an Installment Financing Agreement dated as of May 1, 2005 (the “*2005 Agreement*”) with Catawba County Public Facilities Financing Corporation (the “*Corporation*”) to finance the projects identified therein;

WHEREAS, under a Trust Agreement dated as of May 1, 2005 (the “*2005 Trust Agreement*”) between the Corporation and Wachovia Bank, National Association, the successor to which is U.S. Bank National Association, as trustee (in such capacity, the “*Trustee*”), the Corporation executed and delivered \$19,550,000 Certificates of Participation (Catawba County Governmental and Public School Facilities Project), Series 2005 (the “*2005 Certificates*”), evidencing proportionate and undivided interests in the right to receive Installment Payments (as defined in the 2005 Agreement) to be made pursuant to the 2005 Agreement;

WHEREAS, the County has previously caused the 2005 Certificates maturing on and after June 1, 2016 to be refunded and defeased in accordance with the terms of the 2005 Trust Agreement;

WHEREAS, the County wishes to defease the remaining portion of the outstanding 2005 Certificates consisting of the 2005 Certificates maturing on June 1, 2014 and June 1, 2015 (the “*Defeased Certificates*”); and

WHEREAS, this Agreement sets forth the understandings and agreements of the County and the Escrow Agent with respect to the Defeased Certificates and the Escrow Fund.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, and intending to be legally bound, the County and the Escrow Agent covenant and agree:

ARTICLE I

DEFINITIONS

As used in this Agreement, unless clearly implied, the following terms have the following meanings:

“*Agreement*” means this Escrow Agreement dated as of February 1, 2014 between the County and the Escrow Agent.

“*County*” means the County of Catawba, North Carolina, or any successor to its functions.

“*Corporation*” means the Catawba County Public Facilities Financing Corporation, a North Carolina nonprofit corporation, and its successors and assigns.

“*Defeasance Obligations*” means noncallable (a) Government Obligations, (b) evidences of ownership of, or fractional undivided interest in, future interest and principal payments on Government Obligations, which Government Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian and (c) to the extent permitted by law, obligations of state and local government municipal bond issuers, provision for the payment of the principal of and interest on which shall have been made by deposit with a trustee or escrow agent of obligations described in (a) or (b) above, the maturing principal of and interest on which, when due and payable, shall provide sufficient money to pay the principal of, premium, if any, and interest on such obligations and which obligations are rated in the highest investment grade category of each nationally recognized rating agency rating the 2005 Certificates.

“*Defeased Certificates*” means the 2005 Certificates maturing on June 1, 2014 and June 1, 2015.

“*Escrow Agent*” means U.S. Bank National Association, a national banking association, and its successors and assigns.

“*Escrow Fund*” means the Escrow Fund created in Section 2.01.

“*Government Obligations*” means direct obligations of, or obligations the timely payment of principal and interest on which are fully guaranteed by, the United States of America.

“*Installment Financing Agreement*” means the Installment Financing Agreement dated as of May 1, 2005 between the County and the Corporation, as amended and supplemented by Amendment Number One to the Installment Financing Agreement, dated as of December 1, 2012, between the Corporation and the County, and any further amendments or supplements thereto.

“*State*” means the State of North Carolina.

“*Trust Agreement*” means the Trust Agreement dated as of May 1, 2005 between the Corporation and the Trustee, as supplemented by Supplemental Trust Agreement, Number 1 dated as of December 1, 2012, between the Corporation and the Trustee, and any further amendments and supplements thereto.

“*Trustee*” means U.S. Bank National Association, as successor to Wachovia Bank, National Association, and its successors and assigns, as trustee under the Trust Agreement.

“*2005 Certificates*” means the \$19,550,000 aggregate principal amount of Certificates of Participation (Catawba County Governmental and Public School Facilities Project), Series 2005, evidencing proportionate and undivided interests in the right to receive Installment Payments to be made pursuant to the Installment Financing Agreement, executed and delivered under the Trust Agreement.

ARTICLE II

CREATION OF ESCROW FUND

Section 2.01. *Escrow Fund.* There is hereby created and established with the Escrow Agent a special and irrevocable escrow fund designated the Escrow Fund to be held in the custody of the Escrow Agent separate and apart from other funds and accounts of the County or the Escrow Agent.

Section 2.02. *Initial Deposit.* The County has caused to be deposited with the Escrow Agent, and the Escrow Agent acknowledges receipt of, \$[] from available funds of the County. Concurrently with the receipt of such proceeds, the Escrow Agent shall deposit \$[] in the Escrow Fund. Amounts deposited in the Escrow Fund will be simultaneously applied to the purchase of the Defeasance Obligations described in Schedule II hereto (“*Schedule II*”), except to the extent of balances designated in Schedule II to be uninvested. The Defeasance Obligations in the Escrow Fund shall mature in principal amounts and pay interest in such amounts so that sufficient money will be available to pay principal and interest with respect to the Defeased Certificates when due. In reliance on the mathematical verifications performed by Bingham Arbitrage Rebate Services, Inc., the County hereby finds and determines that the investments described in Schedule II are advantageous in yield and maturity date to provide sufficient funds to pay principal and interest with respect to the Defeased Certificates when due, and to comply with United States Department of the Treasury regulations adopted or applicable pursuant to the Internal Revenue Code of 1986, as amended.

Section 2.03. *Irrevocable Deposit; Control.* The deposit in the Escrow Fund constitutes an irrevocable deposit of such funds exclusively for the benefit of the Defeased Certificates, and such funds and Defeasance Obligations, together with any income or interest earned thereon, are to be held in trust and applied solely to the payment of the principal and interest with respect to the Defeased Certificates as the same mature and become due as set forth in Schedule I hereto (“*Schedule I*”). Subject to the requirements set forth herein for the use of the Escrow Fund and the money and investments therein, including, without limitation, Section 3.02, the County covenants and agrees that the Escrow Agent shall have full and complete control and authority over and with respect to the Escrow Fund and money and investments therein and that the County shall not exercise any control or authority over and with respect to the Escrow Fund and the money and investments therein.

ARTICLE III

DUTIES OF THE ESCROW AGENT; FEES AND COSTS

Section 3.01. *Payments on Defeased Certificates.* The Escrow Agent, without further authorization and direction from the County, shall pay to the Trustee or the Depository Trust Company (“*DTC*”), as applicable, from money available in the Escrow Fund, on the date on which each payment of the principal and interest with respect to the Defeased Certificates falls due, money sufficient to pay the principal and interest with respect to the Defeased Certificates as set forth in Schedule I. Such payments shall be made from the principal of and interest on the Defeasance Obligations or other money in the Escrow Fund securing the Defeased Certificates and shall be made to the persons entitled thereto.

Section 3.02. *Investment of Escrow Fund.* The Escrow Agent shall purchase or cause to be purchased those Defeasance Obligations listed in Schedule II solely from the money deposited by the County in the Escrow Fund. The Escrow Agent shall apply the money deposited in the Escrow Fund and the Defeasance Obligations, together with any income or interest earned thereon, in accordance with this Agreement. The Escrow Agent has no power or duty to invest any money held hereunder or to make substitutions of the Defeasance Obligations held hereunder or to sell, transfer or otherwise dispose of the Defeasance Obligations acquired hereunder except as otherwise provided herein. The Escrow Agent may, on the request of the County, sell or redeem all or a portion of the Defeasance Obligations held for the credit of the Escrow Fund and reinvest the required proceeds of such sale or redemption, in Defeasance Obligations designated in such request of the County, but only on receipt by the Escrow Agent of:

- (a) a certificate of an independent entity not unacceptable to the Escrow Agent stating that after giving effect to such request the Defeasance Obligations held for

the credit of the Escrow Fund are of such maturities and interest payment dates and bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon, be sufficient together with all cash and other immediately available invested funds held for the credit of the Escrow Fund to pay the principal and interest with respect to the Defeased Certificates when due and as described in this Agreement; and

(b) an opinion of counsel acceptable to the County and the Escrow Agent, which must be nationally recognized bond counsel, stating that the Defeased Certificates are deemed defeased and that the compliance with such request of the County will not adversely affect the exclusion from gross income for federal income tax purposes of the interest with respect to the Defeased Certificates.

The liability of the Escrow Agent for the payment of the principal and interest with respect to the Defeased Certificates under this Section is limited to the cash available for such purposes in the Escrow Fund. The County shall not direct the Escrow Agent to exercise any of its powers to cause any part of the money or funds at any time in the Escrow Fund to be used directly or indirectly to acquire any obligations which would cause any Defeased Certificate to be an “*arbitrage bond*” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

Section 3.03. Escrow Agent’s Fees. The Escrow Agent’s fees and costs for and in carrying out the provisions of this Agreement have been set, which fees and costs are to be paid by the County as they are due from funds of the County and not from funds in the Escrow Fund. The County will bear all costs of publication and mailing of notices required by this Agreement, the Trust Agreement and the Installment Financing Agreement. The County agrees to indemnify the Escrow Agent, to the extent permitted by law, against any liability which it may incur while acting in good faith in its capacity as Escrow Agent except for its own negligence, misconduct or default, such indemnification including, but not limited to, any court costs and reasonable attorneys’ fees. Any costs, fees or other expenses of the Escrow Agent under this Agreement may not, however, be paid from the Escrow Fund. The Escrow Agent is not liable for any loss resulting from any investment made at the direction of the County pursuant to the terms and provisions of this Agreement.

Section 3.04. Escrow Agent Generally.

(a) The Escrow Agent has no responsibility to the County or any person in connection herewith except as specifically provided herein and is not responsible for anything done or omitted to be done by it, except for its own negligence or default in the performance of any obligation imposed on it hereunder.

(b) Subject to the exception in paragraph (a) as to its own negligence, the Escrow Agent has no responsibility for verifying the genuineness, correctness, or competence of any document, instrument or writing, and shall not be charged with knowledge or notice of any fact or circumstance not specifically set forth herein.

(c) The Escrow Agent may act on any written notice, request, waiver, consent, certificate, receipt, authorization, power of attorney, or other instrument or document which the Escrow Agent in good faith believes to be genuine and to be what it purports to be.

(d) The Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the County with respect to arrangements or contracts with others. The Escrow Agent may request

from the County or any person such reasonable evidence as the Escrow Agent in its discretion deems necessary to determine any fact relating to the occurrence of any event or contingency and in this connection may inquire and consult with the County, among others, at any time. The County shall provide such evidence to the Escrow Agent and the Escrow Agent is entitled to rely thereon.

(e) The Escrow Agent has no liability for following any instructions given by the County or in this Escrow Agreement or set forth in any court or administrative order.

(f) The Escrow Agent is authorized to comply with orders issued or process entered by any court with respect to the Escrow Fund, without determination by the Escrow Agent of such court's jurisdiction in the matter. If the Escrow Fund or any portion is at any time attached or levied on under any court order, or if the payment, assignment, transfer or delivery of any such property is stayed or enjoined by any court order, or if any order, judgment or decree is made or entered by any court affecting such property, then and in any such event, the Escrow Agent is authorized to rely on and comply with any such order, judgment or decree without the need for appeal or other action; and if the Escrow Agent complies with any such order, judgment or decree, it is not liable to any party hereto or to any other person or entity by reason of such compliance even if such order, judgment or decree is subsequently reversed, modified, set aside or vacated.

(g) The Escrow Agent is not a party to, nor is it bound by nor need it give consideration to the terms or provisions of any other agreement or undertaking between the County and any other person, and the Escrow Agent assents to and is to give consideration only to the terms and provisions of this Agreement.

(h) The Escrow Agent may resign and thereby become discharged from the trusts hereby created by notice in writing given to the County not less than 30 days before such resignation is to take effect. The Escrow Agent agrees to serve as Escrow Agent until a successor is appointed. Such resignation is effective immediately, however, on the appointment of a successor Escrow Agent if such successor Escrow Agent is appointed before the expiration of said notice period. If such appointment of a successor Escrow Agent is not made within 30 days after the date that such resignation was to take effect as provided in the notice thereof given to the County, then the Escrow Agent may apply to a court of competent jurisdiction to appoint a successor Escrow Agent.

(i) If a disagreement or dispute arises under this Escrow Agreement, or if adverse claims or demands are made in connection with this Agreement or any property involved herein or affected hereby, the Escrow Agent may petition any court of competent jurisdiction to resolve the disagreement or dispute or adverse claims or demands. In connection therewith, the Escrow Agent may (but is not required to) tender into the custody of the court all money or property in its hands under the terms of this Escrow Agreement, and then be discharged from all further duties under this Escrow Agreement. The filing of any such legal proceeding does not deprive Escrow Agent of its compensation earned before such filing. The County is responsible for all costs, expenses and attorneys' fees relating to any such action.

Section 3.05. Notices. The Escrow Agent shall give notice to the owners from time to time of the Defeased Certificates in accordance with the instructions received from the County from time to time in connection with this Agreement. As soon as practicable after the execution and delivery of this Agreement, the Escrow Agent shall mail the notice of defeasance, substantially in the form attached to this Agreement as Exhibit A, to the parties and in the manner set forth in Exhibit A.

