

CABARRUS COUNTY



BOARD OF COMMISSIONERS WORK SESSION

**August 5, 2024
4:00 PM**

1. CALL TO ORDER - CHAIRMAN

2. APPROVAL OF WORK SESSION AGENDA - CHAIRMAN

2.1. BOC - Changes to the Agenda Pg. 3

3. DISCUSSION ITEMS - NO ACTION

3.1. Budget - Tax Receipt Demonstration Pg. 5

3.2. County Manager - Cabarrus Recovery Grants Update Pg. 6

4. DISCUSSION ITEMS FOR ACTION

4.1. Education - CCS / KCS Maintenance Agreement for Fiscal Year 2024-25 Pg. 17

4.2. Active Living and Parks - Healthy Aging NC Grant Pg. 27

4.3. Construction Standards - Approval of Funds for Demolition of Property Pg. 30

4.4. County Manager - Fiscal Year 2024 Funding Re-appropriations Pg. 68

4.5. County Manager - Messer GMP 3 for Behavior Health Center Pg. 85

4.6. Finance - Reimbursement Resolution Pg. 87

4.7. Human Resources - Personnel Ordinance Changes Pg. 101

4.8. Library - Library Card Sign Up Month Pg. 138

4.9. Sheriff's Office - Acceptance of Governor's Highway Safety Program (GHSP) Grant Award Pg. 140

4.10. BOC - Appointments to Boards and Committees Pg. 160

5. OLD BUSINESS

5.1. Finance - Approval of Resolution for Installment Financing Contract for 2024B Draw Program Pg. 162

6. APPROVAL OF REGULAR MEETING AGENDA

6.1. BOC - Approval of Regular Meeting Agenda Pg. 284

7. CLOSED SESSION

8. ADJOURN

In accordance with ADA regulations, anyone in need of an accommodation to participate in the meeting should notify the ADA coordinator at 704-920-2100 at least 48 hours prior to the meeting.

CABARRUS COUNTY



BOARD OF COMMISSIONERS WORK SESSION

**August 5, 2024
4:00 PM**

AGENDA CATEGORY:

Approval of Work Session Agenda - Chairman

SUBJECT:

BOC - Changes to the Agenda

BRIEF SUMMARY:

A list of changes to the agenda is attached.

REQUESTED ACTION:

Motion to approve the agenda as amended.

EXPECTED LENGTH OF PRESENTATION:

1 Minute

SUBMITTED BY:

Lauren Linker, Clerk to the Board

BUDGET AMENDMENT REQUIRED:

No

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

ATTACHMENTS:

- ▢ Changes to the Agenda



**CABARRUS COUNTY BOARD OF COMMISSIONERS
CHANGES TO THE AGENDA
August 5, 2024**

UPDATES:

Discussion Items – No Action

3.2 County Manager – Cabarrus Recovery Grants Update

Discussion Items For Action

4.7 Human Resources – Personnel Ordinance Changes

ADDITION:

Discussion Items For Action

4.1 Education – CCS / KCS Maintenance Agreement for Fiscal Year 2024-25

Closed Session

6.1 Closed Session – Pending Litigation

CABARRUS COUNTY



BOARD OF COMMISSIONERS WORK SESSION

**August 5, 2024
4:00 PM**

AGENDA CATEGORY:

Discussion Items - No Action

SUBJECT:

Budget - Tax Receipt Demonstration

BRIEF SUMMARY:

At the December Work Session, staff presented information regarding the Budget Engagement Plan. One of the tools discussed, at that time, was the concept of a "Tax Receipt". Over the last few months, the budget office has been finalizing a tax receipt tool. It is an unofficial receipt showing the taxpayer in what functions and service areas their property taxes are used. Staff will provide a demonstration showing the transparency and educational aspects of this new communication tool and requests feedback from the Board.

REQUESTED ACTION:

Receive feedback.

EXPECTED LENGTH OF PRESENTATION:

10 Minutes

SUBMITTED BY:

Rosh Khatri, Budget Director

Yesenia Pineda, Senior Management Analyst

BUDGET AMENDMENT REQUIRED:

No

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

CABARRUS COUNTY



BOARD OF COMMISSIONERS WORK SESSION

**August 5, 2024
4:00 PM**

AGENDA CATEGORY:

Discussion Items - No Action

SUBJECT:

County Manager - Cabarrus Recovery Grants Update

BRIEF SUMMARY:

Staff will update the Board on the Cabarrus Recovery Grants program, funded by American Rescue Plan Act (ARPA) dollars.

Since 2021, the County has awarded 51 non-profits with over \$29 million to address local childcare, healthcare, mental health, housing and food assistance needs. The organizations can only access their awarded funding by submitting receipts, finance reports and program data. After review, the County reimburses the nonprofits for eligible expenses monthly and reports outcomes to the federal government on a quarterly basis.

The Federal government requires the County to obligate all ARPA spending by December 31, 2024. Staff will update the Board on an analysis of spending plans submitted by the organizations and provide the Board with considerations ahead of the federal spending deadline.

For more information on the Cabarrus Recovery Grants program, including funding allocations and data dashboard, visit <https://www.cabarruscounty.us/Connect-with-CabCo/Hot-Topics/Cabarrus-County-American-Rescue-Plan-Fund-Allocation>.

REQUESTED ACTION:

No action required.

EXPECTED LENGTH OF PRESENTATION:

10 Minutes

SUBMITTED BY:

Elizabeth Landrum, Management Analyst

BUDGET AMENDMENT REQUIRED:

No

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

ATTACHMENTS:

▣ Presentation

CABARRUS RECOVERY GRANTS



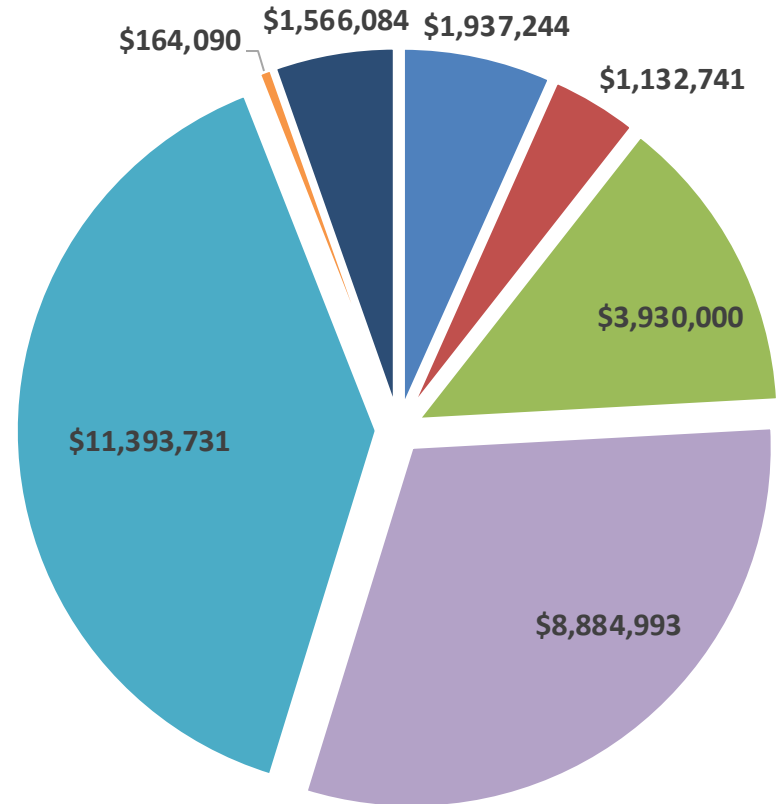
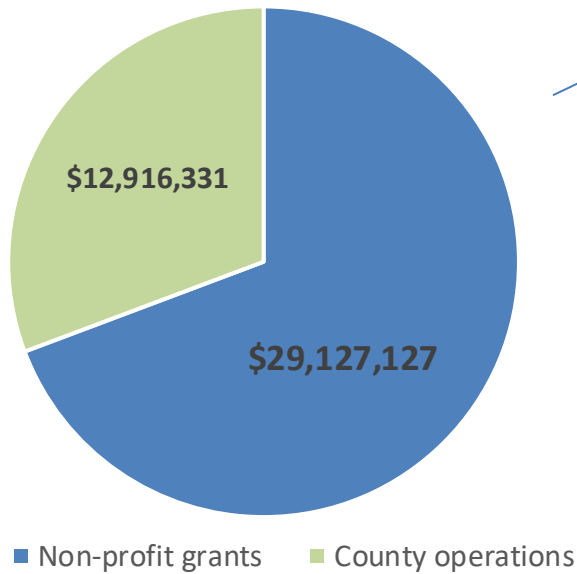
American Rescue Plan Grant Update

August 5, 2024



CABARRUS COUNTY
America Thrives Here

Total ARPA Allocation:
\$42,043,458



- Childcare
- Food Assistance
- Healthcare
- Housing
- Mental Health
- Education
- Non-profit Assistance



Food, Housing, Healthcare Grants

1CAN

Cabarrus Rowan Community Health Center

Operation Homeless

Boy Scouts - Central North Carolina Council

Piedmont Residential Development Center

El Puente Hispano

Elder Orphan Care

Esthers Heart for Transformation

Families First - NC Inc

Sonshine Backpacks

Meals on Wheels

The Bulb Gallery

We Build

Can Family Services

Cooperative Christian Ministries

Assistance Grants

Multi Cultural Community Student Union

Rowan Cabarrus YMCA

The Arc of Union Cabarrus Inc

Cabarrus Arts Council

Cirq U

David Murdock Research Institute

Living Faith Church

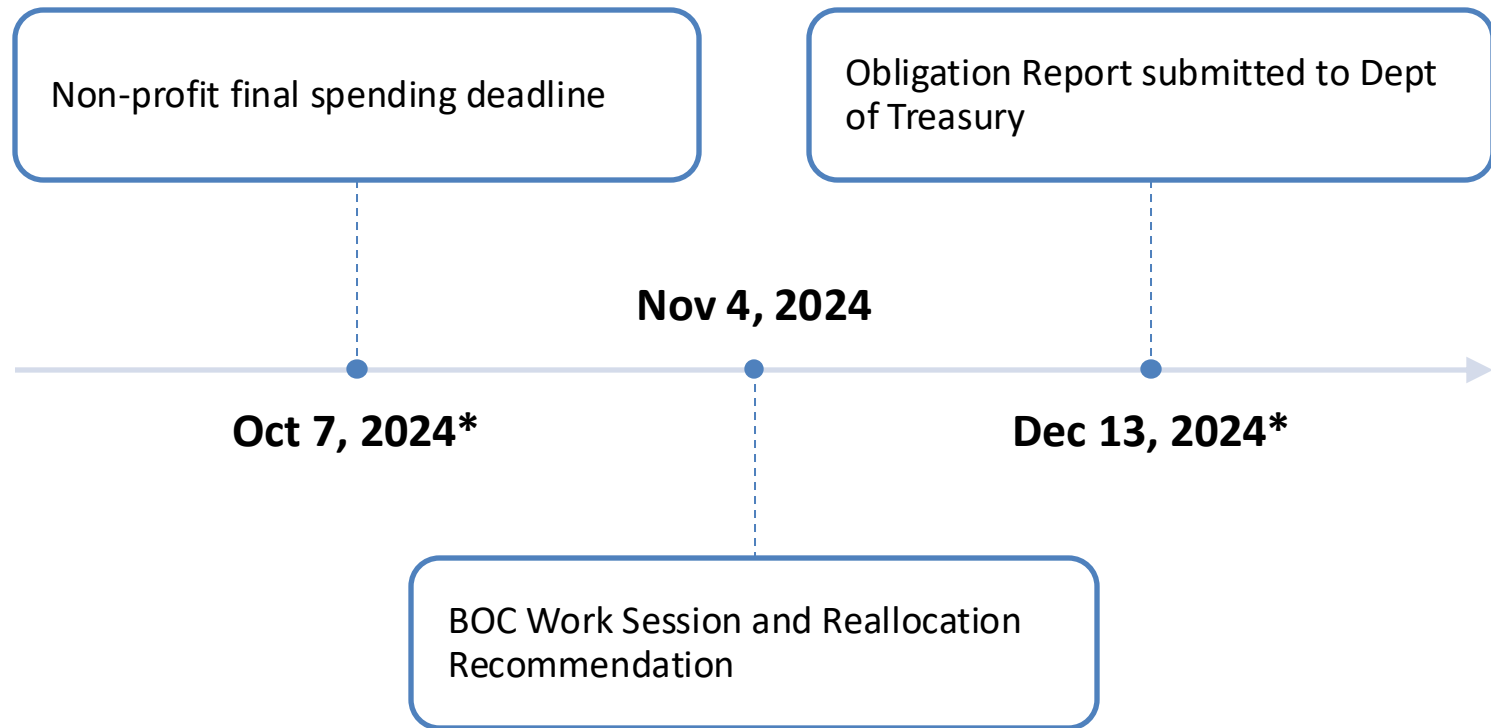
Conflict Resolution

Carolina Bears Youth Organization

Feed the Souls Food Pantry-Bethel Church

\$10,659,295.03
Awarded & Spent

Timeline



Organization	Deadline	% Award Remaining
Amazing Grace Advocacy	Oct 7, 2024	19%
Bethel Enrichment Center	Oct 7, 2024	39%
Boys and Girls Club	Oct 7, 2024	4%
Cabarrus County Education Foundation	Oct 7, 2024	30%
Camino Community Development Corp	Oct 7, 2024	41%
Carolina Farm Stewardship	Oct 7, 2024	4%
Clarkinetics Consulting and Associates LLC	Oct 7, 2024	8%
Coltrane LIFE Center	Oct 7, 2024	4%
Genesis A New Beginning	Oct 7, 2024	43%
Habitat for Humanity	Oct 7, 2024	10%
Hope Chapel	Oct 7, 2024	17%
International Center for Community Development	Oct 7, 2024	40%
Logan Community Daycare	Oct 7, 2024	1%
Midways Opportunity House	Oct 7, 2024	15%
Operation Decisive Victory	Oct 7, 2024	85%
Rise 2 Thrive	Oct 7, 2024	66%
Silver Linings for Seniors	Oct 7, 2024	11%
The Salvation Army	Oct 7, 2024	84%
Vida Counseling	Oct 7, 2024	5%
Kannapolis Head Start	Oct 7, 2024	92%



