

Regular Session, April 6, 2026, 7:00 p.m.
Catawba County Board of Commissioners

Emergency Services

Proclamation Declaring April 12-18th, 2026, as National Public Safety
Telecommunications Week 810 04/06/26

Finance

FY25-26 Audit Contract 811 04/06/26
Property Disposition: 2804 Beech Tree Street, Newton 842 04/06/26
Surplus Vehicle Donation Request 845 04/06/26

Libraries

Proclamation Declaring April 19-25, 2026, as National Library Week 810 04/06/26

Planning

Map Review Officer Designation 855 04/06/26

Presentations

Proclamation Declaring April 18th, 2026, as Line Worker Appreciation Day 810 04/06/26
Proclamation Declaring April 12-18th, 2026, as National Public Safety
Telecommunications Week 810 04/06/26
Proclamation Declaring April 6-12th, 2026, as Public Health Week and April as
Public Health Month 810 04/06/26
Proclamation Declaring April 19-25, 2026, as National Library Week 810 04/06/26
Proclamation Declaring April as Child Abuse Prevention Month 810 04/06/26

Proclamations

Proclamation Declaring April 18th, 2026, as Line Worker Appreciation Day 810 04/06/26
Proclamation Declaring April 12-18th, 2026, as National Public Safety
Telecommunications Week 810 04/06/26
Proclamation Declaring April 6-12th, 2026, as Public Health Week and April as
Public Health Month 810 04/06/26
Proclamation Declaring April 19-25, 2026, as National Library Week 810 04/06/26
Proclamation Declaring April as Child Abuse Prevention Month 810 04/06/26

Public Comment

Lynn Dorfman 810 04/06/26
Robin Martinez 810 04/06/26
Kimberly Turk 810 04/06/26
Betty Lohr 810 04/06/26
Ida Clough 810 04/06/26
Lisa Yakovenko 810 04/06/26
Phil Heath 810 04/06/26
Sarah Talbert 810 04/06/26
Kenyon Kelly 810 04/06/26
Sherrill Watkins 810 04/06/26
Jesse Alden 810 04/06/26

Public Health

Proclamation Declaring April 6-12th, 2026, as Public Health Week and April as
Public Health Month 810 04/06/26

Resolutions

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| Resolution Authorizing Sale and Upset Bid Process (Resolution 2026-7) | 842 | 04/06/26 |
| Resolution Declaring Surplus Property & Donation to Propst Crossroads Fire Department, Bandys Crossroads Fire Department and Catawba Volunteer Fire Department (Resolution 2026-8) | 845 | 04/06/26 |
| Resolution: Map Review Designation (Resolution 2026-9) | 855 | 04/06/26 |

Social Services

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| Proclamation Declaring April as Child Abuse Prevention Month | 810 | 04/06/26 |
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Sheriff

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| Declare Badge & Weapon Surplus for Retiring Chief Brian Kelly | 855 | 04/06/26 |
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Utilities and Engineering

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| Lease Assignment: Life Cycle Renewables, Inc., | 846 | 04/06/26 |
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The Catawba County Board of Commissioners met in Regular Session on Monday, April 6, 2026, at 7:00 p.m., in the Board of Commissioners Meeting Room, 2nd Floor, Catawba County Justice Center, 100 Government Drive, Newton, North Carolina.

Present were Chair Randy Isenhower, Vice-Chair Austin Allran, and Commissioners Barbara G. Beatty, and Cole Setzer. Commissioner Robert C. Abernethy, Jr., was not present.

Also present were Assistant County Manager Paul Murray, Assistant County Manager Adam Lindsay, County Attorney Jodi Stewart, Assistant County Attorney Josh Teague, and County Clerk Dale Stiles. County Manager Mary S. Furtado was not present.

1. Chair Randy Isenhower called the meeting to order at 7:00 p.m., noting a quorum was present.
2. Chair Isenhower led the Pledge of Allegiance.
3. Vice Chair Austin Allran offered the invocation.
4. Commissioner Barbara G. Beatty made a motion to approve the Minutes from the Board's Regular Meeting and Closed Session of March 16, 2026, and Special Meeting and Closed Session of March 30, 2026. The motion carried unanimously.
5. Recognition of Special Guests:
Chair Isenhower welcomed everyone present.
6. Public Comments.
Lynn Dorfman came forward and thanked the Board and staff for being allowed to hold public events with peaceful protest on County property. Robin Martinez and Sherrill Watkins came forward and spoke in favor of the school merger. Kimberly Turk, Betty Lohr, Ida Clough, Phil Heath, Sarah Talbert and Jesse Alden came forward and spoke in opposition of the school merger. Kenyon Kelley came forward and spoke against the monument on the grounds of 1924 Courthouse. Lisa Yakovenko came forward and spoke about Friends of Sherrills Ford Library.
7. Presentations.
 - a. Commissioner Cole Setzer presented a Proclamation Declaring April 18th as Line Worker Appreciation Day to Duke Energy District Manager Robin Nicholson.
 - b. Commissioner Setzer presented a Proclamation Declaring April 12-18, 2026, as National Public Safety Telecommunications Week to 911 Communications Center Administrator Brian Drum and 911 Shift Supervisor Amber Severt.
 - c. Vice Chair Allran presented a Proclamation Declaring April 6-12, 2026, as Public Health Week and April as Public Health Month to Assistant Public Health Director Julie Bryd.

d. Commissioner Beatty presented a Proclamation Declaring April 19-25, 2026, as National Library Week to Library Director Siobhan Loendorf and Assistant Library Director Jenny Markham.

e. Chair Isenhower presented a Proclamation Declaring April as Child Abuse Prevention Month to Children's Advocacy and Protection Center Community Engagement and Education Coordinator Shelby Pierce.

8. Consent Agenda.

Assistant County Manager Paul Murray presented the following six items under the consent agenda. Chair Isenhower asked if any commissioner wished for an item to be broken out of the consent agenda for individual consideration. None was requested.

a. The Finance and Personnel Subcommittee requested the Board of Commissioners approve a contract with Martin Starnes & Associates for Fiscal Year 2025-26 auditing services for an amount not to exceed \$129,215.

North Carolina General Statute 159-34 requires local governments to have their financial accounts audited each fiscal year and submit a copy of the audit to the Local Government Commission. Based on this requirement, staff recommended retaining the services of Martin Starnes & Associates to conduct an audit of the County's financial records for the fiscal year ending June 30, 2026.

On February 3, 2026, Catawba County issued a Request for Proposals seeking proposals from qualified independent audit firms interested in providing auditing services to the County. Proposals were received on March 2, 2026, from the following firms:

- Bernard Robinson and Company
- Cherry Bekaert, LLP
- Martin Starnes and Associates CPAs, PA

On March 4, 2026, the Evaluation Committee (Chief Financial Officer, Assistant Chief Financial Officer, Internal Auditor, and Purchasing Manager) met to evaluate the proposal responses received. The proposal responses were evaluated based on a scoring matrix included in the Request for Proposals. The Firm evaluations, attached below, with Martin Starnes & Associates receiving the highest score based on firm profile and qualifications, audit approach, and references. With scoring of Martin Starnes & Associates and Cherry Bekaert being relatively equal, the committee evaluated price. Martin Starnes & Associates provides the best value.

Martin Starnes & Associates, an accounting firm located in Catawba County, has extensive experience auditing North Carolina local governments. The proposed audit fee for fiscal year 2025-26 is \$93,215, an increase of \$2,715 over the prior fiscal year services, which includes compliance services for two major programs. Additional major program fees are \$4,500 per program, an increase of \$250 per program over the prior fiscal year. Due to the number of County programs meeting the single audit threshold, the County estimates ten major programs for fiscal year 2025-26. The total proposed cost for fiscal year 2025-26 is not to exceed \$129,215.

As part of the engagement, Martin Starnes & Associates shall audit all statements and disclosures required by generally accepted accounting principles (GAAP) and additional required legal statements and disclosures of all funds and/or divisions of the County. After completing the audit, the firm will submit to the Board a written report of audit and furnish the required number of copies of the audit report as soon as practical after the close of the accounting period. Martin Starnes & Associates will communicate timely and directly to the Board on matters related to the financial statement audit that are, in the auditor's professional judgment, significant and relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. Martin Starnes & Associates has agreed to assign a new audit partner and audit team to the engagement.

No appropriation is needed with this approval, as funds were previously budgeted for this purpose.

A copy of the Contract to Audit Accounts is hereto attached:

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| The of and | Governing Board Board of Commissioners |
| | Primary Government Unit Catawba County, NC |
| | Discretely Presented Component Unit (DPCU) (if applicable) N/A |

Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)

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| and | Auditor Name Martin Starnes & Associates, CPAs. P.A. |
| | Auditor Address 730 13th Avenue Drive SE, Hickory NC 28602 |

Hereinafter referred to as Auditor

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| for | Fiscal Year Ending 06/30/26 | Date Audit Will Be Submitted to LGC 12/31/26 |
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Must be within six months of FYE

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by "U.S. Auditing Standards – AICPA (Clarified)," referred to as generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business-type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types). Budgetary comparison information shall be prepared in accordance with applicable GASB standards. Budget-to-actual comparisons at the level of the legally adopted budget ordinance shall be presented as required supplementary information and shall not be included in the basic financial statements. Any other budgetary comparison information shall be presented only as supplementary information for funds required to be budgeted under NCGS Chapter 159, Article 3.

2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. If the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period, the Auditor shall perform the audit in accordance with *Generally Accepted Government Auditing Standards (GAGAS)*. The Governmental Unit is subject to federal single audit requirements in accordance with Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F (Uniform Guidance)* and the State Single Audit Implementation Act. Currently the threshold is \$1,000,000 for federal and state single audits, or such other threshold as applicable for the fiscal year under audit. This audit and all associated audit documentation may be subject to review by federal and State agencies in accordance with federal and State laws, including the staff of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit in accordance with the Uniform Guidance (§200.501) the Auditor and Governmental Unit(s) should discuss, in advance of the execution of this contract, the responsibility for submission of the audit and the accompanying data collection form (form SF-FAC) to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512) to ensure proper submission.

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.