ARTICLE IV

GENERAL PROVISIONS

Section 4.01. *Escrow Fund Irrevocable.* The Escrow Fund hereby created is irrevocable and the owners of the Defeased Certificates are hereby granted an express lien on the Escrow Fund until applied in accordance with this Agreement.

The Escrow Agent shall hold the Escrow Fund as a separate trust fund wholly segregated from all other funds and accounts held in any capacity and shall make disbursements from the Escrow Fund only in accordance with the provisions of this Agreement. The principal of and interest on the Defeasance Obligations shall not be reinvested except as provided in Section 3.02, and the Escrow Agent shall not sell or dispose of such securities except as provided in Section 3.02.

Under no circumstances shall the Escrow Agent have a lien on the Escrow Fund for its charges, fees and expenses and under no circumstances shall the Escrow Agent make any claim against the Escrow Fund for such charges, fees and expenses.

Section 4.02. *Report.* The Escrow Agent shall deliver to the County on or before the 10th business day of each month, beginning March 10, 2014, a report of each transaction relating to the Escrow Fund through the last calendar day of the preceding month.

Section 4.03. *Defeased Certificate Owner Rights.* The Escrow Agent and the County agree that the registered owners of the Defeased Certificates have a beneficial and vested interest in the Escrow Fund as herein provided. It is therefore recited, understood and agreed that, until the provisions hereof have been fully carried out, this Agreement (a) may be amended only to cure ambiguity or correct manifest error without the prior written consent of all of the owners of the Defeased Certificates and (b) is not subject to amendment for any other reason or revocation except with the prior written consent of all of the owners of the Defeased Certificates.

Section 4.04. *Deficiency.* If there is any deficiency in the Escrow Fund, the County will remedy such deficiency by paying to the Escrow Agent the amount of such deficiency. The Escrow Agent is not liable for any such deficiency, except as may be caused by its negligence or willful misconduct.

Section 4.05. *Termination.* This Agreement terminates when all payments of the principal and interest with respect to the Defeased Certificates required to be made to the registered owners of the Defeased Certificates under the provisions of the Trust Agreement have been made; *provided, however*, that the indemnification provisions of Section 3.03 will survive any such termination and any resignation or removal of the Escrow Agent.

Section 4.06. *Severability.* If any one or more of the covenants or agreements provided in this Agreement on the part of the parties hereto to be performed are determined by a court of competent jurisdiction to be contrary to law, (a) such covenant or agreement is to be deemed and construed to be severable from the remaining covenants and agreements herein contained and in no way affects the validity of the remaining provisions of this Agreement, (b) the County shall provide notice thereof to Moody's Investors Service at 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, Attn: Public Finance Rating Desk; to Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc., at 55 Water Street, New York, New York 10041; and to Fitch Ratings, One State Street Plaza, 31st Floor, New York, New York, 10004.

Section 4.07. Law. This Agreement is governed exclusively by the laws of the State without regard to conflict of law principles. This Agreement inures to and is binding on the parties hereto and their respective successors and assigns. This Agreement is deemed made in Catawba County, North Carolina. The exclusive forum and venue for all actions arising out of this Agreement is the North Carolina General Court of Justice, in Catawba County. Such actions may not be commenced in, nor removed to, federal court. This Section applies to subsequent actions to enforce a judgment entered in actions heard pursuant to this Section.

Section 4.08. Counterparts. This Agreement may be executed in several counterparts, all or any of which are regarded for all purposes as one original and constitute one and the same instrument.

Section 4.09. Notices. Any notice or other communication to be given under this Agreement shall be in writing and may be given by certified mail (postage prepaid, return receipt requested) or personal delivery, if to the County, to the County of Catawba, North Carolina, Post Office Box 389, 100-A South West Boulevard, Newton, North Carolina 28658-0389, Attention: Finance Director, and if to the Escrow Agent, to U.S. Bank National Association, 214 N. Tryon Street, 27th Floor, Charlotte, North Carolina 28202, Attention: Corporate Trust Department.

IN WITNESS WHEREOF, the Escrow Agent and the County have caused this Agreement to be executed by their duly authorized officers, as of the 1st day of February, 2014.

U.S. BANK NATIONAL ASSOCIATION,
as Escrow Agent

By: _____
Lisa L. Moorehead
Assistant Vice President

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

[COUNTERPART SIGNATURE PAGE TO THE ESCROW AGREEMENT DATED AS OF FEBRUARY 1, 2014 BETWEEN THE COUNTY OF CATAWBA, NORTH CAROLINA AND U.S. BANK NATIONAL ASSOCIATION]

COUNTY OF CATAWBA, NORTH CAROLINA

By: _____
J. Thomas Lundy
County Manager

SCHEDULE I

PAYMENT SCHEDULE FOR DEFEASED CERTIFICATES

<u>DATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
06/01/14	\$9,750,000	\$
12/01/14		
06/01/15	9,750,000	

SCHEDULE II

DEFEASANCE OBLIGATIONS

<u>TYPE OF SECURITY</u>	<u>MATURITY DATE</u>	<u>PAR AMOUNT</u>	<u>INTEREST RATE</u>
	06/01/14	\$	%
	12/01/14		
	06/01/15		

*An amount equal to \$[] has been deposited in the Escrow Fund on the Issue Date to establish the Initial Cash Balance in the Escrow Fund and shall be held uninvested.

EXHIBIT A

NOTICE OF DEFEASANCE

\$19,550,000

Certificates of Participation

***(Catawba County Governmental and Public School Facilities Project), Series 2005
Evidencing Proportionate and Undivided Interests in the Right to Receive Installment Payments to be
Made Pursuant to an Installment Financing Agreement with
Catawba County Public Facilities Financing Corporation***

CUSIP	MATURITY	RATE	PRICE	AMOUNT
149054BQ0	06/01/2014	4.00%	100%	\$975,000
149054BR8	06/01/2015	4.00	100	975,000

NOTICE IS HEREBY GIVEN by the County of Catawba, North Carolina that, pursuant to the Trust Agreement dated as of May 1, 2005 (the “*Trust Agreement*”) between Catawba County Public Facilities Financing Corporation and Wachovia Bank, National Association, the successor to which is U.S. Bank National Association, as trustee (the “*Trustee*”), authorizing the execution and delivery of the Certificates of Participation (Catawba County Governmental and Public School Facilities Project), Series 2005, evidencing proportionate and undivided interests in the right to receive Installment Payments to be made pursuant to an Installment Financing Agreement with Catawba County Public Facilities Financing Corporation dated as of May 1, 2005 (the “*2005 Certificates*”), that there has been deposited with the undersigned cash and certain Defeasance Obligations, as permitted under the Trust Agreement, the principal of and the interest on which when due, and without reinvestment thereof, are sufficient to pay when due the principal and interest with respect the outstanding 2005 Certificates maturing on June 1, 2014 and June 1, 2015 (the “*Defeased Certificates*”). The Defeased Certificates are deemed to have been paid in accordance with the Trust Agreement.

COUNTY OF CATAWBA, NORTH CAROLINA

By: U.S. BANK NATIONAL ASSOCIATION, as Trustee

Date: [As soon as practicable after the defeasance of the Defeased Certificates]
To: [EMMA, by posting electronically, in searchable PDF format, to
www.MSRB.org/msrb1/control/default.asp.
National Public Finance Guarantee Corporation (formerly MBIA Insurance Corporation), by US
Mail]

EXTRACTS FROM MINUTES OF THE BOARD OF COMMISSIONERS

The Board of Commissioners for the County of Catawba, North Carolina, met in a regular meeting in the Robert E. Hibbitts Meeting Room at the 1924 Courthouse located at 30 North College Avenue in Newton, North Carolina at 7:00 p.m. on January 21, 2014.

Present:

Absent:

Also present:

* * * * *

Commissioner _____ moved that the following resolution, copies of which having been made available to the Board of Commissioners, be adopted:

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF CATAWBA, NORTH CAROLINA, APPROVING AN AMENDMENT TO THE INSTALLMENT FINANCING AGREEMENT WITH THE CATAWBA COUNTY PUBLIC FACILITIES FINANCING CORPORATION AND RELATED MATTERS

WHEREAS, the County of Catawba, North Carolina (the “*County*”) is a political subdivision validly existing under the Constitution, statutes and laws of the State (the “*State*”);

WHEREAS, the County has the power, pursuant to the General Statutes of North Carolina, to (1) purchase real and personal property, (2) enter into installment purchase contracts to finance the purchase or improvement of real and personal property used, or to be used, for public purposes, and (3) grant a security interest in some or all of the property purchased or improved to secure repayment of the purchase price;

WHEREAS, the County has previously executed and delivered an Installment Financing Agreement dated as of May 1, 2005 (the “*2005 Contract*”), between the Catawba County Public Facilities Financing Corporation (the “*Corporation*”) and the County, the proceeds of which were used to finance an expansion of the County’s Justice Center (the “*2005 Project*”), and Amendment Number One to the Installment Financing Agreement dated as of December 1, 2012 (the “*First Amendment*”), between the County and the Corporation, to refinance a portion of the 2005 Contract;

WHEREAS, the Board of Commissioner of the County (the “*Board*”) has determined that it is in the best interest of the County to enter into Amendment Number Two to the Installment Financing Agreement dated as of February 1, 2014 (the “*Second Amendment*” and collectively with the 2005 Contract and the First Amendment, the “*Contract*”) between the County and Corporation in order to (a) pay the costs of constructing and equipping an expansion of and addition to the County’s Justice Center

(the “2014 Project”), (b) refinance prior installment financing obligations of the County and (c) pay costs related to entering into the Second Amendment;

WHEREAS, in order to further secure the County’s obligations under the Contract, the County will enter into an Amended and Restated Deed of Trust, Security Agreement and Fixture Filing dated as of February 1, 2014 (the “*Deed of Trust*”) related to the real property on which County’s Justice Center is located and the improvements thereon;

WHEREAS, the Board conducted a public hearing on January 21, 2014 to receive public comments on the 2014 Project and the Second Amendment;

WHEREAS, in order to facilitate the financing of the 2014 Project, the Corporation will execute and deliver Limited Obligation Bonds, Series 2014A (the “*2014A Bonds*”), evidencing proportionate undivided interests in rights to receive Installment Payments pursuant to the Contract, under a Trust Agreement dated as of May 1, 2005, between U.S. Bank National Association, as the successor to Wachovia Bank, National Association, as trustee (the “*Trustee*”), and the Corporation, as supplemented (the “*2005 Trust Agreement*”) and Supplemental Indenture, Number 2 dated as of February 1, 2014 between the Trustee and the Corporation (the “*Second Supplement*”);

WHEREAS, in connection with the financing of the 2014 Project, the Board has determined to use available funds of the County to defease the remaining outstanding principal amount of the Certificates of Participation (Catawba County Governmental and Public School Facilities Project), Series 2005, the proceeds of which were used to finance the 2005 Project, under an Escrow Agreement dated as of February 1, 2014 (the “*Escrow Agent*”) between the County and U.S. Bank National Association, as escrow agent;

WHEREAS, the Board approves the use of Parker Poe Adams & Bernstein LLP as the County’s bond counsel and U.S. Bank National Association, as trustee and escrow agent, and retains Robert W. Baird & Co., as the underwriter for the 2014A Bonds (collectively, the “*Financing Team*”);

WHEREAS, in connection with the sale of the 2014A Bonds by the Corporation, the County desires to make certain representations and warranties to the underwriter of the 2014A Bonds in the form of the County’s Letter of Representations to the underwriter (the “*Letter of Representations*”);

WHEREAS, there have been described to the Board the forms of the following documents (collectively, the “*Instruments*”), copies of which have been made available to the Board, which the Board proposes to approve, enter into and deliver, as applicable, to effectuate the proposed installment financing:

- (1) the Second Amendment;
- (2) the Second Supplement;
- (3) the Deed of Trust;
- (4) the Escrow Agreement;
- (5) the Letter of Representations; and

(6) the Preliminary Official Statement related to the 2014A Bonds (the “*Preliminary Official Statement*”) containing certain information about the County;

WHEREAS, it appears that each of the Instruments is in an appropriate form and is an appropriate instrument for the purposes intended;

WHEREAS, the County has previously determined and hereby determines that the acquisition of the 2014A Project is essential to the County’s proper, efficient and economic operation and to the general health and welfare of its inhabitants; that the 2014A Project provides an essential use and permit the County to carry out public functions that it is authorized by law to perform; and that entering into the Contract and Deed of Trust is necessary and expedient for the County by virtue of the findings presented herein;

WHEREAS, the County hereby determines that the Contract allows the County to finance the 201A Project at a favorable interest rate currently available in the financial marketplace and on terms advantageous to the County;

WHEREAS, the County hereby determines that the estimated cost of financing the 2014A Project is an amount not to exceed \$25,000,000 and that such cost of the financing of the 2014A Project exceeds the amount that can be prudently raised from currently available appropriations, unappropriated fund balances and non-voted bonds that could be issued by the County in the current fiscal year pursuant to Article V, Section 4 of the Constitution of the State;