Organization	Deadline	% Award Remaining
Amazing Grace Advocacy	Oct 7, 2024	19%
Bethel Enrichment Center	Oct 7, 2024	39%
Boys and Girls Club	Oct 7, 2024	4%
Cabarrus County Education Foundation	Oct 7, 2024	30%
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Rise 2 Thrive	Oct 7, 2024	66%
Silver Linings for Seniors	Oct 7, 2024	11%
The Salvation Army	Oct 7, 2024	84%
Vida Counseling	Oct 7, 2024	5%
Kannapolis Head Start	Oct 7, 2024	92%



Organization	Deadline	% Award Remaining	<i>Potential Amount to Reallocate</i>
Bethel Enrichment Center	Oct 7, 2024	39%	\$30,000
Camino Community Development Corp	Oct 7, 2024	41%	\$566,623
Genesis A New Beginning	Oct 7, 2024	43%	\$318,609
International Center for Community Development	Oct 7, 2024	40%	\$51,225
Operation Decisive Victory	Oct 7, 2024	85%	\$68,000
Rise 2 Thrive	Oct 7, 2024	66%	\$496,534
Kannapolis Head Start	Oct 7, 2024	92%	\$60,130
Salvation Army	Oct 7, 2024	84%	\$240,300
			\$1,591,121



1CAN

Boys & Girls Club

Cabarrus County Education Foundation

Cabarrus Rowan Community Health Centers

Cano Family Services

Clarkinetics

Coltrane Life Center

Community Free Clinic

Cooperative Christian Ministries

Elder Orphan Care

Families First in CabCo

Families First NC

Habitat for Humanity

Logan Community CDC

Meals on Wheels

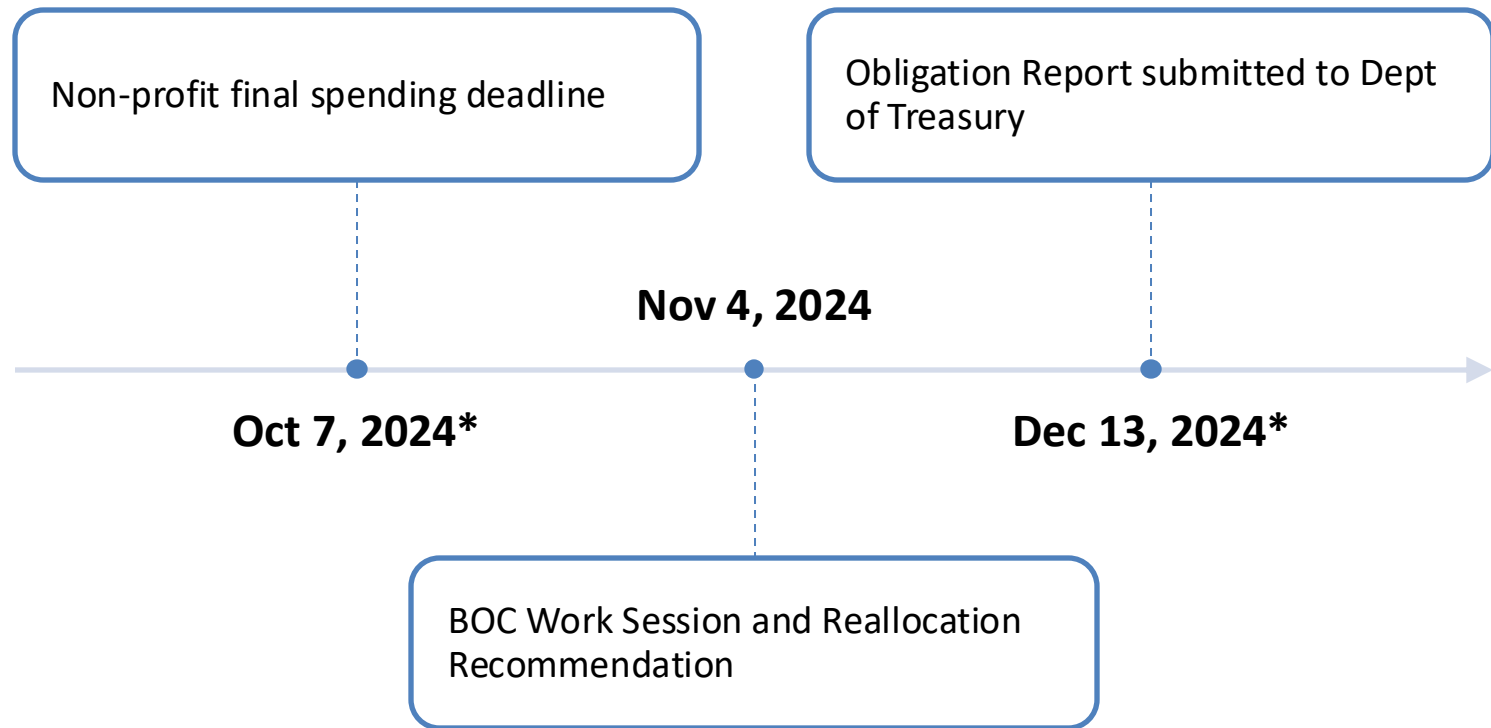
Operation Homeless

WeBuild Concord

Requirements for invitation to apply:

- Great historical track record
- Impactful performance data
- Good communication

Key Takeaways



CABARRUS COUNTY



BOARD OF COMMISSIONERS WORK SESSION

**August 5, 2024
4:00 PM**

AGENDA CATEGORY:

Discussion Items for Action

SUBJECT:

Education - CCS / KCS Maintenance Agreement for Fiscal Year 2024-25

BRIEF SUMMARY:

The annual maintenance agreement between Cabarrus County Schools and Kannapolis City Schools expired in June and has been updated for fiscal year 24-25 school year. The school districts are asking the Board of Commissioners to approve the new agreement.

REQUESTED ACTION:

Motion to approve the Fiscal Year 24-25 maintenance agreement between Cabarrus County School District and Kannapolis City School District and allow the Chairman to sign the agreement on behalf of the Board.

EXPECTED LENGTH OF PRESENTATION:

5 Minutes

SUBMITTED BY:

BUDGET AMENDMENT REQUIRED:

No

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

ATTACHMENTS:

▣ CCS / KCS Maintenance Agreement

STATE OF NORTH CAROLINA
CABARRUS COUNTY
MAINTENANCE AND REPAIR AGREEMENT

This MAINTENANCE AND REPAIR AGREEMENT (the "Agreement") is entered into pursuant to N.C. Gen. Stat. §160A-460 et seq. effective July 1, 2024 by and between the CABARRUS COUNTY BOARD OF EDUCATION (the "Cabarrus Board"), a school administrative unit of the State of North Carolina, the KANNAPOLIS CITY BOARD OF EDUCATION (the "Kannapolis Board"), a school administrative unit of the State of North Carolina (the Kannapolis Board and the Cabarrus Board may be jointly referred to as the "Boards" from time to time); and CABARRUS COUNTY, North Carolina (the "County") (the Boards and the County may be collectively referred to as the "Parties").

In consideration of the mutual promises and covenants contained herein the Parties agree as follows:

1. **Purpose** - The Boards have consolidated their individual maintenance staffs so that maintenance and repair activities with regard to their elementary, middle school and high school facilities, administrative facilities, maintenance, repair and storage facilities, and any other school related facilities, including both buildings and grounds attendant to such facilities (collectively "School Facilities"), as more fully described below, are provided more efficiently and economically. The costs and provision of utilities and janitorial services for any of the Parties are specifically excluded from this Agreement and shall remain the responsibility of each respective Party.

2. **Duration** - This Agreement shall be for a term of five (5) years, commencing July 1, 2024, and terminating June 30, 2029 (the "Term"). This Agreement will continue thereafter for successive one-year terms, unless either party provides notification on or before May 1 that the agreement will be terminated, which termination shall become effective June 30.

3. **Department Responsibilities/School Facilities** - The Facilities and Operations Department of the Cabarrus Board (the "Department") will have responsibility for providing maintenance and repair (as more fully defined below) for all School Facilities. The Department is authorized to enter into maintenance and repair contracts with third parties. The maintenance and repair services provided by the Department shall include, but are not limited to:

(a) **Grounds work and landscaping** - This service shall include but not be limited to, irrigation, mowing (excluded per Kannapolis Board), and trimming of all School Facilities real property. Grounds maintenance shall be performed in a manner as set forth in specifications in existing grounds maintenance contracts.

(b) **Stadiums, playgrounds, athletic and recreational fields** - This service shall include but not be limited to, playground equipment affixed to school grounds and maintenance and repair of tennis courts, basketball courts, tracks, scoreboards, maintaining and repairing athletic equipment used on the grounds (whether permanent or removable), and all buildings, grounds and facilities affiliated with any athletic

program, including without limitation, restrooms, press boxes and bleachers or risers, whether permanent or moveable.

(c) Building Exteriors - This service shall include but not be limited to, painting, siding, roofing, windows, storage facilities, decking, ramps, steps, locks, doors, walls, fences, benches, brickwork, steps, skylights, mullions, louvers, culverts, gutters, sidewalks, parking lots, roads, sandblasting and pressure washing.

(d) Building Interiors - This service shall include but not be limited to, floors, walls, ceilings, ceiling tiles, glass, doors, door stops, door frames, thresholds, risers, steps, wood trim, ceramic tile, gym floors, partitions, cabinets, lockers, tiling, mirrors, windows, screens, carpet, white boards, chalk boards, bulletin boards, railings, bleachers, risers, seats, decks, chairs, casters, any athletic equipment, including without limitation indoor basketball goals, swimming pools, caulking, plaster, blinds, tables, shelves, carts, TV mounts, signs and hinges.

(e) Electrical - This service shall include but not be limited to, (whether indoor or outside), lighting, dishwashers, switches, ovens, stoves, drinking fountains, garbage disposals, heaters, boilers, slicers, fans, ballasts, exhaust fans, receptacles, washers, dryers (clothes or hand), mixers, shop equipment, relays, switches, breakers, ice machines, refrigerators, booster breakers, breakers, power strips and walk-in coolers.

(f) Plumbing - This service shall include but not be limited to, sinks, toilets, urinals, drains, flush valves, drinking fountains, floor drains, cove base, pipes, filters, pumps, waterlines, sewer lines, faucets, showers, tubs, water coolers and water heaters.

(g) HVAC - This service shall include but not be limited to, heating, air-conditioning, humidifiers, air cleaners, filters, thermostats, temperature problems, tanks, ventilators, compressors, boilers, furnaces, duct work, vents, regulators, air handling units, fans, heat pumps, cooling towers, window A/C units and duct collectors.

(h) Safety - This service shall include but not be limited to, alarm systems, monitoring systems, fire doors, fire alarms, panic bars, sprinkler systems, emergency lights, exit signage, fire extinguishers and any devices or equipment installed or used by any Party for purposes of insuring safety and security on School Facilities.

(i) Food Service/Refrigeration - This service shall include but not be limited to, boilers, coolers, ranges, refrigerators, walk-in coolers, cookers, ovens of any sort (including convection and microwave), garbage disposal and compaction, fryers, rotisseries, broilers, slicers, batter mixers, all kitchen appliances of whatever kind or nature, including warmers, chillers, braising pans, stoves and ice machines. The Child Nutrition Department of the County and the City of Kannapolis shall be invoiced separately for all parts (but not labor), repaired or replaced by that Department pertaining to this specific category.

All of the above maintenance and repair services shall hereafter be collectively referred to as the "Services." The Department's responsibility is only to provide Services to the extent that sufficient funding is available.

4. Department Responsibilities:

The maintenance and repairs services provided by the Department shall include, but are not limited to:

- 1) **Athletic Turf Improvement** - This service shall include irrigation repairs/winterization and associated irrigation wells/ holding tanks. This Agreement does not include athletic field work, such as lining, dragging, care of bases, nets and goals, etc.
- 2) **Athletic Facilities** - This service shall include fencing, restrooms/concession buildings, press boxes, bleachers risers, scoreboards, athletic field lights, sidewalks, parking lots/roadway and utilities.
- 3) **Buildings Exteriors** - This service shall include dugouts, concession/restrooms and press box buildings, painting, siding, roofing, leaks, steps, locks, doors, walls, gutters, parking lots, roads and sidewalks, etc.
- 4) **Interior to Buildings** - This service shall include plumbing, HVAC, painting, repairs to ceilings, walls, and floors, electrical (whether indoors or outdoors) and safety equipment.

5. Department Employment/Director of Services - The Department shall be under the control and supervision of the Director. The Director will report directly to the Superintendent (or designee) of the Cabarrus Board ("Cabarrus Superintendent").

6. Annual Maintenance and Repair Plan - The Director is charged with the responsibility of conducting a survey of the School Facilities and shall use this survey in preparing an annual Maintenance and Repair Plan (the "Plan") which covers the School Facilities and all responsibilities set forth herein, as well as the status of completing those responsibilities as of the date of the Plan. The Plan will contain the proposed Services schedule and budget for the upcoming fiscal year and shall prioritize all School Facilities repair projects. The Director will present the Plan to the Superintendents for the Boards (the "Superintendents") as part of the "Budget Approval Process" each year of this Agreement. The Plan must receive approval by the Superintendents. The approved Plan will then be presented as a component of the school budget request to the County Manager and the County Board of Commissioners as part of their "Budget Approval Process" each year. The Boards will include any need for additional staff, equipment, or funding as an annual joint expansion request to the county.

