

COLUMBUS COUNTY BOARD OF COMMISSIONERS
Monday, December 6, 2021
4:30 P.M.

The Honorable Columbus County Commissioners met on the above stated date and time at the Dempsey B. Herring Courthouse Annex, 112 West Smith Street, Whiteville, North Carolina 28472, for the purpose of conducting the Regular Session.

COMMISSIONERS PRESENT:

Ricky Bullard, **Chairman**
Jerome McMillian, **Vice Chairman**
Chris Smith
Lavern Coleman
Brent Watts
Charles T. McDowell

APPOINTEES PRESENT:

Eddie Madden, Jr., **County Manager**
Boyd Worley, **Board Attorney**
Amanda B. Prince, **Staff Attorney/Clerk to Board**
Jay Leatherman, **Finance Director**

COMMISSIONERS ABSENT (EXCUSED):

Giles E. Byrd

PUBLIC HEARING

6:30 P.M. – Tabor City School Project: the purpose of this Public Hearing is to receive oral and written comments from the public regarding whether the Board of Commissioners should approve a proposed installment financing agreement to finance a portion of the cost of various projects and whether said county should acquire certain school property included in such projects.

A regular meeting of the Board of Commissioners for the County of Columbus, North Carolina, was held in the Dempsey B. Herring Courthouse Annex Building, located at 112 West Smith Street, Whiteville, North Carolina 28472, the regular place of meeting, at 6:30 P.M., on December 6, 2021.

Present: Commissioners Ricky Bullard, Jerome McMillian, Chris Smith, Lavern Coleman, Brent Watts, and Charles McDowell.

Absent: Giles E. Byrd.

* * * * *

The Chairman of the Board of Commissioners for the County of Columbus, North Carolina (the “County”) announced that this was the hour, day and place fixed for the public hearing for the purpose of considering whether the Board of Commissioners for the County should approve (a) a proposed installment financing agreement and certain related documents pursuant to G.S. §160A-20, as amended, for the purpose of providing funds, with other available funds, for financing and refinancing the costs of renovating, expanding, equipping and improving an existing school facility known as Tabor City School (the “Project”) and (b) the proposed acquisition by the County from the Columbus County Schools Board of Education of an interest in the real and personal property included in the Project, including specifically the site of the Project and the improvements thereon, for use by the Columbus County Schools. The County would secure the repayment of the proposed financing by granting a security interest in a portion of the Project and certain related property.

The County Manager and the Finance Director of the County then described (a) the Project as currently proposed and the current plan of the County to finance and refinance a portion of the cost of the Project and (b) the proposed acquisition by the County from the Columbus County Schools Board of Education of an interest in the real and personal property included in the Project, including specifically the site of the Project and the improvements thereon, for use by the Columbus County Schools.

Notice of this public hearing was published in The News Reporter not less than 10 days before the date of this public hearing.

The Chairman of the Board of Commissioners for the County (the “Board”) then announced that the Board would immediately hear anyone who might wish to be heard on such matters.

No one appeared, either in person or by attorney, to be heard on such matters and the Clerk to the Board announced that no written statement relating to such matters had been received.

Thereupon, the Chairman of the Board announced that the public hearing was closed.

* * * * *

I, Amanda Prince, Clerk to the Board of Commissioners for the County of Columbus, North Carolina, DO HEREBY CERTIFY that the foregoing is a true copy of so much of the proceedings of said Board at a regular meeting held on December 6, 2021 as relates in any way to the matters described therein and that said proceedings are recorded in Minute Book ____ of the minutes of said Board, beginning on page ____ and ending on page ____.

I HEREBY FURTHER CERTIFY that notice of said meeting was duly given in accordance with G.S. §143-318.12.

WITNESS my hand and the corporate seal of said County, this 6th day of December 2021.

Clerk to the Board of Commissioners

MOTION:

Commissioner McDowell made a motion to close the Public Hearing, seconded by Commissioner Coleman, the motion unanimously passed.

Agenda Item #1: MEETING CALLED to ORDER:

At 6:32 P.M. Chairman Ricky Bullard called the Monday, December 6, 2021 Columbus County Board of Commissioners Regular Session Meeting to order.

Agenda Item #2: RE-ORGANIZATION OF BOARD – ELECTION OF CHAIRMAN AND VICE CHAIRMAN FOR 2022:

Boyd Worley, Board Attorney, presided as Acting Chairman for the election of the Chairman and Vice Chairman of the Columbus County Board of Commissioners.

MOTION:

Commissioner Lavern Coleman made a motion that Commissioner Ricky Bullard remain as Chairman and Commissioner Jerome McMillian remain as Vice Chairman, seconded by Commissioner Brent Watts. The motion unanimously passed.

No other nominations were stated. The nominations were closed. Commissioner Ricky Bullard will serve as Chairman for the ensuing year. Commissioner Jerome McMillian will serve as Vice Chairman for the ensuing year.

Agenda Items #3&4: INVOCATION and PLEDGE of ALLEGIANCE:

The invocation was delivered by Commissioner Chris Smith. Everyone in attendance stood and pledged Allegiance to the Flag of the United States of America which was led by Vice Chairman Jerome McMillian.

Agenda Item #5: BOARD MINUTES APPROVAL:

- A. October 28, 2021 Special Called Meeting
- B. November 1, 2021 Regular Session
- C. November 2, 2021 Reconvened Meeting/Recessed from November 1, 2021
- D. November 4, 2021 Emergency Meeting
- E. November 15, 2021 Regular Session

MOTION:

Commissioner Smith made a motion to approve the minutes, seconded by Commissioner Coleman. The motion unanimously passed.

Agenda Item #6: APPROVAL OF DECEMBER 6, 2021 AGENDA AND CONSENT AGENDA ITEMS:

MOTION:

Commissioner McDowell made a motion to add Agenda Items 6c, 6d and 6e to the December 6, 2021 Agenda, seconded by Commissioner Smith. The motion unanimously passed.

A. TAX REFUNDS and RELEASES:

Name	Acct#	Date	Amt. Released	Prop. Value	Year	Bill#	Prop. #	User Fee	Late List	District	Discount	Total
George Gracie N Troy 1036 Mille-Christine Rd Whiteville, NC 28472	14-02948	12/6/2021	\$0.00	\$0.00	2019	99999	6923	\$400.00	\$0.00	\$0.00	\$0.00	\$400.00
Refund user fees. Double billed.												
Jenkins, Climnal D P.O. Box 82 Cerro Gordo, NC 28430	16-04129	12/6/2021	\$0.00	\$0.00	2018	14530	14530	\$200.00	\$0.00	\$0.00	\$0.00	\$200.00
Refund user fees. Double billed on Act.												

B. BUDGET AMENDMENTS – UPDATING CAPITAL PROJECT FOR TABOR CITY SCHOOL:

Columbus County, North Carolina

BUDGET AMENDMENT

Name of Department: Finance

Agency Head Signature: Jay Leatherman

Date Prepared November 29, 2021

EXPENDITURE

Fund	Budget Code Dept	Category	Classification Line Item	Requested Increase or (Decrease)
89	5923	524000	Construction	\$1,022,741
89	5923	820000	Construction Interest	\$685,000
89	5923	549956	Contingency	(\$108,216)
Total Net Expenditures				\$1,599,525

REVENUE

Fund	Budget Code Dept	Category	Classification Line Item	Requested Increase or (Decrease)
89	3591	449120	Loan Proceeds	\$3,489,265
89	3591	489200	Future Years County Appropriation	(\$1,889,740)
Total Net Revenue				\$1,599,525

Jay Leatherman
Signature

November 29, 2021
Date

Explanation of Increase or Decrease:
Additional in

COLUMBUS COUNTY

Tabor City School K-8 Project
Amended Budget

	<u>Original</u> <u>Budget</u>	<u>Revised</u> <u>Budget</u>	<u>variance</u>
<u>Revenue</u>			
County BOE Contribution	300,000	300,000	-
Loan Proceeds	24,518,814	28,008,079	3,489,265
County Appropriation	2,000,000	2,000,000	-
Future Years County Appropriation	3,000,000	1,110,260	(1,889,740)
Total Revenue	29,818,814	31,418,339	1,599,525

Disbursements

Engineering/Architect Fees	1,468,702	1,468,702	-
Appraisal & Survey	10,000	10,000	-
Permitting	197,400	197,400	-
Construction	24,827,259	25,850,000	1,022,741
Construction Interest	-	685,000	685,000
Administrative Cost	145,000	145,000	-
Furniture Fixtures and Equipment	1,494,096	1,494,096	-
Contingency	1,676,357	1,568,141	(108,216)
Total Disbursements	29,818,814	31,418,339	1,599,525

C. INTERIM FINANCING AGREEMENT: TABOR CITY SCHOOL PROJECT:

Columbus County, North Carolina

Interim Installment Financing Agreement

Summary of Bids Received

December 2, 2021

Bank	Rate	Fees	Effective Rate	Prepayment
JPMorgan Chase	1.020%	\$5,750	1.031%	Non-callable
Truist	1.350%	\$7,500	1.384%	Anytime at par
PNC	1.380%	\$7,500	1.384%	Did not specify
United Community Bank	1.470%	\$4,500	1.478%	Any date on or after 1/1/2023 at par



December 2, 2021

Amy Vitner and Brandon DeCoste
First Tryon Advisors
avitner@firsttryon.com
bdecoste@firsttryon.com
jleatherman@columbusco.org
hwoody@columbusco.org
blofton@robinsonbradshaw.com
asarrimanolis@robinsonbradshaw.com

RE: Private Placement for Columbus County, North Carolina, \$27,903,701 Interim Installment Financing Agreement (2022 IFA)

JPMorgan Chase Bank, NA (the “Bank”) is pleased to submit this proposal for financing to Columbus County, North Carolina (the “County”). This proposal is presented in the form of a binding “Term Sheet,” subject to final negotiation and acceptance of all terms, conditions and documentation for the transaction. This proposal does not signify a binding commitment by Bank to extend credit or purchase the Bond (defined below) unless and until this proposal is signed by the County.

TYPE OF FINANCING:	Interim Installment Financing Agreement (the “Agreement”) to be issued as a direct bank loan between the Bank and the County. The Bank will require a single term instrument with semi-annual interest payments and a principal payment at maturity, and without DTC registration. Bank presently intends to hold the Agreement to final maturity. Bank will not require either an agency rating or the purchase of insurance for repayment. Bank will not accept CUSIP identification numbers.
FORM OF AGREEMENT:	Bank will require a single term Agreement, with a final maturity of January 1, 2024.
PRIOR TO CLOSING:	Bank will require approval of Local Government Commission and approval from USDA Rural Development to obligate funds for the Tabor City School project to pay off the Installment Financing Agreement at maturity.
LEGAL OPINION:	Purchase of the Agreement will be subject to the opinion of Bond Counsel, to the effect that the Agreement and the County’s obligation under the Agreement are legal, valid, binding and enforceable against the County, that interest on the Agreement is excluded from gross income for Federal income tax purposes under the Code. Bond counsel approving opinion must be addressed to Bank or permit reliance by Bank.
USE OF PROCEEDS:	The amounts advanced to the County pursuant to the 2022 IFA will be used for renovating, expanding, equipping, and improving existing school facilities known as Tabor City School and pay related financing costs. The County intends to retire the 2022 IFA through USDA future long-term financing.

PRINCIPAL AMOUNT:	Not exceeding \$27,903,701, fully funded at closing.
FINANCING TERM/MATURITY:	Final maturity of January 1, 2024.
REPAYMENT TERMS:	Semi-Annual interest payments January 1 and July 1 commencing July 1, 2022. Interest will be calculated on basis of twelve thirty-day months. Principal payment plus accrued interest will be due at the January 1, 2024, maturity.
INTEREST RATE:	<p>1.02% <i>indicative</i>, fixed rate, tax-exempt, non-bank qualified, without optional redemption.</p> <p>The rate provided above is provided exclusively for indicative purposes, based upon market conditions as of December 2, 2021. The actual rate of interest will be set by mutual agreement between the Bank and the County upon receipt of signed Term Sheet from the County and within 45 days of closing. Rates are indicative for an award of bid by 4:00 pm local time, which may be extended within the sole discretion of the Bank, subject to modifications in the proposal terms, including pricing, as determined by the Bank. Further, closing must occur no later than January 13, 2022.</p> <p>The interest rate will be fixed upon receipt of signed Term Sheet. However, prior to receipt of signed acceptance, the interest rate may increase if the Bank's cost of funds increases.</p>
SECURITY:	The County's obligation to make the installments under the Agreement will be subject to annual appropriation by the County in its sole discretion. The County's obligations under the Agreement will be secured by a deed of trust on the Tabor City School. No deficiency judgment may be rendered against the County for breach of contractual obligation under the Agreement, and the taxing power of the County will not be pledged to secure any payments due under the Agreement.
CONDITIONS PRECEDENT:	<p>The County will certify in closing certificate or other appropriate document that the resolution that approved the County entering into the Agreement was adopted at a meeting duly called and held and is in full force and effect.</p> <p>Usual and customary representations and warranties and other conditions prior to the execution and delivery of the Installment Financing Agreement for like situated issuers and for the type and term of the Facility, including absence of default, absence of material litigation and absence of material adverse change from the County's financial conditions and operations as reflected in the financial statements of the County dated June 30, 2020.</p>

Additional conditions precedent will include delivery of acceptable documentation and legal opinions, including an opinion of bond counsel as to the validity and enforceability of the obligations of the County under the Bond Documents and that the interest component of installment payments is exempt from federal and State of North Carolina income taxation under the Code.

DEED OF TRUST REQUIREMENTS:

(1) The Bank will require the address for the property secured under the Deed of Trust and any existing property survey and title work held by the County for the subject property. A mortgagee title policy will not be required.

(2) A real estate valuation appraisal will not be required.

(3) A flood zone determination will be obtained by the Bank. If a structure is located within a special flood hazard area, the Bank will require executed flood notification forms signed by the County and evidence of flood insurance on the subject property will be required. All such documentation must be acceptable to the Bank. All related fees and expenses shall be the sole responsibility of the County.

DOCUMENTATION:

Documentation will be prepared by Bond Counsel, Robinson Bradshaw, which firm represents the County at the County's expense. The terms of this financing will be evidenced by an Installment Financing Agreement and a Deed of Trust (collectively, the "Bond Documents") that are usual and customary for an installment financing contract under NCGA Section 160A-20. The required documentation will include, but not be limited to, the terms and conditions outlined herein as well as the Bank's standard provisions with respect to representations and warranties, covenants, events of default, remedies, conditions precedent, waiver of jury trial (to the extent legally permissible), compliance with anti-corruption laws, and other general provisions that the Bank and its counsel deem necessary and will otherwise be satisfactory in form and substance to the Bank and its counsel.

BANK COUNSEL FEES:

The County will pay or reimburse the Bank for all its out-of-pocket costs and expenses and reasonable attorneys' fees where not prohibited by applicable law and incurred in connection with (i) the development, preparation and execution of the Installment Financing agreement, and (ii) in connection with the enforcement or preservation of any rights under any agreement, any amendment, supplement, or modification thereto, and any other loan documents both before and after judgment. Bank has retained Jonathan Mize with Womble Bond Dickinson (US) LLP to serve as bank counsel at a fee not to exceed \$5,750.

DETERMINATION OF TAXABILITY:

If the interest component of the Installment Payments is determined to be taxable because of the action or inaction of the Borrower, the interest shall be adjusted to preserve the Lender's after-tax economic yield. In addition, the County shall pay to the Lender an amount necessary to reimburse the Lender for any interest, penalties, or other charges assessed by the Internal Revenue Service and the Department of Revenue by reason of the Lender's failure to include the interest on the Installment Payments in its gross income for income tax purposes.

PAYING AGENT/REGISTRAR:

Bank will not serve as Paying Agent or as Registrar of the Agreement. The Bank will invoice semi-annually for payment on the 15th business day of the month preceding each payment due date.

FINANCIAL REPORTING:

Unless otherwise available electronically on a public website, the County will be required to provide Bank with audited annual financial statements, and prepared by an independent Certified Public Accountant, within 270 days (nine months) of the close of its fiscal year. Additionally, the County will provide Bank with a copy of its annual budget, as adopted within 30 days of adoption. Other reporting, such as Bank may require from time to time, could include copies of any long-term capital improvement plans.

ADDITIONAL PROVISIONS:

This proposal must be accepted on or before 4:00 P.M. EDT on December 2, 2021, with funding and closing to occur not later than 45 days after the receipt of the signed term sheet, unless the 45th day is a weekend in which case it will default to the previous weekday. If acceptance and funding have not occurred by the above dates, the Bank may, at its option and in its sole discretion, terminate this proposal, or adjust the interest rate. *The interest rate will remain indicative until signed acceptance has been received by the Bank.*

Any change (whether material or not) in the amount to be financed or a material change in the financial condition or prospects of the County may constitute a re-pricing event and the Bank may, at its option and in its sole discretion, terminate this Term Sheet and/or the Interest Rate may be adjusted.

CONFIDENTIALITY:

This Term Sheet is for the County's confidential review and may not be disclosed by it to any other person other than its employees, attorneys, board members and financial advisors (but not other commercial lenders), and then only in connection with the transactions being discussed and on a confidential basis, except where disclosure is required by law, or where the Bank consents to the proposed disclosure.

ASSIGNMENT:

The Bank shall have the right to assign, sell, pledge or participate interests in or enter trust or other arrangements regarding the Agreement, without the consent of the County. The Agreement is being acquired by the Bank for investment for its own account and not with a present view toward resale or distribution. The Bank may also disclose information and share, at its option, any fees with any of its affiliates or participants.

MUNICIPAL ADVISOR DISCLAIMER:

The County acknowledges and agrees that (i) the transaction contemplated herein is an arm's length commercial transaction between the County and the Bank and its affiliates, (ii) in connection with such transaction, the Bank and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), agent or a fiduciary of the County, (iii) the Bank and its affiliates are relying on the bank exemption in the Municipal Advisor Rules, (iv) the Bank and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the County with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not the Bank, or any affiliate of the Bank, has provided other services or advised, or is currently providing other services or advising the County on other matters), (v) the Bank and its affiliates have financial and other interests that differ from those of the County, and (vi) the County has consulted with its own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.


EMMA POSTINGS:

As a best practice to maintain transparency, final documentation may be posted by the County on a national public bond market repository provided that the Bank first have an opportunity to request redaction of certain information. The County agrees that it shall not file or permit the filing or submission of any posting to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) system that includes unredacted sensitive or confidential information about the Bank or its affiliates, including e-mail addresses, telephone numbers, fax numbers, names and signatures of officers, employees and signatories. The County agrees to provide the Bank with a copy of each posting prior to its submission or posting on EMMA.

BANKING RELATIONSHIP:

This term sheet is provided with the understanding and expectation that the County will be open to discussions regarding other traditional banking services, such as deposit accounts and cash management services, with JPMorgan Chase Bank, NA.

JPMORGAN CHASE BANK, NA
By:



Jeremy E Fisher
Vice President
4350 Congress St, Floor 2
Charlotte NC 28209
(828) 729-3105 (Mobile)
jeremy.e.fisher@chase.com

cc: Jonathan Mize, Womble Bond Dickson (US) LLP
jon.mize@wbd-us.com

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, IN THE EVENT ANY MATERIAL CHANGE SHALL OCCUR IN THE FINANCIAL MARKETS AFTER THE DATE OF THIS TERM SHEET, BUT BEFORE CLOSING, INCLUDING BUT NOT LIMITED TO ANY GOVERNMENTAL ACTION OR OTHER EVENT WHICH MATERIALLY ADVERSELY AFFECTS THE EXTENSION OF CREDIT BY BANKS, LEASING COMPANIES OR OTHER LENDING INSTITUTIONS, BANK MAY MODIFY THE INDICATIVE PRICING DESCRIBED ABOVE.

ACCEPTED BY: (for) Columbus County, North Carolina

By: _____
Name: _____
Title: _____
Date: _____

IRS Circular 230 Disclosure: Bank and its affiliates (collectively, “Chase”) do not provide tax advice. Accordingly, any discussion of U.S. tax matters contained herein (including any attachments) is not intended or written to be used, and cannot be used, in connection with the promotion, marketing or recommendation by anyone unaffiliated with Chase of any of the matters addressed herein or for the purpose of avoiding U.S. tax-related penalties.

SITE LICENSE AGREEMENT

THIS SITE LICENSE AGREEMENT (the "Agreement") is made this ____ day of _____, 2021 (the "Effective Date"), by and between Spectrum Southeast, LLC, a Delaware limited liability company ("Licensor") and Columbus County, a North Carolina local government entity ("Licensee").

RECITALS

Whereas, Licensor owns, operates and manages real estate, buildings, towers, and/or other improvements ("Improvements") on real property (the "Site") and wishes to license a portion of the Site, as more particularly described on Exhibit A hereto to Licensee for the purpose of locating and operating a communications facility and services thereon (the "Approved Uses"); and

Whereas, Licensee desires to license from Licensor a portion of the Site for the Approved Uses. NOW, therefore, in consideration of the foregoing premises, the terms, conditions and covenants contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. THE SITE

- (a) Licensor leases the Site and the Improvements thereon. Licensor shall, at the request of the Licensee, provide Licensee with a copy of such lease (the "Prime Lease") redacted to the extent necessary to protect confidential or proprietary information contained herein.
- (b) The latitude, longitude, city, state and street address for the tower located on the Site (the "Tower") is set forth on Exhibit A. The Tower, real property and Licensor's other facilities, buildings, equipment and apparatus thereon are collectively referred to as "Licensor's Property."

2. PROVISION OF INFORMATION

Licensor shall provide the Licensee with such information regarding the Site as may be readily available to it and as may be reasonably necessary for the Licensee to evaluate the usefulness of the Site for its purposes.

3. GRANT OF LICENSE

- (a) Subject to the terms and conditions contained in this Agreement, Licensor hereby grants to Licensee a non-exclusive license (the "License") to install, maintain, operate and repair certain equipment in the manner set forth on Exhibits 1, 2 and 3 hereto, as approved by Licensor (the "Equipment"), and at the location on the Tower and in any adjoining building as indicated on Exhibit A hereto (the "Premises"), at Licensee's sole expense and risk, for the annual license fee set forth on Exhibit A (the "License Fee"). The Premises shall be used by Licensee only for the Approved Uses. Exhibit A specifies Licensee's transmitting and receiving frequencies, which shall not be altered without the prior written consent of Licensor.
- (b) Intentionally deleted
- (c) Licensor is the owner or has the right to license the Premises and is entitled to possession of the Premises.
- (d) Subject to the rights elsewhere granted to Licensee herein, Licensor shall have the right to use for itself, or to license to others, other space available on the Tower and any other portion of Licensor's Property for any purpose, including, without limitation, any type of narrow band, broadband, or broadcasting communication equipment and system.
- (e) Subject to the restrictions contained herein, Licensee shall have the right to peaceably hold and enjoy the Premises.
- (f) If the Site or Tower is leased from a third party by Licensor, the grant of the License and all other terms of this Agreement, including, without limitation, the term of this Agreement, is expressly subject and subordinate to the terms and conditions of any Prime Lease encompassing all or any part of the Premises pursuant to which Licensor is the tenant, lessee or licensee. If any of the provisions of the Prime Lease supersede or contradict the terms of this Agreement, such terms of this Agreement shall be deemed deleted or superseded to the extent of the contradiction. Licensee shall

refrain from any conduct which creates a default on the part of Licensor under the Prime Lease. If the approval of the lessor under any Prime Lease (the "Master Lessor") is required by the terms of the Prime Lease, the effectiveness of this Agreement, or any proposed renewal or extension hereof or thereof, shall be specifically subject to obtaining such approval. Licensor agrees to use commercially reasonable efforts to obtain such approval. In addition, any License shall be subject and subordinate to any mortgage now or hereafter in effect affecting Licensor's rights with respect to the Premises.

4. ACCESS

(a) Licensor hereby grants to Licensee a non-exclusive right of ingress to and egress from the Tower and any access road to the Tower for the purposes of installing, maintaining, operating and repairing the Equipment. Notwithstanding the foregoing, Licensor gives no guarantee to Licensee regarding Licensee's ability to enter or exit the Premises when weather conditions, road conditions and any other element outside Licensor's reasonable control might affect Licensee's ability to enter the Premises. Upon the execution of this Agreement, Licensor shall deliver to Licensee all necessary keys and combinations to facilitate Licensee's ingress to and egress from the Premises. Licensee shall be entitled to have access to the Premises during normal business hours (Monday - Friday, 9 a.m. - 5 p.m. local time) for ordinary maintenance and repairs upon prior notice to Licensor.

Licensee shall be entitled to have access to the Premises twenty-four (24) hours a day, seven (7) days a week to attend to any emergency on the Premises. Licensee shall notify Licensor within four (4) hours of any emergency occurring on the Premises. The rights of Licensee under this Section 4(a) shall be limited to authorized employees, contractors or subcontractors of Licensee, FCC inspectors or persons under their direct supervision. Before Licensee allows any contractor or subcontractor access to the Premises, Licensee shall provide written notice to Licensor as well as proof of appropriate types and amounts of insurance. Notwithstanding the foregoing, Licensor accepts no responsibility for any acts or omissions committed by Licensee's employees, contractors, subcontractors or invitees.

(b) Notwithstanding the foregoing, if Licensee has Equipment in a building located on Licensor's Property, then Licensee's access to the building will be subject to and limited by any reasonable security procedures instituted by Licensor for the protection of its building and its equipment; however, Licensee shall never be unreasonably denied access to any building housing its Equipment.

(c) Notwithstanding the foregoing, neither Licensee nor any employee, contractor, subcontractor or agent of Licensee shall allow any person to enter upon or climb on the Tower without inclusion of such person under its insurance policy coverage as required hereunder or without ensuring that such person is using appropriate preventive fall protection.

(d) Licensor retains the right to inspect the property and Equipment of Licensee upon giving reasonable notice to Licensee during the term of this Agreement and to enter the Premises for the purposes of inspection. In the event that Licensor, in its sole discretion, determines in good faith that Licensee has not maintained Licensee's property and Equipment in good order and repair according to industry standards or applicable building code requirements, Licensor shall so notify Licensee in writing, specifying the maintenance and repairs required to be performed by Licensee. In the event that, within ten (10) days following such written notice, Licensee shall not have performed such maintenance and repairs, Licensor may, at its sole option, make such repairs as it deems reasonably necessary and any amount reasonably expended by Licensor therefor shall be reimbursed to Licensor by Licensee. Licensor shall not be liable for (i) inconvenience, disturbance, loss of business or other damage to Licensee by reason of repairing the property and Equipment of Licensee that Licensee has failed to properly maintain or (ii) any other action taken in accordance with this Section 4(d).

(e) In an emergency, as determined by Licensor in its sole reasonable discretion, Licensor shall have the right to modify the Equipment for the purpose of eliminating or reducing, or attempting to eliminate or reduce the emergency without liability therefor. At any time during the term of this Agreement as requested by Licensor, Licensee shall deliver to Licensor all keys, combinations, and/or cards necessary to allow Licensor access to the Equipment. Licensor and Licensee agree that interference issues are governed by Section 8 of this Agreement and are not subject to the provisions of this Section 4(e).

5. TERM

(a) The term of this Agreement shall be for a period of five (5) years (the "Initial Term") commencing on the first day of the month following the full execution of this Agreement (the "Commencement Date").

(b) Following the Initial Term of this Agreement, Licensee shall have the option to renew for up to four (4) separate and successive periods of five (5) years each (each a "Renewal Term"); provided that, Licensee gives Licenser not less than six (6) months advance written notice of such election prior to the end of the Initial Term or any Renewal Term of this Agreement. Notwithstanding the foregoing, if prior to the expiration of the Initial Term, or any Renewal Term, Licenser determines that a Site is needed for its business, then Licenser may elect not to renew this Agreement by giving Licensee not less than one (1) year's advance written notice of such election prior to the end of the Initial Term, or any Renewal Term, of this Agreement; in such case, Licenser shall itself occupy the relevant portion of the Site or re-license such portion of the Site to a licensee as necessary for its business.

(c) Notwithstanding the foregoing or any other provision of this Agreement, Licensee shall have the right to terminate this Agreement at anytime after the expiration of its Initial Term, for Licensee's sole convenience upon thirty (30) days' prior written notice to Licenser; provided that Licensee shall pay to Licenser, in lieu of any other contractual or consequential damages hereunder or thereunder, a termination fee in an amount equal to the lesser of (x) twice the annual License Fee in effect on the date the notice is provided to Licenser subject to the terms and conditions set forth in Section 23(1) or (y) the aggregate License Fees due under the remaining term of this Agreement.

(d) Notwithstanding the foregoing or any other provision of this Agreement, in the event the Tower or the Site is leased from a third party by Licenser, as set forth in Section 3(f), Licensee acknowledges that this Agreement is subject to the terms and conditions of any applicable Prime Lease. Should the Prime Lease be terminated for any reason, this Agreement shall be immediately terminated and any previously paid, but unearned License Fee shall be refunded to Licensee, and Licensee shall not be liable for such termination.

6. LICENSE FEE

(a) Licensee shall pay to Licenser an annual License Fee in the amount set forth on Exhibit A for the Site, payable in advance on the Commencement Date, with each subsequent payment due on each anniversary of the Commencement Date during the term or any Renewal Term as depicted on Payment Schedule 1 ("Payment Schedule 1") attached hereto and incorporated herein with this reference. All License Fee payments will be made to Licenser at the address provided on Exhibit A. If the annual License Fee is not paid when due, then the amount due and unpaid shall bear interest at the rate of fifteen percent (15%) per annum from the date due until paid in full. Nothing in this subsection shall affect Licenser's right to terminate this Agreement pursuant to Section 18 or Section 6(d) hereof, if the License Fee is not paid when due.

(b) On the day on which this Agreement is executed, Licensee shall pay to Licenser or Licenser's designee a non-refundable fee in the amount set forth on Exhibit A (the "Reservation Fee") as compensation for Licenser reserving the Premises and holding it out of the market during the Contingency Period. In addition, Licensee shall pay to Licenser a "Construction Oversight Fee" at the rate of \$75 per hour as compensation for Licenser's efforts to (i) evaluate and review Licensee's plans and specifications for use of the Premises; (ii) produce engineering documentation; (iii) inspect Licensee's installation or modification of Licensee's Equipment; and (iv) following up with Licensee on the installation or modification of Licensee's Equipment to ensure compliance with pre-approved plans and specifications; provided, however, the Construction Oversight Fee shall not exceed \$2,500 without prior consent from Licensee. To the extent reasonably possible, Licenser shall inform Licensee that such Construction Oversight Fee is anticipated to exceed \$2,500 in advance. Licenser shall not be obligated to grant the underlying Site License in the event Licensee elects not to consent to the payment of the Construction Oversight Fee that will exceed \$2,500. If Licenser, in its sole discretion, or its engineer deems it necessary to upgrade the Tower to accommodate Licensee's Equipment, including, without limitation, adding additional guyings, anchor, or lacing, all cost incurred to do so (including stress analysis cost) shall be borne by Licensee and shall be in addition to the Construction Oversight Fee. All equipment necessary to strengthen the Tower will be considered permanent installation and shall become the property of Licenser.

(c) During the term of a this Agreement, the License Fee shall be increased by zero percent (0%) on each anniversary of the Commencement Date; provided, however, twelve (12) months prior to the commencement of the second and each subsequent Renewal Term, Licenser and Licensee shall each have the right to request a review and renegotiation of the License Fee to be paid during the applicable Renewal Term. If the parties cannot reasonably agree on an appropriate License Fee for the applicable Renewal Term at least six (6) months prior to the commencement of the Renewal

Term, this Agreement shall terminate at the end of the then current term without any further action by either party.

(d) Further, notwithstanding anything else contained herein, if License Fee payments are more than sixty (60) days past due, and Licensor has provided the Licensee with written notice thereof, then Licensee shall be deemed to have materially breached this Agreement if all License Fees then in arrears are not paid in full within ten (10) days after delivery of such notice by Licensor.

Notwithstanding all other remedies available at law or equity or contained herein, the Licensee's breach under this paragraph shall entitle Licensor to terminate this Agreement.

(e) All License Fees due to Licensor hereunder shall be deemed the sole and exclusive property of Licensor and shall not be subject to delay, offset, refund or placement in escrow for any reason or purpose, except such refunds as are expressly provided for herein or therein.

7. EQUIPMENT

(a) The Equipment shall be installed by Licensee or its pre-approved contractor on each Tower in the exact location, and in accordance with the exact specifications, set forth in **Exhibits 1, 2 and 3** hereto. Licensee shall clearly and conspicuously mark each piece of the Equipment with Licensee's name and frequency number(s). Licensee agrees that the Equipment, and the installation, operation and maintenance thereof, will not damage the Tower or any facility on the Licensor's Property (including without limitation any tower or building) or interfere with the maintenance of any facility or lighting system. Licensee shall maintain the Equipment in a satisfactory condition as to safety and appearance. Except as otherwise provided herein, the Equipment is and shall remain the sole property of Licensee and may be removed from the Premises by Licensee, at its sole expense, at any time during the term of this Agreement. Prior to the installation of the Equipment, Licensee shall provide to Licensor a copy of its FCC license, and any other required license, authorizing it to operate each piece of the Equipment.

(b) Licensee shall not install any equipment, other than that set forth on **Exhibits 1, 2 and 3** hereto on the Tower without Licensor's prior written consent. Licensee shall not install the Equipment in any location or manner other than as specifically described on **Exhibits 1, 2 and 3** hereto without Licensor's prior written consent. Notwithstanding the provisions of Section 18 hereof or any other provision of this Agreement, Licensor shall have the right to terminate this Agreement upon any violation by Licensee of this Section 7(b) which is not cured by Licensee within ten (10) days of receipt of notice of violation.

(c) Upon termination of a Site License for any reason, Licensee shall immediately (and in no event later than thirty (30) days after termination) remove from the Premises the Equipment and any other property placed on Licensor's Property by or for Licensee. Such removal shall be performed in such a manner as to not interfere with the continuing use of the Tower by Licensor and others. Licensee shall promptly, at its sole expense, repair any damage to the Tower, or any facilities or equipment on Licensor's Property, caused by such removal. Upon any failure of Licensee to remove the Equipment and any other possessions of Licensee pursuant to this Section 7(c), Licensor shall have the option, but not the obligation, to remove the Equipment from the Premises and store the Equipment, all at Licensee's expense. Any damage to the Equipment occasioned by such removal and storage are expressly waived by Licensee. Any Equipment so removed will be returned to Licensee upon payment in full of all removal and storage costs and any past due License Fees, plus an administrative charge equal to ten percent (10%) of the total cost of said removal, storage and past due License Fees. Notwithstanding the foregoing, any Equipment not retrieved by Licensee within one hundred eighty (180) days after termination or expiration of this Agreement shall be deemed abandoned by Licensee, and shall become the property of Licensor without further action by either party. Such abandonment shall not relieve Licensee of liability for the costs of removal and storage of the Equipment and past due License Fees.

8. FREQUENCY INTERFERENCE

(a) Licensee represents and warrants that the Equipment will not cause interference to the equipment or operations of Licensor or any other lessee or other prior user of Licensor's Property or Tower as of the Commencement Date. If Licensee becomes aware that the Equipment is causing interference with the equipment or operations of Licensor or any other prior user of Licensor's Property or Tower as of the Commencement Date, Licensee immediately shall notify Licensor in writing of the problem and take all steps necessary to correct or eliminate such interference. If such interference is not corrected within two (2) days, Licensor, in its sole discretion, may require that Licensee cease operation of the Equipment until such interference is corrected or eliminated. If the interference is

not corrected by Licensee within ten (10) days, Licensor may immediately terminate this Agreement, notwithstanding the provisions of Section 18 hereof. Licensee shall be responsible for all costs associated with any tests deemed necessary to resolve any and all interference which Licensor determines or reasonably believes is being caused by Licensee's Equipment or operations on the Tower. Licensee agrees that it will not modify the Equipment or change the frequency or frequencies within which the Equipment is operated without the prior written approval of Licensor.

(b) Licensor agrees that subsequent to the Commencement Date, it will not knowingly license or permit another person or entity to use the Tower if Licensee's then-in-use signal or frequency, or the physical location of the Equipment, would cause interference with such new licensee so as to cause such new licensee to be in breach of the terms of Section 8(a) above.

(c) In the event Licensee has reason to believe that Licensor or a subsequent licensee is causing interference with Licensee's frequency or signal or with the Equipment, Licensee immediately shall notify Licensor in writing of such belief. Licensee shall in no way interfere with, tamper with or modify any equipment on the Tower belonging to Licensor or any other licensee or user of the Tower. Notwithstanding the provisions of Section 18 or any other provision of this Agreement, Licensor shall have the immediate right to terminate this Agreement upon any violation by Licensee of this Section 8(c). Upon notice of interference, Licensor agrees to take reasonable steps to eliminate, in a timely manner and without cost to Licensee, any interference with the Equipment caused by Licensor's or any licensee's subsequent installation of equipment or machinery on the Tower, which steps may include, without limitation, enforcing provisions in any license or other agreement between Licensor and the person or entity causing such interference. If Licensor is unable to eliminate such interference with the Equipment within thirty (30) days after receiving notice of the interference, Licensee shall have the immediate right to terminate this Agreement, but shall have no further recourse against Licensor, except that, Licensee shall be entitled to the return of any paid but unearned License Fees.

9. ALTERATIONS

Licensee shall obtain the prior written consent of Licensor before making any addition to or alteration of the Premises. Licensor shall respond in writing to Licensee's submission of plans to alter the Premises within ten (10) business days of receipt of the plans. If Licensor does not respond within the designated time frame, then Licensor shall be deemed to have rejected the plans. Licensor may respond by making suggestions to alter Licensee's plans. If Licensor responds in such a manner, then Licensee shall have ten (10) business days in which to accept or reject in writing Licensor's alternative plans. If Licensee does not respond within the designated time frame, then the alternative plan shall be deemed rejected and Licensee will be required to resubmit new plans to Licensor for approval. Any approved addition or alteration shall be made in a good and workmanlike manner at the sole expense of Licensee, free and clear of any mechanics' or other liens or encumbrances. In no event shall Licensor be liable for any labor, materials or supplies furnished to Licensee in connection with such addition or alteration. In the event any mechanics' or other lien is filed arising out of labor, materials or supplies furnished to or at the request of Licensee, Licensee shall immediately notify Licensor of such lien, and shall cause such lien to be discharged, by payment, bonding or otherwise, within thirty (30) days after the date of such filing. In the event Licensor determines, in its sole discretion, that the installation of any additional Equipment on or about the Tower necessitates additional structural support for the Tower, or any portion thereof, Licensee shall reimburse Licensor, upon demand, for any expenses incurred by Licensor in constructing such additional support. Licensee understands and agrees that any additional structural support necessitated by Licensee's additions or alterations to the Tower made by Licensee shall become the sole property of Licensor. Upon termination of this Agreement, Licensee may be required by Licensor, at Licensor's sole discretion, to remove any alteration or addition and to restore the Premises to the same or as good condition as existed on the Commencement Date, reasonable wear and tear and damage caused by acts out of Licensee's control excepted.

10. PERSONAL PROPERTY TAX

Licensee shall be liable for and shall pay when due all taxes levied against the Equipment or any other personal property owned by it and located on or about the Premises, and shall not suffer or permit such taxes to become delinquent. Upon demand, Licensee shall furnish to Licensor reasonable evidence of Licensee's compliance with this Section. To the extent that any Equipment or personal property shall be assessed together with real or personal property of Licensor, Licensee shall reimburse Licensor for any taxes paid by Licensor attributable to such assessment upon

demand by Licensor, which demand shall be accompanied by reasonable documentation of such assessment.

11. MAINTENANCE OF PREMISES

Licensee shall neither maintain nor permit any nuisances on the Premises, nor permit the Premises to be used for any purpose or use in violation of any of the laws, ordinances, rules or regulations of any public authority.

12. TERMINATION IN THE EVENT OF CASUALTY OR CONDEMNATION

(a) Licensor shall not be responsible for any damage, loss, inconvenience or loss of use of the Premises, due to fire, weather conditions, theft, vandalism, or casualty loss of any kind, or any act or omission beyond its control, including any acts or omissions of any other licensee or Master Lessor, and Licensor shall not be required to rebuild or return to licensable condition the Premises or the Tower.

(b) In the event of any damage to, destruction of or condemnation of all or any part of Licensor's Property which renders the Premises unusable or inoperable, either party shall have the right, but not the obligation, to terminate without penalty this Agreement and all of its duties and obligations thereunder by giving written notice to the other party within thirty (30) days after such damage, destruction or condemnation.

(c) If neither party terminates this Agreement pursuant to Section 12(b) hereof, (i) Licensor may make any necessary repairs to Licensor's Property caused by such damage or destruction and shall be entitled to use any and all insurance proceeds to pay for such repairs and (ii) until such repairs are completed, the License Fee shall be reduced or abated in proportion to the actual reduction or abatement of use by Licensee of the Premises. Licensee acknowledges that it has no property interest in the Premises and that Licensor alone shall be entitled to any condemnation proceeds paid as a result of any condemnation of the Premises.

13. COMPLIANCE WITH LAWS

Licensee shall comply with all federal, state and local laws, rules and regulations applicable to the Equipment and Licensee's operations, including, without limitation, all applicable rules and regulations of the FCC, Federal Aviation Authority ("FAA"), and any other applicable electrical or other governmental laws, codes, rules or regulations, including complying in all respects with ANSI Standards as set forth in the OET Bulletin 65, "Evaluating Compliance with FCC Guidelines for Human Exposure to Radio Frequency Electromagnetic Fields" (August, 1997) and Supplement A (Edition 97-01) thereto. Licensor shall be responsible for all ongoing and necessary tower lighting and marking requirements of the FAA and FCC that are not related to the Equipment or Licensee's operations. Licensee represents that prior to installation and operation of Licensee's Equipment pursuant to this Agreement, Licensee has obtained all required permits and/or licenses pertaining to the installation, operation, maintenance and repair of the Equipment on the Premises, including, without limitation, any required FCC licenses. Licensor shall have no responsibility for the licensing, installation, operation or maintenance of the Equipment. Licensee shall provide Licensor with copies of all applications for construction permits and licenses filed with governmental authorities, and any and all amendments or renewals thereof, at the time of filing. Licensee shall not make any filings (or amendments to filings) with the FAA relating to the Tower without Licensor's prior written approval, which approval shall not be unreasonably withheld.

14. UTILITIES

Licensee shall be responsible for its own utility services, including, without limitation, telephone and electrical power service. In order to facilitate Licensee's payment for its electrical power and telephone services, Licensee shall, at its sole expense, install a separate telephone line and electric submeter at the Premises and Licensee shall be responsible for the payment of all bills which are generated as a result of its utility use. Further, Licensee agrees to be responsible for any damage to the Premises sustained during installation of Licensee's utilities.

15. INDEMNIFICATION/LIMITATION OF LIABILITY

Each of Licensor and Licensee agrees to indemnify the other and its Affiliates (including, without limitation, their and their Affiliates' respective officers, employees, directors and shareholders) against and hold the other and the person enumerated above harmless from any and all costs (including reasonable attorneys' fees) and claims of liability or loss which arise out of the use and/or occupancy of the site by such indemnifying party to the extent possible by law. This indemnity shall not apply to any claims arising from the sole negligence or willful misconduct of the indemnified party. Licensor and Licensee shall not indemnify or hold harmless any third party entity hereunder.