WHEREAS, although the cost of financing of the 2014A Project pursuant to the Contract is expected to exceed the cost of financing the 2014A Project pursuant to a bond financing for the same undertaking, the County hereby determines that the cost of financing the 2014A Project pursuant to the Contract and the obligations of the County thereunder are preferable to a general obligation bond financing or revenue bond financing for several reasons, including but not limited to the following: (1) the cost of a special election necessary to approve a general obligation bond financing, as required by the laws of the State, would result in the expenditure of significant funds; (2) the time required for a general obligation bond election would cause an unnecessary delay which would thereby decrease the financial benefits of financing the 2014A Project; and (3) insufficient revenues are produced by the 2014A Project so as to permit a revenue bond financing;

WHEREAS, the County hereby determines that the estimated cost of financing the 2014A Project pursuant to the Contract reasonably compares with an estimate of similar costs under a bond financing for the same undertaking as a result of the findings delineated in the above preambles;

WHEREAS, the County does not anticipate a future property tax increase to pay installment payments falling due under the Contract;

WHEREAS, no deficiency judgment may be rendered against the County in any action for its breach of the Contract, and the taxing power of the County is not and may not be pledged in any way directly or indirectly or contingently to secure any moneys due under the Contract;

WHEREAS, the County is not in default under any of its debt service obligations;

WHEREAS, the County’s budget process and Annual Budget Ordinance are in compliance with the Local Government Budget and Fiscal Control Act, and external auditors have determined that the

County has conformed with generally accepted accounting principles as applied to governmental units in preparing its Annual Budget ordinance;

WHEREAS, past audit reports of the County indicate that its debt management and contract obligation payment policies have been carried out in strict compliance with the law, and the County has not been censured by the North Carolina Local Government Commission (the “*LGC*”), external auditors or any other regulatory agencies in connection with such debt management and contract obligation payment policies;

WHEREAS, the County has filed an application to the LGC for approval of the Second Amendment;

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF CATAWBA, NORTH CAROLINA, AS FOLLOWS:

Section 1. Ratification of Instruments. That all actions of the Chairman of the Board, the County Manager, the Finance Director, the Clerk to the Board and their respective designees (the “*Authorized Officers*”), whether previously or hereinafter taken, in effectuating the proposed financing are hereby approved, ratified and authorized pursuant to and in accordance with the transactions contemplated by the Instruments.

Section 2. Authorization to Execute the Second Amendment, the Deed of Trust, the Escrow Agreement and the Letter of Representations. That the County approves the financing of the 2014A Project as contemplated by the terms of the Instruments and in accordance with the terms of the Contract, which will be a valid, legal and binding obligation of the County in accordance with its terms. The form and content of the Second Amendment, the Deed of Trust, the Escrow Agreement and the Letter of Representations shall be and the same hereby are in all respects authorized, approved and confirmed, and the Authorized Officers, either individually or collectively, shall be and they hereby are authorized, empowered and directed to execute and deliver the Second Amendment, the Deed of Trust, the Escrow Agreement and the Letter of Representations, including necessary counterparts, in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as shall to them seem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of the County’s approval of any and all changes, modifications, additions or deletions therein from the form and content of the Second Amendment, the Deed of Trust, the Escrow Agreement and Letter of Representations presented to the Board, and that from and after the execution and delivery of the Second Amendment, the Deed of Trust, the Escrow Agreement and Letter of Representations, the Authorized Officers, either individually or collectively, are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Contract.

Section 3. Authorization of the Official Statement. That (a) the form, terms and content of the Preliminary Official Statement are in all respects authorized, approved and confirmed, and the use of the Preliminary Official Statement and the final Official Statement related to the 2014A Bonds substantially in the form of the Preliminary Official Statement (the “*Official Statement*”) by the underwriters of the 2014A Bonds in connection with the sale of the 2014A Bonds is hereby in all respects authorized, approved and confirmed and (b) the Authorized Officers, either individually or collectively, are hereby authorized, empowered and directed to execute, if required, and deliver the Official Statement, in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as they may deem necessary, desirable or appropriate, their delivery thereof to constitute conclusive evidence of the County’s approval of any and all changes, modifications, additions

or deletions therein from the form and content of the Preliminary Official Statement presented to the Board.

Section 4. County Representative. That each of the Authorized Officers are hereby designated as the County's Representative to act on behalf of the County in connection with the transactions contemplated by the Instruments, and they are authorized to proceed with the financing of the 2014A Project in accordance with the Instruments and to seek opinions as to matters of law from attorneys as they deem appropriate for all documents contemplated hereby as required by law. The Authorized Officers, either individually or collectively, are hereby authorized, empowered and directed to do any and all other acts and to execute any and all other documents, which they, in their discretion, deem necessary and appropriate to consummate the transactions contemplated by the Instruments and the administration thereof after the issuance of the 2014A Bonds or as they deem necessary or appropriate to implement and carry out the intent and purposes of this Resolution.

Section 5. Financing Team. That the Financing Team for the 2014A Bonds is hereby approved. The Finance Director, with advice from the County Attorney, is hereby authorized to retain the assistance of other professionals as he deems necessary and desirable to carry out the intention of this Resolution.

Section 6. Appointment of New Directors of the Corporation. That the Directors of the Corporation appointed pursuant to a resolution of the Board on October 17, 2011 are hereby replaced with Scott Millar, _____ and Rodney N. Miller, each of whom is hereby appointed as a Director of the Corporation and will serve as Director in accordance with and subject to the direction of the Board and the Corporation's bylaws until his resignation, removal or disqualification, or until his successor is duly appointed and qualified.

Section 7. Severability. That if any section, phrase or provision of this Resolution is for any reason declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases or provisions of this Resolution.

Section 8. Repealer. That all motions, orders, resolutions and parts thereof, in conflict herewith are hereby repealed.

Section 9. Effective Date. That this Resolution is effective on the date of its adoption.

STATE OF NORTH CAROLINA)
)
COUNTY OF CATAWBA) ss:

I, BARBARA E. MORRIS, Clerk to the Board of Commissioners of the County of Catawba, North Carolina, ***DO HEREBY CERTIFY*** that the foregoing is a true and exact copy of a resolution entitled **“RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF CATAWBA, NORTH CAROLINA, APPROVING AN AMENDMENT TO THE INSTALLMENT FINANCING AGREEMENT WITH THE CATAWBA COUNTY PUBLIC FACILITIES FINANCING CORPORATION AND RELATED MATTERS”** adopted by the Board of Commissioners of the County of Catawba, North Carolina at a meeting held on the 21st day of January, 2014.

WITNESS my hand and the corporate seal of the County of Catawba, North Carolina, this the ___ day of January, 2014.

Barbara E. Morris
Clerk to the Board of Commissioners
County of Catawba, North Carolina

MEMORANDUM

To: Catawba County Board of Commissioners

From: Policy and Public Works Subcommittee

Date: January 21, 2014

Re: Approval of Transfer of Property Owned by County and
Used for Medical Facility Owned by Catawba Valley Medical Center

Request:

CVMC recently discovered that its medical office building located in Denver was not constructed wholly within the building lot which it purchased. The purpose of this request is to ask for Board of Commissioners approval to execute a deed so that the property can be correctly reconfigured to encompass the foot print of the building.

Background:

The medical office facility is located in the Denver Lakes Professional Park, which is a planned unit development. It consists of two building sites located on Highway 16 in Denver. Because of narrow road frontage and zoning requirements, the development is "townhome" style, with the individual owners owning only the land on which the buildings sit and the balance of the land being common area, intended to be owned by the owner's association. A copy of the original plat for Denver Lakes Professional Park is attached as Exhibit 1. The County's property is the area labeled as "Future Building No. 2," consisting of 8,000 square feet.

CVMC purchased its lot in 1998 and began construction of the building shortly thereafter. The building was completed in late 2000. For reasons that are unknown to the current management at CVMC, the medical office was not built wholly within the boundary of the lot purchased. This was discovered several months ago, when CVMC had a survey done. A copy of a portion of the survey showing the location of the building and the original and proposed lot lines is attached as Exhibit 2.

To remedy this situation, CVMC contacted the original developer, Hash Howard Sherrill & Associates, Inc. ("Hash Howard") and requested its cooperation. It was also discovered that Hash Howard has never conveyed the common area to an owner's association. Hash Howard has agreed to cooperate with CVMC to address both the lot configuration and the common area issues.

Counsel for CVMC recommends that these issues be resolved by exchange of deeds as follows:

1. County deeds the original lot back to Hash Howard by with the statement that it is in consideration of a re-conveyance from Hash Howard to correct the error in the legal description.
2. File a revised plat is filed reconfiguring the CVMC lot so that the building is located wholly within the lot (lot remains 8,000 square feet in size).
3. Hash Howard deeds the reconfigured lot to the County.
4. Hash Howard deeds all common areas within Denver Lakes Professional Park to the owner's association.

Because this solution requires that the County deed property back to the original developer, CVMC asks that the Board of Commissioners approve the transfer of the property back to Hash Howard as part of the series of transactions described above. The purpose of these transactions is to correct the error in the configuration of CVMC's lot. The exchange of deeds will essentially correct the recorded real property records to reflect what is and has been the case on the ground. A copy of the revised plat is also attached to this request.

Recommendation:

The Policy and Public Works Subcommittee recommends the Board of Commissioners authorize Chair Barnes to execute deeds and any other documents necessary to correct the recorded real property records to reflect what is and has been on the ground.

STATE OF NORTH CAROLINA, CATAWBA COUNTY
 I, David C. Latham, County Clerk, do hereby certify that this map was drawn by me
 by me in accordance with the actual survey made under my supervision (DEED
 DESCRIPTION RECORDED IN BOOK 523, PAGE 523, BOOK 523, PAGE 523)
 PRESENTED AS CALCULATED BY LATITUDES AND DEPARTURES IS
 1,10,000. (THAT THE BOUNDARIES NOT SURVEYED ARE SHOWN
 AS BROKEN LINES) FROM THE DATE THIS MAP WAS PREPARED IN
 ACCORDANCE WITH G.S. 47-21A WAS AMENDED, WITNESS MY HAND AND
 SEAL THIS 2ND DAY OF MAY, A.D. 1997
 David C. Latham
 REGISTERED LAND SURVEYOR
 3762
 REGISTRATION NUMBER

COUNTY
 I, A. NOTARY PUBLIC OF THE COUNTY AND STATE AFORESAID
 PERSONALLY APPEARED BEFORE ME THIS DAY AND ACKNOWLEDGED
 THE EXECUTION OF THE FOREGOING INSTRUMENT.
 MY COMMISSION EXPIRES 3/30/2002
 NOTARY PUBLIC
 My Commission Expires 3/30/2002

I, HEREBY CERTIFY THAT THE PLANNED UNIT DEVELOPMENT (PUD) SHOWN
 ON THIS MAP IS IN ACCORDANCE WITH THE SUBDIVISION ACT AND THE
 OFFICE OF THE REGISTER OF DEEDS OF CATAWBA COUNTY WITHIN
 SIXTY DAYS OF THE DATE APPROVAL.