4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC Staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards* (2018 revision or subsequent revisions, as applicable) issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he or she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and to the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon the Auditor's receipt of an updated peer review report. If the audit firm receives a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Auditing Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed, and the report of audit submitted to LGC Staff, within six months of fiscal year end. At the time of the execution of this contract, if the parties know that the anticipated submission date of the audit exceeds six months after fiscal year end, a written explanation shall be provided to the Secretary of the LGC on this contract form (see the space provided on Page 7). If it becomes necessary to amend the audit fee or the date that the audit report will be submitted to the LGC, an amended contract along with a written explanation of the change shall be submitted to the Secretary of the LGC for approval.

7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as they relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth the Auditor's findings, together with his or her recommendations for improvement. That written report shall include all matters determined to be "significant deficiencies and material weaknesses" in accordance with AU-C §265 "Communicating Internal Control Related Matters Identified in an Audit" of GAAS. The Auditor shall file a copy of that report with the Secretary of the LGC.

For GAAS or *Government Auditing Standards* audits, if an Auditor issues an AU-C §260 report, "Auditor's Communication With Those Charged With Governance," commonly referred to as a "Governance Letter," LGC staff does not require the report to be submitted unless the Auditor cites significant findings or issues from the audit, as defined in AU-C §260 paragraphs 12 - 14. This would include issues such as difficulties encountered during the audit, significant or unusual transactions, uncorrected misstatements, matters that are difficult or contentious for which the Auditor consulted outside the engagement team and, in the Auditor's judgment, are significant and relevant to those charged with governance, and other findings or issues that the Auditor believes are significant and relevant. If matters identified during the audit were required to be reported as described in AU-C §260 paragraphs 12 - 14 and were communicated in a method other than an AU-C §260 letter, the written documentation must be submitted.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is also required for the Alternative Compliance Examination Engagement for auditing the Coronavirus State and Local Fiscal Recovery Funds expenditures as allowed by US Treasury. Approval is not required on audit contracts and invoices for system improvements and similar services of a non-auditing nature.
9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. This also includes any progress billings [G.S. 159-34 and 115C-447]. All invoices for audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.
10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal Single Audit Act and the State Single Audit Act. This does not include fees for any pre-issuance reviews that may be required by the North Carolina Association of Certified Public Accountants (NCACPA) Peer Review Committee or North Carolina State Board of CPA Examiners (see Paragraph 13).
11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC Staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC Staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.
12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.
13. If the audit firm is required by the Secretary of the Local Government Commission to obtain a pre-issuance review or take corrective action as a result of peer review findings or quality control deficiencies, such corrective action shall be consistent with the authority and requirements of the North Carolina State Board of Certified Public Accountant Examiners, the AICPA Peer Review Program, and established Local Government Commission practice, including the use of report addenda or other remedial measures, as appropriate.

14. In accordance with G.S. 159-34, the Finance Officer of the Unit is responsible for filing the audited financial statements with the Secretary of the Local Government Commission.

The Auditor may upload the audit report and related documents through the LGC's electronic submission system; however, submission shall not be deemed complete until the Finance Officer has reviewed and certified the submission.

The Auditor, Finance Officer, other Unit staff member designated by the Finance Officer, or a third party approved by the Unit may enter all Data Input Report information except the information on the "transmittal doc info" tab. The "transmittal doc info" tab must be completed by the Auditor.

The Finance Officer shall review, approve, and certify the accuracy and completeness of the Data Input Report (DIR) in the LGC's LOGOS system prior to LGC review, regardless of whether the DIR is prepared by the Auditor or the Unit.

Finance Officer certification is required for any corrected or revised submissions.

Finance Officer certification of the DIR shall be completed in a timely manner following notification that the DIR is ready for review and within time frames prescribed by the LGC. Failure to complete certification in a timely manner may result in the audit being considered late due to unit action rather than auditor performance

The Auditor shall conduct the audit in accordance with generally accepted auditing standards and shall ensure that the financial statements are prepared in accordance with generally accepted accounting principles as of the fiscal year end. Budget-to-actual comparisons at the level of the legally adopted budget ordinance shall be presented in required supplementary information, separate from the basic financial statements, and shall not be included in the audit opinion. The Auditor shall confirm that such information reconciles to the financial statements and is consistent with applicable accounting guidance and any LGC reporting requirements.

The Finance Officer shall certify in a timely manner that all data inputted in LOGOS used for preparation of the financial statements and required supplementary information is complete and accurate.

For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC. These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements and/or the compliance section, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC Staff.

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.
16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing and preaudited if the change includes a change in audit fee (preaudit requirement does not apply to hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC.
17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Paragraph 30 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.
18. Special provisions should be limited. Please list any special provisions in an attachment.
19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in The Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the primary government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and Finance Officer also shall be included on this contract.
20. The contract shall be executed, preaudited (preaudit requirement does not apply to hospitals) and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.
21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.
22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.

24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.

25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.

26. E-Verify. The Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if the Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.

27. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Government Auditing Standards, 2018 or 2024 Revision* (as applicable). Preparing financial statements in their entirety shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, the Auditor must document and include in the audit workpapers how the Auditor reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.

28. **Applicable to audits with fiscal year ends of June 30, 2021 and later.** The Auditor shall present the audited financial statements including any compliance reports to the Government Unit's Governing Board or audit committee in an official meeting in open session as soon as the audited financial statements are available but not later than 45 days after the submission of the audit report to the Secretary of the LGC. The Auditor's presentation to the Governing Board or audit committee shall include:

- a) the description of each finding, including all material weaknesses and significant deficiencies, as found by the Auditor, and any other issues related to the internal controls or fiscal health of the Government Unit as disclosed in the management letter, the Single Audit or Yellow Book reports, or any other communications from the Auditor regarding internal controls as required by current auditing standards;
- b) the status of the prior year audit findings;
- c) the values of Financial Performance Indicators based on information presented in the audited financial statements; and
- d) notification to the Governing Board that the Governing Board shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under Rule 20 NCAC 03 .0508.

29. Information based on the audited financial statements shall be submitted to the Secretary of the LGC through the LGC's LOGOS system, including completion of the Data Input Report (DIR). Submission is not complete and shall not be accepted by the LGC until the Finance Officer has reviewed and certified the DIR in accordance with Paragraph 14 of this contract.

30. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Paragraph 17 for clarification).

31. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and Units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at <https://www.nctreasurer.com/state-and-local-government-finance-division/local-government-commission/submitting-your-audit>.

32. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

33. **Applicable to audits with fiscal year ends of June 30, 2025, and later.** The Unit authorizes the LGC to grant access to the LGC's LOGOS system, including the Data Input Report (DIR), to employees of the contracted audit firm who are associated with and acting on behalf of the firm for purposes of performing audit and reporting services under this contract. Such access shall be limited to the scope necessary to perform contracted services and shall not relieve the Auditor or the Unit of their respective responsibilities under this contract.

34. Changes or edits to the text of this contract form are not permitted, except for the Secretary's authority to revise or update this contract form pursuant to LGC Rule 20 NCAC 03. 0502.

For contracts with an anticipated audit submission date exceeding six months after fiscal year end, please use this space to explain the reason for the late submission, as required by Paragraph 6 of this contract form:

FEES FOR AUDIT SERVICES

1. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct (as applicable) and *Government Auditing Standards, 2018 Revision*. Refer to Paragraph 27 of this contract for specific requirements. The following information must be provided by the Auditor; contracts presented to the LGC without this information will not be approved.

Financial statements were prepared by: Auditor Governmental Unit Third Party

If applicable: The individual at the Governmental Unit designated to have the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the non-attest services and accept responsibility for the results of these services:

| | | |
|--------------------|---|-------------------------------|
| Name: | Title and Unit / Company: | Email Address: |
| Mary Morrison, CPA | Chief Financial Officer, Catawba County | mmorrison@catawbacountync.gov |

OR Not Applicable (Identification of SKE Individual on the LGC-205 Contract is not applicable for GAAS-only audits or audits with FYEs prior to June 30, 2020.)

2. Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter but may not be included in this contract or in any invoices requiring approval of the LGC. See Paragraphs 8 and 13 for details on other allowable and excluded fees.

3. The audit fee information included in the table below for both the Primary Government Fees and the DPCU Fees (if applicable) should be reported as a specific dollar amount of audit fees for the year under this contract. If any language other than an amount is included here, the contract will be returned to the audit firm for correction.

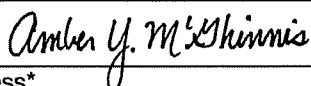
4. Prior to the submission of the completed audited financial report and applicable compliance reports subject to this contract, or to an amendment to this contract (if required) the Auditor may submit interim invoices for approval for services rendered under this contract to the Secretary of the LGC, not to exceed 75% of the billings for the Unit's last annual audit that was submitted to the Secretary of the LGC. All invoices for services rendered in an audit engagement as defined in Rule 20 NCAC .0503 shall be submitted to the Secretary of the LGC for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

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| Primary Government Unit | Catawba County, NC |
| Audit Fee (financial and compliance if applicable) | \$ 93,215 (includes single audit for up to 2 programs) |
| Fee per Major Program (if not included above) | \$ 4,500 per major program in excess of 2 |
| Additional Fees Not Included Above (if applicable): | |
| Financial Statement Preparation (incl. notes and RSI) | \$ |
| All Other Non-Attest Services | \$ |
| TOTAL AMOUNT NOT TO EXCEED | \$ 129,215 (includes 10 major programs) |

| | |
|--|-----------|
| Discretely Presented Component Unit | N/A |
| Audit Fee (financial and compliance if applicable) | \$ |
| Fee per Major Program (if not included above) | \$ |
| Additional Fees Not Included Above (if applicable): | |
| Financial Statement Preparation (incl. notes and RSI) | \$ |
| All Other Non-Attest Services | \$ |
| TOTAL AMOUNT NOT TO EXCEED | \$ |

SIGNATURE PAGE

AUDIT FIRM

| | |
|---|--|
| Audit Firm* Martin Starnes & Associates, CPAs. P.A. | |
| Authorized Firm Representative (typed or printed)* Amber Y. McGhinnis | Signature*  |
| Date* 03/17/26 | Email Address* amcghinnis@msa.cpa |

GOVERNMENTAL UNIT

| | |
|---|---|
| Governmental Unit* Catawba County, NC | |
| Date Governing Board Approved Audit Contract* (Enter date in box to right) | |
| Mayor/Chairperson (typed or printed)* C. Randall Isenhower, Chair | Signature* |
| Date | Email Address* risenhower@catawbacountync.gov |

| | |
|--|----------------------|
| Chair of Audit Committee (typed or printed, or "NA") N/A | Signature |
| Date | Email Address |

GOVERNMENTAL UNIT – PREAUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1). Not applicable to hospital contracts.