16. INSURANCE

Upon execution of this Agreement, Licensee will deliver to Licensor certificates of insurance issued by one or more reputable insurance companies licensed in the state where the Site is located, insuring Licensee during the Initial Term and any Renewal Term, against injury or death to any person(s) upon or about the Licensor's Property, in limits of not less than \$2,000,000 per occurrence, and against property damage in an amount not less than \$2,000,000, such liability insurance policy to be endorsed to provide contractual liability insurance which will specifically insure the hold harmless and indemnification provision contained in Section 15 of this Agreement. The certificates of insurance will provide that coverage may not be changed or terminated without at least thirty (30) days' prior written notice from the insurance company to Licensor and that Licensor shall be named as an additional insured. If Licensee renews or replaces any such coverage, evidence of that renewal or replacement coverage will be delivered to Licensor at least thirty (30) days prior to the effective date thereof.

17. HAZARDOUS SUBSTANCES

Licensee agrees that it will not use, generate, store or dispose of any hazardous material on, under, about or within Licensor's Property without the prior written consent of Licensor. Licensor agrees that it will not use, generate, store or dispose of any hazardous material on, under, about or within Licensor's Property in violation of applicable law. If, subsequent to the date of execution of this Agreement, hazardous material is released on, under, about or within Licensor's Property that Licensor determines, in its sole reasonable judgment, requires remediation under applicable federal, state or local law or regulation, then subject to the provisions of Section 15 hereof, Licensor shall take such action as it deems appropriate to remediate the condition in accordance with such law or regulation. If the presence of such hazardous material is the result of the acts or omissions of Licensee, then Licensee shall indemnify, defend and hold harmless Licensor from and against any and all Claims that may arise therefrom or in connection therewith. As used in this Section 17, "hazardous material" shall mean petroleum or any petroleum product, asbestos, any substance known by the state in which the Tower is located to cause cancer and/or reproductive toxicity and/or any substance, chemical or waste that is identified as hazardous, toxic or dangerous in any applicable federal, state or local law or regulation.

18. DEFAULT

(a) The following shall be deemed to be events of default hereunder:

- (i) Failure of Licensee to pay the License Fee when due or comply with any other monetary term of this Agreement, which failure is not cured within ten (10) days after written notice thereof to Licensee;
- (ii) Failure of a Licensor or a Licensee to comply with any non-monetary term, warranty, condition, representation, provision or covenant contained in this Agreement, which failure is not cured within thirty (30) days after written notice thereof from the other party or, if such default cannot reasonably be cured within such thirty (30) day period, the defaulting party has not commenced to cure such default within the thirty (30) day period with reasonable diligence and in good faith and does not cure such default within forty-five (45) days after the date of such notice;
- (iii) The non-renewal or cancellation of any permit and/or license required for Licensee's operation on the Premises; or
- (iv) Any filing of a petition under any bankruptcy act by or against Licensor or Licensee (which petition shall not have been dismissed within thirty (30) calendar days thereafter), execution by any such party of an assignment for the benefit of creditors, appointment of a receiver for the assets of any such party, or action by any such party to take advantage of any applicable insolvency or any other like statute.

(b) Upon any such default, in addition to any other remedies available at law, the non-defaulting party shall have the option to immediately terminate this Agreement. In lieu of terminating this Agreement, Licensor (if Licensee is the defaulting party) may re-enter the Premises and dispossess Licensee, and may (but shall not be obligated to) re-license the Premises on Licensee's behalf upon such terms and conditions as Licensor deems appropriate in its sole discretion. No such re-entry or re-licensing by Licensor shall be construed as an election by Licensor to terminate this Agreement unless Licensor notifies Licensee of such termination.

19. LIENS

2. (a) Licensee shall keep Licensor's Property free from any liens arising from any work performed, materials furnished, or obligations incurred by or at the request of Licensee.

(b) If any lien is filed against Licensor's Property as a result of the acts or omissions of Licensee, or Licensee's employees, agents, contractors or subcontractors, Licensee must discharge the lien or bond the lien off in a manner reasonably satisfactory to Licensor within thirty (30) days after Licensee receives written notice from any party that the lien has been filed.

(c) If Licensee fails to discharge or bond any lien within such period, then, in addition to any other right or remedy of Licensor, Licensor may, at Licensor's election, discharge the lien by either paying the amount claimed to be due or obtaining the discharge by deposit with a court or a title company or by bonding, or by such other methods reasonably acceptable to Licensor and any of Licensor's mortgagees provided that such methods are specified in writing by Licensor to Licensee.

3. (d) Licensee must pay on demand any amount paid by Licensor for the discharge or satisfaction of any lien, and all reasonable attorneys' fees and other legal expenses of Licensor incurred in defending any such action or in obtaining the discharge of such lien, together with all necessary disbursements in connection therewith.

20. ASSIGNMENT

(a) Licensee may only assign or sublet the premises with Licensor's prior written consent, such consent not to be unreasonably withheld or delayed; "provided, however, that Licensee may, without Licensor's prior written consent, assign or sublet the Premises and its rights and obligations under this Lease to: (i) any entity directly or indirectly controlling, controlled by, or under common control with Licensee, or (ii) to a purchaser of all, or substantially all, of Licensee's assets located in the city and state in which the Premises are located; provided that any such assignee or sublessee shall agree in writing to assume and perform all of the terms and conditions of this Lease on Licensee's part to be performed from and after the effective date of such assignment or subletting. However, Licensor and Licensee agree that this section does not permit an assignment to another provider that competes directly with Licensor for video, high speed data or land line telephone services.

4.

(b) Licensor may, without Licensee's consent, assign, transfer, or sell (each, a "Transfer") this Agreement, in whole or in part, to any third party at any time and from time to time in Licensor's sole discretion. Upon any Transfer of all of Licensor's interest in this Agreement, and the assumption by the transferee of all of Licensor's obligations under this Agreement, Licensor shall be released from any further liabilities or obligations under this Agreement.

(c) This Agreement shall be binding upon, and shall inure to the benefit of the parties hereto and thereto and, their successors and assigns.

21. NON-DISTURBANCE

Licensor shall, at the request of Licensee, use diligent efforts to obtain within ninety (90) days from the Commencement Date, a non-disturbance agreement in the form attached hereto as Exhibit B, from each mortgagee of any interest in the Premises, other than for a mortgage of Licensee's interest in the Premises.

22. MEMORANDUM OF LICENSE

Licensor agrees that, at the request of Licensee, it shall execute a memorandum of license in the form attached hereto as Exhibit C, for the purpose of recording Licensee's interest in this Agreement.

23. MISCELLANEOUS

(a) Any notices pursuant to this Agreement shall be validly given or served only if in writing and sent by courier, or overnight delivery service, to the following addresses:

(i) If to the Licensee:

Columbus County Government
608 N. Thompson Street
Whiteville, North Carolina 28472

(ii) If to Licensor:

Spectrum Southeast, LLC
c/o Charter Communications
6360 S. Fiddler's Green Circle
Suite 100
Greenwood Village, Colorado 80111
Attn: Charter Real Estate
File ID No.: NC6057 Sub C

and with a copy to such other persons and addresses as either party may designate to the other in writing. Delivery of any notice shall be deemed to be effective on the date set forth on the receipt of delivery.

(b) The waiver by either party of a breach or violation of, or failure of either party to enforce, any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach or violation or relinquishment of any rights hereunder or thereunder.

(c) This Agreement represents the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes any and all previous oral or written agreements, correspondence, conversations or understandings of whatever nature between the parties with respect to the subject matter. This Agreement may not be altered or amended except by an agreement in writing signed by both parties to the document proposed to be altered or amended.

(d) This Agreement shall be governed by the laws of the jurisdiction of the State of North Carolina. This Agreement and the rights and obligations created hereunder are subject to, and governed by the laws, decisions, rules and regulations of any federal, state, or local regulatory authority charged with the administration of the transactions contemplated hereby. Licensee agrees to commence proceedings against Licensor only in a federal district court.

(e) If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the rest of this Agreement shall remain in full force and effect to the greatest extent permitted by law and shall in no other way be affected, impaired or invalidated.

(f) In the event that either party brings a law suit to compel the performance of the other party hereunder, the prevailing party in such suit shall be entitled to reimbursement for all reasonable attorney's fees and cost.

(g) The captions or headings of sections of this Agreement are provided for convenience only, and shall not be of any force or effect in construing any provision of this Agreement. All exhibits referred to in this Agreement shall be incorporated in and constitute a part hereof and thereof.

(h) Licensor and Licensee shall not be deemed to be joint venturers or partners of one another, and neither party shall have any power to bind or obligate the other whatsoever.

(i) This Agreement may be executed and delivered in counterparts, all of which taken together shall constitute a single instrument.

(j) Licensors and Licensee hereby agree that termination or expiration of this Agreement, including any amendments to this Agreement, will not impair a party's then accrued rights, obligations or remedies or any rights, obligations or remedies of a party that expressly or by their nature are intended to survive the termination or expiration of this Agreement.

(k) Prior Terminated Agreement. Licensors and Licensee agree that this Agreement replaces the License between Raleigh Division of Time Warner Entertainment-Advance/New House Partnership and Columbus County Emergency Services dated April 1, 1998 for law enforcement use, the License between Raleigh Division of Time Warner Entertainment-Advance/New House Partnership and Columbus County Emergency Services dated April 1, 1998 for rescue use, the License between Raleigh Division of Time Warner Entertainment-Advance/New House Partnership and Columbus County Sheriff's Office dated July 1, 1998, for mutual aid, the License between Raleigh Division of Time Warner Entertainment-Advance/New House Partnership and Columbus County Emergency Services dated April 1, 1998 for fire use, and the License between Raleigh Division of Time Warner Entertainment-Advance/New House Partnership and Columbus County Sheriff's Office dated July 1, 1998 for sheriff's use, (collectively, the "Terminated Agreements"). Licensors and Licensee acknowledge that notwithstanding the termination of the Terminated Agreements and the commencement of this Agreement, Licensee may continue to make, and the Licensors may continue to receive, rental and other payments pursuant to the Terminated Agreements. In such event, any rental or other payments made pursuant to the Terminated Agreements after its termination shall be applied and credited against any rentals or other payments due under this Agreement.

(l) All funds for payment by Licensee under this Contract are subject to the availability of any annual appropriation for this purpose by the Columbus County Board of Commissioners. In the event of non-appropriation of funds by the Board for the services provided under this Agreement, Licensee will terminate this Agreement, without termination charge or liability, on the last day of the then-current fiscal year or when the appropriation made for then-current year for the services/items covered by this Agreement is spent, whichever occurs first. If at any time funds are not appropriated for the continuance of this Agreement, cancellation shall be accepted by Licensors on thirty (30) days' prior written notice, but failure to give such notice shall be of no effect and Licensee shall not be obligated under this Agreement beyond the date of termination.

IN WITNESS WHEREOF, intending to be legally bound, the parties hereto have caused their duly authorized officers to execute this Agreement as of the date first written above.

ARTICLE I

LICENSOR:

Spectrum Southeast, LLC

**By: Charter Communications,
Inc.,
Its: Manager**

LICENSEE:

Columbus County

By: _____

Print Name: Michael D. Reid

Title: SVP Corporate Services

Date: _____

By: _____

Print Name: _____

Title: _____

Date: _____

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

Finance Officer

Date

Exhibit A

1. Licensor Information: Name: Spectrum Southeast, LLC

(a) Provide Notices to:

Spectrum Southeast, LLC
c/o Charter Communications
6360 S. Fiddler’s Green Circle
Suite 100
Greenwood Village, Colorado 80111
Attn: Charter Real Estate
File ID No.: NC6057 Sub C

(b) Contact for Access in Case of Emergency: (877) 777-2263

(c) Licensee Fee to be Remitted to:

Charter Communications
PO Box 001270
Denver, CO 80256

Overnight Packages:

Charter Communications – 001270
Mail Station: DN-CO-OCLEB
10035 E 40th Ave, Ste. 100
Denver, CO 80238

2. Licensee Information: Name: Columbus County Government

(a) Provide Notices to:

Columbus County Government
608 N. Thompson Street
Whiteville, North Carolina 28472

(b) Contact for Emergency: Kay Worley (910) 840-4077

Non-Emergency 911 Center: (910) 640-1428

3. Tower Information: (Site Number, Name, Street Address (if necessary, legal description of real property attached as Exhibit 4), Latitude and Longitude of Tower, Special Access Requirements)

Antenna Centerline: 360 Ft. AGL, 315 Ft. AGL, 190 Ft. AGL

4. Frequency Information:

(a) Transmitting Range: 158.820

(b) Receiving Range: 156.015

5. Reservation Fee: \$2,500.00 (Payable to Charter’s Designated Agent, KGI)

6. Initial Annual License Fee: \$28,200.00

(Payable on Commencement Date; see Section 6(a) Site License Agreement) (Subject to Annual Rate Increase of 0%, see Section 6(c) Site License Agreement)

7. Site Owned: _____ or Leased: X

(If Leased, Expiration Date of Underlying Lease after all renewals are exhausted: 08/19/2027)

8. Existing Mortgages, etc.: N/A

Note: All Exhibits are not required to be attached at the time of execution by both parties, however, all such Exhibits shall be provided and attached prior to construction or installation by Licensee at the Premises. Licensor requires that an engineering structural analysis be performed on the Tower prior to any construction activities at the Site by Licensee. If the structural analysis requires upgrades to the Tower to accommodate Licensee’s Equipment, including, without limitation, adding additional guyings, anchors, or lacing, all cost incurred to do so (including stress analysis cost) shall be borne by Licensee. All equipment installed necessary to strengthen the Tower will be considered permanent fixtures to the Tower and the Site and shall become the property of Licensor.

Attachments:

Exhibit 1: Field Drawing of Antennas/Dishes Location(s)

Exhibit 2: Field Drawing of Equipment Shelter/Room/Cabinet Location(s)

Exhibit 3: Engineering/Architectural Plans and Specifications (list Licensee’s Equipment including model and serial number)

Exhibit 4: Legal Description of Real Property on which Tower is Located (if necessary)

Exhibit 5: Prime Lease (if applicable)

Exhibit 1
Field Drawing of Antennas/Dishes Location(s)

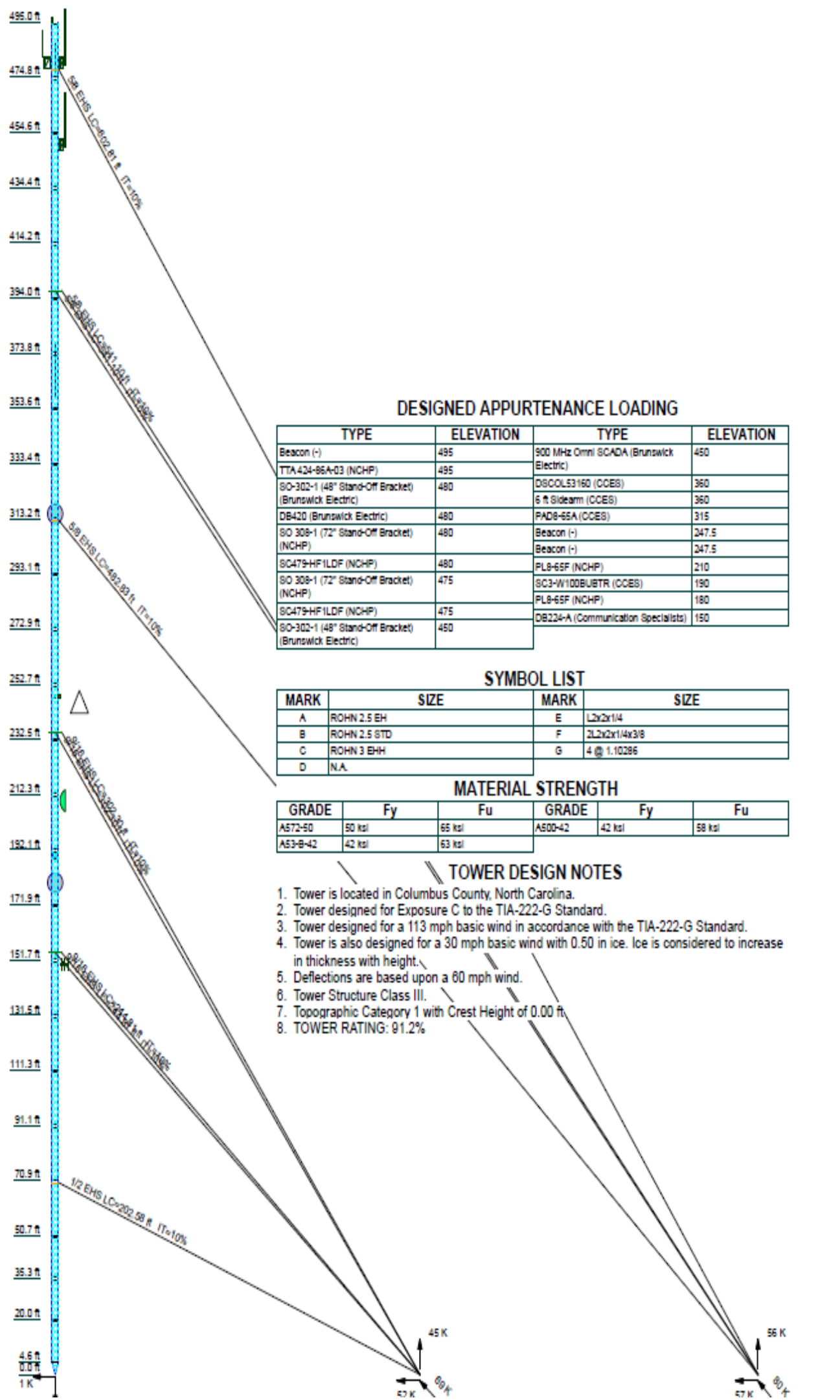


Exhibit 2
Field Drawing of Equipment Shelter/Room/Cabinet Location(s)
Not Required

Exhibit 3
Engineering/Architectural Plans and Specifications
(list Licensee’s Equipment including model and serial number)

Total Inventory of Equipment at 360’:

One (1) RFI (DSCOL53160) Omni Antennas
Dimensions: each 197.6 inches & 39.7 lb
One (1) 7/8” Coax Cable

Total Inventory of Equipment at 315’:

One (1) RFS (PAD8-65AC) Microwave Panel
Dimensions: each 8’ in diameter & 285.0 lb
One (1) E65J Cable

Total Inventory of Equipment at 190’:

One (1) RFS (SC3-W100BUBTR) Microwave Antenna
Dimensions: each 3’ diameter & 40.0 lb
One (1) CAT5 Cable

Azimuths: 360

Frequencies:

Tx: 158.820 MHz
Rx: 156.015 MHz

Ground Space Dimensions: No ground space required.

Exhibit 4
Legal Description of Real Property on which Tower is Located

In Whiteville Township, Columbus County, North Carolina.

To reach the point of beginning commence at an existing nail on the centerline of N.C. Highway 130 at the southeast corner of Lot #1 of the William Murphy Bowman, Heirs, map recorded in Plat Book 50, Page 64 and running thence along the east line North 13 degrees 26 minutes 41 seconds East 454.62 feet to an existing iron pipe; thence North 76 degrees 45 minutes 00 seconds West 119.69 feet to a set re-bar at the point of beginning; thence for a first call South 13 degrees 38 minutes West 75.38 feet to a set re-bar; thence North 76 degrees 22 minutes West 15.26 feet to an existing iron pipe at the southeast corner of Deed of Lease recorded in Deed Book 393, Page 109 and running thence along the southern line North 76 degrees 22 minutes West 99.48 feet to an existing iron pipe at the southwest corner; thence North 76 degrees 22 minutes West 15.26 feet to a set re-bar; thence North 13 degrees 38 minutes East 115.00 feet to a set re-bar; thence South 76 degrees 22 minutes East 130.00 feet to a set re-bar; thence South 13 degrees 38 minutes West 39.62 feet to the point of beginning, containing 0.34 acres. The foregoing description was titled “Description For: Time Warner Entertainment Whiteville Site” and prepared by Michael Tate, N.C.R.L.S. L-2450, on April 30, 1996.

Exhibit 5
Prime Lease

Prepared by/return to: C. Christopher Smith, P.A., PO Box 1550, Lumberton, NC 28359

NORTH CAROLINA

COLUMBUS COUNTY

MEMORANDUM OF LEASE EXTENSION

This Memorandum of Lease Extension is entered into as of this the 1st day of February, 1996, by and between Bowman Farms of Columbus, a North Carolina General Partnership consisting of Betty B. Gray, and Carey B. O'Reilly (the "Lessor") and Raleigh Division of Time Warner Entertainment-Advance/Newhouse Partnership, d/b/a Cablevision of Whiteville [formerly American Cablevision of Carolina, Inc., a North Carolina Corporation] (the "Lessee").

WHEREAS, that Time Warner Entertainment-Advance/Newhouse Partnership, d/b/a Cablevision of Whiteville is the successor in interest to American Cablevision of Carolina, Inc. which entered into a certain Lease Agreement under date of September 1, 1986 for the lease of premises lying and being in Whiteville Township, Columbus County, North Carolina together with easements and rights of way more fully described in that certain Memorandum of Lease recorded in Book 393 at page 109, Columbus County Registry; and

WHEREAS, the Lease Agreement provides under Articles II and IV the Term of the Lease together with the rights and options to extend the Lease; and

WHEREAS, the parties have agreed to extend the term of the Lease on the property as hereinafter stated.

NOW, THEREFORE, Lessor does hereby extend its Lease Agreement with Time Warner Entertainment-Advance/Newhouse Partnership, d/b/a Cablevision of Whiteville, Lessee to and including midnight, August 19, 2012.

That except as herein stated the Lease Agreement between the parties under date of September 1, 1986 will continue by the terms therein provided.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Lease Extension as of the date first above written.

LESSOR:

Bowman Farms of Columbus,
a N.C. General Partnership

by: Betty B. Gray
General Partner

SECOND AMENDMENT TO LEASE

THIS SECOND AMENDMENT TO LEASE (this "Amendment") is made effective as of the 20th day of August, 2012, by and between BOWMAN FARMS, a North Carolina general partnership composed of Betty B. Gray and A. Dial Gray III ("Lessor"), and TIME WARNER ENTERTAINMENT-ADVANCE/NEWHOUSE PARTNERSHIP d/b/a TIME WARNER CABLE, a New York general partnership ("Lessee").

WITNESSETH:

Lessor and American Cablevision of Carolina, Inc., the predecessor in interest to Lessee, entered into that certain Lease dated September 1, 1986, as amended by that certain Memorandum of Lease Extension between Lessor and Lessee dated February 1, 1996 (collectively, the "Existing Lease") (the Existing Lease, as amended hereby, being collectively, the "Lease"), the provisions of which are incorporated herein by this reference, pursuant to which Lessor leases to Lessee certain real property located in Columbus County, North Carolina, as more particularly described therein; and

WHEREAS, the term of the Existing Lease expires August 19, 2012; and,

WHEREAS, Lessor and Lessee desire to extend the term of the Existing Lease and to amend certain other provisions of the Existing Lease, as hereinafter provided;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee hereby agree as follows:

1. Term. The initial term of the Lease is hereby extended through August 19, 2017. Lessee shall have two (2) options to renew the term of the Lease for five (5) years each by giving written notice to Lessor no fewer than six (6) months before the expiration of the then current term of the Lease.

2. Rent. For purposes of this Amendment, a "Lease Year" is defined as each twelve month period during the initial term and any renewal terms commencing on August 20, 2012 or on any anniversary of such date. The annual rent for the first Lease Year shall be _____ and shall be due and payable on or before the later to occur of (i) September 1, 2012 or (ii) ten (10) business days after the full execution and delivery of this Amendment. The parties acknowledge that _____ of such annual rent reflects compensation to Lessor for the loss of two (2) courtesy cable accounts that were previously provided to Lessor by verbal agreement and will be placed into billing October 1, 2012 due to company policies. After the first Lease Year, the annual rent shall increase by _____ per Lease Year during the initial term and any renewal terms and shall be due and payable on or before September 1 during each Lease Year.

3. Leased Premises. The description of the Leased Premises as set forth in Article I of the Existing Lease is hereby deleted in its entirety and replaced with the description set forth on Exhibit A attached hereto.

4. Memorandum of Lease. Simultaneously with the execution of this Amendment, the parties agree to execute a memorandum of the Lease in the form attached hereto as Exhibit B, which Lessee shall have the right to record with the Columbus County Register of Deeds at its expense.

5. Lessee Notice Address. The Lessee's notice address as set forth in Article XV of the Original Lease is hereby amended as follows:

To Lessee: Time Warner Cable
4200 Paramount Parkway
Morrisville, NC 27560
Attn: Sr. Director, Carolinas Real Estate &
Facilities

with a copy to: Time Warner Cable
7820 Crescent Executive Drive
Charlotte, NC 28217
Attn: Corporate Real Estate

and to: Time Warner Cable Inc.
60 Columbus Circle
New York, NY 10023
Attn: General Counsel

6. Ratification of Lease. All other terms and conditions of the Existing Lease shall remain in full force and effect and shall be unaffected by this Amendment, except to the extent made necessary by the changes contained herein. Should any conflict exist between the Existing Lease and this Amendment, this Amendment shall govern with regard to the Lease terms specifically amended herein.

7. Counterparts. This Amendment may be executed in any number of counterparts with the same force and effect as if all signatures were appended to one document, each of which shall be deemed an original.

[Signatures follow on next page.]

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their duly authorized partners, effective as of the date first above written.

LESSOR:

BOWMAN FARMS, a North Carolina general partnership

By: Betty B. Gray
Betty B. Gray, Partner

LESSEE:

TIME WARNER ENTERTAINMENT-
ADVANCE/NEWHOUSE PARTNERSHIP
d/b/a TIME WARNER CABLE, a New York general
partnership

By: Time Warner Entertainment Company, L.P., Managing
Partner

By: James DiSalle
James DiSalle, RVP, Asset Management

EXHIBIT A

Legal Description

In Whiteville Township, Columbus County, North Carolina.

To reach the point of beginning commence at an existing nail on the centerline of N.C. Highway 130 at the southeast corner of Lot #1 of the William Murphy Bowman, Heirs, map recorded in Plat Book 50, Page 64 and running thence along the east line North 13 degrees 26 minutes 41 seconds East 454.62 feet to an existing iron pipe; thence North 76 degrees 45 minutes 00 seconds West 119.69 feet to a set re-bar at the point of beginning; thence for a first call South 13 degrees 38 minutes West 75.38 feet to a set re-bar; thence North 76 degrees 22 minutes West 15.26 feet to an existing iron pipe at the southeast corner of Deed of Lease recorded in Deed Book 393, Page 109 and running thence along the southern line North 76 degrees 22 minutes West 99.48 feet to an existing iron pipe at the southwest corner; thence North 76 degrees 22 minutes West 15.26 feet to a set re-bar; thence North 13 degrees 38 minutes East 115.00 feet to a set re-bar; thence South 76 degrees 22 minutes East 130.00 feet to a set re-bar; thence South 13 degrees 38 minutes West 39.62 feet to the point of beginning, containing 0.34 acres. The foregoing description was titled "Description For: Time Warner Entertainment Whiteville Site" and prepared by Michael Tate, N.C.R.L.S. L-2450, on April 30, 1996.

TOGETHER WITH THE FOLLOWING:

- 1.) Three concrete anchor points and the easement and right of way to connect, repair, replace and maintain guy wires or cables from said anchor points to the tower erected by Lessee on the above described tract of land.
- 2.) An easement and right of way to construct, install, repair, replace, maintain and operate Lessee's existing, distributing, transmitting and relaying cable or cables, or wire or wires, and supporting poles, between the above described property and the old U. S. Highway 74, for the purpose of connecting the tower and satellite receiving stations of the Lessee to its community antenna cable television system in the City of Whiteville.
- 3.) An easement and right of way for ingress, egress and regress between the above described property and the old U. S. Highway 74, across and upon existing farm roads located on land of Lessor adjoining the above described premises. In the event that Lessor changes or alters existing farm roads, or sells land upon which farm roads are located, then Lessor will make available to the Lessee ingress, egress and regress over comparable roads, suitable and acceptable to Lessee, between the above described premises and said service road.

- 4.) An easement and right of way to cut, clear, remove and otherwise dispose of all trees, shrubs, undergrowth and other obstructions located on Lessor's land adjoining the above described property that obstruct the direct line of sight between Lessee's tower or other satellite receiving stations, both presently existing and future, and cable television satellites, both presently existing and future, which transmit television signals to Lessee's tower or other satellite receiving stations. The Lessor shall not use, or permit others to use, the real property owned by Lessor and located adjoining to the above described premises in such a manner or fashion so as to obstruct such line of sight to cable television satellites or otherwise interfere with Lessee's ability to receive transmitted cable television signals. For the purpose and construction of this agreement, the right of the Lessee to maintain unobstructed line of sight to cable television satellites shall mean that Lessor shall not construct or erect, or allow others to construct or erect, any buildings or other structures which, in relation to their height and the distance of such buildings or other structures to Lessee's existing fence, exceed an elevation of twelve degrees (12°) above the horizon as viewed, determined or measured from Lessee's existing fence.

EXHIBIT B

Memorandum of Lease

[See attached.]

NORTH CAROLINA

LEASE

COLUMBUS COUNTY

THIS LEASE made and entered into at Whiteville, Columbus County, North Carolina, on Sept. 1, ¹⁹⁸⁶~~1987~~, ¹⁹⁸⁶~~1987~~ by and between Bowman Farms, a North Carolina general partnership composed of Betty B. Gray, Earl L. Bowman, Ann B. Fitzsimmon, and Carey B. O'Reilly (the "Lessor") and American Cablevision of Carolina, Inc., a North Carolina corporation (the "Lessee");

The Lessor and the Lessee, for and in consideration of the keeping by the parties of their respective obligations hereinafter contained, as well as for other good and valuable considerations paid in hand simultaneously with the execution and delivery of this lease, receipt whereof is hereby acknowledged, agree as follows:

ARTICLE I
LEASED PREMISES

Upon the terms and conditions hereinafter set forth, and in consideration of the payment of the rents and the prompt performance by the Lessee of the covenants and agreements to be kept and performed by the Lessee, the Lessor does lease, let, and demise to the Lessee and the Lessee hereby leases from the Lessor, the following described premises, situate, lying, and being in Whiteville Township, Columbus County, North Carolina:

In Whiteville Township, Columbus County, North Carolina.

BEGINNING at a point which is located by beginning at an old railroad tie iron located 25 feet north of the center line of U. S. Highway No. 74-76, which runs from Whiteville to Chadbourn and said railroad iron is located at a point approximately three miles from Whiteville and is in the common line of Lot Nos. 1 and 2 of the "Sweet Farm" (see Map Book, 1, page 23, Columbus County Registry), said railroad iron also being North 40 degrees 39 minutes East 104.8 feet from the northeast corner of Spring Hill Baptist Church, thence from said railroad iron North 16 degrees 40 minutes East 428.11 feet to an iron pipe, cornering; thence North 73 degrees 20 minutes West 135 feet to said beginning point which is marked by an iron pipe, thence from said beginning point, cornering; thence North 16 degrees 40 minutes East 25 feet to an iron pipe, cornering; thence North 73 degrees 20 minutes West 100 feet to an iron pipe, cornering; thence South 16 degrees 40 minutes West 100 feet

to an iron pipe, cornering; thence South 73 degrees 20 minutes East 100 feet to an iron pipe, cornering; thence North 16 degrees 40 minutes East 75 feet to the point of beginning and is described according to a map entitled "Map of Towersite for Jefferson-Carolina Corp., Columbus County, North Carolina, July 12, 1966, Scale 1" = 100', H. L. Willis, Jr., Reg. Surveyor, Elizabethtown, N. C.

TOGETHER WITH THE FOLLOWING:

- 1.) Three concrete anchor points and the easement and right of way to connect, repair, replace and maintain guy wires or cables from said anchor points to the tower erected by Lessee on the above described tract of land.
- 2.) An easement and right of way to construct, install, repair, replace, maintain and operate Lessee's existing, distributing, transmitting and relaying cable or cables, or wire or wires, and supporting poles, between the above described property and the old U. S. Highway 74, for the purpose of connecting the tower and satellite receiving stations of the Lessee to its community antenna cable television system in the City of Whiteville.
- 3.) An easement and right of way for ingress, egress and regress between the above described property and the old U. S. Highway 74, across and upon existing farm roads located on land of Lessor adjoining the above described premises. In the event that Lessor changes or alters existing farm roads, or sells land upon which farm roads are located, then Lessor will make available to the Lessee ingress, egress and regress over comparable roads, suitable and acceptable to Lessee, between the above described premises and said service road.
- 4.) An easement and right of way to cut, clear, remove and otherwise dispose of all trees, shrubs, undergrowth and other obstructions located on Lessor's land adjoining the above described property that obstruct the direct line of sight between Lessee's tower or other satellite receiving stations, both presently existing and future, and cable television satellites, both presently existing and future, which transmit television signals to Lessee's tower or other satellite receiving stations. The Lessor shall not use, or permit others to use, the real property owned by Lessor and located adjoining to the above described premises in such a manner or fashion so as to obstruct such line of sight to cable television satellites or otherwise interfere with Lessee's ability to receive transmitted cable television signals. For the purpose and construction of this agreement, the right of the Lessee to maintain unobstructed line of sight to cable television satellites shall mean that Lessor shall not construct or erect, or allow others to construct or erect, any buildings or other structures which, in relation to their height and the distance of such buildings or other structures to Lessee's existing fence, exceed an elevation of twelve degrees (12°) above the horizon as viewed, determined or measured from Lessee's existing fence.

ARTICLE II

TERM

To have and to hold the leased premises for a term commencing September 1, 1986 and ending August 31, 1996, both dates inclusive.

ARTICLE III

RENT

The rent which the Lessee agrees to pay to the Lessor is the sum of
per annum, payable in one payment annually, each
payment being due and payable in advance on or before the first day of
September during each lease year during the basic term of this lease.

ARTICLE IV

OPTION TO EXTEND

A. OPTION.

Lessee shall have the option, upon written approval of Lessor, at the
expiration of the original term, to extend the original term for an
additional period of five (5) years commencing on September 1, 1996 and
ending August 31, 2002, both dates inclusive.

B. NOTICE.

If Lessee elects to exercise its option to extend this lease then
Lessee must give written notice to Lessor no less than six (6) months before
the expiration of the original term of this lease that Lessee does desire to
exercise its option to extend. Upon receipt of such notice, Lessor will
notify Lessee in writing no later than three (3) months before the expiration
of the original term of this lease whether or not Lessor approves and
consents to such extension.

C. RENT.

The Lessee shall pay to the Lessor annual rental for each lease year of
any of the extended term provided for in this lease at the rate per year
equal to plus such additional amount, if
any, as shall be sufficient to give to the Lessor, at the commencement of

such extended term, a total net rent equal to the purchasing power of
 during September, 1987. ^{1986 104.11} ~~1987 104.11~~

Within thirty (30) days after the publication and issuance thereof,
 Lessor shall deliver to the Lessee a true copy of the consumer price index
 (the "index"), for all urban consumers for all items of the Bureau of Labor
 Statistics of the United States Department of Labor for the month ending
 September 1, 1987 (the "base month") and for the month ending September 1,
 1997. ^{1986 104.11} ~~1987 104.11~~ If the index for the month of August, 1997, shows a decrease in the
 purchasing power of ^{1986 104.11} ~~1987 104.11~~ as compared, in each

such case, to the index for the base month ending September 1, 1987, the
 Lessor, as soon as possible after the delivery of such index shall furnish
 the Lessee with a computation of the additional amount, if any, to be paid by
 the Lessee for each lease year during the extended term of this lease. Such
 additional amount shall be added to the lease payment in the amount of

owed during each such lease year. Pending
 the determination of the additional amount, if any, to be paid by the Lessee,
 the Lessee shall continue to pay net rent at the rate of

per annum, payable annually on or before the first day of
 September of each lease year and when the additional amount, if any, has been
 determined, the Lessee, on the first day of the month immediately following
 the furnishing by the Lessor to the Lessee of the computation thereof, shall
 pay to the Lessor the additional amount due for the lease year in question.

If at the time required for the determination of the additional rent the
 index is no longer published or issued, or if at that time either the Lessor
 or the Lessee is of the opinion that the index does not accurately reflect,
 in relationship to the base rate in the base date, the purchasing power of
), the parties shall use such other index as

is then generally recognized and accepted for similar determinations of purchasing power.

ARTICLE V
IMPROVEMENTS AND OWNERSHIP OF FIXTURES

Lessee has constructed and installed on the leased premises a tower, a concrete tower base, concrete anchor points with guide wires or cables for its tower, a building, satellite receiving stations, and other equipment and fixtures for operating a community antenna cable television system. All such property, equipment and fixtures constructed and installed by the Lessee shall retain the character of personal property and shall be and remain the property of the Lessee, and the same shall not become nor shall the same be construed to be a part of the realty, regardless of the manner in which the same shall be placed and installed on the premises or the manner in which the same may be affixed, attached, or annexed to the realty. During the term of this lease, or during the term of any extension of this lease, the Lessee, at its cost and expense, may make any additions, changes and improvements to, and may erect such structures or additional buildings, or expand existing buildings, upon the leased premises as the Lessee may deem necessary or desirable for its proper use and enjoyment thereof, and the same shall retain the character of personal property and shall be and remain the property of the Lessee. The Lessee shall pay all ad valorem taxes and assessments levied by any lawful authority upon the property, equipment and fixtures which it may construct and install upon the lease premises. The Lessor shall pay all ad valorem taxes or assessments imposed upon the leased realty.

ARTICLE VI
UTILITIES

The Lessee shall pay the costs of and shall pay all accounts for water, gas, electric current, sewage and other utilities used by it on the leased premises.

ARTICLE VII

TAXES

Lessor shall pay all city and county or other ad valorem property taxes levied or assessed against the leased premises. Lessee shall pay all taxes levied on the personal property or inventory situated on the leased premises and owned by Lessee and any taxes levied as a result of the operation of the business of Lessee on the leased premises.

ARTICLE VIII
RIGHT TO MAINTAIN LINE OF SIGHT TO SATELLITES

The Lessee shall have the right at all times during the term of this lease to cut, clear, remove and otherwise dispose of all trees, shrubs, undergrowth and other obstructions, whether located on the leased premises or located on Lessor's property adjoining and adjacent to the leased premises, that may obstruct the direct line of sight between the Lessee's tower or other satellite receiving stations, both presently existing and future, and cable television satellites, both presently existing and future, which transmit television signals to the Lessee's tower or other satellite receiving stations. The Lessor shall not use, or permit others to use, the real property owned by the Lessor and located adjoining and adjacent to the leased premises in such a manner or fashion to obstruct such line of sight to cable television satellites or otherwise interfere with Lessee's ability to receive transmitted cable television signals. For the purpose and

construction of this agreement, the right of the Lessee to maintain unobstructed line of sight to cable television satellites shall mean that Lessor shall not construct or erect, or allow others to construct or erect, any buildings or other structures which, in relation to their height and the distance of such buildings or other structures to Lessee's existing fence, exceed an elevation of twelve degrees (12°) above the horizon as viewed, determined or measured from Lessee's existing fence. As examples, any such building or structure located fifty (50) feet from said fence shall not exceed eleven (11) feet in height; any such building or structure located one hundred (100) feet from said fence shall not exceed twenty-two (22) feet in height; and any such building or structure located two hundred (200) feet from said fence shall not exceed forty-four (44) feet in height.

ARTICLE IX DAMAGE TO PROPERTY OF LESSOR

In the event the Lessee damages crops or any other property of Lessor on land adjoining the leased premises, in constructing or maintaining its towers, guides or other structures or in exercising any of its rights under this lease, the Lessee shall pay to and reimburse the Lessor for such damages.

ARTICLE X REMOVAL OF EQUIPMENT AND FIXTURES

Upon termination of this lease, whether at the termination of the basic term or any renewal of this lease or upon termination of this lease for any other cause, the Lessee at its expense will remove all such property, fixtures and equipment from the leased premises and restore the premises to a condition substantially similar to that condition that existed at the time of commencement of this lease, and the Lessee will complete such removal and restoration within one hundred eighty (180) days after the termination of this lease.

ARTICLE XI
ACCESS TO LEASED PREMISES

Lessor grants to Lessee an easement and right of way for ingress, egress and regress between the leased premises and the old U. S. Highway 74 over, across and upon existing farm roads located on land of Lessor adjoining the leased premises. In the event that Lessor changes or alters existing farm roads, or sells land upon which said farm roads are located, then Lessor will make available to the Lessee ingress, egress and regress over comparable roads, suitable and acceptable to Lessee, between the leased premises and said service road.

ARTICLE XII
DEFAULT

This lease is made upon the express condition that if the Lessee shall neglect to make any payment of rent when due or neglect to keep and fulfill any of the covenants herein provided on its part to be kept and fulfilled, and it shall remain in default thereof for a period of thirty (30) days after written notice from Lessor of any such default, the Lessor, or their successors or assigns, may thereupon enter upon said premises and expel the Lessee therefrom, without prejudice to any other remedy in which the Lessor, their successors or assigns may have on account of such default.

ARTICLE XIII
COVENANT OF QUIET ENJOYMENT

The Lessor hereby covenants and warrants that they have good and marketable title to the leased premises and agrees with the Lessee that, subject to the terms and conditions hereinabove set out, the Lessee shall have and enjoy said premises during the term herein provided for, free from the adverse claims of any and all persons whomsoever.

ARTICLE XIV
SHORT FORM LEASE

The parties will, simultaneously with the execution of this lease execute counterparts of an instrument, in recordable form, which, when completed to include a metes and bounds description of the property and the commencement date and termination date of this lease, will constitute a short form of lease which may be recorded at the office of the Register of Deeds of Columbus County, North Carolina.

ARTICLE XV
NOTICES

All notices, demands, requests, and other instruments or communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been given when delivered, or, if mailed, by first class registered or certified mail, postage prepaid, addressed, (a), if to Lessee, at P.O. Box 1365, Lumberton, North Carolina, 28359 or at such other address as Lessee shall have furnished to Lessor in writing, or (b), if to Lessor, at P.O. Box 455, Whiteville, North Carolina 28472, or at such other address as Lessor shall have furnished to Lessee in writing.

ARTICLE XVI
BINDING EFFECT

This lease shall be binding upon and inure to the benefit of and being enforceable by the respective successors and assigns of the parties hereto.

ARTICLE XVII
COUNTERPARTS

This lease will be simultaneously executed in counterparts, each of which, when so executed and delivered, shall constitute an original, fully and enforceable counterpart for all purposes.

ARTICLE XVIII
AMENDMENTS

This lease may not be amended, modified or changed unless such amendment, modification or change is in writing, signed by the party against whom enforcement thereof is sought.

IN WITNESS WHEREOF, the parties have executed this lease in duplicate counterparts, as of the date first above written.

LESSOR
Bowman Farms,
A Partnership

By: Betty B. Gray
Betty B. Gray, Partner

By: Earle L. Bowman
Earle L. Bowman, Partner

By: Ann B. Fitzsimmon
Ann B. Fitzsimmon, Partner

By: Carey B. O'Reilly
Carey B. O'Reilly, Partner

A. Dial Gray, III
A. Dial Gray, III, Individually

Jean V. Fitzsimmon
Jean V. Fitzsimmon, Individually

Christopher O'Reilly
Christopher O'Reilly, Individually

LESSEE
American Cablevision of Carolina, Inc.

By: James P. Cottingham
James P. Cottingham
Vice President

NORTH CAROLINA

Columbus COUNTY

I, Dulak R. B. Steward, a Notary Public of said County and State, do hereby certify that Betty B. ^{Gray} ~~Dial~~ and A. Dial Gray, III personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and notarial seal this 4 day of Sept., 1987.