DATE: May 2, 1997
 COUNTY PLANNER
 I (WE) HEREBY CERTIFY THAT I (WE ARE) THE OWNER(S) OF THE
 PROPERTY DESCRIBED HEREIN AND I (WE) HEREBY CERTIFY THAT THE
 SUBDIVISION REGULATION JURISDICTION OF CATAWBA COUNTY AND
 THAT I (WE) HEREBY FREELY ADOPT THIS PLANNED UNIT DEVELOPMENT.
 BY: *[Signature]*
 PRESIDENT - HASH, HOWARD, SHERRILL & ASSOC.
 SECRETARY - HASH, HOWARD, SHERRILL & ASSOC.
 OWNER
 OWNER

DATE: May 2, 1997
 COUNTY
 I, A. NOTARY PUBLIC OF THE COUNTY AND STATE AFORESAID
 PERSONALLY APPEARED BEFORE ME THIS DAY AND ACKNOWLEDGED
 THE EXECUTION OF THE FOREGOING INSTRUMENT. WITNESS MY HAND AND OFFICIAL SEAL THIS 2ND DAY OF MAY, A.D. 1997.
 NOTARY PUBLIC
 My Commission Expires 3/30/2002

NORTH CAROLINA, CATAWBA COUNTY
 I, A. NOTARY PUBLIC OF THE COUNTY AND STATE AFORESAID
 PERSONALLY APPEARED BEFORE ME THIS DAY AND ACKNOWLEDGED
 THE EXECUTION OF THE FOREGOING INSTRUMENT. WITNESS MY HAND AND OFFICIAL SEAL THIS 2ND DAY OF MAY, A.D. 1997.
 NOTARY PUBLIC
 My Commission Expires 3/30/2002

NORTH CAROLINA, CATAWBA COUNTY
 I, A. NOTARY PUBLIC OF THE COUNTY AND STATE AFORESAID
 PERSONALLY APPEARED BEFORE ME THIS DAY AND ACKNOWLEDGED
 THE EXECUTION OF THE FOREGOING INSTRUMENT. WITNESS MY HAND AND OFFICIAL SEAL THIS 2ND DAY OF MAY, A.D. 1997.
 NOTARY PUBLIC
 My Commission Expires 3/30/2002

NORTH CAROLINA, CATAWBA COUNTY
 I, A. NOTARY PUBLIC OF THE COUNTY AND STATE AFORESAID
 PERSONALLY APPEARED BEFORE ME THIS DAY AND ACKNOWLEDGED
 THE EXECUTION OF THE FOREGOING INSTRUMENT. WITNESS MY HAND AND OFFICIAL SEAL THIS 2ND DAY OF MAY, A.D. 1997.
 NOTARY PUBLIC
 My Commission Expires 3/30/2002

This is a revision of Denver Lake Professional Park Plat, Haygood exempt from Subdivision Regulations.
 05-02-97
 Donna S. Callaway
 Zoning Administrator
 FOOD LION
 HERMAN HICKS 942-59
 PEOPLES BANK 0.94 ACRES
 DENVER LAKES PROFESSIONAL PARK CATAWBA COUNTY, NORTH CAROLINA
 PLANNED UNIT DEVELOPMENT SITE PLAN
 OWNER: HASH, HOWARD, SHERRILL & ASSOC.
 P.O. BOX 494 DENVER, NC 28037 (704) 483-2655

NOTES:
 1. AREA OF NEW BUILDING: 8000 S.F.
 TOTAL AREA OF LOT: 2.12 AC. = 92,347.2
 FLOOR AREA RATIO = 11,200/92,347 = 0.121
 2. NEW HANDICAPPED SPACES: 44
 EXISTING HANDICAPPED SPACES: 2
 TOTAL HANDICAPPED SPACES: 46
 TOTAL SPACES: 59
 TOTAL SPACES REQ'D = 11200/1000 x 5 = 56
 3. COMMON OPEN SPACE TO BE MAINTAINED BY DENVER LAKES PROFESSIONAL PARK ASSOCIATION.
 4. PORTION OF TAX MAP NO. 15X-5-2B PIN NO.: 3686-15-33-8601

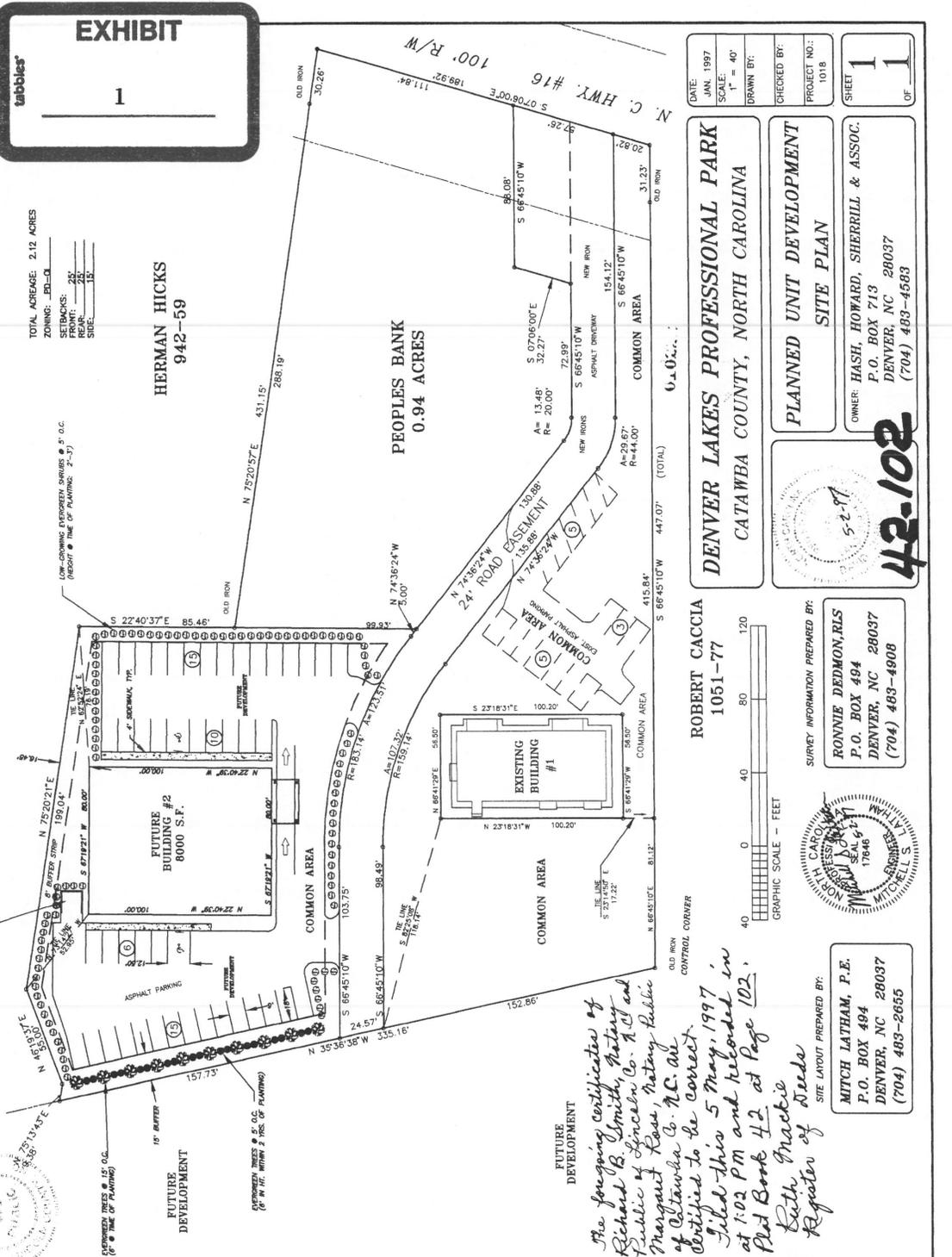
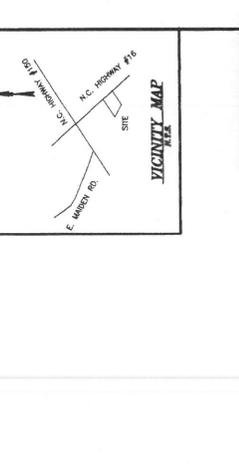


EXHIBIT 1
 TOTAL ACREAGE: 2.12 ACRES
 ZONING: ED-L
 SETBACKS: FRONT: 20' REAR: 20' SIDE: 10'

DATE: MAY 1997
 SCALE: 1" = 40'
 DRAWN BY:
 CHECKED BY:
 PROJECT NO.: 1018
 SHEET 1 OF 1

DATE: MAY 1997
 SCALE: 1" = 40'
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 SHEET 1 OF 1

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 CHECKED BY:
 PROJECT NO.: 1018
 SHEET 1 OF 1

MEMORANDUM

To: Catawba County Board of Commissioners

From: Policy and Public Works Subcommittee

Date: January 21, 2014

Re: Approval of Sale of Property Owned by County for the Benefit of Catawba Valley Medical Center ("CVMC") in Alexander County, NC

Request:

CVMC requests the Board of Commissioners approve the sale of an old medical office property located in Taylorsville to the Town of Taylorsville for the sum of \$50,000.00.

Background:

The property in question is a one-half acre lot with a small medical office building located on 2nd Avenue in Taylorsville. CVMC purchased the property in May of 1998 as part of the purchase of the assets of a medical practice. A copy of the deed is attached. The medical building was constructed in the 1960s and was not deemed suitable by CVMC for use. Since its purchase in 1998, the building has been vacant, and the hospital has made efforts to sell the property throughout that time. CVMC recently received an offer to purchase the property from the Town of Taylorsville for the sum of \$50,000.00. A copy of the offer is attached. David Odom, manager of the Town of Taylorsville, has advised that the Town intends to purchase the property and lease it to a third party for an urgent care facility.

CVMC has no use for this property and its dilapidated condition makes it difficult to sell. Copies of photos showing the current condition are attached. The tax value of this parcel is \$186,419.00, but CVMC carries the property on its books at \$48,266. The hospital has not had a formal appraisal done, but the offer is within the range of the estimates of values that Paul Gadd, its real estate agent, has provided to the hospital from time to time. CVMC management has considered demolition of the structure, but believes that selling the property for \$50,000.00 is a better result.

Recommendation:

The Policy and Public Works Subcommittee recommends the Board of Commissioners authorize Chair Barnes to execute a deed and any other documents necessary to accomplish the sale of the real property to the Town of Taylorsville.

Attachments:

1. County Source Deed
2. Purchase contract
3. Photographs

FILED
BOOK 390 PAGE 1554 050790PG1554

ALEXANDER COUNTY NC 05/01/98

\$330.00



Real Estate
Excise Tax

98 MAY -1 PH 4:12

Benjamin W. J. J. J.
REGISTER OF DEEDS
ALEXANDER COUNTY, NC

Revenue: \$ 330.00

THIS INSTRUMENT WAS PREPARED BY: R. Allen Ingram, Jr., PATRICK, HARPER & DIXON, P. O. Box 218, Hickory, NC 28603

NORTH CAROLINA

~~ALEXANDER~~
ALEXANDER COUNTY

NORTH CAROLINA GENERAL WARRANTY DEED

THIS DEED made this 1st day of May, 1998, by and between Steven C. Merrill and wife, Shirley J. Merrill, Grantors and Catawba County, a municipal corporation, P.O. Box 389, Newton, North Carolina 28658, Grantee.

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantors, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, have and by these presents do grant, bargain, sell and convey unto the Grantee in fee simple, all that certain lot or parcel of land situate in the City of Taylorsville, Taylorsville Township, Alexander County, North Carolina and more particularly described as follows:

BEGINNING on an old iron stake on the North side of Second Avenue, S.W. in the Town of Taylorsville, Howard Gryder's Southwest corner, and runs South 74° West 159.44 feet along the North side of said Avenue to an old iron stake found under a concrete slab, Steve Watts' Southeast corner; thence North 3° 1' 11" East 83 feet with said Watts line to an old iron stake; thence North 1° 37' 12" East 79.97 feet with Steve Watts' line to an iron stake, Hazel Gant's corner; thence North 1° 12' 26" West 19.8 feet with the Gant line to an old iron stake; thence North 71° 56' 10" East 103.7 feet with the Gant line to an old iron stake, the old Gant, Campbell and Gryder corner; thence South 15° 50' 16" East 177.56 feet with the Howard Gryder line to the BEGINNING, containing 0.525 of an acre, more or less.

Included within the boundaries of the land above described is all that land conveyed by Ann Campbell Brown and husband, Maurice Brown, to Family Medicine Associates by deed dated March 5, 1986 and recorded in Book 263, Page 884, Alexander County Registry.

The property hereinabove described was acquired by Grantor by instrument recorded in Book 354, Page 657.

A map showing the above described property is described in Plat Book _____, Page _____.

LN039061555

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

And the Grantors covenant with the Grantee, that the Grantors are seized of the premises in fee simple, have the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that the Grantors will warrant and defend the title against the lawful claims of all persons whomsoever except for the exceptions hereinafter stated. Title to the property hereinabove described is subject to the following exceptions:

- a. All easements, restrictions, and rights-of-way of record.
- b. 1998 Town of Taylorsville and Alexander County property taxes.

IN WITNESS WHEREOF, the Grantors have hereunto set their hands and seals, or if corporate, has caused this instrument to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, the day and year first above written.

USE BLACK INK ONLY

Steven C. Merrill (SEAL)
 Steven C. Merrill

Shirley J. Merrill (SEAL)
 Shirley J. Merrill

NORTH CAROLINA, Catawba COUNTY

I, a Notary Public of the County and State aforesaid, certify that Steven C. Merrill and wife, Shirley J. Merrill personally appeared before me this day and acknowledged the execution of the foregoing instrument. Witness my hand and official stamp or seal, this 1st day of May, 1998.

My Commission Expires: 6-25-99

William B. ...
 Notary Public



The foregoing Certificate of Allen Ingram, a Notary Public of Catawba County, North Carolina, is certified to be correct. This instrument was presented for registration this 1st day of May, 1998 at — M., and duly recorded in the office of the Register of Deeds of Alexander County, North Carolina, in Book 390, Page 1554.

This 1st day of May, 1998.

Benjamin W. Hines
 Register of Deeds







REALTOR® North Carolina Association of REALTORS®

AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY

THIS AGREEMENT, including any and all addenda attached hereto ("Agreement"), is by and between

a(n) Town of Taylorsville an NC municipal corporation ("Buyer"), and (individual or State of formation and type of entity)

a(n) Catawba County NC body politic ("Seller"). (individual or State of formation and type of entity)

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

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

(a) "Property": (Address) 60 2nd Avenue, Taylorsville, NC

Plat Reference: Lot(s) _____, Block or Section _____, as shown on Plat Book or Slide _____ at Page(s) _____, Alexander County, consisting of .48 acres.