This instrument has been preaudited in the manner required by The Local Government Budget and Fiscal Control Act or by The School Budget and Fiscal Control Act.

| | |
|---|--|
| Sum Obligated by This Transaction: | \$ 129,215 (includes 10 major programs) |
| Primary Governmental Unit Finance Officer* (typed or printed) Mary Morrison, CPA, Chief Financial Officer | Signature* |
| Date of Preaudit Certificate* | Email Address* mmorrison@catawbacountync.gov |

SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

| | |
|--|----------------|
| DPCU* | |
| N/A | |
| Date DPCU Governing Board Approved Audit Contract* (Enter date in box to right) | |
| DPCU Chairperson (typed or printed)* | Signature* |
| Date* | Email Address* |

| | |
|--|---------------|
| Chair of Audit Committee (typed or printed, or "NA") | Signature |
| N/A | |
| Date | Email Address |

DPCU – PREAUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1). Not applicable to hospital contracts.

This instrument has been preaudited in the manner required by The Local Government Budget and Fiscal Control Act or by The School Budget and Fiscal Control Act.

| | |
|--|----------------|
| Sum Obligated by this Transaction: | \$ |
| DPCU Finance Officer (typed or printed)* | Signature* |
| N/A | |
| Date of Preaudit Certificate* | Email Address* |

Remember to print this form, and obtain all required signatures prior to submission.

PRINT



Report on the Firm's System of Quality Control

To the Shareholders of Martin Starnes & Associates, CPAs, P.A. and the Peer Review Committee, Coastal Peer Review, Inc.

We have reviewed the system of quality control for the accounting and auditing practice of Martin Starnes & Associates, CPAs, P.A. (the firm) in effect for the year ended December 31, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under Government Auditing Standards, including compliance audits under the Single Audit Act and an audit of an employee benefit plan.

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Martin Starnes & Associates, CPAs, P.A. in effect for the year ended December 31, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Martin Starnes & Associates, CPAs, P.A. has received a peer review rating of *pass*.

Dean Dorton Allen Ford, PLLC

Dean Dorton Allen Ford, PLLC

May 10, 2024

deandorton.com

A copy of Martin Starnes & Associates, CPAs, P.A. engagement letter is hereto attached:

MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

March 17, 2026

Mary Morrison, CPA, Chief Financial Officer
Catawba County
PO Box 389
Newton, NC 28658-0389

Martin Starnes & Associates, CPAs, P.A. ("we") are pleased to provide Catawba County (the "County," "you" or "your") with the professional services described below. Please read this letter, and any other attachments incorporated herein (collectively, "Agreement"). This Agreement details the nature and limitations of the services we will provide, the terms of our engagement and each party's responsibilities.

Engagement Objective and Scope

We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Catawba County, NC, as of June 30, 2026, and for the year then ended, and the related notes to the financial statements, which collectively comprise Catawba County's basic financial statements as listed in the table of contents.

In addition, we will audit the entity's compliance over major federal and state award programs for the period ended June 30, 2026. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the entity's major federal and state award programs. The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

The objectives of our compliance audit are to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the entity complied in all material respects with the applicable compliance requirements and identify audit and reporting requirements specified in the governmental audit requirement that are supplementary to GAAS and *Government Auditing Standards*, if any, and perform procedures to address those requirements.

Accounting principles generally accepted in the United States of America require that certain supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis
- Budgetary comparison info and related notes to RSI
- Law Enforcement Officers' Special Separation Allowance schedules
- Other Post-Employment Benefits' schedules
- Local Governmental Employees' Retirement System's schedules
- Register of Deeds' Supplemental Pension Fund schedules

Supplementary information other than RSI will accompany Catawba County's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

- Combining and individual fund financial statements
- Budget and actual schedules
- Supplemental ad valorem tax schedules
- Other schedules
- Schedule of Expenditures of Federal and State Awards

We will read the introductory section and statistical section accompanying the financial statements and consider whether a material inconsistency exists between the other information and the basic financial statements. In addition, we will remain alert for indications that a material inconsistency exists between the other information and knowledge obtained in the audit, or if such information contains a material misstatement of fact or is otherwise misleading. If based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

This engagement letter documents the agreed-upon terms of the audit in accordance with AU-C section 210. In accordance with AU-C section 935, the provisions of AU-C section 210 have been adapted and applied to meet the objectives of a compliance audit under the Uniform Guidance.

Schedule of Expenditures of Federal and State Awards

We will subject the Schedule of Expenditures of Federal and State Awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing

standards generally accepted in the United States of America. We intend to provide an opinion on whether the Schedule of Expenditures of Federal and State Awards is presented fairly in all material respects in relation to the financial statements as a whole.

Data Collection Form

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, Schedule of Expenditures of Federal and State Awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the Federal Audit Clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the Federal Audit Clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the *earlier* of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

Audit of the Financial Statements

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. As part of an audit of financial statements in accordance with GAAS and in accordance with *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- May include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected customers, creditors, financial institutions, and other third parties as part of our audit procedures. We also may request written representations from your attorneys on litigation, claims, and assessments as part of the engagement, and they may bill you for responding to our inquiries. At the conclusion of our audit, we also will require certain written representations from management made during the audit about the financial statements and related matters.
- Obtain an understanding of internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Catawba County's ability to continue as a going concern for a reasonable period of time.

We may advise management about appropriate accounting principles and their application, and we may assist in the assembly of your financial statements. However, management has the final responsibility for the selection and application of accounting policies and the fair presentation of financial statements that reflect the nature and operation of Catawba County.

We plan to obtain and place reliance on the report of other auditors for the Catawba Valley Medical Center and the Catawba County ABC Board, discretely presented component units of the County, assuming that our communications with the other auditors and review of their audit reports and the financial statements of the Catawba Valley Medical Center and the Catawba County ABC Board provide sufficient and appropriate audit evidence on which to base our opinion on the discretely presented component units.

Although we are currently in the planning stage of our audit, we have identified the following significant risks during our audit to date that require special audit consideration:

- Improper revenue recognition is considered a fraud and significant risk according to GAAS
- Management override of controls (including journal entries and budget amendments) is considered a fraud and significant risk according to GAAS

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Audit of Major Program Compliance

Our audit of Catawba County's major federal and state award program(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended, the Uniform Guidance, and the State Single Audit Implementation Act, and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance and the State Single Audit Implementation Act and other procedures we consider necessary to enable us to express such an opinion on major federal and state award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The objective of a compliance audit under the Uniform Guidance and the State Single Audit Implementation Act is to obtain reasonable assurance about whether the entity complied in all material respects with the

applicable compliance requirements for each of its major federal programs and to express an opinion on the entity's compliance based on the audit.

The Uniform Guidance and the State Single Audit Implementation Act require that we also plan and perform the audit to obtain reasonable assurance about whether material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal and state award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the entity's compliance based on the audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the entity's compliance with the requirements of the federal or state programs as a whole.

As part of a compliance audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Our procedures will consist of determining major federal and state programs and, performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs, and performing such other procedures as we consider necessary in the circumstances. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance and the State Single Audit Implementation Act.

Also, as required by the Uniform Guidance and the State Single Audit Implementation Act, we will obtain an understanding of the entity's internal control over compliance relevant to the audit in order to design and perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the entity's major federal and state award programs. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report. However, we will communicate to management and those charged with governance, regarding, among other matters, the planned scope and timing of the compliance audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal and state award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

Management's Responsibilities

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of the system of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. For the prevention and detection of fraud, including the design and implementation of programs and controls to prevent and detect fraud;
4. For identifying, in its accounts, all federal and state awards received and expended during the period and the federal and State programs under which they were received;
5. For maintaining records that adequately identify the source and application of funds for federal and state funded activities;
6. For preparing the Schedule of Expenditures of Federal and State Awards (including notes and noncash assistance received) in accordance with the Uniform Guidance and State Single Audit Implementation Act;
7. For designing, implementing, and maintaining effective internal control over federal and state awards that provides reasonable assurance that the entity is managing federal and state awards in compliance with federal and state statutes, regulations, and the terms and conditions of the federal and state awards;
8. For identifying and ensuring that the entity complies with federal and state laws, statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal and state award programs, and implementing systems designed to achieve compliance with applicable federal and state statutes, regulations and the terms and conditions of federal and state award programs;
9. For disclosing accurately, currently and completely the financial results of each federal and state award in accordance with the requirements of the award;
10. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
11. For taking prompt action when instances of noncompliance are identified;
12. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
13. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
14. For submitting the reporting package and data collection form to the appropriate parties;
15. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
16. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including the disclosures, and relevant to federal and state award programs, such as records, documentation, and other matters;
 - b. Additional information that we may request from management for the purpose of the audit;
 - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
 - d. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report (if applicable); and

- e. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report (if applicable).
17. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year or period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
18. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
19. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
20. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant roles in the system of internal control and others where fraud could have a material effect on the financials and/or compliance;
21. For the accuracy and completeness of all information provided;
22. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information, records and documentation;
23. For informing us of any events encountered subsequent to the period under audit that may require adjustment to or note disclosure in the financial statements; and
24. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility (a) for the preparation of the supplementary information in accordance with the applicable criteria, (b) to provide us with the appropriate written representations regarding supplementary information, (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information, and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

With regard to the Schedule of Expenditures of Federal and State Awards referred to above, you acknowledge and understand your responsibility (a) for the preparation of the Schedule of Expenditures of Federal and State Awards in accordance with the Uniform Guidance and the State Single Audit Implementation Act, (b) to provide us with the appropriate written representations regarding the Schedule of Expenditures of Federal and State Awards, (c) to include our report on the Schedule of Expenditures of Federal and State Awards in any document that contains the Schedule of Expenditures of Federal and State Awards and that indicates that we have reported on such schedule, and (d) to present the Schedule of Expenditures of Federal and State Awards with the audited financial statements, or if the schedule will not be presented with the audited financial statements, to make the audited basic financial statements readily available to the intended users of the Schedule of Expenditures of Federal and State Awards no later than the date of issuance by you of the schedule and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

Limitations of the Audit Report

Should the County wish to include or incorporate by reference these financial statements and our report thereon into any other document at some future date, we will consider granting permission to include our report into another such document at the time of the request. However, we may be required by generally accepted auditing standards (GAAS) to perform certain procedures before we can give our permission to include our report in another document such as an annual report, private placement, regulator filing, official statement, offering of debt securities, etc. You agree that the County will not include or incorporate by reference these financial statements and our report thereon, or our report into any other document without our prior written permission. In addition, to avoid unnecessary delay or misunderstandings, it is important to provide us with timely notice of your intention to issue any such document.