Dulak R. B. Steward
Notary Public

My Commission Expires: _____

NORTH CAROLINA

Transmit COUNTY

I, Barbara Leigh Smith, a Notary Public of said County and State, do hereby certify that Earle L. Bowman personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and notarial seal this 14th day of August, 1987.

Barbara Leigh Smith
Notary Public

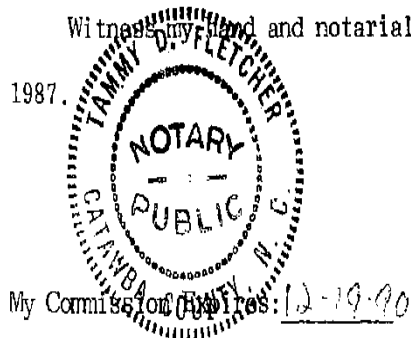
My Commission Expires: 2-17-1992

NORTH CAROLINA

Catawba COUNTY

I, Tammy D. Fletcher, a Notary Public of said County and State, do hereby certify that Ann B. Fitzsimon and Jean V. Fitzsimon personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and notarial seal this 18th day of August, 1987.



Tammy D. Fletcher
Notary Public

NORTH CAROLINA

Brunswick COUNTY

I, Barbara Leigh Smith, a Notary Public of said County and State, do hereby certify that Carey B. O'Reilly and Christopher O'Reilly personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and notarial seal this 14th day of August, 1987.

Barbara Leigh Smith
Notary Public
My Commission Expires: 2-12-1992

COLORADO

COUNTY OF Arapahoe

I, Lois M. Lake, a Notary Public of said County and State, do hereby certify that James P. Cottingham personally appeared before me this day and acknowledged that he is an officer of American Cablevision of Carolina, Inc, a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by himself as its Vice President, and sealed with its corporate seal.

Witness my hand and notarial seal this 17th day of March, 1987.

My Commission Expires: Sept. 10, 1988

Lois M. Lake
Notary Public

Exhibit B

NON-DISTURBANCE AGREEMENT

THIS NON-DISTURBANCE AGREEMENT ("Agreement"), made and entered into as of _____, 2021, by and among [Lender], a _____ corporation having an office at [Lender Address] (hereinafter called "Lender"), _____, ("Licensor"), and _____ ("Licensee").

WITNESSETH:

WHEREAS, Lender has made or intends to make a loan or loans (the "Loan") to or for the benefit of Licensor or an affiliate of Licensor secured by a _____ interest in certain real property more fully described on the legal description which is attached hereto, made a part hereof, and labeled **Exhibit "B-1"** and all improvements thereon and appurtenances thereto (the "Property"); and

WHEREAS, Lender has required the Loan to be secured by a mortgage and security agreement (the "Mortgage") on the Property; and

WHEREAS, Licensor and Licensee have entered into that certain Site License Agreement dated _____, (the "License") with respect to certain premises (the "Premises") which are part of the Property all as more particularly set forth in the License; and

WHEREAS, Licensor or an affiliate of Licensor has assigned or is to assign, pursuant to the Mortgage and documents related thereto, all of its right, title and interest in the License and the rents payable thereunder to Lender as security, inter alia, for the performance of its obligations made in connection with the Loan;

NOW THEREFORE, in consideration of the mutual promises and covenants of the parties hereto, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do mutually covenant and agree as follows:

1. Non-Disturbance.

(a) So long as Licensee is not in default under the License (beyond Licensee's receipt of notice from Licensor and any grace period granted Licensee under the License to cure such default) as would entitle the Licensor to terminate the License or would cause, without any further action of the Licensor, the termination of the License or would entitle the Licensor to dispossess Licensee thereunder then Lender or in the event Lender comes into possession of or acquires title to the Property by reason of foreclosure or foreclosure sale or the enforcement of the Mortgage or the Loan or other obligation secured thereby or by a conveyance in lieu thereof, or as a result of any other means then:

(i) Subject to the provisions of this Agreement, Licensee's occupancy and possession of the Premises and Licensee's rights and privileges under the License or any extensions, modifications or renewals thereof or substitutions therefore (in accordance with the License and the Mortgage) shall not be disturbed, diminished or interfered with by Lender during the term of the License (or any extensions or renewals thereof provided for in the License;

(ii) Lender will not join Licensee as a party defendant in any action or proceeding for the purpose of terminating Licensee's interest and estate under the License because of any default under the Mortgage; and

(iii) The License shall continue in full force and effect and shall not be terminated except in accordance with the terms of the License.

(b) License shall be bound to Lender under all of the terms, covenants and conditions of the License for the balance of the term thereof remaining (and any extensions or renewals thereof which may be effected in accordance with any option contained in the License) with the same force and effect as if Lender were the licensor under the License, and Licensee does hereby agree to attorn to

Lender as its licensor, said attornment to be effective and self-operative without the execution of any other instruments on the part of either party hereto immediately upon Lender's succeeding to the interest of Licensor under the License. Upon request of Lender, Licensee shall execute and deliver to Lender an agreement reaffirming such attornment.

(c) If the Mortgage is foreclosed and any party ("Purchaser") other than Lender purchases the Premises and succeeds to the interest of Licensor under the License, Licensee shall likewise be bound to Purchaser and Licensee hereby covenants and agrees to attorn to Purchaser in accordance with all of the provisions of this Agreement; provided, however, that Purchaser shall have transmitted to Licensee a written document in recordable form, whereby Purchaser agrees to recognize Licensee as its licensee under the License and agrees to be directly bound to Licensee for the performance and observance of all the terms and conditions of the License required to be performed or observed by Licensor thereunder, subject to and in accordance with the terms of this Agreement.

(d) Lender agrees that if Lender shall succeed to the interest of Licensor under the License as above provided, Lender shall be bound to Licensee under all of the terms, covenants, and conditions of the License, and Licensee shall, from and after Lender's succession to the interest of Licensor under the License, have the same remedies against Lender that Licensee might have had under the License against Licensor if Lender had not succeeded to the interest of Licensor; provided, however, that Licensor (and Purchaser, as the case may be) shall not be:

(i) liable for any act or omission of Licensor occurring prior to the date that Lender or Purchaser acquired title to the Premises;

(ii) subject to any offsets, counterclaims or defenses which Licensee might have against Licensor;

(iii) bound by any previous payment of rent or additional rent for a period greater than one month unless such prepayment shall have been consented to in writing by Lender;

(iv) bound by any amendment or modification of the License made prior to the date Lender or Purchaser succeeds to the interest of Licensor without Lender's written consent; or

(v) liable to Licensee for any loss of business or any other indirect or consequential damages from whatever cause; provided, however, no inference shall be drawn from this clause (v) that Licensee would otherwise be entitled (or not entitled) to recover for loss of business or any other indirect or consequential damages.

The foregoing shall not be construed to modify or limit any right Licensee may have at law or in equity against Licensor or any other prior owner of the Property.

2. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. This Agreement shall also inure to the benefit of any subsequent mortgagee or holder of other security instrument with respect to the Property or any part to refinance the loan, and in such event, all references herein to Lender shall also refer to such mortgagee or holder, and all references to the Mortgage shall also refer to such mortgage or security instrument.

3. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of _____.

4. Amendment. This Agreement may not be changed, amended or modified in any manner other than by an agreement in writing specifically referring to this Agreement and executed by the parties hereto.

5. Counterparts. This Agreement may be executed in counterparts, each being deemed an original and all being deemed one and the same.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

LENDER:

Attest: FOR EXHIBIT ONLY
Name: _____
Title: _____

By: FOR EXHIBIT ONLY
Name: _____
Title: _____

LICENSEE:

Attest: FOR EXHIBIT ONLY
Name: _____
Title: _____

By: FOR EXHIBIT ONLY
Name: _____
Title: _____

Non-Disturbance Agreement

EXHIBIT B-1

[Metes and bounds legal description of secured property]

EXHIBIT C

MEMORANDUM OF LICENSE

CLERK: Please return this document to: _____

This Memorandum of License is entered into on this ____ day of _____, 2021, by and between _____ ("Licensor") and _____ ("Licensee").

Licensor and Licensee entered into a Site License ("License") on the __ day of _____ 2021, for the purpose of installing, operating and maintaining a communications facility and other improvements. All of the foregoing are set forth in the Agreement.

The term of the License is for ____ (____) years commencing on _____, 2021 or _____, 2021, whichever first occurs ("Commencement Date"), and terminating on the _____ anniversary of the Commencement Date with ____ (____) successive ____ (____) year options to renew.

The Tower which is the subject of the License is described in Exhibit C-1 annexed hereto. The portion of the Tower being Licensed to Licensee (the "Premises") is described in Exhibit C-2 annexed hereto.

IN WITNESS WHEREOF, the parties have executed this Memorandum of License as of the day and year first above written.

LICENSOR

LICENSEE

By: FOR EXHIBIT ONLY
Date: _____
Title: _____

By: FOR EXHIBIT ONLY
Date: _____
Title: _____

STATE OF _____

COUNTRY OF _____

On _____, before me, _____, Notary Public, personally appeared _____, personally known to me (or provided to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and

acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

FOR EXHIBIT ONLY
Notary Public

My commission expires: _____ (Notary Seal)

STATE OF _____

COUNTRY OF _____

On _____, before me, _____, Notary Public, personally appeared _____, personally known to me (or provided to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

FOR EXHIBIT ONLY
Notary Public

My commission expires: _____ (Notary Seal)

EXHIBIT C-1

DESCRIPTION OF TOWER

EXHIBIT C-2

DESCRIPTION OF PREMISES

Payment Schedule 1

Annual escalation adjustment: 0% as reflected in annual License Fee calculations below.

License Anniversary	Annual License Fee
Year 1 of Initial Term	\$28,200.00
Year 2 of Initial Term	\$28,200.00
Year 3 of Initial Term	\$28,200.00
Year 4 of Initial Term	\$28,200.00
Year 5 of Initial Term	\$28,200.00

Annual License Fee payments and Construction Oversight Fees to be remitted to:

Charter Communications

PO Box 001270
Denver, CO 80256

Overnight Packages:

Charter Communications – 001270
Mail Station: DN-CO-OCLB
10035 E 40th Ave Ste 100
Denver, CO 80238

NOTE: This remittance address is to be used *only* for payments. Please see Site License for Licensor’s separate notice address.

E. **THOMPSON, PRICE, SCOTT, ADAMS AND CO., P.A. – AMENDMENT to CONTRACT to AUDIT ACCOUNTS and a FEASIBILITY STUDY for the NEW TABOR CITY SCHOOL:**

LGC-205 Amendment

AMENDMENT TO CONTRACT TO AUDIT ACCOUNTS

Rev. 10/2021

Whereas	Primary Government Unit COLUMBUS COUNTY
and	Discretely Presented Component Unit (DPCU) (if applicable)
and	Auditor THOMPSON, PRICE, SCOTT, ADAMS & CO, P.A.

entered into a contract in which the Auditor agreed to audit the accounts of the Primary Government Unit and DPCU (if applicable)

for	Fiscal Year Ending	and originally due on	Audit Report Due Date
	06/30/21		10/31/21

heraby agree that it is now necessary that the contract be modified as follows.

<input type="checkbox"/> Modification to date	Original due date 10/31/21	Modified due date 12/10/21
<input type="checkbox"/> Modification to fee	Original fee \$ 39,500.00	Modified fee \$ 54,500.00

Primary (choose 1)	Other (choose 0-2)	Reason(s) for Contract Amendment
<input type="radio"/>	<input type="checkbox"/>	Change in scope
<input type="radio"/>	<input type="checkbox"/>	Issue with unit staff/turnover
<input type="radio"/>	<input type="checkbox"/>	Issue with auditor staff/workload
<input type="radio"/>	<input checked="" type="checkbox"/>	Third-party financial statements not prepared by agreed-upon date
<input type="radio"/>	<input checked="" type="checkbox"/>	Unit did not have bank reconciliations complete for the audit period
<input checked="" type="radio"/>	<input type="checkbox"/>	Unit did not have reconciliations between subsidiary ledgers and general ledger complete
<input type="radio"/>	<input type="checkbox"/>	Unit did not post previous years adjusting journal entries resulting in incorrect beginning balances in the general ledger
<input type="radio"/>	<input type="checkbox"/>	Unit did not have information required for audit complete by the agreed-upon time
<input type="radio"/>	<input type="checkbox"/>	Delay in component unit reports
<input type="radio"/>	<input type="checkbox"/>	Software - implementation issue
<input type="radio"/>	<input type="checkbox"/>	Software - system failure
<input type="radio"/>	<input type="checkbox"/>	Software - ransomware/cyberattack
<input type="radio"/>	<input type="checkbox"/>	Natural or other disaster
<input type="radio"/>	<input type="checkbox"/>	Other (please explain)

Plan to Prevent Future Late Submissions

If the amendment is submitted to extend the due date, please indicate the steps the unit and auditor will take to prevent late filing of audits in subsequent years. Indicate NA if this is an amendment due to a change in cost only.

New personnel hired should prevent this in the future.

Additional Information

Please provide any additional explanation or details regarding the contract modification.

The transition of finance personnel resulted in accounts not being reconciled timely.

By their signatures on the following pages, the Auditor, the Primary Government Unit, and the DPCU (if applicable), agree to these modified terms.

SIGNATURE PAGE

AUDIT FIRM

Audit Firm*	
THOMPSON, PRICE, SCOTT, ADAMS & CO, P.A.	
Authorized Firm Representative* (typed or printed)	Signature*
ALAN W. THOMPSON	
Date*	Email Address
12/06/21	alanthompson@tpsacpas.com

GOVERNMENTAL UNIT

Governmental Unit* COLUMBUS COUNTY		✓ ✓ ✓
Date Primary Government Unit Governing Board Approved Amended Audit Contract* (If required by governing board policy)		
Mayor/Chairperson* (typed or printed) RICKY BULLARD	Signature*	
Date	Email Address	

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

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE
ONLY REQUIRED IF FEES ARE MODIFIED IN THE AMENDED CONTRACT
(Pre-audit certificate not required for hospitals)

Required by G.S. 159-28(a1) or G.S. 115C-441(a1)

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

Primary Governmental Unit Finance Officer* JAY LEATHERMAN	Signature*	✓
Date of Pre-Audit Certificate*	Email Address* jleatherman@columbusco.org	

Page 2 of 3



Thompson, Price, Scott, Adams & Co., P.A.

P.O. Box 398

1626 S Madison Street

Whiteville, NC 28472

Telephone (910) 642-2109

Fax (910) 642-5958

Alan W. Thompson, CPA

R. Bryon Scott, CPA

Gregory S. Adams, CPA

December 6, 2021

Board of Commissioners and Management

County of Columbus
111 Washington St
Whiteville, NC 28472

We are pleased to confirm our acceptance and our understanding of the services we are to provide for the County of Columbus.

We will examine the projection, which comprises the projected statements of net position – general fund of the County of Columbus, North Carolina (the “County”) as of June 30, 2022, 2023, 2024, 2025, and 2026, and the related projected statements of activities and cash flows – general fund for the years then ending. We will examine the projection for the purpose of issuing a report stating whether, in our opinion, (1) management’s projection is presented, in all material respects, in accordance with guidelines for the presentation of a projection established by the American Institute of Certified Public Accountants (AICPA presentation guidelines) and (2) management’s assumptions are suitably supported and provide a reasonable basis for its projection given the hypothetical assumptions.

We will also assist in preparing the projection of the County of Columbus in accordance with the guidelines for the presentation of prospective financial information established by the AICPA based on information provided by you. The preparation of a projection involves the processing of, and the mathematical and other clerical functions related to, the presentation of the projection, which is based on management’s assumptions. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take action that could be construed as assuming managing responsibilities.

The projection presents, to the best of management’s knowledge and belief, the County of Columbus’s expected financial position, results of operations, and cash flows for the projection period assuming the hypothetical assumptions identified in the notes in the report. It is based on management’s assumptions reflection conditions it expects would exist and the courses of action it expected would be taken assuming the hypothetical assumptions identified in the notes in the report.

Our examination will be conducted in accordance with attestation standards established by the AICPA. Accordingly, it will include examining, on a test basis, your records and other procedures to obtain necessary evidence to enable us to express our opinion. Our examination of the projection will include procedures we consider necessary to evaluate (1) the assumptions used by management as a basis for the projection, (2) the preparation of the projection, and (3) the presentation of the projection. We will issue a written report upon completion of our examination. Our report will be addressed to the Board of

Members

American Institute of CPAs - N.C. Association of CPAs - AICPA Division of Firms

Commissioners and Management of the County of Columbus. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the examination or are unable to form or have not formed an opinion, we may decline to express an opinion or may withdraw from this engagement.

Even if the hypothetical assumptions identified in the notes in the report occur, there will usually be difference between the projected and actual results, because events and circumstances frequently do not occur as expected, and those difference may be material. Our report will contain a statement to that effect.

We have no responsibility to update our report for events and circumstances occurring after the date of our report.

Because of the inherent limitations of an examination engagement, together with the inherent limitations of internal control over the preparation of the projection, an unavoidable risk that some material misstatements may not be detected exists, even though the examination is properly planned and performed in accordance with the attestation standards.

You understand that the report is intended solely for the information and use of the Board of Commissioners and Management of the County of Columbus and is not intended to be and should not be used by anyone other than those specified parties. It is our understanding that the County intends to use this report for requirements specified for USDA loan funding. If the County is going to use this report for any party other than USDA, it should be discussed with us prior to releasing the report to any other parties.

We will plan and perform the examination to obtain reasonable assurance about whether management's projection is presented in accordance with the AICPA presentation guidelines and whether the underlying assumptions are suitably supported and provide a reasonable basis for the projection given the hypothetical assumptions. Our engagement will not include a detailed inspection of every transaction and cannot be relied on to disclose all material errors, or known and suspected fraud and noncompliance with laws or regulations, or internal control deficiencies that may exist. However, we will inform you of any known and suspected fraud and noncompliance with laws or regulations, internal control deficiencies identified during the engagement, and uncorrected misstatements that come to our attention unless clearly trivial.

We understand that you will provide us with the information required for our examination and that you are responsible for the accuracy and completeness of that information. You are responsible for the presentation of management's projection in accordance with the AICPA presentation guidelines and whether its underlying assumptions are suitably supported and provide a reasonable basis for the projection given the hypothetical assumptions. You are responsible for the representation about your plans and expectation and for disclosure of significant information that might affect the ultimate realization of the projected results. You are responsible for the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the projection and that it is free from material misstatement, whether due to fraud or error.

You are responsible for, and agree to provide us with, a written assertion about whether the projection is presented in accordance with AICPA presentation guidelines. Failure to provide such an assertion will result in our withdrawal from the engagement. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and presentation of the projection (such as records, documentation, and other matters), (2) additional information that we may request for the purpose of the examination, and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain examination evidence.

At the conclusion of the engagement, you agree to provide us with certain written representations in the form of a representation letter, which, among other things, will confirm management's responsibility for the underlying assumptions and the appropriateness of the projection and its presentation. We understand that the projection and our report thereon will be used only for requirements by USDA as a part of a loan application package for financing. If you intend to reproduce the projection and our report thereon, you agree that they will be reproduced in their entirety, and both the first and subsequent corrected drafts of the document containing the projection and any accompanying material must be submitted to us for approval.

You agree to assume all management responsibilities for the projection preparation services and any other nonattest services we provide; oversee the services by designating an individual (Bobbie Faircloth), preferably from senior management, with suitable skill, knowledge or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but we remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information, and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Alan W. Thompson is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

We expect to begin our examination on approximately December 7, 2021. Our fees will be based on standard hourly rates. We estimate that our fees for these services will not exceed \$25,000. You will also be billed for travel and other out-of-pocket costs such as report production, word processing, postage, etc. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the examination. 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 invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been complete upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy to confirm your understanding and return it to us. You may request that we perform additional services not contemplated by this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fee. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our service will continue to be governed by the terms of this engagement letter.

Very truly yours,



Alan W. Thompson, CPA
Thompson, Price, Scott, Adams & Co., P.A.

RESPONSE:

This letter correctly sets forth the understanding of the Columbus County.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____

CC: Board of Commissioners

MOTION:

Commissioner McDowell made motion to approve the December 6, 2021 agenda, the consent agenda items and the agenda add-ons, seconded by Commissioner Watts. The motion unanimously passed.

Agenda Item #7: PUBLIC INPUT:

Chairman Bullard opened the floor for Public Input. The following spoke:

Noah David Long, 2313 Joe Brown Hwy S, Chadbourn, NC 28431, stated the following:

- The subject is RJ Corman Railroad noise, especially the loud horn.
- I have sent emails to all 7 commissioners.
- My research has revealed the railroads run through districts I, II, V, and VI.
- To provide a little history, Corman Railroad noise dates back to September 11, 2020
- I entered a complaint on RJ Corman’s website on September 11th and received no response.
- I also sent an email to the Tabor-Loris Tribune and advised the News Reporter of the complaint and received no response from either.
- Since September 11th, RJ Corman has continued its nighttime operations, usually around the 2am hour.
- I emailed all the Commissioners on November 11th about Corman.
- They had ceased the nighttime operations for a little while but they have started back.
- Two in the morning is messing with my sleep and I stay 1 mile from the tracks and I’m sure I’m not alone.
- Imagine the people who live along those tracks, listening to a horn.
- There is one locomotive, and I have the number but not here with me tonight, who’s horn was replaced with a louder horn.
- This horn can be heard over two miles; why would such a horn be necessary?
- I called the FRA, the Federal Railroad Administration, to ask them to check the decibel level on this train and they basically told me that they weren’t going to do it.
- The Corman Railroad nighttime operations are repeatedly disrupting Columbus County citizens and taxpayers sleep, which I’m sure all of us will agree we need uninterrupted.
- We the people of Columbus County hereby request that the Commissioners limit Corman Railroad operations to daylight only or apply for a quiet zone.
- I’m not saying anything about the rumble of the train, it’s just that aggravating horn waking everybody up, myself included.
- There are places on the USDOT Federal Railroad Administration website that will give you instructions on how to apply for a quiet zone.
- As far as daylight, you always ask for more but be willing to settle for less, 11 pm to 6 am would be a respectable time not to operate and I think we can all agree to that.

Linda “Linna” Dayarmin, 1002 Fred Powell Rd, Whiteville, NC 28472, stated the following:

- The Lord has been working in my heart for a lot of years and a lot of people have asked me how did I get here.

- To make it short, I wanted to be on the beach, I wanted to be somewhere where it was sunny and I could have free retirement days.
- But the Lord brought me here to work.
- The first 5 or 6 years I had strokes and it took me down but now it’s time to get back to work.
- The Lord said it’s time to get back to work and that’s exactly what I’m doing.
- I’ve had the great opportunity to meet many friends, some leaders and some not.
- I have friends and family from church and I feel like I have a lot of great support; even if they don’t agree with me they will still have my back.
- One of the things the Lord placed on my mind was a “Peace of Mind” project.
- I asked and prayed about it all the time, why did you put me here, I have nobody, I have no family.
- But now I do and I think it’s wonderful and I don’t think I’m going anywhere because he just keeps pounding at my heart.
- And we’ve all learned that when Jesus is pounding at your heart you just have to go, so that’s what I’m doing.
- Peace of Mind is a tailgating itinerary that I’ve been doing in different communities over the years and helping out.
- In my hometown of Lock Haven, Pennsylvania, I helped with the Big Brother and Big Sister Program and I’ve helped with some other programs.
- The majority of the work I’ve done has been through volunteering in the community.
- I will be presenting the full itinerary and places for add-ons because there is always room for growth.
- I have an itinerary for Peace of Mind, and given some time to explain it, I will present it and you can review it and hopefully we can work together as a team.
- One of the ideas is a park.
- There’s no place for anyone to go to get a Peace of Mind here.
- There are parks for kids but no place for senior citizens to go for a walk or to walk near a pond.

Agenda Item #8: PROCLAMATION – APPROVAL OF PROCLAMATION CELEBRATING THE COLUMBUS COUNTY DREAM CENTER, INC. 30TH ANNIVERSARY:

**PROCLAMATION CELEBRATING THE 30TH ANNIVERSARY
OF THE COLUMBUS COUNTY DREAM CENTER, INC.**

WHEREAS, in 1991 the Alcohol and Drug Prevention Coalition (ADPC) was created to empower youth, families, and communities to combat substance abuse in Columbus County; and

WHEREAS, the organization transitioned into the Columbus County Developing Resilience through Enrichment, Awareness, and Motivation or DREAM Center, Inc., in 1997, as the center began to expand its services to address many of the underlying causes of substance abuse, such as, poor health, lack of education, unemployment, poverty, and numerous other conditions; and

WHEREAS, the DREAM Center, in service to the community, offers HIV/AIDS testing, substance abuse assistance, teen pregnancy prevention, after school tutoring, parenting courses, computer and financial literacy classes, housing assistance, and many other programs geared towards their mission of “Prevention Now, Wellness and Success Forever!”; and

WHEREAS, since its creation the Columbus County DREAM Center has employed dedicated staff who work tirelessly to prioritize the mental, physical, emotional, spiritual, and academic health of not just our youth, but their families as well.

NOW, THEREFORE, BE IT RESOLVED, We the Columbus County Board of Commissioners, wish to congratulate the DREAM Center, Inc., on their anniversary and recognize them for their willingness to serve, unwavering spirit, fierce determination, and staunch dedication to the community for the past 30 years.

Adopted this the 6th Day of December, 2021.

COLUMBUS COUNTY BOARD OF COMMISSIONERS

- | | |
|---------------------------------|----------------------------------------------------|
| /s/ RICKY BULLARD, Chairman | /s/ JEROME MCMILLIAN, Vice Chairman |
| /s/ CHRIS SMITH | /s/ BRENT WATTS |
| /s/ LAVERN COLEMAN | /s/ EDWIN H. MADDEN, Jr., Manager |
| /s/ CHARLES T. MCDOWELL | /s/AMANDA B. PRINCE, Staff Attorney/Clerk to Board |
| /s/ BOYD WORLEY, Board Attorney | /s/ LATOYA WILLIAMS, Deputy Clerk |

MOTION:

Commissioner Smith made a motion to approve the proclamation, seconded by Commissioner McDowell. The motion unanimously passed.

Agenda Item #9: PROCLAMATION – APPROVAL of PROCLAMATION RECOGNIZING TABOR CITY FIRE DEPARTMENT:

PROCLAMATION OF APPRECIATION AND RECOGNITION OF TABOR CITY FIRE DEPARTMENT

WHEREAS, throughout our history, the American spirit has been distinguished by the ready willingness of neighbors to join together and help one another; **and**

WHEREAS, Columbus County is fortunate to have members of the Tabor City Fire Department, who are eager to dedicate their time and energy to protecting us, our families and the economic life of our communities from the threat of destructive fire, even, at times with great personal sacrifice; **and**

WHEREAS, the Tabor City Fire Department has worked diligently and tirelessly to meet rigorous standards and requirements including maintaining proper staffing levels, sufficient equipment, proper maintenance of equipment, communications capabilities, drill records, and strong firefighter training and meeting attendance to lower their fire rating; **and**

WHEREAS, the Tabor City Fire Department has received a 4 rating from the North Carolina Insurance Commissioners and the State Fire Marshal’s Office; **and**

WHEREAS, the rating of 4 means the department is overall better equipped to respond to fires in its district and could also significantly lower the homeowners’ insurance rates in that district.

NOW, THEREFORE, BE IT PROCLAIMED, We the Columbus County Board of Commissioners proudly present this Proclamation of Appreciation and Recognition to Tabor City Fire Department, for their diligent and endless hours of dedication in their efforts to accomplish, and receive a 4 rating.

APPROVED and ADOPTED this the 6th day of December, 2021.

COLUMBUS COUNTY BOARD OF COMMISSIONERS

- | | |
|---------------------------------|----------------------------------------------------|
| /s/ RICKY BULLARD, Chairman | /s/ JEROME MCMILLIAN, Vice Chairman |
| /s/ CHRIS SMITH | /s/ BRENT WATTS |
| /s/ LAVERN COLEMAN | /s/ EDWIN H. MADDEN, Jr., Manager |
| /s/ CHARLES T. MCDOWELL | /s/AMANDA B. PRINCE, Staff Attorney/Clerk to Board |
| /s/ BOYD WORLEY, Board Attorney | /s/ LATOYA WILLIAMS, Deputy Clerk |

MOTION:

Commissioner Watts made a motion to approve the proclamation, seconded by Vice Chairman McMillian. The motion unanimously passed.

Agenda Item #10: EMPLOYEE of the YEAR AWARD:

Presented to
JEANETTE D. WARD
In Sincere Appreciation For Your
Outstanding Service
To Columbus County
EMPLOYEE
OF THE
YEAR
From The
COLUMBUS COUNTY
BOARD OF COMMISSIONERS
DECEMBER 6, 2021

Agenda Item #11: NEW EMPLOYEE of the YEAR AWARD:

Presented to
LATOYA M. WILLIAMS
In Sincere Appreciation For Your
Outstanding Service
To Columbus County
NEW EMPLOYEE
OF THE
YEAR
From The
COLUMBUS COUNTY
BOARD OF COMMISSIONERS
DECEMBER 6, 2021

Agenda Item #12: FINANCE – AUDIT REPORT:

COLUMBUS COUNTY



DRAFT

Presentation of Audit Results

Fiscal Year Ended
June 30, 2021



Alan W. Thompson, CPA
1626 S Madison Street
PO Box 398
Whiteville, NC 28472
910.642.2109 phone
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COLUMBUS COUNTY
Presentation Agenda

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V. CLOSE	

DRAFT



Thompson, Price, Scott, Adams & Co, P.A.

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Alan W. Thompson, CPA

R. Bryon Scott, CPA

Gregory S. Adams, CPA

December 3, 2021

To the Board of Commissioners
Columbus County
Whiteville, North Carolina

We have audited 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 Columbus County for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 24, 2021. Professional standards also required that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Columbus County are described in Note 1 to the financial statements. As described in Note IX to the financial statements, the County changed accounting policies related to Fiduciary Activities by adopting GASB Statement 84 "Fiduciary Activities," effective for fiscal year ended June 30, 2021. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in Note IX, and is reflected in the Statement of Activities, Statement of Changes in Fiduciary Net Position, and the respective governmental fund statements. We noted no transactions entered into by Columbus County during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Significant estimate(s) for the County are allowance for doubtful accounts and depreciation.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. There are no such disclosures identified.

Members

American Institute of CPAs - N.C. Association of CPAs - AICPA Division of Firms

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Some of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representation

We have requested certain representations from management that are included in the management representation letter dated December 3, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Auditing Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Columbus County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

AU-C 260 requires communication of certain matters related to internal control over financial reporting. In reviewing records and testing certain account balances, we noted that some balance sheet accounts were not adequately adjusted. Adjustments were proposed to correct those balances in preparing the financial statements. Without proper adjustment, management may not receive accurate information to base decisions appropriately for planning and budgeting purposes. Entries that should be part of the year-end close were overlooked. Finance should ensure that the balance sheet accounts are all reconciled to subsidiary ledgers, and that year-end entries are made to properly reflect balances. The adjustment of balance sheet items often leads to changes in revenues and expenditures, which management relies on to make decisions. The County should implement internal control procedures that will require periodic reviews of balance sheet accounts to ensure that balances are correct.

North Carolina General Assembly and N.C. Pandemic Recovery Office (NCPRO) require that each subrecipient submit the Performance Report (Attachment C-1) and Financial Report (Attachment C-2) monthly to ensure the funds are being used to meet the subrecipient's goals and deliverables related to recovering from the Coronavirus pandemic and to allow NCPRO to verify that expenditures comply with federal and state requirements. Final Report (Attachment F) is required when the allotment is completed. Monthly Performance and Financial reports were not submitted to NCPRO timely as required. The County

could lose track of the funds, and NCPRO could report inaccurate information to U.S. Treasury. Employees should be retrained on grant compliance requirements. Internal control procedures should be designed and implemented.

There were several items noted in the Medicaid compliance testing that are described in the audit report as findings 2021-03, 2021-04, 2021-05.

The Local Government Commission (LGC) will no longer initiate communications about concerns or findings (formerly considered unit letters). They have created a spreadsheet that has to be completed and submitted with the audit report. If that worksheet identifies what they consider a "Financial Performance Indicators of Concern" (FPICs), we are required to communicate those items to the Board. The County is required to submit a response within 60 days of the Board meeting in which the financial statements are presented. The detailed audit response should be presented to the entire Board, and signed by the entire Board, Finance Officer, and Manager. The indicators identified on the Data Input sheet related to the audit report not being submitted timely, tax revenue collected was more than 3% less than the tax revenue budgeted, and the County's status on the Unit Assistance List and material weakness/ significant deficiencies concerning timely reconciliation of accounts and budget current year violations in the Special Service District Funds and Water District III.

Other Matters

We applied certain limited procedures to the Schedule of County's Proportionate Share of Net Pension Liability (LGERS), Schedule of County Contributions (LGERS), Schedule of County's Proportionate Share of Net Pension Asset (ROD), Schedule of County Contributions (ROD), Schedule of Change in Total Pension Liability – Law Enforcement Officer's Special Separation Allowance, and Changes in Total OPEB Liability and Related Ratios, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual non-major fund statement schedules, budgetary schedules, and other schedules, and the schedule of expenditures of federal and State awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Please ensure that management and the Board is aware of the new GASB pronouncements for the upcoming fiscal year. Be especially mindful of GASB No.87: Leases, as the implementation of this standard will take a significant amount of time and resources to gather the necessary information. If the proper resources are not allotted for the implementation of this standard, this could potentially cause a significant delay in the completion of the upcoming audit.

Restriction on Use

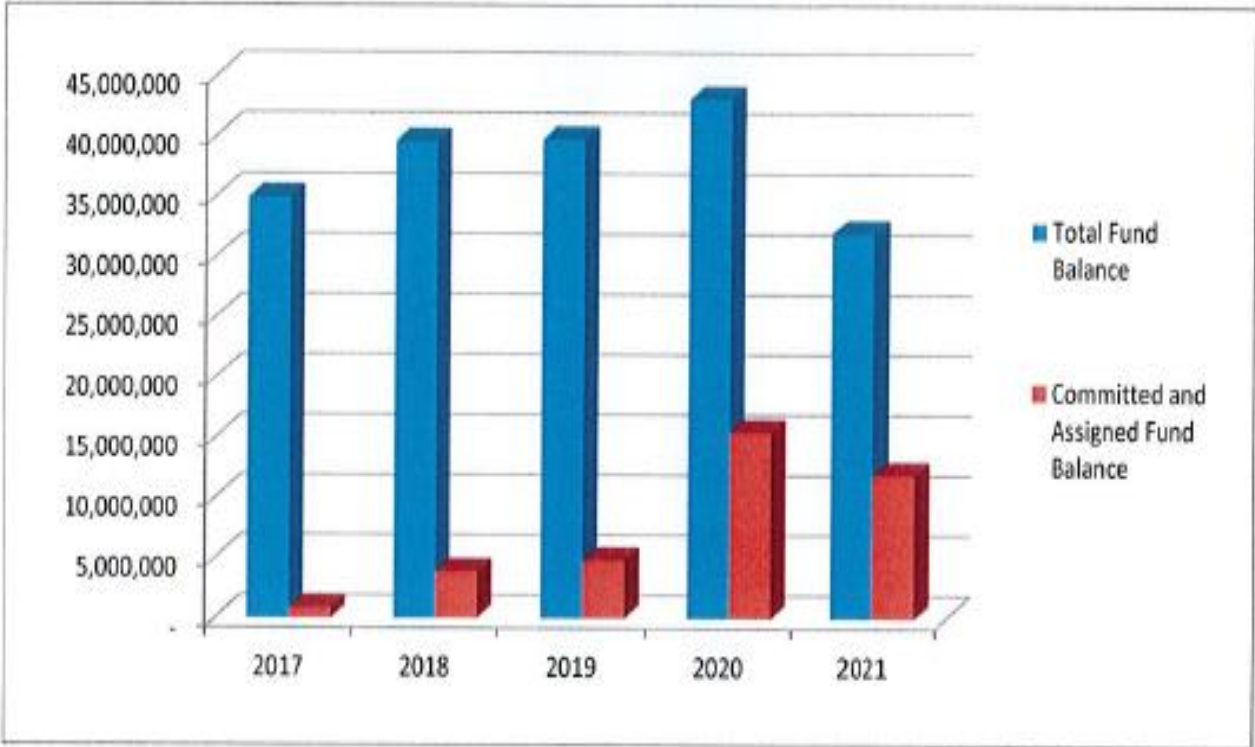
This information is intended solely for the use of the Board of Commissioners and management of Columbus County and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co, P.A.

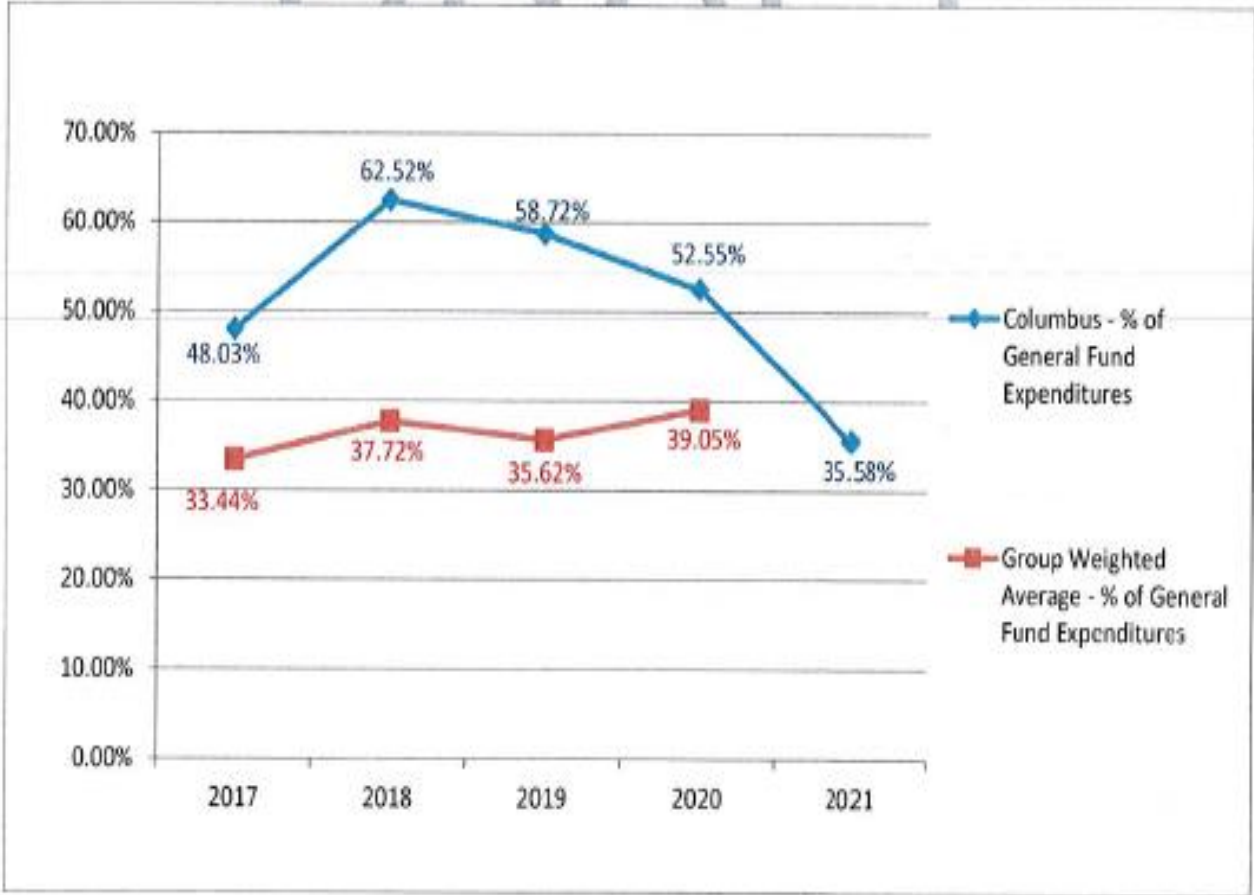
COLUMBUS COUNTY
Analysis of Fund Balance



