AGENDA

Catawba County Board of Commissioners Meeting
Monday, August 17, 2020, 7:00 p.m.
Board of Commissioners Meeting Room
2nd Floor, Catawba County Justice Center
100 Government Drive, 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 August 3, 2020.

5. Recognition of Special Guests.

6. Public Comments.

7. Public Hearings:
   a. Request to Rezone 14.5 acres from R-40 Residential to Rural Conservation-Conditional District (RCon-CD). *Presented by Assistant Planning Director Chris Timberlake.*
   b. Request to Rezone 39 acres from R-20 Residential to R-40 Residential District. *Presented by Assistant Planning Director Chris Timberlake.*
   c. Proposed Amendment to the Unified Development Ordinance (UDO) – Watershed Protection District – Exemptions and Exclusions. *Presented by Assistant Planning Director Chris Timberlake.*

8. Appointments.

9. Consent Agenda:
   a. Edward Byrne Memorial Justice Assistance Grant (JAG) Formula Program Grant.
   b. Library Services Technology Act (LSTA) Grant: NC Cares *Wi-Fi for All.*
   c. Bid Award and Contract Approval for Sheriff's Office Renovation and Justice Center Lobby Flooring and Ceiling Contract.
   d. July Tax Release/Refund Request.

10. Departmental Reports.
    Planning.
    2020 North Carolina Housing Finance Agency Urgent Repair Grant. *Presented by Planning Director Jacky Eubanks.*

11. Other Items of Business.

12. Manager's Report.
    Resolution Authorizing the Installment Financing Contract and the Advance Forward Refunding of Debt for Catawba County Schools.

13. Attorneys' Report.

14. Adjournment.

PERSONS WITH DISABILITIES: Individuals needing assistance should contact the County Clerk at 828-465-8990 within a reasonable time prior to the meeting. Participation in public meetings is without regard to race, ethnicity, religion, sex, age, or disability**.**

CALENDAR: The September 2020 Board of Commissioners Meetings will take place on Tuesday, September 8, 2020, at 7:00 p.m., and Monday, September 21, 2020, at 7:00 p.m., in the Board of Commissioners Meeting Room of the Catawba County Justice Center.

MEMORANDUM

TO: Catawba County Board of Commissioners

FROM: Chris Timberlake, Assistant Planning Director

DATE: August 17, 2020

IN RE: Rezoning Request – Parcel Identification Numbers 3689-04-80-3774, 3689-04-80-6776, 3689-04-80-7417, 3689-04-80-2458 and a portion of 3689-04-80-1144 from R-40 Residential to Rural Conservation-Conditional District Zoning (RCon-CD) to allow Meat Processing and Retail Facilities and a Community Use Building

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REQUEST

Staff requests the Board of Commissioners holds a public hearing to receive citizen comments and considers an application to rezone approximately 14.5 acres, owned by Todd Edwards, from R-40 Residential to Rural Conservation-Conditional District Zoning (RCon-CD) to allow meat processing and retail facilities and a community use building.

Purpose of Zoning District

The current R-40 Residential district requires a minimum lot size of 40,000 square feet (1 acre), and is considered a low-density "general use" residential district. Predominant uses in this district include single-family homes and agriculture.

The Rural Conservation (RCon) district requires a minimum lot size of 5 acres and is characterized by large lots, agricultural uses and open lands. They may include prime farm land and unique topographical restrictions.

Conditional District (CD) zoning is an option within the Unified Development Ordinance to allow for consideration of certain uses that, because of their nature or scale, have particular impacts to the area. There development standards cannot necessarily be predetermined and controlled by general district regulations. Conditional zoning is intended for a firm development proposal.

REVIEW/BACKGROUND

Location/Zoning

The properties for which the rezoning request is being considered are identified by Parcel Identification Numbers 3689-04-80-3774, 3689-04-80-6776, 3689-04-80-7417, 3689-04-80-2458 and a portion of 3689-04-80-1144 located in the Sherrills Ford Small Area Planning District, Mountain Creek Township.

The properties depicted as the hashed areas of Parcel 1A, 1B, 1C, 1D, and 1E on the attached map are zoned R-40 Residential. There is an existing barn as well an occupied residence, vacant

residence and storage building on the properties. The surrounding parcels contain the zoning districts and uses described below.

- *North* – Parcels 2 and 3 are zoned R-40 Residential. Each contains single-family homes and accessory structures.

- *South* – Parcels 10 – 16 are zoned R-40 Residential. Parcels 11 – 15 contain single-family homes. Parcel 16 is undeveloped (owned by the applicant).

- *West* – See Parcel 2 above.

- *East* – Parcels 4 – 9 are zoned R-40 Residential. Parcels 4, 7, 8 and 9 contain single-family homes. Parcels 5 and 6 are undeveloped.

Zoning History
None to report.

Land Use
The need for a meat processing facility is detailed in Mr. Edwards' narrative (attached). Mr. Edwards proposes to build an approximate 10,000 square foot meat processing facility with a 40' x 100' lean-to on the rear of the building to receive and stage livestock. Also proposed is a 50' x 50' retail store location and 50' x 100' community education center. Loading areas, mechanical equipment, and service areas will be screened from adjacent properties and parking and driveways will be paved. The purpose for the community education center provides for community meetings, Future Farmers of America, 4H, Cattleman's Association, CVCC Outreach, church and family functions. Buildings are proposed with metal facades with porches and windows on the retail and community building. Mr. Edwards proposes to meet the street tree and building foundation plant requirements of the ordinance and proposes landscape buffers (Thuja green giant and Emily Bruner hollys) where they best screen the proposed uses.

The buildings will meet or exceed setbacks within the UDO, meet building code requirements, as well ADA standards and all operations would be governed and regulated by the U.S. Department of Agriculture (USDA). By-product and waste such as blood would be collected and removed from the site within 12 to 48 hours.

Utilities
Public water and sewer are not available to the site. A private well and septic systems will serve the proposed uses.

Transportation
Mathis Church Road is a state-maintained residential collector road. Traffic counts taken in 2017 on the north end of Mathis Church Road measured 660 annual average daily traffic

(AADT). There are no traffic counts available for the south end of Mathis Church Road nor are there any recommended road improvements within the adopted thoroughfare plan.

A specialty retail store may generate an average of 44 vehicles per 1,000 square feet per day (110 vehicles based on proposal). There will be a small staff of approximately 10 employees within the meat processing facility limiting the number of trips (20 per day). Mr. Edwards hopes to process approximately 50 cattle a week meaning that if they were transported individually, approximately 100 additional trips to the site per week could be attributed to delivery. The use may generate as many as 150 trips (enter/exit) per day, but is not likely. The proposed use would not overburden the existing intersections. NCDOT indicated that the small-scale nature of the proposed use would not warrant additional traffic studies.

Land Use Plan

The Sherrills Ford Small Area Plan, adopted on February 17, 2003, serves as the current land use plan for this area. Map 5, titled "Future Land Use Recommendations," depicts the property as being in an area recommended for and low density (1 unit per 2 acres). The proposed used is inconsistent with the adopted land use plan.

Planning Board Public Hearing

The Planning Board held a public hearing on July 27, 2020. Four people spoke regarding the request. All were in favor of the request. Three noted the local need for a processing facility, indicating that it could take up to a year to have locally raised livestock processed. They mentioned the benefit to the local food market, especially with respect to the current pandemic. It was also pointed out that having a local facility might raise awareness of quality of locally raised meat. The only concern shared was with respect to the proposed building location to the rear of the property and its proximity to adjacent property. Mr. Edwards, the adjacent property owner, and Recil Wright, engineer, discussed options to relocate and have revised the plan to show the building approximately 180 feet from the rear property line instead of 86 feet. The Planning Board noted the need and recognized the willingness to site the building further from the rear property line (adjacent property owner).

STAFF AND PLANNING BOARD RECOMMENDATION

Staff recommended and the Planning Board voted 8-0 to submit a favorable recommendation to the Board of Commissioners to rezone the approximate 14.5 acres owned by Todd Edwards from R-40 Residential to Rural Conservation-Conditional District Zoning (RCon-CD) to allow meat processing and retail facilities and a community use building based upon:

1) The expansive amount of undeveloped land area to the southwest of the property placing the proposed use in a rural agricultural landscape;
2) The proposed screening and landscaping identified on the proposed concept plan;
3) The identified need within the county and region for such a use;

4) The proposed cleaning and waste collection operations have to meet USDA and state guidelines and inspections; and
5) The fact that without zoning, the community facility and retail center are both allowed uses under the state's agritourism/bonafide farm definition.

Ordinance No. 2020-_____

AMENDMENT TO THE CATAWBA COUNTY ZONING MAP

BE IT ORDAINED, BY THE BOARD OF COMMISSIONERS, that the Catawba County Official Zoning Atlas is hereby amended by rezoning the following described properties from R-40 Residential to Rural Conservation-Conditional District (RCon-CD) (RZ2020-09):

> 14.5 acres identified by Parcel Identification Numbers 3689-04-80-3774, 3689-04-80-6776, 3689-04-80-7417, 3689-04-80-2458 and a portion of 3689-04-80-1144 (see site plan and survey) located in the Sherrills Ford Small Area Planning District, Mountain Creek Township.

PLAN CONSISTENCY STATEMENT:

Pursuant to NCGS 153A-341, the Catawba County Board of Commissioners finds the request to be inconsistent with the Sherrills Ford Small Area Plan's recommendations described in the plan and illustrated on Map 5 titled, "Future Land Use Recommendations" depicting the property for low-density residential uses, but reasonable for rezoning based upon:

1) The expansive amount of undeveloped land area to the southwest of the property placing the proposed use in a rural agricultural landscape;
2) The proposed screening and landscaping identified on the proposed concept plan;
3) The identified need within the county and region for such a use;
4) The proposed cleaning and waste collection operations have to meet USDA and state guidelines and inspections; and
5) The fact that without zoning, the community facility and retail center are both allowed uses under the state's agritourism/bonafide farm definition.

This, the 17th day of August 2020.

_____
C. Randall Isenhower, Chair

catawba county
planning & parks

ZONING MAP AMENDMENT CONSISTENCY STATEMENT

On August 17, 2020 the Catawba County Board of Commissioners conducted a public hearing for the purpose of recommending a zoning map amendment to PINs 3689-04-80-3774, 3689-04-80-6776, 3689-04-80-7417, 3689-04-80-2458 and a portion of 3689-04-80-1144 owned by Todd Edwards.

Upon considering the matter, the Catawba County Board of Commissioners finds the request inconsistent with the Sherrills Ford Small Area Plan's recommendations described in the plan and illustrated on Map 5 titled, "Future Land Use Recommendations" depicting the property for low-density residential uses, but reasonable for rezoning based upon:

1) The expansive amount of undeveloped land area to the southwest of the property placing the proposed use in a rural agricultural landscape;
2) The proposed screening and landscaping identified on the proposed concept plan;
3) The identified need within the county and region for such a use;
4) The proposed cleaning and waste collection operations have to meet USDA and state guidelines and inspections; and
5) The fact that without zoning, the community facility and retail center are both allowed uses under the state's agritourism/bonafide farm definition.

This decision was affirmed by a vote of ___-___ of the Catawba County Board of Commissioners.

_____
Presiding Officer

_____
Date

MEMORANDUM

TO: Catawba County Board of Commissioners

FROM: Chris Timberlake, Assistant Planning Director

DATE: August 17, 2020

IN RE: Rezoning Request – 2201 Finger Bridge Road, R-20 Residential to R-40 Residential

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REQUEST

Staff requests the Board of Commissioners holds a public hearing to receive citizen comments and considers an application to rezone approximately 39 acres, owned by Jared and Tabitha Yates, from R-20 Residential to R-40 Residential District.

Purpose of Zoning District

The current R-20 Residential district requires a minimum lot size of 20,000 square feet (1/2 acre), and is considered a high-density "general use" residential district. Predominant uses in this district include single-family homes and agriculture. The R-40 Residential district requires a minimum lot size of 40,000 square feet (1 acre) and is considered a low-density "general use" district. Predominate uses in this district include single-family homes and agriculture.

REVIEW/BACKGROUND

Location/Zoning

The property for which the rezoning request is being considered is located at 2201 Finger Bridge Road in the Mountain View Small Area Planning District, Jacobs Fork Township, and further identified by Parcel Identification Number 3609-03-32-5454.

The property depicted as the stippled area of Parcel 1 on the attached map is zoned R-20 Residential and is undeveloped. The surrounding parcels contain the zoning districts and uses described below.

- *North* – Parcels 3 – 12 are zoned R-20 Residential. Parcels 5, 9, 10, and 12 contain single-family residences. The other properties are undeveloped.

- *South* – Parcel 16 is zoned R-20 Residential and is undeveloped.

- *West* – Parcel 2 is zoned R-40 Residential and appears to be undeveloped.

- *East* – Parcel 1 (unstippled), 13, 14, and 15 are zoned R-20 Residential. Parcels 13 and 15 contain single-family homes. Parcel 14 is undeveloped.

Zoning History
None to report.

Land Use
The subject property is within the WS-III Protected Area Watershed which requires a minimum lot size of 20,000 square feet. If the property is rezoned and the property is ever subdivided, minimum parcel sizes would be 40,000 square feet.

Utilities
Public water exists along Finger Bridge Road. Public sewer is not available.

Transportation
Finger Bridge Road is a state-maintained residential collector road. Traffic counts taken in 2017 on the north end of Finger Bridge Road measured 840 annual average daily traffic (AADT). There are no traffic counts available for the south end of Finger Bridge Road nor are there any recommended road improvements within the adopted thoroughfare plan.

Land Use Plan
The Mountain View Small Area Plan, adopted on October 21, 2002, serves as the current land use plan for this area. Map 5A, titled "MVSAP Proposed Density Districts," depicts the property as being split by high density (2 units per acre) and low density (1 unit per 2 acres). The R-40 Residential district is inconsistent with the specific map depiction, but consistent with the recommendation for low density as well as the surrounding growth pattern.

Planning Board Public Hearing
The Planning Board held a public hearing on July 27, 2020 to consider the request. No one spoke for or against the request. There were no questions or concerns from the Planning Board.

STAFF AND PLANNING BOARD RECOMMENDATION
Staff recommended and the Planning Board voted 8-0 to submit a favorable recommendation to the Board of Commissioners that the approximate 39 acres owned by Jared and Tabitha Yates be rezoned from R-20 Residential to R-40 Residential District based upon:

1) The property's proximity to other R-40 Residential property to the west;
2) The property's proximity to other properties that are low-density with regard to size; and
3) Recognition of the low amount of development in this area of the County over the past 15 years.

Ordinance No. 2020-_____

AMENDMENT TO THE CATAWBA COUNTY ZONING MAP

BE IT ORDAINED, BY THE BOARD OF COMMISSIONERS, that the Catawba County Official Zoning Atlas is hereby amended by rezoning the following described property from R-20 Residential to R-40 Residential:

> 39 acres located at 2201 Finger Bridge Road in the Mountain View Small Area Planning District, Jacobs Fork Township, and further identified by Parcel Identification Number 3609-03-32-5454.

PLAN CONSISTENCY STATEMENT:

Pursuant to NCGS 153A-341, the Catawba County Board of Commissioners finds the request to be inconsistent with the Mountain View Small Area Plan's residential density recommendations described in the plan and illustrated on Map 5A titled, "MVSAP Proposed Density Districts" depicting the property for being split by high and low-density residential uses, but reasonable for rezoning based upon:

1) The property's proximity to other R-40 Residential property to the west;
2) The property's proximity to other properties that are low-density with regard to size; and
3) Recognition of the low amount of development in this area of the County over the past 15 years.

This, the 17th day of August 2020.

_____
C. Randall Isenhower, Chair

catawba county
planning & parks

ZONING MAP AMENDMENT CONSISTENCY STATEMENT

On August 17, 2020 the Catawba County Board of Commissioners conducted a public hearing for the purpose of considering a zoning map amendment to PIN 3609-03-32-5454 owned by Jared and Tabitha Yates.

Upon considering the matter, the Catawba County Board of Commissioners finds the request inconsistent with the Mountain View Small Area Plan's residential density recommendations described in the plan and illustrated on Map 5A titled, "MVSAP Proposed Density Districts" depicting the property for being split by high and low-density residential uses, but reasonable for rezoning based upon:

1) The property's proximity to other R-40 Residential property to the west;
2) The property's proximity to other properties that are low-density with regard to size; and
3) Recognition of the low amount of development in this area of the County over the past 15 years.

This decision was affirmed by a vote of ___-___ of the Catawba County Board of Commissioners.

_____
Presiding Officer

_____
Date

MEMORANDUM

TO: Catawba County Board of Commissioners

FROM: Chris Timberlake, Assistant Planning Director

DATE: August 17, 2020

IN RE: Unified Development Ordinance Text Amendment

REQUEST

Staff requests the Board of Commissioners holds a public hearing to receive citizen comments and considers a proposed text amendment to the Unified Development Ordinance (UDO) as summarized below and detailed in the attachment.

REVIEW/BACKGROUND

Watershed Protection District – Exemptions and Exclusions

The Unified Development Ordinance provides that existing development is exempt from the Watershed Protection District. The North Carolina Administrative Code (Water Supply Watershed Rules and Riparian Buffer Rules) provides further exemptions from the watershed and riparian buffer rules than recognized within the UDO. Exemptions approved by the state include, but are not limited to existing development, redevelopment, and single family redevelopment, even if there is a net increase in built-upon area. It is reasonable to include additional exemptions recognized by the state within the UDO.

Justification

The Water Supply Watershed regulations became effective January 1, 1994. Because of opportunities to redevelop properties that are within watersheds that contained various forms of development and built-upon areas, it is reasonable to recognize additional exemptions authorized by the state.

Planning Board Public Hearing

The Planning Board held a public hearing on July 27, 2020 to consider the amendment. There were no comments from the public nor any questions from the Planning Board.

STAFF AND PLANNING BOARD RECOMMENDATION

Staff recommended and the Planning Board voted 8-0 to recommend to the Board of Commissioners amendment to the Unified Development Ordinance as summarized above and detailed in the attachment (blue underlined text as newly inserted text).

Ordinance No. 2020-_____

AMENDMENT TO THE CATAWBA COUNTY UNIFIED DEVELOPMENT ORDINANCE

BE IT ORDAINED, BY THE BOARD OF COMMISSIONERS, that the Catawba County Unified Development Ordinance is amended to read as follows:

Sec. 44-434.02. Existing development and exceptions to applicability.

(a) Existing development, as defined in this Section, is exempt from the requirements of this district. The term existing development is defined as those projects that are built or those projects that at a minimum have established a vested right under state law as of the effective date of this Section (January 1, 1994) based on at least one of the following criteria:

(1) Having expended substantial resources (time, labor, money) based on a good faith reliance upon having received a valid local government approval to proceed with the project;

(2) Having an outstanding valid building permit as authorized by NCGS 153A-344.1; or

(3) Having an approved site-specific or phased development plan as authorized by NCGS 153A-344.1.

(b) A preexisting lot of record owned prior to the effective date of the County's Watershed Protection Ordinance (January 1, 1994), regardless of whether a vested right has been established, may be developed for single-family residential purposes without being subject to the restrictions of this Section, provided the property is zoned for this use and it meets the underlying zoning requirements.

(c) Expansions to structures, other than single-family, classified as existing development must meet the requirements of this Section; however, the built-upon area of the existing development is not required to be included in the density calculations.

(d) Any existing nonresidential or multi-family (3 or more dwelling units) structure or built-upon area not in conformance with the density or built-upon restrictions of this Section that has been damaged or removed may be repaired and/or reconstructed provided it meets the following conditions:

(1) The repair or reconstruction is in compliance with Article VII, Nonconformities.

(2) Repair or reconstruction is initiated within 12 months and completed within 2 years of such damage; and

(3) The total amount of built-upon area may be increased according to the built-upon restrictions as allowed for existing development.

(e) Uses existing on January 1, 1994, but which would not be permitted to be established in the watershed protection district in which they are located, may continue subject to Article 7, Nonconformities, except as follows:

(1) When such nonconforming use of land has been changed to an allowed use, it cannot revert to any prohibited use.

(2) Expansions may be allowed subject to the built-upon restrictions as allowed for existing development.

(f) If the requirements of this Section conflict with other portions of this Chapter, the more restrictive of each particular item apply.

(g) Exclusions and exceptions to the rules described in Chapter 2B of Title 15A of the North Carolina Administrative Code, as amended, shall also be exclusions and exceptions to the requirements of the Watershed Protection District.

This, the 17th day of August 2020.

_____

C. Randall Isenhower, Chair

EMEMORANDUM

To: Catawba County Board of Commissioners

From: Finance and Personnel Subcommittee

Date: August 17, 2020

Subject: Edward Byrne Memorial Justice Assistance Grant (JAG) Formula Program Grant Allocation

Request

The Finance and Personnel Committee recommends the Board of Commissioners approves submittal of grant application for the 2020 JAG Grant.

Background

JAG funding allocation is based on population and violent crime statistics. The 2020 Justice Assistance Grant (JAG) has been announced and our eligible award is $11,767, with no local match required. The Sheriff's Office is requesting these funds be used to purchase a small unmanned aerial vehicle system, commonly referred to as a drone, and additional equipment to support extended flights and live streaming. This new unit will replace an aging unit approaching the end of its useful life.

This new unit will be used for search and rescue operations to assist in locating lost and missing persons. This unit will also provide aerial observations for investigations and critical incidents.

97% of JAG funding will be used to purchase the equipment. 3% of the funding ($353) will be applied toward NIBRS compliance, as required by the grant. The Uniform Crime Reporting (UCR) program will become the National Incident-Based Reporting System (NIBRS) by 1/1/2021. The 3% will be used toward educational training about the NIBRS change.

Recommendation

The Finance and Personnel Committee recommends the Board of Commissioners approves submittal of grant application for the 2020 JAG Grant.

SUPPLEMENTAL APPROPRIATION UPON AWARD

Revenue:

110-210050-620320 Justice Assistance Grant	$ 11,767

Appropriation:

110-210050-841020 Law & Administration Training and Education	$ 353
110-210050-98500 Other Equipment	$ 7,000
110-210050-831090 Other Misc. Operating Supplies	$ 4,414

MEMORANDUM

TO: Catawba County Board of Commissioners

FROM: Finance and Personnel Subcommittee

DATE: August 17, 2020

IN RE: Appropriation of Grant Funds in the amount of $ 45,096 to the Catawba County Library

REQUEST
The Finance and Personnel Subcommittee recommends the Board of Commissioners accepts and appropriates grant funds in the amount of $ 45,096 to the Catawba County Library from a Federal IMLS, Library Services Technology Act (LSTA) Project Grant: NC Cares *Wi-Fi for All*.

BACKGROUND
In June 2015, the Board of Commissioners adopted the Catawba County Library Strategic Plan that lays out priorities for 2016 through 2019. The three major goals embedded in the strategic plan, which were driven by the results of a comprehensive community needs assessment and intensive input process, include:

- As a Community Center of Excellence, Fuel Citizens' Passion for Reading, Personal Growth, and Learning
- Innovate to Provide 21st Century Access that Empowers Citizens
- Library Anytime, Anywhere: Expand Citizens' Access to Information and Ideas

With increased reliance on libraries during times of economic downturn, the plan focuses on enhancing County libraries' role in serving as community centers, increasing libraries' capacity to provide the technology, digital resources, and personnel to bridge the digital divide for citizens, and increasing outreach and collaboration in the community to engage and empower citizens with resources, services and collections. To that end, the Library continues to leverage resources towards these strategies, pursuing and securing several grants in alignment with the overarching plan.

One strategy for moving these objectives forward is, "*Bring library resources to where people are, including non-traditional locations, and target underserved audiences.*" In alignment with this strategy, as well as with Catawba County's Strategic Plan, the Library is being creative in identifying one-time initiatives and securing grant funding to move in the desired direction, understanding the positive economic impact and enhanced quality of life that access to the internet and technology provides.

With the $45,096 funding received, the Library will enhance its collaboration with local community organizations, including the City of Newton, Town of Catawba, Hickory Soup Kitchen, Plaza Latina, Centro Latino, and Nu Dimensions (Hickory Housing) to decrease the gap in the digital divide by establishing spaces with free public access wireless Internet and to provide Internet enabled devices for individuals to borrow from the library. The *Wi-Fi for All* project will benefit all Catawba County citizens including school children, those in the workforce, employers, and health care patients. As a result, more people in underserved neighborhoods will have critical access to the information highway, empowering them to make more informed decisions about their own situations and improve their opportunity to succeed in society.

RECOMMENDATION

The Finance and Personnel Subcommittee recommends the Board of Commissioners accepts and appropriates grant funds in the amount of $ 45,096 to the Catawba County Library from a Federal IMLS, Library Services Technology Act (LSTA) Project Grant: NC Cares *Wi-Fi for All*.

Revenue

110-810050-631916	$45,096
LSTA Grant Scholarship	

Expenditure

110-810050-841051	$45,096
LSTA Grant Scholarship	

State Library of North Carolina
SLNC CARES Online Signature Page

Print this page, obtain the required signatures, scan the PDF and return it with the application as one attachment to LSTA@ncdcr.gov by 11:59 PM on July 15, 2020.

Project Title: Wi-Fi for All Grant Type: Project Grant
Institution/Library: Catawba County Library
Mailing Address: 115 West C Street
City: Newton Zip Code: 28658

Library Director, Name: Suzanne White
Phone: 828-465-8660 Email: suzanne@catawbacountync.gov

Project Manager, Name: Siobhan Loendorf
Phone: 828-465-8292 Email: sloendorf@catawbacountync.gov

LSTA Funds Requested this year: $ 45096

Project Abstract:

The Wi-Fi for All project will be a two pronged effort to decrease the gap in the digital divide by partnering with community organizations to establish spaces with free public access wireless Internet and to provide Internet enabled devices for individuals to borrow from the library. Focusing on expanding free access to broadband Internet on simple devices and at locations convenient to community members who cannot afford their own device or to have the Internet at home. It will benefit all Catawba County citizens including school children, those in the workforce, employers, and health care patients. As a result, more people in under-served neighborhoods will have critical access to the information highway, empowering them to make more informed decisions about their own situations and improve their opportunity to succeed in society.

Certification and Signatures (please sign)
We are aware of and agree to comply with all state and federal provisions and assurances required under this grant program. If awarded grant funds, we assure that we will carry out the grant project according to the approved grant application. This application has been authorized by the appropriate authorities of my institution/library.

Suzanne White
Printed name of library director

Suzanne White
Signature of library director

7-15-2020
Date

Mary S. Furtado
Printed name of local government or institutional authorizing official

Mary S. Furtado
Signature of above official

7/15/20
Date

1. TITLE: *Wi-Fi for All*

ABSTRACT: The *Wi-Fi for All* project will be a two pronged effort to decrease the gap in the digital divide by partnering with community organizations to establish spaces with free public access wireless Internet and to provide Internet enabled devices for individuals to borrow from the library. Focusing on expanding free access to broadband Internet on simple devices and at locations convenient to community members who cannot afford their own device or to have the Internet at home. It will benefit all Catawba County citizens including school children, those in the workforce, employers, and health care patients. As a result, more people in underserved neighborhoods will have critical access to the information highway, empowering them to make more informed decisions about their own situations and improve their opportunity to succeed in society.

2. USERS AND NEEDS

Catawba County is a close knit community that has enjoyed decades of strong, consistent leadership by those who understand the value of working together to collaborate across municipalities and organizations to drive positive outcomes and make living better for our residents. Catawba County as a whole enjoys an estimated population of 159,551 citizens and the Catawba County Library serves a legal service area of approximately 118,380 people. Our community is 84 percent white, 9 percent black, 10 percent Latinx, and 4.5 percent Asian. We are home to 10,084 veterans.

The *Wi-Fi for All* project will benefit all Catawba County citizens including school children, those in the workforce, employers, and health care patients. This project focuses on expanding free access to broadband Internet at locations convenient to community members who cannot afford to have an Internet subscription at home.

According to NC Broadband Infrastructure data Catawba County has a "Broadband Availability and Quality" score of 70.2 and ranks 39th in the state on availability. However, this score does not take into account socio-economic levels and the affordability of high speed Internet.

Like many communities, Catawba County struggles with an increasing gap between rich and poor, or the haves and the have nots. Thirteen percent of the population lives at or below the poverty level with a per capita income of $26,950. Other indicators include an increase in the number of people experiencing homelessness and reports from Social Services indicating an increase in the number of people seeking and receiving food and nutrition services and filing Medicaid applications. For these community members living in or on the edge of poverty, broadband Internet remains out of reach, creating a digital divide.

The gap between those who have access to technology, the Internet and digital literacy training and those who do not affects a cross section of our community. Now more than ever, school children without access to the Internet are at a great disadvantage and do not have the most basic of tools needed to succeed. For individuals in the workforce, access to technology is equally important to their success. Unemployment in Catawba County is at an all-time record

high of 18.7 percent and nearly all new employment opportunities require online applications. Workers without digital skills will continue to be left behind and businesses without technology can lose the competitive edge and opportunities to operate more efficiently. For many individuals Telehealth services have become a vital lifeline, providing healthcare and mental healthcare from the safety of home. Government services including Supplemental Nutritional Assistance Program (SNAP), filing taxes, Medicaid, and others all require the use of a computer to either learn about the program or to apply for the service. Without access to technology, many individuals are effectively disconnected from the resources that empower them to make meaningful progress in their situations.

2. PROJECT DESCRIPTION

The *Wi-Fi for All* project will be a two pronged effort to decrease the gap in the digital divide by partnering with community organizations to establish spaces with free public access wireless Internet and to provide Internet enabled devices for individuals to borrow from the library. The library will work with Internet service providers to set up a hard wired line of Internet service to each of the locations, embedded in lower socio-economic communities. That Internet service will be conducted through a modem to outdoor access points where it will broadcast free unlimited wireless Internet to the parking lots. Each of the following organizations provide free public access and parking including the Central Recreation Center, Centro Latino, Plaza Latina, Hickory Housing, Hickory Soup Kitchen, and the Town of Catawba. In order to reach those individuals without an Internet ready device the library will provide 83 Internet enabled Samsung 8 inch tablets to be checked out through the technology lending program. These tablets will empower users with a simple portal to the information highway, accessible using cellular Internet service. These tablets include unlimited Wi-Fi data and can also be used as a Wi-Fi hotspot for other devices in the household. The addition of 83 Internet ready devices will bring the library's technology lending collection up to a total 118 devices which equates to 1 device per 1000 population in the library's legal service area.

b. Why was this solution selected?

During the pandemic the Catawba County schools opened up their guest wireless Internet to be accessed around the clock from their parking lots. Public libraries also made adjustments to establish or improve the wireless connection from their parking lots. Based on the success of providing Internet to the public using this method, the library explored other locations that would be most beneficial to the communities that have the fewest advantages. In looking to our existing community partners the library was able to identify seven areas that are embedded in underserved neighborhoods and are not located near a public library or school.

The library has a well established technology lending program which allows patrons to check out Wi-Fi hotspots and laptops. For this project, instead of adding more Wi-Fi hotspots, the library will expand the technology lending program to include 83 Internet enabled tablets providing patrons an easy to use all in one device.

This solution was also selected for the simplicity of implementation and management. The library will set up the Internet and access points and any technical support will be provided by the Internet provider. The Samsung Tablets provided through Sprint will be added to the existing technology lending program. The *Wi-Fi for All* program addresses the digital divide by providing two pathways to access unlimited data.

c. What will a successful project look like, include outcomes.

A successful *Wi-Fi for All* project will result in more people in underserved neighborhoods having critical access to the information highway to empower them to make more informed decisions about their own situations and improve their opportunity to succeed in society.

The *Wi-Fi for All* project will serve to achieve the following outcomes:

- To provide free public high speed Internet and access to critical resources and information to individuals for whom private Internet is not affordable, the library will establish seven public access locations strategically situated to serve those most in need.
- To increase the number of citizens that have access to use technology tools including laptops, tablets, and hotspots, the library will purchase 83 Internet enabled tablets to expand the technology lending program.
- To strengthen and expand community partnerships, the library will increase collaboration with participating community agencies to provide the mutually beneficial free wireless Internet service.
- To improve digital literacy and technology skills for adults living in the East Newton area, the library will host a six-week series of technology workshops at the Central Recreation Center.

d. Project Partners

Partner 1:
City of Newton, 401 North Main Avenue, Newton, NC
Contact: Chris Little Phone: 828-695-4257

Contribution to the project: The City of Newton will provide space in the Central Recreation Center in East Newton and provide electricity to establish Internet with a router and external access points.
Partner role and responsibilities: Chris Little will provide consulting and technology support to the service provided at the Central Recreation Center.
Benefit and Potential Impacts: This project helps address a need identified by the City of Newton to increase services to the lower socio-economic community in East Newton. In addition to building community relations with this neighborhood, helping Newton achieve their goals strengthens the library's relationship with the City with the potential to result in increased funding to the library.

Partner 2:
Nu Dimensions Hickory Housing
841 South Center Street, Hickory, NC 28658
Contact: Alanda Richardson Email: alanda@hickoryhousing.org

Contribution to the project: Nu Dimensions will provide space at offices located in two low income neighborhoods and provide electricity to establish Internet with a router and external access points.
Partner role and responsibilities: Alanda Richardson will be the point of contact for Nu Dimension and assist with marketing and collection of success stories.
Benefit and Potential Impacts: This project will benefit all of the residents in the housing communities, providing access to the Internet for education, career, wellness, information, and entertainment.

Partner 3:
Hickory Soup Kitchen
110 2nd St Pl SE, Hickory, NC 28602
Contact: Austin Pearce Phone: 638-0671

Contribution to the project: The Hickory Soup Kitchen will provide space at the Hickory Soup Kitchen and provide electricity to establish Internet with a router and external access points.
Partner role and responsibilities: Austin Pearce will be the point of contact for Hickory Soup Kitchen will assist with marketing and collection of success stories.
Benefit and Potential Impacts: This project will benefit all of the community members who use the Hickory Soup Kitchen as well as individuals who reside in the general area, providing access to the Internet for education, career, wellness, information, and entertainment.

Partner 4:
Town of Catawba
108 N Main St, Catawba, NC 28609
Contact: Brad Moody Phone: 241-2215

Contribution to the project: The Town of Catawba will provide space and provide electricity to establish Internet with a router and external access points.
Partner role and responsibilities: The Town Manager, Brad Moody, will be the point of contact for the Town of Catawba and will assist with marketing and collection of success stories.
Benefit and Potential Impacts: This project will benefit all of the community members who reside in and around the Town of Catawba, providing access to the Internet for education, career, wellness, information, and entertainment.

Partner 5:
Centro Latino
2259 12th Ave NE, Hickory, NC 28601

Contact: Soraya Place Phone: 816-499-2002

Contribution to the project: Centro Latino will provide space and electricity to establish Internet with a router and external access points. Centro Latino hosts many programs and services to support the Latinx community including an afterschool program.
Partner role and responsibilities: Soraya Place will be the point of contact for Centro Latino and will assist with translation of marketing materials and collection of success stories.
Benefit and Potential Impacts: This project will benefit the Latinx population that visits the center as well as all of the community members who reside in and around St Stephen's Lutheran Church where Centro Latino is based. It will provide access to the Internet for education, career, wellness, information, and entertainment.

Partner 6:
Plaza Latina
1901 Northwest Blvd, Newton, NC 28658
Contact: Javier Chavez Phone: 828-464-5311

Contribution to the project: The owner of the Plaza Latina will provide space and provide electricity to establish Internet with a router and external access points.
Partner role and responsibilities: The owner, Javier Chavez, will be the point of contact for the Plaza Latina and will assist with marketing and collection of success stories.
Benefit and Potential Impacts: This project will benefit all of the community members who reside or work in and around the Plaza Latina, providing access to the Internet for education, career, wellness, information, and entertainment.

3. TIMELINE

Date	Activity	Responsible Party
August 1, 2020	Budget Adjustment and grant contract execution	Suzanne White
August 2, 2020	Place order for Sprint tablets and protective cases	Siobhan Loendorf
August 2, 2020	Marketing - announce grant award and project - create flyer/rack card for distribution through partners	Kelly Sigmon
August 5, 2020	Create and order yard signs to be placed at partner locations for marketing	Kelly Sigmon & Siobhan Loendorf
August 1-15, 2020	Work with internet service providers to plan installations and determine location of access points, etc.	Siobhan Loendorf, Internet Service Provider, Participating Partner
August 15, 2020	Begin Sprint Service for 83 Samsung tablets	Siobhan Loendorf, Sprint T-Mobile Sales Representative
August 15-22, 2020	Install Internet at seven partner locations including: Central Recreation Center, Newton; Plaza Latina, Centro Latino, Hickory Housing, Town of Catawba, and Hickory Soup Kitchen	Internet Service Provider - Conterra or Spectrum
August 15, 2020	Set up firewall and captive portal survey prior to Go Live	Siobhan Loendorf & Internet Service Provider
8/15/20 to 8/22/20	Marketing the Free Internet Stations to the community	Siobhan Loendorf & Kelly Sigmon
8/22/20 to 8/29/20	Host Kick-off Grand opening events with the Library to Go at each location	Siobhan Loendorf, Greta Caldwell, partner representatives
September 2020	Set up 6 week series of technology training classes at the Central Recreation Center	Siobhan Loendorf, Library to Go, Digital Services Librarian
September 1, 2020 to August 14, 2021	Collect data from internet usage and success stories from partner organizations	Siobhan Loendorf, Soraya Place
September 15, 2020	Submit first reimbursement form for installations	Siobhan Loendorf, Michele Francois
September 1, 2021	Submit final reimbursement forms	Siobhan Loendorf
September 1, 2021	Compile statistics, photos, success stories to complete final report	Siobhan Loendorf

4. EVALUATION

Outputs:

1. The library will track the number of times the public access Wi-Fi is being used by individuals and compare that to the number of times the public access being used at the library locations.
2. The library will track the number of checkout of the Samsung Tablets to compare that with the existing technology checkouts.

3. The library will count the number of people that attend technology workshops at the Central Recreation Center.
4. The library will record the results from the captive landing page survey for three months to establish a baseline measure for comparison against the remaining months of the project period.
5. The library will be able to track visits to library resources including Hoopla, NC Digital, and NC Live we may expect to see the usage statistics increase for those online resources.
6. During the pandemic shutdown when schools moved to online learning absenteeism or students not logging in to school was up to 50 percent in some locations. The library will work with the local school systems to obtain aggregate statistics regarding students logging into school websites to see if the additional access results in more students and families logging in for education purposes.

b. Outcomes

Wi-Fi for All will allow citizens to attend online school, participate in government services, search for jobs, stay connected to loved ones, obtain tele-health, and stay connected to the world through the Internet. The library will measure progress towards the project goals using the quantitative measurement of outputs and qualitative data collected through surveys of community members and participating organizations.

1. The primary feedback survey will be implemented by using a captive portal when users connect to the Internet. This survey will capture the intent of use including, education, job/career, wellness, etc. and an open ended comment area where users will be able to share about their Internet experience.
2. The library will survey partner organizations to capture success stories or anecdotes about how community members are individually impacted by having access to the Internet.
3. The library will survey participants to technology workshops to measure for increases in knowledge of content and confidence in using technology resources.
4. The library will also collect surveys from patrons who check out technology devices to measure increased confidence in digital literacy.

5. BUDGET

	Budget Category – see descriptions above	Quantity of Items	Cost per Item	Total LSTA Funds
A	**Salaries/Wages/Benefits**			
B	**Consultant Fees**			
C	**Travel, library staff only**			
D	**Supplies/Materials**			
	Modem	7	$ 500.00	$ 3,500.00
	Unifi Pro AC exterior access points	14	$ 190.00	$ 2,660.00
	Ethernet cables	14	$ 125.00	$ 1,750.00
	Network installation	7	$ 250.00	$ 1,750.00
	Router set up and configuration	7	$ 60.00	$ 420.00
	Sprint/T-mobile 8" Samsung Tablet	83		*no charge with service contract*
	Otterbox Hardshell protective case for Tablets	83	$ 65.00	$ 5,395.00
	Yard signs for each location	14	$ 30.00	$ 420.00
	Rack Cards for distribution at each location	1000 rack cards	$ 300.00	$ 300.00
	Outdoor Literature holder for rack cards	7	$ 8.00	$ 56.00
E	**Equipment that exceeds $5,000 per item**			$ -
				$ -
F	**Services**			$ -
	Spectrum Internet Service for one year	7	$ 1,200.00	$ 8,400.00
	Sprint/T-mobile internet for one year (tablets)	83	$ 240.00	$ 19,920.00
	Router support for one year	7	$ 75.00	$ 525.00
G	**Subtotal**			$ 45,096.00
H	**Indirect Costs (IDC): applicants must choose one, IDC may only be charged**			
	X The library chooses not to include Indirect Costs. ☐ The library chooses a rate not to exceed 10% of modified total Direct Costs ☐ The library has a rate of _____ % that has been negotiated with a federal			
I	**Total LSTA Funds Requested (cannot exceed grant maximum)** Round up to nearest dollar; use this total to enter in Online Signature Page.			$ 45,096.00

MEMORANDUM

TO: Catawba County Board of Commissioners

FROM: Finance and Personnel Subcommittee

DATE: August 17, 2020

SUBJECT: Request for Bid Award and Approval of Contract for Sheriff's Office Renovation and Justice Center Lobby Flooring/Ceiling Contract

REQUEST

Staff requests the Finance and Personnel Subcommittee recommend the approval of a bid award for the renovation of the Sheriff's Office and Justice Center Lobby Flooring/Ceiling to Frank L. Blum Construction Company of Winston-Salem, North Carolina, in an amount not to exceed Six Hundred Fifteen Thousand Eight Hundred Ten Dollars ($615,810.00), and authorize a budget transfer in the amount of Seven Hundred Eighty-Seven Thousand Four Hundred and Fifty Dollars ($787,450.00) from completed capital project funds.

BACKGROUND

With the Register of Deeds moving out of their location and into a larger space at the Justice Center, this has provided an opportunity for the Sheriff's Office to move their public facing services (Records, Gun Permits, Fingerprinting) inside the Justice Center. In the last space study, a recommendation was made to expand the Sheriff Office space. This project, if approved, will give them that opportunity.

On December 10, 2019, Catawba County contracted with Campbell Design to provide the architectural design for this renovation project.

On June 2, 2020, Catawba County issued a Public Advertisement for Bids to solicit bid responses from licensed contractors interested in providing construction services for renovation of the Sheriff's Office and Justice Center Lobby.

On June 30, 2020, all bids received were publicly opened and read. The bid specifications included four (4) Allowances:

Allowance No.1: Contingency (5% of Base Bid)
Allowance No 2: 2-Hour Rated, Pair of Entry Doors
Allowance No 3: Hardware Allowance at $450.00 per Door
Allowance No.4: Interior Signage Allowance

and (3) three Alternates:

Alternate No. 1 (Add): To provide new lobby flooring in the old section of the Justice Center
Alternate No. 2 (Add): To upfit the lobby stairs in the old section of the Justice Center
Alternate No. 3 (Add): To upfit the lobby ceiling in the old section of the Justice Center

A total of six (6) bid responses were received (bid tabulation attached). The results of those bid responses are as follows:

Bidders	Base Bid	Allowances No. 1 – No. 4	Alternate No. 1	Alternate No. 3	Total
Frank L. Blum Construction Co	$396,916.00	$47,784.00	$108,660.00	$62,450.00	$615,810.00
Matthews Construction Co., Inc.	$388,000.00	$44,950.00	$128,000.00	$66,000.00	$626,950.00
Pinnix, Inc.	$464,900.00	$48,795.00	$146,600.00	$91,550.00	$751,845.00
Moss-Marlow Building Co., Inc.	$477,141.00	$49,407.00	$171,548.00	$65,717.00	$763,813.00
Neil Grading and Construction Co.	$470,000.00	$49,050.00	$189,000.00	$61,000.00	$769,050.00
Hickory Construction Company	$370,000.00	$44,050.00	$245,000.00	$121,450.00	$780,500.00

Frank L. Blum Construction Company, with its principal office located in Winston-Salem, North Carolina, is the lowest responsible and responsive bidder. Staff recommends including Alternate No. 1 for new flooring in the bid award and also Alternate No. 3 for new ceiling for the old section of the Justice Center Lobby. The bid award also includes a Twenty-Two Thousand Two Hundred Thirty-Four Dollar ($22,234.00; 5% of base bid) project contingency, of which any unused funds will be returned to the County. The construction will take approximately One Hundred Eighty (180) days, with a completion date on or before February 13, 2021.