Nonattest Services

We will perform the following nonattest services:

- Preparation of auditor portions of Data Collection Form
- Clerical services

We will not assume management responsibilities on behalf of Catawba County. However, we will provide advice and recommendations to assist management of Catawba County in performing its responsibilities.

Catawba County's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) designing, implementing, and maintaining the system of internal control, including the process used to monitor the system of internal control.

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards.
- The nonattest services are limited to the services previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

Government Auditing Standards require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

You may request that we perform additional services not contemplated in this engagement letter. If this occurs, we will communicate with you regarding the scope and estimated cost of these additional services. Engagements for additional services may necessitate that we amend the Agreement or issue a separate agreement to reflect the obligations of all parties. In the absence of any other written communications from us documenting additional services, our services will be limited to and governed by the terms of this Agreement.

Reporting

We will issue a written report upon completion of our audit of Catawba County's basic financial statements. Our report will be addressed to the governing body of Catawba County. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with

you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

In accordance with the Uniform Guidance, we will issue (1) a report on compliance for each major program and (2) a report on internal control over compliance. These reports are intended solely for the information and use of management, those charged with governance, federal awarding agencies, pass-through entities, and oversight bodies, and are not intended to be used by anyone other than these specified parties.

We will provide copies of our reports to the County. However, management is responsible for distribution of the reports and financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

We also are responsible for communicating with the County's management or those charged with governance our audit responsibility under GAAS, an overview of the planned scope and timing of the audit including significant risks identified by us, significant issues or findings from the audit, including our views about the qualitative aspects of Catawba County's significant accounting practices, significant unusual transactions, significant difficulties encountered during the audit, disagreements with management, difficult or contentious matters for which we consulted outside the engagement team and that are, in our professional judgment, relevant to those charged with governance, uncorrected and corrected misstatements, and other findings or issues arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

Electronic Transmittals

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

During the course of the engagement, a portal will be in place for information to be shared, but not stored. Our policy is to terminate access to this portal after one year. The County is responsible for data backup for business continuity and disaster recovery, and our workpaper documentation is not to be used for these purposes.

If you decide to transmit your confidential information to us in a manner other than a secure portal, you accept responsibility for any and all unauthorized access to your confidential information. If you request that we transmit confidential information to you in a manner other than a secure portal, you agree that we are not responsible for any liability, including but not limited to, (a) any loss or damage of any nature, whether direct or indirect, that may arise as a result of our sending confidential information in a manner other than a secure portal, and (b) any loss arising as a result of any virus being passed on or with, or arising from any alteration of, any email message.

Timing of Engagement

We expect to begin our services at a time mutually determined by you and Martin Starnes & Associates, CPAs, P.A. and after receipt of this executed Agreement and all documents requested by our office. The timing of our work is dependent upon the timely receipt of the information we request from you, including timely responses to any questions we may ask.

Our services under this Agreement will conclude at the earlier of:

- issuance of the deliverable outlined in this Agreement;
- written notification by either party that the Agreement is terminated

Provisions of Engagement Administration and Fees

Tonya Coffey is the engagement partner for the audit services specified in this letter. The engagement partner's responsibilities include supervising Martin Starnes & Associates, CPAs, P.A.'s services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report. To ensure that our independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

The audit documentation for this engagement is the property of Martin Starnes & Associates, CPAs, P.A. and constitutes confidential information. However, we may be requested to make certain audit documentation available to the Local Government Commission, Office of the State Auditor, federal or state agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Martin Starnes & Associates, CPAs, P.A.'s personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

Our fees for these services are as follows:

Audit Fee (includes up to 2 major programs) \$ 93,215

Additional Fees:

Charge per major program in excess of 2 \$ 4,500

Please note that the fees above include up to 2 major programs, as indicated. The "total amount not to exceed" listed on the audit contract includes up to 10 major programs. If the total number of major programs

exceeds 10 and the "total amount not to exceed" needs to be increased, we will prepare an amended contract to include the fees necessary based on the per program amount listed as additional fees above.

As part of the base audit fee above, we will provide 12 printed copies of the compliance reports and related documents. Additional printed copies may be requested. However, such requests will incur a supplemental fee at our standard reproduction and handling rate in effect at the time of the request.

Our invoices for these fees will be rendered in four installments as work progresses and are payable upon presentation. The County agrees to pay all cost of collection (including reasonable attorney fees) that the Firm may incur in connection with the collection of unpaid invoices. In accordance with our firm policies, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for non-payment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our reports. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. In the event that work is discontinued, either temporarily or permanently, as a result of delinquent or non-payment, we shall not be liable for any loss you may incur as a result of the work stoppage, including penalties and interest. In such cases, you assume all risk associated with your failure to meet any governmental or other deadlines.

We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use Catawba County's personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

We want our clients to receive the maximum value for our professional services and to perceive that our fees are reasonable and fair. In working to provide you with such value, we find there are certain circumstances that can cause us to perform work in excess of that contemplated in our fee estimate.

Following are some of the more common reasons for potential supplemental billings:

Changing Laws and Regulations

There are many governmental and rule-making boards that regularly add or change their requirements. Although we attempt to plan our work to anticipate the requirements that will affect our engagement, there are times when this is not possible. We will discuss these situations with you at the earliest possible time in order to make the necessary adjustments and amendments in our engagement.

The estimated fees are based on auditing and accounting standards effective as of the date of this engagement letter and known to apply to the County at this time. Unless otherwise indicated, estimated fees do not include any time related to the application of new auditing or accounting standards that impact the County for the first time.

Incorrect Accounting Methods or Errors in Client Records

We base our fee estimates on the expectation that client accounting records are in order so that our work can be completed using our standard testing and accounting procedures. However, should we find numerous errors, incomplete records, or the application of incorrect accounting methods, we will have to perform additional work to make the corrections and reflect those changes in the financial statements. If, for any reason, the County is unable to provide such schedules, information, and assistance, the Firm and the County will mutually revise the fee to reflect additional services, if any, required of us to achieve these objectives.

Failure to Prepare for the Engagement

In an effort to minimize your fees, we assign you the responsibility for the preparation of schedules and documents needed for the engagement. We also discuss matters such as availability of your key personnel, deadlines, and work space. If your personnel are unable, for whatever reasons, to provide these items as previously agreed upon, it might substantially increase the work we must do to complete the engagement within the scheduled time.

Starting and Stopping Our Work

If we must withdraw our staff or accommodate the County's requested scheduling change because of the condition of the client's records, or the failure to provide agreed upon items within the established timeline for the engagement, we will not be able to perform our work in a timely, efficient manner, as established by our engagement plan. This will result in additional fees, as we must reschedule our personnel and incur additional start-up costs.

Assistance with Financial Statement Drafting

Your personnel is responsible for drafting the financial statements and related notes and the Schedule of Expenditures of Federal and State Awards. Upon completion of the drafted financial statements, we will review them and return them to you with suggested revisions. If more than two reviews or additional assistance are needed to make those revisions, this will result in additional fees based on standard hourly rates.

Our fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our fees for such services range from \$90-\$450 per hour.

Non-Solicitation of Employees and Independent Contractors

During the term of this engagement and for a period of eighteen (18) months after the end of this engagement, for whatever reason, you agree that you shall not, directly or indirectly: (i) solicit or attempt to solicit for employment or for engagement as an independent contractor, any of our employees or independent contractors; or (ii) solicit, encourage, or induce, or attempt to solicit, encourage, or induce, any of our employees or independent contractors to leave the employment of Martin Starnes & Associates, CPAs, P.A. or terminate their relationship with Martin Starnes & Associates, CPAs, P.A. For the avoidance of doubt, general advertisements for employment shall not be deemed a violation of this paragraph.

You agree that we invest a large amount of capital and resources to ensure that our employees and independent contractors deliver the highest level of service in our industry. You also agree that the cost of recruiting and hiring qualified individuals to replace our employees or independent contractors would be a lengthy and expensive process. You therefore agree that your violation of the non-solicitation provision above will result in economic damages that are difficult to ascertain and that, in the event of a breach of the non-solicitation provision above, you will pay to Martin Starnes & Associates, CPAs, P.A. a fee equal to One Hundred Percent (100%) of the employee's or independent contractor's annual rate of compensation at the time their relationship with us ends.

You further agree that your breach or threatened breach of the non-solicitation provision above would result in irreparable loss and injury to us. You agree that, in addition to all other remedies provided at law or equity, we shall be entitled to a temporary restraining order and preliminary and permanent injunctive relief in the event of a breach or threatened breach of the non-solicitation provision above, and you hereby waive any requirement that we post any bond in connection with obtaining such restraining order and/or injunctive

relief. We shall be entitled to a restraining order and/or injunctive relief without regard to whether we can demonstrate that we have suffered actual damages or economic loss as a result of the breach or threatened breach of the non-solicitation provision.

Termination and Withdrawal

Either party may terminate this Agreement at any time and for any reason. If this Agreement is terminated before services are completed, you agree to pay all fees and expenses we incur through the effective date of termination.