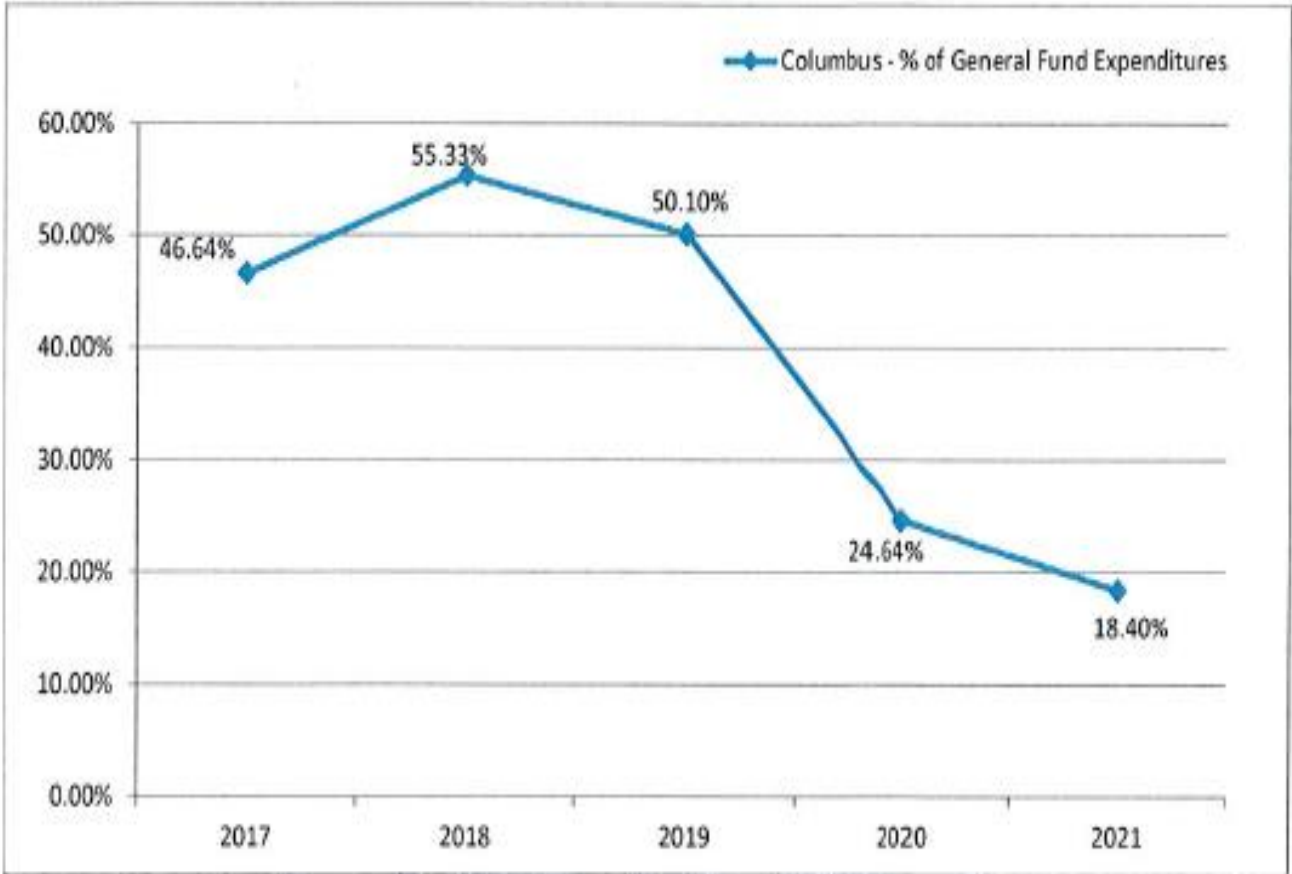
COLUMBUS COUNTY

Analysis of Fund Balance Available

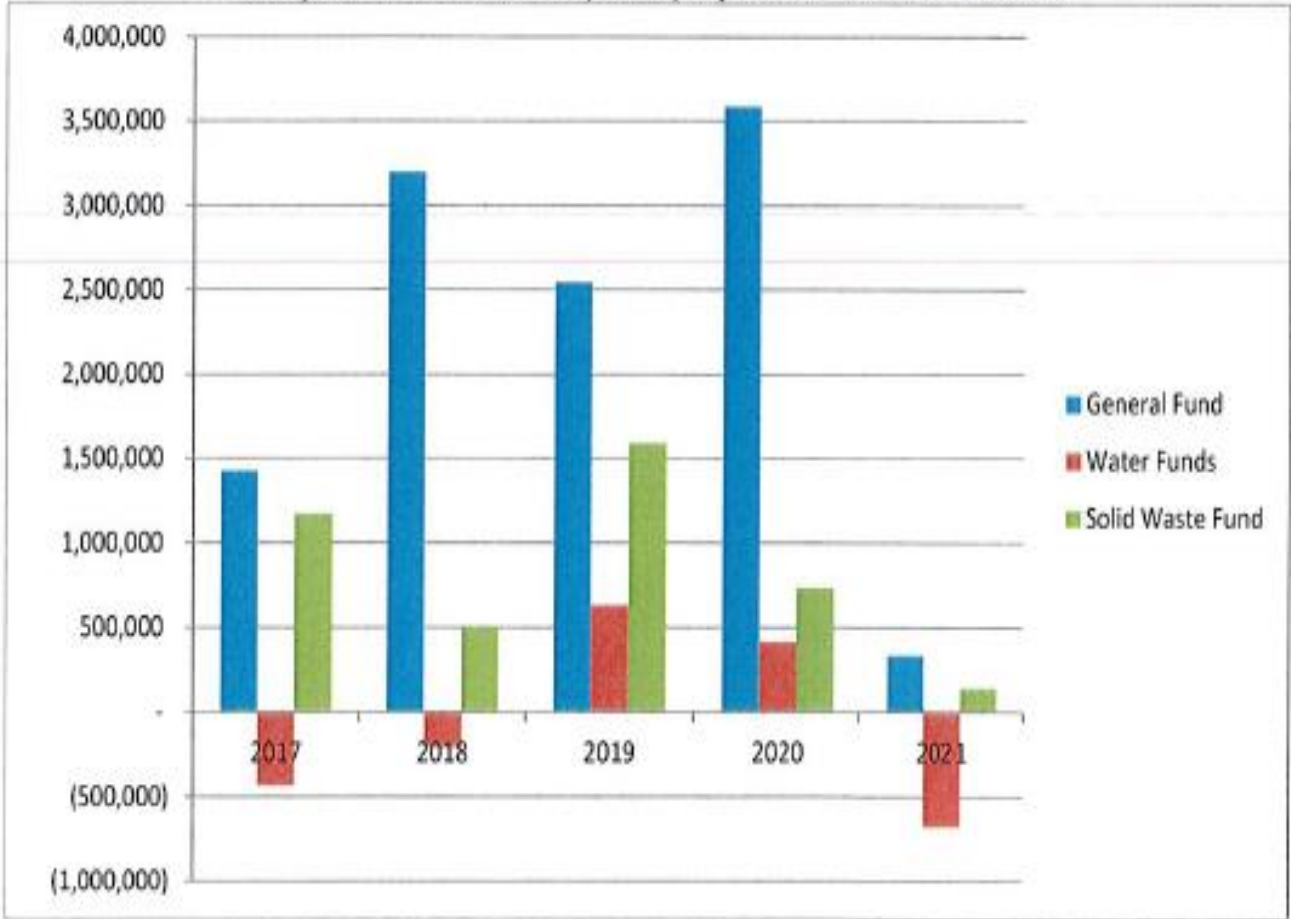
(Note - 2021 Group Weighted Average Not Available at Date of Presentation)



COLUMBUS COUNTY
Analysis of Unassigned Fund Balance as a % of General Fund Expenditures

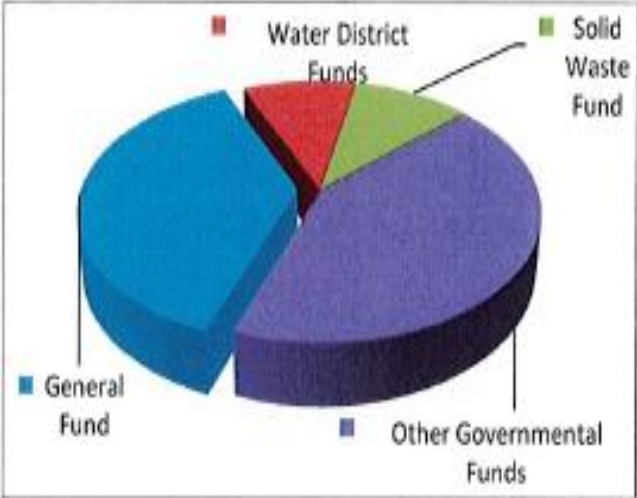


COLUMBUS COUNTY
Analysis of Revenues Over (Under) Expenditures before Transfers

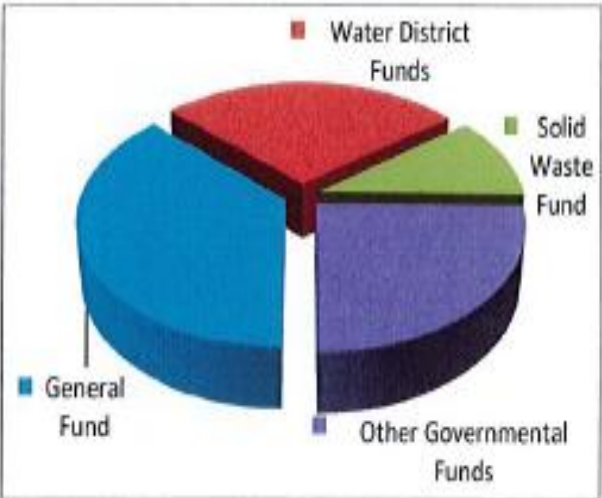


COLUMBUS COUNTY
Analysis of Cash and Fund Balances
at June 30, 2021

CASH BALANCES



FUND BALANCES

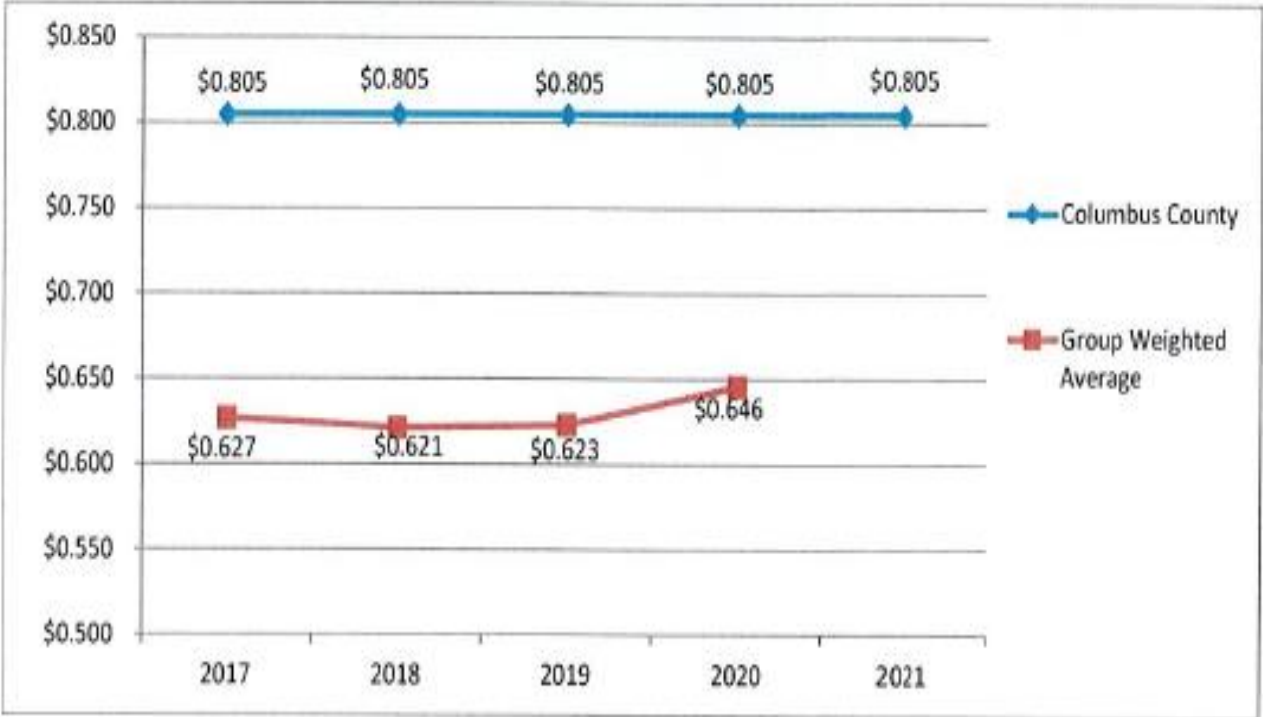


	2021	
	<u>Cash Balances</u>	<u>Fund Balances</u>
General Fund	\$ 27,596,978	\$ 31,994,136
Water District Funds	7,182,475	23,776,553
Solid Waste Fund	7,392,923	9,276,091
Other Governmental Funds	30,914,235	21,376,862
Total	<u>\$ 73,086,611</u>	<u>\$ 86,423,642</u>

COLUMBUS COUNTY

Property Tax Rates

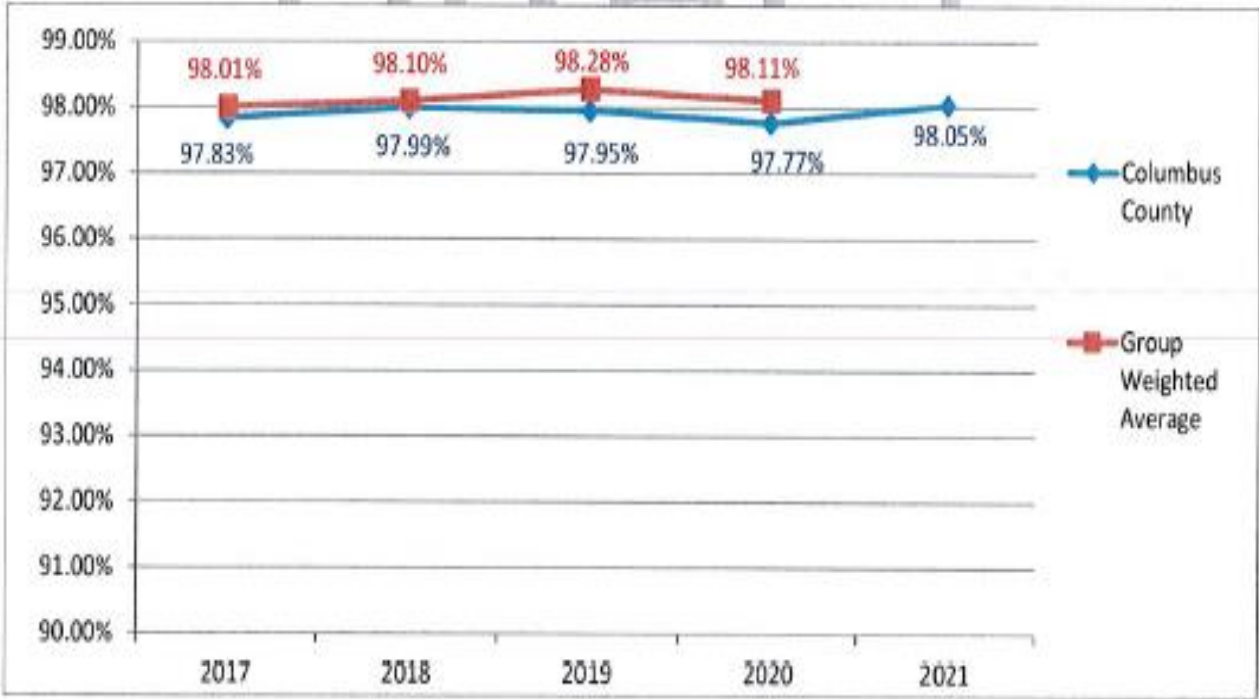
(Note - 2021 Group Weighted Average Not Available at Date of Presentation)



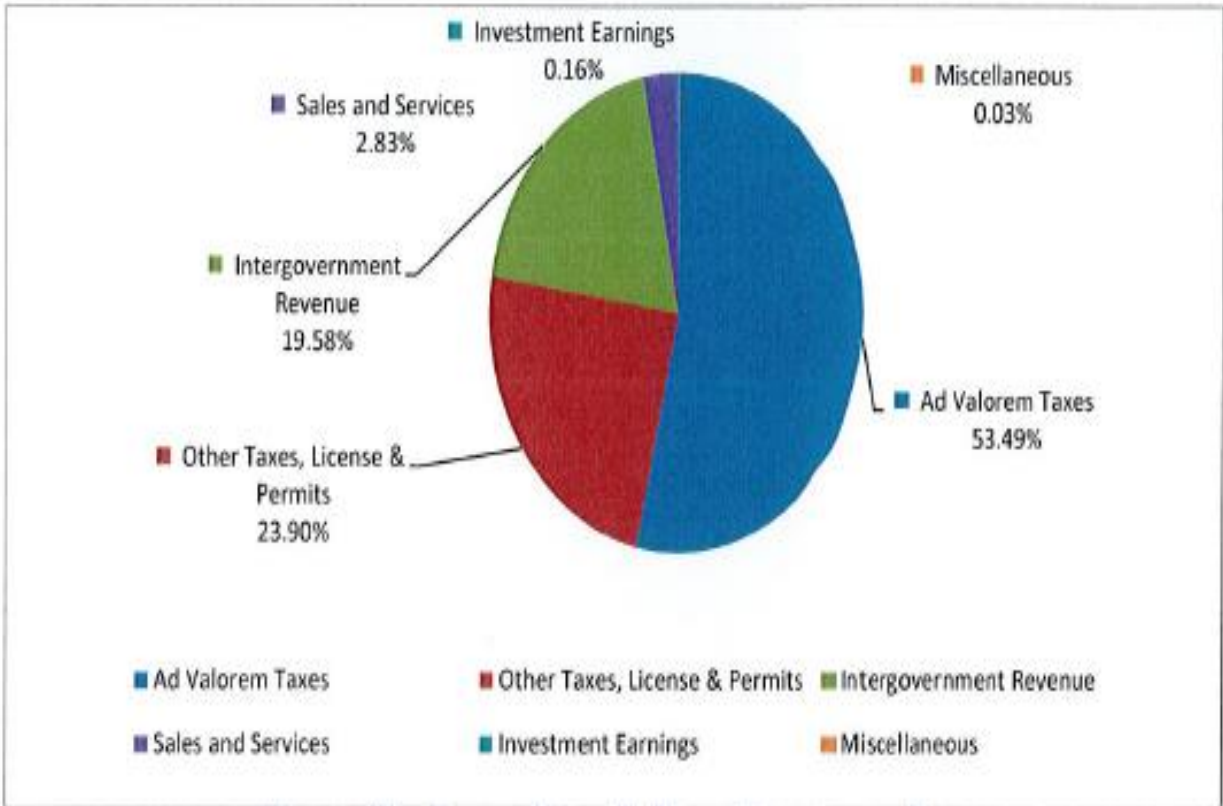
COLUMBUS COUNTY

Collection Percentages

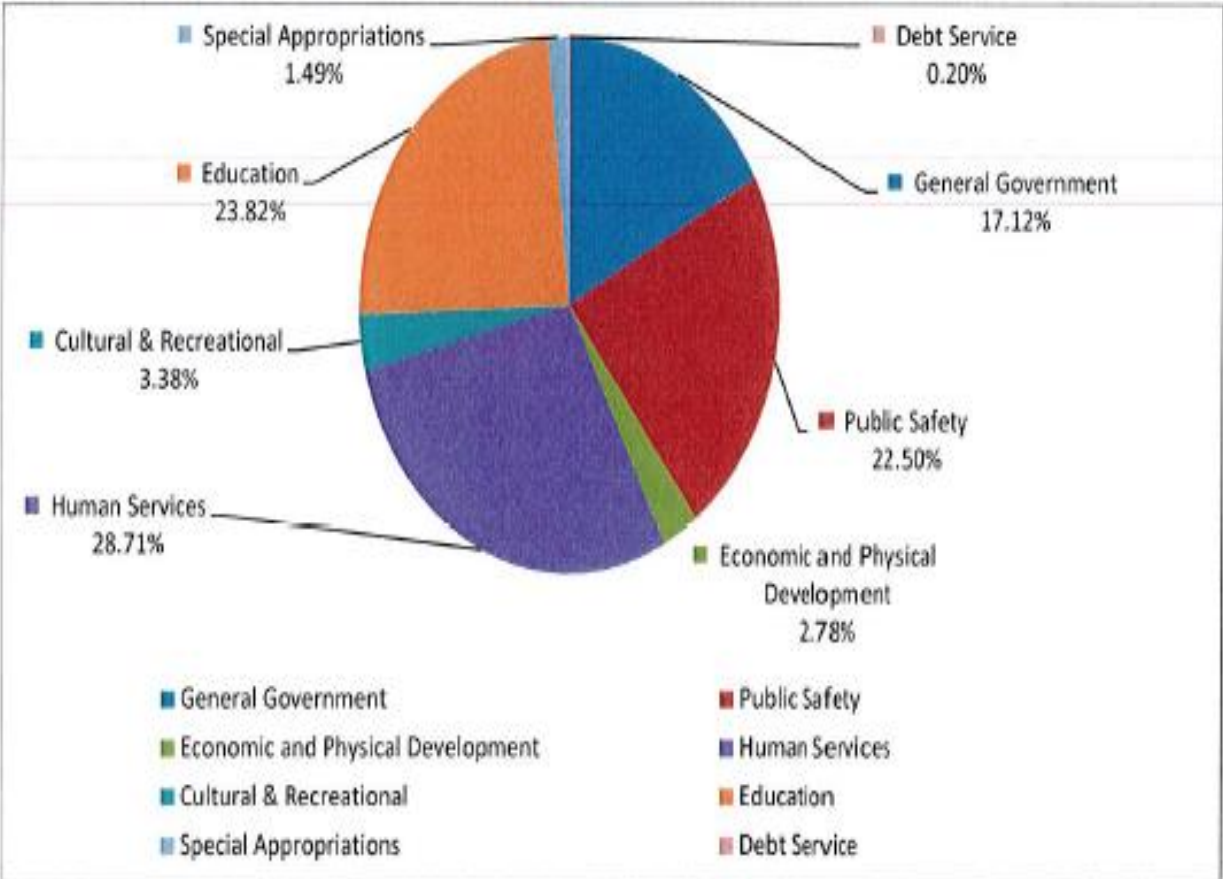
(Note - 2021 Group Weighted Average Not Available at Date of Presentation)



COLUMBUS COUNTY
Break Down of General Fund Revenue
FYE June 30, 2021



COLUMBUS COUNTY
Break Down of General Fund Expenditures
FYE June 30, 2021



ADDITIONAL REQUIRED COMMUNICATIONS

Changes to the Audit Process

The Local Government Commission (LGC) will no longer initiate communications about concerns or findings (formerly considered unit letters). They have created a spreadsheet that has to be completed and submitted with the audit report. If that worksheet identifies what they consider a "Financial Performance Indicators of Concern" (FPICs), we are required to communicate those items to the Board.

You are required to submit a response within 60 days of the Board meeting in which the financial statements are presented. The detailed audit response should be presented to the entire Board, and signed by the entire Board, Finance Officer, and Manager.

The following are the items that have to be addressed by responding directly to the LGC with a corrective action plan.

The 2021 Audit Report is expected to be submitted within five months plus one day from the fiscal year end per the auditor. (December 1st for most units)	No	5 months plus one day after the fiscal year end	No	As stewards of the public's resources, the governing body is responsible for ensuring that the audited financial statements are available to the public in a timely manner. External groups such as the North Carolina General Assembly, federal and State agencies that provide funding, and other public associations need current financial information about your local government as well.
The budgeted tax levy for the General fund had more than 3% uncollected for the fiscal year audited - decreases are shown by a negative %	-4%	Less than 3%	-4%	This indicator shows that the local government did not collect 3% (or more) of its budgeted tax levy. This could be an indicator of negative economic events, inaccurate budgeting, and/or issues with the collection process. Uncollected revenues at the 3% level represent several pennies of the tax rate.

<p>If a unit has no performance indicators of concern that would require them to submit a Response to Audit Findings, Recommendations and Fiscal Matters, but they are currently on the Unit Assistance List, they must still submit a Response to Audit Findings, Recommendations and Fiscal Matters. Their response should discuss the financial plan they have developed to address the issues that placed them on the Unit Assistance List and the progress they have made to date.</p>	Yes	On the Unit Assistance List	Yes	<p>As of the creation of this worksheet your unit was on the Unit Assistance List. Please provide details of what progress you have made to date to improve the issues that placed you on the list and future progress you intend to make. If you are unaware that you are on the Unit Assistance List please email LGCMonitoring@nctreasurer.com and request a copy of the letter notifying you of your status on the Unit Assistance List.</p>
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Finding 2021-01 Reconciliation of Records

AU-C 260 requires communication of certain matters related to internal control over financial reporting. In reviewing records and testing certain account balances, we noted that some balance sheet accounts were not adequately adjusted. Adjustments were proposed to correct those balances in preparing the financial statements. Without proper adjustments, management may not receive accurate information to base decisions appropriately for planning and budgeting purposes. Entries that should be part of the year-end close were overlooked. Finance should ensure that the balance sheet accounts are all reconciled to subsidiary ledgers, and that year-end entries are made to properly reflect balances. The adjustment of balance sheet items often leads to changes in revenues and expenditures, which management relies on to make decisions. The County should implement internal control procedures that will require periodic reviews of balance sheet accounts to ensure that balances are correct.

Finding 2021-02 Expenditures Exceeding Appropriations

The budget was overspent in the Special Service District Fund (\$8,859) and in Water District III Fund (\$59,276). Proper budget amendments were not made to record additional revenues and expenditures in these funds.

Finding 2021-06 Untimely Submission of Monthly Reports

North Carolina General Assembly and N.C. Pandemic Recovery Office (NCPRO) require that each subrecipient submit the Performance Report (Attachment C-1) and Financial Report (Attachment C-2) monthly to ensure the funds are being used to meet the subrecipient’s goals and deliverables related to recovering from the Coronavirus pandemic and to allow NCPRO to verify that expenditures comply with federal and state requirements. Final Report (Attachment F) is required when the allotment is completed. Monthly Performance and Financial reports were not submitted to NCPRO timely as required. The County could lose track of the funds, and NCPRO could report inaccurate information to U.S. Treasury. County employees were not familiar with the requirements and no internal controls were in place to ensure compliance. Employees should be retrained on grant compliance requirements. Internal control procedures should be designed and implemented.

There were several items noted in the Federal and State compliance testing that are described in the audit report as findings 2021-03, 2021-04, 2021-05, 2021-06 and 2021-07, but a response is not required to the LGC concerning these findings.

NOTICE OF PUBLIC HEARING ON WHETHER THE BOARD OF COMMISSIONERS FOR THE COUNTY OF COLUMBUS, NORTH CAROLINA SHOULD APPROVE A PROPOSED INSTALLMENT FINANCING AGREEMENT TO FINANCE A PORTION OF THE COST OF VARIOUS PROJECTS AND WHETHER SAID COUNTY SHOULD ACQUIRE CERTAIN SCHOOL PROPERTY INCLUDED IN SUCH PROJECTS.

NOTICE IS HEREBY GIVEN of a public hearing to be held at 6:30 P.M., or as soon thereafter as the matter can be heard, on December 6, 2021, in the Dempsey B. Herring Courthouse Annex Building, located at 112 West Smith Street, Whiteville, North Carolina 28472, for the purpose of considering whether the Board of Commissioners for the County of Columbus, North Carolina (the “County”) should approve (a) a proposed installment financing agreement and certain related documents pursuant to G.S. § 160A-20, as amended, for the purpose of providing funds in an amount not to exceed \$27,723,600, with other available funds, for the construction and other accomplishment of the Project hereinafter described and (b) the proposed acquisition by the County from the Columbus County Schools Board of Education of an interest in the real and personal property included in the Project, including specifically the site of the Project and the improvements thereon, for use by the Columbus County Schools. The County would secure the repayment by it of moneys advanced pursuant to such proposed agreement by granting a security interest in a portion of the Project and certain related property.

The Project consists of renovating, expanding, equipping and improving an existing school facility known as the Tabor City School located at 203 Stake Road, in Tabor City, North Carolina 28463.

Amanda B. Prince

Clerk to the Board of Commissioners

for the County of Columbus, North Carolina

ADMINISTRATIVE AGREEMENT

by and between

COLUMBUS COUNTY SCHOOLS BOARD OF EDUCATION

and

COUNTY OF COLUMBUS, NORTH CAROLINA

Dated as of January [], 2022

ADMINISTRATIVE AGREEMENT

THIS ADMINISTRATIVE AGREEMENT, dated as of January [], 2022 (this “Agreement”), and entered into by and between the Columbus County Schools Board of Education, a body corporate which has general control and supervision of all matters pertaining to the public schools in the Columbus County Schools, its respective school administrative unit, and is duly organized and existing under the laws of the State of North Carolina (the “Board of Education”), and the County of Columbus, North Carolina, a body corporate and politic and a political subdivision of the State of North Carolina (the “County”),

WITNESSETH:

WHEREAS, the County and the Board of Education have determined to cooperate in a plan to finance a portion of the cost of a project which each has found to be necessary and desirable to provide for improved public school facilities and improved public education in such school administrative unit;

WHEREAS, such project consists of renovating, expanding, equipping and improving an existing school facility known as Tabor City School (the “Project”); and

WHEREAS, as a part of such plan, the Board of Education is to convey the site of the Project and the improvements thereon (the “Property”) to the County and the County is to lease the Property to the Board of Education;

WHEREAS, the Board of Education is authorized (a) to sell the Property to the County for any price negotiated between them in connection with the Project, (b) to lease the Property from the County and (c) to enter into contracts for the construction and other accomplishment of the Project;

WHEREAS, the County is authorized (a) to acquire the Property from the Board of Education, (b) to lease the Property to the Board of Education and (c) to construct, improve or otherwise make available property for use by the Columbus County Schools;

WHEREAS, the County is also authorized to finance a portion of the cost of the Project by contracts that create security interests in the Property and the improvements thereon and certain related property to secure repayment of moneys made available for such purpose;

WHEREAS, the Board of Education and the County are authorized to enter into agreements in order to execute such plan, and this agreement (this “Agreement”) constitutes such an agreement; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Agreement;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements and covenants contained herein and for other valuable consideration, the parties hereto do hereby agree as follows:

Section 1. Sale of Property to County. The Board of Education will sell the Property to the County for a price of \$100 and will convey the Property to the County by means of a general warranty deed.

Section 2. Lease of Property to Board of Education. Upon the conveyance of the Property to the County by the Board of Education, the County will lease the Property to the Board of Education for use by the Columbus County Schools pursuant to a Lease to be entered into by the County and the Board of Education dated as of January [], 2022 (the “Lease”).

Section 3. Construction and other Accomplishment of Project. The County (a) will acquire the Property from the Board of Education in accordance with Section 1 above, (b) will lease the Property to the Board of Education in accordance with Section 2 above and (c) together with the Board of Education will provide for the construction and other accomplishment of the Project as hereinafter provided.

The County will also finance a part of the cost of the Project pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended, by entering into an Installment Financing Contract, dated as of January [], 2022 (the “Installment Financing Contract”), with [] (the “Lender”). In addition, the County will execute and deliver to a trustee for the benefit of the Lender a Deed of Trust and Security Agreement, dated as of January [], 2022 (the “Deed of Trust”), which will encumber the Property and the improvements thereon and certain related property to secure the County’s obligation to repay the amount advanced to it pursuant to the Installment Financing Contract.

The Board of Education will be responsible for and enter into contracts for the work constituting the Project. In order to enable the Board of Education to carry out the County’s obligations under the Installment Financing Contract with respect to the work for which the Board of Education will be responsible under this Agreement, the County hereby transfers its rights under the Installment Financing Contract regarding such obligations to the Board of Education. The Board of Education will cause the Project to be completed on or before the date set forth in the construction documents and otherwise in accordance with the construction documents and the Installment Financing Contract and any applicable requirements of governmental authorities and law. The County and the Board of Education agree that all amounts received by either of them as refunds of State of North Carolina sales tax with respect to expenditures made in connection with the Project and paid or reimbursed from the Amount Advanced (as defined in the Installment Financing Contract) will be deposited

in the account into which the Amount Advanced was deposited in accordance with Section 2.1 of the Installment Financing Contract.

Section 4. Indemnification. To the extent permitted by law, the Board of Education shall indemnify and save the County harmless against and from all claims by or on behalf of any person, firm, corporation or other legal entity arising from the construction and other accomplishment of the Project; provided, however, that the Board of Education shall not be obligated to pay the installment payments to be paid by the County to repay the amount advanced to it pursuant to the Installment Financing Contract (the "Installment Payments") or to indemnify any party to the Installment Financing Contract for any third-party claims asserted against any such party relating to the payment of the Installment Payments and that the right to indemnification shall not apply to losses arising from any action taken by the County. The Board of Education shall be notified promptly by the County of any action or proceeding brought in connection with any such claims arising from the construction and other accomplishment of the Project.

Section 5. Description of Project. The Board of Education shall have the right to make any changes in the description of the Project or of any component or components thereof with the consent of the County; provided, however, that any increase in the cost of the Project resulting from such a change shall, to the extent the increased cost exceeds the funds in the Project Fund available therefore, be payable solely from other funds of the Board of Education or, with the County's consent, other funds allocated by the County to the Board of Education, which funds shall be transferred to the Trustee for deposit to the credit of the Project Fund prior to the approval of any such change in the Project. In addition, any such change must be in accordance with Section 3.5(a) of the Installment Financing Contract.

Section 6. Construction Conferences. The Board of Education hereby agrees that it will, upon the request of the County Manager, provide to the County Manager or his designee timely notice of all conferences with representatives of the architects, contractors and vendors with respect to the Project and that the County Manager or his designee shall have the right to attend all such conferences.

Section 7. Compliance with Installment Financing Contract. The Board of Education agrees that, except as otherwise provided in this Agreement or in the Lease, it will, and the County specifically authorizes it to, faithfully discharge all duties imposed on the County by the Installment Financing Contract with respect to the construction and other accomplishment of the Project and the operation, maintenance and insuring of the Property.

Section 8. Compliance with Requisition Procedure. The County agrees that it will comply with the requisition procedure for the payment of Costs of Project (as defined in the Installment Financing Contract).

Section 9. Disclaimers of the County. The Board of Education acknowledges and agrees that the design of the Project has not been made by the County, that the County has not supplied any plans or specifications with respect thereto and that the County (a) is not a manufacturer of, or a dealer in, any of the component parts of the Project or similar projects, (b) has not made any recommendation, given any advice or taken any other action with respect to (i) the choice of any supplier, vendor or designer of, or any other contractor with respect to, the Project or any component part thereof or any property or rights relating thereto, or (ii) any action taken or to be taken with respect to the Project or any component part thereof or any property or rights relating thereto at any stage of the construction thereof, (c) has not at any time had physical possession of the Project or any component part thereof or made any inspection thereof or any property or rights relating thereto, and (d) has not made any warranty or other representation, express or implied, that the Project or any component part thereof or any property or rights relating thereto (i) will not result in or cause injury or damage to persons or property, (ii) has been or will be properly designed or constructed or will accomplish the results which the Board of Education intends therefore, or (iii) is safe in any manner or respect.

The County makes no express or implied warranty or representation of any kind whatsoever with respect to the Project or any component part thereof to the Board of Education or any other circumstance whatsoever with respect thereto, including but not limited to any warranty or representation with respect to the merchantability or the fitness or suitability thereof for any purpose; the design or condition thereof; the safety, workmanship, quality or capacity thereof; compliance thereof with the requirements of any law, rule, specification or contract pertaining thereto; any latent defect; the ability thereof to perform any function; that the funds advanced by the Lender pursuant to the Installment Financing Contract will be sufficient (together with any other available funds of the County or the Board of Education) to pay the cost of the Project; or any other characteristic of the Project; it being agreed that all risks relating to the Project, the completion thereof or the transactions contemplated hereby or by the Installment Financing Contract are to be borne by the Board of Education, and the benefits of any and all implied warranties and representations of the County are hereby waived by the Board of Education.

Section 10. Acknowledgment of Authority of Board of Education. The parties acknowledge that this Agreement is not intended in any way to diminish the Board of Education's authority to select school sites,

choose the building design, construct school buildings and establish the school program for the Columbus County Schools.

Section 11. E-Verify Covenant. The Board of Education understands that (1) “E Verify” is a federal program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law and (2) Article 2 of Chapter 64 of the General Statutes of North Carolina, as amended (the “E-Verify Statute”), requires employers (as defined in the E-Verify Statute) to verify the work authorization of an employee (as defined in the E-Verify Statute) hired to work in the United States through E Verify. The Board of Education and the Board of Education’s subcontractors under this Agreement shall comply with the requirements of the E-Verify Statute.

Section 12. Companies that Boycott Israel Act Certification. The Board of Education hereby certifies that it is not on any list created and maintained by the North Carolina Department of State Treasurer pursuant to the Divestment from Companies that Boycott Israel Act, Article 6G, as amended, of Chapter 147 of the General Statutes of North Carolina.

Section 13. Reconveyance. The County will reconvey its interest in the Property to the Board of Education as provided in the Lease.

Section 14. Amendments and Further Instruments. The County and the Board of Education may, from time to time, with the written consent of the Lender, execute and deliver such amendments to this Agreement and such further instruments as may be required or desired for carrying out the expressed intention of this Agreement.

Section 15. Agreement to Survive Termination of Installment Financing Contract. Notwithstanding anything to the contrary contained herein, the obligations undertaken by the Board of Education hereunder shall survive the termination of the Installment Financing Contract.

IN WITNESS WHEREOF, the parties hereto have executed and attested this Agreement by their officers thereunto duly authorized as of the day and year first written above.

COLUMBUS COUNTY SCHOOLS BOARD OF
EDUCATION

By: _____
Chair of the Board of Education

[SEAL]

Attest:

Secretary of the Board of Education

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

Chief Financial Officer

[Counterpart Signature Page to the Administrative Agreement between the Columbus County Schools Board of Education and the County of Columbus, North Carolina]

COUNTY OF COLUMBUS, NORTH CAROLINA

By: _____
Chairman of the Board of Commissioners

[SEAL]

Attest:

Clerk to the Board of

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

Finance Director

STATE OF NORTH CAROLINA)
)
COUNTY OF COLUMBUS)

I, _____ a Notary Public of the County and State aforesaid, certify that _____ personally came before me this day and acknowledged that [he] [she] is the Secretary of the Columbus County Schools Board of Education and that by authority duly given and as the act of said Board of Education, the foregoing instrument was signed in its name by the Chairman of said Board of Education and attested by [him] [her] as Secretary of said Board of Education.

Witness my hand and official stamp or seal, this the ____ day _____, 2022.

Notary Public

Printed Name _____

My Commission Expires:_____

STATE OF NORTH CAROLINA)
)
COUNTY OF COLUMBUS)

I, _____ a Notary Public of the County and State aforesaid, certify that Amanda B. Prince personally came before me this day and acknowledged that she is the Clerk to the Board of Commissioners for the County of Columbus, North Carolina and that by authority duly given and as the act of said County, the foregoing instrument was signed in its name by the Chairman of the Board of Commissioners of said County and attested by her as Clerk to said Board of Commissioners.

Witness my hand and official stamp
or seal, this the ____ day of _____, 2022.

Notary Public

Printed Name _____

My Commission Expires:_____

LEASE
by and between

COUNTY OF COLUMBUS, NORTH CAROLINA

AS LESSOR

and

COLUMBUS COUNTY SCHOOLS BOARD OF EDUCATION

AS LESSEE

Dated as of January [], 2022

After recording, please return to:

Brandon Lofton, Esq.
Robinson, Bradshaw & Hinson, P.A.
101 North Tryon Street, Suite 1900
Charlotte, North Carolina 28246

This document was prepared by:

Brandon Lofton, Esq.
Robinson, Bradshaw & Hinson, P.A.
101 North Tryon Street, Suite 1900
Charlotte, North Carolina 28246

LEASE

THIS LEASE, dated as of January [], 2022, and entered into by and between the **COUNTY OF COLUMBUS, NORTH CAROLINA**, a political subdivision of the State of North Carolina, as lessor (the “County”), and the **COLUMBUS COUNTY SCHOOLS BOARD OF EDUCATION**, a body corporate which has general control and supervision of all matters pertaining to the public schools in the Columbus County Schools, its respective school administrative unit, and is duly organized and existing under the laws of the State of North Carolina (the “Board of Education”),

WITNESSETH:

WHEREAS, the County and the Board of Education have determined to cooperate in a plan to finance a portion of the cost of a project which each has found to be necessary and desirable to provide for improved public school facilities and improved public education in the County; and

WHEREAS, such project consists of renovating, expanding, equipping and improving an existing school facility known as Tabor City School (the “Project”); and

WHEREAS, as a part of such plan, the County and the Board of Education have entered into an Administrative Agreement, dated as of January [], 2022 (the “Administrative Agreement”), providing, among other matters, for the purchase of the site of the Project as more particularly described in Exhibit A hereto (the “Site”) and the improvements thereon by the County for lease to the Board of Education and the construction and other accomplishment of the Project; and

WHEREAS, as a part of such plan, the County has entered into an Installment Financing Agreement, dated as of January [], 2022 (the “Installment Financing Agreement”), between the County and [] providing for the financing of a portion of the cost of the Project; and

WHEREAS, as a part of such plan, the Board of Education has executed a General Warranty Deed conveying the Site and the improvements thereon to the County; and

WHEREAS, as a part of such plan, the County proposes to lease the Site and the improvements thereon (collectively the “Leased Property”) to the Board of Education and the Board of Education has determined to lease the Leased Property from the County;

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS; RULE OF CONSTRUCTION

All capitalized terms used in this Lease and not otherwise defined herein shall have the meanings assigned to them in the Installment Financing Agreement, unless the context clearly requires otherwise. In addition, the following terms will have the meanings specified below, unless the context clearly requires otherwise:

“Board of Education Representative” means any person at the time designated, by a written certificate furnished to the County and signed on the Board of Education’s behalf by its Chairman, to act on the Board of Education’s behalf for the purpose of performing any act under this Lease.

“Closing Date” means the date on which the Installment Financing Agreement takes effect.

“County Representative” means any person at the time designated, by a written certificate furnished to the Board of Education and signed on the County’s behalf by the Chairman of its Board of Commissioners, to act on the County’s behalf for the purpose of performing any act under this Lease.

“Event of Default” means one or more events of default as defined in **Section 0** hereof.

“Lease” means this Lease, as it may be duly amended.

“Lease Term” means the term of this Lease as determined pursuant to Article 0.

“Lease Year” means, initially, from the Closing Date through December 31, 2022, and, thereafter, means the twelve-month period of each year commencing on January 1 and ending on the next December 31.

“Leased Property” means the Site and the improvements thereon.

All references to articles or sections are references to articles or sections of this Lease, unless the context clearly indicates otherwise.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

The County and the Board of Education each represent, covenant and warrant for the other’s benefit as follows:

- (1) Neither the execution and delivery of this Lease, nor the fulfillment of or compliance with its terms and conditions, nor the consummation of the transactions contemplated hereby, results or will result in a breach of the terms, conditions and provisions of any agreement or instrument to which either is now a party or by which either is bound, or constitutes a default under any of the foregoing.
- (2) To the knowledge of each party, there is no litigation or proceeding pending or threatened against such party (or against any other person) affecting the rights of such party to execute or deliver this Lease or to comply with its obligations under this Lease. Neither the execution and delivery of this Lease by such party, nor compliance by such party with its obligations under this Lease, requires the approval of any regulatory body or any other entity the approval of which has not been obtained.

ARTICLE III

DEMISING CLAUSE

The County hereby leases the Leased Property to the Board of Education and the Board of Education hereby leases the Leased Property from the County, in accordance with the provisions of this Lease, to have and to hold for the Lease Term.

ARTICLE IV

LEASE TERM

- 4.1 Commencement. The Lease Term shall commence on the Closing Date.
- 4.2 Termination. The Lease Term shall terminate upon the earlier of either of the following events:
 - (a) the termination of the Installment Financing Agreement or
 - (b) an Event of Default and termination by the County pursuant to Article 0.

Termination of the Lease Term shall terminate the County’s obligations under this Lease and the Board of Education’s rights of possession under this Lease.

ARTICLE V

QUIET ENJOYMENT; PURCHASE OPTION

5.1 Quiet Enjoyment. The County hereby covenants that the Board of Education shall, during the Lease Term, peaceably and quietly have and hold and enjoy the Leased Property without suit, trouble or hindrance from the County, except as expressly required or permitted by this Lease. The County shall not interfere with the quiet use and enjoyment of the Leased Property during the Lease Term. The County shall, at the Board of Education's request and the County's cost, join and cooperate fully in any legal action in which the Board of Education asserts its right to such possession and enjoyment, or which involves the imposition of any taxes or other governmental charges on or in connection with the Leased Property. In addition, the Board of Education may at its own expense join in any legal action affecting its possession and enjoyment of the Leased Property, and shall be joined (to the extent legally possible, and at the Board of Education's expense) in any action affecting its liabilities hereunder.

The provisions of this Article shall be subject to rights to inspect the Leased Property granted to parties under the Installment Financing Agreement or the Trust Agreement and to the right hereby reserved to the County to inspect the Leased Property at any reasonable time.

5.2 Purchase Option. The Board of Education shall have the option to purchase a portion or all of the Leased Property at the end of the Lease Term upon payment by the County of all of the Installment Payments and the Additional Payments and upon payment to the County of a purchase option price of \$100. The Board of Education shall notify the County in writing of its Board of Education shall notify the County in writing of its exercising of this option after any such partial release of the Mortgaged Property or after the end of the Lease Term, as may be applicable, and within forty-five (45) days after such notification the County shall execute and deliver to the Board of Education a quit-claim deed with a covenant against grantor's acts, if applicable, together with such other documents as are necessary to convey to the Board of Education good and marketable title to the respective Leased Property, subject only to (a) Permitted Encumbrances and (b) any encumbrance or imperfection caused by or attributable to the Board of Education.

ARTICLE VI

CONSIDERATION FOR LEASE

6.1 Use of Leased Property; Assumption of Obligations. In partial consideration for its acquisition of rights to use the Leased Property during the Lease Term and its option to purchase the Leased Property, the Board of Education hereby agrees to use the Leased Property for public school or other public education purposes in fulfillment of its obligation, shared by the County, to provide for improved public education in the County. In addition, in consideration of its rights under this Lease, the Board of Education undertakes the obligations imposed on it hereunder, including those imposed by **Section 0** hereof.

6.2 Payments. In partial consideration for its acquisition of rights to use the Leased Property during the Lease Term and its option to purchase the Leased Property, the Board of Education hereby agrees to pay to the County annual rent in the amount of \$1 payable in advance on the Closing Date (receipt of which is hereby acknowledged) and on the first day of each Lease Year thereafter.