The total project is estimated to cost Nine Hundred Thousand Dollars ($962,450.00), broken down as follows:

- Architect fees / design services: $49,000
- Construction services: $615,810.00 (recommended for award)
- Furniture, fixtures and equipment (including technology): $297,370.00 (estimated)

Funds are available to cover the cost of the renovation through a combination of balances in completed projects and the General Capital Fund Balance. Currently, there is $175,000.00 available in the Govt. Ctr. Complex Improvements fund that will help to cover a portion of the cost from this project. To cover the remaining cost, staff is requesting the Board of Commissioners authorize the transfer below from unspent funds previously appropriated to projects that have been completed as follows:

<u>From:</u>

410-460100-988000-12001	Justice Public Safety Center	$400,000.00
410-460100-988000-12038	Board of Elections Renovation	$100,000.00

<u>To:</u>

410-460100-988000-12007	Govt. Ctr. Complex Improvements	$500,000.00

Supplemental Appropriation:

<u>Revenue:</u>

410-460100-690100	General Capital Fund Balance Appropriated	$287,450.00

<u>Expense:</u>

410-460100-988000-12007	Govt. Ctr. Complex Improvements	$287,450.00

<u>RECOMMENDATION</u>

Staff recommends the Board of Commissioners approve a bid award and contract for the renovation of the Sheriff's Office and Justice Center Lobby to Frank L. Blum Construction Company of Winston-Salem, North Carolina, in an amount not to exceed Six Hundred Fifteen Thousand Eight Hundred Ten

Dollars ($615,810.00) and to authorize a budget transfer in the amount of Seven Hundred Eighty-Seven Thousand Four Hundred Fifty Dollars ($787,450.00) from completed capital project funds as follows:

From:

410-460100-988000-12001	Justice Public Safety Center	$400,000.00
410-460100-988000-12038	Board of Elections Renovation	$100,000.00

To:

410-460100-988000-12007	Govt. Ctr. Complex Improvements	$500,000.00

Supplemental Appropriation:

Revenue:

410-460100-690100	General Capital Fund Balance Appropriated	$287,450.00

Expense:

410-460100-988000-12007	Govt. Ctr. Complex Improvements	$287,450.00

Attachments:

Bid Opening Tabulation

Construction Agreement for Catawba County Sheriff's Office & Justice Center Lobby

BID OPENING RECORDING / TABULATION
FOR SHERIFF'S OFFICE RENOVATION AND JUSTICE CENTER LOBBY, PROJECT NO. 20-1014

Date: 6/30/2020 at 3:30 PM
Project Name: Catawba County Sheriff's Office and JC Lobby
Project #: 20-1014

	BIDDER NAME	1	2	3	4	5	6
		Neil Grading and Construction Co, Inc.	Moss-Marlow Building Co, Inc.	Hickory Construction Company	Matthews Construction Co., Inc.	Frank L. Blum Construction Company	Pinnix, Inc.
	REQUIREMENTS						
1	Bid Form W/	Yes	Yes	Yes	Yes	Yes	Yes
2	M/WBE Forms "Good Faith Effort"	Yes	Yes	Yes	Yes	Yes	Yes
3	Bid Bond	Yes	Yes	Yes	Yes	Yes	Yes
4	E-Verify	Yes	Yes	Yes	Yes	Yes	Yes
5	Addenda Nos. 1-3	Yes	Yes	Yes	Yes	Yes	Yes
6	Contractor/Subcontractor's Listed	Yes	Yes	Yes	Yes	Yes	Yes
	1. Base Bid: Lump Sum Price	$470,000.00	$477,141.00	$370,000.00	$388,000.00	$396,916.00	$464,900.00
	Allowances:						
	2. Contingency Allowance (5%)	$23,500.00	$23,857.00	$18,500.00	$19,400.00	$22,234.00	$23,245.00
	3. 2-Hour Rated Pair of Entry Doors	$13,500.00	$13,500.00	$13,500.00	$13,500.00	$13,500.00	$13,500.00
	4. Hardware Allowance $450 per Door	$8,550.00	$8,550.00	$8,550.00	$8,550.00	$8,550.00	$8,550.00
	5. Interior Signage Allowance	$3,500.00	$3,500.00	$3,500.00	$3,500.00	$3,500.00	$3,500.00
	Allowance Sum	$49,050.00	$49,407.00	$44,050.00	$44,950.00	$47,784.00	$48,795.00
	TOTAL BID WITH ALL ALLOWANCES (1 - 5)	$519,050.00	$526,548.00	$414,050.00	$432,950.00	$444,700.00	$513,695.00
	Alternates:						
Accepted	Alternate 1 - Add (Flooring JC Lobby)	$189,000.00	$171,548.00	$245,000.00	$128,000.00	$108,660.00	$146,600.00
Declined	Alternate 2 - Add (Stairs JC Lobby)	$178,000.00	$227,163.00	$349,000.00	$298,000.00	$200,630.00	$195,900.00
Accepted	Alternate 3 - Add (Ceiling JC Lobby)	$61,000.00	$65,717.00	$121,450.00	$66,000.00	$62,450.00	$91,550.00
	TOTAL BID WITH ALL ALLOWANCES & ALTERNATES (1 - 3)	$947,050.00	$990,976.00	$1,129,500.00	$924,950.00	$816,440.00	$947,745.00

	Total - Base, Allowances, Alternate No. 1 & No. 3
Neil Grading	$769,050.00
Moss-Marlow	$763,813.00
Hickory Construction	$780,500.00
Matthews Construction	$626,950.00
Frank L. Blum	$615,810.00
Pinnix, Inc.	$751,845.00

CONSTRUCTION AGREEMENT
FOR
CATAWBA COUNTY SHERIFF'S OFFICE & JUSTICE CENTER LOBBY

THIS AGREEMENT, made as of the ___ day of August, 2020, by and between Catawba County, a body politic and a political subdivision of the State of North Carolina, (hereinafter "County") and Frank L. Blum Construction Company, a corporation, (hereinafter "Contractor").

WITNESSETH:

Contractor and County, in consideration of the mutual covenants and agreements herein contained, agree as follows:

1. SCOPE OF WORK: Contractor shall furnish and deliver all of the materials and perform all of the work described in the Contract Documents, except as specifically indicated in the Contract Documents to be the responsibility of others.

   The Contract Documents consist of this Agreement, General Conditions of the Construction Contract, Specifications, Drawings, Addenda issued prior to execution of this Agreement, other documents listed in this Agreement, and Modifications issued after execution of this Agreement, all of which form the Contract, and are as fully a part of this Contract as if attached to this Agreement or repeated herein. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations, or agreements, either written or oral. The Contract Documents consist of this Construction Agreement and the following:

   1. General Conditions to Construction Contract, attached as Exhibit A
   2. Project Manual bearing the general title "Specifications for Catawba County Sheriff's Office & JC Lobby, Newton, North Carolina" dated June 2, 2020.
   3. Drawings bearing the general title "Interior Renovation to Catawba County Sheriff's Office & JC Lobby"
   4. Addenda numbers [1] to [3], inclusive.
   5. Completed Bid Form, attached as Exhibit B
   6. Insurance and Bonds, attached as Exhibit C

2. TIME OF COMPLETION: The Contractor shall commence work to be performed under this Contract on or about August 18, 2020, and shall fully complete all work hereunder on or before February 13, 2021, or within One Hundred Eighty (180) consecutive calendar days from the Notice to Proceed. For each day in excess of the above number of days, the Contractor shall pay the Owner the amount of Three Hundred and Fifty Dollars ($350.00) as liquidated damages reasonably estimated in advance to cover the losses to be incurred by the Owner should the Contractor fail to complete the Work within the time specified. If the Contractor is delayed at any time in the progress of his work by any act or negligence of the Owner, its employees or its separate contractor; by changes ordered in the work; by abnormal weather conditions; by any causes beyond the Contractor's control or by other causes deemed justifiable by Owner, then the contract time may be reasonably extended in a written order from the Owner upon written request from the contractor within ten (10) days following the cause for delay.

3. CONTRACT ADMINISTRATON: County's Construction Manager shall serve as the Contract Administrator for this project.

4. CONTRACT SUM: The Contract Sum in for an amount not to exceed Six Hundred Fifteen Thousand Eight Hundred Ten Dollars ($615,810.00). The Contract Sum includes a base bid of Three Hundred Ninety-Six Thousand Nine Hundred Sixteen Dollars ($396,916.00), Four Allowances in the amount of Forty-Eight Thousand Seven Hundred Ninety-Five Dollars ($48,795.00), Alternate No. 1 in the amount of One Hundred Eight Thousand Six Hundred Sixty Dollars ($108,660.00), and Alternate No. 3 in the amount of Sixty-Two Thousand Four Hundred Fifty Dollars ($62,450.00). The Contractor agrees to furnish all necessary materials, equipment, machinery, tools, apparatus, means of transportation and labor necessary to complete the construction of the above titled project in full and complete accordance with the plans, specifications and contract documents to the full and entire satisfaction of Catawba County with a definite understanding that no money will be allowed for extra work without written consent of the Owner.

5. BID SECURITY: Each Bid must be accompanied by bid security made payable to Owner in an amount of five percent (5%) of the Bidder's Bid Price and in the form of cash, cashier's check, certified check on some bank or trust company insured by the Federal Deposit Insurance Corporation, or a bid bond issued by a surety meeting the requirements of the Owner. The Owner will only select one Bid for contract award.

6. PAYMENT BOND: The Contractor is required to submit a Payment Bond in the amount of 100% of the construction contract amount, conditioned upon the prompt payment for all labor or materials for which a contractor or subcontractor is liable.

7. PERFORMANCE BOND: The Contractor is required to submit a Performance Bond in the amount of 100% of the construction contract amount, conditioned upon the faithful performance of the contract in accordance with the plans, specifications and conditions of the bid and contract documents.

8. NOTICES: Any notice required by this Agreement shall be in writing and delivered by certified or registered mail, return receipt requested to the following:

Owner:
Catawba County
Attn: John Cameron
25 Government Drive
Post Office Box 389
North Carolina 28658

Contractor:
Frank L. Blum Construction Company
Attn: Will Smelcer
830 NE 25th Street
Winston-Salem, North Carolina 27105 Newton,

9. UTILITIES: Owner may provide certain utilities such as power or water with connections and extensions by the Contractor.

10. ACCESS CONTROL: The Contractor will be issued construction badges that will allow access to building / departments. These badges will be required to be turned back in to Owner before final payment is issued.

11. CONSTRUCTION MANAGER: The Contractor's Point of Contact for this project is the Catawba County Construction Manager, John Cameron, (828) 320-2484. Any questions regarding the project shall be directed to him.

12. HOURS OF OPERATION: The normal hours of operation are Monday through Friday, 8:00 a.m. to 5:00 p.m. If working outside of those normal hours for any reason, you must coordinate that with the Catawba County Construction Manager, John Cameron at (828) 320-2484.

13. NO SMOKING POLICY: All Catawba County grounds and buildings are smoke and tobacco free.

14. E-VERIFY: Contractor shall comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes. Further, if Contractor utilizes a subcontractor, Contractor shall require the subcontractor to comply with the requirements of Article 2 of Chapter 64 of the North Carolina Statutes.

15. TIME OF THE ESSENCE: Time is of the essence in the performance of this contract.

16. COMPLIANCE WITH LAWS: The Contractor shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of federal, state, and local agencies having jurisdiction and/or authority.

17. WAIVER OF DEFAULT: Waiver by the County of any default or breach in compliance with the terms of this Agreement by Contractor shall not be deemed a waiver of any subsequent default or breach and shall not be construed to be a modification of the terms of this Agreement unless stated to be such in writing, signed by an authorized representative of the County and the Contractor and attached to the Agreement.

18. CHOICE OF LAW: This Agreement shall be governed and construed in accordance with the laws of the State of North Carolina. Venue for any adversarial proceeding shall be set in Catawba County.

19. ENTIRE AGREEMENT: This Agreement constitutes the entire agreement and understanding between the parties respecting the subjects covered herein, and shall not be modified in any respect except in a writing that is signed by both parties. The parties may enter into additional agreements to the extent they are not inconsistent with the terms hereof. In the event there is an inconsistency, the terms of this agreement shall prevail.

20. EXECUTION: This Agreement may be executed in multiple counterparts, with each part so executed being deemed an original, however, collectively constituting but a single document.

21. HEADINGS: The Section and Paragraph headings in this Agreement are not material parts of the agreement and should not be used to construe the meaning thereof.

22. SEVERABILITY: In the event that a court of competent jurisdiction holds that a provision or requirement of this contract violates any applicable law, each such provision or requirement shall continue to be enforced to the extent it is not in violation of law or is not otherwise

unenforceable and all other provisions and requirements of this contract shall remain in full force and effect.

23. SIGNATURE WARRANTY: The undersigned represent and warrant that they are authorized to bind their principals to the terms of this Agreement.

24. FORCE MAJEURE: If Contractor's performance of services is delayed by a force majeure, Contractor shall immediately notify County of the delay, the reasons therefore and the anticipated duration of any such delay. Contractor's delay in the performance of services shall be excused at the discretion of County.

25. INDEMNIFICATION: The work to be performed by Contractor under this Agreement shall be performed entirely at Contractor's own risk. Contractor shall indemnify and save harmless the County, its commissioners, employees, agents and representatives from any and all liabilities and claims of every kind, including attorney's fees, to which County may be subjected on account of loss, destruction or damage to property or injury to or death of persons, including Contractor and persons employed by Contractor, arising out of or in connection with performance of this Agreement. The provisions of this paragraph shall not be applicable to loss or damage caused by the negligent act of omission of County or its employees.

26. INSURANCE: Contractor will carry and maintain, throughout the period of this Agreement, at Contractor's sole expense, professional and general liability insurance of no less than $1,000,000 per occurrence and $2,000,000 annual aggregate; and worker's compensation insurance providing statutory limit coverage, plus Employer's Liability coverage with limits of not less than $1,000,000 per accident and $1,000,000 for each employee for injury by disease. In addition, the workers' compensation policy must contain a waiver of subrogation in favor of the County. Defense costs shall be in excess of the limit of liability. Contractor shall also provide automobile insurance coverage, when applicable, for any owned, hired, or rented vehicle with a limit of not less than $1,000,000 per occurrence combined single limit for bodily injury and property damage liability and a limit of not less than $25,000 for medical payment coverage.

    Catawba County shall be named as an additional insured under Contractor's automobile and general liability insurance company. In the event of a loss arising out of, or related to the Contractor's services performed under this Agreement, Contractor's Liability insurance shall be primary (pay first) with respect to any other insurance which may be available to the County, regardless of how the "other insurance" provisions may read.

    Contractor has provided a Certificate of Insurance ("COI") which is attached hereto as Exhibit C. Contractor agrees to indemnify County if the insurance policy referenced in the COI does not contain, at a minimum, the coverage amounts listed on the COI. All insurance policies put forth to satisfy the above requirements shall require the insurer issuing the underlying policy to provide County with a minimum of thirty (30) days' notice prior to modification or cancellation of said policy. The maintenance of such insurance will not in any manner affect Contractor's obligation to indemnify County as described herein.

27. ASSIGNMENT: This Agreement or any right hereunder, shall not be assigned by either party, nor shall any duty hereunder be delegated by either party, without the express written consent

of the other party. Any attempt at assignment or delegation without such consent shall be void.

28. INDEPENDENT CONTRACTOR: This Agreement does not constitute Contractor an employee, agent, representative, joint venture or partner of County for any purpose whatsoever. Contractor is not authorized to make any contract, agreement, warranty or representation, express or implied, on behalf of County. Neither Contractor nor any employee or agent of Contractor has an employment status with County and are not entitled to participate in any benefits extended by County to its own employees. All persons employed by Contractor to perform Services hereunder shall be subject to the exclusive direction and control of Contractor, it being the intention of the parties that Contractor and its employees shall remain independent contractors, not subject to the control of County.

This Contract entered into as of the day and year first written above.

OWNER:

CATAWBA COUNTY

_____
C. Randall Isenhower, Chair
Catawba County Board of Commissioners

CONTRACTOR:

FRANK L. BLUM CONSTRUCTION COMPANY

_____
Mike Lancaster, CEO

THIS INSTRUMENT has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act as amended.

Date: _____ _____
Bob Miracle, Chief Finance Officer

APPROVED AS TO FORM:

Date: _____ _____
Jodi Stewart, Attorney

Date: _____ _____
Cynthia Eades, Risk Management

Exhibit A
GENERAL CONDITIONS OF THE CONTRACT FOR CONSTRUCTION

ARTICLE 1 GENERAL PROVISIONS

1.1. BASIC DEFINITIONS

1.1.1 Contract for Construction. The Contract Documents form the Contract for Construction. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. The Contract may be amended or modified only by a Modification.

1.1.2 Contract Documents. The Contract Documents consist of the Agreement between Owner and Contractor (hereinafter the Agreement), Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, addenda issued prior to execution of the Contract, advertisement or invitation to bid, Instructions to Bidders, other documents listed in the Agreement and Modifications issued after execution of the Contract. In the event of conflicts among the contract documents, the Specifications shall take precedence over the Drawings, and the Supplementary Conditions shall take precedence over the General Conditions. The Contract Documents shall not be construed to create a contractual relationship of any kind between the Owner and a Subcontractor or Sub-subcontractor.

1.1.3 Contractor. The person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. Unless otherwise stated, the term "Contractor" means the General Contractor or the General Contractor's authorized representative.

1.1.4 Drawings. The Drawings are the graphic and pictorial portions of the Contract Documents, wherever located and whenever issued, showing the design, location and dimensions of the Work, generally including plans, elevations, sections, details, schedules and diagrams.

1.1.5 Designer. The Architect or Engineer registered in accordance with the provisions of Chapter 89C of the NC General Statutes, identified as such in the Contract for Construction and is referred to throughout the Contract Documents as if singular in number. The term "Designer" refers to the Designer or the Designer's authorized representative(s). The Designer shall be entitled to performance and enforcement of obligations under the Contract for Construction intended to facilitate performance of the Designers' duties.

1.1.6 Modification. A Modification is (1) a written amendment to the Contract signed by the parties, (2) a Change Order, (3) a Construction Change Directive, or (4) a written order for a minor change in the Work issued by the Designer.

1.1.7 Owner. The person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The term "Owner" means the Owner or the Owner's authorized representative.

1.1.8 Project. The Project is the total construction of which the Work performed under the Contract Documents may be the whole or a part and which may include construction by the Owner or by separate contractors.

1.1.9 Project Manual. The Project Manual is the volume usually assembled for the Work which may include the bidding requirements, sample forms, Conditions of the Contract and Specifications.

1.1.10 Specifications. The Specifications are that portion of the Contract Documents consisting of the written requirements for materials, equipment, construction systems, standards and workmanship for the Work, and performance of related services.

1.1.11 Work. The term "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment and services provided or to be

provided by the Contractor to fulfill the Contractor's obligations. The Work may constitute the w[illegible]f the project.

1.2 EXECUTION, CORRELATION, AND INTENT

1.2.1 The Contract Documents shall be signed by the Owner and Contractor as provided in the Agreement. If either the Owner or Contractor or both do not sign all the Contract Documents, the Designer shall identify such unsigned Documents and insure that they are properly signed by the necessary parties.

1.2.2 Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become familiar with local conditions under which the Work is to be performed, correlated personal observations with requirements of the Contract Documents, has checked and verified all site conditions, and hereby waives any and all claims, present or future, for misrepresentation on the part of the Owner or Designer.

1.2.3 The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all.

1.2.4 Organization of the Specifications into divisions, sections and articles, and arrangement of Drawings shall not control the Contractor in dividing the Work among Subcontractors or in establishing the extent of Work to be performed by any Subcontractor.

1.2.5 Unless otherwise stated in the Contract Documents, words which have well-known technical or construction industry meanings are used in the Contract Documents in accordance with such recognized meanings.

1.3 OWNERSHIP AND USE OF DESIGNER'S DRAWINGS, SPECIFICATIONS AND OTHER DOCUMENTS. The Drawings, Specifications and other documents prepared by the Designer are instruments of the Designer's service through which the Work to be executed by the Contractor is described. The Contractor may retain one contract record set. Neither the Contractor nor any Subcontractor, Sub-subcontractor or material or equipment supplier shall own or claim a copyright in the Drawings, Specifications and other documents prepared by the Designer. The Owner will retain all common law, statutory and other reserved rights, in addition to the copyright of the drawings, specifications and other documents prepared by the Designer. All copies of them, except the Contractor's record set, shall be returned or suitably accounted for to the Designer, on request, upon completion of the Work. The Drawings, Specifications and other documents prepared by the Designer, and copies thereof furnished to the Contractor, are for use solely with respect to this Project; they are not to be used by the Contractor or any Subcontractor, Sub-subcontractor or material or equipment supplier on other projects without the specific written consent of the Owner and Designer. The Contractor, Subcontractors, Sub-subcontractors and material or equipment suppliers are granted a limited license to use and reproduce applicable portions of the Drawings, Specifications and other documents prepared by the Designer appropriate to and for use in the execution of their Work under the Contract Documents. All copies made under this license shall bear the statutory copyright notice, if any, shown on the Drawings, Specifications and other documents prepared by the Designer. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with this Project is not to be construed as publication in derogation of the Owner's copyright or other reserved rights.

1.4 CAPITALIZATION. Terms capitalized in these General Conditions include those which are (1) specifically defined, (2) the titles of numbered articles and identified references to Paragraphs, Subparagraphs and Clauses in the document or (3) the titles of other documents.

1.5 INTERPRETATION. In the interest of brevity, the Contract Documents frequently omit modifying words such as "all" and "any" and articles such as "the" and "an," but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement.

ARTICLE 2 OWNER

2.1 INFORMATION AND SERVICES REQUIRED OF THE OWNER

2.1.1 The Contractor is responsible for locating all existing utilities prior to Work.
2.1.2 Except for permits and fees which are the responsibility of the Contractor under the Contract Documents, the Owner shall secure and pay for necessary approvals, easements, assessments and charges required for construction, use or occupancy of permanent structures or for permanent changes in existing facilities.

2.1.3 Information or services under the Owner's control shall be furnished by the Owner with reasonable promptness to avoid delay in orderly progress of the Work.

2.1.4 Unless otherwise provided in the Contract Documents, the Contractor will be furnished, free of charge, such copies of Drawings and Project Manuals as are reasonably necessary for execution of the Work.

2.2 OWNER'S RIGHT TO CARRY OUT THE WORK. If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a seven-day period after receipt of written notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may after such seven-day period, without prejudice to other remedies the Owner may have, correct such deficiencies. In such case, an appropriate Change Order shall be issued deducting from payments then or thereafter due the Contractor the cost of correcting such deficiencies, including compensation for the Designer's additional services and expenses made necessary by such default, neglect or failure. Such action by the Owner and amounts charged to the Contractor are both subject to prior review and confirmation by the Designer. If payments then or thereafter due the Contractor are not sufficient to cover such amounts, the Contractor shall pay the difference to the Owner.

ARTICLE 3 CONTRACTOR

3.1. REVIEW OF CONTRACT DOCUMENTS AND FIELD CONDITIONS BY CONTRACTOR

3.1.1 The Contractor shall carefully study and compare the Contract Documents with each other and with information furnished by the Owner pursuant to Section 2.1, and shall at once report to the Designer errors, inconsistencies or omissions discovered. If the Contractor performs any construction activity knowing or should have known it involves an error, inconsistency or omission in the Contract Documents without such notice to the Designer, the Contractor shall assume full responsibility for such performance and shall bear the full costs for correction.

3.1.2 The Contractor shall take field measurements and verify field conditions and shall carefully compare such field measurements and conditions and other information known to the Contractor with the Contract Documents before commencing activities. Errors, inconsistencies or omissions discovered shall be reported to the Designer immediately.

3.1.3 The Contractor shall perform the Work in accordance with the Contract Documents and submittals approved pursuant to Section 3.11.

3.2 SUPERVISION AND CONSTRUCTION PROCEDURES

3.2.1 The Contractor shall supervise and direct the Work using the Contractor's best skill and attention. The Contractor shall be solely responsible for and have control over construction means, methods, techniques, sequences and procedures and for coordinating all portions of the Work under the Contract, unless Contract Documents give other specific instructions concerning these matters.

3.2.2 The Contractor shall be responsible to the Owner for acts and omissions of the Contractor's employees, Subcontractors and their agents and employees, and other persons performing portions of the Work under a contract with the Contractor.

3.2.3 The Contractor shall not be relieved of obligations to perform the Work in accordance with the Contract Documents either by activities or duties of the Designer in the Designer's administration of the Contract, or by tests, inspections or approvals required or performed by persons other than the Contractor.

3.2.4 The Contractor shall be responsible for inspection of portions of Work already performed under this Contract to determine that such portions are in proper condition to receive subsequent Work.

3.3 LABOR AND MATERIALS

3.3.1 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

3.3.2 The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Contract. The Contractor shall not permit employment of unfit persons or persons not skilled in tasks assigned to them.

3.3.3 Materials, equipment or items required for a complete job which are shown on the drawings but not mentioned in the specifications or materials, equipment or items required by the specifications but not shown on the drawings, shall be furnished and installed the same as though both shown on the drawings and required by the specifications.

3.4 WARRANTY

3.4.1 The Contractor warrants to the Owner and Designer that materials and equipment furnished under the Contract will be of good quality and new unless otherwise required or permitted by the Contract Documents; that the Work will be free from defects not inherent in the quality required or permitted; and that the Work will conform with the requirements of the Contract Documents. Work not conforming to these requirements, including substitutions not properly approved and authorized, may be considered defective. If required by the Designer, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment.

3.4.2 Except as otherwise specifically stated below, the Contractor shall guarantee materials and workmanship against defect due to faulty materials or faulty workmanship or negligence for a period of twelve (12) months following Substantial Completion of the Work. Where the manufacturer's warranty on equipment or parts thereof exceeds twelve (12) months, the guarantee period on such equipment or parts thereof shall be extended to include the full warranty of the manufacturer. The Contractor shall repair or replace such defective materials, equipment or workmanship to the full satisfaction of the Owner within the stipulated guarantee period without cost to the Owner.

3.5 TAXES The Contractor shall pay sales, consumer, use and similar taxes for the Work or portions thereof provided by the Contractor which are legally enacted when bids are received or negotiations concluded, whether or not yet effective or merely scheduled to go into effect.

3.6 PERMITS, FEES AND NOTICES

3.6.1 Unless otherwise provided in the Contract Documents, the Contractor shall secure and pay for the building permit and other permits and governmental fees, licenses and inspections necessary for proper execution and completion of the Work which are customarily secured after execution of the Contract for Construction and which are legally required when bids are received or negotiations concluded.

3.6.2 The Contractor shall comply with and give notices required by laws, ordinances, rules, regulatio rders of public authorities bearing on performance of the Work.

3.6.3 If the Contractor observes that portions of the Contract Documents are at variance with laws, statutes, ordinances, building codes, rules or regulations, the Contractor shall promptly notify the Designer and Owner in writing, and necessary changes shall be accomplished by appropriate modification.
3.6.4 If the Contractor performs Work the Contractor knows or should have known it to be contrary to laws, statutes, ordinances, building codes, and rules and regulations without such notice to the Designer and Owner, the Contractor shall assume full responsibility for such Work and shall bear the attributable costs.

3.7 ALLOWANCES

3.7.1 The Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. Items covered by allowances shall be supplied for such amounts and by such persons or entities as the Owner may direct, but the Contractor shall not be required to employ persons or entities against which the Contractor makes reasonable objection.

3.7.2 Unless otherwise provided in the Contract Documents: (1) materials and equipment under an allowance shall be selected promptly by the Owner to avoid delay in the Work; (2) allowances shall cover the cost to the Contractor of materials and equipment delivered to the site and all required taxes, less applicable trade discounts; (3) Contractor's costs for unloading and handling at the site, labor, installation costs, overhead, profit and other expenses contemplated for stated allowance amounts shall be included in the Contract Sum and not in the allowances; (4) whenever costs are more than or less than allowances, the Contract Sum shall be adjusted accordingly by a Change Order. The amount of the Change Order shall reflect (a) the difference between actual costs and the allowances under Clause 3.7.2(2) and (b) changes in Contractor's costs under Clause 3.7.2(3).

3.8 SUPERINTENDENT. The Contractor shall employ a competent superintendent and necessary assistants who shall be in attendance at the Project site during performance of the Work. The superintendent shall represent the Contractor, and communications given to the superintendent shall be as binding as if given to the Contractor. Important communications shall be confirmed in writing upon request.

3.9 CONTRACTOR'S CONSTRUCTION SCHEDULES

3.9.1 Promptly after being awarded the Contract, the Contractor shall prepare and submit for the Designer and Owner's review and comment a construction schedule for the Work. The schedule shall not exceed time limits provided in the Contract Documents, shall be revised at appropriate intervals as required by the conditions of the Work and Project, shall be related to the entire Project to the extent required by the Contract Documents, and shall provide for expeditious and practicable execution of the Work. If separate prime contracts are awarded by the Owner in connection with this Project, the Contractor shall additionally submit a Contractor's construction schedule for the Work to the General Contractor in order for the General Contractor to carry out its duties under Article 6.

3.9.2 The Contractor shall prepare and keep current, for the Designer and Owner's approval, a schedule of submittals which is coordinated with the Contractor's construction schedule and allows the Designer and Owner reasonable time to review submittals.

3.9.3 The Contractor shall conform to the most recent schedules.

3.10 DOCUMENTS AND SAMPLES AT THE SITE. The Contractor shall maintain at the site for the Owner one record copy of the Drawings, Specifications, addenda, Change Orders and other Modifications, in good order and marked currently to record changes and selections made during construction, and in addition approved Shop Drawings, Product Data, Samples and similar required submittals. These shall be available to the Designer and shall be delivered to the Designer for submittal to the Owner upon completion of the Work.

3.11 SHOP DRAWINGS, PRODUCT DATA AND SAMPLES

3.11.1 Shop Drawings are drawings, diagrams, schedules and other data specially prepared for the Work by the Contractor or a Subcontractor, Sub-subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Work.

3.11.2 Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams and other information furnished by the Contractor to illustrate materials or equipment for some portion of the Work.

3.11.3 Samples are physical examples, which illustrate materials, equipment or workmanship and establish standards by which the Work will be judged.

3.11.4 Shop Drawings, Product Data, Samples and similar submittals are not Contract Documents. The purpose of their submittal is to demonstrate for those portions of the Work for which submittals are required the way the Contractor proposes to conform to the information given and the design concept expressed in the Contract Documents. Review by the Designer is subject to the limitations of Paragraph 4.1.6.

3.11.5 The Contractor shall review, approve and submit to the Designer and Owner Shop Drawings, Product Data, Samples and similar submittals required by the Contract Documents with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Owner or of separate contractors. Submittals made by the Contractor which are not required by the Contract Documents may be returned without action.

3.11.6 The Contractor shall perform no portion of the Work requiring submittal and review of Shop Drawings, Product Data, Samples or similar submittals until the respective submittal has been reviewed and approved or other appropriate action taken by the Designer. Such Work shall be in accordance with approved submittals.

3.11.7 By approving and submitting Shop Drawings, Product Data, Samples and similar submittals, the Contractor represents that the Contractor has determined and verified materials, field measurements and field construction criteria related thereto, or will do so, and has checked and coordinated the information contained within such submittals with the requirements of the Work and of the Contract Documents.

3.11.8 The Contractor shall not be relieved of responsibility for deviations from requirements of the Contract Documents by the Designer's review and approval of Shop Drawings, Product Data, Samples or similar submittals unless the Contractor has specifically informed the Designer in writing of such deviation at the time of submittal and the Designer has given written approval to the specific deviation. The Contractor shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples or similar submittals by the Designer's approval thereof.

3.11.9 The Contractor shall direct specific attention, in writing or on resubmitted Shop Drawings, product Data, Samples or similar submittals, to revisions other than those requested by the Designer on previous submittals.

3.11.10 Informational submittals upon which the Designer is not expected to take responsive action may be so identified in the Contract Documents.

3.11.11 When professional certification of performance criteria of materials, systems or equipment is required by the Contract Documents, the Designer shall be entitled to rely upon the accuracy and completeness of such calculations and certifications.

3.12 USE OF SITE. The Contractor shall confine operations at the site to areas permitted by the Owner, law, ordinances, permits, and the Contract Documents and shall not unreasonably encumber the site with materials or equipment.

3.13 CUTTING AND PATCHING

3.13.1 The Contractor shall be responsible for cutting, fitting or patching as required to complete the Work or to make its parts fit together properly. Contractor is responsible for scheduling the cutting, fitting or patching with Owner and Designer.

3.13.2 The Contractor shall not damage or endanger a portion of the work or fully or partially completed construction of the Owner or separate contractors by cutting, patching, or otherwise altering such construction, or by excavation. The Contractor shall not cut or otherwise alter such construction by the Owner or a separate contractor except with written consent of the Owner and of such separate contractor; such consent shall not be unreasonably withheld. The Contractor shall not unreasonably withhold from the Owner or a separate contractor the Contractor's consent to cutting or otherwise altering the Work.

3.14 CLEANING UP

3.14.1 The Contractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Contract. At completion of the Work the Contractor shall remove from and about the Project waste materials, rubbish, the Contractor's tools, construction equipment, machinery, and surplus materials.

3.14.2 If the Contractor fails to clean up as provided in the Contract Documents, the Owner may do so and the cost thereof shall be charged to the Contractor.

3.15 ACCESS TO WORK. The Contractor shall provide the Owner and Designer access to the Work in preparation and progress wherever located.

3.16 ROYALTIES AND PATENTS. The Contractor shall pay all royalties and license fees. The Contractor shall defend suits or claims for infringement of patent rights and shall hold the Owner and Designer harmless from loss unless a particular design, process or product of a particular manufacturer or manufacturers is required by the Contract Documents. However, if the Contractor has reason to believe that the required design, process or product is an infringement of a patent, the Contractor shall be responsible for such loss unless such information is promptly furnished to the Designer.

3.17 INDEMNIFICATION

3.17.1 To the fullest extent permitted by law, the Contractor shall indemnify and hold harmless the Owner, Designer, Designer's consultants, and agents and employees of any of them from and against claims, damages, economic losses and expenses of any kind (including but not limited to fees and charges of engineers, attorneys, and other professionals and costs related to court action or arbitration), arising out of or resulting from performance of the Work under this Agreement, provided such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself) including loss of use resulting therefrom, caused in whole or in part by negligent acts or omissions of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable unless caused in whole or part by the negligence of Owner. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity which would otherwise exist as to a party or person described in this Section 3.17.

3.17.2 In claims against any person or entity indemnified under this Section 3.17, by an employee of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under this Section 3.17, shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Contractor or a Subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts.

3.17.3 The obligations of the Contractor under this Section 3.17, shall not extend to the liability of the Designer, the Designer's consultants, and agents and employees of any of them arising out of (a) the preparation or approval of maps,

drawings, opinions, reports, surveys, Change Orders, designs or specifications, or (b) the giving of give directions or instructions by the Designer, the Designer's consultants, and agents and employees of any of them provided such giving or failure to give is the primary cause of the injury or damage.

ARTICLE 4 ADMINISTRATION OF THE CONTRACT

4.1 DESIGNER'S ADMINISTRATION OF THE CONTRACT

4.1.1 The Designer will provide administration of the Contract as described in the Contract Documents, and will be the Owner's representative during construction through final payment, and with the Owner's concurrence, from time to time during the correction period described in Paragraph 11.2. The Designer will advise and consult with the Owner. The Designer will have authority to act on behalf of the Owner only to the extent provided in the Contract Documents, unless otherwise modified by written instrument in accordance with other provisions of the Contract.

4.1.2 The Designer will not have control over or charge of and will not be responsible for construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the Work, since these are solely the Contractor's responsibility as provided in Paragraph 3.2. The Designer will not be responsible for the Contractor's failure to carry out the Work in accordance with the Contract Documents. The Designer will not have control over or charge of and will not be responsible for acts or omissions of the Contractor, Subcontractors, or their agents or employees, or of any other persons performing portions of the Work.

4.1.3 Communications Facilitating Contract Administration. Except as otherwise provided in the Contract Documents or when direct communications have been specially authorized, the Owner and Contractor shall endeavor to communicate through the Designer. Communications by and with the Designer's consultants shall be through the Designer. Communications by and with Subcontractors and material suppliers shall be through the Contractor. Communications by and with separate contractors shall be through the Designer.

4.1.4 Based on the Designer's inspections, observations and evaluations of the Contractor's Applications for Payment, the Designer will review and certify the amounts due the Contractor and will issue Certificates for Payment in such amounts.

4.1.5 The Designer will have authority to reject Work which does not conform to the Contract Documents. Whenever the Designer considers it necessary or advisable for implementation of the intent of the Contract Documents, the Designer will have authority to require additional inspection or testing of the Work in accordance with Paragraphs 12.7.2 and 12.7.3, whether or not such Work is fabricated, installed or completed. However, neither this authority of the Designer nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Designer to the Contractor, Subcontractors, material and equipment suppliers, their agents or employees, or other persons performing portions of the Work.

4.1.6 The Designer will review and approve or take other appropriate action upon the Contractor's submittals such as Shop Drawings, Product Data and Samples but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Designer's action will be taken with such reasonable promptness as to cause no delay in the Work or in the activities of the Owner, Contractor or separate contractors, while allowing sufficient time in the Designer's professional judgment to permit adequate review. The designer shall return submittals within 10 days. Review of such submittals is not conducted for the purpose of determining the accuracy and completeness of other details such as dimensions and quantities, or for substantiating instructions for installation or performance of equipment or systems, all of which remain the responsibility of the Contractor as required by the Contract Documents. The Designer's review of the Contractor's submittals shall not relieve the Contractor of the obligations under Article 3. The Designer's review shall not constitute approval of safety precautions or, unless otherwise specifically stated by the Designer, of any construction means, methods, techniques, sequences or procedures. The Designer's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

4.1.7 The Designer will prepare Change Orders and Construction Change Directives, and may author[illegible]es in the Work as provided in Paragraph 7.4.

4.1.8 The Designer will conduct inspections to determine the date or dates of Substantial Completion and the date of final completion, will receive and forward to the Owner for the Owner's review and records, written warranties and related documents required by the Contract and assembled by the Contractor, and will issue a final Certificate for Payment upon compliance with the requirements of the Contract Documents.

4.1.9 The Designer will interpret and decide matters concerning performance under and requirements of the Contract documents on written request of either the Owner or Contractor. The Designer's response to such requests will be made with reasonable promptness and within any time limits agreed upon. If no agreement is made concerning the time within which interpretations required of the Designer shall be furnished in compliance with this Paragraph 4.1.9, then delay shall not be recognized on account of failure by the Designer to furnish such interpretations until 15 days after written request is made for them.

4.1.10 Interpretations and decisions of the Designer will be consistent with the intent of and reasonably inferable from the Contract Documents and will be in writing or in the form of drawings. When making such interpretations and decisions, the Designer will endeavor to secure faithful performance by both Owner and Contractor, and will not show partiality to either.

4.1.11 The Designer's decisions on matters relating to aesthetic effect will be final if consistent with the intent expressed in the Contract Documents.

4.1.12 If the Contractor fails to correct Work which is not in accordance with the requirements of the Contract Documents as required by Article 11.2 or persistently fails to carry out Work in accordance with the Contract Documents, the Designer may order the Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, the right of the Designer to stop the Work shall not give rise to a duty on the part of the Designer to exercise this right for the benefit of the Contractor or any other person or entity.

4.2 CLAIMS AND DISPUTES

4.2.1 A Claim is a demand or assertion by one of the parties seeking, as a matter of right, adjustment or interpretation of Contract terms, payment of money, extension of time or other relief with respect to the terms of the Contract. The term "Claim" also includes other disputes and matters in question between the Owner and Contractor arising out of or relating to the Contract. Claims must be made pursuant to the Dispute Resolution Procedure set forth in Paragraph 4.4. The responsibility to substantiate Claims shall rest with the party making the Claim.

4.2.2 DECISION OF DESIGNER. Claims, including those alleging an error or omission by the Designer, shall be referred initially to the Designer for action as provided in Paragraph 4.4. A decision by the Designer shall be required as a condition precedent to mediation and litigation of a Claim between any party involved in this construction Project as to all such matters arising prior to the date final payment is due, regardless of whether such matters relate to execution and progress of the Work or the extent to which the Work has been completed. The decision by the Designer in response to a Claim shall not be a condition precedent to litigation in the event (1) the position of Designer is vacant, (2) the Designer has not received evidence or has failed to render a decision within agreed time limits, or (3) 45 days have passed after the Claim has been referred to the Designer.

4.2.3 TIME LIMITS ON CLAIMS. Claims by the Contractor must be made within 10 days after occurrence of the event giving rise to such Claim or within 10 days after the Contractor first recognizes the condition giving rise to the Claim, whichever is later. Claims must be made by written notice. An additional Claim made after the initial Claim has been implemented by Change Order will not be considered.

4.2.4 CONTINUING CONTRACT PERFORMANCE. Pending final resolution of a Claim, unless otherwise [illegible], the Contractor shall proceed diligently with performance of the Contract and the Owner shall continue to make payments in accordance with the Contract Documents.

4.2.5 WAIVER OF CLAIMS: FINAL PAYMENT. The making of final payment shall constitute a waiver of Claims by the Owner except those arising from: (1) unsettled claims arising out of the Contract; or (2) failure of the Work to comply with the requirements of the Contract Documents; or (3) terms of special warranties required by the Contract Documents.

4.2.6 CLAIMS FOR CONCEALED OR UNKNOWN CONDITIONS. If conditions are encountered at the site which are (a) subsurface or otherwise concealed physical conditions which differ materially from those indicated in the Contract Documents or (b) unknown physical conditions, then notice by the observing party shall be given to the other party promptly before conditions are disturbed and in no event later than 10 days after first observance of the conditions. The Designer will promptly investigate such conditions and, if they differ materially and cause an increase or decrease in the Contractor's cost of, or time required for, performance of any part of the Work, will recommend an equitable adjustment in the Contract Sum or Contract Time, or both. If the Designer determines that the conditions at the site are not materially different from those indicated in the Contract Documents and that no change in the terms of the Contract is justified, the Designer shall so notify the Owner and Contractor in writing stating the reasons, Claims by either party in opposition to such determination must be made within 21 days after the Designer has given notice of the decision. If the Owner and Contractor cannot agree on an adjustment in the Contract Sum or Contract Time, the adjustment shall be referred to the Designer for initial determination, subject to further proceedings pursuant to paragraph 4.4.

4.2.7 CLAIMS FOR ADDITIONAL COST. If the Contractor wishes to make Claim for an increase in the Contract Sum, written notice as provided herein shall be given before proceeding to execute the Work. Prior notice is not required for Claims relating to an emergency endangering life or property arising under Paragraph 10.3. If the Contractor believes additional cost is involved for reasons including but not limited to (a) a written interpretation from the Designer, (b) a written order for a minor change in the Work issued by the Designer, (c) termination of the Contract by the Owner, Claim shall be filed in accordance with the procedure established herein. This Article and Article 7, shall be the exclusive means by which the Contractor may claim additional cost or damages from the Owner, and the Contractor hereby waives any and all right to claim additional cost or damages by any other remedy including, without limitation, quantum meruit, subrogation, or implied contract.

4.2.8 CLAIMS FOR ADDITIONAL TIME. If the Contractor wishes to make Claim for an increase in the Contract Time, written notice as provided herein shall be given. The Contractor's Claim shall include an estimate of cost and of probable effect of delay on progress of the Work. In the case of a continuing delay only one Claim is necessary.

4.3 INJURY OR DAMAGE TO PERSON OR PROPERTY. If either party to the Contract suffers injury or damage to person or property because of an act or omission of the other party, of any of the other party's employees or agents, or of others for whose acts such party is legally liable, written notice of such injury or damage, whether or not insured, shall be given to the other party within a reasonable time not exceeding 10 days after first observance. The notice shall provide sufficient detail to enable the other party to investigate the matter. If a Claim for additional cost or time related to this Claim is to be asserted, it shall be filed as provided in Subparagraphs 4.2.7 or 4.2.8.

4.4 DISPUTE RESOLUTION PROCEDURE

4.4.1 To prevent disputes and litigation, it is agreed by the parties that any claim, question, difficulty or dispute arising from this Agreement or the construction process shall be first submitted to the Designer to address the issue. Upon review of the Claim, the Designer shall take one or more of the following preliminary actions within ten (10) days of receipt of a Claim: (1) request additional supporting data from the claimant, (2) submit a schedule to the parties indicating when the Designer expects to take action, (3) reject the Claim in whole or in part stating reasons for rejection, (4) recommend approval of the Claim by the other party, or (5) suggest a compromise. The Designer may also, but is not obligated to, notify the surety, if any, of the nature and amount of the Claim.

4.4.2 If a Claim has been resolved, the Designer will prepare or obtain appropriate documentation.

4.4.3 The laws of the State of North Carolina shall apply to the interpretation and enforcement of this Agreement. Prior to initiating a legal action, any party to this Agreement shall initiate the mediation process as provided in Appendix A to these General Conditions. Mediation, pursuant to this Section, shall be a pre-condition to initiating litigation concerning the dispute. During the pendency of any dispute and after a determination thereof, the parties to the dispute shall act in good faith to mitigate any potential damages including utilization of construction schedule changes and alternate means of construction. All mediation sessions shall be held in Catawba County, North Carolina.

4.4.4 If the disputed issue cannot be resolved in mediation, the parties may seek resolution in the General Court of Justice in the County of Catawba and the State of North Carolina.

4.4.5 The dispute resolution procedure set forth in this Section shall be made available to any party involved in this construction project including County, Contractor, Designer, Subcontractors as well as Sub-subcontractors and is a precondition to initiation of litigation concerning the dispute.

ARTICLE 5 SUBCONTRACTORS

5.1 DEFINITIONS

5.1.1 A Subcontractor is a person or entity who has a direct contract with the Contractor to perform a portion of the Work at the site. The term "Subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor. The term "Subcontractor" does not include a separate contractor or subcontractors of a separate contractor.

5.1.2 A Sub-subcontractor is a person or entity who has a direct or indirect contract with a Subcontractor to perform a portion of the Work at the site. The term "Sub-subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Sub-subcontractor or an authorized representative of the Sub-subcontractor.

5.2 AWARD OF SUBCONTRACTS AND OTHER CONTRACTS FOR PORTIONS OF THE WORK

5.2.1 Unless otherwise stated in the Contract Documents or the bidding requirements, the Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the Owner through the Designer the names of persons or entities (including those who are to furnish materials or equipment fabricated to a special design) proposed for each principal portion of the Work, including (1) Heating, ventilating, and air conditioning, (2) Plumbing, and (3) Electrical. The Designer will promptly reply to the Contractor in writing stating whether or not the Owner or the Designer, after due investigation, has reasonable objection to any such proposed person or entity. Failure of the Owner or Designer to reply promptly shall constitute notice of no reasonable objection.

5.2.2 The Contractor shall NOT substitute any person or company listed in the Contractor’s original Bid Proposal, except (1) if the listed subcontractor’s bid is later determined by the Contractor to be non-responsible or non-responsive or the listed subcontractor refuses to enter into a contract for the complete performance of the work, or (2) with the approval of the Owner for good cause shown by the Contractor.

5.3 SUBCONTRACTUAL RELATIONS. By appropriate agreement, written where legally required for validity, the Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by terms and conditions of the Contract Documents and Contract for Construction, and to assume toward the Contractor all the obligations and responsibilities which the Contractor, by these documents, assumes toward the Owner and Designer. Each subcontract agreement shall preserve and protect the rights of the Owner and Designer under the Contract Documents with respect to the Work to be performed by the Subcontractor so that subcontracting thereof will not prejudice such rights, and shall allow to the Subcontractor, unless specifically provided otherwise in the subcontract

agreement, the benefit of all rights, remedies and redress against the Contractor that the Contractor, by these Contract Documents, has against the Owner. Where appropriate, the Contractor shall require each Subcontractor to enter into similar agreements with Sub-subcontractors. The Contractor shall make available to each proposed Subcontractor, prior to the execution of the subcontract agreement, copies of the Contract Documents to which the Subcontractor will be bound, and, upon written request of the Subcontractor, identify to the Subcontractor terms and conditions of the proposed subcontract agreement which may be at variance with the Contract Documents. Subcontractors shall similarly make copies of applicable portions of such documents available to their respective proposed Sub-subcontractors.