Proprietary Information

You acknowledge that proprietary information, documents, materials, management techniques and other intellectual property are a material source of the services we perform and were developed prior to our association with you. Any new forms, software, documents or intellectual property we develop during this engagement for your use shall belong to us, and you shall have the limited right to use them solely within your business. All reports, templates, manuals, forms, checklists, questionnaires, letters, agreements and other documents which we make available to you are confidential and proprietary to us. Neither you, nor any of your agents, will copy, electronically store, reproduce or make available to anyone other than your personnel, any such documents. This provision will apply to all materials whether in digital, "hard copy" format or other medium.

Conflicts of Interest

If we, in our sole discretion, believe a conflict of interest has arisen affecting our ability to deliver services to you in accordance with either the ethical standards of our firm or the ethical standards of our profession, we may be required to terminate our services without issuing our work product.

Third-Party Service Providers or Subcontractors

We may use third-party service providers, subcontractors, commercially available artificial intelligence, or software tools, some of which may utilize or offer artificial intelligence capabilities (collectively, "external party" or "external parties"), to assist us where necessary to help provide professional services to you or support the needs of our firm. You consent to our use of external parties. Our firm remains responsible for exercising reasonable care in providing our services, and our services and work product will be subjected to our firm's customary quality control procedures.

We may provide your confidential information to external parties in support of our services. You consent to the disclosure of your confidential information to those external parties. We take reasonably prudent business care consistent with our professional standards to prevent the unauthorized release of your confidential information.

In certain circumstances, we may require a separate, written consent from you before your information is transmitted to an external party or parties.

Records Management

We will return any original records and documents you provide to us. Our copies of your records and documents are solely for our documentation purposes and are not a substitute for your own record-keeping obligations under any applicable laws or regulations. You are responsible for maintaining complete and accurate books and records, which may include financial statements, schedules, tax returns and other deliverables provided to you by us. If we provide deliverables or other records to you via an information

portal, you must download this information within 60 days. Professional standards may preclude us from being the sole repository of your original data, records, or information.

Workpapers and other items created by us to support the delivery of our services are our property and will remain in our control. We will consider requests for copies of workpapers and other items created by us in accordance with the AICPA Code of Professional Conduct. Our workpapers will be maintained by us in accordance with our firm's record retention policy and any applicable legal and regulatory requirements.

We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report. Catastrophic events or physical deterioration may result in damage to or destruction of our firm's records, causing the records to be unavailable before the expiration of the retention period, as stated in our record retention policy.

Summons or Subpoenas

All information you provide to us in connection with this engagement will be maintained by us on a confidential basis.

If we receive a summons or subpoena which our legal counsel determines requires us to produce documents from this engagement or testify about this engagement, provided that we are not prohibited from doing so by applicable laws or regulations, we agree to inform you of such summons or subpoena as soon as practicable. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate, at your sole expense, to attempt to limit discovery. If you take no action within the time permitted for us to respond, or if your action does not result in a judicial order protecting us from supplying requested information, we may construe your inaction or failure as consent to comply with the request.

If we are not a party to the proceeding in which the information is sought, you agree to reimburse us for our professional time and expenses, as well as the fees and expenses of our legal counsel, incurred in responding to such requests.

Confidentiality

In providing services to you, we may require information that is considered confidential and may include Personally Identifiable Information (PII), i.e. information that can be used to distinguish or trace an individual's identity such as address, bank account and social security information. We will maintain all client information, including PII, on a confidential basis and have a duty to do so based on the standards promulgated by the American Institute of Certified Public Accountants as well as applicable laws and regulations. You assume the risk of loss if you provide us with information, including PII, which differs from the information we request in order to provide services to you in accordance with the Agreement.

Referrals

In the course of providing services to you, you may request referrals to products or professionals such as attorneys, brokers, or investment advisors. As a courtesy, we may identify professional(s) or product(s) for your consideration. However, you are responsible for evaluating, selecting, and retaining any professional or product and determining if the professional or product meets your needs. You agree that we will not oversee the activities of and have no responsibility for the work product of any professional or suitability of any product we refer to you or that you separately retain.

Limitations on Oral and Email Communications

We may discuss with you our views regarding the treatment of certain items or decisions you may encounter. We may also provide you with information in an email. Any advice or information delivered orally or in an email (rather than through a memorandum delivered as an email attachment) will be based upon limited research and a limited discussion and analysis of the underlying facts. Additional research or a more complete review of the facts may affect our analysis and conclusions.

Due to these limitations and the related risks, it may not be appropriate to proceed with a decision solely on the basis of any oral or email communication from us. You accept all responsibility for any liability, including but not limited to additional tax, penalties or interest resulting from your decision (i) not to have us perform the research and analysis necessary to reach a more definitive conclusion and (ii) to instead rely on an oral or email communication. The limitation in this paragraph will not apply to an item of written advice that is a deliverable of a separate engagement. If you wish to engage us to provide formal advice on a matter on which we have communicated orally or by email, we will confirm this service in a separate agreement.

Disclaimer of Legal and Investment Advice

Our services under this Agreement do not constitute investment advice unless specifically engaged in the *Engagement Objective and Scope* section of this Agreement. Our services under this Agreement do not constitute legal advice.

Electronic Data Communication and Storage

In the interest of facilitating our services to you, we may send data over the Internet, temporarily store electronic data via computer software applications hosted remotely on the Internet, or utilize cloud-based storage. Your confidential electronic data may be transmitted or stored using these methods. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and electronic data secure in accordance with our obligations under applicable laws, regulations, and professional standards.

You recognize and accept that we have no control over the unauthorized interception or breach of any communications or electronic data once it has been transmitted or if it has been subject to unauthorized access while stored, notwithstanding all reasonable security measures employed by us. You consent to our use of these electronic devices and applications during this engagement.

Marketing and Educational Communications

If we send you newsletters, updates, explanations of technical developments or similar communications, it is strictly for marketing or general educational purposes and should not be construed as professional advice on which you may rely. These communications, by themselves, do not create a contractual relationship between us and you, a binding obligation for us to provide services to you, nor a requirement on our part to monitor issues for you.

Independent Contractor

When providing services to your company, we will function as an independent contractor and in no event will we or any of our employees be an officer of you, nor will our relationship be that of joint venturers, partners, employer and employee, principal and agent, or any similar relationship giving rise to a fiduciary duty to you.

Our obligations under this Agreement are solely obligations of Martin Starnes & Associates, CPAs, P.A.,

and no Martin Starnes & Associates, CPAs, P.A. stakeholder shall be subjected to any personal liability whatsoever to you or any person or entity.

Severability

If any portion of this Agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of the terms set forth in this Agreement.

Survivability

The following sections of this Agreement shall survive termination of the Agreement: Limitation of Liability and Statute of Limitations.

Assignment, No Third-Party Beneficiaries

All parties acknowledge and agree that the obligations and responsibilities of this Agreement cannot be assigned to any third party except as agreed to in writing. This Agreement has been entered into solely between you and Martin Starnes & Associates, CPAs, P.A., and no third-party beneficiaries are created hereby.

Force Majeure

Neither party shall be held liable for any delays resulting from circumstances or causes beyond our reasonable control, including, without limitation, fire or other casualty, act of God, strike or labor dispute, war or other violence, epidemics or pandemics as defined by The Centers for Disease Control and Prevention, or any law, order or requirement of any governmental agency or authority. However, no Force Majeure event shall excuse you of any obligation to pay any outstanding invoice or fee or from any indemnification obligation under this Agreement.

Electronic Signatures and Counterparts

Each party hereto agrees that any electronic signature intended to replicate a written signature, shall be presumed valid, and we may reasonably rely upon it. For purposes hereof, "electronic signature" includes, but is not limited to, a scanned copy of a manual signature, an electronic copy of a manual signature affixed to a document, a signature incorporated into a document utilizing touchscreen capabilities, or a digital signature. Documents may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement.

Entire Agreement

This Agreement, including the LGC-205 Contract to Audit Accounts, represents the entire agreement of the parties and supersedes all previous oral, written or other understandings and agreements between the parties. Any modification to the terms of this Agreement must be made in writing and signed by both parties.

Statute of Limitations

You agree that any claim or legal action arising out of or related to this contract and the services provided hereunder shall be commenced no more than one (1) year from the date of delivery of the work product to You or the termination of the services described herein (whichever is earlier), regardless of any statute of limitations prescribing a longer period of time for commencing such a claim under law. This time limitation shall apply regardless of whether Martin Starnes & Associates, CPAs, P.A. performs other or subsequent services for You. A claim is understood to be a demand for money or services, demand for mediation, or

the service of suit based on a breach of this contract or the acts or omissions of Martin Starnes & Associates, CPAs, P.A. in performing the services provided herein. This provision shall not apply if enforcement is disallowed by applicable law or professional standards.

Limitation of Liability

You agree that Martin Starnes & Associates, CPAs, P.A.'s liability, if any, arising out of or related to this contract and the services provided hereunder, shall be limited to the amount of the fees paid by You for services rendered under this contract. In no event shall Martin Starnes & Associates, CPAs, P.A. be liable to You or a third party for any indirect, special, consequential, punitive, or exemplary damages, including but not limited to lost profits, loss of revenue, interruption, loss of use, damage to goodwill or reputation, regardless of whether You were advised of the possibility of such damages, regardless of whether such damages were reasonably foreseeable, and regardless of whether such damages arise under a theory of contract, tort, strict liability, or otherwise. The foregoing limitations shall not apply to the extent it is finally, judicially determined that the liability resulted from gross negligence or fraud of Martin Starnes & Associates, CPAs, P.A. or if enforcement of this provision is disallowed by applicable law or professional standards.

Mediation

If a timely dispute arises out of or relates to this Agreement, including the scope of services contained herein, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try to settle the dispute by mediation administered by the American Arbitration Association ("AAA") under the *AAA Accounting and Related Services Arbitration Rules and Mediation Procedures* before resorting to arbitration, litigation, or any other dispute resolution procedure. The mediator will be selected by mutual agreement of the parties. If the parties cannot agree on a mediator, a mediator shall be designated by the AAA. The mediation will be conducted in North Carolina.