7. Funding - During each year this Agreement is in effect, the Boards will each contribute to the Department funds for the Services (the "Fund"). The Fund will be used exclusively by the Department to provide the Services, including Department payroll. Kannapolis' payment

contribution to the Fund shall include the same per pupil allocated by Cabarrus County for each pupil who resides in Rowan County.

The Fund allocations from each Board of Education will be as described below:

For each fiscal year of this Agreement, the amount allocated to the Fund shall be a minimum of \$13,199,768. Based upon a pro-rata share of 2023-2024 North Carolina ADM student numbers, the Cabarrus County Board of Education shall allocate a minimum of \$11,825,418 to Cabarrus County Schools and a minimum of \$1,260,567 to Cabarrus County Schools for Kannapolis City Schools. The remaining minimum allocation (currently \$113,783) will be paid directly to Kannapolis City Schools to cover mowing contract expenditures. The contributions of each Board may increase in subsequent years, but in no event will it fall below the minimum amount established herein.

Furthermore, the Boards and the County agree that in the event square footage in School buildings increases, the Board and the County will reevaluate the funding needs for the Buildings and Facilities services, taking into consideration such increased square footage, regardless of whether or not ADM numbers increase.

Attached hereto as Schedule 1 is a chart which sets forth total School Facility building space and total School Facility grounds, which shall be amended from time to time to incorporate changes in such figures.

8. **Accounting** - The Cabarrus Board Finance Department will be responsible for establishing two separate internal accounting categories and will keep separate accounting records as to amounts actually spent for the Services provided for each of the Cabarrus Board and the Kannapolis Board with regard to the above. Within thirty (30) days after the end of each quarter, the Cabarrus Board Finance Department will prepare a report showing spending by the Department, which report will be sent to the County Manager and the Superintendents. At the end of each fiscal year, unspent funds in either Board's account, shall be reserved for subsequent years' budgets.

9. **Disputes** - In the event any disputes arise in connection with this Agreement, the Parties shall make an earnest, good faith attempt to resolve their differences prior to implementation of more formal measures for resolving such disputes.

10. **Termination** - This Agreement may be terminated without cause by any Party by providing written notice of termination as of June 30 of any year, provided such written notice is delivered to the remaining Parties at least six (6) months in advance.

11. **Severability** - If any portion of this Agreement is held invalid, illegal or unenforceable, such determination shall not impair the enforceability of the remaining terms and provisions, provided the purposes, intent and objects of this Agreement may be attained and achieved through the enforcement of such remaining terms and provisions.

13. **Governing Law** - This Agreement shall be governed by the laws of the State of North Carolina.

14. **Miscellaneous/Entire Agreement/Paragraph Headings** - This Agreement sets forth the entire understanding among the Parties and supersedes all previous agreements, arrangements and understandings among the Parties pertaining to this subject matter, whether written or oral, and may not be amended except in writing signed by all Parties. This Agreement is intended to be binding on and for the benefit of the Parties only and no term or condition is intended to benefit, nor may any term or condition be enforced by any other person. Paragraph headings are for convenience only and shall not be deemed a controlling part of this Agreement.

15. **Execution** - The signatures of the Chairs of the Kannapolis Board, the Cabarrus Board and the Cabarrus County Board of Commissioners constitutes approval of each Party. Resolutions of each Party ratifying this Agreement are attached to this Agreement.

WITNESS our hands and seals all as of the date set forth below.

CABARRUS COUNTY BOARD OF EDUCATION

Denise Adcock 6/24/24

Denise Adcock, Chair

Date

Attest:

John J. Kopicki 6/24/24

Dr. John Kopicki, Superintendent

KANNAPOLIS CITY SCHOOLS BOARD OF EDUCATION

Todd Adams 6/27/24

Todd Adams, Chair

Date

Attest:

Kevin Garay 6/27/24

Kevin Garay, Superintendent

CABARRUS COUNTY

**Stephen M. Morris, Chair
Cabarrus County
Board of Commissioners**

Date

Attest:

Lauren Linker, Clerk to the Board

County Seal:

CCS	FACILITY	OLDEST SECTION	ACREAGE	SQUARE FOOTAGE
	AT ALLEN ELEM (NEW)	2010	28	111,750
	BETHEL ELEM SCHOOL (NEW)	2004	36	110,000
	BEVERLY HILLS ELEM*	1953	12	49,600
	BUS MAINTENANCE FACILTY	2009	24.3	60,255
	C E BOGAR ELEM	2007	26	111,570
	CC GRIFFIN MIDDLE	2002	52	163,000
	CARL A FURR ELEM	2007	16.3	111,750
	CCS EDUCATION FACILITY CENTER	2004	28.7	60,000
	CENTRAL CABARRUS HIGH	1965	102	147,632
	COLTRANE WEBB ELEM*	1937	10	58,200
	CONCORD HIGH	1967	63.2	173,961
	CONCORD MIDDLE**	1999	65.9	169,185
	COX MILL ELEM	2002	62.4	110,000
	COX MILL HIGH	2009	63.2	232,459
	EARLY COLLEGE HIGH	2009	0.5	2,304
	EARLY COLLEGE OF TECHNOLOGY	2016	1	17,824
	GLENN CENTER	1923	17	99,000
	HAROLD E WINKLER MIDDLE	2011	45	188,000
	HARRIS ROAD MIDDLE	2002	69	163,000
	HARRISBURG ELEM	2000	39.2	113,488
	HICKORY RIDGE HIGH***	2007	106	224,000
	HICKORY RIDGE MIDDLE***	2010	64.9	173,000
	J N FRIES MIDDLE	1989	55	139,500
	JAY M ROBINSON HIGH	2001	76	256,060
	MARY FRANCES WALL CTR	1936	10	57,568
	MT PLEASANT ELEM	1972	32	73,800
	MT PLEASANT HIGH	1989	102	177,000
	MT PLEASANT MIDDLE	2017	27	155,540
	NORTHWEST CABARRUS HIGH	1966	87	180,896
	NORTHWEST CABARRUS MIDDLE	1979	87	118,800
	PATRIOTS ELEM	2010	24.4	111,750
	PERFORMANCE LEARNING CTR	2018	15	14,000
	PITTS SCHOOL ROAD ELEM	2005	22	110,000
	R BROWN MCALLISTER (OLD)	1956	34	36,100
	R BROWN MCALLISTER (NEW)	2024		
	ROCKY RIVER ELEM	1997	37	113,488
	ROYAL OAKS ELEM	2018	20.4	109,403
	WM IRVIN ELEM**	1999	103	113,488
	W R ODELL ELEM	2007	26	96,117
	WR ODELL PRIMARY	2016	18	113,768
	WEDDINGTON HILLS ELEM	1996	62	111,404
	WINECOFF ELEM	1999	20	113,488
	WOLF MEADOW ELEM	1974	51.3	73,800
	TOTAL		1841.7	4,925,948

* CLOSING

** WMIE/CM ON SAME PROPERTY

*** MIDDLE/HIGH ON SAME PROPERTY

Schedule 1

KCS	FACILITY	OLDEST SECTION	ACREAGE	SQUARE FOOTAGE
	AL BROWN HIGH	1950	29	342,009
	WONDER CAREER CENTER*	1948		21,882
	FOREST PARK ELEM	1998	25	83,023
	FRED L WILSON	1966	21	61,314
	JACKSON PARK ELEM	1991	7	77,525
	GW CARVER ELEMENTARY	1981	28	153,162
	KANNAPOLIS MIDDLE	2005	59	301,111
	KCS ADMIN**	1968		12,248
	MCKNIGHT HEAD START***	1948	9	23,386
	SHADY BROOK ELEM	2006	9	59,964
	WOODROW WILSON ELEM***	1966	6	64,683
	TOTAL		193	1,200,307

* EXPED/KI ON SAME PROPERTY
 ** ADMIN/ALBH ON SAME PROPERTY
 *** ROWAN COUNTY

CABARRUS COUNTY



BOARD OF COMMISSIONERS WORK SESSION

**August 5, 2024
4:00 PM**

AGENDA CATEGORY:

Discussion Items for Action

SUBJECT:

Active Living and Parks - Healthy Aging NC Grant

BRIEF SUMMARY:

Healthy Aging NC is funded in part by a 5-year Centers for Disease Control and Prevention Grant (2023 - 2028). The purpose of this project is to improve quality of life for individuals across North Carolina. Active Living and Parks has been awarded \$5,000 that will be utilized to provide free exercise programs for Cabarrus County participants. The programs will include Walk With Ease, Tai Chi for Arthritis, and Living Healthy with Chronic Pain.

REQUESTED ACTION:

Motion to accept the grant award and adopt associated budget amendment.

EXPECTED LENGTH OF PRESENTATION:

5 Minutes

SUBMITTED BY:

Ian Sweeney, Active Living and Parks Project & Events Manager

BUDGET AMENDMENT REQUIRED:

Yes

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

ATTACHMENTS:

▢ Budget Amendment

Budget Revision/Amendment Request

Date: 8/19/2024

Amount: 5,000.00

Dept. Head: Londa Strong

Department: Active Living & Parks

☐ Internal Transfer Within Department ☐ Transfer Between Departments/Funds ☒ Supplemental Request

Healthy Aging NC Grant of \$5,000 that requires no county match. Funds will cover the costs associated with instructor training, hours, and program supplies providing Arthritis Appropriate Exercise Based Interventions to Active Living and Parks Participants.

Fund	Indicator	Department/ Object/ Project	Account Name	Approved Budget	Increase Amount	Decrease Amount	Revised Budget
001	9	00198110-9114-WellC	Contracted Employees	77,000.00	5,000.00		82,000.00
001	6	00168145-6387-WellC	Healthy Aging Grant	-	5,000.00		5,000.00
				77,000.00	10,000.00	-	87,000.00

Budget Officer

☐ Approved
☐ Denied

Signature

Date

County Manager

☐ Approved
☐ Denied

Signature

Date

Board of Commissioners

☐ Approved
☐ Denied

Signature

Date

CABARRUS COUNTY



BOARD OF COMMISSIONERS WORK SESSION

**August 5, 2024
4:00 PM**

AGENDA CATEGORY:

Discussion Items for Action

SUBJECT:

Construction Standards - Approval of Funds for Demolition of Property

BRIEF SUMMARY:

Allocate funds for awarded bidder to demolish and clean up all debris and material at 4509 Manteo Drive per Cabarrus County Ordinance No. 2024-01,

REQUESTED ACTION:

Recommended Motion for Regular Meeting:

Motion to approve the necessary budget amendment.

EXPECTED LENGTH OF PRESENTATION:

5 Minutes

SUBMITTED BY:

Matt Love, Construction Standards Director

BUDGET AMENDMENT REQUIRED:

Yes

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

ATTACHMENTS:

- ▢ Ordianace
- ▢ Memorandum
- ▢ Spreadsheet and Pictures
- ▢ Rose Moss
- ▢ Kenneth Isenhour
- ▢ Tamara Caster
- ▢ Donald Fink, Jr.
- ▢ Certified Mailings



WHEREAS, Section 153A-140 of the General Statutes of North Carolina authorizes counties to adopt ordinances to remove, abate, or remedy everything that is dangerous or prejudicial to the public health or safety.

WHEREAS, the purpose of this ordinance is to implement standards for what is considered a public health nuisance; to inspect such public health nuisances; and to mitigate the risk of injury, death or damage to the general public.

WHEREAS, the intent of this ordinance is to remove, abate, or remedy every condition that is dangerous or prejudicial to the public while promoting the health, safety, and welfare of the citizens of Cabarrus County.

NOW, THEREFORE BE IT ORDAINED that Chapter 14 of the code of Ordinances, Cabarrus County, North Carolina, is hereby amended to read as follows:

ARTICLE IV. – PUBLIC HEALTH NUISANCES¹

Sec. 14-104. – Authority.

This is adopted pursuant to the authority set forth in N.C. Gen. Stat. §§ 153A-121(a) and 153A-140.

Sec. 14-105. – Application.

(a) *Jurisdiction*: This article shall be effective:

- (1) Everywhere throughout the County outside corporate municipalities except for any areas that lie within the extraterritorial planning areas now or hereafter established for any such municipality; and
- (2) Everywhere within the corporate limits or extraterritorial planning areas of any municipality that has adopted a resolution authorizing the Ordinance to be applicable within such areas.

Bona fide farms exempt: this article may not affect property used for bona fide farm purposes as defined by the North Carolina General Statute sec. 160D-903, as modified from time-to-time; provided, however, that this section does not limit regulation with respect to the conditions on farm property used for nonfarm purposes; or those regulations otherwise applicable by law.

¹ State Law reference – Authority to adopt ordinances defining nuisances, G.S. 153A-121.

Sec. 14-106. - Nuisances Defined.

- (a) *Public health nuisances* are defined as any action or condition that is dangerous or prejudicial to public health, welfare, or safety.
- (b) An *attractive nuisance* is a dangerous condition or situation on a property that may attract children and pose a risk to their safety. (Examples: swimming pools, trampolines, construction equipment, abandoned housing, facilities, and old appliances).
- (c) The following conditions on any lot or parcel of land shall be deemed to be dangerous, noxious, detrimental, and prejudicial to the public health and general welfare and/or shall constitute a public health nuisance under this article:

- (1) **Abandoned Manufactured Home:** A Manufactured home that has not been used as a dwelling for at least 180 days and is in a wrecked, scrapped, disassembled, unusable, cannibalized, burnt, or inoperable state, or in need of extensive repair so as to be uninhabitable.
- (2) **Abandoned Real Property or Housing:** Any structure, building, or condition that may invite occupancy, may cause entrapment, or that has been condemned by the county chief building inspector as unfit for human habitation, and/or is not capable of being repaired, altered, or improved in accordance with the State Building Code or as otherwise provided by law. Such conditions include but are not limited to attractive nuisances; dangerous buildings or structures; construction debris; temporary housing; uncovered structures; or portions of a building, dwelling, or structure remaining on a lot or parcel of land after damage by fire, wind, erosion or any combination thereof.