ARTICLE 6 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS

6.1 OWNER'S RIGHT TO PERFORM CONSTRUCTION AND TO AWARD SEPARATE CONTRACTS

6.1.1 The Owner reserves the right to perform construction or operations related to the project with the Owner's own forces, and to award separate contracts in connection with other portions of the Project or other construction or operations on the site.

6.1.2 When separate contracts are awarded for different portions of the Project or other construction or operations on the site, the term "Contractor" in the Contract Documents in each case shall mean the Contractor who executes each separate Owner-Contractor Agreement.

6.1.3 The General Contractor shall provide for coordination of the activities of each separate Contractor with the Work of the Contractor, who shall cooperate with them. The Contractor shall participate with other separate Contractors and the General Contractor in reviewing their construction schedules. The Contractor shall make any revisions to the construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by the Contractor and separate contractors until subsequently revised.

6.1.4 Unless otherwise provided in the Contract Documents, when the Owner performs construction or operations related to the Project with the Owner's own forces, the Owner shall be deemed to be subject to the same obligations and to have the same rights which apply to the Contractor under the Conditions of the Contract, including, without excluding others, those stated in Article 3, this Article 6, and Articles 10 and 11.

6.1.5 The General Contractor shall be responsible for scheduling the work of all contractors; the maintenance of the progress schedule for all prime contractors for this project; and for the notification of the Designer of any changes in the progress schedule.

6.2 MUTUAL RESPONSIBILITY

6.2.1 The Contractor shall afford the Owner and separate Contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities and shall connect and coordinate the Contractor's construction and operations with theirs as required by the Contract Documents.

6.2.2 If part of the Contractor's Work depends for proper execution or results upon construction or operations by the Owner or a separate Contractor, the Contractor shall, prior to proceeding with that portion of the Work, promptly report to the Designer apparent discrepancies or defects in such other construction that would render it unsuitable for such proper execution and results. Failure of the Contractor to so report shall constitute an acknowledgment that the Owner's or separate Contractors' completed or partially completed construction is fit and proper to receive the Contractor's Work, except as to defects not then reasonably discoverable.

6.2.3 Costs caused by delays, by improperly timed activities, defective construction, or any other damages shall be borne by the party responsible therefor.

6.2.4 The Contractor shall promptly remedy damage wrongfully caused by the Contractor to completed construction or to property of the Owner or separate Contractors as provided in Paragraph 10.2.5.

6.2.5 Claims and other disputes and matters in question between the Contractor and a separate Contractor shall be subject to the provisions of Sections 4.2 and 4.4, provided the separate Contractor has reciprocal obligations.

6.2.6 The Owner and each separate Contractor shall have the same responsibilities for cutting and patching as are described for the Contractor in Paragraph 3.13.

6.3 OWNER'S RIGHT TO CLEAN UP. If a dispute arises among the Contractor, separate Contractors and the Owner as to the responsibility under their respective contracts for maintaining the premises and surrounding area free from waste materials and rubbish as described in Paragraph 3.14, the Owner may clean up and allocate the cost among those responsible as the Designer determines to be just.

ARTICLE 7 CHANGES IN THE WORK

7.1 CHANGES

7.1.1 Changes in the Work may be accomplished after execution of the Contract, and without invalidating the Contract, by Change Order, Construction Change Directive, or order for a minor change in the Work, subject to the limitations stated in this Article 7 and elsewhere in the Contract Documents.

7.1.2 A Change Order shall be based upon agreement among the Owner, Contractor, and Designer; a Construction Change Directive requires agreement by the Owner and Designer and may or may not be agreed to by the Contractor; an order for a minor change in the Work may be issued by the Designer alone pursuant to Paragraph 7.4.

7.1.3 Changes in the work shall be performed under applicable provisions of the Contract Documents, and the Contractor shall proceed promptly, unless otherwise provided in the Change Order, Construction Change Directive, or order for a minor change in the Work.

7.1.4 If unit prices are stated in the Contract Documents or subsequently agreed upon, and if quantities originally contemplated are so changed in a proposed Change Order or Construction Change Directive that application of such unit prices to quantities of Work proposed will cause substantial inequity to the Owner or Contractor, the applicable unit prices shall be equitably adjusted.

7.1.5 Overhead and profit shall not exceed 15% of the value of labor and material for work performed by any contractor or subcontractor. If the work is performed by a subcontractor, the prime contractor's overhead and profit shall not exceed 10%.

7.2 CHANGE ORDERS

7.2.1 A Change Order is a written instrument prepared by the Designer and signed by the Owner, Contractor, and Designer, stating their agreement upon all of the following: (1) a change in the Work; (2) the amount of the adjustment in the Contract Sum, if any; and (3) the extent of the adjustment in the Contract Time, if any.

7.2.2 Methods used in determining adjustments to the Contract Sum may include those listed in Paragraph 7.3.3.

7.3 CONSTRUCTION CHANGE DIRECTIVES

7.3.1 A Construction Change Directive is a written order prepared by the Designer and signed by the Owner and Designer, directing a change in the Work and stating a proposed basis for adjustment, if any, in the Contract Sum or Contract Time,

or both. The Owner may by Construction Change Directive, without invalidating the Contract, order Work within the general scope of the Contract consisting of additions, deletions or other revisions, the Contract Sum and Contract Time being adjusted accordingly.

7.3.2 A Construction Change Directive shall be used in the absence of total agreement on the terms of a Change Order.

7.3.3 If the Construction Change Directive provides for an adjustment to the Contract Sum, the adjustment shall be based on one of the following methods: (1) mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation; (2) unit prices stated in the Contract Documents or subsequently agreed upon; (3) cost to be determined in a manner agreed upon by the parties and a mutually acceptable fixed or percentage fee; or (4) as provided in Paragraph 7.3.6.

7.3.4 Upon receipt of a Construction Change Directive, the Contractor shall promptly proceed with the change in the Work involved and advise the Designer of the Contractor's agreement or disagreement with the method, if any, provided in the Construction Change Directive for determining the proposed adjustment in the Contract Sum or Contract Time.

7.3.5 A Construction Change Directive signed by the Contractor indicates the agreement of the Contractor therewith, including adjustment in Contract Sum and Contract Time or the method for determining them. Such agreement shall be effective immediately and shall be recorded as a Change Order.

7.3.6 If the Contractor does not respond promptly or disagrees with the method for adjustment in the Contract Sum, the method and the adjustment shall be determined by the Designer on the basis of reasonable expenditures and savings of those performing the Work attributable to the change, including, in case of an increase in the Contract Sum, a reasonable allowance for overhead and profit. In such case, and also under clause 7.3.3(3), the Contractor shall keep and present, in such form as the Designer may prescribe, an itemized accounting together with appropriate supporting data. Unless otherwise provided in the Contract Documents, costs for the purposes of this Paragraph 7.3.6 shall be limited to the following: costs of labor, including social security, old age and unemployment insurance, fringe benefits required by agreement or custom, and workers' compensation insurance; costs of materials, supplies and equipment, including cost of transportation, whether incorporated or consumed; rental costs of machinery and equipment, exclusive of hand tools, whether rented from the Contractor or others; costs of premiums for all bonds and insurance, permit fees, and sales, use or similar taxes related to the Work; and additional costs of supervision and field office personnel directly attributable to the change.

7.3.7 Pending final determination of cost to the Owner, amounts not in dispute may be included in Applications for Payment. The amount of credit to be allowed by the Contractor to the Owner for a deletion or change which results in a net decrease in the Contract Sum shall be actual net cost as confirmed by the Designer. When both additions and credits covering related Work or substitutions are involved in a change, the allowance for overhead and profit shall be figured on the basis of net increase, if any, with respect to that change.

7.3.8 If the Owner and Contractor do not agree with the adjustment in Contract Time or the method for determining it, the adjustment or the method shall be referred to the Designer for determination.

7.3.9 When the Owner and Contractor agree with the determination made by the Designer concerning the adjustments in the Contract Sum and Contract Time, or otherwise reach agreement upon the adjustments, such agreement shall be effective immediately and shall be recorded by preparation and execution of an appropriate Change Order.

7.4 MINOR CHANGES IN THE WORK. The Designer will have authority to order minor changes in the Work not involving adjustment in the Contract Sum or extension of the Contract Time and not inconsistent with the intent of the Contract Documents. Such changes shall be effected by written order and shall be binding on the Owner and Contractor. The Contractor shall carry out such written orders promptly.

ARTICLE 8 TIME

8.1 DEFINITIONS

8.1.1 Unless otherwise provided, Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work.

8.1.2 The date of commencement of the Work is the date established in the Agreement. The date shall not be postponed by the failure to act of the Contractor or of persons or entities for whom the Contractor is responsible.

8.1.3 The date of substantial Completion is the date certified by the Designer in accordance with Paragraph 9.9.

8.1.4 The term "day" as used in the Contract Documents shall mean calendar day unless otherwise specifically defined.

8.2 PROGRESS AND COMPLETION

8.2.1 Time limits stated in the Contract Documents are of the essence of the Contract. By executing the Agreement, the Contractor confirms that the Contract Time is a reasonable period for performing the Work. The Contractor and the Contractor's surety shall be liable for and shall pay the Owner such sums as shall be set forth in the Agreement between Owner and Contractor as liquidated damages each calendar day of delay until the work is substantially complete.

8.2.2 The Contractor shall not knowingly, except by agreement or instruction of the Owner in writing, prematurely commence operations on the site or elsewhere prior to the effective date of insurance required by the Contract for Construction to be furnished by the Contractor. The date of commencement of the work shall not be changed by the effective date of such insurance. Unless the date of commencement is established by a notice to proceed given by the Designer, the Contractor shall notify the Owner and Designer in writing not less than five days before commencing the Work.

8.2.3 The Contractor shall proceed expeditiously with adequate forces and shall achieve Substantial Completion within the Contract Time.

8.3 DELAYS AND EXTENSIONS OF TIME

8.3.1 If the Contractor is delayed at any time in progress of the Work by an act or neglect of the Owner or Designer, or of an employee of either, or of a separate Contractor employed by the Owner, or by changes ordered in the Work, or by labor disputes, fire, delay in deliveries, casualties or by delay authorized by the Owner pending litigation, or by other causes which the Designer determines may justify delay, then the Contract Time shall be extended by Change Order for such reasonable time as the Designer may determine.

8.3.2 Claims relating to time shall be made in accordance with applicable provisions of Paragraph 4.2.8.

8.3.3 Should the work be interrupted or hindered by the Owner or Designer, the Contractor shall be entitled to an extension of time pursuant to Paragraph 4.2.8 in an amount equal to such interruption or hindrance but such interruption or hindrance shall not constitute a claim for damages nor for loss of anticipated profits by the Contractor.

8.3.4 Should the work be delayed in whole by any act or acts of the Contractor, the Contractor shall not be entitled to an extension of time pursuant to Paragraph 4.2.8, nor shall such delay constitute a claim either for damages or for loss of anticipated profits by the Contractor. Should the work be delayed in part by any act or acts of the Contractor and in part by any act or acts of the Owner or Designer, the Contractor shall be entitled to an extension of time pursuant to Paragraph 4.2 in an amount equal to that portion of the delay for which the Contractor is not responsible, but such delay shall not constitute a claim either for damages or for loss of anticipated profits by the Contractor.

8.3.5 Should the work be delayed, interrupted or hindered, in whole or in part, by any act or acts of any separate prime contractors, the Contractor shall be entitled to an extension of time pursuant to Paragraph 4.2.8 in an amount equal to such delay, interruption or hindrance but such delay, interruption or hindrance shall not constitute a claim for damages nor for loss of anticipated profits by the Contractor.

ARTICLE 9 PAYMENTS AND COMPLETION

9.1 CONTRACT SUM. The Contract Sum is stated in the Agreement and, including authorized adjustments, is the total amount payable by the Owner to the Contractor for performance of the Work under the Contract Documents.

9.2 SCHEDULE OF VALUES. Before the first Application for Payment, the Contractor shall submit to the Designer a Schedule of Values allocated to various portions of the Work, prepared in such form and supported by such data to substantiate its accuracy as the Designer may require. This Schedule of Values, unless objected to by the Designer, shall be used as a basis for reviewing the Contractor's Applications for Payment.

9.3 APPLICATIONS FOR PAYMENT

9.3.1 At least twenty (20) days before the date established for each progress payment, the Contractor shall submit to the Designer an itemized Application for Payment for operations completed in accordance with the schedule of values. Such application shall be notarized, supported by such data substantiating the Contractor's right to payment as the Owner or Designer may require.

9.3.2 Such applications may include requests for payment on account of changes in the Work which have been properly authorized by Construction Change Directives but not yet included in Change Orders.

9.3.3 Such applications may not include requests for payment of amounts the Contractor does not intend to pay to a Subcontractor or material supplier because of a dispute or other reason.

9.3.4 Unless otherwise provided in the Contract Documents, payments shall be made on account of materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. If approved in advance by the Owner, payment may similarly be made for materials and equipment suitably stored off the site at a location agreed upon in writing. Payment for materials and equipment stored on or off the site shall be conditioned upon compliance by the Contractor with procedures satisfactory to the Owner to establish the Owner's title to such materials and equipment or otherwise protect the Owner's interest, and shall include applicable insurance, storage and transportation to the site for such materials and equipment stored off the site.

9.3.5 The Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Contractor further warrants that upon submittal of an Application for Payment all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall, to the best of the Contractor's knowledge, information and belief, be free and clear of liens, claims, security interests, or encumbrances in favor of the Contractor, Subcontractors, material suppliers, or other persons or entities making a claim by reason of having provided labor, materials, and equipment relating to the Work.

9.3.6 Provided an Application for Payment is received by the Designer not later than the tenth (10th) day of a month, the Owner shall make payment to the Contractor not later than the thirtieth (30th) day of the month.

9.4 RETAINAGE. To ensure proper performance of this Contract, Owner shall retain five percent (5%) of the amount of each approved Application for Payment until the project work is 50% complete provided that the Contractor continues to perform satisfactorily and any non-conforming work identified in writing prior to that date has been corrected by the Contractor and accepted by the Owner. If the Owner determines the Contractor’s performance is unsatisfactory, the

Owner may reinstate retainage in the amount of 5% for each subsequent periodic Application fo[illegible]l the Contractor's performance becomes satisfactory. The project shall be deemed fifty percent (50%) complete when the Contractor's gross project invoices, excluding the value of materials stored off-site, equal or exceed fifty percent (50%) of the value of the contract, except the value of materials stored on-site shall not exceed twenty percent (20%) of the contractor's gross project invoices for the purpose of determining whether the project is fifty percent (50%) complete. Following 50% completion of the project, the Owner may also withhold additional retainage from any subsequent periodic payment, not to exceed 5%, in order to allow the Owner to retain 2 ½% total retainage through the completion of the project. Within sixty (60) days after the submission of a final pay application, the Owner with written consent of the Surety shall release to the Contractor all retainage on payments held by the Owner if (1) the Owner receives a certificate of substantial completion from the architect, Designer or design consultant in charge of this Project, or (2) the Owner receives beneficial occupancy or use of the project. However, the Owner may retain sufficient funds to secure completion of the project or corrections to any work. If the Owner retains funds, the amount retained shall not exceed two and one half times the estimated cost of the work to be completed or corrected. Any reduction in the amount of retainage on payments shall be with the consent of the Contractor's Surety. Retainer provisions contained n Contractor's subcontracts may not exceed the terms and conditions for retainage provided herein. Contractor is further required to satisfy the retainage provisions of N.C.G.S. 143- 134.1(b2) with regard to subcontracts for early finishing trades (structural steel, piling, caisson, and demolition) and to coordinate the release of retainage for such trades from the retainage held by Owner from the Contractor pursuant to statute. Nothing herein shall prevent the Owner from withholding payment to the Contractor in addition to the amounts identified herein for unsatisfactory job progress, defective construction not remedied, disputed work, or third party claims filed against the owner or reasonable evidence that a third party claim will be filed.

9.5 CERTIFICATES FOR PAYMENT

9.5.1 The Designer will, within seven (7) days after receipt of the Contractor's Application for Payment, either issue to the Owner a Certificate for Payment, with a copy to the Contractor, for such amount as the Designer determines is properly due, or notify the Contractor and Owner in writing of the Designer's reasons for withholding certification in whole or in part as provided in Paragraph 9.6.1.

9.5.2 The Designer's certification for payment shall constitute a representation to the Owner, based on the Designer's inspections at the site and on the data comprising the Contractor's Application for Payment, that the Work has progressed to the point indicated and that the inspections of the construction, repairs, or installations have been conducted with the degree of care and professional skill and judgment ordinarily exercised by a member of his profession; and that to the best of his knowledge and in the professional opinion of the Designer, the Contractor has fulfilled the obligations of such plans, specifications, and contract. The Designer's certification for payment shall be signed and sealed by the Designer and presented to the Owner. The foregoing representations are subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, to results of subsequent tests and inspections, to minor deviations from the Contract Documents correctable prior to completion and to specific qualifications expressed by the Designer. The issuance of a Certificate for Payment shall further constitute a representation by the Designer, that the Contractor is entitled to payment in the amount certified.

9.6 DECISIONS TO WITHHOLD CERTIFICATION

9.6.1 The Designer may decide not to certify payment and may withhold a Certificate for Payment in whole or in part, to the extent reasonably necessary to protect the Owner, if in the Designer's opinion, the representations to the Owner required by Paragraph 9.5.2 cannot be made. If the Designer is unable to certify payment in the amount of the Application, the Designer will notify the Contractor and Owner as provided in Paragraph 9.5.1. If the Contractor and Designer cannot agree on a revised amount, the Designer will promptly issue a Certificate for Payment for the amount for which the Designer is able to make such representations to the Owner. The Designer may also decide not to certify payment or, because of subsequently discovered evidence or subsequent observations, may nullify the whole or a part of a Certificate for Payment previously issued, to such extent as may be necessary in the Designer's opinion to protect the Owner from loss due to: defective Work not remedied; third party claims filed or reasonable evidence indicating probable filing of such

claims; failure of the Contractor to make payments properly to Subcontractors or for labor, mat[illegible]ent; reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract Sum; damage to the Owner or another contractor; reasonable evidence that the Work will not be completed within the Contract Time, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay; or persistent failure to carry out the Work in accordance with the Contract Documents.

9.6.2 When the above reasons for withholding certification are removed, certification will be made for amounts previously withheld.

9.7 PROGRESS PAYMENTS

9.7.1 After the Designer has issued a Certificate for Payment, the Owner shall make payment in the manner and within the time provided in the Contract Documents, and shall so notify the Designer.

9.7.2 The Contractor shall promptly pay each Subcontractor, upon receipt of payment from the Owner, out of the amount paid to the Contractor on account of such Subcontractor's portion of the Work, the amount to which said Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of such Subcontractor's portion of the Work. The Contractor shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to Sub-subcontractors in similar manner.

9.7.3 The Designer will furnish to a Subcontractor, upon request and if practicable, information regarding percentages of completion or amounts applied for by the Contractor and action taken thereon by the Designer and Owner on account of portions of the Work done by such Subcontractor.

9.7.4 Neither the Owner nor Designer shall have an obligation to pay or to see to the payment of money to a Subcontractor except as may otherwise be required by law.

9.7.5 Payment to material suppliers shall be treated in a manner similar to that provided in Paragraphs 9.7.2, 9.7.3, and 9.7.4.

9.7.6 A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall not constitute acceptance of Work not in accordance with the Contract Documents.

9.8 FAILURE OF PAYMENT. If the Designer does not issue a Certificate for Payment, through no fault of the Contractor, within seven days after receipt of the Contractor's Application for Payment, or if the Owner does not pay the Contractor within thirty days after the date established in the Contract Documents, the amount certified by the Designer or awarded by binding dispute resolution, then the Contractor may, upon seven additional days' notice to the Owner and Designer, stop the Work until payment of the amount owing has been received. The Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable costs of shutdown, delay and start-up, plus interest as provided for in the Contract Documents.

9.9 SUBSTANTIAL COMPLETION

9.9.1 Substantial Completion is the stage in the progress of the Project when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents, so the Owner can occupy or utilize the Work for its intended use.

9.9.2 When the Contractor considers that the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Contractor shall prepare and submit to the Designer a comprehensive list of items to be completed or corrected. The Contractor shall proceed promptly to complete and correct items on the list. Failure to include an item or such list does not alter the responsibility for the Contractor to complete all Work in accordance with

the contract Documents. Upon receipt of the Contractor's list, the Designer will make an inspection to determine whether the Work or designated portion thereof is substantially complete. If the Designer's inspection discloses any item, whether or not included on the Contractor's list, which is not in accordance with the requirements of the Contract Documents, the Contractor shall, before issuance of the Certificate of Substantial Completion, complete or correct such item upon notification by the Designer. The Contractor shall then submit a request for another inspection by the Designer to determine Substantial Completion. When the Work or designated portion thereof is substantially complete, the Designer will prepare a Certificate of Substantial Completion which shall establish the date of Substantial Completion, shall establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance, and shall fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion. The Certificate of Substantial Completion shall be submitted to the Owner and Contractor for their written acceptance of responsibilities assigned to them in such Certificate.

9.9.3 Upon Substantial Completion of the Work or designated portion thereof and upon application by the Contractor and certification by the Designer, the Owner shall make payment, reflecting adjustment in retainage, if any, for such Work or portion thereof as provided in the Contract Documents.

9.10 PARTIAL OCCUPANCY OR USE

9.10.1 The Owner may occupy or use any completed or partially completed portion of the Work at any stage when such portion is designated by separate agreement with the Contractor, provided such occupancy or use is authorized by public authorities having jurisdiction over the Work. Such partial occupancy or use may commence whether or not the portion is substantially complete, provided the Owner and Contractor have accepted in writing the responsibilities assigned to each of them for payments, retainage if any, security, maintenance, heat, utilities, damage to the Work and insurance, and have agreed in writing concerning the period for correction of the Work and commencement of warranties required by the Contract Documents. When the Contractor considers a portion substantially complete, the Contractor shall prepare and submit a list to the Designer as provided under Subparagraph 9.9.2. Consent of the Contractor to partial occupancy or use shall not be unreasonably withheld. The stage of the progress of the Work shall be determined by written agreement between the Owner and Contractor or, if no agreement is reached, by decision of the Designer.

9.10.2 Immediately prior to such partial occupancy or use, the Owner, Contractor and Designer shall jointly inspect the area to be occupied or portion of the Work to be used in order to determine and record the condition of the Work.

9.10.3 Unless otherwise agreed upon, partial occupancy or use of a portion or portions of the Work shall not constitute acceptance of Work not complying with the requirements of the Contract Documents.

9.11 FINAL COMPLETION AND FINAL PAYMENT

9.11.1 Upon receipt of written notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Designer will promptly make such inspections and, when the Designer finds the Work acceptable under the Contract Documents and the Contract fully performed, the Designer will promptly issue a Final Certificate for Payment stating that to the best of the Designer's knowledge, information and belief, and on the basis of the Designer's observations and inspections, the Work has been completed in accordance with terms and conditions of the Contract Documents and that the entire balance found to be due the Contractor and noted in said Final Certificate is due and payable. The Designer's Final Certificate for Payment will constitute a further representation that the conditions listed in Paragraph 9.11.2 as precedent to the Contractor's being entitled to final payment have been fulfilled.

9.11.2 Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to the Designer (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner)

have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect and will not be canceled or allowed to expire until at least 30 days prior written notice has been given to the Owner, (3) a written statement that the Contractor knows of no substantial reason that the insurance will not be renewable to cover the period required by the Contract Documents, (4) consent of surety, if any, to final payment and (5) if required by the Owner, other or additional data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances rising out of the Contract, to the extent and in such form as may be designated by the Owner. If a Subcontractor refuses to furnish a release or waiver required by the Owner, the Contractor may furnish a bond satisfactory to the Owner to indemnify the Owner against such lien. If such lien remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging such lien, including all costs and reasonable attorneys' fees.

9.11.3 If, after Substantial Completion of the Work, final completion thereof is materially delayed through no fault of the Contractor or by issuance of Change Orders affecting final completion, and the Designer so confirms, the Owner shall, upon application by the Contractor and certification by the Designer, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed and accepted. If the remaining balance for work not fully completed and accepted is less than retainage stipulated in the Contract Documents, and if bonds have been furnished, the written consent of surety to payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by the Contractor to the Designer prior to certification of such payment. Such payment shall be made under terms and conditions governing final payment, except that it shall not constitute a waiver of claims.

9.11.4 Acceptance of final payment by the Contractor, Subcontractor or material supplier shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment.

ARTICLE 10 PROTECTION OF PERSONS AND PROPERTY

10.1 SAFETY PRECAUTIONS AND PROGRAMS

10.1.1 The Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Contract and construction of the Project.

10.1.2 In the event the Contractor encounters on the site material reasonably believed to be asbestos or polychlorinated biphenyl (hereinafter “PCB”) which has not been rendered harmless, the Contractor shall immediately stop Work in the area affected and report the condition to the Owner and Designer by phone and in writing. The Work in the affected area shall not thereafter be resumed except by written agreement of the Owner and Contractor if in fact the material is asbestos or PCB and has not been rendered harmless. The Work in the affected area shall be resumed in the absence of asbestos or PCB, or when it has been rendered harmless, by written agreement of the Owner and Contractor, or in accordance with final determination by the Designer.

10.1.3 The Contractor shall not be required to perform without consent of Owner and Designer any Work relating to asbestos or PCB.

10.2 SAFETY OF PERSONS AND PROPERTY

10.2.1 The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to: employees working on the Project and other persons who may be affected thereby; the Work and materials and equipment to be incorporated therein, whether in storage on or off the site, under care, custody or control of the Contractor or the Contractor's Subcontractors or Sub-subcontractors; and other property at the site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designated for removal, relocation or replacement in the course of construction.

10.2.2 The Contractor shall give notices and comply with applicable laws, ordinances, rules, regulations, and lawful orders of public authorities bearing on safety of persons or property or their protection from damage, injury, or loss.

10.2.3 The Contractor shall erect and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including erecting necessary barricades or other temporary walls and structures as required during the period of construction, posting danger signs and other warnings against hazards, promulgating safety regulations, and notifying owners and users of adjacent sites and utilities.

10.2.4 When use or storage of explosives or other hazardous materials or equipment or unusual methods are necessary for execution of Work, the Contractor shall exercise utmost care and carry on such activities under supervision of properly qualified personnel.

10.2.5 The Contractor shall promptly remedy damage and loss to property referred to in Paragraphs 10.2.1, caused in whole or in part by the Contractor, Subcontractor, a Sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible under Paragraphs 10.2.1, except damage or loss attributable to acts or omissions of the Owner or Designer and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to the Contractor's obligations under Article 3. All costs to repair any damage and loss to property referred to in Paragraphs 10.2.1, shall be the sole responsibility of the Contractor and such repair or replacement shall be performed expeditiously without cost to the Owner.

10.2.6 The Contractor shall designate a responsible member of the Contractor's organization at the site whose duty shall be the prevention of accidents. This person shall be the Contractor's Superintendent, required under Paragraph 3.8, unless otherwise designated by the Contractor in writing to the Owner and Designer.

10.2.7 The Contractor shall not load or permit any part of the construction or site to be loaded so as to endanger its safety.

10.2.8 Existing utilities have been identified and described in the Contract Documents insofar as information is reasonably available, however, it is the Contractor’s responsibility to verify such information and to preserve all existing utilities whether shown in the Contract Documents or not. If utility conflicts are encountered by the Contractor during construction, Contractor shall file sufficient notice to the owners of the utilities so that they may make the necessary adjustments, as well as the Designer or Designer.

10.3 EMERGENCIES. In an emergency affecting the safety of persons or property, the Contractor shall act, at the Contractor's discretion, to prevent threatened damage, injury or loss. Additional compensation or extension of time claimed by the Contractor on account of an emergency shall be determined as provided in Paragraphs 4.2.7, 4.2.8 and Article 7.

ARTICLE 11 UNCOVERING AND CORRECTION OF WORK

11.1 UNCOVERING OF WORK

11.1.1 If a portion of the Work is covered contrary to the Designer's request or to requirements specifically expressed in the Contract Documents, it must, if required in writing by the Designer, be uncovered for the Designer's observation and be replaced at the Contractor's sole expense without change in the Contract Time.

11.1.2 If a portion of the Work has been covered which the Designer has not specifically requested to observe prior to its being covered, the Designer may request to see such Work and it shall be uncovered by the Contractor. If such Work is not in accordance with the Contract Documents, the Contractor shall pay such costs unless the condition was caused by the Owner or a separate contractor in which event the Owner or separate contractor shall be responsible for payment of

such costs. If such work is in accordance with the Contract Documents, the Owner, by appropriate Ch[illegible]all be charged with the cost of uncovering and replacement.

11.2 CORRECTION OF WORK

11.2.1 The Contractor shall promptly correct Work rejected by the Designer or failing to conform to the requirements of the Contract Documents, whether observed before or after Substantial Completion and whether or not fabricated, installed or completed. The Contractor shall bear any and all costs of correcting such rejected Work, including additional testing and inspections and compensation for the Designer's services and expenses made necessary thereby.

11.2.2 If, within one year after the date of Substantial Completion of the Work or designated portion thereof, or after the date for commencement of warranties established under Paragraph 9.10.1 or by terms of an applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of written notice from the Owner to do so unless the Owner has previously given the Contractor a written acceptance of such condition. This period of one year shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual performance of the work. This obligation under this Paragraph 11.2.2 shall survive acceptance of the Work under the Contract and termination of the Contract. The Owner shall give such notice promptly after discovery of the condition.

11.2.3 The Contractor shall remove from the site portions of the Work which are not in accordance with the requirements of the Contract Documents and are neither corrected by the Contractor nor accepted by the Owner.

11.2.4 If the Contractor fails to correct nonconforming Work within a reasonable time, the Owner may correct it in accordance with Paragraph 2.2. If the Contractor does not proceed with correction of such nonconforming Work within a reasonable time fixed by written notice from the Designer, the Owner may remove it and store the salvageable materials or equipment at the Contractor's expense. If the Contractor does not pay costs of such removal and storage within ten days after written notice, the Owner may upon ten additional days' written notice sell such materials and equipment at auction or at private sale and shall account for the proceeds thereof, after deducting costs and damages that should have been borne by the Contractor, including compensation for the Designer's services and expenses made necessary thereby. If such proceeds of sale do not cover costs which the Contractor should have borne, the Contract Sum shall be reduced by the deficiency. If payments then or thereafter due the Contractor are not sufficient to cover such amount, the Contractor shall pay the difference to the Owner.
11.2.5 The Contractor shall bear the cost of correcting destroyed or damaged construction, whether completed or partially completed, of the Owner or separate contractors caused by the Contractor's correction or removal of Work which is not in accordance with the requirements of the Contract Documents.

11.2.6 Nothing contained in this Section 11.2 shall be construed to establish a period of limitation with respect to other obligations which the Contractor might have under the Contract Documents. Establishment of the time period of one year as described in Paragraph 11.2.2, relates only to the specific obligation of the Contractor to correct the Work, and has no relationship to the time within which the obligation to comply with the Contract Documents may be sought to be enforced nor to the time within which proceedings may be commenced to establish the Contractor's liability with respect to the Contractor's obligations other than specifically to correct the work.

11.3 ACCEPTANCE OF NONCONFORMING WORK. If the Owner prefers to accept Work which is not in accordance with the requirements of the Contract Documents, the Owner may do so instead of requiring its removal and correction, in which case the Contract Sum will be reduced as appropriate and equitable. Such adjustment shall be effected whether or not final payment has been made.

ARTICLE 12 MISCELLANEOUS PROVISIONS

12.1 GOVERNING LAW. This Contract for Construction shall be governed by and in accordance with the laws of the State of North Carolina. All actions relating in any way to this Contract, shall be brought in the General Court of Justice in the County of Catawba and the State of North Carolina, after exhausting the dispute resolution procedure set forth in Section 4.4, herein.

12.2 SUCCESSORS AND ASSIGNS. The Owner and Contractor respectively bind themselves, their partners, successors, assigns, and legal representatives to the other party hereto and to partners, successors, assigns, and legal representatives of such other party in respect to covenants, agreements, and obligations contained in the Contract Documents. Neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make such an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

12.3 WRITTEN NOTICE. Written notice shall be deemed to have been duly served if delivered in person to the individual or a member of the firm or entity or to an officer of the corporation for which it was intended, or if delivered at or sent by registered or certified mail to the business address listed in the Contract for Construction.

12.4 RIGHTS AND REMEDIES. Duties and obligations imposed by the Contract Documents and rights and remedies available thereunder shall be in addition to and not a limitation of duties, obligations, rights and remedies otherwise imposed or available by law.

12.5 WAIVER OF A RIGHTS. No action or failure to act by the Owner or Designer shall constitute an obligation or duty afforded them under the Contract, nor shall such action or failure to act constitute approval of or acquiescence in a breach thereunder, except as may be specifically agreed in writing.

12.6 COMPLIANCE WITH LAWS. Contractor represents that it is in compliance with all Federal, State, and local laws, regulations or orders, as amended or supplemented. The implementation of this contract will be carried out in strict compliance with all Federal, State, or local laws regarding discrimination in employment.

12.7 TESTS AND INSPECTIONS

12.7.1 Tests, inspections, and approvals of portions of the Work required by the Contract Documents or by laws, ordinances, rules, regulations or orders of public authorities having jurisdiction shall be made at an appropriate time. Unless otherwise provided, the Contractor shall make arrangements for such tests, inspections, and approvals with an independent testing laboratory or entity acceptable to the Owner, or with the appropriate public authority, and the Owner shall bear the costs of tests, inspections, and approvals. Should any retest be necessary due to the failure of the Work to pass the first test or for any other reason whatsoever, the Contractor shall bear all related costs of retests, inspections or re-inspections, and approvals. The Contractor shall give the Designer timely notice of when and where tests and inspections are to be made so the Designer may observe such procedures.

12.7.2 If the Designer, Owner, or public authorities having jurisdiction determine that portions of the Work require additional testing, inspection, or approval not included under Paragraph 12.7.1, the Designer will, upon written authorization from the Owner, instruct the Contractor to make arrangements for such additional testing, inspection, or approval by an entity acceptable to the Owner, and the Contractor shall give timely notice to the Designer of when and where tests and inspections are to be made so the Designer may observe such procedures.

12.7.3 If such procedures for testing, inspection or approval under Paragraphs 12.7.1 and 12.7.2 reveal failure of the portions of the Work to comply with requirements established by the Contract Documents, the Contractor shall bear all costs made necessary by such failure including those of repeated procedures and compensation for the Designer's services and expenses.

12.7.4 Required certificates of testing, inspection, or approval shall, unless otherwise required by the Contract Documents, be secured by the Contractor and promptly delivered to the Designer.

12.7.5 If the Designer is required by the Contract Documents to observe tests, inspections, or approvals, the Designer will do so promptly and, where practicable, at the normal place of testing.

12.7.6 Tests or inspections conducted pursuant to the Contract Documents shall be made promptly to avoid unreasonable delay in the Work.

12.8 COMMENCEMENT OF STATUTORY LIMITATION PERIOD. As between the Owner and Contractor:

Before Substantial Completion. As to acts or failures to act occurring prior to the relevant date of Substantial Completion, any applicable statute of limitations shall commence to run and any alleged cause of action shall be deemed to have accrued in any and all events not later than such date of Substantial Completion.

Between Substantial Completion and Final Certificate for Payment. As to acts or failures to act occurring subsequent to the relevant date of Substantial Completion and prior to issuance of the Final Certificate for Payment, any applicable statute of limitations shall commence to run and any alleged cause of action shall be deemed to have accrued in any and all events not later than the date of issuance of the Final Certificate for Payment.

After Final Certificate for Payment. As to acts or failures to act occurring after the relevant date of issuance of the Final Certificate for Payment, any applicable statute of limitations shall commence to run and any alleged cause of action shall be deemed to have accrued in any and all events not later than the date of any act or failure to act by the Contractor pursuant to any warranty provided under Paragraph 3.4, the date of any correction of the Work or failure to correct the Work by the Contractor under Section 11.2 or the date of actual commission of any other act or failure to perform any duty or obligation by the Contractor or Owner, whichever occurs last.

ARTICLE 13 TERMINATION OR SUSPENSION OF THE CONTRACT

13.1 TERMINATION BY THE CONTRACTOR

13.1.1 The Contractor may terminate the Contract if the Work is stopped for a period of 180 consecutive days through no act or fault of the Contractor or a Subcontractor, Sub-subcontractor or their agents or employees or any other persons performing portions of the Work under contract with the Contractor, for any of the following reasons: issuance of an order of a court or other public authority having jurisdiction; an act of government, such as a declaration of national emergency, making material unavailable; because the Designer has not issued a Certificate for Payment and has not notified the Contractor of the reason for withholding certification as provided in Paragraph 9.6.

13.1.2 If one of the above reasons exists, the Contractor may, upon seven (7) additional days' written notice to the Owner and Designer, terminate the Contract and recover from the Owner payment for work executed and for proven loss with respect to materials, equipment, tools, and construction equipment and machinery, not including overhead, profit, or damages.

13.2 TERMINATION BY THE OWNER FOR CAUSE

13.2.1 The Owner may terminate the Contract if the Contractor: persistently or repeatedly refuses or fails to supply enough properly skilled workers or proper materials; fails to make payment to Subcontractors for materials or labor in accordance with the respective agreements between the Contractor and the Subcontractors; persistently disregards laws, ordinances, or rules, regulations or orders of a public authority having jurisdiction; or otherwise is in substantial breach of a provision of the Contract Documents.

13.2.2 When any of the above reasons exist, the Owner, upon certification by the Designer that sufficient cause exists to justify such action, may without prejudice to any other rights or remedies of the Owner and after giving the Contractor

and the Contractor's surety, if any, seven (7) days written notice, terminate employment of the [redacted] may, subject to any prior rights of surety: take possession of the site and of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Contractor; and finish the Work by whatever reasonable method the Owner may deem expedient.

13.2.3 When the Owner terminates the Contract for one of the reasons stated in Paragraph 13.2.1, the Contractor shall not be entitled to receive further payment.

13.2.4 If the unpaid balance of the Contract Sum does not cover the cost of finishing the Work, the Contractor shall pay the difference to the Owner. The amount to be paid to the Owner, shall be certified by the Designer, upon application, and this obligation for payment shall survive termination of the Contract.

13.3 SUSPENSION BY THE OWNER FOR CONVENIENCE

13.3.1 The Owner may, without cause, order the Contractor in writing to suspend, delay, or interrupt the Work in whole or in part for such period of time as the Owner may determine. Any cost or expense to which the Contractor may be entitled by reason of suspension, delay or interruption shall be recovered by means of a Change Order in accordance with Article 7 and Article 8 hereof and the Construction Schedule shall be adjusted in accordance with Article 8 hereof.

13.4 TERMINATION BY OWNER FOR CONVENIENCE

13.4.1 The Owner may, at any time, terminate the Contract for the Owner's Convenience and without cause.

13.4.2 Upon receipt of written notice from the Owner of such termination for the Owner's convenience, the Contractor shall:

1. Cease operations as directed by the Owner in the notice;
2. Take actions necessary, or that the Owner may direct, for the protection and preservation of the Work; and
3. Except for Work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.

13.4.3 In case of such termination for the Owner's convenience, the Contractor shall be entitled to receive payment for Work properly executed and costs incurred by reason of such termination. Termination shall not relieve the Contractor of its responsibilities for any completed portion of the Work nor shall it relieve its sureties of their obligation for and concerning any claims arising out of the Work performed.

13.4.4 In the event of termination by the Owner for convenience, the Contractor shall not be entitled to any other compensation, including compensation for lost profit, lost opportunity, or any other direct or consequential cost, lost or damage.

13.5 BANKRUPTCY

13.5.1 The bankruptcy of the Contractor shall not terminate this Contract until such time that it is specifically rejected by the Trustee or Contractor in bankruptcy. During the election period the Contractor has to assume or reject this Contract, the Contractor shall continue to perform its Work under the Contract.

13.5.2 In the event the Contractor in Bankruptcy assumes the Contract, the Contractor shall apply progress payments to all of its unpaid obligations on this project before using any of these monies for either administrative expenses of the bankruptcy or as general assets of the estate.

13.6 SECURITY OF NON-PUBLIC RECORDS.

13.6.1 Pursuant to N.C.G.S. § 132-1.7 entitled, “Sensitive Public Security Information”, public records, as defined in N.C.G.S. § 132-1, shall not include information containing specific details of public security plans and arrangements or the detailed plans and drawings of public buildings and infrastructure facilities. Therefore, all information provided, received, gathered or obtained by Contractor containing specific details of public security plans and arrangements or the detailed plans and drawings of public buildings and infrastructure facilities shall be held confidential and shall be used by the Contractor only for the purpose of fulfilling the terms of this Agreement. All plans and drawings shall be returned to the County, or otherwise destroyed at the direction of the County, upon termination or expiration of this Agreement. Any breach of this paragraph by Contractor shall result in the immediate termination of this contract.

Appendix A

RULES IMPLEMENTING MEDIATED
SETTLEMENT CONFERENCES IN
CATAWBA COUNTY CONSTRUCTION PROJECTS
Adopted: May 6, 2002

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RULE 1. INITIATING MEDIATED SETTLEMENT CONFERENCES

A. Purpose of Mandatory Settlement Conferences. Pursuant to Catawba County Code Chapters 230.09(H) and 508.50, these Rules are promulgated to implement a system of settlement events which are designated to focus the parties' attention on settlement rather than on claim preparation and to provide a structured opportunity for settlement negotiations to take place. Nothing herein is intended to limit or prevent the parties from engaging in settlement procedures voluntarily at any time prior to or during commencement of the dispute resolution process.

B. Initiating the Dispute Resolution Process

1. Any party to a Catawba County contract governed by Catawba County Code Chapters 230 or 508.30-50 and who is a party to a dispute arising out of the construction process in which the amount in controversy is at least $15,000 may submit a written request to Catawba County for mediation of the dispute.

2. Prior to submission of a written request for mediation to Catawba County, the parties requesting mediation,

a. If a prime contractor, must have first submitted its claim to the Project Designer (Architect, Engineer or head of project as designated by County) for review. If the dispute is not resolved through the Project Designer's instructions, then the dispute becomes eligible for mediation in this dispute resolution process, and the party may submit their written request for mediation to Catawba County.

b. If the party requesting mediation is a subcontractor, it must first have submitted its claim for mediation to the prime contractor with whom it has a contract. If the dispute is not resolved through the Prime Contractor's involvement, then the dispute becomes eligible for mediation in this dispute resolution process, and the party may submit its written request for mediation to Catawba County.

c. If the party requesting mediation is the Project Designer, then it must first submit its claim to Catawba County to resolve. If the dispute is not resolved with Catawba County's involvement, then the Project Designers' dispute is eligible for mediation in this dispute resolution process, and the Project Designer may submit its written request to Catawba County for mediation.

RULE 2. SELECTION OF MEDIATOR

A. Selection of Certified Mediator by Agreement of the Parties. The parties may select a certified mediator pursuant to the Rules by agreement within 21 days of requesting mediation. The requesting party shall file with Catawba County a Notice of Selection of Mediator by Agreement within 10 days of the request; however, any party may file the notice. Such notice shall state the name, address and telephone number of the mediator selected; state the rate of compensation of the mediator; state that the mediator and the other parties have agreed upon the selection and rate of compensation; and state that the mediator is certified pursuant to these Rules.

B. Nomination and Catawba County Approval of a Non-Certified Mediator. The pa[illegible]ct a mediator who does not meet the certification requirements of these Rules but who, in the opinion of the parties and Catawba County is otherwise qualified by training or experience to mediate the action.

If the parties select a non-certified mediator, the requesting party shall file with Catawba County a Nomination of Non-Certified Mediator within 10 days of the request. Such nomination shall state the name, address and telephone number of the mediator; state the training, experience or other qualifications of the mediator; state the rate of compensation of the mediator; and state that the mediator and opposing counsel have agreed upon the selection and rate of compensation.

Catawba County shall rule on said nomination, shall approve or disapprove of the parties' nomination and shall notify the parties of its decision.

C. Appointment of Mediator by Catawba County. If the parties cannot agree upon the selection of a mediator, either the party or party's attorney shall notify Catawba County and request, on behalf of the parties, that Catawba County appoint a mediator. The request for appointment must be filed within 10 days after request to mediate and shall state that the parties have had a full and frank discussion concerning the selection of a mediator and have been unable to agree. The request shall state whether any party prefers a certified attorney mediator, and if so, Catawba County shall appoint a certified attorney mediator. If no preference is expressed, Catawba County may appoint a certified attorney mediator or a certified non-attorney mediator.

D. Mediator Information Directory. To assist the parties in the selection of a mediator by agreement, the parties are free to utilize the list of certified mediators maintained in any county participating in the Superior Court Mediation Settlement Conference Program which Catawba County does.

E. Disqualification of Mediator. Any party may request replacement of the mediator by Catawba County for good cause. Nothing in this provision shall preclude mediators from disqualifying themselves.

RULE 3. THE MEDIATED SETTLEMENT CONFERENCE

A. Where Conference is to be Held. Unless all parties and the mediator otherwise agree, the mediated settlement conference shall be held in Catawba County. The mediator shall be responsible for reserving a place and making arrangements for the conference and for giving timely notice of the time and location of the conference to all attorneys, unrepresented parties and other persons and entities required to attend.

B. When Conference is to be Held. The deadline for completion of the mediation shall be not less than 30 days nor more than 60 days after the naming of the mediator.

C. Request to Extend Deadline for Completion. A party, or the mediator, may request that Catawba County extend the deadline for completion of the conference. Such request shall state the reasons the extension is sought and shall be served by the moving party upon the other parties and the mediator. If any party does not consent to the request, said party shall promptly communicate its objection to Catawba County.

Catawba County may grant the request by setting a new deadline for completion of the conference or deny the request to extend the deadline.

D. Recesses. The mediator may recess the conference at any time and may set times for reconvening. If the time for reconvening is set before the conference is recessed, no further notification is required for persons present at the conference.

E. **The mediated settlement or the matter subject of the mediation conference sha[illegible]e for the delay of the construction project which is the focus of the dispute.**

RULE 4. DUTIES OF PARTIES AND OTHER PARTICIPANTS IN THE DISPUTE RESOLUTION PROCESS

A. Attendance.

1. All parties to the dispute originally presented to the Designer or Prime Contractor or County for initial resolution must attend the mediation. Failure of a party to a construction contract to attend the mediation will result in Catawba County's withholding of monthly payment to that party until such party attends the mediation.