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

(For information purposes: (i) the tax parcel number of the Property is: 3759564504; and, (ii) some or all of the Property, consisting of approximately _____ acres, is described in Deed Book 390, Page No. 1554, Alexander County.)

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

\$ 50,000.00 (b) "Purchase Price" shall mean the sum of Fifty Thousand Dollars,

payable on the following terms:

\$ 500.00 (i) "Earnest Money" shall mean Five Hundred Dollars or terms as follows: _____

Upon this Agreement becoming a contract in accordance with Section 14, the Earnest Money shall be promptly deposited in escrow with Paul Gadd & Associates, Inc. (name of person/entity with whom deposited), to be applied as part payment of the Purchase Price of the Property at Closing, or disbursed as agreed upon under the provisions of Section 10 herein.



North Carolina Association of REALTORS®, Inc.

Buyer Initials DSO Seller Initials _____

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

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

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

\$ _____ N/A (ii) Proceeds of a new loan in the amount of _____ Dollars for a term of _____ years, with an amortization period not to exceed _____ years, at an interest rate not to exceed _____ % per annum with mortgage loan discount points not to exceed _____ % of the loan amount, or such other terms as may be set forth on Exhibit B. Buyer shall pay all costs associated with any such loan.

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

\$ _____ N/A (iv) Assumption of that unpaid obligation of Seller secured by a deed of trust on the Property, such obligation having an outstanding principal balance of \$ _____ and evidenced by a note bearing interest at the rate of _____ percent (_____ %) per annum, and a current payment amount of \$ _____. The obligations of Buyer under this Agreement are conditioned upon Buyer being able to assume the existing loan described above. If such assumption requires the lender's approval, Buyer agrees to use its best efforts to secure such approval and to advise Seller immediately upon receipt of the lender's decision. Approval must be granted on or before _____. On or before this date, Buyer has the right to terminate this Agreement for failure to be able to assume the loan described above by delivering to Seller written notice of termination by the above date, *time being of the essence*. If Buyer delivers such notice, this Agreement shall be null and void and Earnest Money shall be refunded to Buyer. If Buyer fails to deliver such notice, then Buyer will be deemed to have waived the loan condition. Unless provided otherwise in Section 3 hereof, Buyer shall pay all fees and costs associated with any such assumption, including any assumption fee charged by the lender. At or before Closing, Seller shall assign to Buyer all interest of Seller in any current reserves or escrows held by the lender, any property management company and/or Seller, including but not limited to any tenant improvement reserves, leasing commission reserves, security deposits and operating or capital reserves for which Seller shall be credited said amounts at Closing.

\$ 49,500.00 (v) Cash, balance of Purchase Price, at Closing in the amount of Forty-Nine Thousand, Five Hundred Dollars.

Buyer Initials D/b _____ Seller Initials _____

(c) **"Closing"** shall mean the date and time of recording of the deed. Closing shall occur on or before January 31, 2014 or _____

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

(e) **"Examination Period"** shall mean the period beginning on the first day after the Contract Date and extending through through 11:59pm (based upon time at the locale of the Property) on January 24, 2014

TIME IS OF THE ESSENCE AS TO THE EXAMINATION PERIOD.

(f) **"Broker(s)"** shall mean:
Paul Gadd ("Listing Agency"),
("Listing Agent" - License # 14659)
Acting as: Seller's Agent; Dual Agent
and Paul Gadd ("Selling Agency"),
("Selling Agent" - License # 14659)
Acting as: Buyer's Agent; Seller's (Sub) Agent; Dual Agent

(g) **"Seller's Notice Address"** shall be as follows:
% Catawba Valley Medical Center , 810 Fairgrove Church Rd, Hickory, NC 28602
except as same may be changed pursuant to Section 12.

(h) **"Buyer's Notice Address"** shall be as follows:
Attn: David Odom, Town Manager - 67 Main Avenue Dr., Taylorsville, NC 28681
except as same may be changed pursuant to Section 12.

(i) If this block is marked, additional terms of this Agreement are set forth on Exhibit B attached hereto and incorporated herein by reference. (Note: Under North Carolina law, real estate agents are not permitted to draft conditions or contingencies to this Agreement.)

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

Section 3. Proration of Expenses and Payment of Costs: Seller and Buyer agree that all property taxes (on a calendar year basis), leases, rents, mortgage payments and utilities or any other assumed liabilities as detailed on attached Exhibit B, if any, shall be prorated as of the date of Closing. Seller shall pay for preparation of a deed and all other documents necessary to perform Seller's obligations under this Agreement, excise tax (revenue stamps), any deferred or rollback taxes, and other conveyance fees or taxes required by law, and the following:

Buyer Initials DSD Seller Initials _____

Buyer shall pay recording costs, costs of any title search, title insurance, survey, the cost of any inspections or investigations undertaken by Buyer under this Agreement and the following:

Each party shall pay its own attorney's fees.

Section 4. Deliveries: Seller agrees to use best efforts to deliver to Buyer as soon as reasonably possible after the Contract Date copies of all information relating to the Property in possession of or available to Seller, including but not limited to: title insurance policies (and copies of any documents referenced therein), surveys, soil test reports, environmental surveys or reports, site plans, civil drawings, building plans, maintenance records and copies of all presently effective warranties or service contracts related to the Property. Seller authorizes (1) any attorney presently or previously representing Seller to release and disclose any title insurance policy in such attorney's file to Buyer and both Buyer's and Seller's agents and attorneys; and (2) the Property's title insurer or its agent to release and disclose all materials in the Property's title insurer's (or title insurer's agent's) file to Buyer and both Buyer's and Seller's agents and attorneys. If Buyer does not consummate the Closing for any reason other than Seller default, then Buyer shall return to Seller all materials delivered by Seller to Buyer pursuant to this Section 4 (or Section 7, if applicable), if any, and shall, upon Seller's request, provide to Seller copies of (subject to the ownership and copyright interests of the preparer thereof) any and all studies, reports, surveys and other information relating directly to the Property prepared by or at the request of Buyer, its employees and agents, and shall deliver to Seller, upon the release of the Earnest Money, copies of all of the foregoing without any warranty or representation by Buyer as to the contents, accuracy or correctness thereof.

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

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

(a) **New Loan:** The Buyer must be able to obtain the loan, if any, referenced in Section 1(b)(ii). Buyer must be able to obtain a firm commitment for this loan on or before n/a, effective through the date of Closing. Buyer agrees to use its best efforts to secure such commitment and to advise Seller immediately upon receipt of lender's decision. On or before the above date, Buyer has the right to terminate this Agreement for failure to obtain the loan referenced in Section 1(b)(ii) by delivering to Seller written notice of termination by the above date, *time being of the essence*. If Buyer delivers such notice, this Agreement shall be null and void and Earnest Money shall be refunded to Buyer. If Buyer fails to deliver such notice, then Buyer will be deemed to have waived the loan condition. Notwithstanding the foregoing, after the above date, Seller may request in writing from Buyer a copy of the commitment letter. If Buyer fails to provide Seller a copy of the commitment letter within five (5) days of receipt of Seller's request, then Seller may terminate this Agreement by written notice to Buyer at any time thereafter, provided Seller has not then received a copy of the commitment letter, and Buyer shall receive a return of Earnest Money.

(b) **Qualification for Financing:** If Buyer is to assume any indebtedness in connection with payment of the Purchase Price, Buyer agrees to use its best efforts to qualify for the assumption. Should Buyer fail to qualify, Buyer shall notify Seller in writing immediately upon lender's decision, whereupon this Agreement shall terminate, and Buyer shall receive a return of Earnest Money.

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

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

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Buyer Initials DSU Seller Initials _____

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Revised 7/2013
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(e) **Inspections:** Buyer, its agents or representatives, at Buyer's expense and at reasonable times during normal business hours, shall have the right to enter upon the Property for the purpose of inspecting, examining, performing soil boring and other testing, conducting timber cruises, and surveying the Property. Buyer shall conduct all such on-site inspections, examinations, soil boring and other testing, timber cruises and surveying of the Property in a good and workmanlike manner, shall repair any damage to the Property caused by Buyer's entry and on-site inspections and shall conduct same in a manner that does not unreasonably interfere with Seller's or any tenant's use and enjoyment of the Property. In that respect, Buyer shall make reasonable efforts to undertake on-site inspections outside of the hours any tenant's business is open to the public and shall give prior notice to any tenants of any entry onto any tenant's portion of the Property for the purpose of conducting inspections. Upon Seller's request, Buyer shall provide to Seller evidence of general liability insurance. Buyer shall also have a right to review and inspect all contracts or other agreements affecting or related directly to the Property and shall be entitled to review such books and records of Seller that relate directly to the operation and maintenance of the Property, provided, however, that Buyer shall not disclose any information regarding this Property (or any tenant therein) unless required by law and the same shall be regarded as confidential, to any person, except to its attorneys, accountants, lenders and other professional advisors, in which case Buyer shall obtain their agreement to maintain such confidentiality. Buyer assumes all responsibility for the acts of itself, its agents or representatives in exercising its rights under this Section 6(e) and agrees to indemnify and hold Seller harmless from any damages resulting therefrom. This indemnification obligation of Buyer shall survive the Closing or earlier termination of this Agreement. Buyer shall, at Buyer's expense, promptly repair any damage to the Property caused by Buyer's entry and on-site inspections. Except as provided in Section 6(c) above, Buyer shall have from the Contract Date through the end of the Examination Period to perform the above inspections, examinations and testing. **IF BUYER CHOOSES NOT TO PURCHASE THE PROPERTY, FOR ANY REASON OR NO REASON, AND PROVIDES WRITTEN NOTICE TO SELLER THEREOF PRIOR TO THE EXPIRATION OF THE EXAMINATION PERIOD, THEN THIS AGREEMENT SHALL TERMINATE, AND BUYER SHALL RECEIVE A RETURN OF THE EARNEST MONEY.**

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

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

If this box is checked, Seller discloses that there are one or more leases affecting the Property (oral or written, recorded or not - "Leases") and the following provisions are hereby made a part of this Agreement.

(a) A list of all Leases shall be set forth on **Exhibit B**;

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

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

(d) In addition to the conditions provided in Section 6 of this Agreement, this Agreement and the rights and obligations of the parties under this Agreement are hereby made expressly conditioned upon the assignment of Seller's interest in any Lease to Buyer in form and content acceptable to Buyer (with tenant's written consent and acknowledgement, if required under the Lease), and Seller agrees to use its best efforts to effect such assignment. Any assignment required under this Section 7 shall be required to be delivered at or before Closing by Seller in addition to those deliveries required under Section 11 of this Agreement.

(e) Seller agrees to deliver an assignment of any Lease at or before Closing, with any security deposits held by Seller under any Leases to be transferred or credited to Buyer at or before Closing. Seller also agrees to execute and deliver (and work diligently to obtain any tenant signatures necessary for same) any estoppel certificates and subordination, nondisturbance and attornment agreements in such form as Buyer may reasonably request.

Section 8. Environmental: Seller represents and warrants that it has no actual knowledge of the presence or disposal, except as in accordance with applicable law, within the buildings or on the Property of hazardous or toxic waste or substances, which are defined as those substances, materials, and wastes, including, but not limited to, those substances, materials and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 CFR Part 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302.4) and amendments thereto, or such substances, materials and wastes, which are or become regulated under any applicable local, state or federal law, including, without limitation, any material, waste or substance which is (i) petroleum, (ii) asbestos, (iii) polychlorinated biphenyls, (iv) designated as a Hazardous Substance pursuant to Section 311 of the

Page 5 of 8

Buyer Initials DSO _____ Seller Initials _____

STANDARD FORM 580-T

Revised 7/2013

© 7/2013

Town of Taylor

Clean Water Act of 1977 (33 U.S.C. §1321) or listed pursuant to Section 307 of the Clean Water Act of 1977 (33 U.S.C. §1317), (v) defined as a hazardous waste pursuant to Section 1004 of the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §6903) or (vi) defined as a hazardous substance pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §9601). Seller has no actual knowledge of any contamination of the Property from such substances as may have been disposed of or stored on neighboring tracts.

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

Section 10. Earnest Money Disbursement: In the event that any of the conditions hereto are not satisfied, or in the event of a breach of this Agreement by Seller, then the Earnest Money shall be returned to Buyer, but such return shall not affect any other remedies available to Buyer for such breach. In the event this offer is accepted and Buyer breaches this Agreement, then the Earnest Money shall be forfeited, but such forfeiture shall not affect any other remedies available to Seller for such breach. NOTE: In the event of a dispute between Seller and Buyer over the return or forfeiture of Earnest Money held in escrow by a licensed real estate broker, the broker is required by state law to retain said Earnest Money in its trust or escrow account until it has obtained a written release from the parties consenting to its disposition or until disbursement is ordered by a court of competent jurisdiction, or alternatively, the party holding the Earnest Money may deposit the disputed monies with the appropriate clerk of court in accordance with the provisions of N.C.G.S. §93A-12.