The mediation will be treated as a settlement discussion and, therefore, all discussions during the mediation will be confidential. The mediator may not testify for either party in any later proceeding related to the dispute. No recording or transcript shall be made of the mediation proceedings. The costs of any mediation proceedings shall be shared equally by all parties. Any costs of legal representation shall be borne by the hiring party.

This provision shall not apply to any dispute of fees owed, billed or due.

Arbitration Procedures

If a dispute has not been resolved within 90 days after the effective date of the written notice beginning the mediation process (or such longer period, if the parties so agree in writing), the mediation shall terminate and the dispute shall be settled by binding arbitration to be held at a mutually agreeable location. The arbitration shall be conducted in accordance with the CPR Rules for Non-Administered Arbitration that are in effect at the time of the commencement of the arbitration, except to the extent modified by this Dispute Resolution Provision (the rules). The arbitration shall be conducted before a panel of three arbitrators. Each of the County and firm shall designate one arbitrator in accordance with the "screened" appointment procedure provided in the Rules, and the two party-designated arbitrators shall jointly select the third in accordance with the Rules. No arbitrator may serve on the panel unless he or she has agreed in writing to enforce the terms of the engagement letter and to abide by the terms of the Rules. Except with respect to the interpretation and enforcement of these arbitration procedures (which shall be governed by the Federal Arbitration Act), the arbitrators shall apply the laws of the state of North Carolina (without giving effect to its choice of law principles) in connection with the dispute. The arbitrators may render a summary disposition relative to all or some of the issues, provided that the responding party has had an adequate opportunity to respond to any such application for such disposition. Any discovery shall be conducted in

accordance with the Rules. The result of the arbitration shall be binding on the parties, and judgment on the arbitration award may be entered in any court having jurisdiction.

Costs

Each party shall bear its own costs in both the mediation and the arbitration; however, the parties shall share the fees and expenses of both the mediators and the arbitrators equally.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm to the Contract to Audit Accounts for your consideration and files.

Please sign and return a copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements and compliance over major federal and state award programs, including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of Catawba County by:

Signature: _____

Title: _____

Date: _____

b. The Finance and Personnel Subcommittee requested the Board of Commissioners approve a resolution declaring the County-owned property located at 2804 Beech Tree Street, Newton, surplus and begin the upset bid process, based on an offer to purchase the property by Jerry Hildebran, Jr. in the amount of \$70,000.

Jerry Hildebran Jr. has expressed an interest in acquiring the County-owned 7.57-acre property because he owns land that adjoins this tract. Mr. Hildebran has made an offer to purchase for \$70,000 and submitted a bid deposit of \$3,500, as required by County policy and State law.

The County does not have any specific use for this property at the present time or in the foreseeable future. The property's assessed value is \$41,200.

If authorized by the Board, notice of the bid will be advertised in the Hickory Daily Record and on the County's website, and upset bids may be made to the County within ten (10) days of publication. If an upset bid is received, that bid will be re-advertised until there are no further upset bids. The Board will then either accept or reject the offer. If the offer is accepted, the property will be sold to the highest bidder. The successful bidder must present cash or a certified check for the entire balance due at the time of closing.

The following resolution applies:

RESOLUTION # 2026-7
RESOLUTION AUTHORIZING SALE AND UPSET BID PROCESS
Parcel ID: 361802654180

WHEREAS, Catawba County owns certain property located at 2804 Beech Tree Street, Newton, North Carolina, as shown in Deed Book 2196 at Page 0952 in the office of the Register of Deeds for Catawba County, to which Deed reference is hereby made for more complete description; and

WHEREAS, North Carolina General Statute §160A-269 permits the County to sell property by upset bid, after declaring the property surplus and receiving an offer to purchase the property; and

WHEREAS, the County has received an offer to purchase the property described above, in the amount of \$70,000, submitted by Jerry Hildebran, Jr.; and

WHEREAS, Jerry Hildebran, Jr., has paid the required five percent (5%) deposit on their offer; and

WHEREAS, the Catawba County Board of Commissioners acknowledges the offer of \$70,000, subject to the upset bid procedure, for the property located at 2804 Beech Tree Street, Newton, North Carolina.

NOW, THEREFORE, the Catawba County Board of Commissioners resolves that:

1. The Catawba County Board of Commissioners declares the property located at 2804 Beech Tree Street, Newton, surplus and authorizes the sale of the property described above through the upset bid procedure of North Carolina General Statute §160A-269.
2. The County Clerk shall cause a notice of the proposed sale to be published. The notice shall describe the property and the amount of the offer and shall state the terms under which the offer may be upset.
3. Persons wishing to upset the offer that has been received shall submit a sealed bid with their offer to the office of the County Clerk within 10 days after the notice of sale is published. At the conclusion of the 10-day period, the Purchasing Manager shall open the bids, if any, and the highest such bid will become the new offer. If there is more than one bid in the highest amount, the first such bid received will become the new offer.

4. If a qualifying bid is received, the County Clerk shall cause a new notice of upset bid to be published and shall continue to do so until a 10-day period has passed without any qualifying upset bid having been received.
5. A qualifying higher bid is one that raises the existing offer by not less than ten percent (10%) of the first \$1,000 of that offer and five percent (5%) of the remainder of that offer.
6. A qualifying higher bid must also be accompanied by a deposit for five percent (5%) of the bid; the deposit may be made in cash, cashier's check, or certified check. The County will return the deposit on any bid not accepted and will return the deposit on an offer subject to upset if a qualifying higher bid is received. The County will return the deposit of the final high bidder at closing.
7. The terms of the final sale are that the property is sold "as is," and the buyer must pay with cash, cashier's check or certified check at the time of closing.
8. The County reserves the right to withdraw the property from sale at any time before the final high bid is accepted and the right to reject all bids at any time.
9. If no qualifying bid is received after the initial public notice, the offer set forth above is hereby accepted. The appropriate County officials are authorized to execute the instruments necessary to convey the property. All other bids must be accepted by the Board of Commissioners.

This the 6th day of April, 2026.

A copy of a map of Beech Tree Street, Newton is hereto attached:



catawba county
MAKING LIVING BETTER

Geospatial
Information Services

Real Estate Search



1 in = 200 ft.

Parcel: 361802654180, 2804 BEECH TREE ST NEWTON, 28658

Owners: CATAWBA COUNTY,

Owner Address: PO BOX 389

Values - Building(s): \$0, Land: \$41,200, Total: \$41,200

This map/report product was prepared from the Catawba County, NC Geospatial Information Services. Catawba County has made substantial efforts to ensure the accuracy of location and labeling information contained on this map or data on this report. Catawba County promotes and recommends the independent verification of any data contained on this map/report product by the user. The County of Catawba, its employees, agents, and personnel, disclaim, and shall not be held liable for any and all damages, loss or liability, whether direct, indirect or consequential which arises or may arise from this map/report product or the use thereof by any person or entity.

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03/20/2026

c. The Policy and Public Works Subcommittee requested the Board of Commissioners adopt a resolution declaring the following equipment surplus and approving the donation requests below:

- a. A 2017 Chevrolet Tahoe to Propst Fire Department;
- b. A 2017 Chevrolet Tahoe to Bandys Fire Department; and
- c. A 2017 Chevrolet Tahoe to Catawba Volunteer Fire Department.

N.C.G.S. § 160A-279 authorizes the County to convey personal property to entities carrying out a public purpose without monetary consideration as long as the property will be used for a public purpose. The process begins with the governing board adopting a resolution authorizing the conveyance of the property and then the County publishing a ten-day notice summarizing the contents of the resolution.

Catawba County has a local vehicle donation policy that supports local fire departments, rescue squads, public educational institutions, and police departments by making surplus vehicle donations available when a need is present and vehicles meeting that need are available. The three vehicle donation requests being considered by the Board of Commissioners at this time meet these criteria.

Propst Fire Department is in need of a quick response vehicle and has requested donation of a 2017 Chevrolet Tahoe, VIN No. 1GNLCDEC5HR186809, with 121,653 miles and an approximate value of \$11,500. If the donation request is approved, Propst Fire Department will replace a 2007 Crown Victoria that is experiencing costly mechanical repairs. This donation will play a pivotal role in the reduction of their emergency response times.

Bandys Fire Department is in need of a quick response vehicle and has requested donation of a 2017 Chevrolet Tahoe, VIN No. 1GNSKDEC3HR204612, with 124,955 miles and an approximate value of \$11,400. If the donation request is approved, Bandys Fire Department will utilize this vehicle to run medical first response calls in cases where the larger fire vehicle is not warranted. The vehicle will also provide access to roads within the district that cannot be reached by larger equipment.

Catawba Volunteer Fire Department is in need of a quick response vehicle and has requested donation of a 2017 Chevrolet Tahoe, VIN No. 1GNLCDEC8HR184097, with 131,985 miles and an approximate value of \$11,000. This request is made to replace a vehicle that has now been placed out of service due to a failing transmission and the cost associated with that repair. If the donation request is approved, Catawba Volunteer Fire Department will use the vehicle to respond to service and medical calls, helping reduce the costs and maintenance associated with deploying larger apparatus.

An alternative is to sell the ambulances on GovDeals, with total estimated revenues to the County of \$33,900, based on GovDeals selling points for equipment of similar age, condition, and mileage.

The following resolution applies:

RESOLUTION No. 2026- 8
DECLARATION OF SURPLUS PROPERTY AND DONATION TO PROPST CROSSROADS FIRE
DEPARTMENT, BANDYS CROSSROADS FIRE DEPARTMENT AND
CATAWBA VOLUNTEER FIRE DEPARTMENT

WHEREAS, pursuant to N.C.G.S. § 160A-279, the County has the authority to declare property no longer needed as surplus and donate said property to a nonprofit organization for which the County is authorized to appropriate funds so long as the property will be used for a public purpose; and

WHEREAS, Catawba County has personal property items that are no longer needed for the County's governmental purposes but various agencies in the County do have a public purpose use for the items, including a 2017 Chevrolet Tahoe, VIN No. 1GNLCDEC5HR186809; a 2017 Chevrolet Tahoe, VIN No. 1GNSKDEC3HR204612; and a 2017 Chevrolet Tahoe, VIN No. 1GNLCDEC8HR184097.