2. Attendance shall constitute physical attendance, not by telephone or other electronic means. Any attendee on behalf of a party must have authority from that party to bind it to any agreement reached as a result of the mediation.

3. Attorneys on behalf of parties may attend the mediation but are not required to do so.

4. Sureties or insurance company representatives are not required to attend the mediation unless any monies paid or to be paid as a result of any agreement reached as a result of mediation require their presence or acquiescence. If such agreement or presence is required, then authorized representatives of the surety or insurance company must attend the mediation.

B. Finalizing Agreement. If an agreement is reached in the conference, parties to the agreement shall reduce the terms to writing and sign it along with their counsel, if counsel is present.

C. Mediation Fee. The mediation fee shall be paid in accordance with N.C.G.S. 143-128(g).

D. Failure to compensate mediator. Any party's failure to compensate the mediators in accordance with N.C.G.S. 143-128(g) shall subject that party to a withholding of said amount of money from the party's monthly payment by Catawba County.

RULE 5. AUTHORITY AND DUTIES OF MEDIATORS

A. Authority of Mediator.

1. Control of Conference. The mediator shall at all times be in control of the conference and the procedures to be followed.

2. Private Consultation. The mediator may communicate privately with any participant or counsel prior to and during the conference. The fact that private communications have occurred with a participant shall be disclosed to all other participants at the beginning of the conference.

3. Scheduling the Conference. The mediator shall make a good faith effort to schedule the conference at a time that is convenient with the participants, attorneys and mediator. In the absence of agreement, the mediator shall select the date for the conference.

B. Duties of Mediator

1. The mediator shall define and describe the following at the beginning of the conference:

a. The process of mediation;

b. The difference between mediation and other forms of conflict resolution;

c. The costs of the mediated settlement conference;

d. That the mediated settlement conference is not a trial, the mediator is not a judge, and the parties retain their legal rights if they do not reach settlement;

e. The circumstances under which the mediator may meet and communicate privately with any of the parties or with any other person;

f. Whether and under what conditions communications with the mediator will be held in confidence during the conference;

g. The inadmissibility of conduct and statements as provided by N.C.G.S. 7A-38.1(1);

h. The duties and responsibilities of the mediator and the participants; and

i. That any agreement reached will be reached by mutual consent.

2. Disclosure. The mediator has a duty to be impartial and to advise all participants of any circumstance bearing on possible bias, prejudice or partiality.

3. Declaring Impasse. It is the duty of the mediator to timely determine that an impasse exists and that the conference should end.

4. Reporting Results of the Conference. The mediator shall report to Catawba County within 10 days of the conference whether or not an agreement was reached by the parties. If an agreement was reached, the report shall state the nature of said agreement. The mediator's report shall inform Catawba County of the absence of any party known to the mediator to have been absent from the mediated settlement conference without permission. Catawba County must require the mediator to provide statistical data for evaluation of the mediated settlement conference program.

5. Scheduling and Holding the Conference. It is the duty of the mediator to schedule the conference and conduct it prior to the deadline of completion set by the Rules. Deadlines for completion of the conference shall be strictly observed by the mediator unless said time limit is changed by a written order from Catawba County.

RULE 6. COMPENSATION OF THE MEDIATOR

A. By Agreement. When the mediator is stipulated by the parties, compensation shall be as agreed upon between the parties and the mediator provided that the provision of N.C.G.S. 143-128(g) are observed.

B. By Appointment. When the mediator is appointed by Catawba County, the parties shall compensate the mediator for mediation services at the rate in accordance with the rate charged for Superior Court mediation. The parties shall also pay to the mediator a one-time per case administration rate in accordance with the rate charged for Superior Court mediation, which is due upon appointment.

RULE 7. MEDIATOR CERTIFICATION

All certified mediators shall be property certified in accordance with the rules certifying me[illegible]erior Court in North Carolina. (Except when otherwise allowed by Catawba County upon the request of the parties to the mediation.)

When selecting mediators, the parties may designate a preference for mediators with a background in construction law or public construction contracting. Such requirements, while preferred, are not mandatory under these Rules.

All mediators chosen must either demonstrate they are certified in accordance with the Rules Implementing Scheduled Mediated Settlement Conference in Superior Court or must gain the consent of Catawba County to mediate any dispute in accordance with these Rules.

RULE 8. RULE MAKING

These Rules are subject to amendment by Catawba County at any time the County deems it appropriate.

RULE 9. TIME LIMITS

Any time limit provided for by these Rules may be waived or extended by the mediator the County appoints for good cause shown. If the mediator has not yet been appointed, the Designer of Record shall decide all waivers or extensions of time for good cause shown.

EXHIBIT B

BID FORM

SINGLE PRIME CONTRACT

Proposal of Frank L. Blum Construction Company (hereinafter called "BIDDER"), organized and existing under the laws of the State of North Carolina doing business as a corporation *, to Catawba County (hereinafter called "OWNER").

In compliance with your Advertisement for Bids and Instructions to Bidders, BIDDER hereby proposes to perform all WORK for the construction of in strict accordance with the CONTRACT DOCUMENTS, within the time set forth herein, and at the prices stated below.

The undersigned, as BIDDER, hereby declares that the only person or persons interested in this proposal as principal or principals is or are named herein and that no other person than herein mentioned has any interest in this proposal or in the CONTRACT to be entered into; that this proposal is made without connection with any other person, company or parties making a bid or proposal; and that it is in all respects fair and in good faith without collusion or fraud. This BIDDER further declares that he has examined the sites of the work and the contract documents relative thereto, and has read all special provisions furnished prior to the opening of bids; that he has satisfied himself relative to the WORK to be performed.

BIDDER proposes and agrees if this proposal is accepted to contract with the County of Catawba, Newton, North Carolina in the form of CONTRACT specified below, to furnish all necessary materials, equipment, machinery, tools, apparatus, means of transportation and labor necessary to complete the construction of the above titled PROJECT in full and complete accordance with the plans, specifications and contract documents to the full and entire satisfaction of Catawba County with a definite understanding that no money will be allowed for extra work without written consent of the OWNER for the sum as hereinafter listed.

BIDDER hereby agrees to commence WORK under this contract on or before a date to be specified in the NOTICE TO PROCEED and to fully complete the PROJECT within consecutive calendar days thereafter.

BIDDER acknowledges receipt of the following ADDENDUM:

Addendum No. 1 Date of Addendum 6/22/2020
Addendum No. 2 Date of Addendum 6/25/2020
Addendum No. 3 Date of Addendum 6/29/2020
Addendum No. _____ Date of Addendum _____

Insert "a corporation", "a partnership", or "an individual" as applicable.

CONTRACT TIME

BIDDER hereby agrees to commence WORK under this contract on or before a date to be specified in the NOTICE TO PROCEED and to Substantially Complete the BASE BID portion of the PROJECT within 120 consecutive calendar days thereafter and the BASE BID with all three ALTERNATES portion of the PROJECT within 180 consecutive calendar days thereafter.

BIDDER further agrees to pay as liquidated damages, the sum of Three Hundred Fifty Dollars ($350.00) for each consecutive calendar day thereafter.

BID SCHEDULE

BIDDER agrees to perform all the work described in the CONTRACT DOCUMENTS for the following lump sum:

NOTE: BID, ALLOWANCES and ALTERNATES shall include sales tax and all other applicable taxes and fees.

1. BASE BID: LUMP SUM PRICE . . . . . $ 396,916.00

(Three Hundred Ninety-six Thousand Nine Hundred Sixteen dollars)

ALLOWANCES:
(For complete description of allowances see section 012100 and drawings)

2. Contingency Allowance: (5% of the Base Bid) . . . . . $ 22,234.00

3. 2 Hour Rated Pair of Entry Doors Allowance. $13,500.00
(Includes 90 Minute Doors, Frame, ¼" Fire Glass and Hardware)

4. Hardware Allowance of $450.00 per Door: . . . . . $ 8,550.00
(Includes Hardware and 4 Electronic Doors. Does Not Include Door and Frame.)

5. Interior Signage Allowance: $3,500.00
(Includes 22 Total Interior ADA Compliant Signs and Signage at Detail 5/A1.3)

TOTAL BID WITH ALL ALLOWANCES . . $ 444,700.00
(Total of Items 1 through 5)

ALTERNATES:
(For complete description of ALTERNATES see section 012300 and drawings)

6. Alternate 1 – Add. . . . . $ 108,660.00
(Includes Add Alternate for Lobby Flooring. See Drawings.)

7. Alternate 2 – Add. . . . . $ 200,630.00

(Includes Add Alternate for Stair. See Drawings.)

8. Alternate 3 – Add. . . . . .$ 62,450.00
(Includes Add Alternate for Lobby Ceiling. See Drawings.)

TOTAL BID WITH ALL ALLOWANCES AND ALTERNATES $ 816,440.00

(Eight Hundred Sixteen Thousand Four Hundred Forty dollars)
(Total of Items 1 through 8)

Respectfully submitted by:

Mike Lancaster	830 NE 25th St., Winston-Salem, NC 27105
Signature (Company officer)	*Address*
Mike Lancaster	6/30/2020
Print Name	*Date*
CEO	18
Title	*Company GC License # for State of NC*

Frank L. Blum Construction Co. CORPORATE SEAL NORTH CAROLINA

SEAL - (if BID is by a corporation, affix seal above)

Contractor/Subcontractor License Listing per NC Senate Bill 914

General Contractor:
Frank Blum Construction Lic# 18

Plumbing Subcontractor
T.M. Caldwell Plumbing Lic# 05767

Mechanical Subcontractor:
Link Boiler & Mechanical Lic# 20782

Electrical Subcontractor:
Advanced Electrical Lic# 27248-4

GS143-128(d) requires all single prime bidders to identify their subcontractors for the above subdivisions of work. A contractor whose bid is accepted shall not substitute any person as subcontractor in the place of the subcontractor listed in the original bid, except (i) if the listed subcontractor's bid is later determined by the contractor to be non-responsible or non-responsive or the listed subcontractor refuses to enter into a contract for the complete performance of the bid work, or (ii) with the approval of the awarding authority for good cause shown by the contractor. The single prime bidder must complete this section of the Bid Form or risk disqualification of their bid.

How soon can you begin the work? Immediately following award.

Attach to Bid Attach to Bid Attach to Bid Attach to Bid Attach to Bid Attach to Bid Attach to Bid

Identification of Minority Business Participation

I, Frank L. Blum Construction Company

(Name of Bidder)

do hereby certify that on this project, we will use the following HUB Certified/ minority business as construction subcontractors, vendors, suppliers or providers of professional services.

Firm Name, Address and Phone No.	Work Type	Minority Category	HUB Certified (Y/N)
HOA Signs, Inc. 214 E. Cherry St. Yadkinville, NC 27055 336-679-3344	Signage	F	Y
Fire-Ade, Inc. 2800 Griffith Rd, Winston-Salem, NC 27103 336-765-1911	Fire Specialties	F	Y
Garmon & Company, Inc. 2120 Gateway Blvd, Charlotte, NC 28208 704-331-0886	Flooring	F	Y

*Minority categories: Black, African American (**B**), Hispanic (**H**), Asian American (**A**). American Indian (**I**), Female (**F**), Socially and Economically Disadvantaged (**D**)

The total value of minority business contracting will be ($) 30,845.28

ATTACH TO BID ATTACH TO BID ATTACH TO BID ATTACH TO BID ATTACH TO BID ATTACH TO BID

CATAWBA COUNTY
"GOOD FAITH EFFORT"

County of Forsyth

Affidavit of Frank L. Blum Construction Company
(Name of Bidder)

I have made a good faith effort to comply under the following areas checked:
(A minimum of 50 points is required to have achieved a "good faith effort")

(Y/N)

Y (1) Contacting minority businesses that reasonably could have been expected to submit a quote and that were known to the contractor or available on State or local government maintained lists at least 10 days before the bid or proposal date and notifying them of the nature and scope of the work to be performed. Value = 10 points

Y (2) Making the construction plans, specifications and requirements available for review by prospective minority businesses or providing these documents to them at least 10 days before the bid or proposals are due. Value = 10 points

Y (3) Breaking down or combining elements of work into economically feasible units to facilitate minority participation. Value = 10 points

____ (4) Working with minority trade, community, or contractor organizations identified by the Office of Historically Underutilized Businesses and included in the bid documents that provide assistance in recruitment of minority businesses. Value = 10 points.

Y (5) Attending any probed meetings scheduled by the public owner. Value = 10 points.

____(6) Providing assistance in getting required bonding or insurance or providing alternatives to bonding or insurance for subcontractors. Value = 20 points.

____ (7) Negotiating in good faith with interested minority businesses and not rejecting them as unqualified without sound reasons based on their capabilities. Any rejection of minority business based on lack of qualification should have the reasons documented writing. Value = 15 points.

____(8) Providing assistance to an otherwise qualified minority business in need of equipment, loan capital, lines of credit, or joint pay agreements to secure loans, supplies, or letters of credit, including waiving credit that is ordinarily is required. Assisting minority businesses in obtaining the same unit pricing

with the bidder's suppliers in order to help minority businesses in establishing credit. Value = 25 points.

____ (9) Negotiating joint venture and partnership arrangements with minority businesses in order to increase opportunities for minority business participation on a public construction or repair project when possible. Value = 20 points.

Y (10) Providing quick pay agreements and policies to enable minority contractors and suppliers to meet cash-flow demands. Value = 20 points.

In accordance with GS143-128.2(d) the undersigned will enter into a formal agreement with the firms listed in the Identification of Minority Business Participation schedule conditional upon execution of a contract with the Owner. Failure to abide by this statutory provision will constitute a breach of the contract.

The undersigned hereby certified that he or she has read the terms of the minority business commitment and is authorized to bind the bidder to the commitment herein set forth.

Date: 6/30/20

Name of Authorized Officer: Mike Lancaster

Signature: Mike Lancaster

Title: CEO

Seal

Rita L Genet
NOTARY PUBLIC
Forsyth County
North Carolina
My Commission Expires 2/27/2025

State of North Carolina, County of Forsyth
Subscribed and sworn to before me this 30 day of June 2020
Notary Public Rita L Genet
My commission expires 2/27/2025

Frank L. Blum Construction Co.
CORPORATE
SEAL
NORTH CAROLINA

STATE OF NORTH CAROLINA

COUNTY OF CATAWBA

E-VERIFY AFFIDAVIT

I, Mike Lancaster (the individual attesting below), being duly authorized by and on behalf of Frank L. Blum Construction (the entity bidding on project hereinafter "Employer") after first being duly sworn hereby swear or affirm as follows:

1. Employer understands that E-Verify is the federal E-Verify program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law in accordance with NCGS §64-25(5).

2. Employer is a person, business entity, or other organization that transacts business in this State and that employs 25 or more employees in this State. (mark Yes or No)

a. YES X, or

b. NO _____

3. Employer understands that employers employing 25 or more employees in this State must use E-Verify. Each employer, after hiring an employee to work in the United States, must verify the work authorization of the employee through E-Verify in accordance with Article 2, Chapter 64 of the North Carolina General Statutes.

4. Employer's subcontractors comply with E-Verify, and if Employer is the winning bidder on this project Employer will ensure compliance with E-Verify by any subcontractors subsequently hired by Employer.

This 30 day of June, 20 20.

Mike Lancaster
Signature of Affiant

Print or Type Name: Mike Lancaster

Title: CEO

Frank L. Blum Construction Co. CORPORATE SEAL NORTH CAROLINA

State of North Carolina County of Catawba

Signed and sworn to (or affirmed) before me, this the 30

day of June, 20 20.

My Commission Expires: 2/27/2025

Rita L Genet
Notary Public
Notary Printed Name: Rita L Genet

(Affix Official/Notarial Seal)

Rita L Genet
NOTARY PUBLIC
Forsyth County
North Carolina
My Commission Expires 2/27/2025

NON-COLLUSIVE AFFIDAVIT
(Submit with bid documents)

State of North Carolina)

County of Forsyth)

Mike Lancaster being first duly sworn, deposes and says that:

(1) He/She is the Officer, (Owner, Partner, Officer, Representative or Agent) of Frank Blum Construction the Bidder that has submitted the attached Bid;

(2) He/She is fully informed respecting the preparation and contents of the attached Bid and of all pertinent circumstances respecting such Bid;

(3) Such Bid is genuine and is not a collusive or sham Bid;

(4) Neither the said Bidder nor any of its officers, partners, owners, agents, representatives, employees or parties in interest, including this affiant, have in any way colluded, conspired, connived or agreed, directly or indirectly, with any other Bidder, firm, or person to submit a collusive or sham Bid in connection with the Work for which the attached Bid has been submitted; or to refrain from bidding in connection with such Work; or have in any manner, directly or indirectly, sought by agreement or collusion, or communication, or conference with any Bidder, firm, or person to fix the price or prices in the attached Bid or of any other Bidder, or to fix any overhead, profit, or cost elements of the Bid price or the Bid price of any other Bidder, or to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against (Recipient), or any person interested in the proposed Work;

(5) The price or prices quoted in the attached Bid are fair and proper and are not tainted by any collusion, conspiracy, connivance, or unlawful agreement on the part of the Bidder or any other of its agents, representatives, owners, employees or parties in interest, including this affidavit.

BY Mike Lancaster

ITS Mike Lancaster, CEO
(Title)

Frank L. Blum Construction Co. CORPORATE SEAL NORTH CAROLINA

Subscribed and sworn to before me

this 30th day of June, 2020.

Rita L Genet

My commission expires 2/27/2025

Rita L Genet
NOTARY PUBLIC
Forsyth County
North Carolina
My Commission Expires 2/27/2025

Executed in Three Counterparts

BID SECURITY FORM

KNOW ALL MEN BY THESE PRESENTS, THAT WE, Frank L. Blum Construction Company as Principal and Travelers Casualty and Surety Company of America as Surety, who is duly licensed to act as Surety in North Carolina are held and firmly bound unto Catawba County, North Carolina as Oblige, in the penal sum of Five Percent of Amount Bid (5%) Dollars, lawful money of the United States of America, for the payment of which, well and truly to be made, we bind ourselves, or heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

SIGNED, sealed and dated this 30th day of June, 2020.

WHEREAS, the said Principal is herewith submitting proposal for

20-1014 Catawba County Sheriff's Office & Justice Center Lobby Renovation Project

and the Principal desires to file this Bid Bond in lieu of making the cash deposit as required by N.C.G.S. § 143-129:

NOW, THEREFORE, THE CONDITION OF THE ABOVE OBLIGATION is such that if the Principal shall be awarded the Contract for which the Bid is submitted and shall, within 10 days after award of same is made to the Principal; execute and deliver to the Obligee the Contract and Contract Bond in the form, amount and with Surety as required and approved by the Obligee, then this obligation shall be null and void, otherwise to remain in full force and effect; and if the Principal fails or refuses to so execute and deliver said contract or furnish the said contract performance bond as required by N.C.G.S. § 143-129, as amended, the Surety shall, upon demand, forthwith pay to the Obligee the amount set forth in the first paragraph hereof, and upon failure to forthwith make such payment, the Surety shall pay the Obligee an amount equal to the amount of the Bid Bond as set forth in the first paragraph hereof.

IN WITNESS WHEREOF, the undersigned Principal and Surety have caused this bond to be sealed and executed by their duly authorized officers this the 30th day of June, 2020.

SIGNED AND SEALED this 30th day of June, 2020 in the presence of:

Witness

Frank L. Blum Construction Company

By: Mike Lancaster (SEAL)

Principal

Mike Lancaster, CEO

Title

Witness

Clinton J. Diers

Travelers Casualty and Surety Company of America

By: (SEAL)

Surety

John Dufresne, Attorney-in-Fact

Frank L. Blum Construction Co. CORPORATE SEAL NORTH CAROLINA

HARTFORD, CONN.

TRAVELERS	**Travelers Casualty and Surety Company of America** **Travelers Casualty and Surety Company** **St. Paul Fire and Marine Insurance Company** **Farmington Casualty Company**

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, St. Paul Fire and Marine Insurance Company, and Farmington Casualty Company are corporations duly organized under the laws of the State of Connecticut (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint John Dufresne of **Richmond, VA**, their true and lawful Attorney-in-Fact to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law, including the following bond:

Surety Bond No.: Bid Bond **Principal:** Frank L. Blum Construction Company
OR **Obligee:** Catawba County
Project Description: 20-1014 Catawba County Sheriff's Office & Justice Center Lobby Renovation Project

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed, and their corporate seals to be hereto affixed, this **6th** day of **May, 2019.**

State of Connecticut

By: Robert L. Raney, Senior Vice President

City of Hartford ss.

On this the **6th** day of **May, 2019**, before me personally appeared **Robert L. Raney**, who acknowledged himself to be the Senior Vice President of each of the Companies, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of said Companies by himself as a duly authorized officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission expires the **30th** day of **June, 2021**

Anna P. Nowik, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of each of the Companies, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, **Kevin E. Hughes**, the undersigned, Assistant Secretary of each of the Companies, do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which remains in full force and effect.

Dated this 30th day of June, 2020.

Kevin E. Hughes, Assistant Secretary

To verify the authenticity of this Power of Attorney, please call us at 1-800-421-3880.
Please refer to the above-named Attorney-in-Fact and the details of the bond to which this Power of Attorney is attached.

M E M O R A N D U M

TO: Catawba County Board of Commissioners

FROM: Brad Fowler, Tax Administrator

DATE: August 17, 2020

IN RE: Tax Release / Refund Request

REQUEST

The Tax Administrator requests the Board of Commissioners approves ninety-nine (99) releases totaling $16,298.29, two (2) refunds totaling $73.36 and seventy-four (74) Motor Vehicles Bill adjustments / refunds totaling $6,119.69 requested during the month of July.

BACKGROUND

North Carolina General Statute 105-381(b) states upon receipt of a taxpayer's written request for release or refund, the taxing unit's governing body has 90 days to determine whether the taxpayer's request is valid and to either approve the release or refund of the incorrect portion or to notify the taxpayer in writing that no release or refund will be made.

During the month of June, Tax Office staff has checked records and verified the legitimacy of ninety-nine (99) release requests totaling $16,298.29, two (2) refunds totaling $73.36, and seventy-four (74) Motor Vehicle Bill adjustments / refunds totaling $6,119.69.

Common reasons for release of tax bill amounts include changes in exemption status, change in situs, businesses closing / being sold, clerical errors, and material changes in property structures. The refund requests are driven by adjustments due to double billings. The motor vehicle bill adjustments are largely due to pro-ration of tax bill amounts to account for mid-year transfers of ownership. (A detailed transaction summary of individual transactions is attached.)

Consistent with current practice, the Tax Collector will continue to present any material refunds or releases of significant dollar amounts individually, rather than bundled together with other minor transactions on consent agenda.

RECOMMENDATION

Staff recommends the Board of Commissioners approves ninety-nine (99) releases totaling $16,298.29, two (2) refunds totaling $73.36 and seventy-four (74) Motor Vehicle Bill adjustments / refunds totaling $6,119.69 requested during the month of July.

Abstract Number (Please include leading zeros)	Year For which release/refund requested	Owner Name as Billed (Last, First, Middle)	Release or Refund?	Original Value	Corrected Value	RELEASE/REFUND AMOUNT	Reason (Please do not use all CAPS. Use correct capitalization)
3051720	2020	Alfaro Dick	Release	28,880.00	0.00	$152.70	2 different tags no gap ELH4053 PHSF18
3019093	2020	ALL COUNTY PLUMBING LLC	Release	149,889.00	122,889.00	$313.88	Listed aircraft in error, sold 1974 Piper in 2019
3048415	2016	Bandy, Marcus Colby	Release	200.00	0.00	$2.93	He lived in Oxford Fire District instead of City of Conover during 2015 and 2016.
3048415	2015	Bandy, Marcus Colby	Release	200.00	0.00	$3.14	He lived in Oxford Fire District instead of City of Conover during 2015 and 2016.
3054051	2020	Boone Kelvin	Release	1,630.00	0.00	$20.44	on pp listing for 2019
3048413	2016	Bringolf, John	Release	2,590.00	0.00	$23.75	The 2015 Cyon TL was in Harnett County in 2016.
3048413	2017	Bringolf, John	Release	2,360.00	0.00	$20.10	The 2015 Cyon TL was in Harnett County for 2017.
3021587	2020	Broadway, Bobby Allen	Release	2,505.00	2,005.00	$3.45	1966 Ford Mustang was tagged in 2019 and has a current registration.
1650408	2020	Burch Linda	Release	95,300.00	47,600.00	$554.51	got elderly exemption for 47700
3048986	2020	Byrd, Mark Edison	Release	4,320.00	1,000.00	$21.59	Appealed boat trailer value
1800815	2020	CARDTRONICS USA INC	Release	31,093.00	30,974.00	$1.38	Clerical Error - keyed disposals in incorrect year
3053840	2020	Cartner Susan	Release	8,310.00	0.00	$386.42	lived in TX
1628541	2020	CATAWBA COUNTY	Release	93,300.00	0.00	$1,040.30	Catawba County owned
1803342	2020	CENTRAL HEATING & AIR CONDITIONING OF HICKORY INC	Release	52,956.00	52,956.00	$61.56	Clerical Error - charged LLP in error
1803584	2020	CLASSIC LEATHER INC	Release	1,046,357.00	985,398.00	$655.31	Submitted amended listing
3052478	2020	CLINE DALE KENNETH	Release	11,230.00	0.00	$97.91	transferred a different tag no gap FAM9501 N312BP
3052891	2020	Clubb Donald	Release	10,030.00	0.00	$220.12	showed proof in SC when Gap was created
3025694	2020	CNH CAPITAL AMERICA LLC	Release	92,353.00	92,353.00	$65.11	Clerical Error - Charged Late List Penalty in Error
3033515	2020	CNH CAPITAL AMERICA LLC	Release	312,256.00	312,256.00	$220.14	Clerical Error - Charged Late List Penalty in Error
3050059	2020	Collins Jerel	Release	6,030.00	0.00	$81.78	moved to VA
1654687	2020	Cooke Rocky Allen	Release	87,400.00	44,100.00	$413.52	Added Elderly Exemption of 43300
1654821	2020	Cornett Valarie	Release	71,400.00	36,400.00	$315.00	reinstated elderly exemption for 35000
1811954	2020	CORNING OPTICAL COMMUNICATIONS LLC	Release	1,512,183.00	1,506,645.00	$64.38	Submitted an amended listing
2389134	2020	Doanto Michael	Release	231,900.00	117,500.00	$1,218.36	Elderly Exemption approved for 114400
3048034	2020	Eckard Cecelia	Release	18,700.00	5,500.00	$90.42	value to 5500
3048849	2020	Eckard Jonathan Lee	Release	46,800.00	6,500.00	$276.06	value change
3033448	2020	Edelberg, Jessica Merritt	Release	65,643.00	24,537.00	$318.77	Clerical Error; 2018 Avalon boat should've been depreciated from the appeal value and not from the original value from 2019 Tax Year.
3051778	2020	Ellis Robert	Release	800.00	800.00	$0.00	had listed on PP
1804818	2020	Ellis, Robert Newton	Release	5,775.00	5,275.00	$3.25	1990 FORD TK was tagged on 4/9/2020.
2140590	2020	Engart, Henry Stewart	Release	2,364.00	600.00	$20.51	1989 LARSON 17' boat has been billed/listed in Alexander County for years. It is being docked at their Alexander residence.
3055442	2020	Gilbert Kristen	Release	0.00	0.00	$0.00	Lincoln County
1905946	2019	Greene, Gary Steven	Release	2,220.00	2,220.00	$2.58	Clerical Error; He sent in 2019 listing stating he needed them added to his listing and we failed to list and bill them last year. We need to waive the late fees due to us not doing it properly.
3053665	2020	Hale Richard Page Jr	Release	800.00	0.00	$9.20	Listed on PP for 2019 and 2020
3053123	2020	Hall Donna	Release	30,070.00	0.00	$446.29	in PA during Gap
3053300	2020	Hall Donna	Release	40,600.00	0.00	$417.17	in PA during gap
3048428	2015	Hatley, Lawton Henry JR	Release	710.00	0.00	$6.76	Permanent Tag was not put on until 2018.
3048428	2016	Hatley, Lawton Henry JR	Release	640.00	0.00	$5.82	Permanent Tag was not put on until 2018. Clerical Error
3048428	2017	Hatley, Lawton Henry JR	Release	580.00	0.00	$4.90	Permanent Tag was not put on until 2018. Clerical Error
3048428	2018	Hatley, Lawton Henry JR	Release	520.00	0.00	$4.06	Permanent Tag was not put on until 2018. Clerical Error
3049409	2020	Heinl, Chris	Release	56,000.00	0.00	$651.00	The Aircraft is located on the Burke County Side instead of the Catawba County side of Hickory Airport.
3022897	2020	Hibbitts, Mark Bradley	Release	2,114.00	0.00	$13.74	Clerical error; Per signed listing form 1993 SCOUT DORADO boat is in Wilkes County
1666851	2020	Hollar Jerry D	Release	75,500.00	61,650.00	$96.26	per BF exemption amount changed
3050340	2020	Holman Stephanie	Release	33,710.00	0.00	$60.40	no gap 3 different vehicles that switched plates 2019 Ford 2019 Jeep 2017 GMC
3019511	2020	Hornsby, Roger Darrell	Release	18,400.00	0.00	$127.88	Clerical Error - He wrote NA at the top of the listing form and I missed it.
3052390	2020	Huffman Deric Scott	Release	31,350.00	0.00	$203.87	showed proof lived in SC
3017462	2015	Huffman, Brenda Leigh	Release	200.00	0.00	$2.08	Clerical Error. Should not have been billed for 2015.
3054976	2020	Icard Joseph William	Release	1,000.00	0.00	$16.47	in Caldwell Co

2988329	2020	IMPACT PLASTICS CORP	Release	253,806.00	182,684.00	$826.79	$71,122 of assets approved by DEQ exempted as recycling/recovering equipment.
3050233	2020	Johnson Marilyn	Release	11,470.00	0.00	$188.90	[redacted]
2911414	2020	KALE RITA G	Release	10,300.00	0.00	$72.62	parcel has been omitted for 2020
2918022	2020	Key Builders Inc	Release	126,100.00	8,400.00	$761.28	lot only no bldg
3050629	2020	Khounborin Kimberly	Release	6,090.00	0.00	$79.21	in CA during gap time period
1807934	2020	Lackey, Barbara Crump	Release	2,810.00	700.00	$24.53	The 1989 Ranger was sold to Jimmy Young in 2018
3052279	2020	Lambert Paul	Release	7,270.00	1,800.00	$112.48	value change
3024104	2020	Leatherman, Ronald Dale	Release	13,005.00	0.00	$139.80	Clerical error; Tax payer did state that the items are located in Caldwell County, but we mistakenly still billed it.
3021845	2019	Lish, Brian Richard	Release	22,412.00	0.00	$185.10	2002 COBALT boat was being stored at Morningstar Marina in Iredell County and not at Lake Norman Marina.
3048755	2017	Livingston, Lori Sue	Release	200.00	0.00	$1.67	The 1991 Wils TL was listing in Lincoln County in 2017.
3048755	2018	Livingston, Lori Sue	Release	3,550.00	0.00	$27.26	The 1991 Wils UL and the 2017 Anvi TL were located in Cleveland County in 2018
3050322	2020	Looper John Burgess	Release	1,960.00	0.00	$24.68	Caldwell Co
3023484	2020	Lovelace, William R JR	Release	11,124.00	0.00	$78.42	2008 TRITON boat was sold in 2019, but taxpayer failed to mark the item off prior to mailing the listing form back to us in January.
3048988	2020	Makla, Robert Thomas	Release	3,280.00	0.00	$25.44	He sold the 2014 Cart trailer in 2019.
3052395	2020	Malphrus Tracy Lamar	Release	1,520.00	0.00	$30.59	listed on PP
3052964	2020	Marshall Linda	Release	19,200.00	0.00	$90.24	moved to UT on DMV
3055024	2020	Mccreary Modern Inc	Release	59,630.00	0.00	$142.37	transferred multiple tags no GAP was created
3032054	2020	MIDNIGHT TRANSFER INC	Release	51,330.00	20,380.00	$362.57	Sold 1994 Peterbilt IRP Tractor in 2019
2299089	2020	Mike Huffman Enterprises LLC	Release	77,347.00	75,232.00	$14.59	2004 CARE MYT TL was sold in 2019. Taxpayer overlooked where the TL'S were listed and did not mark off the item prior to mailing back the listing form.
1678831	2020	Miller Charles Gordon Jr	Release	132,100.00	87,100.00	$288.00	added Disabled Vet Exclusion for 45000
1809445	2020	Moretz, Clyde McCoy	Release	5,447.00	3,166.00	$26.12	Clerical Error; 2005 SEA-DOO was added onto this abstract by accident. The Moretz have never owned this watercraft.
1681320	2020	Oaks Randy	Release	80,600.00	53,700.00	$312.71	added 26900 elderly exemption
3052963	2020	Outen Jennifer Richardson	Release	0.00	0.00	$0.00	Dmv shows cancel to SC
3052130	2020	Parker Robyn	Release	9,030.00	0.00	$148.71	DMV shows canceled to AZ
1859421	2020	Parkhurst, Tina Diane	Release	2,666.00	2,366.00	$1.92	Value of 1964 Dixie boat was appealed. Original value was at $500, but after seeing pictures of the boat and the condition it's in, value has been changed to $200.
3053320	2020	Phillips Paul	Release	1,360.00	0.00	$10.54	in Burke Co
3049119	2019	Pope, Marcus J	Release	24,750.00	0.00	$191.94	Duplicate bill; 2010 UTIL MYT TL is already listed under Business listing 3033234.
3055137	2020	RHONEY JEFFREY L	Release	28,750.00	0.00	$106.83	BUNCOMBE COUNTY
3053275	2020	Robinson Carla	Release	13,730.00	0.00	$252.72	showed proof lived in MN during Gap period
3018987	2020	SANTA N COMPANY INC	Release	2,685.00	0.00	$18.93	Listed BPP in error - closed business in 2019
3055398	2020	Schronce Linda Taylor	Release	5,280.00	0.00	$132.99	showed proof that moved to WA and then moved back
1811742	2020	Shell, Michael Scott	Release	4,850.00	1,000.00	$44.76	1991 Harley Davidson MC was tagged as of 2/3/2020 and had paid property taxes at the time of registration. This is a duplicate bill.
1812072	2020	Sigmon, Michael Harding	Release	39,177.00	28,053.00	$71.19	Value of boat should have been depreciated from appeal value and not from original value of boat.
3053642	2020	Sigmon, Sir-Thomas Bradley	Release	2,420.00	0.00	$14.43	listed on PP
3022380	2020	Sigmon, Sir-Thomas Bradley	Release	2,130.00	0.00	$13.85	2013 HONDA MC has been tagged as of 5/22/2020.
3033927	2020	Smith, Cory Thomas	Release	1,310.00	0.00	$9.31	Clerical Error, He marked off the TL but we missed it in the system.
3052737	2020	Southers Gerald F	Release	3,610.00	200.00	$130.13	value change to 200
3049528	2020	Thines, Bradley	Release	156,624.00	0.00	$1,104.20	The boat was only in Catawba County until May and then it was moved to their home in Iredell County. See attached bill from Iredell County.
3047517	2019	Thorpe, Christopher Conley	Release	1,000.00	0.00	$11.83	Duplicate; Already listed under 0003047361
3055114	2020	Thrall Peter John	Release	30,910.00	0.00	$59.89	Linc Co
3049343	2020	Vannooten, Shawn	Release	58,174.00	0.00	$676.27	IRP Tractor not located in North Carolina
3026414	2020	Whipple, Dennis G	Release	5,493.00	600.00	$34.01	The 2013 HOMEMADE V-HULL was purchased for $800 in 2016 and was originally a 50's/60's boat that was later titled as a 2013 HOMEMADE boat.
1698686	2020	Willis Robert Craig	Release	83,800.00	41,900.00	$268.16	EE FOR 2020
1698761	2020	Wilson Mae Evelyn Farley	Release	65,500.00	32,900.00	$376.53	Elderly Exemption amount adjusted from 25000 to 32600
2294271	2020	Winburn, Victor G	Release	270.00	0.00	$1.88	Clerical Error; He put on the form it had been sold but we missed it.
3052189	2020	Winters Joe David Jr	Release	800.00	0.00	$4.69	listed on 2019 pp
2150214	2020	Woodward, Melvin Eugene Jr	Release	701.00	0.00	$8.15	He gave the Seadoo to Hickory High School in 2019
3048987	2016	Wright, Terry G	Release	1,070.00	0.00	$17.09	The 2015 Home UL was in Caldwell County from 2016-2019.

							The 2015 Home UL was in Caldwell County from 2016-2019.
3048987	2017	Wright, Terry G	Release	970.00	0.00	$14.41	
3048987	2018	Wright, Terry G	Release	880.00	0.00	$12.06	s in Caldwell County from 2016-2019.
3048987	2019	Wright, Terry G	Release	800.00	0.00	$10.23	The 2015 Home UL was in Caldwell County from 2016-2019.
				5,738,459.00	**3,999,339.00**	**$16,298.29**	

Abstract Number (Please include leading zeros)	Year For which release/refund requested	Owner Name as Billed (Last, First, Middle)	Release or Refund?	Original Value	Corrected Value	RELEASE/REFUND AMOUNT	Reason (Please do not use all CAPS. Use correct capitalization)
1807934	2019	Lackey, Barbara Crump	Refund	3,250.00	900.00	$27.32	The 1989 Ranger was sold to Jimmy Young in 2018 and he paid taxes on the boat in Alexander County in 2019. Please refund her in the amount of $27.32.
1811742	2019	Shell, Michael Scott	Refund	4,960.00	1,000.00	$46.04	1991 Harley Davidson MC was tagged as of 2/3/2019 and had paid property taxes at the time of registration. This is a duplicate bill.
				8,210.00	**1,900.00**	**$73.36**	

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Payee Name	Address 1	Address 2	Address 3	Plate Number	Refund Description	Refund Reason	Tax Jurisdiction	Levy Type	Change	Interest Change	Total Change
ANDERSON, LESLIE NICOLE	4168 MOUNT BEULAH RD		MAIDEN, NC 28650	AAW2677	Refund Generated due to proration on Bill #0014438739-2019-2019-0000-00	Vehicle Sold	CATA	Tax	($5.70)	$0.00	($5.70)
							F08	Tax	($1.29)	$0.00	($1.29)
										Refund	$6.99
BANDY, ALLEN HILL JR	PO BOX 25		NEWTON, NC 28658	SSM4827	Refund Generated due to proration on Bill #0001170818-2019-2019-0000-00	Vehicle Sold	CATA	Tax	($9.86)	$0.00	($9.86)
							C08	Tax	($9.26)	$0.00	($9.26)
										Refund	$19.12
BOUZEK, VINCENT EDWIN ALLEN	3000 6TH ST NE		HICKORY, NC 28601	JZ4311	Refund Generated due to proration on Bill #0052336105-2019-2019-0000-00	Vehicle Totalled	CATA	Tax	($66.78)	$0.00	($66.78)
							C05	Tax	($68.23)	$0.00	($68.23)
							C05	Vehicle Fee	$0.00	$0.00	$0.00
										Refund	$135.01
BOWMAN, FREDERIC WAYNE	321 16TH AVE NW		HICKORY, NC 28601	DFV1778	Refund Generated due to proration on Bill #0018239144-2019-2019-0000-00	Vehicle Sold	CATA	Tax	($14.61)	$0.00	($14.61)
							C05	Tax	($14.92)	$0.00	($14.92)
							C05	Vehicle Fee	($5.00)	$0.00	($5.00)
										Refund	$34.53
BUMGARNER, ANTHONY SCOTT	2956 E MAIDEN RD		MAIDEN, NC 28650	CK76962	Refund Generated due to proration on Bill #0044817514-2019-2019-0000-00	Vehicle Sold	CATA	Tax	($17.58)	$0.00	($17.58)
							F10	Tax	($2.30)	$0.00	($2.30)
										Refund	$19.88
CAVENDER, JODY GENE	7880 SMITH POND DR		DENVER, NC 28037	TAL2150	Refund Generated due to adjustment on Bill #0051206279-2019-2019-0000-00	Change of County	CATA	Tax	($152.61)	$0.00	($152.61)
							C05	Tax	($155.92)	$0.00	($155.92)
							C05	Vehicle Fee	($5.00)	$0.00	($5.00)
										Refund	$313.53
CAVENDER, JODY GENE	7880 SMITH POND DR		DENVER, NC 28037	KB6213	Refund Generated due to adjustment on Bill #0052843100-2019-2019-0000-00	Change of County	CATA	Tax	($263.22)	$0.00	($263.22)
							C05	Tax	($268.94)	$0.00	($268.94)
							C05	Vehicle Fee	($5.00)	$0.00	($5.00)
										Refund	$537.16
CAVENDER, WESLEY COLE	7880 SMITH POND DR		DENVER, NC 28037	TCE6147	Refund Generated due to adjustment on Bill #0052767429-2019-2019-0000-00	Change of County	CATA	Tax	($4.60)	$0.00	($4.60)
							C05	Tax	($4.70)	$0.00	($4.70)
							C05	Vehicle Fee	($5.00)	$0.00	($5.00)
										Refund	$14.30
CHAPIN, HENRY EDGAR	PO BOX 1		SHERRILLS FORD, NC 28673	RXB7249	Refund Generated due to proration on Bill #0014456775-2019-2019-0000-00	Vehicle Sold	CATA	Tax	($87.83)	$0.00	($87.83)
							F08	Tax	($19.86)	$0.00	($19.86)
										Refund	$107.69
CHRISTOPHER, KAYLA NICOLE	1947 LOWRANCE RD		CATAWBA, NC 28609	HBT9917	Refund Generated due to proration on Bill #0055435253-2020-	Vehicle Sold	CATA	Tax	($38.37)	$0.00	($38.37)
							F12	Tax	($8.67)	$0.00	($8.67)

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NICOLE	RD				#0055425353-2020-2020-0000-00					Refund	$47.04
CLAPP, SEAN MICHAEL	929 DELLA LN		NEWTON, NC 28658	HDW4348	Refund Generated due to proration on Bill #0049893010-2019-2019-0000-00	Vehicle Sold	CATA	Tax	($9.40)	$0.00	($9.40)
							C08	Tax	($8.83)	$0.00	($8.83)
										Refund	$18.23
ENDERSON, WESLEY HARRELL	100 DEERGLADE CT		LEXINGTON, SC 29072	HD2963H	Refund Generated due to proration on Bill #0041879375-2019-2019-0000-00	Reg . Out of state	CATA	Tax	($84.09)	$0.00	($84.09)
							C04	Tax	($73.12)	$0.00	($73.12)
							C04	Vehicle Fee	$0.00	$0.00	$0.00
										Refund	$157.21
ETHIER, JO ANN	1617 CORDIA CIR		NEWTON, NC 28658	XRJ6379	Refund Generated due to proration on Bill #0001207462-2019-2019-0000-00	Vehicle Sold	CATA	Tax	($6.37)	$0.00	($6.37)
							F09	Tax	($0.86)	$0.00	($0.86)
										Refund	$7.23
FRONEBERGER, AMY HINES	4617 21ST STREET CT NE		HICKORY, NC 28601	AMX3752	Refund Generated due to proration on Bill #0043219674-2018-2018-0000-00	Vehicle Sold	CATA	Tax	($14.01)	$0.00	($14.01)
							C05	Tax	($13.81)	$0.00	($13.81)
							C05	Vehicle Fee	$0.00	$0.00	$0.00
										Refund	$27.82
FRONEBERGER, STANLEY WAYNE	4617 21ST STREET CT NE		HICKORY, NC 28601	DLW6069	Refund Generated due to proration on Bill #0044195429-2019-2019-0000-00	Tag Surrender	CATA	Tax	($29.95)	$0.00	($29.95)
							C05	Tax	($30.60)	$0.00	($30.60)
							C05	Vehicle Fee	$0.00	$0.00	$0.00
										Refund	$60.55
GOOCH, JASON ANDREW	908 38TH AVE NE		HICKORY, NC 28601	CCF5287	Refund Generated due to proration on Bill #0035180601-2019-2019-0000-00	Vehicle Sold	CATA	Tax	($23.72)	$0.00	($23.72)
							C05	Tax	($24.23)	$0.00	($24.23)
							C05	Vehicle Fee	$0.00	$0.00	$0.00
										Refund	$47.95
GRIZZI, ROBERT ROY	3643 BAY POINTE DR		SHERRILLS FORD, NC 28673	TPM5522	Refund Generated due to proration on Bill #0040308274-2019-2019-0000-00	Vehicle Sold	CATA	Tax	($167.70)	$0.00	($167.70)
							F08	Tax	($37.91)	$0.00	($37.91)
										Refund	$205.61
HATCHER, PAMELA KAYE	3952 LAKE BREEZE DR		SHERRILLS FORD, NC 28673	EMT4441	Refund Generated due to adjustment on Bill #0055880333-2020-2020-0000	Adjustment	CATA	Tax	$0.00	$0.00	$0.00
							C05	Tax	($132.31)	$0.00	($132.31)
							C05	Vehicle Fee	($5.00)	$0.00	($5.00)
							F08	Tax	$29.28	$0.00	$29.28
										Refund	$108.03
HELMS, CAMERON GARRET	3510 SECTION HOUSE RD		HICKORY, NC 28601	CHH6981	Refund Generated due to proration on Bill #0024867439-2018-2018-0000-00	Tag Surrender	CATA	Tax	($8.27)	$0.00	($8.27)
							F05	Tax	($1.73)	$0.00	($1.73)
										Refund	$10.00
HOLDEN, HAL PRESTON	2401 HILLSIDE DR		NEWTON, NC 28658	CM34109	Refund Generated due to adjustment on Bill #0054808607-2020	Adjustment	CATA	Tax	($9.89)	$0.00	($9.89)
							F14	Tax	($2.24)	$0.00	($2.24)