Any temporary housing, dwelling, structure, building, or parts thereof which presents a danger of falling, turning over, or collapsing, or which cannot be improved, repaired, or altered or is not capable of being repaired, altered, or improved in accordance with the State Building Code or as otherwise provided by law.

- (3) **Abandoned or incomplete construction sites** for which no valid building permit exists or for which building permits have expired, or accumulations of unusable building materials including concrete, steel, masonry, wood, glass, wiring, plumbing supplies and other similar building materials.
- (4) **Abandoned vehicles:** Any motor vehicle, recreational vehicle, or house trailer, as defined by Article 1, of Chapter 20 of the North Carolina General Statutes, and amended from time to time, that can invite occupancy or is currently occupied, and which does not display a current license tag and registration; or is partially dismantled or wrecked; or cannot be self-propelled or moved in a manner in which it originally was intended to move.
- (5) **Abandoned equipment:** Any piece of equipment not currently awaiting repairs, or is partially dismantled or wrecked, or cannot function or operate in a manner in which it was originally manufactured or intended.

Sec. 14-107. – Notice to Owner and Removal of Nuisance.

- (a) The County chief building inspector, or their designee, is delegated the authority to investigate alleged public health nuisances and to declare whether or not a public health nuisance exists.
- (b) The chief building inspector shall notify the occupant and owner for each identified condition set forth herein, in writing, and such notice shall be sent to the person in the form of certified mail. In the event an inspector determines that a nuisance is an immediate detriment to human safety or welfare, the inspector may take appropriate action to abate the nuisance without notice.

Owner means any person who alone, jointly, or severally with others:


- (1) Shall have title to any dwelling, dwelling unit or rooming unit, or vehicle, with or without accompanying actual possession thereof;
 - (2) Shall be a mortgagee of record for any dwelling, dwelling unit or rooming unit; or
 - (3) Shall have charge, care or control of any dwelling, dwelling unit or rooming unit, or vehicle, as owner or agent of the actual owner, or as executor, executrix, administrator, administratrix, trustee or guardian of the estate of the actual owner. Any such person thus representing the actual owner shall be bound to comply with the provisions of this article, and of rules and regulations adopted pursuant thereto, to the same extent as if he were the owner.
- (c) Unknown or absent property Owner. In the event the Owner of the property is unknown or absent and has no known representative upon whom the notice can be served, the chief building inspector, or designee, shall post a written or printed notice on the property stating that, unless the nuisance is abated or removed within 60 days, the County will have the public health nuisance abated or removed at the expense of the owner under the provisions of this Chapter, or other applicable state or local law. The person providing the notice shall certify that the notice was provided, and the certificate shall be deemed conclusive in the absence of fraud.
 - (d) Removal of Nuisance.
 - (1) The owner, or responsible party – as set forth above – shall be given 60 days from receipt of the written notice of violation to dispose of the nuisance or nuisance conditions in a legal manner.
 - (2) If, upon the expiration of the 60 day period set forth above, the owner, or responsible party, fails to comply with the notice of violation, the County shall take any action it deems reasonably necessary to dispose of the nuisance, including entering the property where the nuisance is located and arranging to have the nuisance abated or disposed of, in a manner consistent with applicable law.
 - (3) A statement of the cost of removing, abating or remedying the nuisance shall be mailed to the Owner or shall be personally served on the Owner. These costs shall be paid within 30 days of receipt of the statement. If not paid, the amount of the

cost of abatement or removal or demolition shall be a lien against the real property upon which the cost was incurred, which lien shall be filed, have the same priority, and shall be collected as unpaid taxes.

Sec. 14-108. – Appeals.

- (a) Within the 60-day period set forth in section (d) above, the owner of the property where the nuisance exists may appeal the findings of the chief building inspector to the Board of Commissioners by giving written notice of appeal to the chief building inspector. An appeal stays all proceedings and additional accrual of applicable fines in furtherance of the decision or determination appealed from until final determination by the Board of Commissioners. In the event no appeal is taken, the chief building inspector may proceed to abate the nuisance.
- (b) The Board of Commissioners, in the event an appeal is taken, as provided in subsection (a) above, may, after hearing all interested persons and reviewing the findings of the chief building inspector, reverse the finding of a public nuisance, but if the Board of Commissioners shall determine that the findings of the chief building inspector are correct and proper, it shall declare the condition existing on the property to be dangerous or prejudicial to public health, welfare, or safety and a public health nuisance, and direct the chief building inspector to cause the conditions to be abated.
- (c) The decision of the Board of Commissioners shall be subject to review at the instance of any aggrieved party to Superior Court for Cabarrus County. Such appeal must be in writing and filed within thirty (30) days of the filing of the decision. The notice of appeal must clearly state the basis for the appeal and be served in accordance with the North Carolina Rules of Civil Procedure

Adopted this 16th day of January, 2024


Stephen M. Morris, Chairman
Cabarrus County Board of Commissioners

Attest:


Clerk to the Board





Cabarrus County Government

Construction Standards

MEMORANDUM

To: Cabarrus County Board of Commissioners

From: Matt Love, Construction Standards Director

C.C: Kelly Sifford, Assistant County Manager

Mike Downs, County Manager

Date: 7/26/2024

Subject: Approval of Funds for Demolition of Property at 4509 Manteo Drive

On January 16, 2024, Cabarrus County adopted Ordinance No. 2024-01 due to having received complaints regarding Unsafe Structure, Public health nuisances and attractive nuisances that otherwise would not be able to be enforced using the Minimum Housing Code or the NC Building Codes.

Construction Standards has received complaints from neighboring property owners at 4509 Manteo Drive regarding someone living onsite. After investigation, it was discovered that there is an abandoned manufactured home that has had been damaged by fire and exposed to weather which is considered an attractive nuisance as well as public health nuisance. Also discovered on the property is an RV that is currently being occupied by an individual that is not the property owner. There is no permanent source of power, heating, or water, which is a violation of Cabarrus County Minimum Housing Code. Several man-made structures by building material and scrap are constructed on-site that is a Public Health Nuisance and an attractive nuisance.

Attached is the onsite inspection history from our department. On March 6, 2024, a Notice of Violation was sent to the property owners for the listed address. All the violations were listed in notice and an order was given to remove, abate, repair, or otherwise dispose of the nuisance; also, the owners were given the option to appeal to Chief Building Code Official within 60 days. On March 8, 2024, Construction Standards along with Sheriff's Department and Cabarrus County Zoning posted the property and met with the occupant, the occupant was informed that the Notice of Violations were sent out and that Cabarrus County will be moving forward with enforcement. No appeals were requested by property owners and on July 9, 2024, Construction



Cabarrus County Government

Construction Standards

Standards met with Contractors on-site to obtain quotes to have structures removed and property cleaned up.

Construction Standards is recommending an approval of funds for the Demolition and removal of property and debris at 4509 Manteo Drive. Our lowest bid was in the amount of \$10,800.00 awarded to Cook's Construction.

Attached with this memo is inspection history and photos, copy of ordinance as well as Notice of Violations to Property Owners. Please let me know if there are any questions.

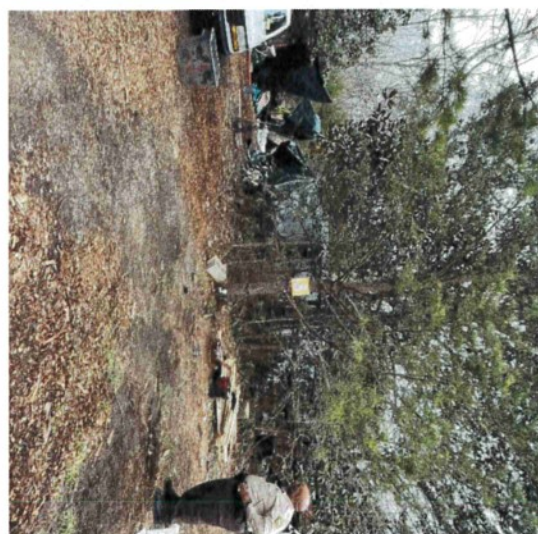
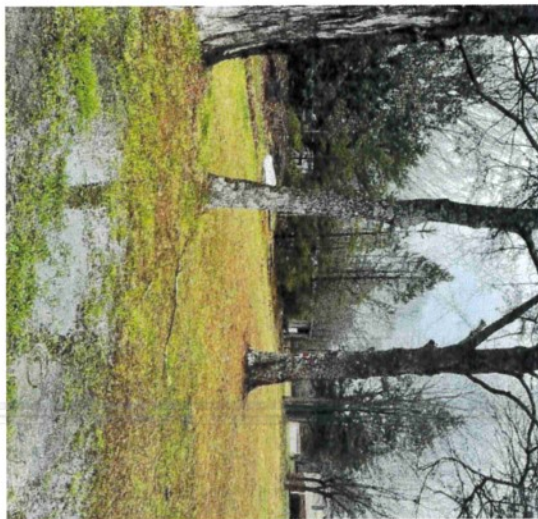
Thanks,

Matt Love, Construction Standards Director

Chief Building Official

Insp Type	Status	Sch Date	Inspector	Insp Date	Result Comment
Complaint Inspection	Investigation In Progress	7/9/2024	Robbie Foxx	7/9/2024	Onsite with Matt Love, Met Furr Grading and Peterson Grading to get bids for property cleanup. Bids will be received by mid next week. Mr. Bradford, Occupant, was onsite. Told him about the ongoing process of cleanup and told him approximate time frame that the board would make a decision. Suggested he make arrangements to remove his personal belongings. He said that he plans to move his travel trailer and other items to another property. Also met neighbor and gave him an update.
Complaint Inspection	Investigation In Progress	3/8/2024	Robbie Foxx	3/8/2024	Onsite with Cabarrus Sheriff's Deputy and Wayne Krimminger. Posted property with official building NOV, see attached pics. Spoke with property Occupant, Mr. Bradford. Told him about the process and that we posted the property to ensure proper notice has been served as required by statute for Code Violations. He said he was in the process of clearing the property. Wayne Krimminger told Mr. Bradford that he planned to visit the site weekly to monitor progress. I told Mr. Bradford that since official enforcement procedures had been started, formal corrective action procedures would have to be followed through. I gave Mr. Bradford
Complaint Inspection	Investigation In Progress	3/6/2024	Robbie Foxx	3/6/2024	Onsite to get status of situation. Took pictures. See attached.
Complaint Inspection	Investigation In Progress	3/14/2023	Gary Martin	3/13/2023	Josh and I checked out this site for possible illegal connection of power and any other building violations. This appears to be a camp using tarps for a tent like enclosure. An old storage structure was locked, and a lot of equipment and debris was scattered around. We saw evidence of use, but no beds were seen and no illegal electrical hook up. There was trash and beer cans scattered around also. Josh took pictures and video which he attached.
Complaint Inspection	Resolved	2/15/2023	Gary Martin	2/15/2023	Brett Hicks called me back and said he would check out this address.
Complaint Inspection	No Violation Found	1/31/2023	Gary Martin	1/31/2023	I observed a tent like structure, a vehicle and a small cargo trailer on property. It appears someone is living in a structure built with tarps. He has informed deputies that went to check on him that he has permission from owners to be there. There is also a mobile home on the property that is almost completely collapsed. There is no building code violation at this time.

3-6-24 4509 Manteo Drive







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 - (2) Shall be a mortgagee of record for any dwelling, dwelling unit or rooming unit; or
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- (c) Unknown or absent property Owner. In the event the Owner of the property is unknown or absent and has no known representative upon whom the notice can be served, the chief building inspector, or designee, shall post a written or printed notice on the property stating that, unless the nuisance is abated or removed within 60 days, the County will have the public health nuisance abated or removed at the expense of the owner under the provisions of this Chapter, or other applicable state or local law. The person providing the notice shall certify that the notice was provided, and the certificate shall be deemed conclusive in the absence of fraud.
- (d) Removal of Nuisance.

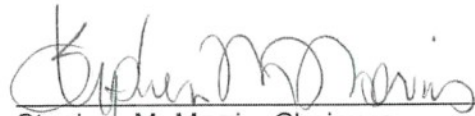
- (1) The owner, or responsible party – as set forth above – shall be given 60 days from receipt of the written notice of violation to dispose of the nuisance or nuisance conditions in a legal manner.
- (2) If, upon the expiration of the 60 day period set forth above, the owner, or responsible party, fails to comply with the notice of violation, the County shall take any action it deems reasonably necessary to dispose of the nuisance, including entering the property where the nuisance is located and arranging to have the nuisance abated or disposed of, in a manner consistent with applicable law.
- (3) A statement of the cost of removing, abating or remedying the nuisance shall be mailed to the Owner or shall be personally served on the Owner. These costs shall be paid within 30 days of receipt of the statement. If not paid, the amount of the

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- (b) The Board of Commissioners, in the event an appeal is taken, as provided in subsection (a) above, may, after hearing all interested persons and reviewing the findings of the chief building inspector, reverse the finding of a public nuisance, but if the Board of Commissioners shall determine that the findings of the chief building inspector are correct and proper, it shall declare the condition existing on the property to be dangerous or prejudicial to public health, welfare, or safety and a public health nuisance, and direct the chief building inspector to cause the conditions to be abated.
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Adopted this 16th day of January, 2024



Stephen M. Morris, Chairman
Cabarrus County Board of Commissioners

Attest:



Clerk to the Board





Cabarrus County Government
Construction Standards

03/06/2024

File # BUC2023-00006
ELC2023-00003

Rose Moss
222 Green Drive SW
Concord, NC 28027

Inspection Date: 03/06/2024

NOTICE OF VIOLATION – PUBLIC HEALTH NUISANCE

RE: 4509 MANTEO DR CONCORD NC 28025

Parcel(s): 55480713950000

Nature of Violation: Abandoned Manufactured Home

Dear Rose Moss,

An on-site inspection of your property has found you to be in violation of Sec. 14-106 of the Cabarrus County Code because of the presence of the following conditions:

- (1) Abandoned Manufactured Home: A Manufactured home that has not been used as a dwelling for at least 180 days and is in a wrecked, scrapped, disassembled, unusable, cannibalized, burnt, or inoperable state, or in need of extensive repair so as to be uninhabitable.
- (2) Abandoned Real Property or Housing: Any structure, building, or condition that may invite occupancy, may cause entrapment, or that has been condemned by the county chief building inspector as unfit for human habitation, and/or is not capable of being repaired, altered, or improved in accordance with the State Building Code or as otherwise provided by law. Such conditions include but are not limited to attractive nuisances; dangerous buildings or structures; construction debris; temporary housing; uncovered structures; or portions of a building, dwelling, or structure remaining on a lot or parcel of land after damage by fire, wind, erosion or any combination thereof.