ARTICLE VII

CONSTRUCTION AND OTHER ACCOMPLISHMENT OF PROJECT AND CERTAIN RELATED COVENANTS

7.1 Construction and Other Accomplishment of Project. The County has provided in the Administrative Agreement for the construction and other accomplishment of the Project by the Board of Education. The Board of Education represents that it has reviewed all provisions concerning the construction and other accomplishment of the Project in the Installment Financing Agreement and hereby approves such provisions. The Board of Education shall take possession of the Project upon completion thereof.

Title to the Leased Property shall be held by the County, subject only to Permitted Encumbrances.

7.2 Maintenance, Repair, Taxes and Assessments.

(a) Maintenance; Repair. The Board of Education shall use, or cause to be used, the Leased Property in a careful and proper manner, in compliance with all applicable laws and regulations, and, at its sole expense, shall service, repair, maintain and insure, or cause to be serviced, repaired, maintained and insured, the Leased Property so as to keep the Leased Property in good condition, repair, appearance and working order for the purposes intended, ordinary wear and tear excepted.

(b) Taxes and Assessments. The Board of Education shall also pay, or cause to be paid, all taxes and assessments, including, but not limited to, utility charges, of any type or nature levied, assessed or charged against any portion of the Leased Property, provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Board of Education shall be obligated to pay only such installments as are required to be paid as and when the same become due.

(c) Contests. The Board of Education may, at its sole expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom; provided that prior to such nonpayment it shall furnish the County with the opinion of an Independent Counsel, to the effect that, by nonpayment of any such items, the interest of the County in the Leased Property will not be materially endangered and that the Leased Property will not be subject to loss or forfeiture. The County will cooperate fully in such contest upon the request and at the expense of the Board of Education.

7.3 Modification of Leased Property, Liens.

(a) Additions, Modifications and Improvements. The Board of Education shall, at its own expense, have the right to make, or cause to be made, additions, modifications and improvements to any portion of the Leased Property if such additions, modifications or improvements are necessary or beneficial for the use of such portion of the Leased Property. All such additions, modifications and improvements shall thereafter comprise part of the Leased Property and be subject to the provisions of this Lease. Such additions, modifications and improvements shall not in any way damage any portion of the Leased Property or cause it to be used for purposes other than those authorized under the provisions of State and federal law or in any way which would cause the interest components of the Installment Payments to be includable in gross income for purposes of federal income taxation under Section 103 of the Internal Revenue Code of 1986, as amended; and the Leased Property, upon completion of any such additions, modifications and improvements, shall be of a value which is not substantially less than the value of the Leased Property immediately prior to the making of such additions, modifications and improvements.

(b) Liens. The Board of Education will not permit any mechanic's or other lien to be established or remain against the Leased Property for labor or materials furnished in connection with any additions, modifications or improvements made by the Board of Education to the Leased Property; provided that, if any such lien is filed or established and the Board of Education shall first notify, or cause to be notified, the County of the Board of Education's intention to do so, the Board of Education may in good faith contest any lien filed or established against the Leased Property and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom and shall provide the County with full security against any loss or forfeiture which might arise from the nonpayment of any such item, in form satisfactory to the County. The County will cooperate fully in any such contest upon the request and at the expense of the Board of Education.

Except as provided in this Article and except as the County may consent thereto, which consent shall not be unreasonably withheld, the Board of Education shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property, other than the respective rights of the Board of Education and the County as herein provided. Except as provided in this Article, the Board of Education shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim for which it is responsible, if the same shall arise at any time; provided that the Board of Education may contest such liens, charges, encumbrances, or claims if it desires to do so. The Board of Education shall reimburse the County for any expense incurred by the County in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

ARTICLE VIII

BOARD OF EDUCATION'S ASSUMPTION OF COUNTY'S OBLIGATIONS

8.1 Assumption of Obligations. The Board of Education hereby assumes all the County's obligations under the Installment Financing Agreement regarding the use, care, operation, maintenance, repair, replacement and insurance of the Leased Property and the payment of taxes, assessments, utility charges and other charges and the prevention of liens with respect to the Leased Property. It is expressly understood that the Board of Education shall not assume the County's obligation under the Installment Financing Agreement to pay the Installment Payments and that the Board of Education shall not indemnify the County or any other party to the Installment Financing Agreement for third-party claims asserted against any party to the Installment Financing Agreement relating to the payment of the Installment Payments.

8.2 Transfer of Rights. In order to allow the Board of Education to carry out the County's obligations under the Installment Financing Agreement to be assumed by the Board of Education, the County hereby transfers its rights under the Installment Financing Agreement regarding such obligations to the Board of Education.

Nothing in this Section, however, shall be construed as in any way delegating to the Board of Education any of the County's rights or responsibilities to make decisions regarding the Board of Education's capital and operating budgets or otherwise covenanting that funds for such purposes will be appropriated or available.

8.3 Board of Education's General Covenant. The Board of Education further undertakes not to take or omit to take any action the taking or omission of which would cause the County to be in default in any manner under the Installment Financing Agreement. In particular, the Board of Education covenants not to make any use of the Leased Property that would cause the County's obligations to make Installment Payments under the Installment Financing Agreement to be "private activity bonds" within the meaning of the Internal Revenue Code of 1986, as amended. If the Board of Education shall take or omit to take any such action, then the Board of Education shall proceed with all due diligence to take such action as may be necessary to cure such default.

8.4 County's Cooperation. The County shall cooperate fully with the Board of Education in filing any proof of loss or taking any other action under this Lease. In no event shall the County or the Board of Education voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim with respect to the Leased Property without the other's written consent.

8.5 Advances; Performance of Obligations. If the Board of Education shall fail to pay any amount required to be paid by it under this Lease, or fails to take any other action required of it under this Lease, then the County may (but shall be under no obligation to) pay such amount or perform such other obligation. The Board of Education agrees to reimburse the County for any such payment or for its costs incurred in connection with performing such other obligation.

ARTICLE IX

DISCLAIMER OF WARRANTIES; OTHER COVENANTS

9.1 Disclaimer of Warranties. THE COUNTY MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR A PARTICULAR USE OF THE LEASED PROPERTY OR ANY PART THEREOF OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE LEASED PROPERTY OR ANY PART THEREOF. In no event shall the County be liable for any direct or indirect, incidental, special or consequential damage in connection with or arising out of this Lease or the existence, furnishing, functioning or use by anyone of any item, product or service provided for herein.

9.2 Further Assurances; Corrective Instruments. The Board of Education and the County agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Leased Property hereby leased or intended so to be, or for otherwise carrying out the intention hereof.

9.3 Board of Education and County Representatives. Whenever under the provisions hereof the approval of the Board of Education or the County is required to take some action at the request of the other, unless otherwise provided, such approval or such request shall be given for the Board of Education by the Board of Education Representative and for the County by the County Representative, and the Board of Education and the County shall be authorized to act on any such approval or request of such representative of the other.

9.4 Compliance with Requirements. During the Lease Term, the Board of Education and the County shall observe and comply promptly with all current and future orders of all courts having jurisdiction over the Leased Property or any portion thereof (or be diligently and in good faith contesting such orders), and all current and future requirements of all insurance companies' written policies covering the Leased Property or any portion thereof.

ARTICLE X

TITLE TO LEASED PROPERTY; LIMITATIONS ON ENCUMBRANCES

10.1 Title to Leased Property. Except for personal property purchased by the Board of Education at its own expense, title to the Leased Property and any and all additions and modifications to or replacements of any portion of the Leased Property shall be held in the County's name, subject only to Permitted Encumbrances, until foreclosed upon as provided in the Deed of Trust or conveyed as provided in this Lease, notwithstanding (a) the occurrence of one or more events of default as defined in Section 9.1 of the Installment Financing Agreement; (b) the occurrence of any event of damage, destruction, condemnation or construction or title defect; or (c) the violation by the County of any provision of this Lease.

The Board of Education shall have no right, title or interest in the Leased Property or any additions and modifications to or replacements of any portion of the Leased Property, except as expressly set forth in this Lease.

ARTICLE XI

SUBLEASING AND INDEMNIFICATION

11.1 Board of Education's Subleasing. The Board of Education may not sublease the Leased Property, in whole or in part, except as provided in Section 8.1 of the Installment Financing Agreement.

11.2 Indemnification. Except as provided in **Section 0** hereof, to the extent permitted by law, the Board of Education shall and hereby agrees to indemnify and save the County harmless against and from all claims by or on behalf of any person, firm, corporation or other legal entity arising from the operation or management of the Leased Property by the Board of Education during the Lease Term, including any claims arising from: (a) any condition of the Leased Property, (b) any act of negligence of the Board of Education or of any of its agents, contractors or employees or any violation of law by the Board of Education or breach of any covenant or warranty by the Board of Education hereunder or (c) the incurrence of any cost or expense in connection with the construction and other accomplishment of the Project in excess of the moneys available therefore in the Project Fund. The Board of Education shall be notified promptly by the County of any action or proceeding brought in connection with any claims arising out of circumstances described in (a), (b) or (c) above.

ARTICLE XII

EVENTS OF DEFAULT

12.1 Events of Default. Each of the following shall be an "Event of Default" under this Lease and the term "Default" shall mean, whenever it is used in this Lease, any one or more of the following events:

(a) The Board of Education's failure to make any payments hereunder when due.

(b) The Board of Education's failure to observe and perform any covenant, condition or agreement on its part to be observed or performed for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied shall have been given to the Board of Education by the County, unless the County shall agree in writing to an extension of such time prior to its expiration; provided, however, that if the failure stated in such notice cannot be corrected within the applicable period, the County shall not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Board of Education within the applicable period and diligently pursued until such failure is corrected and, further, that if by reason of any event or occurrence constituting force majeure the Board of Education is unable in whole or in part to carry out any of its agreements contained herein (other than its obligations contained in **Section 0** or **0** hereof), the Board of Education shall not be deemed in default during the continuance of such event or occurrence.

(c) The dissolution or liquidation of the Board of Education or the voluntary initiation by the Board of Education of any proceeding under any federal or state law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief, or the initiation against the Board of Education of any such proceeding which shall remain undismissed for sixty (60) days, or the entry by the Board of Education into an agreement of composition with creditors or the Board of Education's failure generally to pay its debts as they become due.

12.2 Remedies on Default. Whenever any Event of Default shall have happened and be continuing, the County may take one or any combination of the following remedial steps:

(a) Terminate this Lease, evict the Board of Education from the Leased Property or any portion thereof and re-lease the Leased Property or any portion thereof.

(b) Have reasonable access to and inspect, examine and make copies of the Board of Education's books and records and accounts during the Board of Education's regular business hours, if reasonably necessary in the County's opinion.

(c) Take whatever action at law or in equity may appear necessary or desirable, including the appointment of a receiver, to collect the amounts then due, or to enforce performance and observance of any obligation, agreement or covenant of the Board of Education under this Lease.

Any amount collected pursuant to action taken under this Section shall be applied as the County may determine.

12.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to the County is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given

hereunder and every remedy now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power, and any such right and power may be exercised from time to time as may be deemed expedient. In order to entitle the County to exercise any remedy reserved in this Article 0, it shall not be necessary to give any notice, other than such notice as may be required in this Article 0.

12.4 Waivers. If any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

12.5 Waiver of Appraisement, Valuation, Stay, Extension and Redemption Laws. The Board of Education and County agree, to the extent permitted by law, that in the case of a termination of the Lease Term by reason of an Event of Default, neither the Board of Education nor the County nor any one claiming through or under either of them shall or will set up, claim or seek to take advantage of any appraisement, valuation, stay, extension or redemption laws now or hereafter in force in order to prevent or hinder the enforcement of any remedy provided hereunder; and the Board of Education and the County, for themselves and all who may at any time claim through or under either of them, each hereby waives, to the full extent that it may lawfully do so, the benefit of such laws.

12.6 Subordination. This Lease shall be subordinate to the Deed of Trust.

ARTICLE XIII

MISCELLANEOUS

13.1 Notices. All notices, certificates or other communications hereunder shall be sufficiently given if given by United States mail in certified form, postage prepaid, and shall be deemed to have been received five Business Days after deposit in the United States mail in certified form, postage prepaid, as follows:

(a) If intended for the County, addressed to it at the following address:

County of Columbus, North Carolina
 112 West Smith Street
 Whiteville, North Carolina 28472
 Attention: Finance Director

(b) If intended for the Board of Education, addressed to it at the following address:

Columbus County Schools Board of Education
 817 Washington Street
 Whiteville, North Carolina 28472
 Attention: Superintendent

13.2 Binding Effect. This Lease shall be binding upon and inure to the benefit of the Board of Education and the County, subject, however, to the limitations contained in Article 0.

13.3 Net Lease. This Lease shall be deemed and construed to be a “net lease,” and the Board of Education shall pay absolutely net during the Lease Term all other payments required hereunder, free of any deductions, and without abatement or setoff.

13.4 Payments Due on Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Lease, shall not be a Business Day, such payment may be made or act performed or right exercised on the next preceding day that is a Business Day with the same force and effect as if done on the nominal date provided in this Lease.

13.5 E-Verify Covenant. The Board of Education understands that (1) “E-Verify” is a federal program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law and (2) Article 2 of Chapter 64 of the General Statutes of North Carolina, as amended (the “E-Verify Statute”), requires employers (as defined in the E-Verify Statute) to verify the work authorization of an employee (as defined in the E-Verify Statute) hired to work in the United States through E-Verify. The Board of Education and the Board of Education’s subcontractors under this Lease shall comply with the requirements of the E-Verify Statute.

13.6 Companies that Boycott Israel Act Certification. The Board of Education hereby certifies that it is not on any list created and maintained by the North Carolina Department of State Treasurer pursuant to the Divestment from Companies that Boycott Israel Act, Article 6G, as amended, of Chapter 147 of the General Statutes of North Carolina.

13.7 Severability. In the event that any provision of this Lease, other than the requirement of the County to provide quiet enjoyment of the Leased Property, shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

13.8 Execution in Counterparts. This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

13.9 Applicable Law. This Lease shall be governed by and construed in accordance with the laws of the State. Jurisdiction for the resolution of any conflict arising from this Lease shall lie with the General Court of Justice of the State with venue in County of Columbus, North Carolina.

13.10 Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Lease.

13.11 Memorandum of Lease. At the request of either party, the County and the Board of Education shall, on or before the Closing Date, execute a memorandum of this Lease legally sufficient to comply with the laws of the State.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed in their corporate names by their duly authorized officers, all as of the day and year first above written.

COUNTY OF COLUMBUS, NORTH CAROLINA

[SEAL]

Attest:

By: _____

Chairman of the Board of Commissioners

Clerk to the Board of
Commissioners for the County

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

Finance Officer

COLUMBUS COUNTY SCHOOLS BOARD OF EDUCATION

[SEAL]

Attest:

By: _____

Chairman of the Board of Education

Secretary of the Board of Education

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

Chief Financial Officer

STATE OF NORTH CAROLINA)
COUNTY OF COLUMBUS)

I, _____ a Notary Public of the County and State aforesaid, certify that Amanda B. Prince personally came before me this day and acknowledged that she is the Clerk to the Board

Notary Public

Printed Name _____

My Commission Expires: _____

STATE OF NORTH CAROLINA)
)
COUNTY OF COLUMBUS)

I, _____ a Notary Public of the County and State aforesaid, certify that _____ personally came before me this day and acknowledged that he/she is the Secretary of Columbus County Schools Board of Education and that by authority duly given and as the act of said Board of Education, the foregoing instrument was signed in its name by the Chairman of said Board of Education and attested by him/her as Secretary of said Board of Education.

Notary Public

Printed Name _____

My Commission Expires: _____

EXHIBIT A

LEGAL DESCRIPTION OF THE SITE

The site of the Project is described as follows:

[to be inserted]

DEED OF TRUST AND SECURITY AGREEMENT

Prepared by:
Brandon Lofton, Esq.
Robinson, Bradshaw & Hinson, P.A.
101 North Tryon Street, Suite 1900
Charlotte, North Carolina 28246

Return to:
Brandon Lofton, Esq.
Robinson, Bradshaw & Hinson, P.A.
101 North Tryon Street, Suite 1900
Charlotte, North Carolina 28246

STATE OF NORTH CAROLINA
COUNTY OF COLUMBUS

(COLLATERAL IS OR INCLUDES FIXTURES)

This **DEED OF TRUST AND SECURITY AGREEMENT**, made and entered into as of January [], 2022 (this “Deed of Trust”), from the **COUNTY OF COLUMBUS, NORTH CAROLINA**, a body corporate and politic and a political subdivision of the State of North Carolina, whose address is 111 Washington Street, Whiteville, North Carolina 28472 Attention: Finance Director, as grantor (the “Grantor”), to [], whose address is [], as trustee (the “Trustee”), for the benefit of [], whose address is [] (the “Bank” and, together with its successors and assigns, the “Beneficiary”);

WITNESSETH:

WHEREAS, the Grantor and the Bank have entered into an Installment Financing Contract dated as of even date herewith (the “Installment Financing Contract”), pursuant to which (i) the Bank has agreed to advance \$[Amount] to enable the Grantor to finance the cost of the Project (as defined in the Installment Financing Contract) and (ii) the Grantor has agreed to make the Installment Payments and Additional Payments (as each such term is defined in the Installment Financing Contract) to the Bank;

WHEREAS, this Deed of Trust has been executed and delivered to secure (i) the obligations of the Grantor to make the Installment Payments and Additional Payments and (ii) the performance of all of the other liabilities and obligations, whether now existing or hereafter arising, of the Grantor to the Bank under the Installment Financing Contract (all such obligations and liabilities described in (i) or (ii) above being hereinafter collectively called the “Indebtedness”); and

WHEREAS, the Grantor desires to secure (i) the payment of the Indebtedness and any renewals, modifications or extensions thereof, in whole or in part, and (ii) the additional payments hereinafter agreed to be made by or on behalf of the Grantor, by a conveyance of the lands and security interests hereinafter described;

NOW, THEREFORE, in consideration of the above preambles and for the purposes aforesaid, and in further consideration of the sum of Ten Dollars (\$10.00) paid to the Grantor by the Trustee and other valuable consideration, receipt of which is hereby acknowledged, the Grantor has given, granted, bargained, sold and conveyed, and by these presents does give, grant, bargain, sell and convey, unto the Trustee, its heirs, successors and assigns, the following property (collectively the “Premises”):

- (a) The real property lying and being in the County of Columbus, North Carolina and described below in the legal description attached as Exhibit A hereto (collectively the “Real Property”):

See Exhibit A Attached Hereto For The Real
Property Description, Which Exhibit A Is
Specifically Incorporated Herein By Reference.

- (b) All buildings, structures, additions and other improvements of every nature whatsoever now or hereafter situated on or about the Real Property (collectively the “Improvements”).
- (c) All gas and electric fixtures, radiators, heaters, engines and machinery, boilers, ranges, elevators and motors, plumbing and heating fixtures, carpeting and other floor coverings, fire extinguishers and any other safety equipment required by governmental regulation or law, washers, dryers, water heaters, mirrors, mantels, air conditioning apparatus, refrigerating plants, refrigerators, cooking apparatus and appurtenances, window screens, awnings and storm sashes and other machinery, equipment or other tangible personal property, which are or shall be so attached to the Improvements, including all extensions, additions, improvements, betterments, renewals, replacements and substitutions, or proceeds from a permitted sale of any of the foregoing, as to be deemed to be fixtures under North Carolina law (collectively the “Fixtures”) and accessions to the Real Property and a part of the Premises as between the parties hereto and all persons claiming by, through or under them, and which shall be deemed to be a portion of the security for the Indebtedness. The location of the collateral described in this paragraph is also the location of the Real Property, and the record owner of the Real Property is the Grantor.
- (d) All easements, rights-of-way, strips and gores of land, vaults, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, minerals, flowers, shrubs, crops, trees, timber and other emblements now or hereafter located on the Real Property or under or above the same or any part or parcel thereof, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances, reversion and reversions, remainder and remainders, whatsoever, in any way belonging, relating or appertaining to the Premises or any part thereof, or which hereafter shall in any
- (e) All leases affecting the Premises or any part thereof and all income, rents and issues of the Premises and the Improvements now or hereafter located thereon from time to time accruing (including without limitation all payments under leases or tenancies, proceeds of insurance, condemnation payments, tenant security deposits whether held by the Grantor or in a trust account, and escrow funds), and all the estate, right, title, interest, property, possession, claim and demand whatsoever at law, as well as in equity, of the Grantor of, in and to the same; reserving only the right to the Grantor to collect and apply the same so long as the Grantor is not in Default hereunder.

SUBJECT, HOWEVER, to such of the Permitted Encumbrances (as defined in Exhibit B hereto and specifically incorporated herein by reference) as are superior to the security created by this Deed of Trust and

excluding all property excluded from the lien or security interest of the Bank under the Installment Financing Contract and all property released pursuant to the provisions of the Installment Financing Contract or this Deed of Trust.

TO HAVE AND TO HOLD, the Premises unto the Trustee, its heirs, successors and assigns, in fee simple forever, upon the trusts, terms and conditions and for the uses and purposes hereinafter set out;

And the Grantor covenants with the Trustee that the Grantor is lawfully seized of the Premises in fee simple and has the right to convey the same in fee simple; that, except for Permitted Encumbrances, the same are free and clear of all encumbrances, and that the Grantor will warrant and defend the title to the same against the claims of all persons whomsoever arising by, under or through the Grantor.

THIS CONVEYANCE IS MADE UPON THIS SPECIAL TRUST that, if the Grantor shall pay the Indebtedness in accordance with the terms of the Installment Financing Contract, together with interest thereon, and any renewals or extensions thereof in whole or in part, and shall comply with all the covenants, terms and conditions of this Deed of Trust, then this conveyance shall be null and void and may be cancelled of record at the request of the Grantor.

THIS DEED OF TRUST secures an obligation incurred for the construction of an improvement on the real property covered hereby and as such constitutes a “construction mortgage” under Section 25-9-334 of the General Statutes of North Carolina.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, the Grantor hereby further covenants and agrees as follows:

ARTICLE I

Section 1.1 **Payment of Indebtedness.** The Grantor will pay the Indebtedness and all other sums now or hereafter secured hereby promptly as the same shall become due as provided in the Installment Financing Contract and as permitted by law.

Section 1.2 **Taxes, Liens and Other Charges.**

- (a) The Grantor will pay, or cause to be paid, before the same become delinquent, all taxes, liens, assessments and charges of every character including all utility charges, whether public or private, already levied or assessed or that may hereafter be levied or assessed upon or against the Premises; and will furnish the Beneficiary, on or before the final date whereon the same can be paid without penalty, evidence of the due and punctual payment of all such taxes, liens, assessments and charges. Nothing contained herein shall require the payment or discharge of any such tax, lien, assessment or charge by the Grantor for so long as the Grantor shall in good faith and at its own expense contest the same or the validity thereof by appropriate legal proceedings provided that such proceedings shall prevent (i) the collection thereof or other realization thereof and the sale or forfeiture of the Premises or any part thereof to satisfy the same or (ii) the enforcement thereof, against the Grantor, the Trustee, the Beneficiary and the Premises and so long as the Grantor first deposits with the Beneficiary in escrow such sums or other security as the Beneficiary may reasonably require to assure Beneficiary of the availability of sufficient monies to pay such tax, lien, assessment or charge if and when the same is finally determined to be due.
- (b) The Grantor will not suffer any mechanic’s, materialman’s, laborer’s, statutory or other lien to be created and to remain outstanding upon all or any part of the Premises. The Grantor shall be entitled to discharge such liens by bonds or to contest any such liens pursuant to the same procedure as the Grantor is entitled to contest taxes in the preceding subsection 1.2(a).

Section 1.3 **Insurance.** The Grantor shall obtain and maintain, or cause to be obtained and maintained, during the term of this Deed of Trust the insurance coverage specified in the Installment Financing Contract.

The net proceeds from any related insurance policy or policies shall be applied as provided in the Installment Financing Contract. The Beneficiary shall not be held responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure if it has complied with Section 8.4 of the Installment Financing Contract.

In the event of the foreclosure of this Deed of Trust or any other transfer of title to the Premises in extinguishment of the Indebtedness secured hereby, all right, title and interest of the Grantor or the Board of Education (as defined in the Installment Financing Contract) in and to all insurance policies then in force shall pass to the purchaser or Beneficiary, as appropriate.

Section 1.4 Condemnation. Any award for the taking of, or damage to, all or any part of the Premises or any interest therein upon the lawful exercise of the power of eminent domain shall be payable and applied as provided in the Installment Financing Contract. The Grantor shall give immediate notice to the Bank of the institution of any action or proceeding to condemn any part of the Premises or any interest therein of which the Grantor receives notice.

Section 1.5 Care of Premises.

- (a) The Grantor will keep or cause to be kept the buildings, parking areas, roads and walkways, recreational facilities, landscaping and all other Improvements of any kind now or hereafter erected on the Real Property or any part thereof in good condition and repair (ordinary wear and tear excepted), will not commit or suffer any waste, and will not do or suffer to be done anything which will increase the risk of fire or other hazard to the Premises or any part thereof.
- (b) Except in the ordinary course of its business or as provided in Section 6.1 of the Installment Financing Contract, the Grantor will not remove, demolish or alter or permit to be removed, demolished or altered the structural character of any Improvement located on the Real Property or any Fixture without the prior written consent of the Beneficiary.
- (c) If the Premises or any part thereof is damaged by fire or any other cause, the Grantor will give immediate notice thereof to the Beneficiary and the Trustee.
- (d) Upon reasonable prior notice to the Grantor or the Board of Education, as may be applicable, the Beneficiary or its representative is hereby authorized to enter upon and inspect the Premises at any time during normal business hours. The Beneficiary agrees that any confidential information about the Grantor or the Board of Education obtained in the exercise of its rights under this subsection shall, except as otherwise required by law or regulation applicable to the Beneficiary, be maintained in a confidential manner and shall be used by the Beneficiary only for the protection of its rights and interests hereunder.
- (e) The Grantor will comply promptly or cause there to be compliance promptly with all present and future laws, ordinances, rules and regulations of any governmental authority (including, but not limited to, all environmental and ecological laws and regulations) affecting the Premises or any part thereof.

Section 1.6 Leases Affecting Premises. The Beneficiary hereby approves the Lease (as defined in the Installment Financing Contract). The Board of Education may sublease, and the Grantor may lease, any portion of the Premises as provided in the Installment Financing Contract.

Section 1.7 Security Agreement and Financing Statement. With respect to the Fixtures, this Deed of Trust is hereby made and declared to be a security agreement in favor of the Beneficiary encumbering each and every item of such property included herein as a part of the Premises, and the Grantor hereby grants a security interest to the Beneficiary in and to all of the Fixtures. Upon request by the Beneficiary, at any time and from time to time, a financing statement or statements reciting this Deed of Trust to be a security agreement affecting all of such property shall be executed by the Grantor and the Beneficiary and filed in accordance with the provisions of the Uniform Commercial Code as enacted in the State of North Carolina applicable to the perfection of security interests by filing financing statements thereunder. The remedies for any violation of the covenants, terms and conditions of the security agreement contained in this Deed of Trust shall be (i) as prescribed herein or (ii) as prescribed by general law, at the Beneficiary's sole election.

This Deed of Trust shall constitute a financing statement filed as a fixture filing in accordance with Section 25-9-502 of the North Carolina General Statutes (or any amendment thereto). For these purposes, the Grantor is the "debtor," the Beneficiary is the "secured party" and the Fixtures are the "collateral."

Section 1.8 Further Assurances. At any time, and from time to time, upon request by the Beneficiary, the Grantor will make, execute and deliver or cause to be made, executed and delivered, to the Beneficiary and/or the Trustee and, where appropriate, cause to be recorded and/or filed and from time to time thereafter to be re-recorded and/or refiled at such time and in such offices and places as shall be deemed desirable by the Beneficiary, any and all such other and further deeds of trust, security agreements, financing statements, continuation statements, instruments of further assurance, certificates and other documents as may, in the opinion of the Beneficiary, be necessary or desirable in order to effectuate, complete, or perfect, to continue and preserve or to give notice of (a) the obligations of the Grantor under the Installment Financing Contract or this Deed of Trust and (b) the lien of this Deed of Trust as a first and prior lien, subject to Permitted Encumbrances, upon and security title in and to all of the Premises, whether now owned or hereafter acquired by the Grantor. Upon any failure by the Grantor so to do, the Beneficiary may make, execute, record, file, re-record and/or refile any and all such deeds of trust, security agreements, financing statements, continuation

statements, instruments, certificates, and documents for and in the name of the Grantor and the Grantor hereby irrevocably appoints the Beneficiary as its agent and attorney-in-fact to do so.

Section 1.9 Expenses. The Grantor will pay or reimburse the Beneficiary and the Trustee, upon demand therefore, for all reasonable attorneys' fees, costs and expenses actually incurred by the Beneficiary and the Trustee in any suit, action, legal proceeding or dispute of any kind in which the Beneficiary and/or the Trustee is made a party or appears as party plaintiff or defendant, affecting the Indebtedness secured hereby, this Deed of Trust or the interest created herein, or the Premises, including, but not limited to, the exercise of the power of sale contained in this Deed of Trust, any condemnation action involving the Premises or any action to protect the security hereof, but excepting therefrom any negligence or willful misconduct by the Beneficiary or any breach of this Deed of Trust by the Beneficiary; and all such amounts paid by the Beneficiary shall be added to the Indebtedness.

Section 1.10 Estoppel Affidavits. The Grantor upon ten (10) days' prior written notice, shall furnish the Beneficiary a written statement, duly acknowledged, setting forth the unpaid principal of, and interest on, the Indebtedness and whether or not any offsets or defenses exist against the payment of such principal and interest.

Section 1.11 Subrogation. The Beneficiary shall be subrogated to the claims and liens of all parties whose claims or liens are discharged or paid with the proceeds of the Indebtedness.

Section 1.12 Books, Records, Accounts and Annual Reports. The Grantor will keep and maintain or will cause to be kept and maintained proper and accurate books, records and accounts relating to the Premises. The Beneficiary shall have the right from time to time at all times during normal business hours to examine such books, records and accounts at the office of the Grantor or such other person or entity maintaining such books, records and accounts and to make copies or extracts thereof as the Beneficiary shall desire.

Section 1.13 Limit of Validity. If from any circumstances whatsoever fulfillment of any obligation pursuant to any provision of this Deed of Trust or the Installment Financing Contract, at the time performance of such obligation shall be due, shall involve transcending the limit of validity presently prescribed by any applicable usury statute or any other applicable law, with regard to obligations of like character and amount, then ipso facto the obligation to be fulfilled shall be reduced to the limit of such validity, so that in no event shall any exaction be possible under this Deed of Trust or the Installment Financing Contract that is in excess of the current limit of such validity, but such obligation shall be fulfilled to the limit of such validity.

Section 1.14 Changes in Ownership. The Grantor hereby acknowledges to the Beneficiary that (a) the identity and expertise of the Grantor were and continue to be material circumstances upon which the Beneficiary has relied in connection with, and which constitute valuable consideration to the Beneficiary for, the extending to the Grantor of the Indebtedness and (b) any change in such identity or expertise could materially impair or jeopardize the security for the payment of the Indebtedness granted to the Beneficiary by this Deed of Trust. The Grantor therefore covenants and agrees with the Beneficiary, as part of the consideration for the extending to the Grantor of the Indebtedness, that the entire Indebtedness shall, at the option of the Beneficiary, become immediately due and payable, should the Grantor further encumber, pledge, convey, transfer or assign any or all of its interest in the Premises or any portion thereof without the prior written consent of the Beneficiary or except as otherwise permitted herein or in the Installment Financing Contract.

Section 1.15 Use and Management of the Premises. The Grantor shall not alter or change, or permit the alteration or change of, the use of the Premises or abandon, or permit the abandonment of, the Premises without the prior written consent of the Beneficiary or except as otherwise permitted herein or in the Installment Financing Contract.

Section 1.16 Acquisition of Collateral. The Grantor shall not acquire, or permit to be acquired, any portion of the personal property, if any, covered by this Deed of Trust, subject to any security interest, conditional sales contract, title retention arrangement or other charge or lien taking precedence over the security title and lien of this Deed of Trust without the prior written consent of the Beneficiary.

Section 1.17 Hazardous Material.

- (a) The Grantor represents, warrants and agrees that, except as previously disclosed to the Lender in writing: (i) the Grantor has not used or installed any Hazardous Material (as hereinafter defined) in violation of applicable Environmental Laws (as hereinafter defined) on, from or in the Premises and, to the best of the Grantor's actual knowledge, no other person has used or installed any Hazardous Material on, from or in the Premises, except as necessary incident to the normal operation and maintenance of the Premises by the Board of Education as public school facilities ; (ii) to the best of the Grantor's actual knowledge, no other person has violated any applicable Environmental Laws relating to or affecting the Premises; (iii) to the best of the Grantor's actual knowledge, the Premises are presently in compliance with all applicable Environmental Laws, and

there are no facts or circumstances presently existing upon or under the Premises, or relating to the Premises, which may violate any applicable Environmental Laws, and there is not now pending or threatened any action, suit, investigation or proceeding against the Grantor or the Premises (or against any other party relating to the Premises) seeking to enforce any right or remedy against the Grantor or the Premises under any of the Environmental Laws; (iv) the Premises shall be kept free of Hazardous Materials to the extent required by applicable Environmental Laws, and shall not be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce, or process Hazardous Materials, except as a necessary incident to the normal operation and maintenance of the Premises by the Board of Education as public school facilities and in connection with acquisition, construction and installation of the Project (as defined in the Installment Financing Contract) and any additional Improvements on the Real Property; (v) the Grantor shall not cause or permit the installation of Hazardous Materials in, on, over or under the Premises or a Release (as hereinafter defined) of Hazardous Materials unto or from the Premises or suffer the presence of Hazardous Materials in, on, over or under the Premises in violation of applicable Environmental Laws; (vi) the Grantor shall comply or cause there to be compliance with Environmental Laws applicable to the Premises, all at no cost or expense to the Beneficiary or the Trustee; (vii) the Grantor or the Board of Education has obtained and the Grantor will at all times continue to obtain and/or maintain or cause the Board of Education to obtain and/or maintain all licenses, permits and/or other governmental or regulatory actions necessary for the Premises to comply with applicable Environmental Laws (the "Permits") and the Grantor will be and at all times remain or cause the Board of Education to be and at all times remain in full compliance with the terms and provisions of the Permits; (viii) to the best of the Grantor's actual knowledge, there has been no Release of any Hazardous Materials on or from the Premises in violation of applicable Environmental Laws, whether or not such Release emanated from the Premises or any contiguous real estate, which has not been abated and any resulting violation of applicable Environmental Laws abated; (ix) the Grantor shall immediately give or cause the Board of Education to give the Beneficiary oral and written notice in the event that the Grantor receives any notice from any governmental agency, entity, or any other party with regard to Hazardous Materials on, from or affecting the Premises and the Grantor shall conduct and complete or cause the Board of Education to conduct and complete all investigations, studies, sampling, and testing, and all remedial, removal, and other actions necessary to clean up and remove all Hazardous Materials on, from or affecting the Premises in accordance with all applicable Environmental Laws.

- (b) To the extent permitted by law and subject to the provisions of Section 160A-20 of the General Statutes of North Carolina, as amended ("G.S. § 160A-20"), the Grantor hereby agrees to indemnify the Beneficiary and the Trustee and hold the Beneficiary and the Trustee harmless from and against any and all liens, demands, defenses, suits, proceedings, disbursements, liabilities, losses, litigation, damages, judgments, obligations, penalties, injuries, costs, expenses (including, without limitation, reasonable attorneys' and experts' fees) and claims of any and every kind whatsoever paid, incurred, suffered by, or asserted against the Beneficiary, the Trustee and/or the Premises for, with respect to, or as a direct or indirect result of: (i) the presence of Hazardous Materials in, on or under the Premises, or the escape, seepage, leakage, spillage, discharge, emission or Release on or from the Premises of any Hazardous Materials regardless of whether or not caused by or within the control of the Grantor; (ii) the violation of any Environmental Laws applicable to the Premises or the Grantor, whether or not caused by or within the control of the Grantor; (iii) the failure by the Grantor to comply fully with the terms and provisions of this Section; (iv) the violation of any of the Environmental Laws in connection with any other property owned by the Grantor, which violation gives or may give rise to any rights whatsoever in any party with respect to the Premises by virtue of any of the Environmental Laws, whether or not such violation is caused by or within the control of the Grantor; or (v) any warranty or representation made by the Grantor in subsection (a) of this Section being false or untrue in any material respect.
- (c) In the event the Beneficiary has a reasonable basis to suspect that the Grantor has violated any of the covenants, warranties, or representations contained in this Section, or that the Premises are not in compliance with the applicable Environmental Laws for any reason, the Grantor shall take such steps as the Beneficiary reasonably requires by notice to the Grantor in order to confirm or deny such occurrences, including, without limitation, the preparation of environmental studies, surveys or reports. In the event that the Grantor fails to take such action, the Beneficiary may take such action as the Beneficiary reasonably believes necessary to protect its interest, and the cost and expenses of all such actions taken by the Beneficiary, including, without limitation, the Beneficiary's reasonable attorneys' fees, shall be added to the Indebtedness.
- (d) For purposes of this Deed of Trust: (i) "Hazardous Material" or "Hazardous Materials" means and includes, without limitation, (a) solid or hazardous waste, as defined in the Resource Conservation and Recovery Act of 1980, or in any applicable state or local law or regulation, (b) hazardous substances, as defined in the Comprehensive Environmental Response, Compensation and

Liability Act of 1980 (“CERCLA”), or in any applicable state or local law or regulation, (c) gasoline, or any other petroleum product or by-product, (d) toxic substances, as defined in the Toxic Substances Control Act of 1976, or in any applicable state or local law or regulation or (e) insecticides, fungicides, or rodenticides, as defined in the Federal Insecticide, Fungicide, and Rodenticide Act of 1975, or in any applicable state or local law or regulation, as each such Act, statute or regulation may be amended from time to time; (ii) “Release” shall have the meaning given such term in the Environmental Laws, including, without limitation, Section 101(22) of CERCLA; and (iii) “Environmental Law” or “Environmental Laws” shall mean any “Super Fund” or “Super Lien” law, or any other federal, state or local statute, law, ordinance or code, regulating, relating to or imposing liability or standards of conduct concerning any Hazardous Materials as may now or at any time hereafter be legally in effect, including, without limitation, the following, as same may be amended or replaced from time to time, and all regulations promulgated and officially adopted thereunder or in connection therewith: the Super Fund Amendments and Reauthorization Act of 1986 (“SARA”); CERCLA; The Clean Air Act (“CAA”); the Clean Water Act (“CWA”); The Toxic Substance Control Act (“TSCA”); the Solid Waste Disposal Act (“SWDA”), as amended by the Resource Conservation and Recovery Act (“RCRA”); the Hazardous Waste Management System; and the Occupational Safety and Health Act of 1970 (“OSHA”). The obligations and liabilities of the Grantor under this Section which arise out of events or actions occurring prior to the satisfaction of this Deed of Trust shall survive the exercise of the power of sale under or foreclosure of this Deed of Trust, the delivery of a deed in lieu of foreclosure of this Deed of Trust, the cancellation or release of record of this Deed of Trust, and/or the payment in full of the Indebtedness.

- (e) The parties expressly agree that an event under the provisions of this Section which may be deemed to be a default under this Deed of Trust shall not be a default until the Grantor has received notice of such event. Further, in terms of compliance with future governmental laws, regulations or rulings applicable to environmental conditions, the Grantor shall be permitted to afford itself of any defense or other protection against the application or enforcement of any such law, regulation or ruling.

ARTICLE II

Section 2.1 Events of Default. The terms “Default”, “Event of Default” or “Events of Default”, wherever used in this Deed of Trust, shall mean any one or more of the following events:

- (a) Failure by the Grantor to pay when due, any Installment Payment as required by the Installment Financing Contract or by this Deed of Trust.
- (b) Failure by the Grantor to duly observe or perform after notice and lapse of any applicable grace period any other term, covenant, condition or agreement of this Deed of Trust.
- (c) Any warranty of the Grantor contained in this Deed of Trust proves to be untrue or misleading in any material respect.
- (d) The occurrence of any “Event of Default” under the Installment Financing Contract.

Section 2.2 Acceleration upon Default, Additional Remedies. In the event an Event of Default shall have occurred and is continuing, the Beneficiary may declare all Indebtedness to be due and payable and the same shall thereupon become due and payable without any presentment, demand, protest or notice of any kind. Thereafter, the Beneficiary may take any one or more of the following actions:

- (a) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court as hereinafter provided and without regard to the adequacy of its security, enter upon and take possession of the Premises, or any part thereof, in its own name or in the name of the Trustee, and do any acts which it deems necessary or desirable to preserve the value, marketability or rentability of the Premises, or part thereof or interest therein, increase the income therefrom or protect the security hereof, and, with or without taking possession of the Premises, sue for or otherwise collect the rents and issues thereof, including those rents and issues past due and unpaid, and apply the same, less costs and expenses of operation and collection including attorney’s fees, upon any Indebtedness, all in such order as the Beneficiary may determine. The entering upon and taking possession of the Premises, the collection of such rents and issues and the application thereof as aforesaid, shall not cure or waive any Event of Default or notice of Event of Default hereunder or invalidate any act done in response to such Default or pursuant to such notice of Default and notwithstanding the continuance in possession of the Premises or the collection, receipt and application of rents and issues, the Trustee or the Beneficiary shall be entitled to exercise every right provided for in any instrument securing or relating to the

Indebtedness or by law upon occurrence of any Event of Default, including the right to exercise the power of sale.

- (b) Commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver as hereinafter provided, specially enforce any of the covenants hereof, or cause the Trustee to foreclose this Deed of Trust by power of sale.
- (c) Exercise any or all of the remedies available to a secured party under any applicable laws.

Notwithstanding any provision to the contrary in this Deed of Trust, no deficiency judgment may be rendered against the Grantor in any action to collect any of the Indebtedness secured by this Deed of Trust in violation of G.S. § 160A-20, including, without limitation, any deficiency judgment for amounts that may be owed under the Installment Financing Contract or this Deed of Trust when the sale of all or any portion of the Premises is insufficient to produce enough money to pay in full all remaining Indebtedness under the Installment Financing Contract or this Deed of Trust, and the taxing power of the Grantor is not and may not be pledged directly or indirectly or contingently to secure any moneys due or secured under this Deed of Trust.

Section 2.3 Foreclosure by Power of Sale. Should the Beneficiary elect to foreclose by exercise of the power of sale herein contained, the Beneficiary shall notify the Trustee and shall deposit with the Trustee this Deed of Trust and such receipts and evidence of expenditures made and secured hereby as the Trustee may require.

Upon application of the Beneficiary, it shall be lawful for and the duty of the Trustee, and the Trustee is hereby authorized and empowered, to expose to sale and to sell the Premises at public auction for cash, after having first complied with all applicable requirements of laws of the State of North Carolina with respect to the exercise of powers of sale contained in deeds of trust, and upon such sale the Trustee shall convey title to the purchaser in fee simple. After retaining from the proceeds of such sale just compensation for the Trustee's services and all expenses incurred by the Trustee, including the Trustee's commission not exceeding three percent (3%) of the bid and reasonable attorneys' fees for legal services actually performed, the Trustee shall apply the residue of the proceeds first to the payment of all sums expended by the Beneficiary under the terms of this Deed of Trust; second, to the payment of the Indebtedness secured hereby; and the balance, if any, shall be paid to the Grantor. The Grantor agrees that in the event of sale hereunder, the Beneficiary shall have the right to bid thereat. The Trustee may require the successful bidder at any sale to deposit immediately with the Trustee cash or certified check in an amount not to exceed twenty-five percent (25%) of the bid, provided notice of such requirement is contained in the advertisement of the sale. The bid may be rejected if the deposit is not immediately made and thereupon the next highest bidder may be declared to be the purchaser. Such deposit shall be refunded in case a resale is had; otherwise, it shall be applied to the purchase price.