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					#0054898697-2020-2020-0000-00					Refund	$12.13
HUDSON, JORDAN WILLIAM JR	1043 12TH AVE NW APT 2B		HICKORY, NC 28601	ZVR9768	Refund Generated due to adjustment on Bill #0055069725-2019-2019-0000-00	Adjustment	CATA	Tax	($34.36)	$0.00	($34.36)
							C05	Tax	($35.11)	$0.00	($35.11)
							C05	Vehicle Fee	$0.00	$0.00	$0.00
										Refund	$69.47
HUFFMAN, RONALD JACK	2381 HOUSTON MILL RD		CONOVER, NC 28613	7B6921	Refund Generated due to proration on Bill #0050945461-2019-2019-0000-00	Vehicle Sold	CATA	Tax	($17.48)	$0.00	($17.48)
							F07	Tax	($1.97)	$0.00	($1.97)
										Refund	$19.45
HUNSUCKER, WILLIAM MACKIE	840 HAMILTON ST		NEWTON, NC 28658	HJY4586	Refund Generated due to adjustment on Bill #0054862832-2020-2020-0000-00	Adjustment	CATA	Tax	($24.89)	$0.00	($24.89)
							C08	Tax	($23.38)	$0.00	($23.38)
							C08	Vehicle Fee	$0.00	$0.00	$0.00
										Refund	$48.27
HUTCHISON, TERRY WILMER	8140 HUTCHISON LN		VALE, NC 28168	AKE7684	Refund Generated due to proration on Bill #0050067094-2019-2019-0000-00	Vehicle Sold	CATA	Tax	($43.41)	$0.00	($43.41)
							F17	Tax	($5.66)	$0.00	($5.66)
										Refund	$49.07
JOHNSON, ANTHONY WAYNE	1128 MAYFIELD CIR NW		CONOVER, NC 28613	JZ8116	Refund Generated due to proration on Bill #0052542740-2019-2019-0000-00	Vehicle Sold	CATA	Tax	($200.09)	$0.00	($200.09)
							C04	Tax	($174.00)	$0.00	($174.00)
							C04	Vehicle Fee	$0.00	$0.00	$0.00
										Refund	$374.09
JONES, JOSEPH EUGENE	950 21ST ST NE		HICKORY, NC 28601	HAZ6306	Refund Generated due to proration on Bill #0054774339-2019-2019-0000-00	Vehicle Totalled	CATA	Tax	($117.30)	$0.00	($117.30)
							C05	Tax	($119.85)	$0.00	($119.85)
							C05	Vehicle Fee	($5.00)	$0.00	($5.00)
										Refund	$242.15
KELLER, PAUL GERALD	1137 HENRY RIVER RD		HICKORY, NC 28602	CM45676	Refund Generated due to adjustment on Bill #0055476386-2020-2020-0000-00	Over Assessment	CATA	Tax	($10.46)	$0.00	($10.46)
							F03	Tax	($1.30)	$0.00	($1.30)
										Refund	$11.76
KISER, ALEX LEONARD	5066 LEE PT		TERRELL, NC 28682	HEE8592	Refund Generated due to proration on Bill #0051090787-2019-2019-0000-00	Vehicle Sold	CATA	Tax	($341.41)	$0.00	($341.41)
							F08	Tax	($77.19)	$0.00	($77.19)
										Refund	$418.60
KISER, ALEX LEONARD	5066 LEE PT		TERRELL, NC 28682	SNSETKEY	Refund Generated due to proration on Bill #0051711555-2019-2019-0000-00	Vehicle Sold	CATA	Tax	($481.47)	$0.00	($481.47)
							F08	Tax	($108.85)	$0.00	($108.85)
										Refund	$590.32
LEE, DOMINIQUE ANN	404 6TH ST SW		CONOVER, NC 28613	PLV9675	Refund Generated due to proration on Bill #0051700159-2019-	Tag Surrender	CATA	Tax	($112.37)	$0.00	($112.37)
							C04	Tax	($97.71)	$0.00	($97.71)

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ANN					#0051700159-2019-2019-0000-00		C04	Vehicle Fee	$0.00	$0.00	$0.00
										Refund	$210.08
LEWIS, PATRICK ANDREW	4594 QUEENS RD		HICKORY, NC 28602	TAM3270	Refund Generated due to proration on Bill #0055207441-2020-2020-0000-00	Vehicle Sold	CATA	Tax	($57.56)	$0.00	($57.56)
							F03	Tax	($7.19)	$0.00	($7.19)
										Refund	$64.75
LINCOLN COUNTY TAX	100 EAST MAIN ST		LINCOLNTON, NC 28092	DFC5015	TAG DFC5015	Change of County	CATA	Tax	($14.61)	$0.00	($14.61)
							C05	Tax	($14.92)	$0.00	($14.92)
							C05	Vehicle Fee	($5.00)	$0.00	($5.00)
										Refund	$34.53
LITTLE, JAMES LEONARD	PO BOX 11181		HICKORY, NC 28603	YVJ4978	Refund Generated due to proration on Bill #0014437333-2019-2019-0000-00	Vehicle Sold	CATA	Tax	($7.71)	$0.00	($7.71)
							F05	Tax	($1.61)	$0.00	($1.61)
										Refund	$9.32
LITTLE, PATRICIA ANNE	PO BOX 1882		HICKORY, NC 28603	AHC9533	Refund Generated due to proration on Bill #0021852777-2019-2019-0000-00	Vehicle Sold	CATA	Tax	($1.80)	$0.00	($1.80)
							F04	Tax	($0.19)	$0.00	($0.19)
										Refund	$1.99
LOCKARD, VICTORIA ANN	4561 ENOCH DR		SHERRILLS FORD, NC 28673	HFC9571	Refund Generated due to proration on Bill #0052443251-2019-2019-0000-00	Tag Surrender	CATA	Tax	($163.95)	$0.00	($163.95)
							F08	Tax	($37.07)	$0.00	($37.07)
										Refund	$201.02
LOIACONO, FRANCIS JOHN	4526 1ST ST NW		HICKORY, NC 28601	EMB7547	Refund Generated due to adjustment on Bill #0042425537-2019-2019-0000	Situs error	CATA	Tax	$0.00	$0.00	$0.00
							C05	Tax	($32.96)	$0.00	($32.96)
							C05	Vehicle Fee	($5.00)	$0.00	($5.00)
							F20	Tax	$8.42	$0.00	$8.42
										Refund	$29.54
MALDONADO, MERICA JORDAN	118 26TH ST SW		HICKORY, NC 28602	FFB9498	Refund Generated due to proration on Bill #0053276660-2019-2019-0000-00	Vehicle Sold	CATA	Tax	($34.41)	$0.00	($34.41)
							C06	Tax	($34.11)	$0.00	($34.11)
										Refund	$68.52
MASKE, AMANDA DAVIS	3029 11TH AVENUE DR NE		CONOVER, NC 28613	DED9043	Refund Generated due to proration on Bill #0040004409-2019-2019-0000-00	Vehicle Sold	CATA	Tax	($82.59)	$0.00	($82.59)
							F05	Tax	($17.24)	$0.00	($17.24)
										Refund	$99.83
MASKE, MICHAEL KEITH	3029 11TH AVENUE DR NE		CONOVER, NC 28613	6P7295	Refund Generated due to proration on Bill #0049831716-2019-2019-0000-00	Vehicle Sold	CATA	Tax	($27.09)	$0.00	($27.09)
							F05	Tax	($5.65)	$0.00	($5.65)
										Refund	$32.74
MAYS, GREGORY	1207 12TH ST NE	APT D	HICKORY, NC 28601	MYW3351	Refund Generated due to proration on Bill #0014450900-2019-2019-0000-00	Tag Surrender	CATA	Tax	($12.17)	$0.00	($12.17)
							C05	Tax	($12.44)	$0.00	($12.44)
							C05	Vehicle Fee	$0.00	$0.00	$0.00

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					2019-0000-00					Refund	$24.61
MCKEE, JAMES PAUL	2008 7TH AVE SW		HICKORY, NC 28602	EKW8259	Refund Generated due to proration on Bill #0040427522-2019-2019-0000-00	Tag Surrender	CATA	Tax	($39.46)	$0.00	($39.46)
							C06	Tax	($39.12)	$0.00	($39.12)
										Refund	$78.58
MCKNIGHT, NICHOLAS BRYAN	209 N 10TH AVE		MAIDEN, NC 28650	CM33602	Refund Generated due to adjustment on Bill #0054737030-2019-2019-0000-00	Adjustment	CATA	Tax	($27.14)	$0.00	($27.14)
							C07	Tax	($17.94)	$0.00	($17.94)
										Refund	$45.08
MCMURRAY, CAROLYN ASHBY	1039 10TH STREET LN NW		HICKORY, NC 28601	EHW9996	Refund Generated due to proration on Bill #0034898155-2018-2018-0000-00	Vehicle Sold	CATA	Tax	($53.02)	$0.00	($53.02)
							C05	Tax	($52.23)	$0.00	($52.23)
							C05	Vehicle Fee	$0.00	$0.00	$0.00
										Refund	$105.25
MOSTELLER, JEFFREY TODD	4074 TROUT POND RD		CLAREMONT, NC 28610	HFB5310	Refund Generated due to proration on Bill #0051028743-2019-2019-0000-00	Insurance Lapse	CATA	Tax	($7.72)	$0.00	($7.72)
							F09	Tax	($1.05)	$0.00	($1.05)
										Refund	$8.77
MURRAY-ESCUDER, EDITH MERVINE	1420 11TH ST. DR NW	APT 21	HICKORY, NC 28601	YRA3742	Refund Generated due to proration on Bill #0049533164-2019-2019-0000-00	Vehicle Sold	CATA	Tax	($21.69)	$0.00	($21.69)
							C05	Tax	($22.16)	$0.00	($22.16)
							C05	Vehicle Fee	$0.00	$0.00	$0.00
										Refund	$43.85
NACKLEY, DONALD	4047 ELIZABETH ST		HICKORY, NC 28601	XVY3180	Refund Generated due to proration on Bill #0014462715-2019-2019-0000-00	Tag Surrender	CATA	Tax	($17.01)	$0.00	($17.01)
							F05	Tax	($3.55)	$0.00	($3.55)
										Refund	$20.56
OKONIEWSKI, DANIEL JOSEPH	6888 SUMMER HILL DR		DENVER, NC 28037	EM5457	Refund Generated due to proration on Bill #0010322769-2019-2019-0000-00	Tag Surrender	CATA	Tax	($75.12)	$0.00	($75.12)
							F08	Tax	($16.98)	$0.00	($16.98)
										Refund	$92.10
OSBORNE, VIRGINIA ATWOOD	4351 1ST STREET PL NE		HICKORY, NC 28601	TBV1765	Refund Generated due to proration on Bill #0051750197-2019-2019-0000-00	Vehicle Sold	CATA	Tax	($13.25)	$0.00	($13.25)
							C05	Tax	($13.54)	$0.00	($13.54)
							C05	Vehicle Fee	$0.00	$0.00	$0.00
										Refund	$26.79
PAYNTER, TOMMY RAY	5453 OXFORD SCHOOL RD		CLAREMONT, NC 28610	PJN6946	Refund Generated due to proration on Bill #0053491082-2019-2019-0000-00	Vehicle Sold	CATA	Tax	($194.81)	$0.00	($194.81)
							F07	Tax	($22.02)	$0.00	($22.02)
										Refund	$216.83
PIERCE, MICHAEL LESTER JR	568 1ST ST NW		HICKORY, NC 28601	HAB9876	Refund Generated due to proration on Bill #0046690445-2019-2019-0000-00	Vehicle Sold	CATA	Tax	($19.09)	$0.00	($19.09)
							C05	Tax	($19.51)	$0.00	($19.51)
							C05	Vehicle Fee	$0.00	$0.00	$0.00
										Refund	$38.60
PIERCE, MICHAEL LESTER JR	568 1ST ST NW		HICKORY, NC 28601	CJV6690	Refund Generated due to proration on Bill #0024874061-2019-	Vehicle Sold	CATA	Tax	($23.09)	$0.00	($23.09)
							C05	Tax	($23.59)	$0.00	($23.59)

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LESTER JR					#0024874961-2019-2019-0000-00		C05	Vehicle Fee	$0.00	$0.00	$0.00
										Refund	$46.68
QUALITY CONSTRUCTION & WINDOWS INC	PO BOX 707		NEWTON, NC 28658	SPP7684	Refund Generated due to proration on Bill #0008773273-2019-2019-0000-00	Vehicle Sold	CATA	Tax	($5.63)	$0.00	($5.63)
							F20	Tax	($1.47)	$0.00	($1.47)
										Refund	$7.10
RICHARDSON, COREY JOHN	227 5TH AVE NE		HICKORY, NC 28601	CJ74889	Refund Generated due to proration on Bill #0041791685-2019-2019-0000-00	Vehicle Sold	CATA	Tax	($29.61)	$0.00	($29.61)
							C05	Tax	($30.26)	$0.00	($30.26)
										Refund	$59.87
ROBERTS, JADE HOLLOWAY	88 15TH AVE SW		HICKORY, NC 28602	EDJ2354	Refund Generated due to proration on Bill #0036479796-2018-2018-0000-00	Vehicle Totalled	CATA	Tax	($35.72)	$0.00	($35.72)
							F20	Tax	($7.45)	$0.00	($7.45)
										Refund	$43.17
ROBERTSON, TIMOTHY JOEY	3187 BUFFALO SHOALS RD		NEWTON, NC 28658	7V4808	Refund Generated due to adjustment on Bill #0055309794-2020-2020-0000-00	Adjustment	CATA	Tax	($9.25)	$0.00	($9.25)
							F09	Tax	($1.85)	$0.00	($1.85)
										Refund	$11.10
SAMPSON, LYNN ANN	344 18TH AVE NE		HICKORY, NC 28601	EFY1013	Refund Generated due to proration on Bill #0049714644-2019-2019-0000-00	Tag Surrender	CATA	Tax	($20.60)	$0.00	($20.60)
							F05	Tax	($4.30)	$0.00	($4.30)
										Refund	$24.90
SETZER, TODD LEE	4009 11TH ST NE		HICKORY, NC 28601	XZL1653	Refund Generated due to proration on Bill #0001143476-2019-2019-0000-00	Vehicle Sold	CATA	Tax	($3.11)	$0.00	($3.11)
							C05	Tax	($3.17)	$0.00	($3.17)
							C05	Vehicle Fee	$0.00	$0.00	$0.00
										Refund	$6.28
SHOENER, RICHARD GLENN	1096 CREEKSIDE DR		CONOVER, NC 28613	15C5BP	Refund Generated due to proration on Bill #0001154139-2019-2019-0000-00	Vehicle Sold	CATA	Tax	($15.29)	$0.00	($15.29)
							F14	Tax	($3.19)	$0.00	($3.19)
										Refund	$18.48
SMITH, TEDDY JOE	104 5TH AVE NW		HICKORY, NC 28601	SWY7176	Refund Generated due to proration on Bill #0018207324-2018-2018-0000-00	Tag Surrender	CATA	Tax	($0.72)	$0.00	($0.72)
							C05	Tax	($0.71)	$0.00	($0.71)
							C05	Vehicle Fee	$0.00	$0.00	$0.00
										Refund	$1.43
SPIVEY, CHARITY DEANE	1817 S NC 16 HWY		NEWTON, NC 28658	DBN9357	Refund Generated due to proration on Bill #0046284952-2019-2019-0000-00	Vehicle Sold	CATA	Tax	($9.16)	$0.00	($9.16)
							F14	Tax	($1.91)	$0.00	($1.91)
										Refund	$11.07
SPROUSE, WILLIAM RICHARD III	221 2ND AVENUE PL NE		CONOVER, NC 28613	HDT3090	Refund Generated due to proration on Bill #0051616708-2019-2019-0000-00	Vehicle Sold	CATA	Tax	($96.34)	$0.00	($96.34)
							C04	Tax	($83.77)	$0.00	($83.77)
							C04	Vehicle Fee	$0.00	$0.00	$0.00
										Refund	$180.11
SURRIDGE, WILLIAM GAYLAND	3172 44TH AVENUE DR NE		HICKORY, NC 28601	XXT1161	Refund Generated due to proration on Bill #0052883988-2019-2019-0000-00	Vehicle Sold	CATA	Tax	($33.21)	$0.00	($33.21)
							F05	Tax	($6.93)	$0.00	($6.93)
										Refund	$40.14
SWANN,	9311 AZALEA		SHERRILLS	PCW1667	Refund Generated due	Vehicle Sold	CATA	Tax	($20.93)	$0.00	($20.93)

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SHEILA KAY	RD		FORD, NC 28673		to proration on Bill #0037347001-2019-2019-0000-00		F08	Tax	($4.73)	$0.00	($4.73)
										Refund	$25.66
TARR, JESSE MICHAEL	933 30TH AVE DR NW		HICKORY, NC 28601	ZZA4666	Refund Generated due to proration on Bill #0051149350-2019-2019-0000-00	Vehicle Sold	CATA	Tax	($16.41)	$0.00	($16.41)
							C05	Tax	($16.77)	$0.00	($16.77)
							C05	Vehicle Fee	$0.00	$0.00	$0.00
										Refund	$33.18
TAYLOR, LOGAN WADE	99 14TH ST SE		HICKORY, NC 28602	HBV2040	Refund Generated due to proration on Bill #0048935892-2019-2019-0000-00	Vehicle Totalled	CATA	Tax	($7.88)	$0.00	($7.88)
							C05	Tax	($8.05)	$0.00	($8.05)
							C05	Vehicle Fee	($5.00)	$0.00	($5.00)
										Refund	$20.93
TEAGUE, HEATHER MARIE	1107 WALNUT ACRES DR		HICKORY, NC 28602	DFV8252	Refund Generated due to proration on Bill #0031507556-2018-2018-0000-00	Vehicle Sold	CATA	Tax	($24.48)	$0.00	($24.48)
							F03	Tax	($3.19)	$0.00	($3.19)
										Refund	$27.67
TRAVIS, DONALD FABE	2480 S RUSHWOOD CIR		NEWTON, NC 28658	HHN2764	Refund Generated due to adjustment on Bill #0052829378-2019-2019-0000	Situs error	CATA	Tax	$0.00	$0.00	$0.00
							C05	Tax	($18.40)	$0.00	($18.40)
							C05	Vehicle Fee	($5.00)	$0.00	($5.00)
							F14	Tax	$3.76	$0.00	$3.76
										Refund	$19.64
VESTAL, CARL DOUGLAS	3806 CALDWELL RD		NEWTON, NC 28658	YNK7219	Refund Generated due to proration on Bill #0018231971-2019-2019-0000-00	Tag Surrender	CATA	Tax	($31.68)	$0.00	($31.68)
							F09	Tax	($4.30)	$0.00	($4.30)
										Refund	$35.98
WALKER, ARTHUR GENE	1121 27TH STREET DR SE		HICKORY, NC 28602	6T1750	Refund Generated due to proration on Bill #0036750716-2019-2019-0000-00	Tag Surrender	CATA	Tax	($21.09)	$0.00	($21.09)
							F20	Tax	($5.50)	$0.00	($5.50)
										Refund	$26.59
WALKER, RACHEL LEEANN	202 SECOND ST SW		HILDEBRAN, NC 28637	DJX6622	Refund Generated due to proration on Bill	Vehicle Sold	CATA	Tax	($8.22)	$0.00	($8.22)
							C05	Tax	($8.40)	$0.00	($8.40)

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LEEANN					#0050218856-2019-2019-0000-00		C05	Vehicle Fee	$0.00	$0.00	$0.00
										Refund	$16.62
WILLIAMS, LEXIE JR	3240 15TH ST NE		HICKORY, NC 28601	HCR5249	Refund Generated due to proration on Bill #0049256194-2019-2019-0000-00	Vehicle Sold	CATA	Tax	($13.87)	$0.00	($13.87)
							C05	Tax	($14.17)	$0.00	($14.17)
							C05	Vehicle Fee	$0.00	$0.00	$0.00
										Refund	$28.04
WILSON, JUSTICE CHASE	2036 34TH AVENUE DR NE		HICKORY, NC 28601	WYX3216	Refund Generated due to proration on Bill #0043872817-2018-2018-0000-00	Vehicle Sold	CATA	Tax	($16.89)	$0.00	($16.89)
							F05	Tax	($3.52)	$0.00	($3.52)
										Refund	$20.41
YODER, KEVIN LEE	1642 SUMMERLIN PL		NEWTON, NC 28658	EFY4785	Refund Generated due to proration on Bill #0034853840-2019-2019-0000-00	Vehicle Sold	CATA	Tax	($49.23)	$0.00	($49.23)
							C08	Tax	($46.24)	$0.00	($46.24)
										Refund	$95.47
ZULEG, TYLER JOSEPH	5498 WINDING OAK DR		HICKORY, NC 28602	ER6356	Refund Generated due to proration on Bill #0035342052-2019-2019-0000-00	Vehicle Sold	CATA	Tax	($135.70)	$0.00	($135.70)
							F03	Tax	($16.94)	$0.00	($16.94)
										Refund	$152.64
										Refund Total	$6119.69

COMMISSIONER APPROVAL OF RELEASES & REFUNDS

TIME PERIOD: July 1, 2020 Thru July 31, 2020

PROCESSED: August 17, 2020

REGULAR RELEASES

MOTOR VEHICLE	$0.00
REAL & PERSONAL	$16,298.29
TOTALS	$16,298.29

REGULAR REFUNDS

MOTOR VEHICLE	$0.00
REAL & PERSONAL	$73.36
TOTALS	$73.36

NEW MOTOR VEHICLE SYSTEM REFUNDS (VTS)

MOTOR VEHICLE NCVTS	$6,119.69

COUNTY GRAND TOTAL	$16,371.65

RANDY ISENHOWER
CHAIRMAN OF THE BOARD
CATAWBA COUNTY BOARD OF COMMISSIONERS

catawba county
planning & parks

Memorandum

To: Catawba County Board of Commissioners

From: Jacky Eubanks, Director of Planning and Recreation

Date: August 17, 2020

RE: 2020 North Carolina Housing Finance Agency Urgent Repair Grant

Request

Staff requests the Board of Commissioners adopts the Assistance Policy and Procurement/Disbursement Policy, the WPCOG administration agreement, and the Project Budget Ordinance for the 2020 North Carolina Housing Finance Agency Urgent Repair Grant of $100,000.

Background

Catawba County applied for an Urgent Repair Grant (URP) through the North Carolina Housing Finance Agency (NCHFA) for $100,000 in December 2019 and received funding in April 2020. This grant will help a minimum of twelve (16) homeowners with emergency repair housing items. These funds can be used for urgent needs such as leaking roofs, non-functional heating units, handicap accessibility, etc.

Attached is the 2020 NCHFA Urgent Repair Grant Assistance Policy and Procurement/Disbursement Policy for Catawba County's Urgent Repair Program. These policies outline how the URP grant will be administered. This is the 12th URP grant that the County has received.

Also attached is the WPCOG Administrative Agreement for Catawba County's Urgent Repair Program and the Project Budget Ordinance. The County is allowed to spend up to $10,000 or less on rehab of a house of which NCHFA **allows up** to $1,000 per house for administration, work write-ups and inspections. The WPCOG contract is for $14,000 which averages out to about $875 a house. The remaining $86,000 will be used for rehabilitation for urgent needs. WPCOG has an ongoing waiting list of eligible homeowners and works from that list. The ordinance shows the revenues and expenditures for the project. The WPCOG agreement is for the administration of the grant.

Recommendation

Staff recommends the Board of Commissioners adopts the Assistance Policy and Procurement/Disbursement Policy, the WPCOG administration agreement, and the Project Budget Ordinance for the 2020 North Carolina Housing Finance Agency Urgent Repair Grant of $100,000.

ORDINANCE#_____

CATAWBA COUNTY'S PROJECT BUDGET ORDINANCE
FOR THE 2020 URGENT REPAIR GRANT

Be it ordained by the County Commissioners of the Catawba County that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby adopted.

Section 1. The project authorized is the North Carolina Housing Finance Agency Urgent Repair Grant described in the work statement contained in the Funding Agreement URP#2002 between this unit and the North Carolina Housing Finance Agency. This project is more familiarly known as the 2020 Catawba County Urgent Repair Program.

Section 2. The officers of this unit are hereby directed to proceed with the grant project within the terms of the grant document(s), the rules and regulations of the North Carolina Housing Finance Agency, and the budget contained herein.

Section 3. The following revenues are anticipated to be available to complete this project.

Revenues

North Carolina Housing Finance Agency-URP

NCHFA-URP Grants Revenue	$100,000

Section 4. The following amounts are appropriated for the project:

Expenditures

North Carolina Housing Finance Agency-URP

Rehabilitation-URP	$86,000	
WPCOG/Administration		$14,000
		$100,000

Section 5. The Finance Officer is hereby directed to maintain within the Grant Project Fund sufficient specific detailed accounting records to provide the accounting to the grantor agency required by the grant agreement(s) and federal and state regulations.

Section 6. Funds may be advanced from the General Fund for the purpose of making payments as due. Reimbursement requests should be made to the grantor agency in an orderly and timely manner.

Section 7. The Finance Officer is directed to report quarterly on the financial status of each project element in Section 4 and on the total grant revenues received or claimed.

Section 8. The Budget Officer is directed to include a detailed analysis of past and future costs and revenues on this grant project in every budget submission made to this Board.

Section 9. Copies of this grant project ordinance shall be made available to the Budget Officer and the Finance Officer for direction in carrying out this project.

Adopted this the 17th day of August, 2020.

_____
Chair

ATTEST:

_____
County Clerk

Catawba County
Assistance Policy
For the 2020 Cycle of the Urgent Repair Program

What is the Urgent Repair Program? Catawba County has been awarded $100,000 by the North Carolina Housing Finance Agency ("NCHFA") under the 2020 cycle of the Urgent Repair Program ("URP20"). This program will be used to provide urgent repair funds to sixteen (16) homes scattered throughout all of Catawba County, including all towns, cities and municipalities with the exception of the City of Hickory in the 2020-2022 fiscal year. This program provides funds to assist very-low and low- income households with special needs in addressing housing conditions which pose imminent threats to their life and/or safety or to provide accessibility modifications and other repairs necessary to prevent displacement of very-low and low- income homeowners with special needs such as frail elderly and persons with disabilities

This Assistance Policy describes who is eligible to apply for assistance under URP20 how applications for assistance will be rated and ranked, what the form of assistance is and how the repair/modification process will be managed. Catawba County has tried to design this URP20 project to be fair, open, and consistent with its approved application for funding and with NCHFA's URP Program Guidelines.

The funds provided by NCHFA come from the North Carolina Housing Trust Fund.

Eligibility To be eligible for assistance under URP20 applicants

1) must reside within the limits of Catawba County and own and occupy the home in need of repair
2) must have a household income which does not exceed 50% of each County's median income for the household size (see income limits below)
3) must have a household member who has a special need (i.e., elderly - at least 62 years old, military veteran, handicapped or disabled, a single parent with at least one dependent child living at home, a large family with ≥5 household members or a child under six in a house with lead hazards.
4) must have urgent repair needs, which can not be met through other state or federally- funded housing assistance programs

URP20 Income Limits for Catawba County

Number in Household	30% of Median (very-low income)	50% of Median (low income)
1	$14,700	$24,500
2	$16,800	$28,000
3	$18,900	$31,500
4	$21,000	$35,000
5	$22,700	$37,800
6	$24,350	$40,600
7	$26,050	$43,400
8	$27,700	$46,200

*Income limits are subject to change based on annually published HUD HOME Limits.

Advertisement of Urgent Repair Program Catawba County will either advertise or will publish an article in the local newspaper serving Catawba County (The Hickory Daily Record or The Observer News Enterprise). Catawba County has retained names of individuals who have in the past requested housing assistance through the Western Piedmont Council of Governments (WPCOG). WPCOG staff will send each of these individuals the Assistance Policy and an application for assistance when the program is advertised in the newspapers.

Selection of applicants
Income and property ownership will be verified, and eligibility requirements be determined.

The applicants from each county selected to receive assistance through the WPCOG Urgent Repair Program will be selected on a first-come, first-served basis within appropriate income categories. Under NCHFA Program Guidelines, a minimum of 50% of households assisted must have incomes which are less than 30% of the area median income for the household size (very low-income), and no household with an income exceeding 50% of the area median income (low-income) will be eligible. In the event of a life-threatening situation, a household could be served immediately.

Recipients of assistance under the URP20 will be chosen by the above criteria without regard to race, religion, sex, color, national origin, handicapping condition or family status of the owners or occupants.

The definitions of special needs' populations under URP20 are:

- *Elderly*: An individual aged 62 or older.
- *Disabled*: A person who has a physical, mental or developmental disability that greatly limits one or more major life activities, has a record of such impairment, or is regarded as having such an impairment. A person whose sole impairment is alcoholism or drug addiction shall not be considered handicapped or disabled under the URP20.
- *Large Family*: A large family household is composed of five or more individuals; at least four are immediate family members.
- *Head of Household:* The person or persons who own(s) the house.
- *Household Member*: Any individual who is an occupant (defined below) of the unit to be rehabilitated shall be considered a "household member" (the number of household members will be used to determine household size and all household members except full-time students are subject to income verification).
- *Occupant*: An occupant is defined as any immediate family member (mother, father, spouse, son/daughter of the head of the household, regardless of the time of occupancy); or non-immediate family member who has resided in the dwelling at least 3 months prior to the submission of the family's application.
- *Single-Parent Household:* A household in which one and only one adult resides with one or more dependent children.
- *Child with elevated blood lead level*: a child under six in a house with lead hazards.

- **Military veteran*: A person who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable. The term 'military' for the purposes of URP eligibility shall be defined as: Army, Navy, Air Force, Marine Corps, and Coast Guard; as a commissioned officer of the Public Health Service; or as a commissioned officer of the National Oceanic and Atmospheric Administration (NOAA) or its predecessors.

Client Referrals for Support Services From the beginning when a client/applicant calls in or walks in the office for assist, the Administrator screens and put the client/applicant on the current waiting list. At the present time, there are close to 125 names on the list just for Catawba County that are needing some type of housing repair work done. During that call or the face to face intake where they have been put on the waiting list, other options for housing and other non-housing needs will be discussed. The Administrator will discuss at length the various resources and programs that are available to the client/applicant. Printed materials about the available services will be given to the applicant. The client/applicant is given the other agencies name and phone numbers to contact and with the applicant's permission, the Administrator will contact the agency on behalf of the client to ensure that the needed services and assistance are available. A case management system will be in place that will provide for follow-up of these services. The Administrator will contact the agency to be certain that these services were provided to the applicant. Agencies in the referral network include the Department of Social Services (food stamps, fuel assistance, other assistance); Health Department (healthcare); Home Health Care Agencies (health care and housekeeping); County and Private Transportation Agencies; Senior Centers (socialization, resources); County Tax Offices (Homestead Act for reduced property tax); local crisis centers (food, clothing and emergency services); Congregate Nutrition Sites (meals, socialization, health promotion); Veterans Administration (benefits); Duke Power (reduced rates for SSI head of households); telephone services (discounts with initial hookup and on monthly bills); Independent Living (accessibility modifications for the handicapped); Blue Ridge Community Action (weatherization assistance); Legal Aid of NC; Foothills Service Project (housing and home improvements for older and disabled adults in Catawba County); and Hospice (respite care). Social Service has referred elderly and disabled clients needing urgent housing needs.

Once the client has turned in their application and income/ownership has been verified, an inspection is scheduled to see what housing needs are needed at that time. During that inspection, other non-housing needs are discussed again such as applying for county tax exemption; foods stamps; getting their Medicare supplement paid for; etc. The WPCOG for Catawba County receives on average of 5 calls a week for housing rehabilitation.

What is the form of assistance under URP20? Catawba County will provide assistance to homeowners, whose homes are selected for repair/modification, in the form of a **loan**. Homeowners will receive an **unsecured deferred, interest-free loan**, forgiven at a rate of $2,000 per year, until the principal balance is reduced to zero.

What is the amount of the loan? The amount of the loan will depend on the scope of work necessary to address the identified imminent threats to life and/or safety, and that will be determined by the WPCOG's Rehabilitation Specialist. There is no minimum to the amount of the loan; however the maximum life-time limit according to the guidelines of URP20 is $10,000.

What kinds of work will be done? Only repairs that address imminent threats to the life and/or safety of occupants of the dwelling unit or accessibility modifications will be performed under the Catawba County's URP. It should be noted that all deficiencies in a home may not be rectified with the available funds. The URP20 program does not obligate Catawba County or the North Carolina Housing Finance Agency to make the home confirm to any local, state, or federal housing quality standards.

**Roofs for double wide mobile homes will be considered on a case by case bases after inspected by Community Development Staff.

All work that is completed under URP20 must meet or exceed NC Residential Building Code.

Who will do the work on the homes? Catawba County is obligated under URP20 to ensure that quality work is done at reasonable prices and that all work is contracted through a fair, open and competitive process. To meet those very difficult requirements, the Catawba County will invite bids only from contractors who are part of an "approved contractors' registry".

To be on the registry, contractors must (1) fill out an application form, listing several references and recent jobs completed, (2) have North Carolina Renovation, Repair and Painting Firm Certification, (3) receive the "conditional approval" of Catawba County. Once a contractor who has been conditionally approved has successfully completed one job for the Catawba County, his or her status is upgraded to "regular approval", meaning that they will be allowed to bid on a regular rotation as long as they remain in good standing. (Homeowners who know of quality rehabilitation contractors that are not on Catawba County's Approved Contractors Registry are welcome to invite them to apply.)

A minimum of three approved contractors will be invited to bid on each job, and the lowest responsive and responsible bidder will be selected for the contract. "Responsive and responsible" means the contractor (1) is deemed able to complete the work in a timely fashion, and (2) that the bid is within 15% (in either direction) of the WPCOG's cost estimate.

In the case of a life threatening emergency, bids may be solicited by telephone or facsimile.

What are the steps in the process, from application to completion?

1. **Completing an Application form:** Apply by contacting Laurie Powell, Community Development Administrator, Western Piedmont Council of Governments at 828-485-4249. Proof of ownership and income will be required. Those who have applied for

housing assistance from Catawba County in the past will not automatically be reconsidered. A new application will need to be submitted.

2. **Screening of applicants:** Household income will be verified for program purposes only (information will be kept confidential). Ownership of property will be verified.

3. **Preliminary inspection:** The WPCOG's Rehabilitation Specialist's, Joel Herman and Rick Oxford, and a Program Administrator will visit the homes of potential loan recipients to determine the need and feasibility of repairs/modifications. The Eligibility Certificate will be completed at this time. All parts of the home must be made accessible for inspection, including the attic and crawlspace, if any. The owner should report any known problems such as electrical short circuits, blinking lights, roof leaks and the like. The owner will be provided detailed information on assistance, program repair/modification standards and the contracting procedures associated with the project.

4. **Applicant interviews:** Approved applicants will be provided detailed information on assistance, program repair/modification standards and the contracting procedures associated with their project at this informational interview. If staff determines the need for support services, those services will be explained at this time.

5. **Work write-up:** The Rehabilitation Specialist will prepare complete and detailed work specification (known as the "work write-up"). A final cost estimate will also be prepared by the Rehabilitation Specialist and held in confidence until bidding is completed.

6. **Bidding:** The work write-up and bid documents will be mailed to a minimum of three contractors on the Approved Contractors' Registry who will be given one week in which to inspect the property and prepare bid proposals. The names of the invited contractors will be supplied to the homeowner. Each will need access to those areas of the house, in which work is to be performed, in order to prepare a bid. A bid opening will be conducted at the WPCOG's Community Development Office at a specified date and time, with all bidders and the homeowner invited to attend.

7. **Contractor selection:** Within 24 hours of the bid opening, after review of bid breakdowns and timing factors, the winning bidder will be selected. All bidders and the homeowner will be notified of (1) the selection, (2) the amount, (3) the amount of the WPCOG's cost estimate, and (4) if other than the lowest bidder is selected, of the specific reasons for the selection.

8. **Execution of loan and contract:** A promissory note will be executed as well as the repair/modification contract. This contract will be between the contractor and the homeowner, with the WPCOG signing as an interested third party.

9. **Pre-construction conference:** A pre-construction conference will be held at the home. At this time, the homeowner, contractor and program representatives will discuss the details of the work to be done. Starting and ending dates will be agreed upon, along with any special arrangements such as weekend or evening work hours and disposition of items to be removed from the home (such as old plumbing, etc.).

Within 24 hours of the pre-construction conference, the WPCOG will issue a "proceed order" formally instructing the contractor to commence by the agreed-upon date.

10. **Construction:** The contractor will be responsible for obtaining any required building permits for the project before beginning work. The permit must be posted at the house during the entire period of construction. Program staff will closely monitor the contractor during the construction period to make sure that the work is being done according to the work write-up (which is made a part of the rehabilitation contract by reference) and in a timely fashion. Code Enforcement Officers will inspect new work for compliance with the State Building Code as required by the guidelines of URP17. The homeowner will be responsible for working with the contractor toward protecting personal property by clearing work areas as much as practicable.

11. **Change Orders:** All changes to the scope of work must be reduced to writing as a contract amendment ("change order") and approved by all parties to the contract: the owner, the contractor and two representatives (one from the WPCOG and one from Catawba County). If the changes require an adjustment in the loan amount, a loan modification stating these changes in the contract amount must be completed by Catawba County, and executed by the owner.

12. **Payments to contractor:** The contractor will be paid following inspection of and satisfactory completion of all items on the work write-up, as well as, the receipt, by Catawba County, of the contractor's invoice and a release of liens, signed by all any sub-contractors employed on the job and by all material suppliers from whom materials for the job were purchased.

13. **Post-construction conference:** Following construction the contractor and the Rehabilitation Specialist will sit down with the homeowner one last time. At this conference the contractor will hand over all owner's manuals and warranties on equipment. The contractor and Rehabilitation Specialist will go over operating and maintenance requirements for any new equipment installed and discuss general maintenance of the home with the homeowner. The homeowner will have the opportunity to ask any final questions about the work.

14. **Closeout:** Once each item outlined in section 13 has been satisfied and the homeowner has signed a Certificate of Satisfaction, the job will be closed out.

What are the key dates? If, after reading this document, you feel that you qualify for this program and wish to apply, please keep the following dates in mind:

- Applications available to the public starting fall of 2020.
- All work will be under contract by December 31, 2021.
- All rehabilitation work must be completed by January 31, 2022.

How do I request an application? Just contact:

Laurie Powell (828-485-4249)
Western Piedmont Council of Governments

P.O. Box 9026
Hickory, NC 28603
laurie.powell@wpcog.org

Is there a procedure for dealing with complaints, disputes and appeals? Although the application process and repair/modification guidelines are meant to be as fair as possible, Catawba County realizes that there is still a chance that some applicants or participants may feel that they are not treated fairly. The following procedures are designed to provide an avenue for resolution of complaints and appeals.

During the application process:

1. If an applicant feels that his/her application was not fairly reviewed or rated and would like to appeal the decision made about it, he/she should contact Laurie Powell within five days of the initial decision and voice his/her concern. If the applicant remains dissatisfied with the decision, the detailed complaint should be put into writing.
2. Any complaint and/or appeal must be submitted in writing to Catawba County Program Administrator at the following address:

   Program Administrator-Laurie Powell
   Catawba County Urgent Repair Program
   C/O Catawba County Planning and Recreation
   P.O. Box 389
   Newton, NC 28658
   Phone: (828)485-4249
   TDD Relay # 1-800-735-2962

3. A written appeal must be made within 10 business days of the initial decision on an application.
4. Catawba County will respond in writing to any complaints or appeals within 10 business days of receiving written comments.

During the repair/modification process:

1. If the homeowner feels that repairs or modifications are not being completed according to the contract, he/she must inform the contractor and the Rehabilitation Specialist.
2. The Rehabilitation Specialist will inspect the work in question. If he finds that the work is not being completed according to contract, the Rehabilitation Specialist will review the contract with the contractor and ask the contractor to remedy the problem.
3. If problems persist, a mediation conference between the homeowner and the contractor may be convened by the Rehabilitation Specialist and facilitated by the Catawba County.
4. Should the mediation conference fail to resolve the dispute, the Rehabilitation Specialist will render a written final decision.
5. If the Rehabilitation Specialist finds that the work is being completed according to contract, the complaint will be noted and the Rehabilitation Specialist and the homeowner will discuss the concern and the reason for the Rehabilitation Specialist's decision.

Will the personal information provided remain confidential? Yes. All information in applicant files will remain confidential. Access to the information will be provided only to the WPCOG employees and Catawba County employees who are directly involved in the program, the North Carolina Housing Finance Agency and auditors.

What about conflicts of interest? No officer, employee or other public official of the Catawba County, or member of the Commissioners Board, or entity contracting with the Catawba County who exercises any functions or responsibilities with respect to URP17 shall have any interest, direct or indirect, in any contract or subcontract for work to be performed with program funding, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter. Relatives of Catawba County employees, Commissioners Board Members and others closely identified with Catawba County or the WPCOG may be approved for rehabilitation assistance only upon public disclosure before the Catawba County Policy Board and written permission from NCHFA.

What about favoritism? All activities under URP20, including rating and ranking applications, inviting bids, selecting contractors and resolving complaints, will be conducted in a fair, open and non-discriminatory manner, entirely without regard to race, creed, sex, color or national origin.

Who can I contact about URP20? Any questions regarding any part of this application or program should be addressed to:

Laurie Powell (828-485-4249)
Western Piedmont Council of Governments
PO Box 9026
Hickory, NC 28603

Copies of all referenced materials contained in this Assistance Policy may be obtained from Catawba County, 100-A SW Blvd, PO Box 389, Newton, NC 28658.

These contacts will do their utmost to answer questions and inquiries in the most efficient and correct manner possible.

This Assistance Policy is adopted this 17th day of August, 2020.

_____ _____

Attest Chair, County Commissioners

CATAWBA COUNTY
URGENT REPAIR PROGRAM (URP 20)
PROCUREMENT AND DISBURSEMENT POLICY

PROCUREMENT POLICY

1. To the maximum extent practical, Catawba County promotes a fair, open and competitive procurement process as required under the North Carolina Housing Finance Agency's Urgent Repair Program (URP). Bids are invited from Contractors who are part of Catawba County's approved contractor registry. (To be on the registry, a contractor must complete an application, have their recent work inspected, reviewed and approved by the Rehabilitation Specialist and submit proof of insurance.) Any contractor listed with and approved by Catawba County and in good standing will receive automatic approval status on the contractor registry.

2. At least three eligible contractors on Catawba County's approved contractor registry shall be invited to bid on each job and the lowest responsive and responsible bidder shall be selected for the contract. "Responsive and responsible" means (a) the contractor is deemed able to complete the work in a timely fashion, (b) the bid is within 15%, in either direction, of the WPCOG's cost estimate, and (c) there is no conflict of interest (real or apparent).

3. Although bid packages may be bundled for multiple job sites, the bids for multiple job sites shall be considered separate and apart when awarded and shall be awarded to the lowest responsive and responsible bidder(s) for each job site.

4. Bid packages shall consist of an invitation to bid, work write up(s) and bid sheet(s) for each job.

5. Bids must include a cost-per-item breakdown with line item totals equaling the submitted bid price. Discrepancies must be reconciled prior to a contract being awarded.

6. Any change to the original scope of work must be reduced to writing in the form of a change order to be agreed upon and signed by all parties to the original contract and two representatives of Catawba County. The change order must also detail any changes to the original contract price.

7. No work may begin prior to a contract being awarded and a written order to proceed provided to the contractor. In addition, a pre-construction conference and "walk thru" shall be held at the work site prior to commencement of repair work.

8. Catawba County reserves the right to reject any or all bids at any time during the procurement process if there is a sound documented reason.

9. In the event of a true emergency situation, Catawba County reserves the right to waive normal procurement procedures in favor of more expedient methods, which may include seeking telephone quotes, faxed bids and the like. Should such methods ever become necessary the transaction will be fully documented.

10. All sealed bids will be opened publicly at a time and place to be announced in the bid invitation. All bidders are welcome to attend.

DISBURSEMENT POLICY

1. All repair work must be inspected by (a) the WPCOG's Housing Inspector, and (b) the homeowner prior to any payments to contractors. If all work is deemed satisfactory and all other factors and written agreements are in order, payment shall be issued upon presentation of an original invoice from the contractor. Contractor should allow 21 business days for processing of the invoice for payment.

2. If any of the work is deemed unsatisfactory, it must be corrected prior to authorization of payment. If the contractor fails to correct the work to the satisfaction of the WPCOG's Housing Inspector, payment may be withheld until such time the work is satisfactory. (Contractors may follow Catawba County's Urgent Repair Program Assistance Policy if a dispute occurs; however, contractors shall abide by the final decision as stated in the policy).

3. Catawba County assures, through this policy, that adequate funds shall be available to pay the contractor for satisfactory work.

4. All contractors, sub-contractors and suppliers must sign a lien waiver prior to disbursement of funds.

The Procurement and Disbursement Policies are adopted this the 17th day of August, 2020.

Catawba County

BY: _____
Chair, County Commissioners

ATTEST: _____
Clerk to the Commissioners

CONTRACTORS STATEMENT:

I have read and understand the attached Procurement and Disbursement Policy.

BY: _____

COMPANY NAME: _____

WITNESS: _____

AGREEMENT BETWEEN THE
WESTERN PIEDMONT COUNCIL OF GOVERNMENTS AND
CATAWBA COUNTY
FOR THE PROVISION OF
GRANT MANAGEMENT ASSISTANCE:
CATAWBA COUNTY URGENT REPAIR HOUSING PROJECT
SEPTEMBER 1, 2020–JANUARY 31, 2022

This AGREEMENT, entered into on this the 17th day of August, 2020 by and between the Western Piedmont Council of Governments (hereinafter referred to as the "Planning Agency") and Catawba County, North Carolina (hereinafter referred to as the "Local Government"); WITNESSETH THAT:

WHEREAS, the Planning Agency is empowered to provide technical assistance by the North Carolina General Statutes and by resolution passed by the Planning Agency on May 17, 1972. Technical assistance shall consist of the provision of services as described in Attachment A, which is herein made a part of this Contract;

WHEREAS, the Local Government has requested the Planning Agency to provide such technical assistance to the Local Government; and

WHEREAS, the Planning Agency desires to cooperate with the Local Government in every way possible to the end that the proposed activities are carried out in an efficient and professional manner;

NOW, THEREFORE, the parties hereto do mutually agree as follows:

1. **Personnel.** That during the period of this Contract, the Planning Agency will furnish the necessary trained personnel to the Local Government.

2. **Travel/Printing.** The Local Government will pay for expenses related to conferences, conventions, seminars, local travel, etc. of the personnel when the Local Government requests or approves travel related to the Local Government's planning program, or if it is beneficial to both parties, the costs will be shared on an agreed-upon ratio.

   The Local Government will also pay for expenses related to printing of report(s), mailings to advisory boards, and other costs not related to normal travel and staffing costs associated with personnel furnished by the Planning Agency.