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

Section 12. Notices: Unless otherwise provided herein, all notices and other communications which may be or are required to be given or made by any party to the other in connection herewith shall be in writing and shall be deemed to have been properly given and received on the date delivered in person or deposited in the United States mail, registered or certified, return receipt requested, to the addresses set out in Section 1(g) as to Seller and in Section 1(h) as to Buyer, or at such other addresses as specified by written notice delivered in accordance herewith.

Section 13. Entire Agreement: This Agreement constitutes the sole and entire agreement among the parties hereto and no modification of this Agreement shall be binding unless in writing and signed by all parties hereto. The invalidity of one or more provisions of this Agreement shall not affect the validity of any other provisions hereof and this Agreement shall be construed and enforced as if such invalid provisions were not included.

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

Section 15. Adverse Information and Compliance with Laws:

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

None

Buyer Initials DSU Seller Initials _____

Note: For purposes of this Agreement, a "confirmed" special assessment is defined as an assessment that has been approved by a governmental agency or an owners' association for the purpose(s) stated, whether or not it is fully payable at time of closing. A "pending" special assessment is defined as an assessment that is under formal consideration by a governing body. Seller shall pay all owners' association assessments and all governmental assessments confirmed as of the date of Closing, if any, and Buyer shall take title subject to all pending assessments disclosed by Seller herein, if any.

Seller represents that the regular owners' association dues, if any, are \$ n/a per n/a.

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

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

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

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

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

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

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

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

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

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

Buyer Initials DSV Seller Initials _____

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

BUYER:

SELLER:

Individual

Individual

Date: _____

Date: _____

Date: _____

Date: _____

Business Entity

Business Entity

Town of Taylorsville

Catawba County

(Name of Entity)
By: David Odum

(Name of Entity)
By: _____

Name: David Odum

Name: _____

Title: Manager

Title: _____

Date: 12/18/2013

Date: _____

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

Paul Gadd

(Name of Firm)

Date: 12-23-'13

By: Paul Gadd

Addendum to Agreement for Purchase and Sale of Property

Exhibit A

There is no personal property.

Exhibit B

A. Except as expressly set forth in Section 8, it is understood and agreed that Seller is not making and specifically disclaims any and all warranties or representations of any kind or character, express or implied, with respect to the Property. Buyer acknowledges and agrees that upon Closing, except as expressly set forth in this paragraph, Seller shall sell and convey to Buyer and Buyer shall accept the Property "**AS IS, WHERE IS AND WITH ALL FAULTS.**"

B. Buyer acknowledges that Buyer will have the opportunity, throughout the Inspection Period, to inspect the Property and become fully familiar with the physical condition, state of repair and all other physical, operational and other aspects of the Property and shall determine and confirm to Buyer's own satisfaction all aspects of the status and condition of the Property. This Agreement, as written, contains all the terms of the agreement entered into between the Parties as of the Effective Date, and Buyer acknowledges and agrees that neither Seller, nor any of Seller's affiliates, nor any of their respective agents, employees or representatives, have made any representations or warranties, either express or implied, with respect to the Property, the operations or physical condition of the Property or otherwise.

MEMORANDUM

To: Catawba County Board of Commissioners

From: Scott Millar, Catawba County EDC

Date: January 21, 2013

Re: Economic Development Agreement, HSM

Request

In August 2013, HSM Company (formerly Hickory Springs Manufacturing) announced the expansion of several Catawba County facilities in the Cities of Hickory and Conover, creating up to 162 new jobs and the investment of a targeted amount of \$3.3 million in new facilities and equipment. The expansion projects were predicated on the subsequent approval of economic development agreements and matching funds being provided by the State of North Carolina. The EDC, in conjunction with the legal staff of the County and the Company, is bringing forward the final agreements for approval as allowed under NC General Statutes. As is typical, the EDC has performed a Cost Benefits analysis showing the economic benefits of the proposed agreement, the creation of jobs, and the net effects of the investment. Key to consideration of this project is the aspects of innovation and the transformation of this company into a high-tech, R&D-oriented global producer, all desired elements under the Innovate Catawba economic transformation process. As is usual, no incentives will be awarded until after the company has already achieved progress on its contractual obligations.

Background

This project represents the total transformation of HSM from a basic supplier of furniture parts into an integrated and global manufacturer/seller of complete product lines, including seats for mass transportation, end-user products such as outdoor/beach seating, and many other products. Hickory Springs has changed its name to HSM to reflect this total transformation. HSM is placing a heavy reliance on innovation, research and design, creative product design, and marketing as shown by this multi-part project. The project components include creation and investment in two Conover locations (Innovations Center on Debra Herman Road, \$500k investment, 19 jobs/the Foam Tech Center on Farrington Street, \$1.55M investment, 3 jobs) as well as two Hickory locations (manufacturing facility investments in a State-recognized Urban Progress Zone. The State of NC has committed to over \$278,000 participation requiring a local match. Conover has approved its participation and The City of Hickory is considering approval of its participation at its January 21 meeting.

Proposal Overview

The State has committed to an incentive totaling \$278,000 including training grants and requiring a local match. Our usual incentive grants process of granting a percentage of future

receipts based on investment alone is not sufficient in this case to provide the match. I am recommending a grant from each local governing unit of \$500 for each job created and a 3-year, 50% grant based on the realized income from these investments. Under this proposal, HSM would receive a one-time grant of \$1000 for each job (\$500 from the municipality for the job created within their jurisdiction and \$500 from the County) one time in the year following certification for the creation of that job and a 50% grant on the income received from the investment in the respective jurisdictions for each of three years following the investment (if the qualified investment were made in year three, the incentive would pay in the three years following the receipt of the payment of taxes on that investment). The total maximum payout of incentives for each jurisdiction under this proposal as shown in the modeling, prior to any determination of true assessed value and depreciation, is as follows: County \$110,839; Hickory \$82,690; Conover \$23,300).

Other considerations:

1. The Main Avenue, Hickory project is in a State-certified UPZ (Urban Progress Zone), qualifying it for special treatment for NC-based incentives;
2. This is an existing Catawba County Corporate Headquarters with a longstanding track record of investment/jobs;
3. The entire transformation of the company is based on extensive investment in R&D and Innovation and the type of jobs that investment requires; and
4. HSM has contractually agreed to exceed Catawba County's average wage by \$6,000 for all hires.
5. The financial impact modeling for the project using IMplan Analysis totals \$69,887,015 for the years 2013-2015.

Recommendation

The EDC recommends approval of (1) the attached economic development agreement by and between Catawba County and HSM, and (2) the approval of the County to enter into an agreement with the State of North Carolina under the NC One Fund Grants program in order to provide that funding under terms of the State of North Carolina and the NC Department of Commerce Finance Center.

Prepared by:
Debra Bechtel, Catawba County Attorney
P.O. Box 389, Newton, North Carolina 28658

John Mayo, VP, Gen.Counsel & Corp.Secretary, HSM
P.O. Box 128, Hickory, NC 28603

**STATE OF NORTH CAROLINA CATAWBA COUNTY AND HICKORY SPRINGS
COUNTY OF CATAWBA MANUFACTURING COMPANY
 ECONOMIC DEVELOPMENT AGREEMENT**

This **JOINT ECONOMIC DEVELOPMENT AGREEMENT** (this "Agreement") is made and entered into this 28th day of February, 2014, by and between **Catawba County**, ("County") a North Carolina Body Politic Corporate in Nature, having a mailing address of **P.O. Box 389, Newton, North Carolina 28658**, and **Hickory Springs Manufacturing Company** ("HSM Solutions", or "HSM", or "Company"), a Corporation organized and existing under the laws of the State of North Carolina, having an office address of 235 2nd Avenue NW, Hickory, North Carolina 28601, and a mailing address of PO Box 128, Hickory, North Carolina 28603.

WITNESSETH:

WHEREAS, North Carolina General Statute (NCGS) 158-7.1(a) authorizes Counties to make appropriations for the purpose of aiding and encouraging the location of business enterprises and industrial and commercial plants in or near its boundaries and Company is engaged in manufacturing furniture components and assemblies within the meaning of NCGS 158-7.1; and

WHEREAS, Company intends to up-fit and equip existing manufacturing facilities ("Improvements") at multiple locations in the cities of Conover and Hickory in Catawba County at 1545 Debra Herman Road and 1115 Farrington Street, Conover, NC 28613, and at 2200 Main Avenue SE and 235 2nd Avenue NW, Hickory, NC 28601, (the "Property" or the "Properties"), at a cost in excess of Three Million, Nine Hundred Forty Two Thousand Hundred Dollars (**\$3,942,000**) and intends to create One Hundred Fifty Nine (159) new jobs, with the improvements to be constructed between January 1, 2013 and December 31, 2015 and jobs created between January 1, 2013 and December 31, 2015 (the "Improvement Period"); and

WHEREAS, in an effort to encourage and maintain the highest educational attainment, Company will enroll and actively participate in the Catawba County Education Matters ("Education Matters") program; and will agree to require a minimum of a high school diploma or its equivalent (GED, Adult HS Diploma, etc.) for anyone 25 years of age or below; and

WHEREAS, HSM Solutions expects to be a community-oriented Company and intends to participate in philanthropy, community events and programs intended to increase the health and happiness of their employees and the greater community as a whole; and

WHEREAS, Company is encouraged, to the reasonable extent possible, to purchase local services and supplies, such as, but not limited to, locally produced products, local hotel, motel and hospitality services, local building and construction services, and other products and services;

NOW, THEREFORE, in consideration of the promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

County and Company agree that this Agreement shall apply only with respect to Improvements undertaken or payments for such Improvements by Company between January 1, 2013 and December 31, 2015 (the "Improvement Period").

SECTION I – COMPANY

1. On or before February 28, 2014 HSM Solutions shall:
 - 1.1 Deliver to County a certificate confirming that Company owns the Property and that the up-fit, and/or installation of the Improvements will result in the creation, maintenance and availability of a minimum of 159 new jobs with the intention to create 159 new jobs prior to December 31, 2015, and that the overall average wage of Company will equal or exceed the average wage requirement in Catawba County under North Carolina Department of Commerce contractual requirements. Job requirements will include a minimum of a high school diploma or its equivalent (GED, Adult HS Diploma, etc.) for anyone 25 years of age or younger. Company affirms understanding of, and agrees to comply with, the Calendar of Responsibilities as outlined in Exhibit "A". Such certificate shall be in the form or substantially in the form of the certificate attached to this Agreement as Exhibit "A".
 - 1.2 Provide an Opinion of Counsel for Company, in form and substance reasonably satisfactory to County, that this Agreement has been duly authorized, executed and delivered by Company; and
 - 1.3 Provide an Opinion of Counsel for Company, in form and substance reasonably satisfactory to County, stating that this Agreement is binding upon and enforceable against Company, in North Carolina, in accordance with its terms.

2. In order to induce County to enter into this Agreement and to appropriate and expend monies for payment of economic development incentives, Company represents and warrants to County that as of the execution date hereof:
 - 2.1 HSM is a Corporation duly organized and existing under the laws of the State of North Carolina, has a place of business within the State of North Carolina, and is in good standing and authorized to do business in the State of North Carolina;
 - 2.2 Company has the corporate power and authority to own its properties and assets and to carry on its business as now being conducted and has the corporate power and authority to execute and perform this Agreement;
 - 2.3 The undersigned President and CEO of HSM Solutions has the right, authority and duty to execute this Agreement in the name and on behalf of HSM;
 - 2.4 This Agreement (i) is the valid and binding instrument and agreement of Company, enforceable against Company in accordance with its terms; (ii) does not violate any order of any court or other agency of government binding on Company, the charter documents or operating agreement of Company or any provision of any indenture, agreement or other instrument to which Company is a party; and (iii) does not conflict with, result in a breach of, or constitute an event of default, or an event which, with notice or lapse of time, or both, would constitute an event of default, under any indenture, agreement or other instrument to which Company is a party;
 - 2.5 There is no suit, claim, action or litigation pending, or to the best knowledge of Company threatened, relating to the Improvements, the use of the Improvements for their intended purpose, or any other matter contained herein;

- 2.6 To the best of Company's knowledge, there is no impediment to the use of the Property for the purposes contemplated by this Agreement.
- 2.7 Company is not engaged in a business that would be exempt from property taxes.
3. Company shall make investments to the Properties and Improvements during the Improvement Period. Cumulative expenditures will meet or exceed Three Million Nine Hundred Forty Two Thousand Dollars (\$3,942,000) by December 31, 2015, all of which will qualify and result in additional value for ad valorem tax purposes as determined by the Catawba County Tax Office, and Company further agrees to maintain in place, in good condition (ordinary wear and tear excepted), said Improvements through December 31, 2019.
4. Company shall create a minimum of 159 new jobs at the Properties by December 31, 2015 and maintain or make available these jobs in place through December 31, 2019. A job is defined as employment that provides 1600 hours or more of work in any 12 month period.