Section 2.4 Performance by the Beneficiary on Defaults by the Grantor. If the Grantor shall default in the payment, performance or observance of any term, covenant or condition of this Deed of Trust, the Beneficiary may, at its option, pay, perform or observe the same, and all payments made or costs or expenses incurred by the Beneficiary in connection therewith shall be secured hereby and shall be, without demand, immediately repaid by the Grantor to the Beneficiary with interest thereon at the rate provided in the Installment Financing Contract. The Beneficiary shall be the sole judge of the necessity for any such actions and of the amounts to be paid but no such action shall be taken unreasonably. The Beneficiary is hereby empowered to enter and to authorize others to enter upon the Premises or any part thereof for the purpose of performing or observing any such defaulted term, covenant or condition without thereby becoming liable to the Grantor or any person in possession holding under the Grantor.

Section 2.5 Receiver. If an Event of Default shall have occurred and is continuing and such Event of Default as to Events of Default occurring under subsections (b), (c) and (d) of Section 2.1 continues uncured for a period of thirty (30) days or more after notice of such Event of Default is given by the Beneficiary to the Grantor, the Beneficiary, upon application to a court of competent jurisdiction, shall be entitled as a matter of strict right without notice and without regard to the adequacy or value of any security for the Indebtedness secured hereby or the solvency of any party bound for its payment, to the appointment of a receiver or receivers to take possession of and to operate the Premises and to collect and apply the rents and issues thereof. The Grantor hereby irrevocably consents to such appointment, provided the Grantor receives notice of any application therefore. Any such receiver or receivers shall have all of the rights and powers permitted under the laws of the State of North Carolina and all the powers and duties of the Beneficiary in case of entry as provided in subsection (a) of Section 2.2, and shall continue as such and exercise all such powers until the date of confirmation of sale of the Premises unless such receivership is sooner terminated. Subject to the provisions of Section 2.2, the Grantor will pay to the Beneficiary upon demand all reasonable expenses, including receiver's fees, attorneys' fees, costs and agent's compensation, incurred pursuant to the provisions of this Section; and all such expenses shall be secured by this Deed of Trust.

Section 2.6 Waiver of Appraisalment, Valuation, Stay, Extension and Redemption Laws. The Grantor agrees, to the full extent permitted by law, that in case of a Default hereunder, neither the Grantor nor anyone claiming through or under it shall or will set up, claim or seek to take advantage of any appraisalment, valuation, stay, extension, homestead, exemption or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Deed of Trust, or the absolute sale of the Premises, or the final and absolute putting into possession thereof, immediately after such sale, of the purchasers thereat, and the Grantor, for itself and all who may at any time claim through or under it, hereby waives to the full extent that it may lawfully so do, the benefit of all such laws, and any and all right to have the assets comprised in the security intended to be created hereby marshalled upon any foreclosure of the lien hereof.

Section 2.7 Leases. The Beneficiary and the Trustee, or either of them, at their option and to the extent permitted by law, are authorized to foreclose this Deed of Trust subject to the rights of any tenants of the Premises, and the failure to make any such tenants parties to any such foreclosure proceedings and to foreclose their rights will not be, nor be asserted to be by the Grantor, a defense to any proceedings instituted by the Beneficiary and the Trustee to collect the sums secured hereby.

Section 2.8 Discontinuance of Proceedings and Restoration of the Parties. In case the Beneficiary and the Trustee, or either of them, shall have proceeded to enforce any right, power or remedy under this Deed of Trust by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Beneficiary and the Trustee, or either of them, then and in every such case the Grantor and the Beneficiary and the Trustee, and each of them, shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of the Beneficiary and the Trustee, and each of them, shall continue as if no such proceeding had been taken.

Section 2.9 Remedies Not Exclusive. Subject to Article XV of the Installment Financing Contract and Section 2.2 of this Deed of Trust, the Trustee and the Beneficiary, and each of them, shall be entitled to enforce payment and performance of any Indebtedness or obligations secured hereby and to exercise all rights and powers under this Deed of Trust or any other agreement securing or relating to the Indebtedness secured hereby or any laws now or hereafter in force, notwithstanding some of the Indebtedness and obligations secured hereby may now or hereafter be otherwise secured, whether by mortgage, deed of trust, pledge, lien, assignment or otherwise. Neither the acceptance of this Deed of Trust nor its enforcement, whether by court action or pursuant to the power of sale or other powers herein contained, shall prejudice or in any manner affect the Trustee's or the Beneficiary's right to realize upon or enforce any other security now or hereafter held by the Trustee or the Beneficiary, it being agreed that the Trustee and the Beneficiary, and each of them, shall be entitled to enforce this Deed of Trust and any other security now or hereafter held by the Beneficiary or the Trustee in such order and manner as they or either of them may in their absolute discretion determine. No remedy herein conferred upon or reserved to the Trustee or the Beneficiary is intended to be exclusive of any other remedy herein or by law provided or preclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every lawful power or remedy given by any instrument securing or relating to the Indebtedness secured hereby to the Trustee or the Beneficiary or to which either of them may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by the Trustee or the Beneficiary and either of them may pursue inconsistent remedies.

Section 2.10 Waiver. No delay or omission of the Beneficiary or the Trustee to exercise any right, power or remedy accruing upon any Default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such Default, or acquiescence therein; and every right, power and remedy given by this Deed of Trust to the Beneficiary and the Trustee, and each of them, may be exercised from time to time and as often as may be deemed expedient by the Beneficiary and the Trustee, and each of them. No consent or waiver, expressed or implied, by the Beneficiary to or of any breach or Default by the Grantor in the performance of the obligations thereof hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or Default in the performance of the same or any other obligations of the Grantor hereunder. Failure on the part of the Beneficiary to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by the Beneficiary of its rights hereunder or impair any rights, powers or remedies consequent on any breach or Default by the Grantor.

Section 2.11 Suits to Protect the Premises. The Beneficiary and the Trustee, and each of them, shall have the power (a) to institute and maintain such suits and proceedings as they may deem expedient to prevent any impairment of the Premises by any acts which may be unlawful or in violation of this Deed of Trust, with notice of commencement of such suits and proceedings to be given to the Grantor, (b) to preserve or protect their interest in the Premises and in the rents and issues arising therefrom, and (c) to restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order would impair the security hereunder or be prejudicial to the interest of the Beneficiary.

Section 2.12 The Beneficiary May File Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting the Grantor, its creditors or its property, the Beneficiary, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of the Beneficiary allowed in such proceedings for the entire amount due and payable by the Grantor under this Deed of Trust at the date of the institution of such proceedings and for any additional amount which may become due and payable by the Grantor hereunder after such date.

Section 2.13 Waiver of Rights. By execution of this Deed of Trust and to the extent permitted by law, the Grantor expressly: acknowledges the right to accelerate the Indebtedness and the power of sale given herein to the Trustee to sell the Premises by foreclosure under power of sale upon default by the Grantor and without any notice other than such notice (if any) as is specifically required to be given by law or under the provisions of this Deed of Trust; waives any and all rights of the Grantor to appraisal, dower, curtesy and homestead rights to the extent permitted by applicable law; acknowledges that the Grantor has read this Deed of Trust and any and all questions regarding the legal effect of this Deed of Trust and its provisions have been explained fully to the Grantor and the Grantor has consulted with counsel of its choice prior to executing this Deed of Trust; and acknowledges that all waivers of the aforesaid rights of the Grantor have been made knowingly, intentionally and willingly by the Grantor as part of a bargained for transaction.

ARTICLE III

Section 3.1 Successors and Assigns. This Deed of Trust shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, legal representatives, successors and assigns. Whenever a reference is made in this Deed of Trust to the Grantor, the Trustee or the Beneficiary such reference shall be deemed to include a reference to the heirs, executors, legal representatives, successors and assigns of the Grantor, the Trustee or the Beneficiary, respectively.

Section 3.2 Terminology. All personal pronouns used in this Deed of Trust, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. Titles and articles in this Deed of Trust are for convenience only and neither limit nor amplify the provisions of this Deed of Trust itself, and all references herein to articles, sections or subsections shall refer to the corresponding articles, sections or subsections of this Deed of Trust unless specific reference is made to articles, sections or subsections of another document or instrument.

Section 3.3 Severability. If any provision of this Deed of Trust or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Deed of Trust and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

Section 3.4 Governing Law. This Deed of Trust shall be construed and governed according to the laws of the State of North Carolina.

Section 3.5 Notices, Demands and Requests. All notices, demands or requests provided for or permitted to be given pursuant to this Deed of Trust must be in writing and shall be deemed to have been properly given if served or given by personal delivery or by being deposited in the United States Mail, postage prepaid, registered or certified return receipt requested, and addressed to the addresses as follows: (a) if to the County, County of Columbus, North Carolina, 111 Washington Street, Whiteville, North Carolina 28472 Attention: Finance Director, (b) if to the Beneficiary, [____], and (c) if to the Deed of Trust Trustee, [____].

All notices, demands and requests shall be effective upon personal delivery or upon being deposited in the United States Mail. However, the time period in which a response to any notice, demand or request must be given, if any, shall commence to run from the date of receipt of the notice, demand or request by the addressee thereof. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice, demand or request sent. By giving at least thirty (30) days written notice thereof, the Grantor, the Trustee or the Beneficiary shall have the right from time to time and at any time during the term of this Deed of Trust to change their respective addresses and each shall have the right to specify as its address any other address within the United States of America.

Section 3.6 Appointment of Successor to the Trustee. The Beneficiary shall at any time have the irrevocable right to remove the Trustee herein named without notice or cause and to appoint a successor thereto by an instrument in writing, duly acknowledged, in such form as to entitle such written instrument to be recorded in the State of North Carolina, and in the event of the death or resignation of the Trustee named herein, the Beneficiary shall have the right to appoint a successor thereto by such written instrument, and any Trustee so appointed shall be vested with the title to the Premises and shall possess all the powers, duties and obligations herein conferred on the Trustee in the same manner and to the same extent as though such were named herein as the Trustee .

Section 3.7 The Trustee's Powers. At any time, or from time to time, without liability therefore and without notice, upon written request of the Beneficiary and presentation of this Deed of Trust, and without affecting the personal liability of any person for payment of the Indebtedness secured hereby or the effect of this Deed of Trust upon the remainder of the Premises, the Trustee may (i) reconvey any part of the Premises, (ii) consent in writing to the making of any map or plat thereof, (iii) join in granting any easement therein, or (iv) join in any extension agreement or any agreement subordinating the lien or charge hereof.

Section 3.8 The Beneficiary's Powers. Without affecting the liability of any other person liable for the payment of any obligation herein mentioned, and without affecting the lien or charge of this Deed of Trust upon any portion of the Premises not then or theretofore released as security for the full amount of all unpaid obligations, the Beneficiary may, from time to time and without notice (i) release any person so liable, (ii) extend the maturity or alter any of the terms of any such obligation, (iii) grant other indulgences, (iv) cause to be released or reconveyed at any time at the Beneficiary's option, any parcel, portion or all of the Premises, (iii) take or release any other or additional security for any obligation herein mentioned, or (iv) make compositions or other arrangements with debtor in relation thereto. The provisions of Section 45-45.1 of the General Statutes of North Carolina, as amended, or any similar statute hereafter enacted in replacement or in substitution thereof shall be inapplicable to this Deed of Trust.

Section 3.9 Release of Premises.

- (a) If no Event of Default under this Deed of Trust shall have occurred and shall continue to exist, the Grantor may at any time or times grant easements, licenses, rights of way and other rights or privileges in the nature of easements with respect to any part of the Premises, and the Grantor may release existing interests, easements, licenses, rights of way and other rights or privileges with or without consideration, and the Beneficiary agrees that it shall execute and deliver and will cause, request or direct the Deed of Trust Trustee to execute and deliver any instrument necessary or appropriate to grant or release any such interest, easement, license, right of way or other right or privilege but only upon receipt of (i) a copy of the instrument of grant or release, (ii) a written application signed by the Grantor requesting such instrument and (iii) a certificate executed by the Grantor and reasonably acceptable to the Beneficiary to the effect that the grant or release (A) is not detrimental to the effective use of the Premises or the proper conduct of the operations of the Grantor at the Premises and (B) will not materially impair the value of the security under this Deed of Trust in contravention of the provisions hereof.
- (b) Upon the Grantor exercising its rights to dispose of any Fixtures in accordance with the provisions of Section 6.1 of the Installment Financing Contract, the Beneficiary and the Trustee will execute all releases or other documents necessary to effectuate the release of the respective Fixtures from the lien of this Deed of Trust.

Section 3.10 Acceptance by the Trustee. The Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made of public record as provided by law.

Section 3.11 E-Verify Covenant. The Trustee understands that (1) "E-Verify" is a federal program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law and (2) Article 2 of Chapter 64 of the General Statutes of North Carolina, as amended (the "E-Verify Statute"), requires employers (as defined in the E-Verify Statute) to verify the work authorization of an employee (as defined in the E-Verify Statute) hired to work in the United States through E-Verify. The Trustee and the Trustee's subcontractors under this Deed of Trust shall comply with the requirements of the E-Verify Statute.

Section 3.12 Companies that Boycott Israel Act Certification. The Trustee hereby certifies that it is not on any list created and maintained by the North Carolina Department of State Treasurer pursuant to the Divestment from Companies that Boycott Israel Act, Article 6G, as amended, of Chapter 147 of the General Statutes of North Carolina.

Section 3.13 Miscellaneous. The covenants, terms and conditions herein contained shall bind, and the benefits and powers shall inure to the respective heirs, executors, administrators, successors and assigns of the parties hereto. Whenever used herein, the singular number shall include the plural, the plural the singular, and the term "Beneficiary" shall include any payee of the indebtedness hereby secured and any transferee or assignee thereof, whether by operation of law or otherwise.

IN WITNESS WHEREOF, the Grantor has caused this Deed of Trust to be executed under seal the day and year first above written.

COUNTY OF COLUMBUS, NORTH CAROLINA

By: _____
Chair of the Board of Commissioners for the County

[SEAL]
ATTEST:

Clerk to the Board of Commissioners
for the County

STATE OF NORTH CAROLINA)
)
COUNTY OF COLUMBUS)

I, _____, a Notary Public, certify that _____ personally came before me this day and acknowledged that he is the Chair of the Board of Commissioners for the County of Columbus, North Carolina, and that, by authority duly given and as the act of said County, the foregoing instrument was signed in its name by him, sealed with its seal, and attested by June B. Hall, the Clerk to the Board of Commissioners for said County.

WITNESS my hand and notarial seal, this _____ day of _____ 2022.

My commission expires: _____
Notary Public

EXHIBIT A
REAL PROPERTY DESCRIPTION

The site of the Project is described as follows:

[to be inserted]

EXHIBIT B
PERMITTED ENCUMBRANCES

Permitted encumbrances (the “Permitted Encumbrances”) are as follows:

- (1) easements, exceptions or reservations (i) for the purpose of pipelines, telephone lines, cable television lines, telegraph lines, power lines and substations, roads, streets, alleys, highways, parking, railroad purposes, drainage and sewerage purposes, dikes, canals, laterals, ditches, transportation of oil, gas or other materials, removal of oil, gas or other materials, and other like purposes, or (ii) for the joint or common use of real property, facilities and equipment, which exist on the Closing Date (as defined in the Installment Financing Contract) or arise under the provisions of Section 3.9 of this Deed of Trust and which, in the case of either (i) or (ii), in the aggregate do not materially interfere with or impair the operation of the Premises for the purposes for which they are or may reasonably be expected to be used;
- (2) the rights of the Bank under the Installment Financing Contract;
- (3) the lien of this Deed of Trust;
- (4) the Lease and any lease by the County and any sublease by the Board of Education in conformity with the provisions of the Installment Financing Agreement;

(5) any materialmen’s liens incurred in the ordinary course of business and not remaining undischarged for more than sixty (60) days from the date thereof; and

(6) any other liens, encumbrances, charges and restrictions on the Real Property approved in writing by the Bank.

INSTALLMENT FINANCING CONTRACT

BETWEEN

[BANK]

AND

COUNTY OF COLUMBUS, NORTH CAROLINA

DATED JANUARY __, 2022

INSTALLMENT FINANCING CONTRACT

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INSTALLMENT FINANCING CONTRACT

This **INSTALLMENT FINANCING CONTRACT**, dated January __, 2022 (this “Contract”), is between **[BANK]**, a _____ (the “Lender”), and the **COUNTY OF COLUMBUS, NORTH CAROLINA**, a body corporate and politic and a political subdivision of the State of North Carolina (the “County”), under the Constitution and laws of the State of North Carolina (the “State”).

PREAMBLE

WHEREAS, the County has the power, pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended, to (i) finance or refinance the purchase of real and personal property by installment contracts that create in some or all of the property purchased a security interest to secure payment of the purchase price to the entity advancing moneys or supplying financing for the purchase transaction and (ii) finance or refinance the construction or repair of fixtures or improvements on real property by contracts that create in some or all of the fixtures or improvements or in all or some portion of the property on which the fixtures or improvements are located a security interest to secure repayment of moneys advanced or made available for the construction or repair; and

WHEREAS, the County has determined to finance a portion of the cost of a project to improve and construct certain facilities, as more particularly described in Exhibit A hereto (the “Project”); and

WHEREAS, in order to finance a portion of the cost of the Project the Board of Commissioners for the County (the “Board of Commissioners”) has determined that it is in the best interests of the County to enter into this Contract with the Lender under which the Lender will advance funds for such purpose and the County will make Installment Payments and Additional Payments (as each such term is hereinafter defined) in consideration thereof; and

WHEREAS, the Lender desires to advance funds pursuant to this Contract to enable the County to finance the cost of the Project; and

WHEREAS, the obligation of the County to make Installment Payments and Additional Payments under this Contract shall constitute a limited obligation of the County, payable solely from then currently budgeted appropriations of the County, and shall not constitute a direct or indirect pledge of the faith and credit or taxing power of the County within the meaning of the Constitution of the State; and

WHEREAS, in order to secure the obligations of the County under this Contract, the County has entered into a Deed of Trust (as hereinafter defined) with the deed of trust trustee named therein for the benefit of the

Lender creating a lien on all of the right, title and interest of the County in and to the Mortgaged Property (as hereinafter defined); and

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

WHEREAS, the execution, delivery and performance of this Contract have been authorized, approved and directed by the Board of Commissioners by a resolution passed by the Board of Commissioners; and

WHEREAS, the execution, delivery and performance of this Contract by the Lender have been authorized, approved and directed by all necessary and appropriate action of the Lender;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants in this Contract contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. In addition to the terms defined in the recitals above, the following terms have the meanings specified below unless the context clearly requires otherwise:

“Additional Payments” means the reasonable and customary expenses and fees of the Lender related to the transactions contemplated by this Contract, any expenses (including attorneys’ fees) of the Lender in prosecuting or defending any action or proceeding in connection with this Contract and any taxes or any other expenses, including, but not limited to, license and permit fees, state and local income, sales and use or ownership taxes, property taxes and other expenses in connection with the maintenance of the Mortgaged Property that the Lender is expressly required to pay as a result of this Contract (together with interest that may accrue thereon in the event that the County shall fail to pay the same, as set forth in this Contract).

“Amount Advanced” means the aggregate principal amount of \$[Amount] advanced by the Lender on the date hereof.

“Board of Commissioners” means the duly elected governing Board of Commissioners for the County or any successor to its functions.

“Board of Education” means the Columbus County Schools Board of Education or any successor to its functions.

“Business Day” means a day on which banks in the State are not by law required or authorized to remain closed.

“Closing Date” means the date on which this Contract is executed and delivered in consideration of the advance by the Lender to the County of the Amount Advanced as provided herein.

“Code” means the Internal Revenue Code of 1986, as amended, including any temporary, proposed or final Treasury Regulations promulgated thereunder.

“Completion Date” means the date on which completion of the acquisition, construction and installation of the Project occurs, as evidenced by the certificate provided for in 0.

“Construction Contracts” means the contracts relating to construction and other accomplishment of the Project.

“Cost of the Project” shall be deemed to include payment of or reimbursement for the following items:

(a) obligations incurred or assumed in connection with the acquisition, construction and installation of the Project;

(b) the cost of the acquisition, construction and installation of the Project, including, without limitation, the cost of architectural and engineering services, the Lender’s fees and expenses (including the fees and expenses of its counsel) incurred in connection with the advance of the Amount Advanced to the County, fees and expenses of the Local Government Commission of North Carolina, if any, other legal and fiscal agency fees and expenses, taxes, inspection costs, the cost of permit fees and any filing and recording costs relating to the Project, but excluding any related State sales or use tax for which the County will be entitled to a refund; and

(c) all other costs which are considered to be a part of the cost of the acquisition, construction and installation of the Project in accordance with generally accepted accounting principles, including sums required to reimburse the County for advances made by the County that are properly chargeable to the acquisition, construction and installation of the Project.

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

“County Representative” means (i) the Chairman of the Board of Commissioners, Clerk to the Board of Commissioners, County Manager of the County, Finance Director of the County or such other person or persons at the time designated to act on behalf of the County for the purpose of performing any act under this Contract by a written certificate furnished to the Lender containing the specimen signatures of such person or persons and signed on behalf of the County by the County Manager of the County, or (ii) if any or all of the County’s rights and obligations are assigned under this Contract, the person or persons at the time designated to act on behalf of the County and the assignee by a written certificate similarly furnished and of the same tenor.

“Deed of Trust” means the Deed of Trust and Security Agreement, made January __, 2022, from the County to the deed of trust trustee named therein, for the benefit of the Lender, as beneficiary.

“Determination of Taxability” means and shall be deemed to have occurred on the date when (a) the County shall receive notice from the Lender that the Internal Revenue Service has assessed as includable in the gross income of the Lender for federal income tax purposes the interest components of the Installment Payments made by the County under this Contract due to the occurrence of an Event of Taxability or (b) the County or the Lender shall receive notice from the Commissioner or any District Director of the Internal Revenue Service that the interest components of the Installment Payments made by the County under this Contract are includable in the gross income of the Lender for federal income tax purposes due to the occurrence of an Event of Taxability.

“Event of Default” means one or more events of default as defined in Section 13.1.

“Event of Taxability” means the occurrence or existence of any fact, event or circumstance caused by the action or inaction of the County to comply with any covenants in this Contract or any document or certificate executed by the County in connection with the transactions contemplated by this Contract which has the effect of causing the interest components of the Installment Payments made by the County under this Contract to be includable in the gross income of the Lender for federal income tax purposes.

“Inclusion Date” means the effective date that the interest components of the Installment Payments made by the County under this Contract are includable in the gross income of the Lender for federal income tax purposes as a result of a Determination of Taxability.

“Installment Payment Dates” means the dates on which Installment Payments are due and payable as set forth in the Payment Schedule attached hereto.

“Installment Payments” means those payments to be made by the County to the Lender as described in Article III and in the Payment Schedule attached hereto.

“Interest Rate” means ____% per annum calculated on the basis of a 360-day year of twelve 30-day months; provided, however, that from and after a Determination of Taxability, the Interest Rate shall be adjusted as described in Section 3.2.

“Lease” means the Lease, dated as of the date hereof, between the County, as lessor and the Board of Education, as lessee.

“Lender” means [Bank] or its successors and assigns.

“Lender Representative” means any vice president of the Lender or such other person or persons at the time designated to act on behalf of the Lender for purposes of performing any act on behalf of the Lender under this Contract by a written certificate furnished to the County containing the specimen signatures of such person or persons and signed on behalf of the Lender by any vice president.

“Mortgaged Property” means the Real Property and all existing improvements located thereon as of the date hereof, the improvements to be acquired, constructed and installed thereon, all other additions, alterations, enlargements, extensions, improvements and fixtures made a part thereof or the improvements thereon and all appurtenances of any nature whatsoever, less all property excluded from the lien or security interest of the Lender under this Contract and all property released pursuant to this Contract or the Deed of Trust.

“Net Proceeds,” when used with respect to any proceeds of insurance policies, payment bonds, performance bonds, condemnation awards or moneys received as a consequence of default under a construction contract or otherwise made available by reason of any occurrence described in Section 5.4 or 8.1, means the

amount remaining after deducting from the gross proceeds thereof all expenses (including, without limitation, attorneys' fees and costs) incurred in the collection of such proceeds.

"Payment Schedule" means the document entitled "Payment Schedule" attached hereto and incorporated herein by reference which sets forth the Installment Payments to be made by the County hereunder, as the same may be revised from time to time in accordance with this Contract.

"Permitted Encumbrances" has the meaning set forth in the Deed of Trust.

"Project" means the construction and improvement of certain County facilities, as more particularly described in Exhibit A hereto.

"Real Property" means the land and real estate improvements thereon and appurtenances thereto as more particularly described in Exhibit B attached hereto and incorporated herein by reference, as the same may be amended from time to time in accordance with the provisions of the Deed of Trust.

"State" means the State of North Carolina.

"Title Policy" means the policy of title insurance which insures the priority of the lien of the Deed of Trust pursuant to Section 6.5.

ARTICLE II

AMOUNT ADVANCED

Section 2.1 Advance of Amount Advanced. The Lender hereby makes an advance to the County of the Amount Advanced, and the County hereby accepts from the Lender the Amount Advanced, to be applied in accordance with the terms and conditions of this Contract. The proceeds of the Amount Advanced will be used as described in the recitals to this Contract.

ARTICLE III

INSTALLMENT PAYMENTS; ADDITIONAL PAYMENTS

Section 3.1 Amounts and Times of Installment Payments and Additional Payments.

(a) The County shall repay the Amount Advanced in installments, together with interest thereon at the Interest Rate, as provided in this Contract and the Payment Schedule. Each installment shall be deemed an Installment Payment and shall be paid in the amount and at the time set forth in the Payment Schedule, except as otherwise provided in this Contract. Each amount received by the Lender as an Installment Payment shall be deemed to be applied first to the payment of the interest component and then to the payment of the principal component of such Installment Payment.

(b) The County shall pay Additional Payments on a timely basis directly to each person or entity to which any Additional Payments are owed.

Section 3.2 Rate Adjustment. **[In the event of a Determination of Taxability, the Interest Rate, from and after the Inclusion Date, shall be adjusted to preserve the Lender's after-tax economic yield with respect to the interest components of the Installment Payments. In addition, the County shall pay to the Lender (i) an amount necessary to reimburse the Lender for any interest, penalties or other charges assessed by the Internal Revenue Service and the Department of Revenue by reason of the Lender's failure to include the interest components of the Installment Payments in its gross income for federal income tax purposes, and (ii) upon request of the Lender, additional interest as a result of such increase in the Interest Rate with respect to all previous Installment Payments made by the County after the Inclusion Date, provided that the County has not already paid or will not otherwise pay such additional interest as a consequence of such increase in the Interest Rate. In the event of a Determination of Taxability, the Lender shall provide the County with a new Payment Schedule which reflects the new Interest Rate and will replace the Payment Schedule attached hereto.]**

Section 3.3 Place of Payments. All payments required to be made to the Lender under this Contract shall be made to the Lender at the address set forth in the Payment Schedule in immediately available funds or as may be otherwise directed in writing by the Lender.

Section 3.4 No Abatement. There will be no abatement or reduction of the Installment Payments or Additional Payments by the County for any reason, including but not limited to, any failure by the County to appropriate funds to the payment of the Installment Payments or Additional Payments, any defense, recoupment, setoff, counterclaim or any claim (real or imaginary) arising out of or related to the acquisition, construction and installation of the Project. The County assumes and shall bear the entire risk of loss and damage to the Project

from any cause whatsoever, it being the intention of the parties hereto that the Installment Payments shall be made in all events unless the obligation to make the Installment Payments is terminated as otherwise provided in this Contract.

Section 3.5 Prepayment of Amount Advanced.

(a) **[Upon at least ____ Business Days prior written notice to the Lender, the County has the right to prepay all or part of the outstanding principal components of the Installment Payments at any time at the following prepayment price, plus accrued interest thereon to the date of such prepayment:]**

<u>Prepayment Date</u>	<u>Prepayment Price</u>
Prior to ____ 1, 202__	10_%
On or after to ____ 1, 202__	100%

(b) In the event of any loss or damage to or condemnation of the Mortgaged Property in an amount not less than \$100,000, if the County determines not to apply the resulting Net Proceeds described in Section 8.2 to the repair, restoration, modification, improvement or replacement of the Mortgaged Property as permitted by Section 8.3, then the County shall cause such Net Proceeds, together with any other available funds, to be applied to prepay the outstanding principal components of the Installment Payments in whole or in part on any date at a prepayment price equal to one hundred percent (100%) of such principal components, plus accrued interest thereon to the date of such prepayment, upon not less than (30) days prior written notice of such prepayment to the Lender.

(c) In the event of a partial prepayment of the outstanding principal components of the Installment Payments, such prepayment shall be in the inverse order of their due dates and the Payment Schedule shall be recalculated as necessary by the Lender in order to reflect the effect of such prepayment.

ARTICLE IV

[RESERVED]

ARTICLE V

ACQUISITION, CONSTRUCTION AND INSTALLATION OF THE PROJECT

Section 5.1 Acquisition, Construction and Installation of the Project. The County shall comply with, or cause there to be compliance with, all applicable provisions for bids and contracts prescribed by law, including, without limitation, Article 8 of Chapter 143 of the General Statutes of North Carolina. The County agrees to use its best efforts to complete promptly, or cause the prompt completion of, the Project. The County may make, or cause to be made, such changes in the Project as it deems necessary or appropriate to cause the Project to be completed for a cost within the funds available therefor; provided, however, that no change may be made in the Project which would result in its use for purposes other than presently contemplated.

Section 5.2 Right of Entry and Inspection. The Lender and its representatives and agents shall have the right on reasonable prior notice to enter on and inspect the Mortgaged Property from time to time, during the acquisition, construction or installation of the Project, to the extent that the County has such right, and the County shall cause any contractor or subcontractor to cooperate with the Lender and its representatives and agents during such inspections.

Section 5.3 Completion of the Project. Upon the completion of the Project, the County shall deliver, or cause to be delivered, promptly to the Lender a certificate of completion with respect thereto signed by a County Representative. The certificate of completion shall state that the Project has been completed and that there are no mechanic’s or other liens against the Project for labor or materials furnished in connection with the Project.

Section 5.4 Payment and Performance Bonds. The County shall cause each contractor entering into a Construction Contract to provide performance and labor and materials payment bonds as required by law. The Net Proceeds of any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing, after reimbursement to the County of any amounts theretofore paid by the County and not previously reimbursed to the County for correcting or remedying the default or breach of warranty which gave rise to the proceedings against such contractor or surety, shall be used by the County to pay Costs of the Project if received before the Completion Date, or, if received thereafter, shall either be deposited as provided in Section 8.2 or applied as provided in Section 8.3. To the extent that the Net Proceeds of any payment bond or collateral

required by this Section are not applied directly to pay the Cost of the Project, they shall likewise be used by the County to pay Costs of the Project if received before the Completion Date, or, if received thereafter, be deposited as provided in Section 8.2 or applied as provided in Section 8.3.

Section 5.5 Contractor's General Public Liability and Property Damage Insurance. Each contractor entering into a Construction Contract shall be required to procure and maintain at its own expense during the duration of such Construction Contract standard form (a) comprehensive general public liability and property damage insurance in the amount of at least \$2,000,000 with excess or umbrella liability insurance in the amount of at least \$2,000,000 and (b) comprehensive automobile liability insurance on owned, hired and non-owned vehicles in the amount of at least \$1,000,000. Such policies shall include the County, the Board of Education and the Lender as additional named insureds or loss payees. A certificate evidencing such coverage or, if such insurance is provided by a private carrier, a completed certificate of insurance, in form acceptable to the County, the Board of Education and the Lender, shall be provided to the County and the Lender with respect to each contractor entering into a Construction Contract. Such insurance shall provide protection from all claims for bodily injury, including death, property damage and contractual liability, products/completed operations, broad form property damage and XCU (explosion, collapse and underground property damage), where applicable.

Section 5.6 Contractor's Builder's Risk Insurance. Except as hereinafter provided, each contractor entering into a Construction Contract shall be required to procure and maintain at its own expense property insurance (builder's risk) with respect to the work for which it is responsible under the Construction Contract at the full and insurable value thereof. Such insurance will include the County and the Board of Education as additional named insureds or loss payees and include a lender's loss payable endorsement in favor of the Lender, and shall insure against "all risk" subject to standard policy conditions and exclusions. Each such contractor shall also purchase and maintain similar property insurance for portions of such work stored off the site of the Project or in transit when such portions of such work are to be included in an application for payment. Each such contractor shall be responsible for the payment of any deductible amounts associated with such insurance. A certificate evidencing such coverage or, if such insurance is provided by a private carrier, a completed certificate of insurance, in form acceptable to the County, the Board of Education and the Lender, shall be provided to the County, the Board of Education and the Lender with respect to each contractor entering into a Construction Contract.

The County may provide, or cause to be provided, insurance that is substantially similar to the insurance required by this Section in lieu of requiring a contractor to provide the insurance required by this Section.

Section 5.7 Contractor's Worker's Compensation Insurance. Each contractor entering into a Construction Contract shall be required to procure and maintain at its own expense worker's compensation insurance during the term of the Construction Contract, covering its employees working thereunder. A certificate evidencing such coverage or, if such insurance is provided by a private carrier, a completed certificate of insurance, in form acceptable to the County and the Lender, shall be provided to the County and the Lender with respect to each contractor entering into a Construction Contract. Each Construction Contract shall also provide that each subcontractor of any contractor who is a party to such Construction Contract shall be required to furnish similar worker's compensation insurance.

Section 5.8 Filing With the Lender. The County shall cause copies of all performance bonds and insurance contracts or approved certificates thereof, as required under sections 5.4, 5.5, 5.6 and 5.7 to be delivered to the Lender within thirty (30) days after a request therefor by the Lender and in such form as to evidence compliance with the provisions of such sections.

ARTICLE VI

RESPONSIBILITIES OF THE COUNTY

Section 6.1 Care and Use. The County shall use the Mortgaged Property, or cause the Mortgaged Property to be used, in a careful and proper manner, in compliance with all applicable laws and regulations, and, at its sole cost and expense, shall service, repair and maintain the Mortgaged Property, or cause the Mortgaged Property to be serviced, repaired and maintained, so as to keep the Mortgaged Property in good condition, repair, appearance and working order for the purposes intended, ordinary wear and tear excepted, and shall replace or restore, or cause to be replaced or restored, any part of the Mortgaged Property as may from time to time become worn out, unfit for use, destroyed or damaged. Any and all repairs or replacements of the Mortgaged Property shall constitute accessions to the Mortgaged Property and shall be subject to all the terms and conditions of this Contract and included in the term "Mortgaged Property" as used in this Contract.

In any instance where the County determines that any fixture constituting a part of the Mortgaged Property has become inadequate, obsolete, worn-out, unsuitable, undesirable or unnecessary, the County may remove such fixture and sell, trade-in, exchange or otherwise dispose of it without any responsibility or accountability to the Lender therefor, provided that the County shall either:

(a) substitute or cause to be substituted (by direct payment of the costs thereof or by designating as a fixture constituting a part of the Mortgaged Property other equipment, machinery or other personal property) and install as a fixture other equipment, machinery or other personal property having equal or greater value and utility (but not necessarily serving the same function) in the operation of the Mortgaged Property or

(b) not make any such substitution and installation, provided that (i) the appraised value of the remaining Mortgaged Property will not be less than the aggregate outstanding principal components of the Installment Payments and (ii) upon the request of the Lender, which request may be made from time to time, the County will provide or cause to be provided to the Lender reasonable evidence of the appraised value of the Mortgaged Property at the time of such request.

The County may also, upon the loss of or damage to any portion of any fixture constituting a part of the Mortgaged Property that is to be protected against by insurance required or permitted by Section 6.6 and in lieu of making any claim upon such insurance, substitute and install or cause to be substituted and installed as a fixture other equipment, machinery or other personal property having equal or greater value and utility (but not necessarily serving the same function) in the operation of the Mortgaged Property for such lost or damaged fixture. In any instance in which the County so elects to substitute or cause to be substituted any fixture for any damaged fixture, the County may remove the damaged fixture from the Mortgaged Property and dispose of it without any further responsibility or accountability to the Lender therefor.

All substituted equipment, machinery or other personal property installed as a fixture pursuant to this Section shall be free of all liens and encumbrances (other than Permitted Encumbrances) and shall become a part of the Mortgaged Property. The Lender will cooperate with the County in implementing the County's rights to dispose of fixtures pursuant to this Section and will execute any and all conveyances, releases or other documents necessary or appropriate in connection therewith and with the release of fixtures from the lien of the Deed of Trust or any other documents evidencing a security interest therein in favor of the Lender.

Section 6.2 Inspection. The Lender has the right on reasonable prior notice to the County to enter upon the Mortgaged Property to inspect the Mortgaged Property and observe its use during normal business hours.

Section 6.3 Utilities. The County shall pay, or cause to be paid, all charges for gas, water, steam, electricity, light, heat or power, telephone or other utility service furnished to or used on or in connection with the Mortgaged Property. There shall be no abatement of any portion of the Installment Payments on account of interruption of any such services.

Section 6.4 Taxes. The County shall pay, or cause to be paid, when due any and all taxes relating to the Mortgaged Property and the County's obligations under this Contract including, but not limited to, all license or registration fees, gross receipts tax, sales and use tax, if applicable, license fees, documentary stamp taxes, rental taxes, assessments, charges, ad valorem taxes, excise taxes, and all other taxes, licenses and charges imposed on the ownership, possession or use of the Mortgaged Property by any governmental body or agency, together with any interest and penalties.

Section 6.5 Title Insurance. The County agrees to obtain, at its own cost and expense, an American Land Title Association policy of title insurance, in form satisfactory to the Lender, effective as of the date of execution and delivery of this Contract, in an amount not less than the Amount Advanced, naming the Lender as insured mortgage. Such policy shall insure the fee title of the County to the Mortgaged Property, subject only to Permitted Encumbrances, and shall be issued by a title insurance company qualified to do business in the State of North Carolina and acceptable to the Lender. On or before the Closing Date, the County shall provide the Lender with a copy of the commitment of the issuer of such policy to issue such policy and, within thirty (30) days after the Closing Date, the County shall provide the Lender with a copy of such policy.

Section 6.6 Insurance. The County shall maintain, or cause to be maintained, except as hereinafter provided, insurance with respect to its property and business against such casualties and contingencies in amounts not less than is customary in similar activities and similarly situated. Without limiting the foregoing, the County shall maintain, or cause to be maintained, except as hereinafter provided, the following insurance:

(a) Insurance against loss and/or damage to the Mortgaged Property under a policy or policies covering such risks as are ordinarily insured against for similar property. Such insurance (which may be builder's risk insurance in whole or in part until the completion of the Project) shall be in an amount not less than the lesser of (i) the full replacement cost of the Mortgaged Property or (ii) the outstanding principal components of the Installment Payments, but any such policy may have a deductible amount of not more than \$50,000. No such policy of insurance shall be so written that the proceeds thereof will produce less than the minimum coverage required by the preceding sentence, by reason of co-insurance provisions or otherwise, without the prior written consent thereto by the Lender. The term "full replacement cost" shall mean the actual replacement cost of the Mortgaged Property, without deduction for physical depreciation, and shall be determined once every three years

by an insurance consultant, in any case, selected and paid for by the County. Each such policy shall contain a replacement cost endorsement.

(b) Comprehensive general liability insurance protecting the County and the Lender as their interests may appear, against liability for injuries to persons and/or property, occurring on, in or about the Mortgaged Property, in the minimum amount of \$2,000,000 liability to any one person for property damage, \$2,000,000 liability for personal injury for any one occurrence and an aggregate annual liability limit of not less than \$2,000,000, with a deductible amount of not more than \$50,000.

(c) Workers' compensation insurance respecting all employees of the County working at the Mortgaged Property in such amount as is customarily carried by like organizations engaged in like activities of comparable size and liability exposure; provided that the County may be self-insured with respect to all or any part of its liability for workers' compensation.

Each policy of insurance obtained pursuant to this Section shall (i) be issued by a generally recognized and responsible insurance company qualified under the laws of the State or the United States of America to assume the risks covered by such policy, (ii) name the County and the Lender as insureds or loss payees, as their respective interests may appear, except that policies described in paragraph (a) shall contain standard mortgagee clauses naming the Lender as mortgagee; and (iii) unless unavailable from the insurer, provide that such policy shall not be cancelled or modified in any way adverse to any insured or loss payee without at least thirty (30) days' prior written notice to each insured or loss payee named therein. The County shall have the right to receive the proceeds from any insurance maintained pursuant to this Section, subject, however, to the provisions of this Article VI and Article VIII.

All such policies shall be deposited with the Lender, provided that in lieu of such policies there may be deposited with the Lender a certificate or certificates of the respective insurers or other evidence satisfactory to the Lender to the effect that the insurance required by this Section is in full force and effect. Prior to the expiration of any such policy, the County shall furnish to the Lender evidence satisfactory to the latter that the policy has been renewed or replaced or is no longer required by this Contract.

In lieu of separate policies the County may maintain or cause to be maintained blanket or umbrella policies or participate in group risk financing programs, risk pools, purchasing groups, captive insurance companies or state or federal programs if such policies or other insurance alternatives provide the same coverage as required by this Section with protection against each risk not reducible by claims for other risks to amounts less than that specified in this Section and the County deposits with the Lender a certificate or certificates of the respective insurers evidencing such coverage and stating, as required, the amount of coverage with respect to the Mortgaged Property or any part thereof.

Section 6.7 [Reserved]

Section 6.8 Risk of Loss. The County shall bear all risk of loss or damage to and condemnation of the Project. In the event of loss or damage to or condemnation of the Project resulting in Net Proceeds of any insurance policies or condemnation awards, such Net Proceeds shall be applied in accordance with the provisions of Section 8.2 and, if applicable, Section 8.3.

Section 6.9 Performance by the Lender of the County's Responsibilities. Any performance required of the County or any payments other than Installment Payments required to be made by the County may, if not timely performed or paid, be performed or paid by the Lender, and, in that event, the Lender shall be immediately reimbursed by the County for such payments or other performance by the Lender with interest thereon at the Prime Rate.

Section 6.10 Financial Statements. The County shall send to the Lender (i) a copy of the County's audited financial statements for each fiscal year within two hundred forty (240) days of the completion of such fiscal year and (ii) a copy of the County's annual budget for each fiscal year within thirty (30) days after adoption, as well as any amendments to the budget that affect the appropriation for Installment Payments.

The County shall furnish to the Lender, at such reasonable times as the Lender shall request, all other financial information (including, without limitation, the County's annual budget as submitted or approved) as the Lender may reasonably request. The County shall permit the Lender or its agents and representatives to inspect the County's books and records and make extracts therefrom.

The County represents and warrants to and covenants with the Lender that all financial statements which have been or may be delivered to the Lender reflect or will reflect fairly and accurately the County's financial condition and that, except as the County may notify the Lender otherwise, there has been and will be no material adverse change in the County's financial condition as reflected in the financial statements since the respective dates thereof.