This notice is to serve as a declaration of the existence of a public health nuisance.

In order to correct this violation, you must:

Remove, abate, repair, or otherwise dispose of the nuisance and/or the following conditions:

- The abandoned manufactured home; and
- Any temporary dwellings, structures, tents, or buildings.

YOU HAVE 60 DAYS FROM THE RECIPT OF THIS LETTER TO COMPLY WITH THE ORDINANCE

Pursuant to Cabarrus County Code Sec. 14-108, you may appeal this decision to the Chief Building Inspector within **sixty (60) days**. This Department reserves the right to exercise the following remedies per Section 14-107 of the Cabarrus County Code and N.C.G.S. § 153A-121(a) and § 153A-140.

65 Church Street SE (28025) • P.O. Box 707 Concord, NC 28026-0707

Phone: 704.920.2128 • Fax: 704.920.2144

Website: www.cabarruscounty.us



Cabarrus County Government
Construction Standards

- Order the removal or abatement the nuisance;
- Bill you for the cost of removal by providing a statement of cost for removal; and
- File a notice of *lis pendens* on the property for the cost of such removal.

In order to avoid these remedies please correct this matter within the aforementioned time frame.

If you feel this Notice of Violation has been issued in error, please call my office at 704-920-2128 during regular business hours to discuss your case or you may email me at RDFoxx@cabarruscounty.us.

Thank you in advance for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "Robbie Foxx", is written over a horizontal line.

Robbie Foxx
Deputy Chief Codes Enforcement Officer
Cabarrus County Construction Standards Department



Cabarrus County Government
Construction Standards

03/06/2024

File # BUC2023-00006
ELC2023-00003

Kenneth Isenhour
4509 Manteo Drive
Concord, NC 28025

Inspection Date: 03/06/2024

NOTICE OF VIOLATION – PUBLIC HEALTH NUISANCE

RE: 4509 MANTEO DR CONCORD NC 28025
Parcel(s): 55480713950000
Nature of Violation: Abandoned Manufactured Home

Dear Kenneth Isenhour

An on-site inspection of your property has found you to be in violation of Sec. 14-106 of the Cabarrus County Code because of the presence of the following conditions:

- (1) Abandoned Manufactured Home: A Manufactured home that has not been used as a dwelling for at least 180 days and is in a wrecked, scrapped, disassembled, unusable, cannibalized, burnt, or inoperable state, or in need of extensive repair so as to be uninhabitable.
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Phone: 704.920.2128 • Fax: 704.920.2144
Website: www.cabarruscounty.us



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Robbie Foxx
Deputy Chief Codes Enforcement Officer
Cabarrus County Construction Standards Department



Cabarrus County Government
Construction Standards

03/06/2024

File # BUC2023-00006
ELC2023-00003

Tamara Michelle Caster
4509 Manteo Drive
Concord, NC 28025

Inspection Date: 03/13/2023

NOTICE OF VIOLATION – PUBLIC HEALTH NUISANCE

RE: 4509 MANTEO DR CONCORD NC 28025

Parcel(s): 55480713950000

Nature of Violation: Abandoned Manufactured Home

Dear Tamara Michelle Caster,

An on-site inspection of your property has found you to be in violation of Sec. 14-106 of the Cabarrus County Code because of the presence of the following conditions:

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- The abandoned manufactured home; and
- Any temporary dwellings, structures, tents, or buildings.

YOU HAVE 60 DAYS FROM THE RECIPT OF THIS LETTER TO COMPLY WITH THE ORDINANCE

Pursuant to Cabarrus County Code Sec. 14-108, you may appeal this decision to the Chief Building Inspector within **sixty (60) days**. This Department reserves the right to exercise the following remedies per Section 14-107 of the Cabarrus County Code and N.C.G.S. § 153A-121(a) and § 153A-140.

65 Church Street SE (28025) • P.O. Box 707 Concord, NC 28026-0707
Phone: 704.920.2128 • Fax: 704.920.2144
Website: www.cabarruscounty.us



Cabarrus County Government
Construction Standards

- Order the removal or abatement the nuisance;
- Bill you for the cost of removal by providing a statement of cost for removal; and
- File a notice of *lis pendens* on the property for the cost of such removal.

In order to avoid these remedies please correct this matter within the aforementioned time frame.

If you feel this Notice of Violation has been issued in error, please call my office at 704-920-2128 during regular business hours to discuss your case or you may email me at RDFoxx@cabarruscounty.us.

Thank you in advance for your cooperation.

Sincerely,

Robbie Foxx

Deputy Chief Codes Enforcement Officer
Cabarrus County Construction Standards Department



Cabarrus County Government
Construction Standards

03/06/2024

File # BUC2023-00006
ELC2023-00003

Donald Fink, Jr.
4555 Manteo Drive
Concord, NC 28025

Inspection Date: 03/06/2024

NOTICE OF VIOLATION – PUBLIC HEALTH NUISANCE

RE: 4509 MANTEO DR CONCORD NC 28025

Parcel(s): 55480713950000

Nature of Violation: Abandoned Manufactured Home

Dear Donald Fink, Jr.,

An on-site inspection of your property has found you to be in violation of Sec. 14-106 of the Cabarrus County Code because of the presence of the following conditions:

- (1) Abandoned Manufactured Home: A Manufactured home that has not been used as a dwelling for at least 180 days and is in a wrecked, scrapped, disassembled, unusable, cannibalized, burnt, or inoperable state, or in need of extensive repair so as to be uninhabitable.
- (2) Abandoned Real Property or Housing: Any structure, building, or condition that may invite occupancy, may cause entrapment, or that has been condemned by the county chief building inspector as unfit for human habitation, and/or is not capable of being repaired, altered, or improved in accordance with the State Building Code or as otherwise provided by law. Such conditions include but are not limited to attractive nuisances; dangerous buildings or structures; construction debris; temporary housing; uncovered structures; or portions of a building, dwelling, or structure remaining on a lot or parcel of land after damage by fire, wind, erosion or any combination thereof.

This notice is to serve as a declaration of the existence of a public health nuisance.

In order to correct this violation, you must:

Remove, abate, repair, or otherwise dispose of the nuisance and/or the following conditions:

- The abandoned manufactured home; and
- Any temporary dwellings, structures, tents, or buildings.

YOU HAVE 60 DAYS FROM THE RECIPT OF THIS LETTER TO COMPLY WITH THE ORDINANCE

Pursuant to Cabarrus County Code Sec. 14-108, you may appeal this decision to the Chief Building Inspector within **sixty (60) days**. This Department reserves the right to exercise the following remedies per Section 14-107 of the Cabarrus County Code and N.C.G.S. § 153A-121(a) and § 153A-140.

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Construction Standards

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Thank you in advance for your cooperation.

Sincerely,

Robbie Foxx

Deputy Chief Codes Enforcement Officer
Cabarrus County Construction Standards Department

7017 1000 0000 8456 0397
7017 1000 0000 8456 0380
7017 1000 0000 8456 0372

CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®

Concord, NC 28025

OFFICIAL USE

Certified Mail Fee \$4.40 \$3.65 0954 10

Extra Services & Fees (check box, add fee as appropriate)

<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$0.68

Total Postage and Fees \$8.73

Postmark Here 03/07/2024

Sent To
Donald Fink, Jr.
Street and Apt. No., or PO Box No.
4555 Manteo Drive
City, State, ZIP+4®
Concord, NC 28025

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
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Concord, NC 28025

OFFICIAL USE

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<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$0.68

Total Postage and Fees \$8.73

Postmark Here 03/07/2024

Sent To
Tamara Michelle Caster
Street and Apt. No., or PO Box No.
4509 Manteo Drive
City, State, ZIP+4®
Concord, NC 28025

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

U.S. Postal Service™
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<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$0.68

Total Postage and Fees \$8.73

Postmark Here 03/07/2024

Sent To
Kenneth Isenhour
Street and Apt. No., or PO Box No.
4509 Manteo Drive
City, State, ZIP+4®
Concord, NC 28025

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

U.S. Postal Service™
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4509 Manteo Drive
City, State, ZIP+4®
Concord, NC 28025

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions



CONCORD 66 MCCACHERN BLVD SE CONCORD, NC 28025-9998 (800)275-8777			
03/07/2024	03:12 PM		
Product	Qty	Unit Price	Price
First-Class Mail® Letter	1		\$0.68
Concord, NC 28025 Weight: 0 lb 0.60 oz Estimated Delivery Date Sat 03/09/2024			
Certified Mail®			\$4.40
Tracking #:	7017100000084560397		
Return Receipt			\$3.65
Tracking #:	9590 9402 8205 3030 6443 64		
Total			\$8.73
First-Class Mail® Letter	1		\$0.68
Concord, NC 28025 Weight: 0 lb 0.60 oz Estimated Delivery Date Sat 03/09/2024			
Certified Mail®			\$4.40
Tracking #:	7017100000084560380		
Return Receipt			\$3.65
Tracking #:	9590 9402 7428 2055 7813 08		
Total			\$8.73
First-Class Mail® Letter	1		\$0.68
Concord, NC 28025 Weight: 0 lb 0.60 oz Estimated Delivery Date Sat 03/09/2024			
Certified Mail®			\$4.40
Tracking #:	9589 0710 5270 0651 2191 00		
Return Receipt			\$3.65
Tracking #:	9590 9402 8205 3030 6443 88		
Total			\$8.73
First-Class Mail® Letter	1		\$0.68
Concord, NC 28027 Weight: 0 lb 0.60 oz Estimated Delivery Date Sat 03/09/2024			
Certified Mail®			\$4.40
Tracking #:	7017100000084560373		
Return Receipt			\$3.65
Tracking #:	9590 9402 7428 2055 7813 15		
Total			\$8.73
Grand Total:			\$34.92
Credit Card Remit			\$34.92
Card Name: VISA Account #: XXXXXXXXXX1268 Approval #: 008427 Transaction #: 944 AID: A0000000031010 Contactless AL: VISA CREDIT			

9589 0710 5270 0651 2191 00

7017 1000 0000 8456 0373

7017 1000 0000 8456 0380

6 0397

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Concord, NC 28025

OFFICIAL USE

Certified Mail Fee \$4.40 0954 10

Extra Services & Fees (check box, add fees as appropriate)

<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$0.68

Total Postage and Fees \$5.08

Sent To
Kenneth Isenhour
4509 Manteo Drive
Concord, NC 28025

PS Form 3800, January 2023 PSN 7530-02-000-8047 See Reverse for Instructions

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

Concord, NC 28025

OFFICIAL USE

Certified Mail Fee \$4.40 0954 10

Extra Services & Fees (check box, add fees as appropriate)

<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$0.68

Total Postage and Fees \$5.08

Sent To
Rose Moss
222 Green Drive SW
Concord, NC 28027

PS Form 3800, April 2015 PSN 7530-02-000-8047 See Reverse for Instructions

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
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For delivery information, visit our website at www.usps.com®.

Concord, NC 28025

OFFICIAL USE

Certified Mail Fee \$4.40 0954 10

Extra Services & Fees (check box, add fees as appropriate)

<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00

Postage \$0.68

Total Postage and Fees \$5.08

Sent To
Tamara Michelle Caster
4509 Manteo Drive
Concord, NC 28025

PS Form 3800, April 2015 PSN 7530-02-000-8047 See Reverse for Instructions

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

Concord, NC 28025

OFFICIAL USE

POSTAL SERVICE.