3. **Compensation.**
   The Local Government will pay the Planning Agency an amount not to

exceed $14,000 (Fourteen Thousand dollars), or up to $1,000 (One thousand dollars) per housing unit assisted, whichever is less, for the satisfactory performance of all services related to administration of the project as defined in the attached Scope of Services. Planning Agency personnel will keep an accurate record of time spent, which will serve as the basis for the amount charged to the Local Government per month. The Local Government will reimburse the Planning Agency monthly at a rate per hour for each of the personnel involved, which includes the salary, fringe benefits, travel and indirect costs, plus travel and other approved expenses. All other costs associated with the administration of the CDBG grant will be expended from the grant administration allowance budgeted for the Local Government. It is expressly understood and agreed that total compensation shall not exceed the maximum sum specified without prior approval of both agencies.

4. **Termination/Modifications.** The Local Government may terminate this Contract by giving the Planning Agency a thirty-day written notice. Furthermore, if there is a need to amend the proposal outlined in Attachment A, either party may do so with the written approval of the other.

5. **Time of Performance.** The Planning Agency shall ensure that all services required herein shall be completed and all required reports, maps, and documents submitted during the period beginning September 1, 2020 and ending January 31, 2022.

6. **Interest of Members, Officers, or Employees of the Planning Agency, Members of the Local Government, or Other Public Officials.** No member, officer, or employee of the Planning Agency or its agents; no member of the governing body of the locality in which the program is situated; and no other public official of such locality or localities who exercise any functions or responsibilities with respect to the program during his tenure or for one year thereafter, shall have any financial interest, either direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the program assisted under this Agreement. Immediate family members of said members, officers, employees, and officials are similarly barred from having any financial interest in the program. The Planning Agency shall incorporate, or cause to be incorporated, in all such contracts or subcontracts, a provision prohibiting such interest pursuant to the purpose of this section.
7. **Nondiscrimination Clause.** No person in the United States shall on the grounds of race, color, national origin, or sex be excluded from

participation in, be denied the benefits of, or be subjected to discrimination with any program or activity funded in whole or in part with funds available under the Housing and Community Development Act of 1974, Section 109.

8. **Age Discrimination Act of 1975, as amended.** No qualified person shall on the basis of age be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity which receives or benefits from federal financial assistance.

9. **Section 504, Rehabilitation Act of 1973, as amended.** No qualified disabled person shall, on the basis of handicap be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity which receives or benefits from federal financial assistance.

10. **Access to Records and Record Retainage.** All official project records and documents must be maintained during the operation of this project and for a period of three years following closeout, in compliance with 15 NCAC 13L Rule .0911, Recordkeeping. The North Carolina Housing Finance Agency, US Department of Housing and Urban Development, the Comptroller General of the United States, or any of their duly authorized representatives shall have access to any books, documents, papers, and records of the Planning Agency which are pertinent to the execution of this Agreement, for the purpose of making audits, examinations, excerpts, and transcriptions in compliance with 15 NCAC 13L Rule .0911, Recordkeeping.

11. **Liquidated Damages Clause.** If the project fails to be carried out within the time frame outlined in the administrative proposal due to activities attributed to the Planning Agency, the Local Government may assess the Planning Agency a sum in the amount of $100 per week for any subsequent weeks until completion.

12. **Termination of Agreement for Cause.** If, through any cause, the Planning Agency shall fail to fulfill in a timely and proper manner its obligations under this Agreement, or violate any of the covenants, conditions, or stipulations of this Agreement, the Local Government shall thereupon have the right to terminate this Agreement by giving written notice of such termination and specifying the effective date thereof. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports prepared under this

Agreement shall, at the option of the Local Government, becomes its property, and the Planning Agency shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials in direct proportion to the extent of services actually completed.

13. **Grantee Assurances.** In the performance of this Agreement, the Planning Agency shall comply with all applicable federal rules and procedures outlined on the attached pages as E.O. 11246 Clause, the Section 3 Clause, Lobbying Clause and Iran Divestment Act Certification (Attachments B,C, D and E).

IN WITNESS WHEREOF, the Planning Agency and the Local Government have executed this Agreement as of the date first above written.

LOCAL GOVERNMENT:	PLANNING AGENCY:
CATAWBA COUNTY	WESTERN PIEDMONT COUNCIL OF GOV'TS.
By:_____	By:_____
County Manager	Executive Director
LOCAL GOVERNMENT:	PLANNING AGENCY:
By:_____	By:_____
Chair	Chairman

Preaudit statement:

This instrument has been preaudited in the manner prescribed by the Local Government Budget and Fiscal Control Act.

By:_____
Local Government Finance Officer

CATAWBA COUNTY
GRANTS MANAGEMENT ASSISTANCE
WORK PROGRAM/BUDGET
SEPTEMBER 1, 2020– JANUARY 31, 2022

ATTACHMENT A
SCOPE OF SERVICES

The following work program and budget are presented as descriptive of the work and dollar amounts requested in the Agreement concerning planning activities by the Western Piedmont Council of Governments for Catawba County.

Laurie Powell and Joel Herman, CD Administrators, will be responsible for administering this project.

Work Program

Professional services necessary to administer all aspects of the project will include but not be limited to the following:

Laurie Powell will serve as Project Administrator and will be responsible for general grant administration. Quarterly status reports will be prepared and submitted to the Catawba County Board of Commissioners highlighting accomplishments and expenditures for the period. Working with the Catawba County Community Development staff, the Administrator will be responsible for public notification of grant funding, applicant intake and assistance eligibility. Other duties of the Administrator will include, but not be limited to the following:

- Preparation of required program policies, plans and procedures to govern the project and maintenance of same.
- Program financial management including processing invoices and payment for services related to the program and requisitions for payment from NCHFA.
- Applicant notifications and income, ownership verification, and notice of eligibility.
- Scheduling housing inspections with the Homeowner and Project Inspector, Mr. Hollar.
- Coordination with Program Selection Committee.
- Preparation of program documents, i.e.; Work Contract, Contractor's Release of Liens, Grant Agreement, Final Inspection Form and Owner Certificate of Satisfaction for a minimum of Twelve (12) homes.
- Preside at pre-construction conferences.
- Resolve disputes between homeowners and contractors, etc.
- Be present at all monitoring visits by NCHFA personnel.

Duties of the Project Inspector, Joel Herman will include, but not be limited to the following:

- Initial, bi-weekly and final housing inspections.
- Preparation of work write-up, bid packets, cost estimates and bid openings.
- Be present at all pre-construction conferences.
- Monitor compliance with URP Program Rehabilitation Standards and all applicable local and state building codes.
- Serve as Lead Based Paint Inspector and follow all program requirements as related to same.
- Verification of Contractor eligibility.
- Initiate contractor payments and approve change orders as needed.

Catawba County will be responsible for the following:

- Adequate office space including utilities.
- Direct payment of URP funds for legal and audit services and general administrative costs.
- All administrative costs not specifically identified as WPCOG responsibilities.

Time of Performance

The WPCOG will complete all activities involved in administration of this project in a 18-month period beginning September 1, 2020 and ending January 31, 2022.

Budget

The WPCOG will provide these administrative and construction services for a fee not to exceed $12,000. The budget is broken down as follows:

Salaries	$6,504
Fringe Benefits	3,382
Travel	901
Indirect	3,213
Total	$ 14,000

Assurances

Assurances are attached as a part of the Agreement.

Amendments

This scope of services and budget may be amended as desired by mutual

consent of the Local Government and Planning Agency.

ASSURANCES OF COMPLIANCE

ATTACHMENT B

Executive Order 11246

During the performance of this Contract, the contractor agrees as follows:

1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, age, or national origin. Such action shall include, but not be limited to the following: recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, age, or national origin.

3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, notice advising the labor union or workers' representative of the contractor's commitments under section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

4) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.

5) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of

investigation to ascertain compliance with such rules, regulations, and orders.

6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies involved as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

7) The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event the contractor becomes involved in, or threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

ATTACHMENT C

Section 3 Clause

"Section 3" Compliance in the Provision of Training, Employment, and Business Opportunities

a. The work to be performed under this contract is on a project assisted under a program providing direct federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 170lu. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the area of the project.

b. The parties to this contract will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.

c. The contractor will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers representative of his commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment and training.

d. The contractor will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR Part 135. The contractor will not subcontract with any subcontractor where it has notice of knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

e. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of the Department issued hereunder prior to the execution of the contract, shall be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors and assigns. Failure to fulfill these requirements shall subject the applicant or recipient, its contractors and subcontractors, its successors or assigns to those sanctions specified by the grant or loan agreement of contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

ATTACHMENT D

Lobbying Clause

No Federal appropriated funds have been paid or will be paid, by or on behalf of the Planning Agency or the Local Government, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative, agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

If any funds other than Federal appropriated funds have been paid or will be paid any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the Planning Agency and/or the Local Government shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

ATTACHMENT E

IRAN DIVESTMENT ACT CERTIFICATION REQUIRED BY N.C.G.S. 143C-6A-5(a)

Western Piedmont Council of Governments

As of the date listed below, the Western Piedmont Council of Governments (WPCOG) warrants and certifies that it is not identified on the Final Divestment List created by the North Carolina State Treasurer pursuant to N.C.G.S. 143-6A-4 and found at www.nctreasurer .com/Iran. The person signing this certification certifies that he or she is authorized by the WPCOG to make the foregoing certification. The WPCOG further agrees that it will not utilize any subcontractor that is identified on the Final Divestment List in connection with any contract or bid with Catawba County.

_____

Signature Date

Anthony Starr Executive Director

Printed Name Title

MEMORANDUM

TO: Catawba County Board of Commissioners

FROM: Mick Berry, County Manager

DATE: August 17, 2020

SUBJECT: Financing agreement for the Catawba County School District

Requested:
The Board of Commissioners is requested to approve a resolution authorizing the installment financing contract with Truist Bank and JP Morgan Chase of up to $31,300,000 and related documents for various constructions projects at Catawba County School District and the advance forward refunding of debt.

Background:
The Catawba County School District has various capital needs that require financing. Those projects include: renovating, equipping and furnishing Banoak Elementary as well as St. Stephens high school. The total amount authorized for these projects is $19,208,000 with $18,500,000 being financed. The financing costs are estimated at $300,000. The County also has the opportunity to refinance prior financing obligations of up to $12,500,000 that would result in a Net Present Value Savings on the Series 2011 bonds of over $1,000,000 of refunded bonds.

The County hired First Tyron Advisors for their financial advisor for this transaction and issued a RFP for financing proposals. After negotiations, the County received the best offer for the new financing from Truist Bank that provided a fixed interest rate of 1.76% over 15 years. For the advance forward refunding, JP Morgan Chase was the best offer at 1.4% (final rate will be established at closing) over the remaining six years of the bonds.

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. At the Board of Commissioners meeting on August 3rd, a public hearing for comment on this installment financing contract and related documents was held. The notice for public hearing will be advertised at least ten days in advance of that meeting, per state law. If approved by the Board of Commissioners, the LGC will consider this financing at their September 1st meeting in Raleigh. We will then have the closing with Truist Bank and JP Morgan Chase on September 10th.

Recommendation:
Staff recommends the Board of Commissioners adopts the resolution to approve the installment financing agreement with Truist Bank and JP Morgan Chase plus the related documents in connection with the construction projects for Catawba County School District and the advance forward refunding of debt.

RESOLUTION 20-___

A RESOLUTION OF THE COUNTY OF CATAWBA, NORTH CAROLINA, APPROVING AN INSTALLMENT FINANCING CONTRACT AND DELIVERY THEREOF AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS

WHEREAS, the County of Catawba, North Carolina (the *"County"*) is a political subdivision validly existing as such under and by virtue of the constitution, statutes and laws of the State of North Carolina (the *"State"*);

WHEREAS, the County has the power, pursuant to the General Statutes of North Carolina to (1) enter into installment contracts in order to purchase, or finance or refinance the purchase of, real or personal property and to finance or refinance the construction or repair of fixtures or improvements on real property and (2) create a security interest in some or all of the property financed or refinanced to secure repayment of the purchase price;

WHEREAS, the Board of Commissioners of the County (the *"Board"*) has determined that it is in the best interest of the County to receive an advance of funds in an aggregate principal amount of not more than $18,800,000 by entering into an installment financing contract (the *"Contract"*) with Truist Bank (the *"Lender"*) in order to finance the renovation and improvement to Banoak Elementary School and St. Stephens High School (collectively, the *"Projects"*), and (2) pay the costs related to execution and delivery of the Contract;

WHEREAS, the obligation of the County to make Installment Payments under the Contract is a limited obligation of the County payable solely from currently budgeted appropriations of the County and does not constitute a pledge of the faith and credit of the County within the meaning of any constitutional debt limitation;

WHEREAS, in order to provide security for the County's obligations under the Contract, the County will grant to the Lender a security interest under a deed of trust, security agreement and fixture filing (the *"Deed of Trust"*) in the County's fee simple interest in Banoak Elementary School, together all improvements and fixtures located thereon (collectively, the "*Mortgaged Property*");

WHEREAS, a public hearing on the Contract and the financing of the Projects after publication of a notice with respect to such public hearing must be held and the Board conducted such public hearing at its August 3, 2020 meeting;

WHEREAS, there has been made available to the Board the form of the Contract and the Deed of Trust which the County proposes to approve, enter into and deliver, as applicable, to effectuate the proposed financing; and

WHEREAS, it appears that each of the Contract and the Deed of Trust (collectively, the "*Instruments*") is in appropriate form and is an appropriate instrument for the purposes intended;

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

Section 1. ***Approval, Authorization and Execution of Instruments.*** The County hereby approves the financing of the Projects in accordance with the terms of the Instruments, which will be

valid, legal and binding obligations of the County in accordance with their respective terms. The County hereby approves the amount to be advanced by the Lender to the County pursuant to the Contract in an aggregate principal amount not to exceed $18,800,000 at an interest rate of 1.76% per annum, such amount to be repaid by the County to the Lender as provided in the Contract. The form, terms and content of the Instruments are in all respects authorized, approved and confirmed, and each of the Chairman of the Board, the County Manager, the Assistant County Manager/CFO and the Clerk to the Board of Commissioners or their respective designees (the *"Authorized Officers"*) are authorized, empowered and directed to execute and deliver the Instruments for and on behalf of the County, including necessary counterparts, in substantially the forms 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 their approval of any and all such changes, modifications, additions or deletions, and that from and after the execution and delivery of the Instruments, each of the Authorized Officers 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 Instruments as executed.

Section 2. ***Further Actions.*** Each of the Authorized Officers are hereby designated as the County's representatives to act on behalf of the County in connection with the transactions contemplated by the Instruments, and each of the Authorized Officers are authorized and directed to proceed with the financing of the Projects in accordance with the terms of the Instruments and to seek opinions on matters of law from the County Attorney, which the County Attorney is authorized to furnish on behalf of the County, and opinions of law from such other attorneys for all documents contemplated hereby as required by law. Each of the Authorized Officers are hereby authorized to designate one or more employees of the County to take all actions which each of the Authorized Officers are authorized to perform under this Resolution, and each of the Authorized Officers, including their designees, are in all respects authorized on behalf of the County to supply all information pertaining to the transactions contemplated by the Instruments. Each of the Authorized Officers are authorized to execute and deliver for and on behalf of the County any and all additional certificates, documents, opinions or other papers and perform all other acts as may be required by the Instruments or as they may deem necessary or appropriate in order to implement and carry out the intent and purposes of this Resolution. Any and all acts of the Authorized Officers may be done individually or collectively.

Section 3. ***Related Actions***. All acts and doings of officers, employees and agents of the County, whether taken prior to, on, or after the date of this Resolution, that are in conformity with and in furtherance of the purposes and intents of this Resolution as described above shall be, and the same hereby are, in all respects ratified, approved and confirmed.

Section 4. ***Repealer.*** All motions, orders, resolutions, ordinances and parts thereof, in conflict herewith are hereby repealed.

Section 5. ***Severability.*** If any section, phrase or provision of this Resolution is for any reason declared to be invalid, such declaration will not affect the validity of the remainder of the sections, phrases or provisions of this Resolution.

Section 6. ***Effective Date***. This Resolution is effective on the date of its adoption.

Read, approved and adopted this 17th day of August, 2020.

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

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 "**A RESOLUTION OF THE COUNTY OF CATAWBA, NORTH CAROLINA, APPROVING AN INSTALLMENT FINANCING CONTRACT AND DELIVERY THEREOF AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS**" adopted by the Board of Commissioners of the County of Catawba, North Carolina, at a meeting held on the 17th day of August, 2020.

WITNESS my hand and the corporate seal of the County of Catawba, North Carolina, this the ____ day of August, 2020.

[Seal]

_____
BARBARA E. MORRIS
Clerk to the Board of Commissioners
County of Catawba, North Carolina

RESOLUTION 20-___

A RESOLUTION OF THE COUNTY OF CATAWBA, NORTH CAROLINA, APPROVING A REFUNDING INSTALLMENT FINANCING CONTRACT AND DELIVERY THEREOF AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS

WHEREAS, the County of Catawba, North Carolina (the *"County"*) is a political subdivision validly existing as such under and by virtue of the constitution, statutes and laws of the State of North Carolina (the *"State"*);

WHEREAS, the County has the power, pursuant to the General Statutes of North Carolina to (1) enter into installment contracts in order to purchase, or finance or refinance the purchase of, real or personal property and to finance or refinance the construction or repair of fixtures or improvements on real property and (2) create a security interest in some or all of the property financed or refinanced to secure repayment of the purchase price;

WHEREAS, the County has previously executed and delivered an Installment Financing Contract dated as of November 1, 2011 (the *"2011 Contract"*), between the Catawba County Public Facilities Financing Corporation (the *"Corporation"*) and the County, the proceeds of which were used to refinance prior installment financings that financed the costs of (a) the construction and equipping of a new high school for Catawba County Schools and a new middle school for Hickory City Schools and the equipping of a learning resource center at Catawba Valley Community College, (b) improvements to Bunker Hill High School, (c) the construction and equipping of various wastewater system improvements, including sewer mains and lines, pump stations, and a utility bridge, and (d) the construction and equipping of, or improvements to, certain public school facilities, including Snow Creek Elementary School and Bandys High School, and certain facilities at Catawba Valley Community College (collectively, the *"Projects"*);

WHEREAS, under an Indenture of Trust dated as of November 1, 2011 (the *"Indenture"*) between the Corporation and U.S. Bank National Association, as trustee (the *"Trustee"*), the Corporation executed and delivered $48,115,000 Limited Obligation Bonds (County of Catawba, North Carolina), Series 2011 (the *"2011 Bonds"*) evidencing proportionate undivided interests in rights to receive certain revenues pursuant to the 2011 Contract, to assist the County in refinancing the Projects;

WHEREAS, the County staff has reported to the Board of Commissioners (the *"Board of Commissioners"*) that the County will be able to achieve debt service savings by refinancing the County's installment payment obligations under 2011 Contract by refunding the 2011 Bonds;

WHEREAS, the Board of Commissioners has determined that it is in the best interest of the County to receive an advance of funds in an aggregate principal amount of not more than $12,500,000 by entering into an installment financing contract (the *"Contract"*) with JPMorgan Chase Bank, N.A. (the *"Lender"*) in order to refinance the Projects by refunding the 2011 Bonds on October 1, 2021, which is the first date on which the 2011 Bonds can be prepaid and redeemed;

WHEREAS, the obligation of the County to make Installment Payments under the Contract is a limited obligation of the County payable solely from currently budgeted appropriations of the County and does not constitute a pledge of the faith and credit of the County within the meaning of any constitutional debt limitation;

WHEREAS, in order to provide security for the County's obligations under the Contract, the County will grant to the Lender a security interest under a deed of trust, security agreement and fixture filing (the *"Deed of Trust"*) in the County's fee simple interest in Bunker Hill High School, together all improvements and fixtures located thereon (collectively, the "*Mortgaged Property*");

WHEREAS, the Board of Commissioners has determined to achieve the refinancing of the Projects by refunding the 2011 Bonds on a forward delivery basis and will enter into a forward delivery agreement with the Lender (the *"Forward Delivery Agreement"*) for the execution and delivery of the Contract, the Deed of Trust and the related documents on October 1, 2021;

WHEREAS, the Forward Delivery Agreement will provide that if the County is unable or unwilling to enter into the Contract and otherwise comply with the terms of the Forward Delivery Agreement, that the County may owe a termination payment to the Lender;

WHEREAS, a public hearing on the Contract and the refinancing of the Projects after publication of a notice with respect to such public hearing must be held and the Board conducted such public hearing at its August 3, 2020 meeting;

WHEREAS, there has been made available to the Board the form of the Contract, the Deed of Trust and the Forward Delivery Agreement which the County proposes to approve, enter into and deliver, as applicable, to effectuate the proposed financing; and

WHEREAS, it appears that each of the Contract, the Deed of Trust and the Forward Delivery Agreement (collectively, the "*Instruments*") is in appropriate form and is an appropriate instrument for the purposes intended;

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

Section 1. ***Approval, Authorization and Execution of Instruments.*** The County hereby approves the refinancing of the Projects in accordance with the terms of the Instruments, which will be valid, legal and binding obligations of the County in accordance with their respective terms. The County hereby approves the amount to be advanced by the Lender to the County pursuant to the Contract and the Forward Delivery Agreement in an aggregate principal amount not to exceed $12,500,000 at an indicative interest rate of 1.40% per annum, such amount to be repaid by the County to the Lender as provided in the Contract; provided, however, the actual interest rate will be set upon execution of the Forward Delivery Agreement, and such rate shall not exceed 2.50%, which will result in the County achieving at least 5% net present value savings of the 2011 Bonds. The form, terms and content of the Instruments are in all respects authorized, approved and confirmed, and each of the Chairman of the Board, the County Manager, the Assistant County Manager/CFO and the Clerk to the Board of Commissioners or their respective designees (the *"Authorized Officers"*) are authorized, empowered and directed to execute and deliver the Instruments for and on behalf of the County, including necessary counterparts, in substantially the forms 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 their approval of any and all such changes, modifications, additions or deletions, and that from and after the execution and delivery of the Instruments, each of the Authorized Officers 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 Instruments as executed. The Contract, the Deed of Trust and any related documents will be executed and delivered at the time and place as set forth in the Forward Delivery Agreement.

Section 2. ***Further Actions.*** Each of the Authorized Officers are hereby designated as the County's representatives to act on behalf of the County in connection with the transactions contemplated by the Instruments, and each of the Authorized Officers are authorized and directed to proceed with the financing of the Projects in accordance with the terms of the Instruments and to seek opinions on matters of law from the County Attorney, which the County Attorney is authorized to furnish on behalf of the County, and opinions of law from such other attorneys for all documents contemplated hereby as required by law. Each of the Authorized Officers are hereby authorized to designate one or more employees of the County to take all actions which each of the Authorized Officers are authorized to perform under this Resolution, and each of the Authorized Officers, including their designees, are in all respects authorized on behalf of the County to supply all information pertaining to the transactions contemplated by the Instruments. Each of the Authorized Officers are authorized to execute and deliver for and on behalf of the County any and all additional certificates, documents, opinions or other papers and perform all other acts as may be required by the Instruments or as they may deem necessary or appropriate in order to implement and carry out the intent and purposes of this Resolution. Any and all acts of the Authorized Officers may be done individually or collectively.

Section 3. ***Related Actions***. All acts and doings of officers, employees and agents of the County, whether taken prior to, on, or after the date of this Resolution, that are in conformity with and in furtherance of the purposes and intents of this Resolution as described above shall be, and the same hereby are, in all respects ratified, approved and confirmed.

Section 4. ***Repealer.*** All motions, orders, resolutions, ordinances and parts thereof, in conflict herewith are hereby repealed.

Section 5. ***Severability.*** If any section, phrase or provision of this Resolution is for any reason declared to be invalid, such declaration will not affect the validity of the remainder of the sections, phrases or provisions of this Resolution.

Section 6. ***Effective Date***. This Resolution is effective on the date of its adoption.

Read, approved and adopted this 17th day of August, 2020.

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

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 "**A RESOLUTION OF THE COUNTY OF CATAWBA, NORTH CAROLINA, APPROVING A REFUNDING INSTALLMENT FINANCING CONTRACT AND DELIVERY THEREOF AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS**" adopted by the Board of Commissioners of the County of Catawba, North Carolina, at a meeting held on the 17th day of August, 2020.

WITNESS my hand and the corporate seal of the County of Catawba, North Carolina, this the ____ day of August, 2020.

[Seal]

_____
BARBARA E. MORRIS
Clerk to the Board of Commissioners
County of Catawba, North Carolina

INSTALLMENT FINANCING CONTRACT

BETWEEN

TRUIST BANK

AND

COUNTY OF CATAWBA, NORTH CAROLINA

DATED AS OF
SEPTEMBER 9, 2020

INSTALLMENT FINANCING CONTRACT

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and is not part of the Installment Financing Contract.)

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PAYMENT SCHEDULE PS-1

INSTALLMENT FINANCING CONTRACT

THIS INSTALLMENT FINANCING CONTRACT, dated as of September 9, 2020 (this "*Contract*"), is between **TRUIST BANK**, a state banking corporation (the "*Bank*"), and its successors and assigns, and the **COUNTY OF CATAWBA, NORTH CAROLINA** (the "*County*"), a political subdivision of the State of North Carolina (the "*State*"), validly existing under and by virtue of the Constitution, statutes and laws of the State.

PREAMBLES

WHEREAS, the County has the power, pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended, to (1) purchase real and personal property, (2) enter into installment financing contracts in order to finance the purchase of real and personal property used, or to be used, for public purposes, and (3) finance the construction of fixtures or improvements on real property by contracts that create in the fixtures or improvements and in the real property on which such fixtures or improvements are located a security interest to secure repayment of money advanced or made available for such construction;

WHEREAS, the Board of Commissioners of the County (the "*Board*") has determined that it is in the County's best interests to receive an advance of funds in an aggregate principal amount of $[Amount] (the "*Advance*") under this Contract in order to finance a portion of the costs of the Project (as defined below), in exchange for which the County will make Installment Payments and Additional Payments (as each term is defined below) on the terms set forth below;

WHEREAS, the Board has authorized, approved and directed the County's execution, performance and delivery of this Contract by a resolution passed and adopted by the Board on August 17, 2020 (the "*Resolution*");

WHEREAS, the Bank's execution, delivery and performance of this Contract have been authorized, approved and directed by all necessary and appropriate action of the Bank;

WHEREAS, the County's obligation to make the Installment Payments and Additional Payments constitutes a limited obligation of the County, payable solely from currently budgeted appropriations of the County; does not constitute a general obligation or other indebtedness of the County within the meaning of the Constitution of the State; and does not constitute a direct or indirect pledge of the faith and credit or taxing power of the County within the meaning of the Constitution of the State;

WHEREAS, in order to secure the County's obligations under this Contract, the County has executed and delivered a Deed of Trust, Security Agreement and Fixture Filing dated as of September 9, 2020 (the "*Deed of Trust*") to the deed of trust trustee named therein for the benefit of the Bank, creating a lien on all of the County's right, title and interest in the real property on which the Project is located and all improvements thereon (the "*Mortgaged Property*"); and

WHEREAS, no deficiency judgment may be rendered against the County in any action for breach of a contractual obligation under this 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 money due under this Contract;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants in this Contract contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. The following terms have the meanings specified below unless the context clearly requires otherwise:

"*Additional Payments*" means the reasonable and customary expenses and fees of the Bank, any expenses of the Bank in defending an action or proceeding in connection with this Contract and any taxes or any other expenses, including, but not limited to, licenses, permits, state and local income, sales and use or ownership taxes or property taxes which the Bank is expressly required to pay as a result of this Contract (together with interest that may accrue thereon in the event that the County shall fail to pay the same, as set forth in this Contract).

"*Advance*" means the original aggregate principal amount equal to $[Amount] advanced by the Bank for the purposes provided in this Contract, as such amount advanced may be adjusted by amendment to this Contract.

"*Bank*" means Truist Bank, a state banking corporation, and its successors and assigns.

"*Bank Representative*" means any person or persons at the time designated to act on behalf of the Bank for purposes of performing any act on behalf of the Bank under this Contract by a written certificate furnished to the County containing the specimen signatures of such person or persons and signed on behalf of the Bank by any vice president.

"*Board*" means the duly elected governing Board of Commissioners of the County, or any successor to its functions.

"*Business Day*" means a day other than a Saturday or Sunday on which the Bank, at its principal corporate offices, is not required or authorized by law to remain closed.

"*Closing Date*" means September 9, 2020.

"*Code*" means the Internal Revenue Code of 1986, as amended, including regulations promulgated thereunder.

"*Completion Date*" means the date on which completion of the Project has occurred, as evidenced by a certificate provided for in Section 5.3.

"*Construction Contracts*" means the contracts between the School System and contractors selected and hired by the County relating to the construction of the Project.

"*Costs of Construction*" are deemed to include the payment of, or the reimbursement to the County for the following items:

(1) obligations incurred or assumed for the Project in connection with the Project;

(2) the cost of the Project; including, without limitation, the Bank's fees and expenses incurred in connection with the delivery of the Advance to the County, fees and expenses of the LGC, if any, legal fees and expenses, taxes, inspection costs, the cost of permit fees, filing and recording costs and survey expenses in connection with the granting of any lien on, or security interest in, the Mortgaged Property;

(3) all other costs which are considered to be a part of the costs of the Project in accordance with generally accepted accounting principles payable by the County under this Contract, including sums required to reimburse the County for advances made by the County that are properly chargeable to the Project; and

(4) payment or prepayment of the principal components of the Installment Payments from any funds remaining in the Project Fund after the Completion Date.

"*County*" means the County of Catawba, North Carolina, a political subdivision of the State, validly existing under and by virtue of the Constitution, statutes and laws of the State, and any successor to its functions.

"*County Representative*" means (1) the person or persons at the time designated to act on behalf of the County for the purpose of performing any act under this Contract by a written certificate furnished to the Bank containing the specimen signatures of such person or persons and signed on behalf of the County by the County Manager or the Assistant County Manager/CFO of the County, or (2) if any or all of the County's rights and obligations are assigned under this Contract, the person or persons at the time designated to act on behalf of the County and the assignee by a written certificate similarly furnished and of the same tenor.

"*Deed of Trust*" means the Deed of Trust, Security Agreement and Fixture Filing dated as of September 9, 2020 from the County to the deed of trust trustee named therein, for the benefit of the Bank and its successor and assignees, creating a lien in and to the Mortgaged Property, and as the same may be amended and supplemented from time to time as provided in the Deed of Trust, all of the terms, definitions, conditions and covenants of which are incorporated herein by reference and are made a part of this Contract as if fully set forth herein.

"*Deed of Trust Trustee*" means BB&T Collateral Service Corporation, as the trustee named in the Deed of Trust, and any successor trustee thereto.

"*Event of Default*" means any of the events of default as defined in Section 13.1.

"*Fiscal Year*" means a twelve-month period commencing on July 1 of any year and ending on June 30 of the immediately succeeding year, or such other twelve-month period which may subsequently be adopted as the Fiscal Year of the County.

"*Installment Payment Date*" means each date that an Installment Payment is due and payable to the Bank in accordance with the terms of this Contract.

"*Installment Payments*" means, collectively, the payments made by the County to the Bank as described in Article III and in the Payment Schedule attached hereto.

"*Interest Rate*" means 1.760% per annum, calculated on the basis of a 360 day year consisting of twelve-30 day months.

"*LGC*" means the Local Government Commission of North Carolina or any successor to its functions.

"*Mortgaged Property*" means, the real property located within the County on which Banoak Elementary School is located, and all improvements thereon, as more particularly described in Exhibit A to the Deed of Trust, as the same may be amended and supplemented from time to time so as to add real property thereto or to release real property therefrom.

"*Net Proceeds*" when used with respect to any proceeds from policies of insurance or construction bonds required under this Contract, proceeds of any condemnation award arising out of the condemnation of all or any portion of the Mortgaged Property, or the proceeds from any sale or lease of the Mortgaged Property pursuant to this Contract, the Deed of Trust or otherwise, means the amount remaining after deducting from the gross proceeds thereof all expenses (including, without limitation, attorneys' fees and costs) incurred in the collection of such proceeds.

"*Payment Schedule*" means the document setting forth the County's Installment Payments which is attached hereto and incorporated herein by reference.

"*Plans and Specifications*" means the plans and specifications, if any, to be prepared by an architect approved by the County relating to the construction, improving, equipping and furnishing of the Project.

"*Project*" means a portion of the costs of renovation and improvement of Banoak Elementary School and St. Stephens High School operated by the School System.

"*Project Fund*" means the fund of that name created pursuant to the Project Fund Agreement into which the Bank shall deposit the Advance.

"Project Fund Agreement" means the Project Fund Agreement dated as of September 9, 2020 between the County and the Bank.

"*Revenues*" means all revenues derived from this Contract, including all Installment Payments and all Net Proceeds not applied to the replacement of the Mortgaged Property.

"School Lease" means Lease Agreement dated as of September 9, 2020 between the County and the Catawba County Board of Education related to the Mortgaged Property.

"School System" means the Catawba County School System.

"*State*" means the State of North Carolina.

[END OF ARTICLE I]

ARTICLE II

THE ADVANCE

Section 2.1 ***Advance***. The Bank hereby makes an advance to the County of the Advance, and the County hereby accepts from the Bank the Advance to be applied in accordance with the terms and conditions of this Contract. The County will use the proceeds of the Advance (1) to complete the Project in accordance with the Plans and Specifications, if any, and (2) to pay certain costs incurred in connection with the execution and delivery of this Contract.

[END OF ARTICLE II]

ARTICLE III

INSTALLMENT PAYMENTS; ADDITIONAL PAYMENTS

Section 3.1 Amounts and Times of Installment Payments and Additional Payments.

(a) Subject to the provisions of Article XV, the County shall repay the Advance in Installment Payments consisting of an interest component and a principal component, as applicable, on each Installment Payment Date in the amounts set forth in this Contract and the Payment Schedule attached to this Contract. The County hereby approves the Advance by the Bank to the County pursuant to this Contract in the amount of $[Amount] to be repaid by the County in Installment Payments at an interest rate per annum equal to the Interest Rate.

(b) The County shall pay each Installment Payment in the amounts and at the times set forth in the attached Payment Schedule, except as otherwise provided in this Contract. If an Installment Payment is due on any day which is not a Business Day, such Installment Payment is due on the next succeeding Business Day and the County shall make such Installment Payment on such Business Day with no additional interest due thereon. Installment Payments will be sufficient in the aggregate to repay the principal amount of the Advance, together with interest thereon, as the same become due and payable. The County shall pay any Additional Payments on a timely basis directly to the person or entity to which such Additional Payments are owed. All payments must be made in lawful currency of the United States.

Section 3.2 Place of Payments. All payments required to be made to the Bank hereunder shall be made to the Bank (1) at the address set forth in Section 16.1 in immediately available funds, (2) as wire transfers to the Bank on the payable date as directed by the Bank or (3) as may be otherwise directed in writing by the Bank.

Section 3.3 Late Charges. An Installment Payment that is not paid within 30 days of the due date thereof is subject to a late payment charge of 4% of the amount of the past due Installment Payment. Interest with respect to the principal component of such unpaid Installment Payment shall continue to accrue at the Interest Rate until paid.

Section 3.4 No Abatement. There will be no abatement or reduction of the Installment Payments or Additional Payments by the County for any reason, including but not limited to, any failure by the County to appropriate sufficient funds for the payment of the Installment Payments or Additional Payments, any defense, recoupment, setoff, counterclaims or any claim (real or imaginary) arising out of or related to the Mortgaged Property or the completion of the Project. The County assumes and shall bear the entire risk of loss and damage to the Project from any cause whatsoever, it being the intention of the parties that the Installment Payments shall be made in all events unless the obligation to make such Installment Payments is terminated as otherwise provided herein.

Section 3.5 Prepayment of the Advance. The County may prepay the Advance in whole at its option on any day on or after March 9, 2028. The Advance may be prepaid at a prepayment price equal to 100% of the par amount of the Advance to be prepaid, together with accrued interest and any Additional Payments due to the date of prepayment.

[END OF ARTICLE III]

ARTICLE IV

PROJECT FUND

The Bank and the County hereby agree to comply with the terms of the Project Fund Agreement.

[END OF ARTICLE IV]

ARTICLE V

CONSTRUCTION OF THE PROJECT

Section 5.1 Construction. The County shall comply, or cause the School System to comply with Article 8 of Chapter 143 of the General Statutes of North Carolina. The County shall cause the Project to be carried on expeditiously in accordance with the Plans and Specifications, if any, all applicable ordinances and statutes, and in accordance with the requirements of all regularly constituted authorities having jurisdiction over the same. The County shall ensure (1) that the Project does not impermissibly encroach on nor impermissibly overhang any easement or right of way and (2) that the Project, when completed, (a) will, if applicable, be wholly within the real property on which the Project is located and any building restriction lines, however established, and (b) will not violate applicable use or other restrictions contained in prior conveyances or applicable protective covenants or restrictions. The County shall cause all utility lines, septic systems and streets serving the Project to be completed in accordance with health department standards and other applicable regulations of any governmental agency having jurisdiction. The County will promptly correct or cause to be corrected any structural defect in the improvements or any departure from the Plans and Specifications, if any.

Section 5.2 Right of Entry and Inspection. The Bank and its representatives and agents have the right to enter on and inspect the Project from time to time, during and after any construction, and the County will cause the contractor, the design-builder or any first-tier subcontractor to cooperate with the Bank and its representatives and agents during such inspections. No right of inspection or approval contained in this Contract imposes on the Bank any duty or obligation whatsoever to undertake any inspection or to give any approval.

Section 5.3 Completion of Construction. The County shall cause the School System to proceed with reasonable diligence to complete the Project in a timely manner. On completion of the Project, and upon request of the Bank, a County Representative shall deliver to the Bank (1) a certificate of the County stating the fact and date of such completion and stating that all of the Costs of Construction have been determined and paid (or that all of such Costs have been paid less specified claims which are subject to dispute and for which a retention in the Project Fund is to be maintained in the full amount of such claims until such dispute is resolved), and (2) upon request of the Bank, proof of the insurance coverage required by the Deed of Trust and Section 6.7 of this Contract.

Section 5.4 Payment and Performance Bonds. Each contractor entering into a Construction Contract, or the design-builder or any first-tier subcontractor entering into a construction contract with the design-builder for the construction of the Project, shall be required to furnish a performance bond and a separate labor and material payment bond as required by Article 3, Chapter 44A of the General Statutes of North Carolina, as amended. In lieu of furnishing a performance bond and a separate labor and material payment bond, each contractor, or the design-builder or any first-tier subcontractor entering into a construction contract with the design-builder, may furnish collateral in an amount of its construction contract securing the County.

In the event of any material default by a contractor, or the design-builder or any first-tier subcontractor entering into a construction contract with the design-builder, under any Construction Contract, or in the event of a material breach of warranty with respect to any materials, workmanship or performance, the County shall cause the School System to promptly proceed, either separately or in conjunction with others, to pursue diligently its remedies against such contractor and/or against each surety of any bond securing the performance of the Construction Contracts.

Section 5.5 Contractor's General Public Liability and Property Damage Insurance. To the extent mandated by State and local requirements (and in amounts required thereby), the County shall require

each contractor entering into a Construction Contract to procure and maintain standard form (a) comprehensive general public liability and property damage insurance, at such contractor's own cost and expense, during the duration of such contractor's construction contract, and (b) comprehensive automobile liability insurance on owned, hired and non-owned vehicles. Such insurance shall provide protection from all claims for bodily injury, including death, property damage and contractual liability, products/completed operations, broad form property damage and XCU (explosive, collapse and underground damage), where applicable.

Section 5.6 Contractor's Builder's Risk Completed Value Insurance. To the extent mandated by State and local requirements, the County will procure and maintain, or will require each contractor entering into a Construction Contract for the construction of the Project, or the design-builder or any first-tier subcontractor entering into a construction contract with the design-builder for the construction of the Project, to procure and maintain, property insurance (builder's risk) on all construction, improving, equipping and furnishing of the Project (excluding contractor's tools and equipment) at the full and insurable value thereof. Such insurance will include the interest of the County and the contractor as additional insureds, and shall insure against "all risk" subject to standard policy conditions and exclusions. With respect to any portion of the Project in a flood plain, flood insurance is required up to, but not exceeding, the maximum attainable amount of coverage under Federal flood insurance. Each contractor, or the design-builder or any first-tier subcontractor entering into a construction contract with the design-builder, shall purchase and maintain similar property insurance for portions of the work stored off the real property on which the Project is located or in transit when such portions of the work are to be included in an application for payment. Each contractor, or the design-builder or any first-tier subcontractor entering into a construction contract with the design-builder, is responsible for the payment of any deductible amounts associated with this insurance.

Section 5.7 Contractor's Worker's Compensation Insurance. To the extent mandated by State and local requirements, each contractor entering into a Construction Contract for the construction of the Project, or the design-builder or any first-tier subcontractor entering into a construction contract with the design-builder for the construction of the Project, shall be required to procure and maintain, at its own cost and expense, worker's compensation insurance during the term of its Construction Contract, covering its employees working thereunder. Such insurance, if issued by a private carrier, shall contain a provision providing that if such policies are cancelled or terminated that the issuing insurer will endeavor to mail 30 days prior written notice to the named insureds, but failure to mail such notice will impose no liability on the insurer. A certificate evidencing such coverage shall be provided to the County and, if the Bank so requests, to the Bank; or, if such insurance is provided by a private carrier, a completed certificate of insurance, in form acceptable to the County and the Bank, shall be provided to the County and the Bank, if the Bank so requests, with respect to each contractor entering into a Construction Contract or, in the case of a design-builder, to the design-builder or any first-tier subcontractor entering into a construction contract with the design-builder.

[END OF ARTICLE V]

ARTICLE VI

COVENANTS OF THE COUNTY

Section 6.1 Care and Use. The County shall use, and shall cause the use of, the Mortgaged Property in a careful and proper manner, in compliance with all applicable laws and regulations, and, at its sole cost and expense, shall service, repair and maintain the Mortgaged Property so as to keep the Mortgaged Property in good condition, repair, appearance and working order for the purposes intended, ordinary wear and tear excepted, and shall replace any part of the Mortgaged Property as may from time to time become worn out, unfit for use, lost, stolen, destroyed or damaged. Any and all additions to or replacements of the Mortgaged Property and all parts thereof shall constitute accessions to the Mortgaged Property and shall be subject to all the terms and conditions of this Contract and included in the term "*Mortgaged Property*" as used in this Contract.

Section 6.2 Inspection. The Bank has the right on reasonable prior notice to the County to enter into and on the Mortgaged Property to inspect the Mortgaged Property and observe the use of the Mortgaged Property during normal business hours.

Section 6.3 Utilities. The County shall pay or cause to be paid all charges for gas, water, steam, electricity, light, heat or power, telephone or other utility services furnished to or used on or in connection with the Mortgaged Property. There shall be no abatement of the Installment Payments on account of interruption of any such services.

Section 6.4 Taxes. The County agrees to pay or cause to be paid when due any and all taxes relating to the Mortgaged Property and the County's obligations under this Contract including, but not limited to, all license or registration fees, gross receipts tax, sales and use tax, if applicable, license fees, documentary stamp taxes, rental taxes, assessments, charges, ad valorem taxes, excise taxes, and all other taxes, licensees and charges imposed on the ownership, possession or use of the Mortgaged Property by any governmental body or agency, together with any interest and penalties.

Section 6.5 [Reserved].

Section 6.6 [Reserved].

Section 6.7 Insurance. The County shall maintain, or cause to be maintained, at its own expense, except as hereinafter provided, insurance with respect to its property and business against such casualties and contingencies in amounts not less than is customary in similar activities and similarly situated. Without limiting the foregoing, the County shall maintain, or cause to be maintained, except as hereinafter provided, the following insurance:

(a) Insurance against loss and/or damage to the Mortgaged Property under a policy or policies covering such risks as are ordinarily insured against by similar facilities, including without limiting the generality of the foregoing, fire, lightning, windstorm, windblown rain, hail, explosion, riot, riot attending a strike, civil commotion, damage from aircraft, smoke and uniform standard extended coverage and vandalism and malicious mischief endorsements, war risk (to the extent obtainable from an agency of the United States Government). Such insurance policy shall be in an amount not less than the lesser of (1) the full replacement cost of the Mortgaged Property, or (2) the prepayment price of all outstanding Installment Payments; *provided, however*, that no such insurance policy may have a deductible amount of more than $100,000. No such insurance policy shall be written such that the proceeds thereof will produce less than the minimum coverage required by the preceding sentence, by reason of co-insurance provisions or otherwise, without the prior written consent thereto by the Bank. The term "full insurable value"

shall mean the actual replacement cost of the Mortgaged Property (excluding foundation and excavation costs and costs of underground flues, pipes, drains and other uninsurable items), without deduction for physical depreciation, and shall be determined once every three years by an insurance consultant, in any case, selected and paid for by the County. Each such policy shall contain a replacement cost endorsement.

(b) Comprehensive general liability insurance protecting the County and the Bank as their respective interests may appear, against liability for injuries to persons and/or property, occurring on, in or about the Mortgaged Property, in the minimum amount of $1,000,000 liability to any one person for property damage, $1,000,000 liability for personal injury for any one occurrence and an aggregate annual liability limit of not less than $2,000,000, with a deductible amount of not more than $100,000.

(c) Workers' compensation insurance respecting all employees of the County, if any, working at the Mortgaged Property in such amount as is customarily carried by like organizations engaged in like activities of comparable size and liability exposure; *provided, however*, that the County may be self-insured with respect to all or any part of its liability for workers' compensation.

(d) During the course of any construction or repair of improvements on the Mortgaged Property, builder's risk insurance, covering the total value of work performed and equipment, supplies and materials furnished in connection with such construction or repair of the improvements.

(e) National flood insurance, if applicable, in an amount acceptable to the Bank.

Each insurance policy obtained pursuant to this Section shall (1) be issued by a generally recognized and responsible insurance company qualified under the laws of the State to assume the risks covered by such policy, (2) with respect to the policies contained in paragraphs (a) and (d) above, contain standard mortgagee clauses naming the Bank as mortgagee, and (3) unless unavailable from the insurer, provide that such policy shall not be cancelled or modified in any way adverse to any insured party without at least 30 days' prior written notice to each insured party named therein. The County shall have the right to receive the proceeds from any insurance maintained pursuant to this Section, subject, however, to the limitations of this Article VI.