Section 6.11 Leasing by County. The County is entering into the Lease with the Board of Education. In addition, the County may lease any portion of the Mortgaged Property that is not subject to the Lease, and the Board of Education, with the written consent of the County, may sublease any portion of the Mortgaged Property leased to it pursuant to the Lease, subject, in either case, to all of the following conditions:

- (a) the County shall not be relieved of any of its obligations under this Contract;
- (b) the County or the Board of Education, as the case may be, shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to the Trustee a true and complete copy of such lease or sublease;
- (c) no lease or sublease shall cause the portion of each Installment Payment designated as and comprising interest with respect to the Bonds to be includable in gross income for purposes of federal income taxation; and
- (d) such lease or sublease shall be subject to the provisions of this Contract and the Deed of Trust and subordinate to the lien of the Deed of Trust.

Notwithstanding the foregoing provisions of this Section, the consent of the County shall not be required with respect to the Board of Education making the property leased by it pursuant to the Lease available for community use in accordance with the laws of the State

ARTICLE VII

TITLE; LIENS; PERSONAL PROPERTY

Section 7.1 Title. Title to the Mortgaged Property shall be in the County from and after the date of execution and delivery of this Contract so long as the County shall not be in default hereunder or this Contract shall not have been terminated pursuant to the provisions of Article XIII hereof, subject to the Permitted Encumbrances, and shall vest permanently in the County upon the payment in full of the Amount Advanced plus accrued interest thereon and all other payments due hereunder, free and clear of any lien or security interest of the Lender under this Contract. Simultaneously with the execution and delivery of this Contract, the County shall deliver to the Lender the Deed of Trust in form satisfactory to the Lender. Upon payment in full of all of the County's obligations hereunder, including the Amount Advanced, interest accrued thereon and all other payments due hereunder, the Lender, at the County's request, shall release and cancel the Deed of Trust.

Section 7.2 Liens. The County shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, security interest, charge, encumbrance or claim on or with respect to the Mortgaged Property or any interest therein (except for Permitted Encumbrances) without the prior written consent of the Lender. The County shall promptly, at its own expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, security interest, charge, encumbrance or claim if the same shall arise at any time. The County shall reimburse the Lender for any expense incurred by it (including reasonable attorneys' fees and reasonable expenses), after prior notice to the County, in order to discharge or remove any such mortgage, pledge, lien, security interest, charge, encumbrance or claim.

Section 7.3 Personal Property. The County, at any time and from time to time, in its sole discretion and at its own expense, may install or permit to be installed items of equipment or other personal property in or upon any portion of the Mortgaged Property and may remove or replace such items and property if they do not constitute fixtures. All such items that constitute fixtures shall become a part of the Mortgaged Property.

ARTICLE VIII

DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS

Section 8.1 Damage, Destruction or Condemnation. If, during the term hereof, (i) the Project or any portion thereof is destroyed or is damaged by fire or other casualty, (ii) title to or the temporary or permanent use of the Project or any portion thereof or the estate of the County, the Lender or its assignee in the Project or any portion thereof is taken under the power of eminent domain by any governmental authority other than the County or (iii) a material defect in the acquisition, construction and installation of the Project becomes apparent, then the County shall continue to be obligated, subject to the provisions of Section 8.3, to pay the amounts specified in Section 3.1 at the respective times required regardless of whether the documentation provided for in Section 5.3 has been delivered.

Except as otherwise provided in this Contract, if any part of the Mortgaged Property is destroyed or damaged by fire or other casualty, then the County will promptly cause the Mortgaged Property to be restored to the equivalent of its condition immediately prior to such casualty, and, if any part of the Mortgaged Property or its use is damaged or restricted by any exercise of the power of eminent domain, then the County will promptly cause the Mortgaged Property to be restored, repaired or modified in a manner satisfactory to the Lender.

Section 8.2 Use of Net Proceeds to Repair or Replace the Mortgaged Property. Subject to the provisions of Section 8.3, the County shall cause the Net Proceeds of any insurance policies, payment bonds, performance bonds, condemnation awards or moneys received as a consequence of default under a Construction Contract or otherwise made available by reason of any occurrence described in Section 5.4 or 8.1 relating to the Mortgaged Property to be applied to the prompt repair, restoration, modification, improvement or replacement of the Mortgaged Property and shall promptly report to the Lender regarding the use of such Net Proceeds. Any repair, restoration, modification, improvement or replacement of the Mortgaged Property paid for in whole or in part out of such Net Proceeds shall be the property of the County, subject to the Deed of Trust, and shall be included as part of the Mortgaged Property under this Contract.

Section 8.3 Discharge of Obligation to Repair or Replace the Mortgaged Property. In the event of any loss or damage to or condemnation of the Mortgaged Property in an amount not less than \$100,000, the obligation of the County to repair or replace the Mortgaged Property under Section 8.1 and Section 8.2 may, at the option of the County, be discharged by causing the resulting Net Proceeds described in Section 8.2, together with any other available funds, to be applied to the prepayment of all or any part of the then outstanding principal components of the Installment Payments in accordance with Section 3.5(b). If such Net Proceeds and any other available funds exceed the then outstanding principal components of the Installment Payments to be prepaid in accordance with Section 3.5(b), such excess shall be paid to or retained by the County.

Within one hundred twenty (120) days of the occurrence of an event specified in Section 8.1, the County shall commence, or cause to be commenced, the repair, restoration, modification, improvement or replacement of the Mortgaged Property or shall elect, by notice to the Lender, to proceed under the provisions of the next preceding paragraph. For purposes of this Section, "commence" shall include the retention of an engineer in anticipation of repair, restoration, modification, improvement or replacement of the Mortgaged Property.

Section 8.4 Cooperation of Lender. The Lender shall cooperate fully with the County in filing any proof of loss with respect to any insurance policy covering the events described in Section 8.1. In no event shall the Lender or the County voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim with respect to the Mortgaged Property without the written consent of the other.

ARTICLE IX

REPRESENTATIONS OF THE COUNTY AND LENDER

Section 9.1 Representations, Covenants and Warranties of the County. The County represents, covenants and warrants to the Lender as follows:

(a) The County is a body politic and corporate and a political subdivision of the State organized and existing under the Constitution and laws of the State.

(b) The Constitution and laws of the State authorize the County to (i) execute and deliver this Contract and the Deed of Trust, (ii) enter into the transactions contemplated hereby and thereby and (iii) carry out its obligations hereunder or thereunder.

(c) The County has duly authorized the execution and delivery of this Contract and the Deed of Trust in accordance with the Constitution and laws of the State.

(d) Neither the execution and delivery of this Contract or the Deed of Trust, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions or any charter provision or restriction or any agreement or instrument to which the County is now a party or by which the County is bound, or constitutes a default under any of the foregoing.

(e) Other than building permits or other procedural requirements which are a prerequisite to the construction of the Project, no approval or consent is required from any governmental authority with respect to the entering into or performance by the County of this Contract, the Deed of Trust or any other documents related hereto or thereto and the transactions contemplated hereby and thereby, or if such approval is required, it has been duly obtained.

(f) There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or threatened against or affecting the County challenging the validity or enforceability of this Contract, the Deed of Trust or any other documents relating hereto or thereto and the performance of the County's obligations hereunder and thereunder.

(g) The Project is essential for improving the facilities of the County in order to serve better the citizens of the County and the Project will permit the County to carry out public functions that it is authorized by law to perform.

(h) The County Manager or the Finance Director of the County shall include the Installment Payments and reasonably estimated Additional Payments coming due in each fiscal year in the corresponding annual budget request and exercise due diligence to have the Board of Commissioners include funds for the payment thereof in the corresponding final budget of the County. Any deletion of such funds from the County's final budget shall be made only pursuant to an express resolution of the Board of Commissioners which explains the reason for such action. Subject to applicable law, the actions required of the County and its officers and of the Board of Commissioners pursuant to this paragraph shall be deemed to be and shall be construed to impose ministerial duties and it shall be the duty of each and every public official of the County to take such action and do such things as are required by law in the performance of the official duty of such official to enable the County to carry out and perform the actions required pursuant to this paragraph and its other agreements in this Contract. Nothing contained in this paragraph obligates the County to appropriate the moneys so budgeted or is to be construed to conflict with the provisions of Article XV.

If within fifteen (15) days after the beginning of any fiscal year the County has not appropriated funds for the payment of the Installment Payments and reasonably estimated Additional Payments coming due in such fiscal year in the annual budget for such fiscal year or if at any time the County amends an annual budget to reduce such funds, then the County shall send a notice to such effect to the Lender and to the Local Government Commission of North Carolina to the attention of its Secretary at 3200 Atlantic Avenue, Raleigh, North Carolina 27604.

(i) There has not been any material change in the County's financial condition since the date of the last annual financial statement of the County provided to the Lender.

(j) The County acknowledges that the Lender has not acted as a financial advisor to the County with respect to this Contract. The County has not relied on the Lender for any financial advice.

Section 9.2 Representations, Covenants and Warranties of the Lender. The Lender represents, covenants and warrants to the County as follows:

(a) The Lender is a corporation duly organized, existing and in good standing under and by virtue of the laws of North Carolina and has the power and authority to enter into this Contract.

(b) Neither the execution and delivery of this Contract nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of the organizational documents of the Lender or any restriction or any agreement or instrument to which the Lender is now a party or by which the Lender is bound.

ARTICLE X

TAX COVENANTS

Section 10.1 Tax Covenants. The County covenants that, to the extent permitted by law, it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income for federal income tax purposes of the interest components of the Installment Payments under Section 103 of the Code. The County will not directly or indirectly use or permit the use of the Amount Advanced or any other funds of the County, or take or omit to take any other action, that would cause the obligation of the County to make Installment Payments created by this Contract to be an "arbitrage bond" within the meaning of Section 148(a) of the Code. To that end, the County has executed the Tax Certificate, dated as of the Closing Date (the "Tax Certificate"), and will comply with all requirements of Section 148 of the Code to the extent applicable. The County further covenants that this Contract is not a "private activity bond" as defined in Section 141 of the Code.

The County will maintain books on which will be recorded (i) the Lender or (ii) any assignee of the Installment Payments due under this Contract as the registered owner of the Installment Payments.

Without limiting the generality of the foregoing, the County agrees that there shall be paid from time to time all amounts required to be rebated to the United States of America pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the obligation of the County to make Installment Payments created by this Contract from time to time. This covenant shall survive the termination of this Contract.

Notwithstanding any provision of this Article, if the County shall provide to the Lender an opinion of nationally recognized bond counsel to the effect that any action required under this Section or the Tax Certificate is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of the interest components of the Installment Payments pursuant to Section 103 of the Code, the County and the Lender may rely conclusively on such opinion in complying with the provisions of this Article.

ARTICLE XI

INDEMNIFICATION

13.1 Section 11.1 Indemnification. To the fullest extent permitted by law and subject to the provisions of Section 160A-20 of the North Carolina General Statutes, as amended, the County hereby agrees to indemnify, protect and save the Local Government Commission of North Carolina, the Lender and the Deed of Trust Trustee and their respective officers, employees, directors, members and agents (collectively the “Indemnitees”) harmless from all liabilities, obligations, losses, claims, damages, actions, suits, proceedings, costs and expenses, including reasonable attorneys’ fees, that (i) arise in tort, in contract, under 42 U.S. Code §1983 or under the public bidding laws of the State or (ii) arise out of, are connected with, or result, directly or indirectly, from the Project or any portion thereof, including, without limitation, the manufacture, selection, acquisition, delivery, possession, condition, construction, improvement, environmental or other condition, lease, use, operation or return of the Project or any portion thereof, or the transactions contemplated by this Contract; provided, however, that the right to indemnification shall not apply to losses arising from (i) any action taken by any other Indemnatee and (ii) the exercise of the right of the County not to appropriate moneys for the payment of Installment Payments. The indemnification arising under this Article shall continue in full force and effect notwithstanding the payment in full of all obligations under this Contract, subject only to the remedies allowable under Section 160A-20 of the North Carolina General Statutes, as amended.

ARTICLE XII

DISCLAIMER OF WARRANTIES

Section 12.1 No Representations by the Lender. The County acknowledges and agrees that it has selected or will select the Mortgaged Property and the components of the Project, the vendors of any equipment acquired and the engineers and contractors for the acquisition, construction and installation of the Project based on its own judgment and disclaims any reliance on any statements or representations by the Lender with respect thereto.

Section 12.2 Disclaimer by the Lender. THE LENDER MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, AS TO THE CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROJECT OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE PROJECT.

ARTICLE XIII

DEFAULT AND REMEDIES

Section 13.1 Definition of Event of Default. The County shall be deemed to be in default under this Contract upon the happening of any of the following events of default (each, an “Event of Default”):

- (a) The County fails to make any Installment Payment or pay any other amount hereunder when due.
- (b) (i) The County fails to budget and appropriate moneys sufficient to pay all Installment Payments and the reasonably estimated Additional Payments coming due in any fiscal year of the County; or (ii) the County deletes from its duly adopted budget any appropriation for the purposes specified in clause (i) above.
- (c) The County fails to perform or observe any term, condition or covenant of this Contract on its part to be observed or performed, other than as referred to in subparagraph (a) or (b) above, or of the Deed of Trust on its part to be observed or performed, or breaches any warranty by the County herein contained, other than as referred to in subparagraph (e) of this Section, for a period of thirty (30) days after written notice specifying such failure or breach and requesting that it be remedied has been given to the County by the Lender; provided, however, that if such failure or breach cannot with due diligence be cured within such thirty (30)-day period and the County has promptly commenced and diligently worked to cure such failure or breach within such thirty (30)-day period, the County will have an additional period of ninety (90) days to cure such failure or breach and, further, that if such failure or breach cannot with due diligence be cured within such ninety (90)-day period and the County has diligently continued to work to cure such failure or breach within such ninety (90)-day period, then, upon consultation with the Lender as to such matter, the County will have an additional reasonable period of time to cure such failure or breach as long as the County diligently continues to work to cure such failure or breach.
- (d) Any bankruptcy, insolvency or reorganization proceedings or similar litigation is instituted by the County, or a receiver, custodian or similar officer is appointed for the County or any of its property, and such proceedings or appointments are not vacated or fully stayed within ninety (90) days after the institution or occurrence thereof.

(e) Any warranty, representation or statement made by the County in this Contract, the Deed of Trust or any other document executed or delivered in connection herewith or therewith is found to be incorrect or misleading in any material respect on the date made.

(f) An attachment, levy or execution of a security interest or lien is levied on or against any portion of the Mortgaged Property.

The County shall provide notice to the Lender within five Business Days of any Event of Default or any event with which the passage of time or giving of notice would constitute an Event of Default hereunder.

Section 13.2 Remedies on Default. From and after an Event of Default, the principal components of the Installment Payments will continue to be payable as shown in the Payment Schedule, but the Interest Rate will be the Default Rate. Additionally, on the occurrence of any Event of Default, the Lender may exercise any one or more of the following remedies as the Lender, in its sole discretion, shall elect:

(a) Declare the entire outstanding principal components of the Installment Payments plus the interest component of the next due Installment Payment accrued to the date of such declaration to be immediately due and payable without notice to or demand on the County.

(b) Proceed by appropriate court action to enforce performance by the County of the applicable covenants of this Contract or to recover for the breach thereof (other than a failure to pay Installment Payments or any other payment hereunder).

(c) Subject to the provisions of Article XV, exercise all the rights and remedies of a secured party or creditor under the general laws of the State with respect to the enforcement of the security interest granted under the Deed of Trust including, without limitation, to the extent permitted by law, reenter and take possession of the Mortgaged Property without any court order or other process of law and without liability for entering the premises and sell, lease, sublease or make other disposition of the same in a commercially reasonable manner for the account of the County, and apply the proceeds of any such sale, lease, sublease or other disposition, after deducting all costs and expenses, including court costs and attorneys' fees, incurred with the recovery, repair, storage, sale, lease, sublease or other disposition of the Mortgaged Property, toward the obligations due under this Contract and, thereafter, pay any remaining proceeds to the County.

(d) Enforce its security interest or direct the Deed of Trust Trustee to institute foreclosure proceedings under the Deed of Trust and sell the Mortgaged Property.

NOTWITHSTANDING ANY OTHER PROVISIONS IN THIS CONTRACT, IT IS THE INTENT OF THE PARTIES HERETO TO COMPLY WITH SECTION 160A-20 OF THE GENERAL STATUTES OF NORTH CAROLINA, AS AMENDED. NO DEFICIENCY JUDGMENT MAY BE ENTERED AGAINST THE COUNTY IN FAVOR OF THE LENDER IN VIOLATION OF SECTION 160A-20 OF THE GENERAL STATUTES OF NORTH CAROLINA, AS AMENDED, INCLUDING, WITHOUT LIMITATION, ANY DEFICIENCY JUDGMENT FOR AMOUNTS THAT MAY BE OWED UNDER THIS CONTRACT WHEN THE SALE OF ALL OR ANY PORTION OF THE MORTGAGED PROPERTY IS INSUFFICIENT TO PRODUCE ENOUGH MONEY TO PAY IN FULL ALL OUTSTANDING OBLIGATIONS UNDER THIS CONTRACT.

Section 13.3 Further Remedies. Subject to the provisions of Article XV, this Contract shall remain in full force and effect and the County shall be and remain liable for the full performance of all its obligations under this Contract. All remedies of the Lender are cumulative and may be exercised concurrently or separately. The exercise of any one remedy shall not be deemed an election of such remedy or preclude the exercise of any other remedy.

ARTICLE XIV

ASSIGNMENT

Section 14.1 Assignment by the County. Except as provided in the Deed of Trust, the County will not sell, assign, lease, sublease, pledge or otherwise encumber or suffer a lien or encumbrance on or against any interest in this Contract or the Mortgaged Property (except for the Permitted Encumbrances) without the prior written consent of the Lender.

Section 14.2 Assignment by the Lender. The Lender may, at any time and from time to time, assign to any bank, insurance company or similar financial institution or to any other entity approved by the Local Government Commission of North Carolina, or to a trust created to hold a pool of such obligations, all or any part of its interest in the Mortgaged Property or this Contract, including, without limitation, the Lender's rights to receive the Installment Payments and any Additional Payments due and to become due hereunder. Reassignment by any assignee may also only be to a bank, insurance company or similar financial institution or to any other

entity approved by the Local Government Commission of North Carolina. The County agrees that this Contract may become part of a pool of obligations at the Lender's or its assignee's option. The Lender or its assignees may assign or reassign either the entire pool or any partial interest herein. Notwithstanding the foregoing, no assignment or reassignment of the Lender's interest in the Mortgaged Property or this Contract shall be effective unless and until the County shall receive a duplicate original counterpart of the document by which such assignment or reassignment is made disclosing the name and address of each assignee. The County covenants and agrees with the Lender and each subsequent assignee of the Lender to maintain for the full term of this Contract a written record of each such assignment or reassignment. The County hereby appoints the Lender as its agent for the purpose of maintaining any written record in connection with an assignment under this Section, and the Lender hereby accepts such appointment. The County agrees to execute any document reasonably required by the Lender in connection with any assignment. Notwithstanding any assignment by the Lender of its interest in this Contract, the County shall not be obligated to provide any financial or other information to any assignee of the Lender except as set forth in Section 6.10.

After the giving of notice described above to the County, the County shall thereafter make all payments in accordance with the notice to the assignee named therein and shall, if so requested, acknowledge such assignment in writing, but such acknowledgement shall in no way be deemed to make the assignment effective.

The Lender covenants that any disclosure document circulated by it or an assignee in connection with the sale of the Lender's rights in this Contract will contain a statement to the effect that the County has not reviewed and is not responsible for the disclosure document. The Lender covenants to defend, indemnify and hold harmless the County and its officers, employees and agents against any and all losses, claims, damages or liabilities, joint or several, including fees and expenses incurred in connection therewith, to which such indemnified party may become subject on account of any statement included in a disclosure document, or failure to include a statement in a disclosure document, unless the County shall have expressly approved the use of such disclosure document.

ARTICLE XV

LIMITED OBLIGATION OF THE COUNTY

Section 15.1 Limited Obligation of the County. NO PROVISION OF THIS CONTRACT SHALL BE CONSTRUED OR INTERPRETED AS CREATING A PLEDGE OF THE FAITH AND CREDIT OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL DEBT LIMITATION. NO PROVISION OF THIS CONTRACT SHALL BE CONSTRUED OR INTERPRETED AS CREATING A DELEGATION OF GOVERNMENTAL POWERS NOR AS A DONATION BY OR A LENDING OF THE CREDIT OF THE COUNTY WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE. THIS CONTRACT SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE COUNTY TO MAKE ANY PAYMENTS BEYOND THOSE APPROPRIATED IN THE SOLE DISCRETION OF THE COUNTY FOR ANY FISCAL YEAR IN WHICH THIS CONTRACT IS IN EFFECT; PROVIDED, HOWEVER, THAT ANY FAILURE OR REFUSAL BY THE COUNTY TO APPROPRIATE FUNDS WHICH RESULTS IN THE FAILURE BY THE COUNTY TO MAKE ANY PAYMENT COMING DUE UNDER THIS CONTRACT WILL IN NO WAY OBVIATE THE OCCURRENCE OF THE EVENT OF DEFAULT RESULTING FROM SUCH NONPAYMENT. NO DEFICIENCY JUDGMENT MAY BE RENDERED AGAINST THE COUNTY IN ANY ACTION FOR BREACH OF A CONTRACTUAL OBLIGATION UNDER THIS CONTRACT, AND THE TAXING POWER OF THE COUNTY IS NOT AND MAY NOT BE PLEDGED DIRECTLY OR INDIRECTLY OR CONTINGENTLY TO SECURE ANY MONEYS DUE UNDER THIS CONTRACT. NO PROVISION OF THIS CONTRACT SHALL BE CONSTRUED TO PLEDGE OR TO CREATE A LIEN ON ANY CLASS OR SOURCE OF THE COUNTY'S MONEYS, NOR SHALL ANY PROVISION OF THIS CONTRACT RESTRICT THE FUTURE ISSUANCE OF ANY OF THE COUNTY'S BONDS OR OBLIGATIONS PAYABLE FROM ANY CLASS OR SOURCE OF THE COUNTY'S MONEYS. TO THE EXTENT OF ANY CONFLICT BETWEEN THIS ARTICLE AND ANY OTHER PROVISION OF THIS CONTRACT, THIS ARTICLE SHALL TAKE PRIORITY.

ARTICLE XVI

MISCELLANEOUS

Section 16.1 Waiver. No covenant or condition of this Contract can be waived except by the written consent of the Lender. Any failure of the Lender to require strict performance by the County or any waiver by the Lender of any terms, covenants or contracts in this Contract shall not be construed as a waiver of any other breach of the same or any other term, covenant or contract in this Contract.

Section 16.2 Severability. If any portion of this Contract is determined to be invalid under any applicable law, such provision shall be deemed void and the remainder of this Contract shall continue in full force and effect.

Section 16.3 Governing Law. This Contract shall be construed and governed in accordance with the laws of the State.

Section 16.4 Notices. Except as provided otherwise in this Contract, any and all notices, requests, demands and other communications given under or in connection with this Contract are effective only if in writing and either personally delivered or mailed by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to the County:

County of Columbus, North Carolina
111 Washington Street
Whiteville, North Carolina 28472
Attention: Finance Director

If to the Lender:

[Bank]

Attention: _____

The County and the Lender may, by written notice to the other, designate any further or different addresses to which subsequent notices, requests, demands and other communications shall be sent.

Section 16.5 Section Headings. All section headings contained in this Contract are for convenience of reference only and are not intended to define or limit the scope of any provision of this Contract.

Section 16.6 Entire Contract. This Contract, together with the schedules and exhibits hereto, constitutes the entire agreement between the parties and this Contract shall not be modified, amended, altered or changed except as the County and the Lender may subsequently agree in writing.

Section 16.7 Binding Effect. Subject to the specific provisions of this Contract, this Contract is binding on and inures to the benefit of the parties and their respective successors and assigns (including expressly any successor of the Lender).

Section 16.8 Time. Time is of the essence of this Contract and each and all of its provisions.

Section 16.9 If Payment or Performance Date Not a Business Day. If the date for making payment, or the last date for performance of any act or the exercising of any right, as provided in this Contract, is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Contract, and no interest shall accrue for the period after such nominal date.

Section 16.10 Covenants of County not Covenants of Officials Individually. No covenant, stipulation, obligation or agreement contained in this Contract shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent or employee of the Board of Commissioners or the County in his individual capacity, and neither the members of the Board of Commissioners nor any other officer of the Board of Commissioners or the County shall be subject to any personal liability or accountability by reason of the execution and delivery of this Contract. No member of the Board of Commissioners or any agent or employee of the County shall incur any personal liability in acting or proceeding or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Contract.

Section 16.11 Execution in Counterparts. This Contract may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 16.12 Term Sheet. The terms of this Contract shall supersede the terms of the term sheet from the Lender to the County dated December __, 2021, including any amendments thereto. To the extent of any conflict between this Contract and such term sheet, this Contract will take priority.

Section 16.13 E-Verify Covenant. The Lender understands that (1) “E-Verify” is a federal program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law and (2) Article 2 of Chapter 64 of the General Statutes of North Carolina, as amended (the “E-Verify Statute”), requires employers (as defined in the E-Verify Statute) to verify the work authorization of an employee (as defined in the E-Verify Statute) hired to work in the United States through E-Verify. The Lender and the Lender’s subcontractors under this Contract shall comply with the requirements of the E-Verify Statute.

Section 16.14 Companies that Boycott Israel Act Certification. The Lender hereby certifies that it is not on any list created and maintained by the North Carolina Department of State Treasurer pursuant to the Divestment from Companies that Boycott Israel Act, Article 6G, as amended, of Chapter 147 of the General Statutes of North Carolina.

Section 16.15 Role of Lender. The Lender and its representatives are not registered municipal advisors and do not provide advice to municipal entities or obligated persons with respect to municipal financial products or the issuance of municipal securities (including regarding the structure, timing, terms and similar matters concerning municipal financial products or municipal securities issuances) or engage in the solicitation of municipal entities or obligated persons for the provision by non-affiliated persons of municipal advisory services and/or investment advisory services. With respect to the this Contract, the Deed of Trust or any documents or instruments related thereto (the “Related Documents”) and any other information, materials or communications provided by the Lender: (a) the Lender and its representatives are not recommending an action to any municipal entity or obligated person; (b) the Lender and its representatives are not acting as an advisor to any municipal entity or obligated person and do not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to any municipal entity or obligated person with respect to the Related Documents or information, materials or communications; (c) the Lender and its representatives are acting for their own interests; and (d) the Issuer has been informed that the County and the LGC should discuss this Agreement, or the Related Documents, and any such other information, materials or communications with any and all internal and external advisors and experts that the Issuer and the LGC, respectively, deem appropriate before acting on this Contract, any Related Document or any such other information, materials or communications.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed by their duly authorized officers as of the day and year first above written.

COUNTY OF COLUMBUS, NORTH CAROLINA

[SEAL] By: _____
Chair of the Board of Commissioners

ATTEST:

Clerk to the Board of Commissioners

[Signatures Continued on the Following Page]

[Counterpart Signature Page to the Installment Financing Contract
between [Bank] and the County of Columbus, North Carolina]
[BANK], as Bank

By: _____
Name: _____
Title: _____

[Signatures Continued on the Following Page]

[Counterpart Signature Page to the Installment Financing Contract
between [Bank] and the County of Columbus, North Carolina]

THIS CONTRACT HAS BEEN APPROVED UNDER
THE PROVISIONS OF SECTION 159-152 OF THE
GENERAL STATUTES OF NORTH CAROLINA, AS AMENDED

By: _____
Sharon Edmundson
Secretary of the Local Government Commission of North
Carolina

PAYMENT SCHEDULE

Installment	Principal	Interest	Total Installment
-------------	-----------	----------	-------------------

<u>Payment Date</u>	<u>Component</u>	<u>Component</u>	<u>Payment</u>
---------------------	------------------	------------------	----------------

Total

Unless otherwise instructed by the Lender, the County shall wire funds to:

Bank Name: [Bank]
ABA#: _____
Acct Name: _____
Acct #: _____
Attn: _____
Ref. Name: Columbus County, NC

EXHIBIT A

DESCRIPTION OF THE PROJECT

The Project consists of renovating, expanding, equipping and improving an existing school facility known as Tabor City School.

EXHIBIT B

DESCRIPTION OF THE MORTGAGED PROPERTY

The Mortgaged Property consists of a tracts or parcels of land described as follows:
[to be inserted]

MOTION:

Commissioner McDowell made a motion to approve the Interim Financing for the Tabor City School Project, seconded by Commissioner Smith. The motion unanimously passed.

Agenda Item #14: DISCUSSION – KATE B. REYNOLDS GRANT:

Cynthia Wiford with Addiction Consultant Training, Inc. addressed the Board concerning the Kate B. Reynolds Grant.

**Columbus County, NC Opioid and Other Substance Use
Needs Assessment and Strategic Planning Process
December 6, 2021**

What: Kate B Reynolds funded a substance use needs assessment for Columbus County which will result in a strategic plan to improve the substance use services; prevention, intervention, access to treatment and treatment services available to Columbus County Residents. Grant awarded for \$259,922 to pay for needs assessment process and technical assistance to implement the strategic plan.

When: Grant is funded for 3 years starting October 2021-September 2024.

Who: Columbus County has contracted with ACT Associates, LLC to work under the auspices of Columbus Regional Health Care System to conduct the Needs Assessment Process.

Primary Contact Columbus Regional Healthcare: Lauren Cole

Primary Contact ACT Associates, LLC: Cynthia “Syd” Wiford

Steps in the Process:

- A. Connect with all stakeholders via Key Interviews and/or Focus Groups throughout the County; County Commissioners, Healthcare, Law Enforcement and Judicial System, Social Services, County Services i.e., Public Health Social Services, Child Welfare, EMS, current MH/SUD Providers/LME/MCO, Healthy Opportunities, local church communities, Native American, African American communities, recovering Community and Family members.
 - a. Develop an online survey instrument that can be accessible by anyone in the county and advertise its purpose and location
 - b. Conduct qualitative analysis on all informant processes to gather trends, concerns, commonalties
- B. Gather current relevant data and stats specific to Columbus County regarding opioid, drug, alcohol issues and statistics
- C. Create a resource list of all available prevention, intervention and treatment services being offered in the County
- D. Identify the gaps in the continuum of care, intervention points and potential services that could be accessed or created within the County to create a seamless responsive service system
- E. Construct report and strategic plant that could be implemented within the next 2-5 years to impact the problem areas including the use of the Opioid Settlement Funds to impact the issues the County is currently experiencing.
- F. Meet with Leaders and provide technical assistance to operationalize the plan.

Timeline for the process:

- December 2021-Key Informant Interviews
- January 2022- February 2022- County wide Focus Groups
- March 2022- Data gathering specific to Columbus County
- April 2022-Report writing, sharing of draft significant findings and recommendations for strategic plan
- May 2022- Final Report presented to Columbus County Commissioners and Kate B. Reynolds Foundation
- June 2022-September 2024- Provide Technical Assistance to implement Strategic Plan

Gary Lanier, EDC/Planning Director, requested Board approval of Contract with N-Focus Inc., previously approved in the Budget, for Services Provided by Mr. John Ganus, Senior Code Administrator/Housing Inspector.



STATE OF NORTH CAROLINA
COUNTY OF COLUMBUS

AGREEMENT WITH
LOCAL GOVERNMENT

THIS AGREEMENT made the ____ day of _____, 2021 by and between the County of Columbus, a North Carolina unit of Local Government (hereinafter known as "Local Government"); and, N-Focus, Inc., a North Carolina corporation (hereinafter known as "Contractor"), by signatures below, enter into the following Agreement:

WITNESSETH:

WHEREAS, Contractor has expertise in local government functions and Local Government has a need for such functions; and

WHEREAS, Local Government and Contractor desire to enter into this Agreement;

NOW THEREFORE, Local Government and Contractor agree as follows:

Section A. SCOPE OF FUNCTIONS

Contractor will provide Contractor personnel to perform the following specialized Functions for Local Government:

- 1. Code Enforcement Functions Include:
 - a) Investigations of complaints and/or reports of violations,
 - b) Preparation of materials for distribution and notifications to owners of record and/or occupants of violation activities,
 - c) Meeting and/or hearing with owners of record and/or occupants of violation activities,
 - d) Field inspections to determine progress and/or compliance,
 - e) Preparation of governing and/or advisory board/council/commission reporting materials,
 - f) Presentations of governing and/or advisory board/council/commission reporting materials,
 - g) Assisting owners of record and/or occupants of violation activities and advising said to achieve compliance,
 - h) Coordination with Local Government legal counsel, when necessary, to provide supporting materials as may be required for the filing of actions and/or liens,
 - i) Participation in court proceedings as necessary, and
 - j) Updating and submitting summary reports on periodic activities and accomplishments.

Section B. TERMS AND CONDITIONS

- 1. Contractor Personnel: To ensure performance of Functions defined in "Section A." herein above meet the expectations of Local Government, Contractor shall assign a primary professional, an employee of Contractor, to Local Government. The primary professional shall be responsible for Contractor personnel performing the agreed upon Functions. Contractor personnel performing the Functions shall be either certified or licensed in their respective fields or apprentice under direct supervision of the primary professional. Contractor personnel performing these Functions shall have considerable knowledge in the principles and practices of local government. The primary professional,

N-Focus	Initials: <u>FLR</u> Date: <u>06.23.21</u>
Columbus County -- FY 22 Agreement	Initials: _____ Date: _____



supporting personnel and subordinate person(s), if applicable, provided to perform these Functions shall be skilled in the use of work related computer software packages and other technology used to perform position Functions.

2. **E-Verify:** Contractor represents and warrants that it is in compliance with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes. Further, Contractor warrants that any subcontractors used by Contractor will be in compliance with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes.
3. **Certification:** Contractor certifies that, as of the Effective Date of this Agreement, Contractor is not on the Final Divestment List as created by the State Treasurer pursuant to N.C.G.S. § 147-86.58. In compliance with the Iran Divestment Act and N.C.G.S. § 147-86.58, Contractor shall not utilize in the performance of the contract any subcontractor that is identified on the Final Divestment List.
4. **Equal Employment Opportunity:** Contractor, without limitation of any provision set forth herein, expressly agrees to abide by any and all applicable federal and/or State equal employment opportunity statutes, rules and regulations, as may be from time to time modified or amended.
5. **Status of Contractor:** Contractor and Local Government agree that in the performance of the Functions defined in "Section A." herein above, Contractor personnel shall not be deemed to be an employee(s) of Local Government for any purpose whatsoever, nor act under Color of State Law.
6. **Work Products:** All materials produced by Contractor personnel provided to Local Government shall be the property of Local Government and shall be filed on-site in the offices of Local Government, unless otherwise authorized for purposes and intent of the performance of Functions. Contractor shall be entitled to retain copies, both electronic and paper, of any work products prepared for the benefit of Local Government. Contractor shall not copyright any work products on behalf of Local Government; however, Contractor shall retain the right to utilize work products, such as improved administrative forms, plans, etc., or any portion thereof, for the purpose of performing similar Functions for other jurisdictions.
7. **Progress Reporting:** Contractor shall communicate progress of work performed to Local Government's administrative officer and/or department head periodically or as determined by Local Government.
8. **Period of Service (POS):** Functions defined in "Section A." herein above shall be performed routinely based upon a mutually agreeable schedule during the period July 1, 2021 and ending June 30, 2022. POS as defined herein may be amended through either Termination as set forth in "Section B.14." herein, or, Extension as set forth in "Section B.16." herein.
9. **Level of Service (LOS):** The Functions to be performed as defined in "Section A." herein above total 384 hours of service or 18.5% Full Time Equivalency (FTE) and shall be delivered at approximately 32 hours per calendar month on average. Non-scheduled closings (i.e.: weather

N-Focus

Initials: FAR Date: 06/29/21

Columbus County – FY 22 Agreement

Initials: _____ Date: _____



advisories, etc.) by Local Government shall be considered paid days off and will be recorded in time reporting documents as such. LOS will be monitored monthly, with quarterly invoicing for overages. LOS may be amended by either separate agreement, subsequent addendum hereto, or written/e-mail authorization with Compensation as defined in "Section B.10" herein, and Payments as defined in "Section B.11." herein, adjusted accordingly.

10. Compensation: The fee for Functions to be performed as defined in "Section A." herein above shall be Twenty-Seven Thousand Nine Hundred Sixty-Two and 88/100s (\$27,962.88) dollars for the POS, as defined in "Section B.8." herein. The fee is inclusive of all personnel costs including but not limited to:

- a. Base Salary plus:
 - i. Social Security & Medicare (FICA)
 - ii. State Unemployment Insurance (SUTA)
 - iii. Federal Unemployment Insurance (FUTA)
 - iv. Worker's Compensation Insurance
- b. Benefits:
 - i. Health, Life & Disability Insurance
 - ii. Paid Vacation & Personal Time
 - iii. Paid Holidays
 - iv. Paid Travel Time
- c. Professional Development & Certifications;
- d. Cellular Communications;
- e. Company Vehicle with
 - i. Vehicle Insurance
 - ii. Vehicle Operations & Maintenance
- f. Meals & Lodging; and
- g. Management cost

Printing and reproduction shall be provided by Local Government. Any direct expenses (i.e. printing, postage, etc.) provided by Contractor on behalf of Local Government, shall be reimbursed at actual cost plus seven (7%) percent. Travel cost to and from Local Government jurisdiction by Contractor personnel is included in the fee above. Travel by Contractor personnel on behalf of Local Government to perform inspections within Local Government jurisdiction, or attend meetings outside Local Government jurisdiction, shall be reimbursed at the current IRS Standard Mileage Rate.

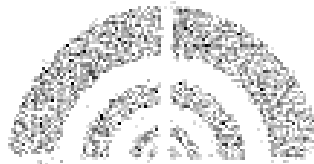
11. Payments: Local Government shall provide twelve (12) equal monthly payments in the amount of Two Thousand Three Hundred Thirty and 24/100's (\$2,330.24) dollars without invoice. Monthly payments shall be made during the monthly POS per "Exhibit A" herewith attached, with the first payment due and payable within fifteen (15) days of the beginning of the POS defined in "Section B.8." herein. Monthly invoicing for direct expenses as noted in "Section B.10." herein and LOS overages as noted in "Section B.9." herein shall be due and payable within ten (10) days of invoice. A late payment penalty equal to 1.5% of the unpaid balance of either monthly payments or monthly invoicing may be assessed.

N-Focus

Initials: PAR Date: 06/29/21

Columbus County – FY 22 Agreement

Initials: _____ Date: _____



NOTE: All funds for payment by Local Government under this Agreement are subject to the availability of any annual appropriation for this purpose by the Board of Commissioners. In the event of non-appropriation of funds by the Board of Commissioners for the services provided under this Agreement, Local Government will terminate this Agreement, without termination charge or liability, on the last day of the then-current fiscal year or when the appropriation made for then-current year for the services/items covered by this Agreement is spent, whichever occurs first. If at any time funds are not appropriated for the continuance of this Agreement, cancellation shall be accepted by Contractor on thirty (30) days' prior written notice, but failure to give such notice shall be of no effect and Local Government shall not be obligated under this Agreement beyond the date of termination.

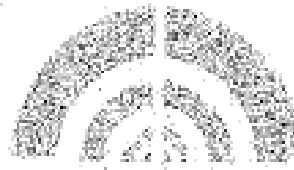
12. **Access:** Local Government shall provide Contractor personnel with legal access to the primary work area during normal operating hours.
13. **Liability:** Contractor personnel provided to Local Government are acting as contracted agents of Local Government in accordance with NCGS 160D-401(c) and no liability is implied or assumed for actions on behalf of Local Government, its administration, appointed officials and/or elected officials. General liability insurance shall be maintained by Contractor throughout the POS as defined in "Section B.8." herein for the Functions to be performed under this Agreement. Contractor shall provide Local Government with a Certificate of Insurance prior to beginning Functions defined in "Section A." herein above. This certificate will become a part of this Agreement upon execution of this Agreement. Contractor shall further indemnify and hold Local Government harmless from any/all worker compensation claims by Contractor personnel and any other claims arising out of Contractor personnel's conduct.
14. **Termination:** Contractor or Local Government may terminate this Agreement for any reason with sixty (60) days written notification. In the event of early termination by Contractor or Local Government, compensation for all Functions actually provided by Contractor through the termination date will be due and payable at the unit costs in effect at the time of termination. Compensation for any part of a billing cycle based upon the days within said cycle shall be prorated through the termination date. In the event Contractor personnel currently employed, recently separated/terminated or retired from Contractor become employed directly by Local Government either during the POS defined in "Section B.8." herein or within one-hundred-eighty (180) days of the effective date of Agreement termination and/or expiration, Contractor shall be entitled to supplemental compensation by Local Government equal to three (3) months of said employee's full time gross salary equivalent in effect at the time of Agreement termination and/or expiration; furthermore, the supplemental compensation shall be due and payable within ten (10) calendar days of the date Contractor personnel begins employment with Local Government.
15. **Expiration:** This Agreement shall expire at 11:59 pm on June 30, 2022, unless extended, as defined in "Section B.16." herein.
16. **Extension:** This Agreement may be extended by either separate agreement, subsequent addendum hereto, or written/e-mail authorization. Upon extension of this Agreement, POS as defined in "Section B.8" herein, LOS as defined in "Section B.9." herein, Compensation as defined in "Section

N-Focus

Initials: FAF Date: 06.29.21

Columbus County – FY 22 Agreement

Initials: _____ Date: _____



B.10." herein, and Payments as defined in "Section B.11." herein, are subject to change. All other Terms & Conditions defined herein shall remain the same.

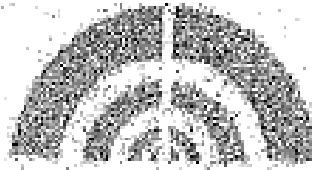
17. **Certifications:** Contractor personnel shall not be required to sign any documents, no matter by whom requested, that would result in Contractor personnel having to certify, guarantee or warrant the existence of conditions whose existence Contractor personnel cannot ascertain. Local Government agrees not to make resolution of any dispute with Contractor or payment of any amount due to Contractor in any way contingent upon Contractor's personnel signing any such certification or document.
18. **Force Majeure:** Contractor shall not be responsible for any delays, damages, costs, expenses, liabilities or other problems that may arise as a result of a force majeure. A "Force Majeure" is defined as any event arising from causes beyond the reasonable control of Contractor, including but not limited to fire, flood, unusual inclement weather, acts of God, civil strikes or labor disputes, riots, pandemics, acts or failures of Local Government or others.
19. **Conflicting Terms and Provisions:** In the event of conflict among this Agreement and any hereto attached exhibits, this Agreement shall govern.
20. **Dispute Resolution:** It is acknowledged this Agreement shall be governed by the laws of the State of North Carolina in the event of dispute. Any dispute, controversy or claim arising out of or relating to this Agreement, in particular its conclusion, interpretation, performance, breach, termination or invalidity, shall be finally settled by the courts having exclusive jurisdiction within the county of Local Government.
21. **Counterparts:** This Agreement may be executed in two or more counterparts, each of which together shall be deemed an original, but all of which together shall constitute one and the same instrument. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.
22. **Entire Agreement:** Local Government and Contractor acknowledge this Agreement and any Attachments hereto constitute the entire agreement between Local Government and Contractor concerning the subject matter hereof. All prior agreements, discussions, representations, warranties and covenants are merged herein. There are no warranties, representations, covenants or agreements, expressed or implied, between Local Government and Contractor except those expressly set forth in this Agreement. Any amendments or modifications of this Agreement shall be in writing and executed by Local Government and Contractor. Unless stated otherwise in this Agreement, this Agreement may not be modified.