THEREFORE, the Catawba County Board of Commissioners resolves that:

1. The above referenced personal property items are declared surplus and shall be donated without monetary consideration as follows:
 - a. A 2017 Chevrolet Tahoe to Propst Fire Department;
 - b. A 2017 Chevrolet Tahoe to Bandys Fire Department; and
 - c. A 2017 Chevrolet Tahoe to Catawba Volunteer Fire Department.
2. The Purchasing Manager is authorized to conduct the transfer of property and shall publish a notice summarizing the contents of this resolution and the property shall be conveyed ten days after the Notice of Publication.

This the 6th day of April, 2026.

d. The Policy and Public Works Subcommittee requested the Board of Commissioners authorize the County Manager to execute an Amendment, Assignment and Assumption of Lease between Catawba County, Blue Ridge Biofuels and Lifecycle Renewables and all necessary documents related to the transaction.

In October 2014, Catawba County entered into an agreement with Blue Ridge Biofuels, LLC, to lease the county-owned property located at 3961 Rocky Ford Road for 20 years as a site for its biodiesel production facility. Blue Ridge Biofuels agreed to pay an annual base rent of \$6,000.00, increased annually based on the Consumer Price Index.

In November 2025, Utilities & Engineering received a letter from Woodrow Eaton, CEO of Blue Ridge Biofuels, indicating the company's intent to sell all of its assets to Lifecycle Renewables Inc. For the past decade, Blue Ridge Biofuels and Catawba County have maintained an effective partnership making it possible for the transition to Lifecycle Renewables. Blue Ridge Biofuels acknowledges that Lifecycle Renewables, Inc., is committed to solving certain sources of carbon emissions and has a business model that enables continued success. Blue Ridge Biofuels requests approval to assign the current lease at 3961 Rocky Ford Road to Lifecycle Renewables, Inc., effective upon sale closing.

Additionally, through this transition, the lease is proposed to be amended by increasing the annual base rent to \$36,685, increased annually by the Consumer Price Index.

If the Board of Commissioners choose not to authorize this proposed transaction, the lease will not be assigned to Lifecycle Renewables, likely resulting in lease termination and loss of associated revenue for Catawba County.

A copy of the Amendment, Assignment and Assumption of Lease is hereto attached:

AMENDMENT, ASSIGNMENT AND ASSUMPTION OF LEASE

This Amendment, Assignment and Assumption of Lease (hereafter the “**Assignment**”), dated as of _____, 2026 (the “**Effective Date**”), is entered into among Catawba County, a political subdivision of the State of North Carolina (“**Landlord**”), Blue Ridge Biofuels, LLC, a North Carolina limited liability company (“**Tenant**” or “**Assignor**”) and Lifecycle Renewables, Inc., a Delaware corporation (“**Assignee**”). Landlord, Assignor and Assignee are sometimes referred to collectively as the “**Parties**”.

RECITALS

A. Landlord is the owner and landlord of the real property located at 3961 Rocky Ford Road, Newton, North Carolina (the “**Property**”).

B. Landlord and Tenant entered into that certain Lease Agreement, Catawba County contract # 35-15-0210 (the “**Lease**”), dated October 6, 2014, for a portion of the Property as further described in the Lease (the “**Premises**”).

C. Tenant, Assignee and Sellers (as defined in the Purchase Agreement) are parties to that certain Asset Purchase Agreement dated the date hereof (the “**Purchase Agreement**”) pursuant to which Assignor agreed to assign and transfer to Assignee, and Assignee agreed to accept from Assignor, all of the Assigned Assets (including the Lease), and Assignee has also agreed to assume, as of the Effective Date, the Assumed Liabilities, on the terms and conditions set forth therein.

D. Pursuant to the Purchase Agreement, Assignor and Assignee desire for Assignor to assign and transfer to Assignee, and Assignee desires to assume, all of Assignor’s right, title, and interest in and to the Lease, together with all of Assignor’s duties and obligations thereunder arising from and after the Effective Date, and Landlord consents to such assignment and the amendment of the Lease, as amended, as set forth herein.

AGREEMENT

NOW, THEREFORE, for and in consideration of the above-stated premises and other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Definitions. All capitalized terms in this Assignment shall have the same meaning as the terms are so defined in the Lease, except to the extent such meanings have been amended or supplemented by this Assignment

2. Assignment. As of the Effective Date, Assignor hereby assigns, conveys, and transfers to Assignee (a) all of Assignor’s right, title, and interest in and to the Lease, as amended herein; (b) Assignor’s rights to all improvements, tenements, hereditaments, and appurtenances belonging or appertaining to the Premises or the Property under the Lease (to the extent the same are Assignor’s property pursuant to the terms of the Lease); and (c) the security deposit in the

amount of \$ _____ held by Landlord with respect to the Lease and the Premises (the "Security Deposit").

3. Acceptance and Assumption. As of the Effective Date, (a) Assignee accepts the assignment of the Lease by Assignor and assumes and agrees to perform, all duties and obligations required to be performed by the Tenant under the Lease, as amended, arising from and after the Effective Date. Assignee's address for purposes of sending notice to Assignee as Tenant under the Lease is the following:

Lifecycle Renewables, Inc.
PO Box 1144
Marblehead, MA 01945
Attn: Robert Gaunt
Email: rob@lifecyclerenewables.com

With a copy to (which shall not constitute notice):

Baker, Donelson, Bearman, Caldwell & Berkowitz, PC
Monarch Plaza
3414 Peachtree Road, N.E.
Suite 1500
Atlanta, GA 30326
Attn: Joe Delgado, Esq.
Email: jdelgado@bakerdonelson.com

4. Indemnification. Except as expressly set forth above, Assignee agrees to indemnify, defend and hold Assignor harmless from all claims, damages and expenses (including reasonable attorneys' fees and disbursements actually incurred) arising out of any act or omission with respect to the Lease to the extent such claims, damages and expenses relate to obligations to be first performed by Assignee on or after the Effective Date or acts or omissions of Assignee on or after the Effective Date. Assignor agrees to indemnify, defend and hold Assignee harmless from all claims, damages and expenses (including reasonable attorneys' fees and disbursements actually incurred) arising out of any act or omission with respect to the Lease to the extent such claims, damages and expenses relate to obligations that have been, or should have been, performed by Assignor prior to the Effective Date or acts or omissions of Assignor occurring prior to the Effective Date.

5. Lease Status. Assignor hereby represents and warrants to Assignee as follows:

- a. Assignor is the tenant under the Lease;
- b. the Lease has not been modified, changed, altered, supplemented or amended in any respect prior to the Effective Date except as set forth herein, nor have any provisions thereof been waived;
- c. the Lease is valid and in full force and effect on the Effective Date. The Lease, as amended, represents the entire agreement between Landlord and Assignor with respect to the premises described in the Lease;

- d. no event has occurred and no condition exists that constitutes, or that with the giving of notice or the lapse of time or both, would constitute, a default by Assignor or, to the best knowledge of Assignor, Landlord under the Lease; and
- e. these representations and warranties are made to induce Assignee to acquire Assignor's interest in the Lease as set forth in this Assignment with the understanding that Assignee shall rely upon the truth of the matters set forth in this Assignment.

6. Landlord's Consent. Landlord hereby consents to this Assignment and hereby agrees that from and after the Effective Date, Assignor shall be released from any further liability under the Lease, and Landlord shall look solely to Assignee for performance of the obligations arising under the Lease from and after the Effective Date. Landlord acknowledges and agrees that (a) it is in possession of the Security Deposit, (b) that neither Assignor nor Assignee shall be required to submit any additional security in connection with this Assignment, (c) effective as of the Effective Date, Landlord shall hold the Security Deposit for the benefit of Assignee pursuant to the terms of the Lease; (d) Schedule 1 sets forth a true and complete list of all documents constituting the Lease and represents the entire agreement between the Landlord and Tenant with respect to the Premises; and (e) there are no defaults existing under the Lease and no events have occurred that, with the passage of time or the giving of notice, or both, would constitute a default under the Lease. Landlord's consent pursuant to this Assignment shall not be construed as a consent by Landlord to, or as permitting, any other or further assignment or subletting by Tenant or Assignee.

7. Amendments. The Lease is hereby amended as follows:

- a. Section 2.2 is modified by deleting the second sentence and inserting the following: "Landlord shall have the right, but not the obligation, to terminate this Lease at any time during the Term by providing the Tenant twenty-four (24) months advance written Notice of such termination."
- b. Section 3.1 is modified as follows:
Rent: Beginning on the Effective Date, Rent shall be an annual rent of Thirty-Six Thousand Six Hundred Eighty-Five and 00/100s Dollars \$36,685 ("Base Rent"), which Base Rent shall be payable in equal monthly installments of Three Thousand Fifty-Seven and 08/100s Dollars (\$3,057.08/month). The first Base Rent installment shall be due and payable on the Effective Date. The Base Rent shall be adjusted annually on each anniversary of the Effective Date based upon the aggregate increase, in the Consumer Price Index for the preceding Lease Year. For purposes of this Paragraph, the Consumer Price Index shall be "All Urban Consumers, South Region, All Items" annual average, or if CPI is no longer published or reasonably available, an equivalent successor index measuring the cost of living in the Southeast region of the United States.
- c. Section 3.4 of the Lease is deleted in its entirety.
- d. Section 4 is modified by deleting the second sentence.
- e. Throughout the Lease, each reference to the "EcoComplex" is replaced with the "Landfill".