In lieu of separate insurance policies, the County may maintain blanket or umbrella insurance policies if such policies provide the same coverage required by this Section with protection against each risk not reducible by claims for other risks to amounts less than that specified in this Section.

In lieu of policies of insurance written by commercial insurance companies meeting the requirements of this Section, the County may maintain a program of self-insurance or participate in group risk financing programs, risk pools, risk retention groups, purchasing groups and captive insurance companies, and in state or federal insurance programs.

Section 6.8 [Reserved].

Section 6.9 Environmental Audit. The County shall provide, as may be required by the Bank, either a Phase I Environmental Audit or a completed environmental questionnaire on the Bank's form on the real property on which the Mortgaged Property is located prior to receipt of the Advance by the County.

Section 6.10 Risk of Loss. The County shall bear all risk of loss or damage to and condemnation of the Mortgaged Property.

Section 6.11 Performance by the Bank of the County's Responsibilities. Any performance required of the County or any payments required to be made by the County may, if not timely performed or paid, be performed or paid by the Bank, and, in such event, the Bank shall be immediately reimbursed by the County for such payments or other performance by the Bank, with interest thereon at a rate equal to the Interest Rate applied to determine the interest component of Installment Payments.

Section 6.12 Financial Statements. The County agrees that it will furnish the Bank current audited financial statements within 270 days of the end of each Fiscal Year, carrying an unqualified opinion of a certified public accountant and prepared in accordance with generally accepted accounting principles and presented on a consistent basis. The County represents and warrants to the Bank that all financial statements which have been delivered to the Bank in connection with this Contract fairly and accurately reflect the County's financial condition and there has been no material adverse change in the County's financial condition as reflected in the financial statements since the date thereof.

[END OF ARTICLE VI]

ARTICLE VII

TITLE; LIENS

Section 7.1 Title. Title to the Mortgaged Property and any and all additions, repairs, replacements or modifications thereto shall be in the County from and after the Closing Date. On the Closing Date, the Deed of Trust will be in full force and effect and no events of default shall have occurred thereunder. On payment or provision for payment in full of all of the County's obligations hereunder, including the principal components of the Installment Payments then outstanding and all other payments due hereunder, the Bank or its assignee, at the County's expense and request, shall cancel the Deed of Trust and this Contract will terminate.

Section 7.2 Liens. The County shall not directly or indirectly create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, security interest, encumbrance or claim on or with respect to the Mortgaged Property or any interest in therein, except for: (1) the lien and security interest of the Bank in the Mortgaged Property; (2) the School Lease; (3) utility, access and other easements and rights of way, restrictions and exceptions which do not interfere with or impair the intended use of the Mortgaged Property; (4) any permitted encumbrances as described in Exhibit B to the Deed of Trust; and (5) such minor defects, irregularities, encumbrances and clouds on title as normally exist with respect to property of the general character of the Mortgaged Property and as do not materially impair title thereto or the ability of the School System to complete and operate the Project thereon. The County shall promptly, at its own expense, take such action as may be necessary duly to discharge any such mortgage, pledge, lien, security interest, charge, encumbrance or claim if the same shall arise at any time. The County shall reimburse the Bank for any expense incurred by the Bank in order to discharge or remove any such mortgage, pledge, lien, security interest, charge, encumbrance or claim.

[END OF ARTICLE VII]

ARTICLE VIII

DAMAGE, DESTRUCTION, AND CONDEMNATION; USE OF NET PROCEEDS

Section 8.1 Damage, Destruction or Condemnation. If, during the term of this Contract, (1) the Mortgaged Property or any portion of the Mortgaged Property is destroyed, or is damaged by fire or other casualty; (2) title to or the temporary or permanent use of the Mortgaged Property or any portion thereof or the estate of the County or the Bank or its assignee in the Mortgaged Property or any portion thereof is taken under the power of eminent domain by any governmental authority; (3) a material defect in construction of the Mortgaged Property becomes apparent; or (4) title to or the use of all or any portion of the Mortgaged Property is lost by reason of a defect in title thereto, the County shall continue to be obligated, subject to the provisions of Section 8.2, to pay the amounts specified in Section 3.1 at the respective times required.

Section 8.2 Obligation of the County to Repair and Replace the Mortgaged Property. Subject to the provisions of Section 8.3, the Net Proceeds of any insurance policies, performance bonds, condemnation awards or Net Proceeds made available by reason of any occurrence described in Sections 5.4, 6.7(a) or 8.1, shall be applied to the prompt repair, restoration, modification, improvement or replacement of the damaged or destroyed Mortgaged Property. Any repair, restoration, modification, improvement or replacement paid for in whole or in part out of such Net Proceeds shall be the property of the County, subject, if located on the Mortgaged Property, to the Deed of Trust, and shall be included as part of the Mortgaged Property under this Contract.

Section 8.3 Insufficiency of Net Proceeds; Discharge of the Obligation of the County To Repair the Mortgaged Property. If the Net Proceeds (plus any amount withheld therefrom by reason of any deductible clause) are insufficient to pay in full the cost of any repair, restoration, modification, improvement or replacement of the Mortgaged Property as required under Section 8.2, the County may elect to proceed under either of the following options:

(a) The County may complete the work and pay any cost in excess of the amount of the Net Proceeds, and the County agrees that, if by reason of any such insufficiency of the Net Proceeds, the County shall make any payments pursuant to this Section, the County is not entitled to any reimbursement therefor from the Bank nor is the County entitled to any diminution of the amounts payable under Section 3.1; or

(b) The obligation of the County to repair or replace the Mortgaged Property under Section 8.2 may be discharged by causing the Net Proceeds of such insurance policies, performance bonds or condemnation awards to be applied to the prepayment of all or any part of the then outstanding principal component of the Installment Payments as agreed to by the Bank or pursuant to Section 3.5 hereof. If the Net Proceeds exceed the amount necessary to prepay the then outstanding principal component of the Installment Payments, such excess shall be paid to or retained by the County.

Within 120 days of the occurrence of an event specified in Section 8.1, the County shall commence the repair, restoration, modification, improvement or replacement of the Mortgaged Property, or shall elect, by written notice to the Bank, to proceed under the provisions of paragraph (b) above. For purposes of this Section, "*commence*" shall include the retention of an architect or engineer in anticipation of repair, restoration, modification, improvement or replacement of the Mortgaged Property.

Section 8.4 Cooperation of Bank. The Bank shall cooperate fully with the County in filing any proof of loss with respect to any insurance policy covering the events described in Section 8.1. In no

event shall the Bank or the County voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim with respect to the Mortgaged Property without the written consent of the other.

[END OF ARTICLE VIII]

ARTICLE IX

REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE COUNTY

Section 9.1 Representations, Warranties and Covenants of the County. The County represents, warrants and covenants to and with the Bank (all such representations, warranties and covenants to be continuing) that:

(a) The County is a political subdivision of the State, validly organized and existing under the laws of the State and has all powers necessary to enter into the transactions contemplated by this Contract and the Deed of Trust and to carry out its obligations hereunder;

(b) The County agrees that during the term of this Contract, it will take no action that would adversely affect its existence as a political subdivision in good standing in the State, cause the County to be consolidated with or merge into another political subdivision of the State or permit one or more other political subdivisions of the State to consolidate with or merge into it, unless the County is the surviving entity or the entity created thereby expressly assumes in writing the County's obligations hereunder;

(c) This Contract, the Deed of Trust and all other documents relating hereto and thereto, and the performance of the County's obligations hereunder and thereunder, have been duly and validly authorized, executed and delivered by the County and approved under all laws, regulations and procedures applicable to the County including, but not limited to, compliance with public meeting and bidding requirements, and, assuming the due authorization, execution and delivery hereof and thereof by the other parties hereto and thereto, constitute valid, legal and binding obligations of the County, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and such principles of equity as a court having proper jurisdiction may impose;

(d) Neither the execution and delivery of this Contract or the Deed of Trust or the consummation of the transactions contemplated hereby or thereby, nor the fulfillment of or compliance with the terms and conditions hereof or thereof conflicts with or results in a breach of the terms, conditions, or provisions of any restriction or any agreement or instrument to which the County is now a party or by which the County is bound or constitutes a default under any of the foregoing, nor conflicts with or results in a violation of any provision of applicable law or regulation governing the County and no representation, covenant and warranty in this Contract is false, misleading or erroneous in any material respect;

(e) There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or, to the best of the County's knowledge, threatened, against or affecting the County challenging the validity or enforceability of this Contract, the Deed of Trust or any other documents relating hereto and the performance of the County's obligations hereunder and thereunder, and compliance with the provisions hereof or thereof, under the circumstances contemplated hereby or thereby, does not and will not in any material respect conflict with, constitute on the part of the County a breach of or default under, or result in the creation of a lien or other encumbrance on any property of the County (except as contemplated herein or therein) pursuant to any agreement or other instrument to which the County is a party, or any existing law, regulation, court order or consent decree to which the County is subject;

(f) The estimated Costs of Construction are not less than $[Amount] and, other than building permits or other procedural requirements which are a prerequisite to the construction of

the Project and the approval of the LGC, which approval has been obtained, no approval or consent is required from any governmental authority with respect to the entering into or performance by the County of this Contract, the Deed of Trust and all other documents related hereto and thereto and the transactions contemplated hereby and thereby or if such approval is required, such approval has been duly obtained;

(g) The funds in the Project Fund and any investment earnings thereon will be used only for the purposes permitted in Article IV;

(h) There are no liens or encumbrances on the Mortgaged Property other than the lien created by this Contract, the Deed of Trust and the other liens permitted thereby;

(i) The resolutions relating to the performance by the County of this Contract, the Deed of Trust and the transactions contemplated hereby and thereby, have been duly adopted, are in full force and effect, and have not been in any respect modified, revoked or rescinded;

(j) The Project is essential to the proper, efficient and economical operation of the County and the delivery of services and permits the County to carry out its public functions that it is authorized and required by law to perform;

(k) The County reasonably believes sufficient funds will be available to satisfy all of its obligations hereunder;

(l) The County shall (1) cause its County Manager to include the Installment Payments coming due in any Fiscal Year in the corresponding annual budget request and shall require the County Manager to use his or her best efforts to obtain an appropriation therefor and (2) require that the deletion of such funds from the County's final budget be made only pursuant to an express resolution of the Board which explains the reason for such action. This covenant on the part of the County contained in this Section 9.1(l) shall be deemed to be and shall be construed to impose by law ministerial duties and it shall be the duty of each and every public official of the County to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the County to carry out and perform the covenant in this subparagraph and the agreements in this Contract to be carried out and performed by the County; *provided, however,* that nothing contained in this Section 9.1(l) shall obligate the County to so appropriate the funds included in such proposed budget;

(m) Funds appropriated by the County to make Installment Payments due in any Fiscal Year shall be used for no other purpose;

(n) The County agrees that during the term of this Contract, it will maintain the appropriate insurance required pursuant to this Contract and the Deed of Trust;

(o) The County has or will have good and marketable title to the Mortgaged Property, not subject to any possibility of reverter, right of re-entry or other reversionary interest; and

(p) The Mortgaged Property is bordered on the north by and has access to West NC Highway 10 and on the east by Banoak Road (State Road #2043) and Lefevers Road (State Road #2046).

[END OF ARTICLE IX]

ARTICLE X

TAX COVENANTS AND REPRESENTATIONS

***Section 10.1 Covenants and Representations*.**

(a) The County covenants that it will not take any action, or fail to take any action, if any such action or failure to take such action would adversely affect the exclusion from gross income of the interest portion of the obligations created by this Contract for federal income tax purposes. The County will not directly or indirectly use or permit the use of any proceeds of any fund created under this Contract or any funds of the County, or take or omit to take any action that would cause the obligations created by this Contract to be an "*arbitrage bond*" within the meaning of Section 148(a) of the Code. The County will maintain books on which will be recorded (1) the Bank, or (2) any assignee of the Installment Payments due under this Contract, as the registered owner of such Installment Payments. To that end, the County has executed and delivered the Tax Certificate and will comply with all of the requirements of Section 148 of the Code to the extent applicable. The County further covenants that this Contract is not a "*private activity bond*" as defined in Section 141 of the Code.

(b) Without limiting the generality of the foregoing, the County agrees that there shall be paid from time to time all amounts required to be rebated to the United States of America pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the obligation created under this Contract from time to time. This covenant shall survive the termination of this Contract for any reason.

(c) ***Notwithstanding any provision in this Contract to the contrary, if the County shall provide to the Bank an opinion of nationally recognized bond counsel reasonably acceptable to the Bank to the effect that any action required under this Article X is no longer required, or to the effect that some further action is required, to maintain tax-exempt status, the County and the Bank may rely conclusively on such opinion in complying with the provisions of this Article X.***

(d) In the event a Determination of Taxability shall have occurred, the Interest Rate shall be increased to the Taxable Rate, effective retroactively to the date on which the interest component of the Installment Payments is includable for federal income tax purposes in the gross income of the Bank. In addition, the Bank shall be paid an amount equal to any additions to tax, interest and penalties, and any arrears in interest that are required to be paid to the United States of America by the Bank as a result of such Determination of Taxability. All such additional interest, additions to tax, penalties and interest shall be paid by the County within sixty (60) days following the Determination of Taxability and demand by the Bank. In the alternative, in the event that the interest component of the Installment Payments during any period becomes partially taxable as a result of a Determination of Taxability applicable to less than all of the Advance, then the Interest Rate shall be increased during such period by an amount equal to: (A-B) x C where:

(i) "A" equals the Taxable Rate (expressed as a percentage);

(ii) "B" equals the Interest Rate (expressed as a percentage); and

(iii) "C" equals the portion of the interest component of the Installment Payments which has become taxable as the result of such tax change (expressed as a decimal).

"Determination of Taxability" shall mean the circumstance of interest component of the Installment Payments becoming includable for federal income tax purposes in the gross income of the Bank as a consequence of any action, inaction, error or omission of the County. A Determination of

Taxability shall be evidenced by (i) the issuance by the Internal Revenue Service of a statutory notice of deficiency or other written notification which holds in effect that the interest component of the Installment Payments is includable for federal income tax purposes in the gross income of the Bank, which notice or notification is not contested by either the County or the Bank, or (ii) a determination by a court of competent jurisdiction that the interest component of the Installment Payments is includable for federal income tax purposes in the gross income of the Bank, which determination either is final and non-appealable or is not appealed within the requisite time period for appeal, or (iii) the admission in writing by the County to the effect that the interest component of the Installment Payments is includable for federal income tax purposes in the gross income of the Bank.

"Prime Rate" shall mean a rate of interest equal to the announced prime commercial lending rate per annum of the Bank. The Prime Rate is a reference rate for the information and use of the Bank in establishing the actual rate to be charged to the County. The Prime Rate is purely discretionary and is not necessarily the lowest or best rate charged any customer. The Prime Rate shall be adjusted from time to time without notice or demand as of the effective date of any announced change thereof.

"Taxable Rate" shall mean a rate equal to the Prime Rate times that percentage which after the Determination of Taxability will result in the same after-tax yield to the Bank as before said Determination of Taxability.

[END OF ARTICLE X]

ARTICLE XI

INDEMNIFICATION

Section 11.1 Indemnification. To the fullest extent permitted by applicable law, the County hereby agrees to indemnify, protect and save the LGC, the Bank and their respective officers, employees, directors, members and agents harmless from all liabilities, obligations, losses, claims, damages, actions, suits, proceedings, costs and expenses, including reasonable attorneys' fees that (1) arise in tort, in contract, under 42 U.S. Code §1983 or under the public bidding laws of the State or (2) arise out of, are connected with, or result, directly or indirectly, from the Project or any portion thereof, including, without limitation, the manufacture, selection, acquisition, delivery, possession, condition, construction, improvement, environmental or other condition, lease, use operation or return of the Project or any portion thereof. The indemnification arising under this Article XI shall continue in full force and effect notwithstanding the payment in full of all of the obligations under this Contract.

[END OF ARTICLE XI]

ARTICLE XII

DISCLAIMER OF WARRANTIES

Section 12.1 No Representations by the Bank. The County acknowledges and agrees that the designs for the Project have not been made by the Bank, and the Bank has not supplied any plans or specifications with respect thereto and that the Bank (a) is not a manufacturer of, nor a dealer in, any of the component parts of the Project or similar projects; (b) has not made any recommendation, given any advice nor taken any other action with respect to (i) the choice of any supplier, vendor or designer of, or any other contractor with respect to, the Project or any component part thereof or any property or rights relating thereto, or (ii) any action taken or to be taken with respect to the Project or any component part thereof or any property or rights relating thereto at any stage of the construction thereof; (c) has not at any time had physical possession of the Project or any component part thereof or made any inspection thereof or any property or rights relating thereto; and (d) has not made any warranty or other representation, express or implied, that the Project or any component part thereof or any property or rights relating thereto (i) will not result in or cause injury or damage to persons or property, (ii) has been or will be properly designed, or will accomplish the result which the County intends therefor, or (iii) is safe in any manner or respect.

Section 12.2 Disclaimer by the Bank. THE BANK MAKES NO EXPRESS OR IMPLIED WARRANTY OR REPRESENTATION OF ANY KIND WHATSOEVER WITH RESPECT TO THE PROJECT OF ANY COMPONENT PART THEREOF TO THE COUNTY OR IN REGARD TO ANY OTHER CIRCUMSTANCE WHATSOEVER WITH RESPECT THERETO, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OR REPRESENTATIONS WITH RESPECT TO: THE MERCHANTABILITY OR THE FITNESS OR SUITABILITY THEREOF FOR ANY PURPOSE; THE DESIGN OR CONDITION THEREOF; THE SAFETY, WORKMANSHIP OR QUALITY THEREOF; COMPLIANCE THEREOF WITH THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO; ANY LATENT DEFECT; THE TITLE TO OR INTEREST OF THE BANK THEREIN; THE ABILITY THEREOF TO PERFORM ANY FUNCTION; THAT THE ADVANCE WILL BE SUFFICIENT (TOGETHER WITH ANY OTHER AVAILABLE FUNDS OF THE COUNTY) TO PAY THE COST OF IMPLEMENTING THE PROJECT; OR ANY OTHER CHARACTERISTICS OF THE PROJECT, IT BEING AGREED THAT ALL RISKS RELATING TO THE PROJECT, THE COMPLETION THEREOF OR THE TRANSACTIONS CONTEMPLATED HEREBY ARE TO BE BORNE BY THE COUNTY AND THE BENEFITS OF ANY AND ALL IMPLIED WARRANTIES AND REPRESENTATIONS OF THE BANK ARE HEREBY WAIVED BY THE COUNTY.

[END OF ARTICLE XII]

ARTICLE XIII

DEFAULT AND REMEDIES

Section 13.1 Definition of Event of Default. The County shall be deemed to be in default hereunder on the happening of any of the following events of default (each, an "*Event of Default*"):

(a) The County fails to pay any Installment Payment or Additional Payment when due;

(b) The County fails to budget and appropriate money sufficient to pay all Installment Payments and the reasonably estimated Additional Payments coming due in the following Fiscal Year of the County;

(c) The County deletes from its duly adopted budget any appropriation for the purposes specified in clause (b) above;

(d) The County fails to perform or observe any term, condition or covenant of this Contract on its part to be observed or performed, other than as referred to in clauses (a), (b) or (c) above, or of the Deed of Trust on its part to be observed or performed, or breaches any warranty by the County herein or therein contained, for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the County by the Bank, unless the Bank shall agree in writing to an extension of such time prior to its expiration;

(e) Any bankruptcy, insolvency or reorganization proceedings or similar litigation, is instituted by the County, or a receiver, custodian or similar officer is appointed for the County or any of its property, and such proceedings or appointments are not vacated or fully stayed within 90 days after the institution or occurrence thereof;

(f) Any representation, warranty or statement made by the County herein, in the Deed of Trust or in any other document executed or delivered in connection herewith or therewith is found to be incorrect or misleading in any material respect on the date made; or

(g) An attachment, levy or execution is levied on or against any portion of the Mortgaged Property.

Section 13.2 Remedies on Default. On the occurrence of any Event of Default, the Bank may exercise any one or more of the following remedies as the Bank, in its sole discretion, shall elect:

(a) Declare the unpaid portion of the then outstanding principal components of the Installment Payments immediately due and payable, without notice or demand to the County;

(b) Proceed by appropriate court action to enforce the performance by the County of the applicable covenants of this Contract or to recover for any breach thereof;

(c) Exercise or direct the Deed of Trust Trustee to exercise all the rights and remedies of a secured party or creditor under the Uniform Commercial Code of the State and the general laws of the State with respect to the enforcement of the security interest granted or reserved hereunder and under the Deed of Trust including, without limitation, to the extent permitted by law, re-enter and take possession of the Mortgaged Property without any court order or other process of law and without liability for entering the premises and to sell, lease, sublease or make other disposition of the same in a commercially reasonable manner for the account of the

County, and apply the proceeds of any such sale, lease, sublease or other disposition, after deducting all costs and expenses, including court costs and attorneys' fees, incurred with the recovery, repair, storage and other sale, lease, sublease or other disposition, toward the balance due under this Contract and, thereafter, to pay any remaining proceeds to the County;

(d) Enforce its security interest in the Mortgaged Property or direct the Deed of Trust Trustee to institute foreclosure proceedings under the Deed of Trust and sell the Mortgaged Property; or

(e) Pursue any other remedy available at law or equity to the Bank.

NOTWITHSTANDING ANY OTHER PROVISIONS HEREIN AND IN THE DEED OF TRUST, IT IS THE INTENT OF THE PARTIES HERETO TO COMPLY WITH SECTION 160A-20 OF THE GENERAL STATUTES OF NORTH CAROLINA, AS AMENDED. NO DEFICIENCY JUDGMENT MAY BE ENTERED AGAINST THE COUNTY IN FAVOR OF THE BANK IN VIOLATION OF SECTION 160A-20 OF THE GENERAL STATUTES OF NORTH CAROLINA, AS AMENDED, INCLUDING, WITHOUT LIMITATION, ANY DEFICIENCY JUDGMENT FOR AMOUNTS THAT MAY BE OWED HEREUNDER WHEN THE SALE OF ALL OR ANY PORTION OF THE MORTGAGED PROPERTY IS INSUFFICIENT TO PRODUCE ENOUGH MONEY TO PAY IN FULL ALL REMAINING OBLIGATIONS UNDER THIS CONTRACT AND THE DEED OF TRUST.

Section 13.3 Further Remedies. This Contract shall remain in full force and effect and the County shall be and remain liable for the full performance of all its obligations under this Contract. All remedies of the Bank are cumulative and may be exercised concurrently or separately. The exercise of any one remedy shall not be deemed an election of such remedy or preclude the exercise of any other remedy.

[END OF ARTICLE XIII]

ARTICLE XIV

ASSIGNMENT

Section 14.1 Assignment. Except pursuant to this Contract and the Deed of Trust, as applicable, the County will not sell, assign, lease, sublease, pledge or otherwise encumber or suffer a lien or encumbrance on or against any interest in this Contract or the Mortgaged Property (except for any other permitted encumbrances under Section 7.2) without the prior written consent of the Bank. The County's interest in this Contract may not be assigned or transferred by operation of law.

The Bank may, at any time and from time to time, assign all or any part of its interest in the Mortgaged Property, the Project or this Contract, including, without limitation, the Bank's rights to receive Installment Payments payable to the Bank hereunder. Any assignment made by the Bank or any subsequent assignee shall not purport to convey any greater interest or rights than those held by the Bank pursuant to this Contract.

The County agrees that this Contract may become part of a pool of obligations at the Bank's or its assignee's option. The Bank or its assignees may assign or reassign all or any part of this Contract, including the assignment or reassignment of any partial interest through the use of certificates evidencing participation interests in this Contract without the consent of the LGC, although the Bank or any assignee shall give written notice to the LGC of any such assignment. Any assignment by the Bank may be only to a bank, insurance company, or similar financial institution or any other entity approved by the LGC. Notwithstanding the foregoing, no assignment or reassignment of the Bank's interest in the Deed of Trust or this Contract shall be effective unless and until the County shall receive a duplicate original counterpart of the document by which such assignment or reassignment is made disclosing the name and address of each such assignee.

The County further agrees that the Bank's interest in this Contract may be assigned in whole or in part on terms which provide in effect that the assignor or assignee will act as a collection and paying agent for any holders of certificates of participation in this Contract, provided the County receives a copy of such agency contract and such collection and paying agent covenants and agrees to maintain for the full remaining term of this Contract a written record of each assignment and reassignment of such certificates of participation.

The County agrees to execute any document reasonably required in connection with any assignment. Any assignor must provide notice of any assignment to the County and the LGC, and the County shall keep a complete and accurate record of all assignments as required by the Code. After the giving of any such notice, the County shall thereafter make all payments in accordance with the notice to the assignee named therein and shall, if so requested, acknowledge such assignment in writing, but such acknowledgment shall in no way be deemed necessary to make the assignment effective.

[END OF ARTICLE XIV]

ARTICLE XV

LIMITED OBLIGATION OF THE COUNTY

Section 15.1 Limited Obligation of the County. NO PROVISION OF THIS CONTRACT SHALL BE CONSTRUED OR INTERPRETED AS CREATING A PLEDGE OF THE FAITH AND CREDIT OF THE COUNTY WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL DEBT LIMITATION. NO PROVISION OF THIS CONTRACT SHALL BE CONSTRUED OR INTERPRETED AS CREATING A DELEGATION OF GOVERNMENTAL POWERS NOR AS A DONATION BY OR A LENDING OF THE CREDIT OF THE COUNTY WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE. THIS CONTRACT SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE COUNTY TO MAKE ANY PAYMENTS BEYOND ANY PAYMENTS APPROPRIATED IN THE SOLE DISCRETION OF THE COUNTY FOR ANY FISCAL YEAR IN WHICH THIS CONTRACT IS IN EFFECT; *PROVIDED, HOWEVER*, THAT ANY FAILURE OR REFUSAL BY THE COUNTY TO APPROPRIATE FUNDS WHICH RESULTS IN ITS FAILURE TO MAKE ANY PAYMENT COMING DUE HEREUNDER WILL IN NO WAY OBVIATE THE OCCURRENCE OF THE EVENT OF DEFAULT RESULTING FROM SUCH NONPAYMENT. NO DEFICIENCY JUDGMENT MAY BE RENDERED AGAINST THE COUNTY IN ANY ACTION FOR BREACH OF A CONTRACTUAL OBLIGATION HEREUNDER, AND THE TAXING POWER OF THE COUNTY IS NOT AND MAY NOT BE PLEDGED DIRECTLY OR INDIRECTLY OR CONTINGENTLY TO SECURE ANY AMOUNTS DUE HEREUNDER. NO PROVISION OF THIS CONTRACT SHALL BE CONSTRUED TO PLEDGE OR TO CREATE A LIEN ON ANY CLASS OR SOURCE OF THE COUNTY'S FUNDS, NOR SHALL ANY PROVISION OF THIS CONTRACT RESTRICT THE FUTURE ISSUANCE OF ANY OF THE COUNTY'S BONDS OR OBLIGATIONS PAYABLE FROM ANY CLASS OR SOURCE OF THE COUNTY'S FUNDS. TO THE EXTENT OF ANY CONFLICT BETWEEN THIS ARTICLE XV AND ANY OTHER PROVISION OF THIS CONTRACT, THIS ARTICLE XV SHALL TAKE PRIORITY.

[END OF ARTICLE XV]

ARTICLE XVI

MISCELLANEOUS

Section 16.1 Notices. Any and all notices, requests, demands, and other communications given under or in connection with this Contract are only effective if made in writing and delivered either personally or mailed by certified or registered mail, postage prepaid, or return receipt requested, and addressed as follows:

IF TO THE COUNTY: County of Catawba, North Carolina
PO Box 389, 25 Government Drive
Newton, North Carolina 28613
Attention: Chief Financial Officer

IF TO THE BANK: Truist Bank
5130 Parkway Plaza Boulevard
Charlotte, North Carolina 28217
Attention: Governmental Finance

The County and the Bank may, by written notice to each other, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 16.2 Time. Time is of the essence of this Contract and each and all of its provisions.

Section 16.3 If Payment or Performance Date not a Business Day. If the date for making any payment, or the last date for performance of any act or the exercising of any right, as provided in this Contract, is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Contract, and no interest shall accrue for the period after such nominal date.

Section 16.4 Waiver. No covenant or condition of this Contract can be waived except by the written consent of the Bank. Any failure of the Bank to require strict performance by the County or any waiver by the Bank of any terms, covenants or contracts in this Contract shall not be construed as a waiver of any other breach of the same or any other term, covenant or contract in this Contract.

Section 16.5 Section Headings. All section headings contained in this Contract are for convenience of reference only and are not intended to define or limit the scope of any provision of this Contract.

Section 16.6 Entire Contract. This Contract, together with any schedules and exhibits attached to this Contract and Deed of Trust, constitutes the entire agreement between the parties, and this Contract shall not be modified, amended, altered or changed except as the County and the Bank may subsequently agree in writing.

Section 16.7 Binding Effect. Subject to the specific provisions of this Contract, this Contract is binding on and inures to the benefit of the parties and their respective successors and assigns (including expressly any successor of the Bank).

Section 16.8 Covenants of County not Covenants of Officials Individually. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent or employee of the County in such person's individual capacity, and neither the members of the Board nor any other officer of the Board or

the County shall be subject to any personal liability or accountability by reason of the execution and delivery of this Contract. No member of the Board or any agent or employee of the County shall incur any personal liability in acting or proceeding or if not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Contract.

Section 16.9 Severability. If any portion of this Contract is determined to be invalid under any applicable law, such provision is void and the remainder of this Contract continues in full force and effect.

Section 16.10 Governing Law. This Contract is to be construed, interpreted and enforced in accordance with, the laws of the State.

Section 16.11 Execution in Counterparts; Electronic Signatures. This Contract may be executed in any number of counterparts, each of which is an original and all of which constitute but one and the same instrument. An executed copy of this Contract delivered by facsimile, email, or other electronic means will be deemed to have the same legal effect as delivery of a manual signed copy of this Contract. This Contract and related documents may be sent and stored by electronic means.

Section 16.12 E-Verify. The Bank understands that "*E-Verify*" is a federal program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law in accordance with Section 64-25(5) of the General Statutes of North Carolina, as amended. The Bank uses E-Verify to verify the work authorization of its employees in accordance with Section 64-26(a) of the General Statutes of North Carolina, as amended. The Bank will require that any subcontractor that it uses in connection with the transactions contemplated by this Contract certify to such subcontractor's compliance with E-Verify.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the County and the Bank have caused this Installment Financing Contract to be executed by their duly authorized officers as of the day and year first above written.

COUNTY OF CATAWBA, NORTH CAROLINA

By: _____
Mick W. Berry
County Manager

ATTEST:

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

[COUNTERPART SIGNATURE PAGE TO THE INSTALLMENT FINANCING CONTRACT, DATED AS OF SEPTEMBER 9, 2020, BETWEEN TRUIST BANK AND THE COUNTY OF CATAWBA, NORTH CAROLINA]

TRUIST BANK,
as Bank

By: _____
Andrew G. Smith
Senior Vice President

[SIGNATURES CONTINUED ON THE FOLLOWING PAGE]

[COUNTERPART SIGNATURE PAGE TO THE INSTALLMENT FINANCING CONTRACT, DATED AS OF SEPTEMBER 9, 2020, BETWEEN TRUIST BANK AND THE COUNTY OF CATAWBA, NORTH CAROLINA]

This Contract has been approved under the provisions of Section 159-152 of the General Statutes of North Carolina, as amended.

By: _____
Greg C. Gaskins
Secretary
Local Government Commission of North Carolina

PAYMENT SCHEDULE

PAYMENT DATE	INSTALLMENT PAYMENT - PRINCIPAL COMPONENT	INSTALLMENT PAYMENT - INTEREST COMPONENT*	TOTAL INSTALLMENT PAYMENT
04/01/21		$	$
10/01/21	$		
04/01/22			
10/01/22			
04/01/23			
10/01/23			
04/01/24			
10/01/24			
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04/01/34			
10/01/34			
04/01/35			
10/01/35			

* Interest rate of 1.760% calculated on a 30/360-day basis

INSTALLMENT FINANCING CONTRACT

between

COUNTY OF CATAWBA, NORTH CAROLINA

as the County

and

JPMORGAN CHASE BANK, N.A.

as the Bank

Dated: October 1, 2021

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EXHIBITS:

EXHIBIT A PAYMENT SCHEDULE
EXHIBIT B INCUMBENCY AND AUTHORIZATION CERTIFICATE
EXHIBIT C OPINION OF COUNTY ATTORNEY
EXHIBIT D OPINION OF SPECIAL COUNSEL

INSTALLMENT FINANCING CONTRACT

THIS INSTALLMENT FINANCING CONTRACT, dated as of October 1, 2021 (the "*Contract*"), by and between the **COUNTY OF CATAWBA, NORTH CAROLINA**, a political subdivision organized under the laws of the State of North Carolina (the "*City*") and **JPMORGAN CHASE BANK, N.A.**, a national banking association existing under the laws of the United States of America (the "*Bank*");

W I T N E S S E T H:

WHEREAS, the County has the power, pursuant to Section 160A-20 of the General Statutes of North Carolina, to enter into installment contracts to finance and refinance the acquisition of and improvements to real property; and

WHEREAS, the Bank desires to advance certain funds to enable the refunding of the County's outstanding Limited Obligation Bonds, Series 2011 (the *"2011 Bonds"*), the proceeds of which were used, together with other funds, to refinance a portion of the County's installment payment obligations under one or more installment financing contracts, pursuant to which the County financed all or a portion of the costs of (a) the construction and equipping of a new high school for Catawba County Schools and a new middle school for Hickory City Schools and the equipping of a learning resource center at Catawba Valley Community College, (b) improvements to Bunker Hill High School, (c) the construction and equipping of various wastewater system improvements, including sewer mains and lines, pump stations, and a utility bridge, and (d) the construction and equipping of, or improvements to, certain public school facilities, including Snow Creek Elementary School and Bandys High School, and certain facilities at Catawba Valley Community College and to pay certain other costs related to the 2011 Bonds (the projects refinanced with the proceeds of the 2011 Bonds are herein referred to as the *"Projects"*); and

WHEREAS, the County desires to obtain such advance from the Bank pursuant to the terms and conditions hereinafter set forth; and

WHEREAS, the obligation of the County to make Installment Payments, as hereinafter defined, and other payments required under Section 3 hereof shall constitute a limited obligation payable solely from currently budgeted appropriations of the County and shall not constitute a pledge of the faith and credit of the County within the meaning of any constitutional debt limitation or as otherwise prohibited by the North Carolina Constitution; and

WHEREAS, the County has received approval of this Contract from the North Carolina Local Government Commission; and

WHEREAS, the County has held a public hearing with respect to the Contract providing for the refinancing of the Projects; and

WHEREAS, in order to further secure the obligations of the County hereunder, the County has executed the Deed of Trust, as hereinafter defined, to a trustee named therein, for the benefit of the Bank; and

WHEREAS, no deficiency judgment may be rendered against the County in any action for breach of a contractual obligation under this 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 this Contract; and

WHEREAS, the Bank and the County each have duly authorized the execution and delivery of this Contract;

NOW, THEREFORE, for and in consideration of the premises and of the covenants hereinafter contained, and other valuable consideration, the parties hereto agree as follows:

SECTION 1. DEFINITIONS

For purposes of this Contract, in addition to the terms defined above, the following terms have the meanings specified below unless the context clearly requires otherwise:

1.1 *"Board"* means the Board of Commissioners of the County of Catawba, North Carolina.

1.2 *"County*" means the County of Catawba, North Carolina, a political subdivision of the State, validly existing under and by virtue of the Constitution, statutes and laws of the State, acting through its Board.

1.3 "*Deed of Trust*" means the Deed of Trust, Security Agreement and Fixture Filing dated as of the date hereof from the County to the deed of trust trustee named therein securing its obligations hereunder.

1.4 "*Default Rate*" means the rate of interest applicable to the Loan Amount as shown on **Exhibit A** plus 4.00% per annum.

1.5 "*Determination of Taxability*" means the circumstance of the interest portion of Installment Payments hereunder becoming includable for federal income tax purposes in the gross income of the Bank as a consequence of any action, inaction, error or omission of the County. A Determination of Taxability shall be evidenced by (i) the issuance by the Internal Revenue Service of a statutory notice of deficiency or other written notification which holds in effect that the interest portion of one or more Installment Payments made under this Contract is includable for federal income tax purposes in the gross income of the Bank, which notice or notification is not contested by either the County or the Bank, or (ii) a determination by a court of competent jurisdiction that the interest portion of any Installment Payment is includable for federal income tax purposes in the gross income of the Bank thereof, which determination either is final and non-appealable or is not appealed within the requisite time period for appeal, or (iii) the admission in writing by the County to the effect that the interest portion of any Installment Payment is includable for federal income tax purposes in the gross income of the Bank.

1.6 "*Environmental Laws*" means any federal, state or local law, rule, regulation, permit, order or ordinance relating to the protection of the environment or human health or safety now or hereafter in effect, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. Section 9601, *et seq*.) (together with the regulations promulgated thereunder, "*CERCLA*"), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901, *et seq*.) (together with the regulations promulgated thereunder, "*RCRA*"), the Oil Pollution Act of 1990 (33 U.S.C. Section 2701, *et seq*.) (together with the regulations promulgated thereunder, "*OPA*"), the Emergency Planning and Community Right-to-Know Act, as amended (42 U.S.C. Section 11001, *et seq*.) (together with the regulations promulgated thereunder, "*Title III*"), the Clean Water Act, as amended (33 U.S.C. Section 1321, *et seq*.) (together with the

regulations promulgated thereunder, "*CWA*"), the Clean Air Act, as amended (42 U.S.C. Section 7401, *et seq*.) (together with the regulations promulgated thereunder, "*CAA*") and the Toxic Substances Control Act, as amended (15 U.S.C. Section 2601 *et seq*.) (together with the regulations promulgated thereunder, "*TSCA*"), and any state or local similar laws and regulations and any so-called local, state or federal "superfund" or "superlien" law.

1.7 "*Hazardous Materials*" means any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials, asbestos or any materials containing asbestos or petroleum, petroleum hydrocarbons, or any other substance or material as defined by (or for purposes of) any federal, state or local environmental law, ordinance, rule or regulation including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. sections 9601 *et seq*.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. sections 1801 *et seq*.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. sections 9601 *et seq*.), and the regulations adopted and publications promulgated pursuant thereto. Hazardous Materials shall not include materials typically used in a public health facility such as the facility that is on the Mortgaged Property, provided such materials are properly handled and contained in accordance with applicable federal and state laws.

1.8 "*Installment Payments*" means those payments made by the County to the Bank as described in Section 3 of this Contract and in the Payment Schedule.

1.9 "*LGC*" means the Local Government Commission of North Carolina established pursuant to Chapter 159 of the North Carolina General Statutes.

1.10 "*Loan Amount*" means $12,325,000, as described in **Exhibit A** hereto, which will be advanced by the Bank to enable the County to refund the 2011 Bonds."

1.11 "*Loan Payment Schedule*" means the document labeled "*Payment Schedule*" attached hereto as **Exhibit A** and incorporated herein by reference, which describes the County's Installment Payments related to the Loan Amount.

1.12 *"Mortgaged Property"* means the site of the Bunker Hill High School and related improvements that constitutes a portion of the Projects, as further identified in the Deed of Trust.

1.13 "*Net Proceeds*," when used with respect to any proceeds from policies of insurance required hereunder or proceeds of any condemnation award arising out of the condemnation of all or any portion of the Mortgaged Property, means the amount remaining after deducting from the gross proceeds thereof all expenses (including, without limitation, attorneys' fees and costs) incurred in the collection of such proceeds.

1.14 "*Prime Rate*" shall mean a rate of interest equal to the announced prime commercial lending rate per annum of the Bank. The Prime Rate is a reference rate for the information and use of the Bank in establishing the actual rate to be charged to the County. The Prime Rate is purely discretionary and is not necessarily the lowest or best rate charged any customer. The Prime Rate shall be adjusted from time to time without notice or demand as of the effective date of any announced change thereof.

1.15 "*Projects*" mean (a) the construction and equipping of a new high school for Catawba County Schools and a new middle school for Hickory City Schools and the equipping of a learning resource center at Catawba Valley Community College, (b) improvements to Bunker Hill High School, (c) the construction and equipping of various wastewater system improvements, including sewer mains

and lines, pump stations, and a utility bridge, and (d) the construction and equipping of, or improvements to, certain public school facilities, including Snow Creek Elementary School and Bandys High School, and certain facilities at Catawba Valley Community College.

1.16 *"2011 Bonds"* means the County's outstanding Limited Obligation Bonds (County of Catawba, North Carolina), Series 2011, the proceeds of which were used, together with other funds, to refinance the Projects.

1.17 *"Taxable Rate"* shall mean a rate equal to the Prime Rate times that percentage which after the Determination of Taxability will result in the same after-tax yield to the Bank of the interest portion of Installment Payments as before the Determination of Taxability.

SECTION 2. ADVANCE OF LOAN AMOUNT

The Bank agrees to advance the Loan Amount to the County and the County agrees to borrow the Loan Amount from the Bank to be applied in accordance with the terms and conditions of this Contract. The Bank will transfer from the Loan Amount, $12,325,000 to U.S. Bank National Association, as trustee (the *"Trustee"*) for the 2011 Bonds, to be used to redeem the 2011 Bonds. The Loan Amount may be invested pending disbursement. The County shall pay any additional sums necessary to redeem the 2011 Bonds and shall provide evidence of the payment of such additional sums to the Bank upon request.

SECTION 3. INSTALLMENT PAYMENTS AND OTHER PAYMENTS

3.1 ***Amounts and Times of Installment Payments and Other Payments*.** Subject to the provisions of Section 13 hereof entitled "Limited Obligation of the County," the County shall repay the Loan Amount in installments as provided in **Exhibit A** to this Contract. Each installment shall be deemed to be an Installment Payment and shall be paid in the amount and at the time set forth in the Loan Payment Schedule except as provided herein. Such Installment Payments shall be sufficient in the aggregate to repay the Loan Amount together with interest thereon at a per annum rate equal to the rate per annum described in **Exhibit A** hereto. A portion of each Installment Payment is interest.

Interest on the Loan Amount is based upon a 360-day year, with twelve (12) thirty (30) day months. The amortization schedule is based on all payments being received by the Bank on the scheduled due date. Interest shall continue to accrue on any payment that is not paid when due until such payment is made; provided that, for any Installment Payment that is not paid within ten (10) days of when due, interest shall accrue until paid at the Default Rate.

3.2 ***Place of Payments*.** All payments required to be made to the Bank hereunder shall be as may be directed by the Bank or its assignee.

3.3 ***Abatement of Installment Payments*.** Subject to Section 13 hereof entitled "Limited Obligation of the County," there shall be no abatement or reduction of the Installment Payments or other payments by the County for any reason, including but not limited to, any defense, recoupment, setoff, counterclaim, or any claim (real or contingent) arising out of or related to the Mortgaged Property. The County assumes and shall bear the entire risk of loss and damage to the Mortgaged Property from any cause whatsoever, it being the intention of the parties that the Installment Payments and other payments shall be made in all events unless the obligation to make such Installment Payments and other payments is terminated as otherwise provided herein.

3.4 ***Prepayment of Installment Payments.*** The County may prepay the Loan Amount in whole at its option before its maturity from any funds that may be available for such purpose, in whole or in part at any time at the prepayment price set forth in this Section. If the County optionally prepays all or any portion of the Loan Amount prior to the maturity, the County agrees to pay the Bank, in addition to all accrued and unpaid Installment Payments, on the prepayment date (as liquidated damages and not as a penalty), an amount equal to the Loan Amount to be prepaid plus a prepayment charge equal to the Prepayment Premium, calculated as set forth below

(a) A Prepayment Premium shall be due and payable if (i) exceeds (ii) where (i) equals total scheduled interest portion of Installment Payments due on the Loan Amount calculated at the Swap Rate (defined below) on the Closing Date (defined below) plus 0 basis points, and (ii) equals the total scheduled interest portion of Installment Payments due on the Loan Amount calculated at the Swap Rate on the prepayment date. For purposes of calculating the Prepayment Premium, "Swap Rate" means the USD 1100 ICE Swap Rate that appears on Reuters page "ICESWAP1" or any successor page established by Reuters (the *"Service"*) at approximately 11:15 a.m., New York County time on the applicable date for the Designated Tenor (defined below) or the following alternatives, as applicable: (a) If the Service does not publish a USD 1100 ICE Swap Rate on either the Closing Date or the prepayment date, the most recent USD ICE Swap Rate published by the Service as of the Closing Date or prepayment date, as applicable, will be utilized; (b) if the Service no longer publishes a USD 1100 ICE Swap Rate, the USD ICE Swap Rate published by the Service at different times on that date may be utilized; (c) if the Service no longer publishes any USD ICE Swap Rates, the Bank may utilize other sources for determining the value of the USD ICE Swap Rates or may, in lieu of the USD ICE Swap Rates, utilize other US dollar interest rate swap rates obtained from other sources that it determines, in its sole discretion, provide current market-based information as to mid-price US dollar interest rate swap rates; or (d) if there is no Swap Rate for the Designated Tenor, the applicable Swap Rate will be based upon the linear interpolation between the Swap Rates reported by the Service (or alternative sources) for the closest tenors above and below the Designated Tenor. The Bank's determination of the interpolated rate shall be deemed conclusive.

(b) If (ii) above is equal to or greater than (i) above, then no Prepayment Premium is due.

(c) The Prepayment Premium payable to the Bank shall be equal to the net present value of the difference in scheduled interest payments of (i) above less (ii) above for each scheduled interest period, discounted at the applicable Swap Rate as of the prepayment date, as determined above.

(d) As used in this Section, the following terms shall have the definitions set forth below:

(i) "Closing Date" shall mean October 1, 2021.
(ii) "Designated Tenor" shall mean the period of time from the prepayment date to October 1, 2027.

SECTION 4. NATURE OF CONTRACT

This Contract is an installment contract pursuant to Section 160A-20 of the General Statutes of North Carolina and a security agreement pursuant to Article 9 of Chapter 25 (the "*Uniform Commercial Code - Secured Transactions*") of the General Statutes of North Carolina.