N-Focus

Initials: JAP Date: 11/11/21

Columbus County – FY 22 Agreement

Initials: _____ Date: _____



23. **Representatives:** On behalf of Contractor, only the following individuals have authority to modify or alter the terms and conditions of this Agreement:

F. Richard Flowe, President & CEO
Patricia A. Rader, Secretary-Treasurer & CDO

24. **Notification:** All correspondence shall be directed to:

Patli Rader, Manager
N-Focus, Inc.
315 South Main Street, Suite 200
Kannapolis, NC 28081
704.933.0772
PRader@NFocusPlanning.org

Section C. ACCEPTANCE:

Patricia A. Rader

June 29, 2021

Patricia A. Rader, Manager
N-Focus, Inc.

Date

ACCEPTED on behalf of Local Government by:

Signature

Date

Printed name of authorized person signed above

Seal of Local Government

ATTEST:

Clerk to the governing board/council of
Local Government

Date

PRE-AUDIT:

This document has been pre-audited in accordance with applicable North Carolina General Statute.

Finance Officer

Date

N-Focus

Initials: *PAR* Date: *06/29/21*

Columbus County – FY 22 Agreement

Initials: _____ Date: _____

N-Focus, Inc.

• Columbus County

• FY 22_Code Enforcement_Agreement

"Exhibit A"

Payment
Schedule

	Contract Payment Due Dates	Payment Dates	Check Number		(12) Equal Monthly Payments in the Amount of	Contract Balance	Notes
					\$ 2,330.24	\$ 27,962.88	
	<u>2021</u>						
1	July 10th			1	\$ 2,330.24	\$ 25,632.64	
2	Aug. 10th			2	\$ 2,330.24	\$ 23,302.40	
3	Sept. 10th			3	\$ 2,330.24	\$ 20,972.16	
4	Oct. 10th			4	\$ 2,330.24	\$ 18,641.92	
5	Nov. 10th			5	\$ 2,330.24	\$ 16,311.68	
6	Dec. 10th			6	\$ 2,330.24	\$ 13,981.44	
	<u>2022</u>						
7	Jan. 10th			7	\$ 2,330.24	\$ 11,651.20	
8	Feb. 10th			8	\$ 2,330.24	\$ 9,320.96	
9	March 10th			9	\$ 2,330.24	\$ 6,990.72	
10	April 10th			10	\$ 2,330.24	\$ 4,660.48	
11	May 10th			11	\$ 2,330.24	\$ 2,330.24	
12	June 10th			12	\$ 2,330.24	\$ (0.00)	

N-Focus

Initials: PAR Date: 06.29.21

Columbus County – FY 22 Code Agreement

Initials: _____ Date: _____

MOTION:

Commissioner McDowell made a motion to approve the contract with N-Focus, seconded by Commissioner Smith. The motion unanimously passed.

Agenda Item #16: SOCIAL SERVICES – MONTHLY ADMINISTRATIVE UPDATE:

Algernon McKenzie, Director, delivered the monthly update.

**Monthly Administrative Update
For November 2021
December 6, 2021 Meeting**

On November 4, 2021, I participated on the North Carolina Director's Association zoom meeting. We were informed that Medicaid expansion was being considered as part of the state budget, which has not been completed. If Medicaid expansion is passed it will increase the number of individuals who are eligible for Medicaid and increase the workload on the local DSS agencies across the state. We also discussed the auto-payments for the Low Income Energy Assistance Program. (LIEAP) are on hold until funding can be identified due to not having a state budget. During our meeting there was a discussion about the new division that DHHS has formed. It will be called The Division of Child and Family Well Being, which will be addressing food insecurities.

During the month of November, the Division of Child Development and Early Education informed counties that the state spending level for day care funding is at 86%, which is low. They encouraged counties to continue working our waiting list. This is related to the Covid-19 Pandemic effect on many people not working, attending school, or not having a need for day care assistance.

Our agency is now in its energy assistance season. We are currently taking applications for heating assistance with our Crisis Intervention Program (CIP). During the month of December, we will begin taking applications for the Low Income Energy Assistance Program for those individuals 60 or older. We are also supposed to start the new water assistance program December 1, 2021. The state is still working out the details of this program.

On November 16, 2021, we had a conference call with our child welfare consultant. During our call she reviewed our child welfare data, reviewed some new policy changes, and discussed our Continuous Quality Improvement Plan. We are continuing to make progress. Staff continue to work on completing their mandated child welfare trainings.

During the month of November, I participated on five webinars and zoom meeting.

The replacement of the carpet in our building is ongoing. The crew has now began working on the hallways.

Our agency continues to be open to the public with some restrictions and safety protocols in place to keep staff and the public safe. Although the mask mandate had been released some staff continue to wear their mask when interacting with the public. We continue to offer in person, online, and drop off options for applying for services.

Lastly, our building is sanitized and cleaned throughout the day.

HUMAN SERVICES BOARD REPORT
Melinda H. Lane, Program Manager
Vacancies/Updates/News for November 2021

Intake/Investigation/Assessment:

The Intake/Investigation/Assessment Unit now has one vacancy due to a worker leaving the agency. This Unit continues to make mandated contacts to provide needed services to families and children while continuing to utilize precautions due to COVID-19. This Unit continues to be very busy with referrals involving substance abuse, domestic violence, and mental health issues, among other things. The Regional Child Welfare Consultant (RCWC) continues to make monthly contacts to review agency data, policy updates, and casework. Another record review was completed in November and she reviews the progress on our Continuous Quality Improvement (CQI) Plan each month – it is progressing well. This Unit continues to work on the areas that need improvement through trainings, technical assistance from the RCWC, and increased supervision.

In-Home Services:

The In-Home Services Unit continues to be fully staffed. This Unit continues to make mandated contacts to provide needed services to families and children while continuing to utilize precautions due to COVID-19. Total contacts continue to increase indicating more intensive involvement with current caseloads. The Regional Child Welfare Consultant (RCWC) continues to make monthly contacts to review agency data, policy updates, and casework. Another record review was completed in November and she reviews the progress on our Continuous Quality Improvement (CQI) Plan each month – it is progressing well. This Unit continues to work on the areas that need improvement through trainings, technical assistance from the RCWC, and increased supervision.

Foster Care/Permanency Planning:

The Foster Care Unit continues to be fully staffed. This Unit continues to make mandated contacts to provide needed services to families and children while continuing to utilize precautions due to COVID-19. This Unit is continuing to make more and more in-person contacts with children and families due to allowances by DHHS. This Unit continues to break county records for the largest amount of children in custody. Drug abuse, sexual abuse, and severe neglect appear to be the biggest contributing factors, along with a lack of family support. The Regional Child Welfare Consultant (RCWC) continues to make monthly contacts to review agency data, policy updates, and casework. Another record review was completed in November and she reviews the progress on our Continuous Quality Improvement (CQI) Plan each month – it is progressing well. This Unit continues to work on the areas that need improvement through trainings, technical assistance from the RCWC, and increased supervision.

Transitional Unit:

The Transitional unit continues to be fully staffed. Staff are working caseloads while assisting the other Child Welfare Units as needed, particularly in the areas of courtesy requests from other counties and assisting with supervising visits and transporting children in custody. This Unit continues to make mandated contacts to provide needed services to families and children while continuing to utilize precautions due to COVID-19. Foster Home Licensing continues to work on completing more licensures to help increase the number of foster home available for the increasing amount of foster children. The Regional Child Welfare Consultant (RCWC) continues to make monthly contacts to review agency data, policy updates, and casework.

Adult Services:

The Adult Services Unit continues to have one Social Worker vacancy which has been re-advertised due to a lack of qualified applicants. The reclassified position is currently being advertised to assist with the increasing caseloads of current staff. The new Supervisor is currently working through required trainings that will assist her with her new position. This Unit continues to make mandated contacts to provide needed services to the elderly and disabled while utilizing precautions due to COVID-19. This Unit continues to be busy in its day-to-day activities of contacts with the elderly and disabled and resource agencies. This can be a difficult population to work with at times because of their various needs, the lack of resources, and the adult's right to self-determination.

Work First Employment:

This Unit continues to be fully staffed. The agency is now open for in-person applications. However, telephone interviews for Work First applications, recertification's, short-term services and benefits continue to be allowed. Certain necessary application documentation can be mailed to individuals that wish to apply and when received back the worker can conduct telephone interviews to complete that application. Some application information is also being provided for pick-up in the foyer area of the agency. Workers are encouraged to make telephone contacts with clients at least every two weeks to offer support and resources to clients.

Child Day Care:

The Child Day Care Unit continues to have one vacancy due to the promotion of a worker to a supervisor's position in another area. The Supervisor and staff continue to work the over and under payment report to ensure proper payment is being made to county daycare providers. The agency is now open for in-office visits by clients. Day Care services are continuing to be provided and the state is working with county agencies and day cares to help them stay open as much as possible while providing a safe environment for children. DSS staff continue to work with families to ensure their services stay in place while limiting contact to the telephone as much as possible. This Unit is continuing to work on its waiting list to determine the continued need for services. Hopefully this will give the Unit a better idea of where the need is and decrease the waiting list.

Program Integrity:

Program Integrity continues to be fully staffed. Office visits are limited and telephone contact is encouraged, but office visits are possible. Repayment agreements are being relaxed to help clients during this time. Staff are working to clean up a backlog, establishing cases and repayment agreements.

Energy Assistance

The Crisis Intervention Program (CIP) continues to be busy. Applications are available on EPASS where applicants can complete and submit applications on-line, but continue to be available in our lobby for pick up and completion. One in-house staff person is currently processing applications. Two new temporary staff began working with Energy November 15. However, the following week one of those staff did not return to work. Staffing agencies continue to have problems finding willing and able staff to assist. This is the first time this has ever happened. Applications are increasing as we assist with heating. Duke Energy Progress extended its moratorium, which is in place to help prevent some customers from being disconnected no matter what their bill grows to. This also affects the amount of approvals for electricity since having a final notice is a requirement of the Crisis Intervention Program. Low Income Energy Assistance will again automatically approve applicants that received assistance from the LIEAP program in December 2020. Letters were mailed out to those persons notifying them of their automatic approval and encouraging them to contact the local DSS if any changes to their situation has occurred. All other households with a person 60 and older can apply for LIEAP beginning December 1.

Low Income Household Water Assistance Program (LIHWAP)

LIHWAP will begin December 1 for all counties. This program is a federally funded program that will provide emergency assistance to low-income households to prevent disconnection or provide assistance with the reconnection of drinking and wastewater services. It will be based on a priority list: Group 1 will consist of households that have had water services disconnected. Group 2 will consist of households that are in jeopardy of water services being disconnected unless action is taken to prevent the disconnect. Group 3 will consist of households that have current water service bills and need assistance to maintain service. We are currently working on getting this program set up in our county. Policy was just presented to counties. Vendor Agreements are in place for each county water department. However, only two departments submitted customer lists for those that are at risk of disconnection – Chadbourn and Fair Bluff – so all customers for other departments will have to be hand matched to assist those that are at risk of losing their water service.

Economic Services Program Narrative

**Family and Children's Medicaid; Adult Medicaid; Medicaid in Nursing Homes, Special Assistance (Rest Homes), Community Alternative Program (CAP); Medicaid Transportation; Food & Nutrition, Child Support and Housekeeping
Submitted by Cyndi Hammonds, Income Maintenance Administrator
Reporting Month: November 2021**

News/Updates/Vacancies

Food and Nutrition:

We continue to receive a steady amount of applications for this program and continue to follow all waivers that USDA has implemented however workers are meeting monthly compliance timeframes with getting applications and recertifications processed. We continue to have virtual conference calls with our FNS Representative quarterly who goes over COVID policies and any other changes that may be happening. We continue to have one vacancy on this team.

Adult and Family & Children's Medicaid:

Waivers continue to be extended thru January 2021 for no terminations unless for death, voluntary request or moved out of state however there has been talks of how we will be transitioning those clients that will be terminating from the program. Open enrollment has begun for Medicare recipients to change their prescription drug plans and we are seeing an increase in applications. The Medicare for Qualified Beneficiaries Program ends each year so all that are on this program has to be recertified by the end of the year so this doubles the amount of recertifications that have to be completed on the Adult Team. Another month of auditing is being completed. The November reviewing has not been completed however the cases that have been reviewed have been correct. This team currently has five vacancies. We are in the process of interviewing for these positions.

Medicaid for Long Term Care, Medicaid Transportation and Housekeeping:

- We continue to have one vacancy on this team and they continue to meet all timeframes.
- Transportation continues to remain busy and we continue to have one vacancy on this team.
- Housekeeping continues to keep our building clean as we transition from the carpet to the flooring that is being put in.

Child Support and Paralegal:

This team had 3 court days in November and continues to collect as much as possible for the children. Records are reviewed monthly by the State Representative and we continue to meet via conference call for results and any monthly updates. This team has five vacancies.

Agenda Item #17: FINANCE – RESOLUTION AND AGREEMENT FOR DEPOSIT ACCOUNTS WITH TRUIST AND FIRST BANK:

Jay Leatherman, Finance Director, requested Board approval and adoption of the Resolutions and Agreement for Deposit Accounts with Truist and First Bank.

TRUIST SIGNATURE CARD (NORTH CAROLINA)

NAME AND ADDRESS OF DEPOSITOR			
ACCOUNT NUMBER	OWNERSHIP DESIGNATION	ACCOUNT OPENING DATE	REVISED CARD DATE

Opened/Updated By _____ Approved By _____ Branch Location _____

IDENTIFICATION

Type of ID _____ Issued By _____ ID Number _____ Expiration Date _____ Date of Birth _____

Second Type of ID _____ Issued By _____ ID Number _____ Expiration Date _____

Employer _____ Cell Phone Number (____) _____ Home Phone Number (____) _____

Address as listed on ID _____ Work Phone Number (____) _____

IDENTIFICATION

Type of ID _____ Issued By _____ ID Number _____ Expiration Date _____ Date of Birth _____

Second Type of ID _____ Issued By _____ ID Number _____ Expiration Date _____

Employer _____ Cell Phone Number (____) _____ Home Phone Number (____) _____

Address as listed on ID _____ Work Phone Number (____) _____

Check Appropriate Box for Depositor

☐ Individual / Sole Proprietor / single-member LLC ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/Estate ☐ Limited Liability Company

Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) ☐

Note: Check the appropriate box in line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

☐ Other (See Instructions.) _____

Exemptions: See Instructions Exempt Payee code (if any) ☐ Exemption from FATCA reporting code (if any) ☐ N/A (applies to accounts maintained outside the U.S.)

Certification - Under penalties of perjury, I, as authorized agent of the Depositor certify that:

- 1. The Depositor's correct taxpayer identification number is printed below (or the Depositor is waiting for a number to be issued), and
- 2. The Depositor is not subject to backup withholding because: (a) the Depositor is exempt from backup withholding, or (b) the Depositor has not been notified by the Internal Revenue Service (IRS) that it is subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified the Depositor that it is no longer subject to backup withholding, and
- 3. The Depositor is a U.S. citizen or other U.S. person (defined in the Instructions); and
- 4. The FATCA code(s) entered on this form (if any) indicating that the Depositor is exempt from FATCA reporting is correct.

Certification Instructions. You must cross out item 2 above if the Depositor has been notified by the IRS that the Depositor is currently subject to back withholding because the Depositor has failed to report all interest and dividends on the Depositor's tax return.

Form W-9 Instructions. Instructions to the Form W-9, including definitions, are available upon request.

Complete as applicable - only one beneficiary permitted if an entity.

Name of Beneficiary: _____ SSN/EIN: _____ Relationship: _____

Address of Beneficiary: _____

ID: _____

Name of Beneficiary: _____ SSN/EIN: _____ Relationship: _____

Address of Beneficiary: _____

ID: _____

Name of Beneficiary: _____ SSN/EIN: _____ Relationship: _____

Address of Beneficiary: _____

ID: _____

BUSINESS ACCOUNTS

By my/our signature below, I/We certify that: (1) I/We have received the "Commercial Bank Services Agreement" and the "Business Deposit Accounts Fee Schedule" and on behalf of the Depositor agree to the terms of each document; and (2) I/We give consent to verify my/our credit references.

Please sign beside the Printed Name(s) only. If signature line does not have a Printed Name, then a signature is not required on that line.

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications in the box above which are required to avoid backup withholding.

TIN of Depositor _____ Printed Name of Depositor _____ DATE _____

TIN of Signer _____ Printed Name of Signer _____ DATE _____

Corporate Authorization Resolution

FIRST BANK
WHITEVILLE BRANCH
1104 N. JK POWELL BLVD
WHITEVILLE NC 28472

By: COUNTY OF COLUMBUS
111 WASHINGTON ST
WHITEVILLE, NC 28472

Referred to in this document as "Financial Institution"

Referred to in this document as "Corporation"

I, _____, certify that I am Secretary (clerk) of the above named corporation organized under the laws of NORTH CAROLINA, Federal Employer I.D. Number _____, engaged in business under the trade name of _____, and that the resolutions on this document are a correct copy of the resolutions adopted at a meeting of the Board of Directors of the Corporation duly and properly called and held on (date). These resolutions appear in the minutes of this meeting and have not been rescinded or modified.

Agents. Any Agent listed below, subject to any written limitations, is authorized to exercise the powers granted as indicated below:

Name and Title or Position	Signature	Facsimile Signature (if used)
----------------------------	-----------	----------------------------------

A. _____	X _____	X _____
B. _____	X _____	X _____
C. _____	X _____	X _____
D. _____	X _____	X _____
E. _____	X _____	X _____
F. _____	X _____	X _____

MOTION:
Commissioner Watts made a motion to approve Resolution and Agreement for Deposit Accounts with Truist and First Bank, seconded by Vice Chairman McMillian. The motion unanimously passed.

**Agenda Item #18: RESOLUTION – APPROVAL AND ADOPTION OF SIGNATORY
 RESOLUTION BY THE COLUMBUS COUNTY BOARD OF
 COMMISSIONERS:**

WHEREAS, in the execution of business matters and other pertinent transactions pertaining to the operations of local government affairs, it is necessary, and legally required, to have on board a Chairman and Vice Chairman to serve on behalf and in the best interest of the Columbus County Board of Commissioners and the citizens of Columbus County; **and**

WHEREAS, at the first regular scheduled meeting in the month of December, annually, a Chairman and Vice Chairman is voted on and elected from the now seven (7) member Columbus County Board of Commissioners; **and**

WHEREAS, the Chairman and Vice Chairman of the said Columbus County Board of Commissioners, or their designee, have due authority to sign, execute and administer any and all documents on behalf, and in the best interest, of Columbus County.

THEREFORE, BE IT RESOLVED, by popular vote of the seven (7) member Columbus County Board of Commissioners, on the 6th day of December, 2021, Commissioner Ricky Bullard has been duly elected to serve as Chairman and Commissioner Jerome McMillian has been duly elected to serve as Vice Chairman for the Columbus County Board of Commissioners, or their designee, to sign, execute and administer any and all documents necessary in the normal operation of business and related affairs for the Columbus County Board of Commissioners and the citizens of Columbus County. The aforementioned will serve in these capacities until the first regular scheduled meeting in December, 2022.

Adopted this the 6th day of December, 2021.

COLUMBUS COUNTY BOARD OF COMMISSIONERS

- | | |
|---------------------------------|----------------------------------------------------|
| /s/ RICKY BULLARD, Chairman | /s/ JEROME MCMILLIAN, Vice Chairman |
| /s/ CHRIS SMITH | /s/ BRENT WATTS |
| /s/ LAVERN COLEMAN | /s/ EDWIN H. MADDEN, Jr., Manager |
| /s/ CHARLES T. MCDOWELL | /s/AMANDA B. PRINCE, Staff Attorney/Clerk to Board |
| /s/ BOYD WORLEY, Board Attorney | /s/ LATOYA WILLIAMS, Deputy Clerk |

MOTION:

Commissioner McDowell made a motion to approve and adopt the Signatory Resolution, seconded by Vice Chairman McMillian. The motion unanimously passed.

Agenda Item # 19: NOTICE AND RESOLUTION – CANCELLATION OF DECEMBER 20, 2021 BOARD MEETING, UNLESS NEEDED:

NOTICE AND RESOLUTION TO CANCEL MEETING OF THE BOARD OF COUNTY COMMISSIONERS OF COLUMBUS COUNTY, NORTH CAROLINA

The Board of County Commissioners of Columbus County, North Carolina, unanimously approved on the 6th day of December, 2020, to adopt the following Resolution.

W I T N E S S E T H :

WHEREAS, the Board of County Commissioners of Columbus County, North Carolina, has presently scheduled meetings at 6:30 P.M. on the first Monday and at 6:30 P.M. on the third Monday of each month; **and**

WHEREAS, the Board of County Commissioners of Columbus County, North Carolina, is desirous of cancelling the meeting scheduled for the third Monday in December, only.

BE IT, THEREFORE, RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF COLUMBUS COUNTY, North Carolina, pursuant to N.C.G.S. 153A-40, to cancel the regular meeting of the said Board scheduled for December 20, 2020, be, and the same is hereby canceled, and the next regularly scheduled meeting of the said Board shall be in the Columbus County Commissioners' Chambers, Dempsey B. Herring Courthouse Annex, 112 West Smith Street, Whiteville, North Carolina, on Monday, January 03, 2021.

BE IT, FURTHER, RESOLVED by the **Board of County Commissioners** that a copy of this Resolution and Notice shall be placed on the Courthouse Bulletin Board, as well as forwarded to all of the news media who has requested notice.

COLUMBUS COUNTY BOARD OF COMMISSIONERS

- | | |
|----------------------------------------|------------------------------------------------------------|
| /s/ RICKY BULLARD, Chairman | /s/ JEROME MCMILLIAN, Vice Chairman |
| /s/ CHRIS SMITH | /s/ BRENT WATTS |
| /s/ LAVERN COLEMAN | /s/ EDWIN H. MADDEN, Jr., Manager |
| /s/ CHARLES T. MCDOWELL | /s/ AMANDA B. PRINCE, Staff Attorney/Clerk to Board |
| /s/ BOYD WORLEY, Board Attorney | /s/ LATOYA WILLIAMS, Deputy Clerk |

MOTION:
Vice Chairman McMillian made a motion to approve and adopt the resolution, seconded by Commissioner Smith. The motion unanimously passed.

RECESS REGULAR SESSION and enter into COLUMBUS COUNTY WATER and SEWER DISTRICTS I, II, III, IV and V BOARD MEETING

At 7:34 P.M., Commissioner McDowell made a motion to recess Regular Session and enter into a **combination meeting** of Columbus County Water and Sewer Districts I, II, III, IV, and V Board Meeting, seconded by Vice Chairman McMillian. The motion unanimously passed.

Agenda Item #20: COLUMBUS COUNTY WATER and SEWER DISTRICTS I, II, III, IV, AND V BOARD MEETING MINUTES:

- A. November 01, 2021
- B. November 15, 2021

MOTION:
Commissioner Smith made a motion to approve the minutes, seconded by Vice Chairman McMillian. The motion unanimously passed.

ADJOURN COMBINATION MEETING of COLUMBUS COUNTY WATER and SEWER DISTRICTS I, II, III, IV and V BOARD MEETING:

At 7:35 P.M., Commissioner Coleman made a motion to adjourn the combination meeting of Columbus County Water and Sewer Districts I, II, III, IV and V Board Meeting, seconded by Commissioner McDowell. The motion unanimously passed.

Agenda Item #21: COMMENTS:

Chairman Bullard opened the floor for comments. The following spoke:

A. Board of Commissioners:

1. **Commissioner Watts** stated the following:
 - I just want to say I really enjoyed the dinner for the employees and I really appreciate what they do.
 - I wish everyone a Merry Christmas and a Happy New Year.
2. **Vice Chairman McMillian** stated the following:
 - I just want to thank Mr. Madden and all his staff that put together the appreciation dinner for all the employees.
 - We received a lot of good feedback from it and I'm thankful to have been a part of it.
 - We appreciate all of our employees.
 - I want to thank our Board for working so well together to make all these things happen.
3. **Commissioner Smith** stated the following:
 - The Employee Appreciation Day was great and I've heard a lot of good feedback from employees about how much they appreciated it and everyone deserves a pat on the back.
 - I appreciate that everyone has a hard job, a tough job and we appreciate what you do.
 - Let's all remember the season and remember what Christmas is all about, it's not about presents or any of that, it's about Jesus.
4. **Commissioner McDowell** stated the following:
 - I want to wish everyone a safe and Merry Christmas.
 - I want to thank all of our employees who helped with our appreciation dinner.
 - I saw a lot of employees out there working hard and it couldn't have happened without what you did.
 - I want to congratulate the "Employee of the Year" winners.
 - I think that's a wonderful tradition and a wonderful move to recognize our employees and I commend Mr. Madden and his staff for doing that.
 - I want to also thank Mr. Madden and Mr. Leatherman for providing the documentation that was necessary for our audit, even though you were only here for a short period of time, I know that you did a lot of work to provide things that needed to be provided and I appreciate that.
 - I think we're heading in the right direction.
 - With that said, I think now we might be able to know what a possible fund balance is, so we can kind of know what we're working with.
 - Maybe we can be made aware of that as we look at some of these additional expenses that are coming up.
 - We only had a couple of departmental updates this period and I don't know if they're on a particular timeline or schedule or if everyone was just so busy.

County Manager Eddie Madden: They are due by the 2nd meeting in the month, and we're only having one meeting this month.

Commissioner McDowell:

 - Oh, okay, I didn't understand that, thank you.
5. **Commissioner Coleman** stated the following:
 - I want to echo everything the other Commissioners have said about the appreciation dinner.
 - It was great and I wanted to thank everybody that played a part in it.
 - The County Manager and the Commissioners worked hard to make it and I felt like it was a success and I really enjoyed my part in it.
 - I saw a lot of smiles and everybody seemed to be happy.
 - I just hope people will work hard on being happy and honestly that's not hard to do, you just have to look on the good side of things.
 - I wish the entire county a joyful Christmas and I hope everyone will count their blessings because it's easy to only think about the bad things sometimes but if you sat for a moment and started to count your blessings you would see how truly blessed we are.
6. **Commissioner Bullard** stated the following:

- I have a letter here I would like to read from the Clerk of Superior Court, Mr. Jess Hill.
- He has sent a letter to the Board and County Manager.



State of North Carolina
General Court of Justice
CLERK OF SUPERIOR COURT
COLUMBUS COUNTY
113 COURTHOUSE SQUARE
WHITEVILLE, NC 28472

JESS H. HILL, CLERK
EX OFFICIO JUDGE OF PROBATE

DOUGLAS B. SASSER
SENIOR RESIDENT JUDGE

December 3, 2021

Columbus County Commissioners
Chairman Ricky Bullard
Commissioner Giles E. Buddy Byrd
Commissioner Lavern Coleman
Commissioner Charles McDowell
Commissioner Jerome McMillian
Commissioner Chris Smith
Commissioner Brent Watts
County Manager Eddie Madden
110 Courthouse Square
Whiteville, NC 28472

Dear Mr. Chairman, Commissioners, Mr. Madden and Columbus County Staff:

On behalf of the Columbus County Clerk of Superior Court's Office, I would like to extend my sincere appreciation for including my office in your first Columbus County Employees Appreciation Luncheon. It means so much to not only me but to this office that we were included in this event. Please let everyone who lent a hand for this successful event how appreciative we are, and that the food was delicious.

It is moments like these that allow all of us to come together and celebrate in the Columbus County Christmas spirit. We appreciate all county employees, many of which are an integral part of what helps keep the Judicial system moving. We thank them for their service. I am also appreciative of the support that Columbus County government continues to give to this office. Thank you for all you do for us!

We wish each one of you a very Merry Christmas and Happy Holiday Season. Thank you again for your hospitality!

*Everything was awesome
Thank you!
Thanks so much
Jennifer Smith*

*Jeressa Rasberry
Madison Moperson
The food was delicious
and we thank you!
Shannon Hong*

*Chelise Neely
Denise Edwards
Kruptal Yang*

Sincerely,
Jess H. Hill

*Jana Bexton
Aletia
Sheila McClary
Jessica D. Thomas
Shirley
Wendy Newman
It was great!
Regina*

- Chairman Bullard** stated the following:
- I want to thank everybody for teaming up and putting on that luncheon.
 - It was a good idea the County Manager had and it took a team effort, and it shows when we work together we can make good things happen.
 - Thank each and every one of you for what you do.

- We have a good Board here and it shows and in this coming year we're going to continue to work together and do more good things to help the county move forward.
- We have a good County Manager to work with and I'm excited about all of the things we've had the opportunity to do.
- I would like to say Merry Christmas and I hope everyone will have a very Merry Christmas.
- I want to congratulate our "Employee of the Year" recipients, it's a tremendous thing you've done.

B. County Manager Eddie Madden stated the following:

- I do want to restate my congratulations to LaToya Williams and Jeanette Ward for winning the first Employee and New Employee of the Year Awards.
- Both of these ladies are very deserving of these awards and the process we went through to select them was very rigorous and meaningful.
- Our department managers spent a lot of time contemplating who they were going to nominate, as you can imagine there are so many employees that we have that are outstanding.
- We had a number of terrific nominations and as we read through all of those nominations it was very difficult to arrive at a winner but we were very pleased with the selections for the 1st year of Ms. Ward and Ms. Williams.
- What came from that is the necessity to start recognizing our employees on a more regular basis.
- So beginning in January we will have a moment on our Agenda that will be referred to as the employee spotlight, and for all those folks who were nominated for this award, we will recognize one person each meeting to cover them all in 2022.
- And then we will start over in the year after, so we're looking forward to that opportunity to recognize the hard work and dedication of our employees.
- In that same tone, I want to recognize the Finance Office for completing this year's audit.
- We are making significant progress with the finance team and Mr. Jay Leatherman, Heather Woody and others have worked very hard to bring you an audit earlier and more accurate in our financial standing and importantly, Dr. Williams, on time to submit to the LGC, so that the Tabor City School Project can move forward.
- The Local Government Commission meets on January 11th and we will defend that application and we will think optimistically that we will be approved on January 11th.
- Had it not been for the hard work of the finance team and the audit firm, the Greg Isley Group, Dr. Williams and Dr. Meadows we wouldn't be at this point and I just want to acknowledge their hard work.
- I want to call attention to the audit report.
- Even though there has been an increase in expenditures, school project, historic courthouse and others, your cash actually increased \$338,015.00.
- So, we've ended the year in the black and we're pleased with that and we even grew the General Fund and the cash balance, so it's the end of a good year.
- We're already half-way through the current fiscal year and we're looking for an improved report for the next cycle.
- I want to reiterate how wonderful the employee luncheon was last week.
- Thanks to the Board members for preparing the meal and all the staff members who volunteered to serve, all of the prizes that were donated from various businesses across the county, and all the employees who came.
- Out of our 560 employees, most of them were there, the Judicial Branch, Judge Sasser, Judge Ussery, the Clerk of Court's Office, the District Attorney's Office, the Sheriff's Department brought a large contingency of folks, the outpouring of support for that event was present and obvious.
- I think everyone legitimately had a good time and I think we were able to recognize each and every employee of this county.
- They all have important jobs and they don't often get recognized and we wanted to do what we should do by recognizing them at least one day out of the year.
- It was a good day and thanks to all of you for helping with that.
- You've been reading a little bit about the Lake Waccamaw issue regarding funding from the legislature, so I want to say this, but I will keep my comments brief.
- The County made a request to the Legislature for \$2.5 million dollars for the multi-use path/bike and ped project at Lake Waccamaw.
- That project was outside the city limits and therefore we did not make the request through the town of Lake Waccamaw, we made it directly from the County to the Legislature.
- When the final budget was adopted, we believe it was inadvertently mischaracterized as to who the recipient of those funds should be.
- The budget has been approved and what we will be pursuing is some clarification from the Legislature when they reconvene in 2022 as to who those funds actually should go to.
- We believe that we made that request for a project of the County and that the project and the funds should remain with the county.

- There will be ample opportunity to apply for water and sewer funds.
- I've expressed this to this Board and to my staff that the availability of water and sewer funds through the ARP funds and other monies that are coming down from the structure bill that's been passed by Congress, will be available in the future for towns like Lake Waccamaw and for counties like Columbus and we will be applying for those funds.
- But, as I stated in my email to the Town of Lake Waccamaw, funding for bike and ped projects are not so readily available, especially to the level that we've received from the Legislature.
- So, our request, logically, is that the Town of Lake Waccamaw and the County let this issue rest until the Legislature can clear it up for us next session.
- I think you've heard me mention this, but our application to the Local Government Commission will be submitted tomorrow, electronically and a check will accompany that for the January 11th Local Government Commission meeting regarding the Tabor City School project and we are hopeful that it will be approved.
- Again, I would like to thank Dr. Meadows and Dr. Williams for their help with that.
- Lastly, our next meeting will be January 3rd, there will be no meeting later this month unless necessary, so I just want to say Merry Christmas and Happy New Year to everyone.

RECESS REGULAR SESSION and enter into CLOSED SESSION in ACCORDANCE with N.C.G.S. § 143-318.11(A) (3) ATTORNEY-CLIENT PRIVILEGE, (6) PERSONNEL and (5) (i) REAL ESTATE

At 7:53 P.M., Commissioner Coleman made a motion to recess Regular Session and enter into Closed Session in accordance with N.C.G.S. § 143-318.11 (A)(3) Attorney-Client privilege and (6) Personnel and (5)(i) Real Estate, seconded by Commissioner Smith. The motion unanimously passed.

Agenda Item #22: CLOSED SESSION in ACCORDANCE with N.C.G.S. § 143-318.11(A)(3) ATTORNEY-CLIENT PRIVILEGE, (6) PERSONNEL and (5) (i) REAL ESTATE:

No official action was taken.

ADJOURN CLOSED SESSION and resume REGULAR SESSION:

At 8:58 P.M., Commissioner Smith made a motion to adjourn Closed Session and resume Regular Session, seconded by Vice Chairman McMillian, the motion unanimously passed.

READING and APPROVAL of CLOSED SESSION GENERAL ACCOUNT:

Chairman Bullard requested Amanda Prince, Staff Attorney, to orally read the Closed Session General Account. Ms. Prince orally stated the following: "County Commissioners discussed personnel issues with the County Manager and attorneys, possible future litigation with attorneys and Real Estate acquisition with the County Manager. No action was taken by the Board."

MOTION:

Vice Chairman McMillian made a motion to accept the Closed Session General Account, seconded by Commissioner Smith. The motion unanimously passed.

Agenda Item #23: ADJOURNMENT:

At 8:49 P.M., Commissioner Smith made a motion to adjourn, seconded by Vice Chairman McMillian. The motion unanimously passed. These minutes were recorded and typed by LaToya Williams.

LATOYA WILLIAMS, Deputy Clerk

RICKY BULLARD, Chairman

INTENTIONALLY

LEFT

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**COLUMBUS COUNTY WATER and SEWER DISTRICTS I, II, III, IV, and V
COMBINATION BOARD MEETING
Monday, December 6, 2021
7:34 P.M.**

The Honorable Columbus County Commissioners met on the above stated date and time at the Dempsey B. Herring Courthouse Annex, 112 West Smith Street, Whiteville, North Carolina 28472, for the purpose of acting as the Columbus County Water and Sewer District I Board.

COMMISSIONERS PRESENT:

Ricky Bullard, **Chairman**
Jerome McMillian, **Vice Chairman**
Chris Smith
Brent Watts
Charles T. McDowell
Lavern Coleman

APPOINTEES PRESENT:

Boyd Worley, **Board Attorney**
Amanda B. Prince, **Staff Attorney/Clerk to Board**
Jay Leatherman, **Finance Director**

COMMISSIONERS ABSENT (EXCUSED):

Giles E. Byrd

MEETING CALLED TO ORDER:

At 7:34 P.M., Chairman Ricky Bullard called the **combination meeting** of Columbus County Water and Sewer District I Board Meeting to order.

Agenda Item #20: COLUMBUS COUNTY WATER and SEWER DISTRICT I BOARD MEETING MINUTES:

November 1, 2021 Columbus County Water and Sewer District I Board Meeting
November 15, 2021 Columbus County Water and Sewer District I Board Meeting

Commissioner Smith made a motion to approve the November 1, 2021 and November 15, 2021 Columbus County Water and Sewer District I Board Meeting Minutes, seconded by Vice Chairman McMillian. The motion unanimously passed.

ADJOURNMENT:

At 7:35 P.M., Commissioner Coleman made a motion to adjourn, seconded by Commissioner McDowell. The motion unanimously passed.

LATOYA WILLIAMS, Deputy Clerk

RICKY BULLARD, Chairman

**COLUMBUS COUNTY WATER and SEWER DISTRICTS I, II, III, IV, and V
COMBINATION BOARD MEETING
Monday, December 6, 2021
7:34 P.M.**

The Honorable Columbus County Commissioners met on the above stated date and time at the Dempsey B. Herring Courthouse Annex, 112 West Smith Street, Whiteville, North Carolina 28472, for the purpose of acting as the Columbus County Water and Sewer District II Board.

COMMISSIONERS PRESENT:

Ricky Bullard, **Chairman**
Jerome McMillian, **Vice Chairman**
Chris Smith
Brent Watts
Charles T. McDowell
Lavern Coleman

APPOINTEES PRESENT:

Boyd Worley, **Board Attorney**
Amanda B. Prince, **Staff Attorney/Clerk to Board**
Jay Leatherman, **Finance Director**

COMMISSIONERS ABSENT (EXCUSED):

Giles E. Byrd

MEETING CALLED TO ORDER:

At 7:34 P.M., Chairman Ricky Bullard called the **combination meeting** of Columbus county Water and Sewer District II Board Meeting to order.

Agenda Item #20: COLUMBUS COUNTY WATER and SEWER DISTRICT II BOARD MEETING MINUTES:

November 1, 2021 Columbus County Water and Sewer District II Board Meeting
November 15, 2021 Columbus County Water and Sewer District II Board Meeting

Commissioner Smith made a motion to approve the November 1, 2021 and November 15, 2021 Columbus County Water and Sewer District II Board Meeting Minutes, seconded by Vice Chairman McMillian. The motion unanimously passed.

MOTION:

Commissioner McDowell made a motion to approve the change order, seconded by Vice Chairman McMillian. The motion unanimously passed.

ADJOURNMENT:

At 7:35 P.M., Commissioner Coleman made a motion to adjourn, seconded by Commissioner McDowell. The motion unanimously passed.

LATOYA WILLIAMS, Deputy Clerk

RICKY BULLARD, Chairman

**COLUMBUS COUNTY WATER and SEWER DISTRICTS I, II, III, IV, and V
COMBINATION BOARD MEETING
Monday, December 6, 2021
7:34 P.M.**

The Honorable Columbus County Commissioners met on the above stated date and time at the Dempsey B. Herring Courthouse Annex, 112 West Smith Street, Whiteville, North Carolina 28472, for the purpose of acting as the Columbus County Water and Sewer District III Board.

COMMISSIONERS PRESENT:

Ricky Bullard, **Chairman**
Jerome McMillian, **Vice Chairman**
Chris Smith
Brent Watts
Charles T. McDowell
Lavern Coleman

APPOINTEES PRESENT:

Boyd Worley, **Board Attorney**
Amanda B. Prince, **Staff Attorney/Clerk to Board**
Jay Leatherman, **Finance Director**

COMMISSIONERS ABSENT (EXCUSED):

Giles E. Byrd

MEETING CALLED TO ORDER:

At 7:34 P.M., Chairman Ricky Bullard called the **combination meeting** of Columbus county Water and Sewer District III Board Meeting to order.

Agenda Item #20: COLUMBUS COUNTY WATER and SEWER DISTRICT III BOARD MEETING MINUTES:

November 1, 2021 Columbus County Water and Sewer District III Board Meeting
November 15, 2021 Columbus County Water and Sewer District III Board Meeting

Commissioner Smith made a motion to approve the November 1, 2021 and November 15, 2021 Columbus County Water and Sewer District III Board Meeting Minutes, seconded by Vice Chairman McMillian. The motion unanimously passed.

ADJOURNMENT:

At 7:35 P.M., Commissioner Coleman made a motion to adjourn, seconded by Commissioner McDowell. The motion unanimously passed.

LATOYA WILLIAMS, Deputy Clerk

RICKY BULLARD, Chairman

**COLUMBUS COUNTY WATER and SEWER DISTRICTS I, II, III, IV, and V
COMBINATION BOARD MEETING
Monday, December 6, 2021
7:34 P.M.**

The Honorable Columbus County Commissioners met on the above stated date and time at the Dempsey B. Herring Courthouse Annex, 112 West Smith Street, Whiteville, North Carolina 28472, for the purpose of acting as the Columbus County Water and Sewer District IV Board.

COMMISSIONERS PRESENT:

Ricky Bullard, **Chairman**
Jerome McMillian, **Vice Chairman**
Chris Smith
Brent Watts
Charles T. McDowell
Lavern Coleman

APPOINTEES PRESENT:

Boyd Worley, **Board Attorney**
Amanda B. Prince, **Staff Attorney/Clerk to Board**
Jay Leatherman, **Finance Director**

COMMISSIONERS ABSENT (EXCUSED):

Giles E. Byrd

MEETING CALLED TO ORDER:

At 7:34 P.M., Chairman Ricky Bullard called the **combination meeting** of Columbus county Water and Sewer District IV Board Meeting to order.

Agenda Item #20: COLUMBUS COUNTY WATER and SEWER DISTRICT IV BOARD MEETING MINUTES:

November 1, 2021 Columbus County Water and Sewer District IV Board Meeting
November 15, 2021 Columbus County Water and Sewer District IV Board Meeting

Commissioner Smith made a motion to approve the November 1, 2021 and November 15, 2021 Columbus County Water and Sewer District IV Board Meeting Minutes, seconded by Vice Chairman McMillian. The motion unanimously passed.

ADJOURNMENT:

At 7:35 P.M., Commissioner Coleman made a motion to adjourn, seconded by Commissioner McDowell. The motion unanimously passed.

LATOYA WILLIAMS, Deputy Clerk

RICKY BULLARD, Chairman

COLUMBUS COUNTY WATER and SEWER DISTRICTS I, II, III, IV, and V
COMBINATION BOARD MEETING
Monday, December 6, 2021
7:34 P.M.

The Honorable Columbus County Commissioners met on the above stated date and time at the Dempsey B. Herring Courthouse Annex, 112 West Smith Street, Whiteville, North Carolina 28472, for the purpose of acting as the Columbus County Water and Sewer District V Board.

COMMISSIONERS PRESENT:

Ricky Bullard, **Chairman**
 Jerome McMillian, **Vice Chairman**
 Chris Smith
 Brent Watts
 Charles T. McDowell
 Lavern Coleman

APPOINTEES PRESENT:

Boyd Worley, **Board Attorney**
 Amanda B. Prince, **Staff Attorney/Clerk to Board**
 Jay Leatherman, **Finance Director**

COMMISSIONERS ABSENT (EXCUSED):

Giles E. Byrd

MEETING CALLED TO ORDER:

At 7:34 P.M., Chairman Ricky Bullard called the **combination meeting** of Columbus county Water and Sewer District V Board Meeting to order.

Agenda Item #20: COLUMBUS COUNTY WATER and SEWER DISTRICT V BOARD MEETING MINUTES:

November 1, 2021 Columbus County Water and Sewer District V Board Meeting
 November 15, 2021 Columbus County Water and Sewer District V Board Meeting

Commissioner Smith made a motion to approve the November 1, 2021 and November 15, 2021 Columbus County Water and Sewer District V Board Meeting Minutes, seconded by Vice Chairman McMillian. The motion unanimously passed.

ADJOURNMENT:

At 7:35 P.M., Commissioner Coleman made a motion to adjourn, seconded by Commissioner McDowell. The motion unanimously passed.

LATOYA WILLIAMS, Deputy Clerk

RICKY BULLARD, Chairman