SECTION II – COUNTY

5. On or before February 28, 2014 County shall deliver to Company an Opinion of Counsel for County, in form and substance reasonably satisfactory to Company, that this Agreement has been duly authorized, executed and delivered by County; and stating that this Agreement complies with the terms and requirements of NCGS 158-7.1(a) and is binding upon and enforceable against County with its terms; and evidence in the form of a Resolution or Resolutions, or official minutes, which County duly adopted authorizing the economic development incentives set forth in this Agreement.
6. Payment of economic development incentives for Real and Personal Investments and for Job Creation in accordance with this Agreement shall be made as follows:
- For Real and Personal Property Investments: County will provide annual payments equal to 50% of the ad valorem taxes associated with the additional value (exclusive of rolling stock) as paid to County for a three year period, commencing with the taxes payable for the tax values on January, 2013, and January 1 of the succeeding eligible years. Eligible investments during a single year of the Investment Period will qualify for three years of grants based on the actual assessed value for improvements made in that particular year. Eligible investments may be considered for a maximum of three years. By way of example only, eligible investments in CY1 would qualify for grants based on the taxes paid on those eligible investments for the years specific to CY1, CY2, and CY3. Eligible investments in CY2 would qualify for grants in CY2, CY3, and CY4; and eligible grants in CY3 would qualify for grants in CY3, CY4 and CY5.
 - Upon payment of ad valorem taxes by Company to County for each of CY 1 through CY 6, and certification by Company in the form or substantially in the form of the certificate attached hereto as Exhibit B, of Improvements made and proof of payment of taxes and verification that Company has created and maintained jobs as agreed herein, County will, within sixty (60) days, pay to Company an economic development incentive payment, the amount of which is calculated by multiplying by .5 times the total ad valorem tax revenue

received by County attributable to the value of the improvements made by Company pursuant to this Agreement in excess of the amount attributable to improvements already in place and taxed on the site as of December 31, 2012. This same process will be followed by County and Company in each of the immediately following five (5) years.

- c. For Creation of Jobs: Upon certification of the creation of the job position and the placement of personnel within each of those positions satisfactory to meet the legal and contractual requirements of the NC Department of Commerce, as further defined in Exhibit C attached and incorporated herein by reference, County will, within sixty (60) days, pay to Company a one-time economic development incentive payment of \$500 for each position created. Company agrees to maintain and fill such positions through December 31, 2019.
- d. Inclusive of grants for real and personal property improvements and positions created, in no event will the cumulative payments by County exceed One Hundred Ten Thousand Eight Hundred and Thirty Nine dollars (\$110,839) for the years 2014-2019, or Twenty Two Thousand Five Hundred dollars (\$22,500) in year 1, Twenty Seven Thousand Two Hundred Fifty Two dollars (\$27,252) in year 2, Forty Six Thousand One Hundred Fifty One dollars (\$46,151) in year 3, Ten Thousand Four Hundred Forty Six dollars (\$10,446) in year 4, Three Thousand Six Hundred Ninety Four dollars (\$3,694) in year 5, and Seven Hundred Ninety Five dollars (\$795) in year 6.

Grant Year	Maximum Payment By County
1	\$22,500
2	\$27,252
3	\$46,151
4	\$10,446
5	\$3,694
6	\$795
Total	\$110,839

- e. Said amounts shall be payable annually, beginning in CY1 and payable through CY6. For the purposes of this Agreement, "CY 1" means calendar year 2014 and "CY 2" through "CY 6" means the succeeding five (2015-2019) calendar years.
- f. Company shall furnish to County on or before March 5th of each calendar year, following and corresponding to the previous July 1st when taxes are billed, the certification required by this Section 6, proof of payment of all applicable taxes, and documentation of the creation and maintenance of the jobs created under this Agreement. If requested, Company shall provide County, at County's expense, independent certification as to such expenditures and number of existing jobs.

SECTION III - OTHER

- 7. Force Majeure. Notwithstanding the provisions of Paragraph 8, in the event Company is unable to meet the requirements of Paragraphs 3, 4 and 6 as a result of (i) an event of force majeure, including but not limited to fires, explosions, acts of God, acts of public

enemy, insurrections, riots, terrorism, embargoes, labor disputes, including strikes, lockouts and job actions, or boycotts; (ii) the inability to obtain the governmental permits or approvals (including zoning) necessary for the acquisition of the land or undertaking and operating the Improvements after a good faith effort to obtain same has been made; (iii) shortages of materials or energy; (iv) changes in laws; or (v) other causes beyond the control of and arising without the fault or negligence of Company; then, in such event, the Improvement Period shall be extended for a period equal to the delay caused by any of the foregoing events so long as Company shall (a) have furnished County on a timely basis, upon the occurrence of such event, a notice thereof, and (b) take all commercially reasonable steps necessary to relieve the effect of such event and to resume completion of the Improvements.

8. It shall be an Event of Default if any one or more of the following events shall occur for any reason whatsoever (and whether such occurrence shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):
- a. If Company, except in the event of force majeure, shall commit a material breach of a material obligation hereunder (including without limitation, the obligation to meet the investment goals and maintaining a minimum of 90% of the number (159) of newly created jobs as set forth herein) and such breach shall continue for a period of sixty (60) or more days following the receipt of written notice from County;
 - b. If Company shall fail to qualify and/or maintain the requirements for eligibility and participation in agreements for State of North Carolina incentives applied for and awarded specific to this project as further defined in Exhibit C attached and incorporated herein by reference;
 - c. If Company fails to timely file Exhibit A, or Exhibit B on or before March 5 of each year, following and corresponding to the previous July 1st when taxes are billed, and any qualifying incentive would be due to Company, this shall be deemed a breach of the Agreement and, notwithstanding Section 9, below, the sole remedy will be that County will not owe Company any incentive that may have otherwise been due had that filing properly been made;
 - d. If any material representation, warranty or other statement of fact contained in this Agreement or in any writing, certificate, report or statement furnished by Company to County in connection with the transaction described in this Agreement, shall be false or misleading in any material respect when given;
 - e. If Company shall be unable to pay their debts generally as they become due; file a petition to take advantage of any insolvency statute; make an assignment for the benefit of creditors; commence a proceeding for the appointment of a receiver, trustee, liquidator or conservator of themselves or of the whole or any substantial part of their property; file a petition or answer seeking reorganization or arrangement of similar relief under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state;
 - f. If a Court of competent jurisdiction shall enter an order, judgment, or decree appointing a custodian, receiver, trustee, liquidator, or conservator of Company or of the whole or any substantial part of their properties, or approve a petition filed against Company seeking reorganization or

arrangement of similar relief under the federal bankruptcy laws or any other applicable law or statute; or if, under the provisions of any other law for the relief or aid of debtors, a court of competent jurisdiction shall assume custody or control of Company or of the whole or any substantial part of their properties; or

- g. If Company shall allow its taxable assets, employment and average wage amounts to fall below the minimum values agreed upon in this Agreement, as each of the same pertain to the facility contemplated by this Agreement.
9. Remedy: If an Event of Default occurs, the obligation of County as set out herein shall terminate, and Company shall immediately refund to County all economic development incentive payments paid to Company prior to the date of the Event of Default plus interest at the rate of prime plus one percent (1%). The date the prime interest rate shall be determined shall be the date the County sends to Company notice of the Event of Default.
10. Company and County acknowledge that any monies appropriated and expended by County for economic development incentives, as provided in this Agreement, are for a bona fide public purpose and are expended in good faith reliance on NCGS 158-7.1. In the event a Court of competent jurisdiction, after final appeal, rules to which either Company or County is a party, that all monies expended by County pursuant to this Agreement were not offered and accepted in good faith and in compliance with NCGS 158-7.1 and, further, that such monies must be repaid, Company will make such repayment to County. In the event one or more lawsuits are brought against County or any County elected official, officer, agent or employee, or Company, challenging the legality of this Agreement, then County and Company shall exercise their best efforts to defend against any and all such lawsuits. In any event, if Company is required to repay funds to County pursuant to this Section 9, the benefit of this Agreement to Company will have been lost and all further obligations of Company hereunder shall terminate.
11. All notices, certificates or other communications required or permitted to be given or served hereunder shall be deemed given or served in accordance with the provisions of this Agreement if the notice is (i) mailed in a sealed wrapper and is deposited in the United States mail, certified mail, return receipt requested, postage prepaid, or (ii) deposited with a national overnight courier service that retains receipts for its deliveries, properly addressed as follows:

Catawba County:	Catawba County Attn: J. Thomas Lundy, County Manager PO Box 389, 100-A S.W. Blvd. Newton, NC 28658
Copy to:	Catawba County Attorney's Office Attn: Debra Bechtel, County Attorney PO Box 389, 100-A S.W. Blvd. Newton, NC 28658
Company:	Hickory Springs Manufacturing Company Attn: David E. Colburn, President and CEO PO Box 128 Hickory, NC 28603

County or Company may, by notice given to the other, designate any further or different addresses to which notices, certificates, requests or other communications shall be sent.

12. This Agreement shall inure to the benefit of, and is binding upon, County and Company and their respective successors and assigns. However, neither this Agreement, nor any rights, privileges, or claims created by this Agreement may be transferred by Company without the prior, written approval of County, which approval will not be unreasonably withheld.
13. Except as otherwise provided in this Agreement, this Agreement may not be amended, changed, modified or altered except by written agreement of the parties.
14. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions of this Agreement.
15. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such fully-executed counterpart.
16. Controlling Law and Venue. This Agreement is governed by and shall be construed in accordance with the laws of the State of North Carolina; venue of any action shall be in the general courts of justice in Catawba County, or if in Federal court in the Western District of North Carolina.
17. The term of this Agreement shall commence on the date of execution and expire upon payment by County of all payments due to Company hereunder, unless earlier terminated as provided herein.
18. Both Company and County acknowledge and stipulate that this Agreement is the product of mutual negotiation and bargaining and that it has been drafted by Counsel for both Company and County. As such, the doctrine of construction against the drafter shall have no application to this Agreement.

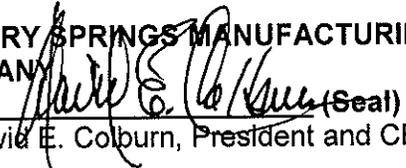
IN WITNESS WHEREOF the parties hereto have set their hands and seals as of the day and year first above written.

Catawba County,
A North Carolina Body Politic

Attest:
(SEAL)

Clerk

By: _____ (Seal)
Katherine W. Barnes, Chair
Catawba County, Board of
Commissioners

**HICKORY SPRINGS MANUFACTURING
COMPANY**
By:  (Seal)
David E. Colburn, President and CEO

**STATE OF NORTH CAROLINA
COUNTY OF CATAWBA**

I, _____ a Notary Public of said county and state, certify that Barbara Morris personally came before me this day and acknowledged that she is County Clerk to Catawba County Board of Commissioners, a body politic corporate in nature, and that by authority duly given and as the act of the body politic the foregoing instrument was signed in its name by its Chair, sealed with its body politic seal, and attested by herself as County Clerk.

Witness my hand and seal this _____ day of _____, 2014.

[Seal]

Notary Public

My commission expires: _____

**STATE OF NORTH CAROLINA
COUNTY OF LINCOLN**

I, Laurie A. Watson a Notary Public of said County and State, do certify that David E. Colburn, Title of President and CEO, personally appeared before me this day and acknowledged on behalf of Hickory Springs Manufacturing Company the voluntary due execution of the foregoing document, all for the purposes therein expressed.

Witness my hand and seal this 10th day of January, 2014.



Laurie A. Watson
Laurie A. Watson
Notary Public

My commission expires: September 7, 2018

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

Rodney N. Miller, Finance Director

Approved as to form on behalf of Catawba County only:

Debra Bechtel, County Attorney

EXHIBIT A

Joint Economic Development Agreement
Between Catawba County and Hickory Springs Manufacturing Company

CERTIFICATE

TO: Catawba County

This Certificate is delivered pursuant to Section 1.1 of the Joint Economic Development Agreement (the "Agreement"), dated August, 2013, between Catawba County ("County") and Hickory Springs Manufacturing Company ("HSM") (HSM is sometimes herein referred to as "Company"). Any capitalized term not otherwise defined herein shall have the meaning assigned to such term in the Agreement.

I, _____, do hereby certify, for and on behalf of Company, that:

- (a) Company owns the real property necessary for the up-fit of the Facility and the Improvements; and
- (b) Company will create, maintain and make available a minimum of 159 net new jobs prior to December 31, 2015 and the overall average wage of Company, will equal or exceed the average wage requirement in Catawba County under the North Carolina Department of Commerce. Job requirements will include a minimum of a high school diploma or its equivalent (GED, Adult HS Diploma, etc.) for anyone 25 years of age or below as outlined by Education Matters; and
- (c) Company agree to comply with the Calendar of Responsibilities listed below:

Calendar of Responsibilities:

By January 5: Company make payment to County according to Tax Listing filed by January 31st of the previous year unless extension is requested and approved for April 15th. Any extension request must be filed by January 31st.

By March 5: Company must provide Exhibit B and Exhibit C,, supporting documents and proof of payment and/or compliance as required within Agreement.