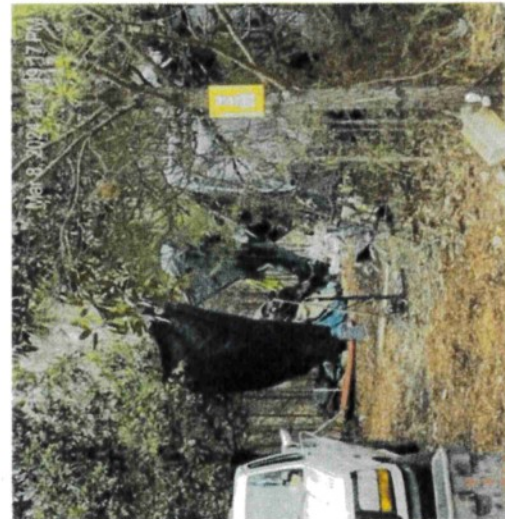
CONCORD
66 MCCACHERN BLVD SE
CONCORD, NC 28025-9998
(800)275-8777

03/07/2024	1600/275-8777	03:12 PM	
Product	Qty	Unit Price	Price
First-Class Mail® Letter	1		\$0.68
Concord, NC 28025			
Weight: 0 lb 0.60 oz			
Estimated Delivery Date			
Sat 03/09/2024			
Certified Mail®			\$4.40
Tracking #:			
70171000000084560397			
Return Receipt			\$3.65
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9590 9402 8205 3030 6443 64			
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Weight: 0 lb 0.60 oz			
Estimated Delivery Date			
Sat 03/09/2024			
Certified Mail®			\$4.40
Tracking #:			
70171000000084560380			
Return Receipt			\$3.65
Tracking #:			
9590 9402 7428 2055 7813 08			
Total			\$8.73
First-Class Mail® Letter	1		\$0.68
Concord, NC 28025			
Weight: 0 lb 0.60 oz			
Estimated Delivery Date			
Sat 03/09/2024			
Certified Mail®			\$4.40
Tracking #:			
9589 0710 5270 0651 2191 00			
Return Receipt			\$3.65
Tracking #:			
9590 9402 8205 3030 6443 88			
Total			\$8.73
First-Class Mail® Letter	1		\$0.68
Concord, NC 28027			
Weight: 0 lb 0.60 oz			
Estimated Delivery Date			
Sat 03/09/2024			
Certified Mail®			\$4.40
Tracking #:			
70171000000084560373			
Return Receipt			\$3.65
Tracking #:			
9590 9402 7428 2055 7813 15			
Total			\$8.73
Grand Total:			\$34.92
Credit Card Remit			\$34.92
Card Name: VISA			
Account #: XXXXXXXXXXXX1268			
Approval #: 008427			
Transaction #: 944			
AID: A0000000031010 Contactless			
AL: VISA CREDIT			

Text your tracking number to 28777 (2USPS) to get the latest status. Standard Message and Data rates may apply. You may also visit www.usps.com USPS Tracking or call 1-800-222-1811. Page 54

Insp Type	Status	Sch Date	Inspector	Insp Date	Result Comment
Complaint Inspection	Investigation In Progress	7/9/2024	Robbie Foxx	7/9/2024	Onsite with Matt Love, Met Furr Grading and Peterson Grading to get bids for property cleanup. Bids will be received by mid next week. Mr. Bradford, Occupant, was onsite. Told him about the ongoing process of cleanup and told him approximate time frame that the board would make a decision. Suggested he make arrangements to remove his personal belongings. He said that he plans to move his travel trailer and other items to another property. Also met neighbor and gave him an update.
Complaint Inspection	Investigation In Progress	3/8/2024	Robbie Foxx	3/8/2024	Onsite with Cabarrus Sheriff's Deputy and Wayne Krimminger. Posted property with official building NOV, see attached pics. Spoke with property Occupant, Mr. Brafford. Told him about the process and that we posted the property to ensure proper notice has been served as required by statute for Code Violations. He said he was in the process of clearing the property. Wayne Krimminger told Mr. Brafford that he planned to visit the site weekly to monitor progress. I told Mr. Brafford that since official enforcement procedures had been started, formal corrective action procedures would have to be followed through. I gave Mr. Brafford
Complaint Inspection	Investigation In Progress	3/6/2024	Robbie Foxx	3/6/2024	Onsite to get status of situation. Took pictures. See attached.
Complaint Inspection	Investigation In Progress	3/14/2023	Gary Martin	3/13/2023	Josh and I checked out this site for possible illegal connection of power and any other building violations. This appears to be a camp using tarps for a tent like enclosure. An old storage structure was locked, and a lot of equipment and debris was scattered around. We saw evidence of use, but no beds were seen and no illegal electrical hook up. There was trash and beer cans scattered around also. Josh took pictures and video which he attached.
Complaint Inspection	Resolved	2/15/2023	Gary Martin	2/15/2023	Brett Hicks called me back and said he would check out this address.
Complaint Inspection	No Violation Found	1/31/2023	Gary Martin	1/31/2023	I observed a tent like structure, a vehicle and a small cargo trailer on property. It appears someone is living in a structure built with tarps. He has informed deputies that went to check on him that he has permission from owners to be there. There is also a mobile home on the property that is almost completely collapsed. There is no building code violation at this time.

3-6-24 4509 Manteo Drive







Cabarrus County Government
Construction Standards

03/06/2024

File # BUC2023-00006
ELC2023-00003

Rose Moss
222 Green Drive SW
Concord, NC 28027

Inspection Date: 03/06/2024

NOTICE OF VIOLATION – PUBLIC HEALTH NUISANCE

RE: 4509 MANTEO DR CONCORD NC 28025
Parcel(s): 55480713950000
Nature of Violation: Abandoned Manufactured Home

Dear Rose Moss,

An on-site inspection of your property has found you to be in violation of Sec. 14-106 of the Cabarrus County Code because of the presence of the following conditions:

- (1) Abandoned Manufactured Home: A Manufactured home that has not been used as a dwelling for at least 180 days and is in a wrecked, scrapped, disassembled, unusable, cannibalized, burnt, or inoperable state, or in need of extensive repair so as to be uninhabitable.
- (2) Abandoned Real Property or Housing: Any structure, building, or condition that may invite occupancy, may cause entrapment, or that has been condemned by the county chief building inspector as unfit for human habitation, and/or is not capable of being repaired, altered, or improved in accordance with the State Building Code or as otherwise provided by law. Such conditions include but are not limited to attractive nuisances; dangerous buildings or structures; construction debris; temporary housing; uncovered structures; or portions of a building, dwelling, or structure remaining on a lot or parcel of land after damage by fire, wind, erosion or any combination thereof.

This notice is to serve as a declaration of the existence of a public health nuisance.

In order to correct this violation, you must:

Remove, abate, repair, or otherwise dispose of the nuisance and/or the following conditions:

- The abandoned manufactured home; and
- Any temporary dwellings, structures, tents, or buildings.

YOU HAVE 60 DAYS FROM THE RECIPT OF THIS LETTER TO COMPLY WITH THE ORDINANCE

Pursuant to Cabarrus County Code Sec. 14-108, you may appeal this decision to the Chief Building Inspector within **sixty (60) days**. This Department reserves the right to exercise the following remedies per Section 14-107 of the Cabarrus County Code and N.C.G.S. § 153A-121(a) and § 153A-140.

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Phone: 704.920.2128 • Fax: 704.920.2144
Website: www.cabarruscounty.us



Cabarrus County Government
Construction Standards

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- Bill you for the cost of removal by providing a statement of cost for removal; and
- File a notice of *lis pendens* on the property for the cost of such removal.

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If you feel this Notice of Violation has been issued in error, please call my office at 704-920-2128 during regular business hours to discuss your case or you may email me at RDFoxx@cabarruscounty.us.

Thank you in advance for your cooperation.

Sincerely,

Robbie Foxx

Deputy Chief Codes Enforcement Officer
Cabarrus County Construction Standards Department



Cabarrus County Government
Construction Standards

03/06/2024

File # BUC2023-00006
ELC2023-00003

Kenneth Isenhour
4509 Manteo Drive
Concord, NC 28025

Inspection Date: 03/06/2024

NOTICE OF VIOLATION – PUBLIC HEALTH NUISANCE

RE: 4509 MANTEO DR CONCORD NC 28025
Parcel(s): 55480713950000
Nature of Violation: Abandoned Manufactured Home

Dear Kenneth Isenhour

An on-site inspection of your property has found you to be in violation of Sec. 14-106 of the Cabarrus County Code because of the presence of the following conditions:

- (1) Abandoned Manufactured Home: A Manufactured home that has not been used as a dwelling for at least 180 days and is in a wrecked, scrapped, disassembled, unusable, cannibalized, burnt, or inoperable state, or in need of extensive repair so as to be uninhabitable.
- (2) Abandoned Real Property or Housing: Any structure, building, or condition that may invite occupancy, may cause entrapment, or that has been condemned by the county chief building inspector as unfit for human habitation, and/or is not capable of being repaired, altered, or improved in accordance with the State Building Code or as otherwise provided by law. Such conditions include but are not limited to attractive nuisances; dangerous buildings or structures; construction debris; temporary housing; uncovered structures; or portions of a building, dwelling, or structure remaining on a lot or parcel of land after damage by fire, wind, erosion or any combination thereof.

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Construction Standards

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Thank you in advance for your cooperation.

Sincerely,

Robbie Foxx
Deputy Chief Codes Enforcement Officer
Cabarrus County Construction Standards Department



Cabarrus County Government
Construction Standards

03/06/2024

File # BUC2023-00006
ELC2023-00003

Tamara Michelle Caster
4509 Manteo Drive
Concord, NC 28025

Inspection Date: 03/13/2023

NOTICE OF VIOLATION – PUBLIC HEALTH NUISANCE

RE: 4509 MANTEO DR CONCORD NC 28025
Parcel(s): 55480713950000
Nature of Violation: Abandoned Manufactured Home

Dear Tamara Michelle Caster,

An on-site inspection of your property has found you to be in violation of Sec. 14-106 of the Cabarrus County Code because of the presence of the following conditions:

- (1) Abandoned Manufactured Home: A Manufactured home that has not been used as a dwelling for at least 180 days and is in a wrecked, scrapped, disassembled, unusable, cannibalized, burnt, or inoperable state, or in need of extensive repair so as to be uninhabitable.
- (2) Abandoned Real Property or Housing: Any structure, building, or condition that may invite occupancy, may cause entrapment, or that has been condemned by the county chief building inspector as unfit for human habitation, and/or is not capable of being repaired, altered, or improved in accordance with the State Building Code or as otherwise provided by law. Such conditions include but are not limited to attractive nuisances; dangerous buildings or structures; construction debris; temporary housing; uncovered structures; or portions of a building, dwelling, or structure remaining on a lot or parcel of land after damage by fire, wind, erosion or any combination thereof.

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Phone: 704.920.2128 • Fax: 704.920.2144
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Construction Standards

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Thank you in advance for your cooperation.

Sincerely,

Robbie Foxx

Deputy Chief Codes Enforcement Officer
Cabarrus County Construction Standards Department



Cabarrus County Government
Construction Standards

03/06/2024

File # BUC2023-00006
ELC2023-00003

Donald Fink, Jr.
4555 Manteo Drive
Concord, NC 28025

Inspection Date: 03/06/2024

NOTICE OF VIOLATION – PUBLIC HEALTH NUISANCE

RE: 4509 MANTEO DR CONCORD NC 28025

Parcel(s): 55480713950000

Nature of Violation: Abandoned Manufactured Home

Dear Donald Fink, Jr.,

An on-site inspection of your property has found you to be in violation of Sec. 14-106 of the Cabarrus County Code because of the presence of the following conditions:

- (1) Abandoned Manufactured Home: A Manufactured home that has not been used as a dwelling for at least 180 days and is in a wrecked, scrapped, disassembled, unusable, cannibalized, burnt, or inoperable state, or in need of extensive repair so as to be uninhabitable.
- (2) Abandoned Real Property or Housing: Any structure, building, or condition that may invite occupancy, may cause entrapment, or that has been condemned by the county chief building inspector as unfit for human habitation, and/or is not capable of being repaired, altered, or improved in accordance with the State Building Code or as otherwise provided by law. Such conditions include but are not limited to attractive nuisances; dangerous buildings or structures; construction debris; temporary housing; uncovered structures; or portions of a building, dwelling, or structure remaining on a lot or parcel of land after damage by fire, wind, erosion or any combination thereof.

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- Any temporary dwellings, structures, tents, or buildings.

YOU HAVE 60 DAYS FROM THE RECIPT OF THIS LETTER TO COMPLY WITH THE ORDINANCE

Pursuant to Cabarrus County Code Sec. 14-108, you may appeal this decision to the Chief Building Inspector within **sixty (60) days**. This Department reserves the right to exercise the following remedies per Section 14-107 of the Cabarrus County Code and N.C.G.S. § 153A-121(a) and § 153A-140.

65 Church Street SE (28025) • P.O. Box 707 Concord, NC 28026-0707
Phone: 704.920.2128 • Fax: 704.920.2144
Website: www.cabarruscounty.us



Cabarrus County Government
Construction Standards

- Order the removal or abatement the nuisance;
- Bill you for the cost of removal by providing a statement of cost for removal; and
- File a notice of *lis pendens* on the property for the cost of such removal.

In order to avoid these remedies please correct this matter within the aforementioned time frame.

If you feel this Notice of Violation has been issued in error, please call my office at 704-920-2128 during regular business hours to discuss your case or you may email me at RDFoxx@cabarruscounty.us.

Thank you in advance for your cooperation.