SECTION 5. RESPONSIBILITIES AND COVENANTS OF THE COUNTY

5.1 ***Maintenance, Care and Use*.** The County shall use the Mortgaged Property or cause the Mortgaged Property to be used in a careful and proper manner, in compliance with all applicable laws and regulations, and shall take no action to adversely affect the Mortgaged Property, and shall take all reasonable action to preserve the Mortgaged Property in good condition, repair, appearance and working order for the purposes intended, ordinary wear and tear excepted, including, without limitation, at its sole cost and expense, to repair and maintain the Mortgaged Property, and to replace any part of the Mortgaged Property as may from time to time become worn out, lost, stolen, destroyed or damaged or unfit for use. Any and all additions to or replacements of the Mortgaged Property and all parts thereof shall constitute accessions to the Mortgaged Property and shall be subject to all terms and conditions of this Contract and the Deed of Trust.

5.2 ***Inspection*.** The Bank shall have the right upon reasonable prior notice to the County to enter into and upon the Mortgaged Property to inspect the Mortgaged Property or any part thereof during normal business hours.

5.3 ***Encumbrances*.** Except as permitted by the Deed of Trust, the County shall not directly or indirectly create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Mortgaged Property, or the rights of the County and the Bank therein, except with the prior written consent of the Bank.

5.4 ***Utilities*.** The County shall pay or cause to be paid, when due, all charges for utility services used in connection with the Mortgaged Property. There shall be no abatement of the Installment Payments on account of interruption of any such services.

5.5 ***Taxes*.** The County shall pay or cause to be paid, when due, any and all taxes levied by any governmental body as a result of the County's ownership, possession, or use of the Mortgaged Property.

5.6 ***Risk of Loss*.** Subject to the provisions of Section 13 hereof entitled "Limited Obligation of the County," the County shall bear all risk of loss to and condemnation of the Mortgaged Property. In the event of loss or damage to the Mortgaged Property, the County shall either (a) continue to make the Installment Payments due hereunder and repair, reconstruct and restore the applicable portion of the Mortgaged Property to the satisfaction of the Bank, or (b) prepay in full the principal components of the outstanding Installment Payments in accordance with Section 3.4 hereof. To the extent the County receives Net Proceeds in connection with such loss or damage, the County shall expend such Net Proceeds in accordance with Section 7.2 hereof.

5.7 ***Performance by the Bank of the County's Responsibilities*.** Any performance required of the County or any payments required to be made by the County may, if not timely performed or paid, be performed or paid by the Bank, and, in that event, the Bank shall be immediately reimbursed by the County for such payments and for any costs and expenses, legal or otherwise, associated with the payments or other performance by the Bank, with interest thereon at a per annum rate equal to the Bank's

prime rate in effect on the last business day of the calendar month preceding the payment (but not exceeding the maximum rate, if any, permitted by applicable law).

5.8 ***Financial Statements*.** The County agrees that it will furnish to the Bank current audited financial statements within 270 days of the end of such fiscal year and permit the Bank or its agents and representatives to inspect the County's books and records and make extracts therefrom at its own expense during regular business hours and in a manner which will not disrupt the normal business routine of the County. The County shall furnish to the Bank additional information at such reasonable times as the Bank may reasonably request.

5.9 ***Environmental Covenants*.** To the best of the County's knowledge, the Mortgaged Property is not now and has not ever been used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Materials and that no Hazardous Materials have ever been installed on the Mortgaged Property. The County covenants that the Mortgaged Property shall be kept free of Hazardous Materials and shall not be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Materials, except in connection with the normal construction, maintenance and operation of the Mortgaged Property and in compliance with all Environmental Laws. The County shall not cause or permit as a result of any intentional or unintentional act or omission on the part of the County or any lessee, tenant, subtenant, licensee, guest, invitee, employee, agent or contractor, the installation of Hazardous Materials on the Mortgaged Property or a release of Hazardous Materials onto the Mortgaged Property or suffer the presence of Hazardous Materials on the Mortgaged Property, except in connection with the normal construction, maintenance and operation of the Mortgaged Property and in compliance with all Environmental Laws. The County shall comply with and ensure compliance by all sublessees, tenants, subtenants, licensees, guests, invitees, employees, agents and contractors with all applicable federal, state and local laws, ordinances, rules and regulations with respect to Hazardous Materials and shall keep the Mortgaged Property free and clear of any liens imposed pursuant to such laws, ordinances, rules and regulations. The County has not received any notice from any governmental agency, entity or any other person who receives any notices from any governmental agency, entity or any other person with regard to Hazardous Materials on, from or affecting the Mortgaged Property. In the event the County does receive any such notices, the County shall immediately notify the Bank. The County, at no expense to the Bank, shall conduct and complete all investigations, studies, sampling and testing and all remedial, removal and other actions necessary to comply with all applicable Environmental Laws.

5.10 ***Special Tax Covenants*.** The County covenants with respect to the Loan Amount that: (a) it will make no use of the monies advanced by the Bank (the "*Proceeds*") which would cause this Contract to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "*Code*"), or the Treasury Regulations promulgated thereunder; (b) so long as the Contract remains in effect, the County will comply with the requirements of the Code and the applicable Treasury Regulations promulgated thereunder and will not take or omit to take any action which will cause the interest paid or payable under this Contract to be includible in the gross income of the registered owner hereof; (c) the Projects shall be used exclusively for essential governmental purposes of the County and no use shall be made of the proceeds or of the Projects, directly or indirectly, which would cause this Contract to be a "private activity bond" within the meaning of Section 141 of the Code; (d) no part of the payment of principal or interest under this Contract is or shall be guaranteed, in whole or in part, by the United States or any agency or instrumentality thereof; (e) no portion of the proceeds shall be used, directly or indirectly, in making loans the payment of principal or interest with respect to which are to be guaranteed, in whole or in part, by the United States or any agency or any instrumentality thereof; and (f) the County shall not lease or otherwise make any of the Projects available to any entity if such lease or

other availability would cause the interest portion of the Installment Payments to be included in the gross income of the Bank under the Code for income tax purposes.

The County shall file on or before its due date IRS Form 8038-G. The County shall not take or omit to take any action that may cause a loss of the federal, state or local tax-exempt status of this Contract or the interest thereon.

5.11 ***Appropriations of Payments.*** (a) The County reasonably believes that funds sufficient to make all Installment Payments during the term of this Contract can be obtained.

(b) The County Manager shall include in the initial proposal for each of the County's annual budgets the amount of all Installment Payments coming due during the fiscal year to which such budget is applicable. Notwithstanding that the County Manager includes an appropriation for Installment Payments in a proposed budget, the County may terminate all its obligations hereunder by not appropriating sufficient funds to make the scheduled Installment Payments. In the event the Board determines not to appropriate in its budget an amount sufficient to pay all Installment Payments coming due in the applicable fiscal year, the Board shall adopt a resolution specifically deleting such appropriation from the proposed budget for that fiscal year. Such resolution shall state the reasons for such deletion, shall be adopted by a vote identifying those voting for and against and abstaining from the resolution, and shall be recorded in the minutes of the Board. A copy of such resolution shall be promptly sent to the Bank. Such failure to appropriate shall constitute an Event of Default.

(c) If the amount equal to the Installment Payments which will be due during the next fiscal year has not been appropriated by the County in its budget, the County Manager shall deliver to the Bank, within ten (10) days after the adoption of the County's budget for such fiscal year, but not later than fifteen (15) days after the start of such fiscal year, a certificate stating that the County did not make such appropriation.

SECTION 6. DEED OF TRUST

6.1 ***Deed of Trust.*** In order to secure its obligations hereunder, the County shall deliver to the Bank the Deed of Trust. The County shall cause to be filed, at the County's expense, financing statements and other related documents that are necessary under Article 9 of Chapter 25 (the "*Uniform Commercial Code - Secured Transactions*") of the General Statutes of North Carolina to perfect a first lien security interest in the personal property that is part of the Mortgaged Property by filing and to maintain that first lien security interest in perfected form.

6.2 ***Liens.*** The County shall not directly or indirectly create, incur, assume or suffer to exist any lien, charge, security interest, encumbrance or claim on or with respect to the Mortgaged Property except as otherwise permitted herein, in the Deed of Trust or by the Bank. The County shall promptly, at its own expense, take such action as may be necessary to duly discharge any such lien, security interest, charge, encumbrance or claim if the same shall arise at any time. The County shall reimburse the Bank for any expense incurred by it in order to discharge or remove any such lien, security interest, encumbrance or claim.

SECTION 7. INSURANCE AND UNFORESEEN LOSSES

7.1 ***Insurance.*** The County shall obtain and maintain, or cause to be obtained and maintained, at its expense, at all times until termination of this Contract a policy of insurance covering the Mortgaged Property and providing the insurance protection described in this Section. The County shall

maintain or cause to be maintained at its own expense fire, casualty, public liability, property damage and theft insurance, and such other insurance in such amounts and with such deductibles, if permitted, as required by the Bank from time to time. The Mortgaged Property shall be insured in an amount at least equal to the total replacement value or the Loan Amount, whichever is less. Insurance shall be maintained with an insurance company or companies licensed to do business in North Carolina. If requested by the Bank, the County shall deliver to the Bank the policies of insurance or duplicates thereof or other evidence satisfactory to the Bank of such insurance coverage. In no event shall the County voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim with respect to the Mortgaged Property without the written consent of the Bank.

In lieu of policies of insurance written by commercial insurance companies meeting the requirements of this Section, the County may maintain a program of self-insurance or participate in group risk financing programs, risk pools, risk retention groups, purchasing groups and captive insurance companies, and in state or federal insurance programs.

7.2 ***Damage or Destruction*.** (a) The County shall notify the Bank immediately in the event (i) of any damage to or destruction from fire or other casualty of any portion of the Mortgaged Property or (ii) that a material defect in the construction of the Mortgaged Property becomes apparent, if the County determines in good faith that such damage, destruction or loss will cost more than $250,000 to repair, replace and restore.

(b) If any portion of the Mortgaged Property is damaged or destroyed as provided herein, to an extent that the County determines in good faith that the cost of repairing, replacing and restoring such damage or destruction will exceed $250,000, then the County shall deposit the Net Proceeds as may be requested by the Bank and shall, within 90 days after the date such damage or destruction occurs, elect one of the following two options by giving notice of such election to the Bank, and the Bank shall disburse such Net Proceeds in accordance with the option so elected:

(i) ***Option A – Repair and Restoration*.** The County may elect to repair, reconstruct and restore that portion of the Mortgaged Property so lost, damaged or destroyed. If the County elects this Option A, then the County shall proceed forthwith to repair, reconstruct and restore the applicable portion of the Mortgaged Property to substantially the same condition as had existed prior to the event causing such damage or destruction, with such alterations and additions as the County may determine to be necessary or desirable and as will not impair the capacity or character of the applicable portion of the Mortgaged Property for the purposes for which it had been used prior to such damage or destruction or is intended to be used. So long as no Event of Default has occurred and is continuing under this Contract, the Bank, upon receipt of a request made by the County, shall apply so much as may be necessary of such Net Proceeds to payment of the cost of such repair, reconstruction and restoration, either on completion thereof or as the work progresses. Any such request may provide for Net Proceeds to be paid directly to third-party vendors or to be paid to the County for reimbursement of costs incurred in such repair, replacement or restoration. If such Net Proceeds are not sufficient to pay in full the cost of such repair, replacement and restoration, the County shall, subject to Section 5.11, pay so much of the cost thereof as may be in excess of such Net Proceeds. The County shall not by reason of the payment of such excess cost be entitled to any (A) reimbursement from the Bank, or (B) abatement or diminution of the Installment Payments.

(ii) ***Option B – Prepayment of Installment Payments*.** The County may elect to have the Net Proceeds of insurance payable as a result of such loss, damage or destruction, together with other monies provided by the County, applied to the prepayment of Installment

Payments in accordance with Section 3.4. Notwithstanding anything to the contrary, in the event that the County elects to make partial prepayment under this Option B, the County shall first provide to the Bank a certificate signed by the County Manager to the effect that (A) the Mortgaged Property has been restored to its condition prior to the damage, or (B) such damage will not impair the County's use of the Mortgaged Property for its intended purposes.

(c) If the County determines in good faith that such cost will not exceed $250,000, the County shall (1) retain the Net Proceeds with respect to such damage or destruction, (2) forthwith repair, reconstruct and restore the Mortgaged Property so damaged or destroyed to substantially the same condition as it had existed prior to the event causing such damage or destruction, and (3) apply Net Proceeds retained by it to the payment or reimbursement of the costs of such repair, replacement and restoration. If such Net Proceeds are not sufficient to pay in full the cost of such repair, replacement and restoration, the County shall, subject to Section 5.11, pay so much thereof as is in excess of such Net Proceeds.

7.3 ***Condemnation; Loss of Title.*** (a) In the case of a taking of all or any part of the Mortgaged Property or any right therein under the exercise of the power of eminent domain or any loss of all or any part of the Mortgaged Property because of loss of title thereto, or the commencement of any proceedings or negotiations which might result in such a taking or loss, the party upon whom notice of such taking is served or with whom such proceedings or negotiations are commenced or who learns of a loss of title shall give prompt notice to the other. Each such notice shall describe generally the nature and extent of such condemnation, taking, loss, proceedings or negotiations. All obligations of the County under this Contract (except obligations to make Installment Payments when due) shall terminate as to the portion of the Mortgaged Property as to which there is a loss of title or which is condemned or taken when such loss of title is finally adjudicated or when title thereto vests in the party condemning or taking the same, as the case may be (hereinafter referred to as the "*Takings Date*"). The County shall pay over to the Bank (and hereby irrevocably assigns, transfers and sets over to the Bank) all right, title and interest of the County in and to any Net Proceeds (up to the amount of its outstanding obligations hereunder) payable as to any such loss of title, condemnation or taking during the term of this Contract.

(b) In the event of any such loss of title, condemnation or taking, the County shall deliver the Net Proceeds from the condemnation proceeding to the Bank, and, within 90 days after the Takings Date for such proceeding, elect either or both of the following two options by giving notice of such election to the Bank, and the Bank shall disburse the Net Proceeds in accordance with the option so elected:

(i) ***Option A – Restoration.*** The County may elect to have the Net Proceeds as to such loss of title, condemnation or taking used to restore the applicable portion of the Mortgaged Property as to which there has been a loss of title, condemnation or taking to substantially its condition prior to such loss of title, condemnation or taking. So long as no Event of Default has occurred and is continuing under this Contract, the Bank, upon receipt of a request made by the County, shall apply so much as may be necessary of such Net Proceeds to payment of the cost of such restoration, either on completion thereof or as the work progresses. If such Net Proceeds are not sufficient to pay in full the cost of such restoration, the County shall, subject to Section 5.11, pay so much of the cost thereof as may be in excess of such Net Proceeds. The County shall not, by reason of the payment of such excess cost, be entitled to any (A) reimbursement from the Bank, or (B) abatement or diminution of the Installment Payments.

(ii) ***Option B – Prepayment of Installment Payments.*** The County may elect to have the Net Proceeds payable as to any such loss of title, condemnation or taking, together with other monies provided by the County, applied to the prepayment of the Installment Payments in

accordance with Section 3.4. Notwithstanding anything to the contrary, in the event that the County elects to make partial prepayment pursuant to this Option B, the County shall first provide to the Bank a certificate signed by the County Manager to the effect that such loss of title, condemnation or taking has not impaired the County's use of the Mortgaged Property for its intended purpose.

(c) The Bank shall, at the expense of the County, cooperate fully with the County in the contest of any prospective or pending condemnation proceedings or in any contest over title with respect to the Mortgaged Property or any part thereof and shall, to the extent it may lawfully do so, permit the County to litigate, at the expense of the County, in any such proceeding in the name and on behalf of the Bank. In no event shall the Bank voluntarily settle, or consent to the settlement of, any prospective or pending condemnation proceedings, or proceedings as to title, with respect to the Mortgaged Property or any part thereof without the consent of the County.

SECTION 8. WARRANTIES AND REPRESENTATIONS OF THE COUNTY

The County warrants and represents to the Bank (all such representations and warranties being continuing) as follows:

(a) The County is a political subdivision organized under the laws of the State of North Carolina and has all powers necessary to enter into the transactions contemplated by this Contract and to carry out its obligations hereunder;

(b) This Contract and all other documents relating hereto, have been duly and validly authorized, approved, executed and delivered by the County, and the performance by the County of its obligations under such documents has been approved and authorized under all laws, regulations and procedures applicable to the County, including, but not limited to, compliance with all applicable public meeting and bidding requirements, and the transactions contemplated by this Contract and all other documents relating hereto constitute a public purpose for which public funds may be expended pursuant to the Constitution and laws of the State of North Carolina, and, assuming due authorization, execution and delivery hereof by the Bank, constitute valid, legal and binding obligations of the County, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by general principles of equity or by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and as those other laws may be further limited by the provisions of Section 160A-20 of the General Statutes of North Carolina, as amended;

(c) No approval or consent is required from any governmental authority with respect to the entering into or performance by the County of this Contract and the transactions contemplated hereby, or, if any such approval is required, it has been duly obtained, including any applicable approval of the LGC as evidenced by the Secretary's certificate hereon;

(d) There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or, to the best of the County's knowledge, threatened, against or affecting the County challenging the validity or enforceability of this Contract or any other documents relating hereto, or the performance of the County's obligations hereunder, and compliance with the provisions hereof, under the circumstances contemplated hereby, does not and will not in any material respect conflict with, constitute on the part of the County a breach of or default under, or result in the creation of a lien or other encumbrance on any property of the County (except as contemplated herein) pursuant to any agreement or other instrument to which

the County is a party, or any existing law, regulation, court order or consent decree to which the County is subject;

(e) Following the redemption of the 2011 Bonds, there will be no liens or encumbrances on the Mortgaged Property other than the Deed of Trust and any encumbrances permitted under this Contract and the Deed of Trust;

(f) A resolution relating to the performance by the County of this Contract and the transactions contemplated hereby has been duly adopted, is in full force and effect, and has not been in any respect amended, modified, revoked or rescinded; and

(g) The Projects are essential to the proper, efficient and economical operation of the County and the delivery of its service; the Projects provides essential uses; and the Projects permit the County to carry out public functions that it is authorized by law to perform.

SECTION 9. INDEMNIFICATION

To the extent permitted by law, the County will indemnify and hold harmless the Bank and the LGC and its respective affiliates and its partners, directors, officers, employees, agents and advisors from and against all losses, claims, damages, liabilities and expenses arising out of or relating to the transactions contemplated by the Agreement, the County's use of the Loan Amount and Projects, including the Mortgaged Property, including, but not limited to, reasonable attorneys' fees (including the allocated cost of internal counsel) and settlement costs (excluding acts of gross negligence or willful misconduct of an indemnified party as determined by a court of competent jurisdiction). This indemnification shall survive and continue for the benefit of all such persons or entities.

SECTION 10. DISCLAIMER OF WARRANTIES

10.1 ***No Representations by the Bank.*** The County acknowledges that it has inspected or caused to be inspected the Projects and found the Projects to be satisfactory and acknowledges and agrees that it selected the Projects based upon its own judgment and disclaims any reliance upon any statements or representations made by the Bank with respect thereto.

10.2 ***Disclaimer By the Bank.*** THE BANK MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, AS TO THE CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROJECTS OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE PROJECTS.

SECTION 11. DEFAULT AND REMEDIES

11.1 ***Definition of Event of Default.*** The County shall be deemed to be in default hereunder upon the happening of any of the following events of default (each, an "*Event of Default*"):

(a) The County shall fail to make any Installment Payment when due or fail to pay any other sum hereunder within ten (10) days after such payment is due; or

(b) The County shall fail to budget and appropriate money sufficient to pay all Installment Payments coming due in any fiscal year of the County, or deletes from its duly adopted budget any appropriation for such purpose; or

(c) The County shall fail to perform or observe any term, condition or covenant of this Contract or shall breach any warranty by the County herein or therein contained, for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the County by the Bank, unless the Bank shall agree in writing to an extension of such time prior to its expiration; or

(d) Proceedings under any bankruptcy, insolvency, reorganization or similar litigation shall be instituted by or against the County, or a receiver, custodian or similar officer shall be appointed for the County or any of its property, and such proceedings or appointments shall not be vacated or fully stayed after the institution or occurrence thereof; or

(e) Any warranty, representation or statement made by the County herein or in any other document executed or delivered in connection herewith is found to be incorrect or misleading in any material respect on the date made; or

(f) An attachment, levy or execution of a security interest or lien, except for the lien and security interest of the Bank or any encumbrances permitted by Section 5.3, is levied upon or with respect to the Mortgaged Property.

11.2 ***Remedies on Default.*** Subject to Section 13 hereof entitled "Limited Obligation of the County," upon the occurrence of any Event of Default, the Bank may exercise any one or more of the following remedies as the Bank in its sole discretion shall elect:

(a) Declare the entire principal amount of the Installment Payments and all accrued interest and other charges immediately due and payable without notice or demand to the County;

(b) Proceed by appropriate court action to enforce performance by the County of the applicable covenants of this Contract or to recover for the breach thereof;

(c) Exercise all the rights and remedies of a secured party or creditor under the Deed of Trust, Uniform Commercial Code of the State of North Carolina and the general laws of the State of North Carolina with respect to the enforcement of the security interest granted or reserved hereunder and under the Deed of Trust, including, without limitation, to the extent permitted by law, take possession of any collateral without any court order or other process of law and without liability for entering the Mortgaged Property and sell, lease, sublease or make other disposition of the same in a commercially reasonable manner for the account of the County, and apply the proceeds of any such sale, lease, sublease or other disposition, after deducting all costs and expenses, including court costs and attorneys' fees, incurred with the recovery, repair, storage and other sale, lease, sublease or other disposition costs, toward the balance due under this Contract and, thereafter, shall pay any remaining proceeds to the County;

(d) Take possession of any proceeds of the Mortgaged Property, including Net Proceeds; or

(e) Pursue any other remedy available at law or equity to the Bank.

11.3 ***Further Remedies.*** All remedies of the Bank are cumulative and may be exercised concurrently or separately. The exercise of any one remedy shall not be deemed an election of such remedy or preclude the exercise of any other remedy. Subject to Section 13 hereof entitled "Limited

Obligation of the County," the County agrees to pay to the Bank all court costs and reasonable attorney fees incurred by Bank in enforcing the Bank's rights and remedies under this Contract.

SECTION 12. ASSIGNMENT

12.1 ***Assignment by the County.*** The County agrees not to sell, assign, lease, sublease, pledge or otherwise encumber or suffer a lien or encumbrance upon or against any interest in this Contract or the Mortgaged Property (except for the lien and security interest of the Bank or as permitted by Section 5.3) without the Bank's prior written consent, which consent shall not be unreasonably delayed, conditioned or denied.

12.2 ***Assignment by the Bank.*** (a) The Bank may, at any time and from time to time, assign all or any part of its interest in the Mortgaged Property or this Contract, including, without limitation, Bank's rights to receive Installment Payments payable to Bank hereunder or thereunder, in accordance with this Section 12.2. Any assignment made by the Bank or any subsequent assignee shall not purport to convey any greater interest or rights than those held by the Bank pursuant to this Contract. The Bank or its assignees may assign or reassign all or any part of this Contract, including the assignment or reassignment of any partial interest through the use of certificates evidencing participation interests in this Contract, or making this Contract part of a pool of obligations without the consent of the LGC, so long as such assignment or reassignment is to (i) a bank, insurance company or similar institution or any other entity approved by the LGC; or (ii) a trustee for the purpose of issuing certificates of participation or other forms of certificates evidencing an undivided interest in the Contract, provided such certificates are sold only to a bank, insurance company or similar financial institution or other entity approved by the LGC. Notwithstanding the foregoing, unless to an affiliate controlling, controlled by or under common control with Bank, no assignment or reassignment of the Bank's interest in the Contract shall be effective unless and until the County shall receive notice of such assignment or reassignment disclosing the name and address of each such assignee.

(b) The County further agrees that the Bank's interest in this Contract may be assigned in whole or in part (subject to the limitations on assignment contained in Section 12.2(a)) upon terms which provide in effect that the assignor or assignee will act as a collection and paying agent for any holders of certificates of participation in this Contract, provided the County receives notice of such assignment and such collection and paying agent covenants and agrees to maintain for the full remaining term of this Contract a written record of each assignment and reassignment of such certificates of participation.

(c) The County agrees to execute any document reasonably required in connection with any assignment. Any assignor must provide notice of any assignment to the County and the LGC, and the County shall keep a complete and accurate record of all assignments as required by the Code. After the giving of any such notice, the County shall thereafter make all payments in accordance with the notice to the assignee named therein and shall, if so requested, acknowledge such assignment in writing, but such acknowledgment shall in no way be deemed necessary to make the assignment effective.

(d) The Bank represents and warrants that it is familiar with federal and North Carolina legislation, rules and regulations as to limitations upon the public distribution of securities that have not been registered under the Securities Act of 1933, as amended, and that it is entering into this Contract for its own account and has no present intention of making any sale or other distribution of this Contract in violation of such legislation, rules or regulations. The Bank represents that it is familiar with the operations and financial condition of the County, based upon information furnished to the Bank by the County, and has made such inquiries as it deems appropriate in connection with the Loan Amount.

SECTION 13. LIMITED OBLIGATION OF THE COUNTY

NO PROVISION OF THIS CONTRACT SHALL BE CONSTRUED OR INTERPRETED AS CREATING A PLEDGE OF THE FAITH AND CREDIT OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL DEBT LIMITATION. NO PROVISION OF THIS CONTRACT SHALL BE CONSTRUED OR INTERPRETED AS CREATING A DELEGATION OF GOVERNMENTAL POWERS NOR AS A DONATION BY OR A LENDING OF THE CREDIT OF THE COUNTY WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE OF NORTH CAROLINA. THIS CONTRACT SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE COUNTY TO MAKE ANY PAYMENTS BEYOND THOSE APPROPRIATED IN THE SOLE DISCRETION OF THE COUNTY FOR ANY FISCAL YEAR IN WHICH THIS CONTRACT IS IN EFFECT; PROVIDED, HOWEVER, ANY FAILURE OR REFUSAL BY THE COUNTY TO APPROPRIATE FUNDS, WHICH RESULTS IN THE FAILURE BY THE COUNTY TO MAKE ANY PAYMENT COMING DUE HEREUNDER WILL IN NO WAY OBVIATE THE OCCURRENCE OF THE EVENT OF DEFAULT RESULTING FROM SUCH NONPAYMENT. NO DEFICIENCY JUDGMENT MAY BE RENDERED AGAINST THE COUNTY IN ANY ACTION FOR BREACH OF A CONTRACTUAL OBLIGATION UNDER THIS CONTRACT, AND THE TAXING POWER OF THE COUNTY IS NOT AND MAY NOT BE PLEDGED DIRECTLY OR INDIRECTLY OR CONTINGENTLY TO SECURE ANY MONEYS DUE UNDER THIS CONTRACT.

No provision of this Contract shall be construed to pledge or to create a lien on any class or source of the County's moneys other than monies in the account of the County held at the Bank and related to this Contract. To the extent of any conflict between this Section and any other provision of this Contract, this Section shall take priority.

SECTION 14. TAX-EXEMPT INTEREST RELATED TO THE LOAN AMOUNT

14.1 ***Intent of Parties.*** It is the intention of the parties hereto that the interest portion of the Installment Payments paid by the County to the Bank under this Contract related to the Loan Amount shall be tax-exempt under Section 103 of the Code.

14.2 ***Determination of Taxability.*** If at any time there is a Determination of Taxability, the principal portion of the indebtedness of the County to the Bank which is represented by the Installment Payments shall, from and after the Date of Taxability, as hereinafter defined, bear interest at the Taxable Rate payable from the Date of Taxability to such time as the Loan Amount matures or is prepaid or the Determination of Taxability is no longer in effect. In such event, the County also shall be required to pay to the Bank all amounts, if any, which may be necessary to reimburse the Bank for any additions to tax, interest and penalties, and any arrears in interest that are required to be paid to the United States of America or the Department of Revenue of the State of North Carolina by reason of the Bank's failure to include the interest portion of the Installment Payments related to the Loan Amount (hereinafter called "*Interest*") in its gross income for income tax purposes. All such additional interest, additions to tax, penalties and interest shall be paid by the County within sixty (60) days following the Determination of Taxability and demand by the Bank. Installment Payment amounts shall be increased as a result of the applicability of the Taxable Rate The County shall pay to the Bank the Interest calculated at the Taxable Rate notwithstanding any transfer by the Bank or payment or prepayment by the County prior to the date such Determination of Taxability was made.

The Date of Taxability shall mean the first date upon which Interest is included in the gross income of the Bank for federal income tax purposes as a result of a Determination of Taxability.

SECTION 15. MISCELLANEOUS

15.1 ***Waiver.*** No covenant or condition of this Contract can be waived except by the written consent of the Bank. Any failure of the Bank to require strict performance by the County or any waiver by the Bank of any terms, covenants or conditions herein shall not be construed as a waiver of any other breach of the same or any other term, covenant or condition herein.

15.2 ***Severability.*** In the event any portion of this Contract shall be determined to be invalid under any applicable law, such provision shall be deemed void and the remainder of this Contract shall continue in full force and effect.

15.3 ***Governing Law.*** This Contract shall be construed, interpreted and enforced in accordance with the laws of the State of North Carolina.

15.4 ***Notices.*** Any and all notices, requests, demands, and other communications given under or in connection with this Contract shall be effective only if in writing and either personally delivered or mailed by registered or certified United States mail, postage prepaid, return receipt requested, addressed to the address of the recipient as described below or by electronic mail with receipt of confirmation it was received, and shall be deemed to be received on the third day after the day it was deposited in the United States mail or on the day it was actually received, whichever is earlier.

County:	County of Catawba, North Carolina PO Box 389, 25 Government Drive Newton, North Carolina 28613 Attention: Chief Financial Officer
Bank's Address:	JPMorgan Chase Bank, N.A. Commercial Banking 450 S Orange Ave, Floor 10 Orlando, FL 32801 Attn: Jackie Young, Executive Director, Credit Risk

15.5 ***Section Headings.*** All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Contract.

15.6 ***Entire Contract.*** This Contract, together with the Exhibits and attachments hereto, constitutes the entire Contract between the parties and this Contract shall not be modified, amended, altered or changed except by written agreement signed by the parties.

15.7 ***Binding Effect.*** Subject to the specific provisions of this Contract, this Contract shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

15.8 ***Time.*** Time is of the essence of this Contract and each and all of its provisions.

15.9 ***Execution in Counterparts; Electronic Signatures.*** This Contract may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. An executed copy of this Contract delivered by facsimile, email, or other electronic means will be deemed to have the same legal effect as delivery of a manual signed copy of this Contract. This Contract and related documents may be sent and stored by electronic means.

15.10 ***E-Verify***. The Bank understands that "E-Verify" is a federal program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law and in accordance with NCGS Section 64-25(5), as amended. The Bank uses E-Verify to verify the work authorization of its employees in accordance with NCGS Section 64-26(a), as amended. The Bank will require that any subcontractor that in uses in connection with the transactions contemplated by this Contract certify to such subcontractor's compliance with E-Verify.

15.11 ***No Advisory Services*.** The County acknowledges and agrees that: (i) the transaction contemplated by this Agreement is an arm's length, commercial transaction between the County and the Bank in which the Bank is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the County; (ii) Bank has not assumed any advisory or fiduciary responsibility to the County with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether Bank has provided other services or is currently providing other services to the County on other matters); (iii) the only obligations Bank has to the County with respect to the transaction contemplated hereby expressly are set forth in this Contract; and (iv) the County has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the County and the Bank have caused this Installment Financing Contract to be executed by their duly authorized officers as of the day and year first above written.

COUNTY OF CATAWBA, NORTH CAROLINA

By: _____
County Manager
Board of Commissioners

ATTEST:

_____
Clerk to the Board of Commissioners
County of Catawba, North Carolina

[COUNTERPART SIGNATURE PAGE TO THE INSTALLMENT FINANCING CONTRACT, DATED AS OF OCTOBER 1, 2021, BETWEEN JPMORGAN CHASE BANK, N.A. AND THE COUNTY OF CATAWBA, NORTH CAROLINA]

JPMORGAN CHASE BANK, N.A.,
as Bank

By: _____
Executive Director

[SIGNATURES CONTINUED ON THE FOLLOWING PAGE]

[COUNTERPART SIGNATURE PAGE TO THE INSTALLMENT FINANCING CONTRACT, DATED AS OF OCTOBER 1, 2021, BETWEEN JPMORGAN CHASE BANK, N.A. AND THE COUNTY OF CATAWBA, NORTH CAROLINA]

This Contract has been approved under the provisions of Section 159-152 of the General Statutes of North Carolina, as amended.

By: _____
Secretary
Local Government Commission of North Carolina

EXHIBIT A

PAYMENT SCHEDULE

Installment Financing Contract Date: October 1, 2021

County: County of Catawba, North Carolina

Loan Amount: $12,325,000

Interest Rate/Payment Terms

Fixed Rate

The interest rate is [1.40]% per annum fixed. Interest is calculated and imposed on the unpaid balance of the Loan Amount based on the payment schedule below. The Loan Amount plus interest shall be repaid by the County to the Bank in annual installments of principal on each October 1, commencing October 1, 2022, and semiannual installments of interest on each April 1 and October 1, commencing April 1, 2022, all as set forth on the Schedule attached hereto as Exhibit A-1. All remaining principal and accrued but unpaid interest shall be due and payable on October 1, 2027.

COUNTY OF CATAWBA, NORTH CAROLINA

By: _____
Chair
Board of Commissioners

Exhibit A-1
Payment Schedule

DATE	INSTALLMENT PAYMENT PRINCIPAL COMPONENT	INSTALLMENT PAYMENT INTEREST COMPONENT	TOTAL INSTALLMENT PAYMENT
04/01/22		$ [ ]	$ [ ]
10/01/22	$ 3,583,000		
04/01/23			
10/01/23	3,305,000		
04/01/24			
10/01/24	1,398,000		
04/01/25			
10/01/25	1,374,000		
04/01/26			
10/01/26	1,348,000		
04/01/27			
10/01/27	1,317,000		
TOTAL	$12,325,000	$[ ]	$[ ]

EXHIBIT B

INCUMBENCY AND AUTHORIZATION CERTIFICATE

In connection with the execution and delivery by the County of Catawba, North Carolina (the "*County*") of an Installment Financing Contract dated October 1, 2021 (the "*Contract*") with JPMorgan Chase Bank, N.A., we do hereby certify that we are the duly appointed County Manager and Clerk to the Board of Commissioners, respectively, of the County of Catawba, North Carolina, and that we have custody of the official minutes and other pertinent records of that body.

We further certify that:

(1) As of the date of this certificate, the persons named below are duly elected, qualified and acting incumbents of their respective offices of the County and as such are familiar with its books and corporate records.

(2) The County was duly established. At all times since its establishment the County has continually exercised the powers given to counties by the Constitution and laws of North Carolina.

(3) The persons named below were authorized by resolutions of the Board of Commissioners of the County passed in a regular meeting held on August 17, 2020, to execute and deliver on behalf of the County the Contract and the Deed of Trust to evidence the obligation of the County in connection with the refunding of the 2011 Bonds (as defined in the Contract), together with all other documents and instruments required and contemplated by the Contract, and to carry out the terms of all of the foregoing, all under and pursuant to the provisions of Section 160A-20 of the General Statutes of North Carolina, as amended. Such resolution was adopted at a meeting duly called and held on such date, at which meeting a quorum was present and acting throughout. Such resolution has not been amended, rescinded, terminated or otherwise revoked and is in full force and effect.

(4) The persons named below were on the date or dates of the execution of the Contract and the Deed of Trust and are on the date hereof the duly elected and qualified incumbents of the offices of the County appearing at the right of their respective names and the signatures appearing at the right of their respective names are their genuine signatures.

(5) The signatures set opposite the names and positions of the persons named below are such persons' true and authentic signatures:

NAME	TITLE	SIGNATURE
	County Manager	_____
	Assistant County Manager/CFO	_____
	Clerk to the Board of Commissioners	_____

(6) No litigation of any kind is now pending or, to the best of our information, knowledge and belief, threatened to restrain or enjoin the execution or delivery of the Contract or the Deed of Trust, or in any manner questioning the proceedings and authority under which the Contract and the Deed of Trust have been executed and delivered, or affecting the validity of such documents.

(7) The County has obtained the proper authorization to execute and deliver the Contract, the Deed of Trust and all related documents necessary to complete the transaction contemplated thereby.

(8) Each of the Contract and the Deed of Trust has been duly authorized, executed and delivered by the County. Assuming the due authorization, execution and delivery of each such agreements by the Bank, each such agreement constitutes a legal, valid and binding agreement of the County enforceable against the County in accordance with its terms. Such obligation does not constitute a pledge of the faith and credit of the State of North Carolina or of any county or other political subdivision of the State, including the County. The rights and enforceability of the obligations of the County under such agreements may be limited or otherwise affected by (a) bankruptcy, insolvency, reorganization, moratorium or other laws affecting the rights of creditors generally and (b) principles of equity, whether considered at law or in equity.

(9) There has been no material adverse change in the financial condition of the County since the date of the last annual financial statement of the County provided to the Bank.

IN WITNESS WHEREOF, we have duly executed this certificate on this ____ day of October, 2021.

_____
County Manager
County of Catawba, North Carolina

_____
Clerk to the Board of Commissioners
County of Catawba, North Carolina

EXHIBIT C

[TO BE PLACED ON LETTERHEAD]

OPINION OF COUNSEL TO THE COUNTY

October 1, 2021

JPMorgan Chase Bank, N.A.
Cary, North Carolina

County of Catawba
Newton, North Carolina

Parker Poe Adams & Bernstein LLP
Charlotte, North Carolina

Re: Installment Financing Contract between the County of Catawba, North Carolina (the "*County*") and JPMorgan Chase Bank, N.A. (the "*Bank*")

I have acted as County Attorney to the County, in connection with the authorization, execution and delivery by the County of the Installment Financing Contract, dated October 1, 2021 (the "*Contract*"), between the Bank and the County. I have reviewed (1) the constitution and laws of the State of North Carolina, (2) certain proceedings taken by the Board of Commissioners of the County, (3) an executed copy of the Contract, (4) an executed copy of the Deed of Trust, Security Agreement and Fixture Filing dated October 1, 2021 (the "*Deed of Trust*"), from the County, as grantor, to the deed of trust trustee named therein, for the benefit of the Bank, and (5) such other information and documents as I have deemed relevant in order to render the opinions hereinafter expressed.

Pursuant to the Contract, the Bank has agreed to advance to the County a Loan Amount of $12,325,000. The County has entered into the Contract under the authority of the General Statutes and other laws of North Carolina, as amended, to pay the costs of refunding the 2011 Bonds, the proceeds of which were used, together with other funds, to refinance a portion of the County's installment payment obligations under prior installment financing contracts. A portion of the Projects is located on certain real property owned by the County as more particularly described in Exhibit A of the Deed of Trust (together with all improvements thereon, the "*Mortgaged Property*"). All capitalized undefined terms used herein have the meanings given thereto in the Contract.

On the basis of the foregoing, I am of the opinion, under existing law, that:

1. The County is a political subdivision duly organized and existing under and by virtue of the Constitution, statutes and laws of the State of North Carolina, and has full legal right, power and authority to enter into and perform its obligations under the Contract and the Deed of Trust, to refund the 2011 Bonds, and to conduct its operations.

2. The Contract and the Deed of Trust (collectively, the "*Financing Documents*") have been duly authorized, executed and delivered by the County and, assuming due authorization, execution and delivery by the other parties thereto, constitute valid and binding agreements of the County, enforceable in accordance with their terms, except as such enforceability may be limited by applicable bankruptcy,

insolvency, reorganization, moratorium or other laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect, or by equitable principles.

3. The obligation of the County to make payments under the Contract is a limited obligation of the County payable solely from currently budgeted appropriations of the County and does not constitute a pledge of the faith and credit of the County within the meaning of any constitutional debt limitation, as more particularly described in the Contract.

4. All consents, approvals or authorizations of any governmental entity and all filings required on the part of the County in connection with the authorization, execution and delivery of the Financing Documents and the consummation of the transactions contemplated thereby have been obtained and are in full force and effect.

5. To the best of my knowledge after reasonable investigation, the execution and delivery of the Financing Documents and compliance with the provisions thereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with, constitute on the part of the County a breach of or default under, or result in the creation of a lien on any property of the County (except as contemplated therein) pursuant to, any agreement or other instrument to which the County is a party, or any existing law, regulation, court order or consent decree to which the County is subject.

6. There is no action, suit, proceeding or governmental investigation at law or in equity before or by any court, public board or body, pending of which the County has been served with a summons, summons and complaint or other notice of commencement, or, to the best of our knowledge after reasonable investigation, threatened against the County challenging the validity of the Financing Documents or contesting the power and authority of the County to execute and deliver the Financing Documents or to consummate the transactions contemplated therein.

7. The Deed of Trust has been recorded in accordance with North Carolina law.

I am furnishing the opinions expressed above to you solely for your benefit and no other person is entitled to rely on such opinions without our prior written consent. Such opinions are not to be used, circulated, quoted or otherwise referred to for any other purpose without my prior written consent. This opinion is given as of the date hereof, and I disclaim any obligation to advise you of any change of law that occurs, or any facts of which I become aware, after the date of this opinion. The opinions expressed herein are limited to those matters expressly set forth, and no opinion is to be inferred or implied beyond the matters expressly so stated.

Respectfully submitted,

Debra Bechtel, Esq.
County Attorney
County of Catawba, North Carolina

EXHIBIT D

[TO BE PLACED ON LETTERHEAD]

OPINION OF SPECIAL COUNSEL

October 1, 2021

JPMorgan Chase Bank, N.A.
Cary, North Carolina

County of Catawba,
Newton, North Carolina

$12,325,000
Installment Financing Contract
between JPMorgan Chase Bank, N.A.
and the County of Catawba, North Carolina

Ladies and Gentlemen:

We have acted as Special Counsel in connection with the execution and delivery of the Installment Financing Contract, dated October 1, 2021 (the *"Contract"*), between JPMorgan Chase Bank, N.A. (the *"Bank"*), and the County of Catawba, North Carolina (the *"County"*), and have examined the record of proceedings relating thereto. Pursuant to the Contract, the Bank will advance an aggregate principal amount of $12,325,000 to the County, such principal advance representing the Loan Amount under the Contract. The County has entered into the Contract to provide funds to refinance the County's installment payments related to outstanding Limited Obligation Bonds (County of Catawba, North Carolina), Series 2011 (the *"2011 Bonds"*), the proceeds of which were used, together with other funds, to refinance a portion of the County's installment payment obligations under one or more installment financing contracts, pursuant to which the County financed all or a portion of the costs of (a) the construction and equipping of a new high school for Catawba County Schools and a new middle school for Hickory City Schools and the equipping of a learning resource center at Catawba Valley Community College, (b) improvements to Bunker Hill High School, (c) the construction and equipping of various wastewater system improvements, including sewer mains and lines, pump stations, and a utility bridge, and (d) the construction and equipping of, or improvements to, certain public school facilities, including Snow Creek Elementary School and Bandys High School, and certain facilities at Catawba Valley Community College and to pay certain other costs related to the 2011 Bonds. The County has secured its obligations under the Contract by entering into a Deed of Trust, Security Agreement and Fixture Filing dated October 1, 2021 (the "*Deed of Trust*"), from the County, as grantor, to the deed of trust trustee named therein, for the benefit of the Bank, granting a lien on the site of Bunker Hill High School, and the improvements thereon, as more particularly described in Exhibit A of the Deed of Trust. All capitalized undefined terms used herein have the meanings given in the Contract.

In such capacity, we have examined executed copies of the Contract, the Deed of Trust and such law, certified proceedings, instruments, opinions and other documents as we have deemed necessary to render the opinions hereinafter expressed. As to questions of fact material to the opinions hereinafter expressed, we have relied on representations of the County contained in the Contract, the Deed of Trust

and the related documents thereto, the certified proceedings and other certifications of public officials and others furnished to us, including certifications furnished to us by or on behalf of the County and other matters contained therein, without undertaking to verify the same by independent investigation. We have also relied on the opinion of Debra Bechtel, Esq., as County Attorney, dated the date hereof, as to the due authorization, execution and delivery of the Contract and the Deed of Trust by the County, without undertaking to verify the same by independent investigation. We have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing on such public records, certifications, and documents and proceedings.

On the basis of the foregoing, we are of the opinion, under existing law, that:

1. The Contract has been duly authorized, executed and delivered and constitutes a valid and legally binding obligation of the County, enforceable against the County in accordance with its terms.

2. The Deed of Trust has been duly authorized, executed and delivered and constitutes a valid and legally binding obligation of the County, enforceable against the County in accordance with its terms.

3. The interest component of the Installment Payments paid under the Contract is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinion set forth in the preceding sentence is subject to the condition that the County complies with all requirements of the Internal Revenue Code of 1986, as amended (the *"Code"*), that must be satisfied subsequent to the initial execution and delivery of the Contract in order that the interest component of the Installment Payments paid under the Contract be, or continue to be, excludable from gross income for federal income tax purposes. The County has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the interest component of the Installment Payments paid under the Contract to be included in gross income for federal income tax purposes retroactive to the date of the initial execution and delivery of the Contract. We express no opinion regarding other federal tax consequences arising with respect to the Contract.

4. The interest component of the Installment Payments paid under the Contract is exempt from all present State of North Carolina income taxation.

The rights of the owners of the Contract and the enforceability of the Contract and the Deed of Trust may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, liquidation, readjustment of debt, and other similar laws affecting creditors' rights and remedies generally, and by general principles of equity, whether such principles are considered in a proceeding at law or in equity.

Our services as Special Counsel in connection with execution and delivery of the Contract have been limited to rendering the opinions expressed above. We express no opinion relating to the financial resources of, or the creditworthiness of, the County, or any other matters relating to an evaluation of the likelihood or the ability of the County to make the Installment Payments under the Contract. This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. We are furnishing the opinions expressed above to you solely for your benefit and the

benefit of the Bank's permitted successors and assigns under the Contract (collectively, *"Assignees"*); provided, however, such reliance by any such Assignee must be actual and reasonable under the circumstances existing at the time such Assignee becomes an Assignee, including any changes in law, facts or any other developments known to or reasonably knowable by such Assignee at such time. No other person is entitled to rely on such opinions without our prior written consent. Such opinions are not to be used, circulated, quoted or otherwise referred to for any other purpose without our prior written consent.

Very truly yours,

PARKER POE ADAMS & BERNSTEIN LLP