By April 15: Company must provide Real/Personal Property Tax listings to County Tax Office.

By April 22: County Tax Office to provide Tax Listing on Specified Accounts.*

By May 1: The Economic Development Commission ("EDC") provides Budget for incentives to County Budget Office*

By May 5: EDC reviews Company' documentation to ensure compliance.*

*Note: these are not company responsibilities.

Dated at Catawba County, North Carolina, this _____ day of _____, 201__.

HICKORY SPRINGS MANUFACTURING COMPANY

BY: _____
TITLE: _____

EXHIBIT B

Joint Economic Development Agreement
Between Catawba County and Hickory Springs Manufacturing Company

CERTIFICATE

TO: Catawba County

This Certificate is delivered pursuant to Section 3, Section 4 and Section 6 of the Joint Economic Development Agreement ("the "Agreement") dated August, 2013, between Catawba County ("County") and Hickory Springs Manufacturing Company ("HSM") (HSM is sometimes herein referred to as "Company"). Any capitalized term not otherwise defined herein shall have the meaning assigned to such term in the Agreement.

Company does hereby certify that:

(a) The following improvements were made during the 20__ Calendar Year: _____

_____;
(b) The following jobs were created during the 20__ Calendar Year: _____ (please attach the most recent quarterly Form NCUI 101);

(c) The average wage of all of those employed at the _____ facility during the 20__ Calendar Year is as follows: (Wage Forms Total Payroll divided by number of employees) _____;

(d) Total cumulative personal property valuation installed at the _____ facility during the 20__ Calendar Year _____;
and

(e) Proof of taxes paid is attached to this certificate.

Dated at Catawba County, North Carolina, this _____ day of _____, 20__.

HICKORY SPRINGS MANUFACTURING COMPANY

BY: _____

TITLE: _____

Attachments (required):

Current Year Catawba County personal and real property Tax Listing information as reported to Catawba County Tax Office, Most recent quarterly Form NCUI 101, Proof of taxes paid in full.

Calendar of Responsibilities:

By January 5: Company makes payment to County according to Tax Listing filed by January 31st of the previous year unless extension is requested and approved for April 15th. Any extension request must be filed by January 31st.

By March 5: Company must provide Exhibit B and Exhibit C, supporting documents and proof of payment and/or compliance as required within Agreement.

By April 15: Company must provide Real/Personal Property Tax listings to County Tax Office.

By April 22: County Tax Office to provide Tax Listing on Specified Accounts.*

By May 1: The Economic Development Corporation (EDC) provides Budget for incentives to County Budget Office.*

By May 5: EDC reviews Company' documentation to ensure compliance.*

*Note: these are not company responsibilities.

MEMORANDUM

TO: Catawba County Board of Commissioners

FROM: John Eller, Social Services Director
Jennifer McCracken, Public Health Services Manager

DATE: January 21, 2014

RE: 2013 Community Child Protection & Fatality Prevention Team Annual Report

REQUEST: North Carolina requires an annual reporting to the Board of Commissioners regarding the work of the team. This annual report is to update and keep the Board informed on activities to date. We are seeking the Board's Approval of our Annual Plan so it may then be submitted to the State.

BACKGROUND: The Catawba County Child Protection Team was established in February 1992 as the result of a gubernatorial executive order by Governor James Martin. Later, North Carolina mandated a Child Fatality Review Team and Catawba County elected to combine the two with a first joint meeting in August 1995. The combined teams have met quarterly since its inception, except for specially called meetings. The Child Protection Team has the legal responsibilities for reviewing cases of child fatalities when the family is known to the Department of Social Services and identification of areas in Protective Services needing improvement in order to maximize the safety of the community's children. The Child Fatality Team's purpose is to provide a multi-agency, multi-disciplinary approach to study cases of childhood death in Catawba County in order to attempt to reduce child fatalities. The local directors of Social Services and Public Health have specific responsibilities for each team and the Board of County Commissioners decides if there will be a team for each area or if they will be combined. This report addresses the work of the Community Child Protection and Fatality Prevention Team. Efforts continue to be made for the group to review additional individual Child Protective Services issues and to satisfy the state's agreement with the Federal Government to use Child Protection Teams as a review mechanism in the Child Protective Services arena. The commitment of team members, their advocacy and dedication to improving the lives of citizens of Catawba County has been a most worthwhile effort.

The Child Protection and Child Fatality Prevention Team members include:

Jennifer McCracken, Health Services Manager, Public Health
John Eller, Social Services Director
Jason Hughes, Child Welfare Program Manager
Capt. Joel Fish, Deputy Sheriff
Sean McGinnis, DA's Office
Captain Thurman Whisnant, Hickory Policy Department
Andrea Benfield, ATB Consultations (Community Action Agency)
Dan Brigman, Superintendent, Catawba County Schools
(Designee: Mary Moren and Barbara Price)
Dr. Barry Redmond, Superintendent, Newton-Conover Schools
(Designee: Bill Long)
Dr. Walter Hart, Superintendent, Hickory City Schools
(Designee: Angela Simmons)
Jennie Connor, DSS Board Member
John Hardy, Partners Behavioral Health Management
Sydney Smith, Program Supervisor, Guardian ad Litem Program
Doug Urland, Director, Public Health
Rachel Turbyfill, PA, Catawba Pediatrics Assoc.
Sylvia Fisher, EMS Manager
Gregory Hayes, District Court Judge
Lora Josey, Designee for County Medical Examiner
Janie Connor, Representative of a Local Day Care Facility or Head Start
Carol McConnell, Parent of Child Who Died Prior to 18th Birthday
Debra Young, Public Health – CFPT/CCPT Review Coordinator

The Community Child Protection and Child Fatality Prevention Team focused on the following items in 2013:

- Fatality Reviews
- Continued to promote Signs of Safety Training involving all CPS staff in more specific case planning and engagement with families who have histories of maltreatment.
- Promoted the "Neglect with Injury" protocol/MOU's with Law Enforcement and Social Services to provide additional review of those cases at the time of the initial CPS report.
- Supported the Children's Advocacy and Protection Center (CAPC) effort to reach 6000 citizens by 2016 regarding sexual abuse prevention.
- Used data in order to see patterns and trends. This will allow us to better track "how" children die rather than relying on cause of death only (SIDS, unknown, etc...) so that we can do more planning in the future around specific strategies.
- Implemented an ABC's of Infant Safe Sleeping Campaign to better understand the pros/cons to strengthen failure to report.
- Reviewed Policy/Statutes (state and local) and assessed their impact.

- A Co-Sleeping/safe sleeping committee was formed to discuss current prevention efforts and future needs. We developed a co-sleeping/safe sleeping campaign to educate about the dangers of unsafe sleeping among parents with young children. Strategies will include specific outreach to CC4C/maternity outreach to at risk families, families involved with Child Protective Services, information given to new parents upon the birth of a newborn at hospitals, develop an annual event to raise awareness, and developed a brochure to be used in the community.
- The CCPT/CFPT reviewed an increased number of teenagers that died as a result of motor vehicle crashes in which distracted driving was, or could have been, a causative factor. A committee regularly meets and is made up of school personnel, law enforcement, medical personnel, and community members to develop an action plan to increase messaging around the dangers of distracted driving. A Distracted Driving Video Contest was opened to all high school and home school students located in Catawba County. The contest was introduced to bring a greater awareness to the issue of accidents caused by distracted driving. A Red Carpet event announced the winners. The Grand Prize winner was presented with a monetary award and a free limo ride and lunch.
- Supporting the Project Lazarus initiative was launched in Catawba County, with review of strategies to curb drug overdose with prescribed drugs. Strategies included Drop Boxes for proper discarding of prescription medications, community education, and changes in Emergency Room drug tracking in the region. Also, there is a lack of consistent, accessible, effective services to diagnose and treat mental health needs.

2013 Facts:

Social Services received 3249 Reports (6428 children), 2056 met state criteria to be accepted (4110 children). Neglect is the most reported type.

There were 15 deaths in 2013 (down from 17 in 2012)

- 40% of deaths were in children under the age of 1 (6)
- 20% ages 1-4 (3)
- 13% ages 5-9 (2)
- 27% ages 15-17 (4)

Types:

- 40% of child deaths in Catawba County stemmed from prenatal issues/perinatal conditions (6)
- 27% due to illness (4)
- 6.6% due to motor vehicle accident (1)
- 6.6% due to discharge of firearm (1)
- 6.6% due to drowning (1)
- 6.6% due to poisoning (1)
- 6.6% due to injury (1)

Areas of Emphasis for 2013:

- 1) Properly assessing risk, safety, and trauma of children and families to prevent abuse, neglect, and inadequate prenatal care
- 2) Continue prevention messages about Co-Sleeping/Safe Sleeping environments
- 3) Domestic Violence
- 4) Enhance community awareness about the dangers of Distracted Driving Among Teens (Annual Distracted Driving Video Contest)
- 5) Support the Period of Purple Crying for new Parents
- 6) Support the Darkness to Light initiative regarding helping raise awareness of citizens to report child sexual abuse.
- 7) Support substance abuse initiatives in the community (including Project Lazarus)
- 8) Support Domestic violence initiatives in the community (Family Guidance Center)
- 9) Tracking 1st Time pregnancies of women who are high risk
- 10) Support Child Abuse Prevention Month Activities
- 11) Annually assess legislative bills that impact our work and address policy needs (state and local).
- 12) Continue to advocate for early entry into Prenatal Care.
- 13) Continue to enhance Interagency Communications

RECOMMENDATION: North Carolina requires an annual reporting to the Board of Commissioners regarding the work of the team. This annual report is to update and keep the Board informed on activities to date. We are seeking Board Approval of our Annual Plan.

Memorandum

To: Catawba County Board of Commissioners

From: Policy and Public Works Subcommittee

Subject: Resolution regarding Cooperative Extension Services Staffing

Date: January 21, 2014

REQUEST

The Policy and Public Works Subcommittee recommends the Catawba County Board of Commissioners adopt a resolution in support of filling vacant North Carolina Cooperative Extension positions within Catawba County.

BACKGROUND

For many years, Catawba County has had a long-standing partnership with North Carolina State University (NCSU) in funding and delivering programs of Cooperative Extension Services to the community. While the County and NCSU each fund approximately 50% of the salary and benefits expense associated with employees in the County's local Extension Office, technically, these staff are employees of NCSU.

In recent years, Catawba County's local Extension Office has been plagued by vacancies in a number of key positions. Most recently, vacancies in the Cooperative Extension Director, Family & Consumer Sciences, and Livestock/Agriculture program areas have gone unaddressed. In the interest of maintaining program continuity and continuing to deliver these critical services to the public, the County has consistently pledged to contribute its share of the salaries associated with filling these positions and has requested through administrative channels – on numerous occasions – that NCSU commit to do the same. To date, these efforts have not yielded the desired results, as the vacancies remain unfilled.

This situation is not unique to Catawba County. In fact, it is affecting other counties across the state in a similar fashion. Recently, Perquimans County passed a resolution in affirming the value of Cooperative Extension Services to the local community and supporting the filling of existing vacancies within Perquimans County's local office as well as in neighboring counties.

RECOMMENDATION

The Policy and Public Works Subcommittee recommends the Catawba County Board of Commissioners adopt a resolution in support of filling vacant North Carolina Cooperative Extension positions within Catawba County.

RESOLUTION NO: 2014 –

**RESOLUTION OF SUPPORT OF FILLING VACANT NORTH CAROLINA
COOPERATIVE EXTENSION POSITIONS**

WHEREAS, North Carolina Cooperative Extension Service serves all 100 counties in North Carolina, including Catawba County; and

WHEREAS, North Carolina Cooperative Extension Service's mission is to empower people and provide solutions in the areas of Agricultural Services, Family and Consumer Sciences, 4-H Youth Development, and Environment / Natural Resources; and

WHEREAS, Agriculture provides an estimated direct financial impact of \$52,021,012 from 71,906 acres of farmland that supports crops and livestock in Catawba County; and

WHEREAS, the services provided in the Family and Consumer Sciences are integral to maintaining food safety in Catawba County as well as in equipping citizens with essential knowledge related to maintaining proper nutrition and managing chronic diseases; and

WHEREAS, the leadership of Cooperative Extension has historically provided a key bridge between Catawba County Government and the citizens it serves; and

WHEREAS, North Carolina Cooperative Extension Service has had long-standing vacancies in several key positions in Catawba County, including Livestock / Row Crops, Family and Consumer Sciences, Cooperative Extension Director, with additional vacancies in surrounding counties.

NOW, THEREFORE, BE IT RESOLVED that the Catawba County Board of Commissioners hereby fully supports the North Carolina Cooperative Extension Service and the work the Extension Service does to make our communities better places in which to live and work.

BE IT FURTHER RESOLVED that the Board of Commissioners requests that North Carolina State University fill the vacant positions of Agricultural / Livestock Agent, Family and Consumer Sciences Agent, and Cooperative Extension Director in Catawba County.

Adopted this 21st day of January, 2014.

Katherine W. Barnes, Chair
Catawba County Board of Commissioners