Sincerely,

Robbie Foxx

Deputy Chief Codes Enforcement Officer
Cabarrus County Construction Standards Department

7017 1000 0000 8456 0397
7017 1000 0000 8456 0380
7017 1000 0000 8456 0380
9589 0710 5270 0651 2191 00
456 0373

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☐ Adult Signature Restricted Delivery \$0.00

Postage \$0.68

Total Postage and Fees \$8.73

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City, State, ZIP+4®
Concord, NC 28025

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Postage \$0.68

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Tamara Michelle Caster
Street and Apt. No., or PO Box No.
4509 Manteo Drive
City, State, ZIP+4®
Concord, NC 28025

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CONCORD
66 MCCACHERN BLVD SE
CONCORD, NC 28025-9998
(800)275-8777

03/07/2024

03:12 PM

Product	Qty	Unit Price	Price
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First-Class Mail® Letter	1		\$0.68
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Concord, NC 28025
Weight: 0 lb 0.60 oz
Estimated Delivery Date
Sat 03/09/2024

Certified Mail®			\$4.40
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Tracking #:
7017100000084560397

Return Receipt			\$3.65
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Tracking #:
9590 9402 8205 3030 6443 64

Total			\$8.73
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First-Class Mail® Letter	1		\$0.68
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Concord, NC 28025
Weight: 0 lb 0.60 oz
Estimated Delivery Date
Sat 03/09/2024

Certified Mail®			\$4.40
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Tracking #:
7017100000084560380

Return Receipt			\$3.65
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Tracking #:
9590 9402 7428 2055 7813 08

Total			\$8.73
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First-Class Mail® Letter	1		\$0.68
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Concord, NC 28025
Weight: 0 lb 0.60 oz
Estimated Delivery Date
Sat 03/09/2024

Certified Mail®			\$4.40
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Tracking #:
9589 0710 5270 0651 2191 00

Return Receipt			\$3.65
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Tracking #:
9590 9402 8205 3030 6443 88

Total			\$8.73
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First-Class Mail® Letter	1		\$0.68
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Concord, NC 28027
Weight: 0 lb 0.60 oz
Estimated Delivery Date
Sat 03/09/2024

Certified Mail®			\$4.40
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Tracking #:
7017100000084560373

Return Receipt			\$3.65
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Tracking #:
9590 9402 7428 2055 7813 15

Total			\$8.73
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Grand Total:			\$34.92
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Credit Card Remit			\$34.92
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Card Name: VISA
Account #: XXXXXXXXXXXX1268
Approval #: 008427
Transaction #: 944
AID: A0000000031010 Contactless
AL: VISA CREDIT

9589 0710 5270 0651 2191 00

7017 1000 0000 8456 0373

7017 1000 0000 8456 0380

7017 1000 0000 8456 0380

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☐ Return Receipt (electronic) \$0.00

☐ Certified Mail Restricted Delivery \$0.00

☐ Adult Signature Required \$0.00

☐ Adult Signature Restricted Delivery \$0.00

Postage \$0.68

Total Postage and Fees \$8.73

03/07/2024

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4509 Manteo Drive
Concord, NC 28025

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☐ Adult Signature Required \$0.00

☐ Adult Signature Restricted Delivery \$0.00

Postage \$0.68

Total Postage and Fees \$8.73

03/07/2024

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Rose Moss
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03/07/2024

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03/07/2024

03:12 PM

Product	Qty	Unit Price	Price
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First-Class Mail®	1		\$0.68
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Letter
Concord, NC 28025
Weight: 0 lb 0.60 oz
Estimated Delivery Date
Sat 03/09/2024

Certified Mail®			\$4.40
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Tracking #:
7017100000084560397

Return Receipt			\$3.65
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Tracking #:
9590 9402 8205 3030 6443 64

Total			\$8.73
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First-Class Mail®	1		\$0.68
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Letter
Concord, NC 28025
Weight: 0 lb 0.60 oz
Estimated Delivery Date
Sat 03/09/2024

Certified Mail®			\$4.40
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Tracking #:
7017100000084560380

Return Receipt			\$3.65
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Tracking #:
9590 9402 7428 2055 7813 08

Total			\$8.73
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First-Class Mail®	1		\$0.68
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Letter
Concord, NC 28025
Weight: 0 lb 0.60 oz
Estimated Delivery Date
Sat 03/09/2024

Certified Mail®			\$4.40
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Tracking #:
9589 0710 5270 0651 2191 00

Return Receipt			\$3.65
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Tracking #:
9590 9402 8205 3030 6443 88

Total			\$8.73
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First-Class Mail®	1		\$0.68
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Letter
Concord, NC 28027
Weight: 0 lb 0.60 oz
Estimated Delivery Date
Sat 03/09/2024

Certified Mail®			\$4.40
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Tracking #:
7017100000084560373

Return Receipt			\$3.65
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Tracking #:
9590 9402 7428 2055 7813 15

Total			\$8.73
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Grand Total:			\$34.92
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Credit Card Remit			\$34.92
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Card Name: VISA
Account #: XXXXXXXXXX1268
Approval #: 008427
Transaction #: 944
AID: A0000000031010 Contactless
AL: VISA CREDIT

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CABARRUS COUNTY**BOARD OF COMMISSIONERS
WORK SESSION****August 5, 2024
4:00 PM**

AGENDA CATEGORY:

Discussion Items for Action

SUBJECT:

County Manager - Fiscal Year 2024 Funding Re-appropriations

BRIEF SUMMARY:

Funds budgeted in the prior fiscal year (FY24) need to be carried over to fiscal year (FY25) for use. These funds were not used in FY24 for a variety of reasons. Carrying over these funds from FY24 to FY25, through an appropriation of fund balance or revenue for reimbursement grants, is required to complete purchases as planned. Attached is the re-appropriation list from the 2023-2024 Budget Ordinance.

REQUESTED ACTION:

Motion to amend the Fiscal Year 2024-2025 Budget Ordinance to allow the carry-over of unspent funds and authorize the County Budget Director to prepare the associated Budget Amendment.

EXPECTED LENGTH OF PRESENTATION:

5 Minutes

SUBMITTED BY:

Rosh Khatri, Budget Director

BUDGET AMENDMENT REQUIRED:

Yes

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

ATTACHMENTS:

- ▯ Reappropriations List
- ▯ Budget Amendment

Department	Project / Grant	Account Information	Account Information	Account Description	Amount	Justification
		Org-Object-Proj FY24 GL Codes	Org-Object-Proj FY25 GL Codes			(including impact if funding is not carried forward)
Opioid Fund (442)						
Human Services						
Other Human Services	Opioid Settlement Funds (unallocated portions)	44295910-91xx thru 9863	44295910-9397	Unallocated portions of opioid settlement funds	\$ 3,865,505.50	Unallocated funds need to be reappropriated for use in FY25; most funds will be allocated during FY25 after the BoC formally approves the strategies tied to the recently approved strategic funding plan
				Opioid Fund Total	\$ 3,865,505.50	
Community Investment Fund (100)						
Debt Service						
Finance	Financing	10099120-9609	10099120-9609	Legal Fees	\$ 100,000.00	Legal fees associated with the 2024A and 2024B financings that were anticipated to be completed in Fiscal Year 2024 but have moved to Fiscal Year 2025.
				Community Investment Fund Total	\$ 100,000.00	
General Fund (001)						
General Government						
County Managers	Purchased Services	00191210-9445	00191210-9445	Purchased Services	\$ 3,000.00	Unfinished project, to be completed in FY 25
County Manager	Childcare funding for employees	00191210 - 963701	00191210 - 963701	Child Care Tuition Assistance	\$ 200,000.00	Opportunity to participate in Partnership for Children Cabarrus County Tri-Share childcare program, limited duration program with state grant funding. This rollover would be used to provide county match for that program for the first year of a "while funding lasts" program.
Human Resources	Educational programs for leaders	00191230-9635	00191230-9635	Education Programs	\$ 5,000.00	Additional applicant for UNC SOG MCA course for FY25
Human Resources		00191910-9124	00191910-9124	Sign On / Referral Bonuses	\$ 232,608.00	Sign On / Referral Bonuses
Finance	Audit	00191710-9603	00191710-9603	Auditors	\$ 7,000.00	Funding set aside for interim audit work performed in fiscal year 2024 but not yet completed by auditor.
Finance	Financing	00191710-9605	00191710-9605	Consultants	\$ 18,000.00	Funding for our financial advisors to help prepare for our 2024A and 2024B financings that were anticipated to be completed in Fiscal Year 2024 but have moved to July and August of Fiscal Year 2025.
ITS	County ERP Systems	00191810-9570	00191810-9570	Service Contracts	\$ 1,385,001.54	This project is still ongoing. We are evaluating all of the right solutions before quickly signing a contract.
ITS	Broadband	00191925-940004	00191925-940004	Broadband	\$ 1,950,000.00	Reappropriate broadband funds.
IAM	Boiler/HVAC Preventive Maintenance @ Courthouse, EMS HQ and SODC	00191952-9445	00191952-9445	Purchased Services	\$ 38,150.00	The language used in the vendor's estimates for 3 visits per year at each location seemed to suggest annual costs to be \$19,075, which is what we budgeted for these contracts. Upon further review and very recent discussions with the vendor, it was discovered that their estimates were per visit and not per year. We are asking for the difference in the cost that we calculated vs the actual price quoted by the vendor (\$57,225 - \$19,075 = \$38,150).
Public Safety						
Sheriff's Office	Vehicles Upfits	00192110-9316	00192110-9316	Supplies	\$ 34,000.00	Vehicles (x 18) at Garage awaiting upfits and Vehicles (x 25) ordered but not received
Sheriff's Office	Vehicles Upfits	00192110-9331	00192110-9331	Minor Office Equipment	\$ 154,000.00	Vehicles (x 18) at Garage awaiting upfits and Vehicles (x 25) ordered but not received
Sheriff's Office	Vehicles Upfits	00192110-9445	00192110-9445	Purchased Services	\$ 43,000.00	Vehicles (x 18) at Garage awaiting upfits and Vehicles (x 25) ordered but not received
Sheriff's Office	Vehicles Upfits	00192110-9863	00192110-9863	Motor Vehicles	\$ 725,000.00	Vehicles (x 18) at Garage awaiting upfits and Vehicles (x 25) ordered but not received
Sheriff's Office	Patrol Suite Renovations	00192110-9860	00192110-9860	Equipment & Furniture	\$ 14,697.66	Funds remaining to complete Patrol Suite Renovations.
Sheriff's Office	Donation for 4 Outer Vest Carriers	00192110-9340	00192110-9340	Uniform	\$ 1,058.88	6/25/24 Donation received from Vicki Graham to purchase Outer Vest Carriers for Officers: Jurczak, Crim, Poston, & Jenkins.
Sheriff's Office	BOMB Grant	00162110-6375-20095	00162110-6375-20095	State Budget Allocation	\$ (46,488.73)	
Sheriff's Office	BOMB Grant	00192110-9113-20095	01192110-9113-20095	Overtime	\$ 41,488.73	Grant continues
Sheriff's Office	BOMB Grant	00192110-9316-20095	00192110-9316-20095	Supplies	\$ 5,000.00	Grant continues
Sheriff's Office	Wellness Grant	00162110-6375-20097	00162110-6375-20097	State Budget Allocation	\$ (1,177,966.73)	

Department	Project / Grant	Account Information	Account Information	Account Description	Amount	Justification
		Org-Object-Proj FY24 GL Codes	Org-Object-Proj FY25 GL Codes			(including impact if funding is not carried forward)
Sheriff's Office	Wellness Grant	00192110-9101-20097	00192110-9101-20097	Salaries & Wages	\$ 328,922.60	Grant continues
Sheriff's Office	Wellness Grant	00192110-9201-20097	00192110-9201-20097	Social Security	\$ 17,390.42	Grant continues
Sheriff's Office	Wellness Grant	00192110-9202-20097	00192110-9202-20097	Medicare	\$ 4,070.13	Grant continues
Sheriff's Office	Wellness Grant	00192110-9205-20097	00192110-9205-20097	Group Hospital Insurance	\$ 50,700.63	Grant continues
Sheriff's Office	Wellness Grant	00192110-9206-20097	00192110-9206-20097	Vision Care	\$ 99.79	Grant continues
Sheriff's Office	Wellness Grant	001921109207-20097	00192110-9207-20097	Life Insurance	\$ 154.67	Grant continues
Sheriff's Office	Wellness Grant	00192110-9210-20097	00192110-9210-20097	Retirement	\$ 36,321.88	Grant continues
Sheriff's Office	Wellness Grant	00192110-9230-20097	00192110-9230-20097	Workers' Compensation	\$ 6,714.67	Grant continues
Sheriff's Office	Wellness Grant	00192110-9235-20097	00192110-9235-20097	Deferred Compensation	\$ 13,937.42	Grant continues
Sheriff's Office	Wellness Grant	00192110-9356-20097	00192110-9356-20097	Special Program Supplies	\$ 25,000.00	Grant continues
Sheriff's Office	Wellness Grant	00192110-9605-20097	00192110-9605-20097	Consultants	\$ 659,750.00	Grant continues
Sheriff's Office	Wellness Grant	00192110-9610-20097	00192110-9610-20097	Travel & Education	\$ 25,000.00	Grant continues
Sheriff's Office	Wellness Grant	00192110-9863-20097	00192110-9863-20097	Motor Vehicles-20097	\$ 9,904.52	Wellness Grant Vehicle on order
Sheriff's Office	GHSP Grant	00162110-6606-GHSP	00162110-6606-GHSP	Program Fees	\$ (840.79)	Grant continues
Sheriff's Office	GHSP Grant	00192110-9333-GHSP	00192110-9333-GHSP	Safety Training & Equipment	\$ 840.79	Grant continues
Sheriff's Office	Human Trafficking Grant	00162110-6255-HTRAF	00162110-6255-HTRAF	Dept of Public Safety Grant	\$ (498,749.06)	
Sheriff's Office	Human Trafficking Grant	00192110-9101-HTRAF	00192110-9101-HTRAF	Salaries & Wages	\$ 293,749.20	Grant continues (284515.95 plus 9640 amt)
Sheriff's Office	Human Trafficking Grant	00192110-9201-HTRAF	00192110-9201-HTRAF	Social Security	\$ 17,927.65	Grant continues
Sheriff's Office	Human Trafficking Grant	00192110-9202-HTRAF	00192110-9202-HTRAF	Medicare	\$ 4,191.88	Grant continues
Sheriff's Office	Human Trafficking Grant	00192110-9205-HTRAF	00192110-9205-HTRAF	Group Hospital Insurance	\$ 67,177.98	Grant continues
Sheriff's Office	Human Trafficking Grant	00192110-9206-HTRAF	00192110-9206-HTRAF	Vision Care	\$ 171.20	Grant continues
Sheriff's Office	Human Trafficking Grant	001921109207-HTRAF	00192110-9207-HTRAF	Life Insurance	\$ 184.78	Grant continues
Sheriff's Office	Human Trafficking Grant	00192110-9210-HTRAF	00192110-9210-HTRAF	Retirement	\$ 47,691.34	Grant continues
Sheriff's Office	Human Trafficking Grant	00192110-9230-HTRAF	00192110-9230-HTRAF	Workers' Compensation	\$ 5,993.83	Grant continues
Sheriff's Office	Human Trafficking Grant	00192110-9235-HTRAF	00192110-9235-HTRAF	Deferred Compensation	\$ 14,225.30	Grant continues
Sheriff's Office	Human Trafficking Grant	00192110-9340-HTRAF	00192110-9340-HTRAF	Uniforms	\$ 6,901.62	Grant continues
Sheriff's Office	Human Trafficking Grant	00192110-9420-HTRAF	00192110-9420-HTRAF	Cell Phone	\$ 40.00	Grant continues
Sheriff's Office	Human Trafficking Grant	00192110-9610-HTRAF	00192110-9610-HTRAF	Travel & Education	\$ 15,763.38	Grant continues
Sheriff's Office	Human Trafficking Grant	00192110-9862-HTRAF	00192110-9862-HTRAF	Technology	\$ 24,088.00	Grant continues
Sheriff's Office	Human Trafficking Grant	00192110-9863-HTRAF	00192110-9863-HTRAF	Motor Vehicles	\$ 3,387.90	Grant continues