- f. Section 5.3 and Exhibit C is modified as follows: Assignee shall provide to Landlord an updated and accurate Hazardous Materials List to be included as Exhibit C prior to or on the Effective Date.
- g. Section 5.6 is added stating the following:
 - 5.6 Nuisance Prohibited.
 - (a) Tenant shall not create or maintain, or allow others to create or maintain, any nuisance in or about the Premises, and shall ensure its operations do not unreasonably interfere with the use or enjoyment of adjoining properties.
 - i. Odors and Emissions: Tenant shall not permit any objectionable or unpleasant odor, smoke, dust, gas, or fumes to emanate from the Premises. All emissions generated by Tenant's use must be sufficiently dissipated in accordance with sound environmental practices and exhausted so as not to interfere with, annoy, the Landlord, or adjacent property owners. In addition to state and local regulations, Landlord shall exercise reasonable discretion in determining if an odor is objectionable or unpleasant.
 - ii. Trash and Waste: Tenant shall store all trash, refuse, and waste material in adequately covered containers located within the Premises. Trash shall not constitute a health or fire hazard or a nuisance and must not be visible to the general public. Tenant, at its expense, is responsible for the regular removal of all waste in a clean and safe manner and for maintaining the Premises in a clean and sanitary condition, free from debris.
 - iii. Noise and Vibration: Tenant shall not cause or allow any unreasonably loud noise, excessive vibration, or activity in the Premises that might disturb the peace, or adjacent properties. All collection operations, deliveries, and similar noisy activities shall conform to all applicable federal, state, and local noise level regulations and, where possible, minimize disruption during non-business hours.
- h. Section 6.2 is amended by adding the following language: In addition to the above, any wastewater treatment or pre-treatment facility added to the premises by Tenant and/ or any extension, improvement or modification to the sewer serving the Premises, will need to be approved by, and constructed to the specification of, the City of Hickory.
- i. Section 8.2 is modified by deleting the second sentence and replacing it with the following: Notwithstanding the foregoing, Landlord covenants to hold Tenant harmless from the claims, penalties or demands for personal injury or damage to property arising out of or in connection with Landlord's use and occupancy of the Premises as contemplated herein, and the Landlord's use and occupancy of the Landfill.
- j. Section 8.3 is modified as follows: Tenant covenants to indemnify, defend, and hold Landlord harmless from the claims, penalties or demands of any and all persons, firms and corporations for personal injury or damage to property arising out of or in connection with Tenant's use and occupancy of the Premises. Tenant shall maintain and carry, at all times during the Term hereof, general liability insurance with a company authorized to do business in North

Carolina with a rating of A+ or better as determined by A. M. Best and Company, in the minimum amount of Three Million dollars (\$3,000,000.00) single limit and Five Million dollars (\$5,000,000.00) aggregate, bodily injury, death and property damages. Tenant shall deliver to Landlord memorandum policies of such coverage with companies reasonably satisfactory to Landlord and naming Landlord as an additional insured therein. Additionally, Tenant shall maintain at all times during the Term hereof, business automobile insurance in the minimum amount of One Million dollars (\$1,000,000.00) per occurrence combined single limit for bodily injury and property damage liability. The business automobile insurance policy must include the MCS-90 endorsement. Landlord must be named as an additional insured under Tenant's automobile and general liability insurance.

- k. Section 13.18 of the Lease is deleted in its entirety.
- l. Exhibit B of the Lease is deleted in its entirety.

8. General. All of the terms and conditions of the Lease not specifically amended by this Assignment shall remain unchanged and in full force and effect. Landlord, Tenant and Assignee hereby confirm the Lease, as amended hereby. In the event of any conflict between the terms of this Assignment and the Lease, the terms of this Assignment shall control. The recitals set forth above are incorporated into this Assignment by reference and made a part hereof. This Assignment may be executed in one or more counterparts, each of which shall be deemed to be an original, and all of which together shall comprise a single instrument. For all purposes herein, an electronic or DocuSign signature shall be deemed the same as an original signature.

[Signature pages follow.]

IN WITNESS WHEREOF, the Parties have duly signed, sealed and delivered this Assignment.

LANDLORD:

Catawba County

By: _____
Name:
Title:

[DULY AUTHORIZED, EMPOWERED AND DIRECTED
TO EXECUTE AND DELIVER THIS INSTRUMENT]

ASSIGNOR:

Blue Ridge Biofuels, LLC,
a North Carolina limited liability company

By: _____ (SEAL)
Name: Woodrow Eaton
Title: Manager

[DULY AUTHORIZED, EMPOWERED AND DIRECTED
TO EXECUTE AND DELIVER THIS INSTRUMENT]

ASSIGNEE:

Lifecycle Renewables, Inc.,
a Delaware corporation

By: _____
Name: Rory Gaunt
Title: CEO

(CORPORATE SEAL)

[DULY AUTHORIZED, EMPOWERED AND DIRECTED
TO EXECUTE AND DELIVER THIS INSTRUMENT]

SCHEDULE 1

(Copy of Lease)

**EXHIBIT C
HAZARDOUS MATERIAL LIST**

| Inventory Item | Max Quantity On Hand | Unit |
|------------------------------------|-----------------------------|-------------|
| Vegetable Oil | 120,000 | gal |
| Waste Water | 25,000 | gal |
| PolyStar F52 Wastewater Polymer | 500 | gal |
| Lime Calcium Hydroxide | 6000 | lbs |
| Industrial Degreaser | 55 | gal |
| Isopropyl alcohol | 10 | gal |
| Diesel Exhaust Fluid (DEF) | 10 | gal |

Materials onsite that will be removed within 90 days of closing

| Inventory Item | Max Quantity On Hand | Unit |
|---------------------------------|-----------------------------|-------------|
| Diesel | 100 | gal |
| Anti-Microbial Fuel Additive | 100 | gal |
| Mineral Spirits | 10 | gal |
| Calcium Hydride | 0.5 | lbs. |
| Potassium Hydroxide | 7,000 | lbs. |
| Sulfuric Acid | 750 | gal |
| Power Service (anti gel) | 110 | gal |
| Miscellaneous lab supplies | <1 | gal |

e. Staff requested the Board of Commissioners declare Chief Brian Kelly's badge and weapon as surplus pursuant to North Carolina Statute 20-187.2(a). Chief Kelly is retiring effective May 1, 2026. He has requested his badge and service weapon. In lieu of receiving these items at a Board of Commissioners meeting, he has asked that the weapon and badge be presented at a retirement ceremony at a later date.

f. Staff requested the Catawba County Board of Commissioners amend the list of Map Review Officers by adoption of a resolution.

On July 17, 1997, the General Assembly ratified SB 875 - Maps and Plats Law. This law requires all counties to appoint Review Officers by name, rather than by position, to review each plat or map before recordation to certify it meets the statutory requirements for mapping. Any time a staffing change occurs, the Board of Commissioners has to appoint and approve by resolution the new name(s) and subsequently record the change in the Register of Deeds Office.

Catawba County is requesting Diana Gandia be added as a review officer. Town of Maiden is requesting Addyson Ikard be added as a review officer. Town of Longview and Town of Catawba are requesting Daniel Odom be added as a review officer.

With approval of the attached resolution incorporating the changes noted above, the active list of Review Officers will be:

| | |
|--------------------|---|
| Catawba County: | Chris Timberlake, Laurie LoCicero, Maggie Izlar, Diana Gandia |
| City of Hickory: | Brian Frazier, Cal Overby, Mike Kirby, and Wilson Elliott |
| City of Newton: | Randy Williams and Alex S. Fulbright |
| City of Conover: | Stephanie Watson, Heather Stephens, Madeleine Epley, and Erik Schlichting |
| City of Claremont: | Bryce Carter |
| Town of Long View: | Susan Matheson, Daniel Odom |
| Town of Maiden: | Blake Wright, Addyson Ikard |
| Town of Catawba: | Ashley Young, Daniel Odom |
| Town of Brookford: | Marshall Eckard |

The following resolution applies:

RESOLUTION #2026-9
APPOINTMENT OF MAP REVIEW OFFICERS

WHEREAS, S.L. 1997-309 (SB875) made a number of significant changes in the procedures for recording maps and plats; and

WHEREAS, the main purpose of the law was to transfer the responsibility for reviewing plats to determine whether they meet recording requirements from the Register of Deeds to a Review Officer; and

WHEREAS, G.S. 47-30.2 requires the Board of County Commissioners in each County, by resolution, to appoint a person or persons to serve as Review Officer to review each plat or map before it is recorded and certify that it meets the statutory requirements for recording; and

WHEREAS, it is the desire of the Catawba County Board of Commissioners to insure an expeditious review of all maps and plats as required by G.S. 47-30.2 before they are presented to the Register of Deeds for recording; and

WHEREAS, the Catawba County Board of Commissioners on October 6, 2025 adopted Resolution #2025-36 which included names of individuals who were appointed as Review Officers for representative jurisdictions in Catawba County; and

WHEREAS, said Resolution was recorded in the Office of the Register of Deeds in Book 3976 Pages 0149-0150; and

WHEREAS, staffing changes have occurred in Catawba County and the Town of Maiden which necessitate an amendment to the approved list of Map Review Officers.

NOW THEREFORE, BE IT RESOLVED, that Diana Gandia hereby by added to the list of appointed review officers for Catawba County and that Addyson Ikard hereby added to the list of appointed Review Officers for The Town of Maiden.

With the above change, the comprehensive list of Map Review Officers is as follows:

| | |
|--------------------|---|
| Catawba County: | Chris Timberlake, Laure LoCicero, Maggie Izlar and Diana Gandia |
| City of Hickory: | Brian Frazier, Cal Overby, Mike Kirby, Wilson Elliott |
| City of Newton: | Randy Williams and Alex S. Fulbright |
| City of Conover: | Stephanie Watson, Heather Stephens, Madeleine Epley, and Erik Schlichting |
| City of Claremont: | Bryce Carter |
| Town of Long View: | Susan Matheson, Daniel Odom |
| Town of Maiden: | Blake Wright , Addyson Ikard |
| Town of Catawba: | Ashley Young, Daniel Odom |
| Town of Brookford: | Marshall Eckard |

AND BE IT FURTHER RESOLVED that a copy of this Resolution designating the Review Officers be recorded in the Catawba County Register of Deed's Office and indexed in the names of the Review Officers.

Adopted this the 6th day of April, 2026.

The consent agenda items came in the form of a motion by Chair Isenhower, which carried unanimously.

9. Other Items of Business. None.
10. Manager's Report. None.
12. Attorney's Report. None.
13. Adjournment. No further action was taken. Upon a motion by Commissioner Beatty which unanimously carried, the meeting was adjourned at 8:00 p.m.



Randy Isenhower, Chair
Catawba County Board of Commissioners



Dale R. Stiles
County Clerk