Department	Project / Grant	Account Information	Account Information	Account Description	Amount	Justification (including impact if funding is not carried forward)
		Org-Object-Proj FY24 GL Codes	Org-Object-Proj FY25 GL Codes			
Sheriff's Office	Traffic Unit Grant	00162110-6342-TRAFU	00162110-6342-TRAFU	NC Dept. of Transportation	\$ (26,861.78)	Grant continues
Sheriff's Office	Traffic Unit Grant	00192110-9101-TRAFU	00192110-9101-TRAFU	Salaries & Wages	\$ 17,825.86	Grant continues
Sheriff's Office	Traffic Unit Grant	00192110-9201-TRAFU	00192110-9201-TRAFU	Social Security	\$ 1,241.49	Grant continues
Sheriff's Office	Traffic Unit Grant	00192110-9202-TRAFU	00192110-9202-TRAFU	Medicare	\$ 290.34	Grant continues
Sheriff's Office	Traffic Unit Grant	00192110-9205-TRAFU	00192110-9205-TRAFU	Group Hospital Insurance	\$ 2,967.01	Grant continues
Sheriff's Office	Traffic Unit Grant	00192110-9206-TRAFU	00192110-9206-TRAFU	Vision Care	\$ 7.53	Grant continues
Sheriff's Office	Traffic Unit Grant	001921109207-TRAFU	00192110-9207-TRAFU	Life Insurance	\$ 3.97	Grant continues
Sheriff's Office	Traffic Unit Grant	00192110-9210-TRAFU	00192110-9210-TRAFU	Retirement	\$ 1,870.61	Grant continues
Sheriff's Office	Traffic Unit Grant	00192110-9230-TRAFU	00192110-9230-TRAFU	Workers' Compensation	\$ 610.77	Grant continues
Sheriff's Office	Traffic Unit Grant	00192110-9235-TRAFU	00192110-9235-TRAFU	Deferred Compensation	\$ 957.77	Grant continues
Sheriff's Office	Traffic Unit Grant	00192110-9610-TRAFU	00192110-9610-TRAFU	Travel & Education	\$ 1,086.43	Grant continues
Sheriff's Office- Detention Center	Jail Projects	00192130-9853	00192130-9853	State Criminal Alien Asst Grant	\$ 13,598.00	SCAAP funds must be used for Jail Projects.
Sheriff's Office-Animal Control	Vehicles Upfits	00192140-9355	00192140-9355	Other Operating Cost	\$ 3,250.00	Vehicles (x 4) at Garage awaiting upfits.
Sheriff's Office-Animal Control	Vehicles Upfits	00192140-9331	00192140-9331	Minor Office Equipment	\$ 12,600.00	Vehicles (x 4) at Garage awaiting upfits.
Sheriff's Office-Animal Control	Vehicles Upfits	00192140-9445	00192140-9445	Purchased Services	\$ 2,930.00	Vehicles (x 4) at Garage awaiting upfits.
Sheriff's Office-Animal Control	Vehicles Upfits	00192140-9863	00192140-9863	Motor Vehicles	\$ 58,060.00	Vehicles (x 4) at Garage awaiting upfits.
Sheriff's Office-Animal Shelter	Removal of old Incinerator	00192145-9860	00192145-9860	Equipment & Furniture	\$ 12,500.00	New incinerator is ordered and old incinerator will need to be removed once new one arrives.
Sheriff's Office-Animal Shelter	Donations to the Animal Shelter	00162145-6805	00192145-9628	Donations	\$ 20,889.69	Donations intended for the Animal Shelter.
Sheriff's Office-Animal Shelter	Donations to the Animal Shelter	00192145-9628	00192145-9628	Donations	\$ 18,581.47	Donations intended for the Animal Shelter.
Sheriff's Office- Harrisburg Division	Deputy Reimbursement	00162115-6605	00162115-6605	Deputy Reimbursement	\$ (566,855.00)	
Sheriff's Office- Harrisburg Division	Vehicles Upfits	00192115-9316	00192115-9316	Supplies	\$ 8,000.00	Vehicles (x 3) at Garage awaiting upfits and Vehicles (x 7) to be ordered due to BOC action May 20, 2024.
Sheriff's Office- Harrisburg Division	Vehicles Upfits	00192115-9331	00192115-9331	Minor Office Equipment	\$ 41,000.00	Vehicles (x 3) at Garage awaiting upfits and Vehicles (x 7) to be ordered due to BOC action May 20, 2024.
Sheriff's Office- Harrisburg Division	Vehicles Upfits	00192115-9445	00192115-9445	Purchased Services	\$ 8,000.00	Vehicles (x 3) at Garage awaiting upfits and Vehicles (x 7) to be ordered due to BOC action May 20, 2024.
Sheriff's Office- Harrisburg Division	Vehicles Upfits	00192115-9863	00192115-9863	Motor Vehicles	\$ 482,155.00	Vehicles (x 3) at Garage awaiting upfits and Vehicles (x 7) to be ordered due to BOC action May 20, 2024.
Sheriff's Office- Harrisburg Division	Unfilled Positions	00192115-9316	00192115-9316	Supplies	\$ 700.00	Necessary to outfit personnel for two unfilled positions.
Sheriff's Office- Harrisburg Division	Unfilled Positions	00192115-9331	00192115-9331	Minor Office Equipment	\$ 12,000.00	Necessary to outfit personnel for two unfilled positions.
Sheriff's Office- Harrisburg Division	Unfilled Positions	00192115-9340	00192115-9340	Uniform	\$ 6,200.00	Necessary to outfit personnel for two unfilled positions.
Sheriff's Office- Harrisburg Division	Unfilled Positions	00192115-9342	00192115-9342	Minor Technology Equipment	\$ 6,800.00	Necessary to outfit personnel for two unfilled positions.
Sheriff's Office- Harrisburg Division	Unfilled Positions	00192115-9445	00192115-9445	Purchased Services	\$ 2,000.00	Necessary to outfit personnel for two unfilled positions.
Sheriff's Office-RADIO	Radio Tuner	00192740-9331	00192740-9331	Minor Office Equipment	\$ 31,050.00	Radio Tuner to be purchased after Employee Training Certification.

Department	Project / Grant	Account Information	Account Information	Account Description	Amount	Justification
		Org-Object-Proj FY24 GL Codes	Org-Object-Proj FY25 GL Codes			(including impact if funding is not carried forward)
Sheriff's Office-RADIO	Video Wall Project	00192740-9445	00192740-9445	Purchased Services	\$ 102,983.00	Project waiting on ITS.
Sheriff's Office-RADIO	Real Time Crime Center	00192740-9860	00192740-9860	Equipment & Furniture	\$ 150,838.00	Video Wal Project for Real Time Crime Center waiting on ITS.,
Emergency Management	Emergency Management Performance Grant	00192710-9482	001927109482	EMPG	\$ 30,334.50	Grant funds provided to be spent on allowable equipment as listed in the Authorized Equipment List (AEL) under the terms of the EMPG. Historically this account is re-appropriated each year as funds are not awarded on the county's fiscal year schedule. Also includes \$19,073.11 of additional revenues received.
Emergency Management	McGuire	001927109431	001927109431	McGuire	\$ 8,757.09	Funds provided by Duke Energy to support suuport training and the purchase of equipment and supplies for the congregate reception center as detailed in the McGuire Nuclear Station Plan. Historically this account is re-appropriated each year as funds are not awarded on the county's fiscal year schedule.
Fire Services	Investigation Gear	001927159330	001927159330	Tools and Equipment	\$ 1,050.00	Investigation gear ordered for staff member in February 2024 unable to be delivered prior to end of the fiscal year due to manufacturer production delays. Product is estimated to be shipped on 7/30/2024.
Fire Services	Atrium Firefighter Physicals	001927159445	001927159445	Purchased Services	\$ 5,625.00	Various medical screenings have been completed by Fire Services staff. As of this notification, Atrium Health has failed to bill for services rendered despite requests for invoices prior to fiscal year end. These are recurring expenses and if funds are not reappropriated it may contribute to shortfalls in funding in FY25.
EMS		00192730-9560	00192730-9560	Minor Equipment Mntenance	\$ 10,900.00	Funds were not used in FY24 due to transition to Stryker stretchers. These funds will be used to purchase wear items for the stretchers
EMS		00192730-9863	00192730-9863	Motor Vehicles	\$ 47,026.43	Due to lead time for purchases ambulances, orders for FY24 have not been fulfilled. Funds in this line item are needed to complete the process of getting the ambulance ready for service - taxes, tags and any additional equipment needed. (PO's - 2023344, 2024192, 2024478)
Economic and Physical Development						
Soil and Water	Fencing for dock at Clarke Creek for safety when easement property opens to public	00193270-9445	00193270-9445	Purchased services	\$ 10,000.00	We do not have access to this property yet. It will be through the City's new park on Cox Mill Road. City is in the process of finalizing plans for the park.
Human Services						
Cooperative Extension	Cannon Foundation	00195410-9104-4HCAN	00195410-9104-4HCAN	Temporary Employees	\$ 4,000.00	Grant cycle runs October through September. Funds need to be re-appropriated to continue the grant purpose of supporting the 4-H Afterschool Program.
Cooperative Extension	Cannon Foundation	00195410-9201-4HCAN	00195410-9201-4HCAN	Social Security	\$ 526.99	Grant cycle runs October through September. Funds need to be re-appropriated to continue the grant purpose of supporting the 4-H Afterschool Program.
Cooperative Extension	Cannon Foundation	00195410-9202-4HCAN	00195410-9202-4HCAN	Medicare	\$ 123.23	Grant cycle runs October through September. Funds need to be re-appropriated to continue the grant purpose of supporting the 4-H Afterschool Program.
Cooperative Extension	Cannon Foundation	00195410-9230-4HCAN	00195410-9230-4HCAN	Workers' Compensation	\$ 10.17	Grant cycle runs October through September. Funds need to be re-appropriated to continue the grant purpose of supporting the 4-H Afterschool Program.
Cooperative Extension	Cannon Foundation	00195410-9356-4HCAN	00195410-9356-4HCAN	Special Program Supplies	\$ 362.67	Grant cycle runs October through September. Funds need to be re-appropriated to continue the grant purpose of supporting the 4-H Afterschool Program.
Cooperative Extension	Cannon Foundation	00195410-9610-4HCAN	00195410-9610-4HCAN	Travel & Education	\$ 775.00	Grant cycle runs October through September. Funds need to be re-appropriated to continue the grant purpose of supporting the 4-H Afterschool Program.
Cooperative Extension	Cannon Foundation	00195410-9640-4HCAN	00195410-9640-4HCAN	Insurance & Bonds	\$ 138.76	Grant cycle runs October through September. Funds need to be re-appropriated to continue the grant purpose of supporting the 4-H Afterschool Program.
Cooperative Extension	Cannon Foundation	00195410-9104-4HCAN	00195410-9356-4HCAN	Special Program Supplies	\$ 4,499.81	Grant cycle runs October through September. Funds need to be re-appropriated to continue the grant purpose of supporting the 4-H Afterschool Program.

Department	Project / Grant	Account Information	Account Information	Account Description	Amount	Justification (including impact if funding is not carried forward)
		Org-Object-Proj FY24 GL Codes	Org-Object-Proj FY25 GL Codes			
DHS/EFSS	Emergency Assistance	00195615-9461-232-1	00195615-9461-232-1	AFDC Emergency Assistance	\$ 121,289.25	The division proposes reappropriating \$125,617.62 in EA funds to the AFDC Emergency Assistance Fund. This transfer will bolster our Domestic Violence (DV) contract, ensuring mandatory services for Work First participants. The surplus funds resulted from clients not meeting program requirements along with receiving extra CIP/LIEAP & LIHWAP payments, offsetting county costs.
DHS/Children's Services	Adoption Promotion Program	00165630-6293	00195630-9332	Adoption Svs program	\$ 75,583.00	ADDITIONAL 75K EARNED
DHS/Children's Services	Adoption Promotion Program	00195630-9332	00195630-9332	Adoption Svs program	\$ 209,811.73	These funds are awarded annually and counties are allowed to carry over funds from year to year until spent.
DHS/Children's Services	Triple P funds	00195630-94003	00195630-94003	Triple P Funding	\$ 3,514.63	The Positive Parenting Program provides parenting education/intervention. The funds are carried over until spent.
DHS/Children's Services	Teen Pregnancy Prevention Prgm	00165630-627601-ELVT	00165630-627601-ELVT	Teen Pregnancy Prevention Prgm	\$ (15,000.00)	Program has runs through FY25.
DHS/Children's Services	Teen Pregnancy Prevention Prgm	00195630-947601-ELVT	00195630-947601-ELVT	Teen Pregnancy Prevention Prgm	\$ 15,000.00	Program has runs through FY25.
DHS/Aging Services	DHS/Aging Services - grant 7/22 thru 9/24	00195660-944501-ADH	00195660-944501-ADH	CCOG ARPA Purchase Services	\$ 49,581.00	Grant contract runs from 07/2022 thru 09/2024. Balance on 06.28.24 = \$67,854 -18,294 for May & June Invoices = \$49,560
DHS/Aging Services	DHS/Aging Services - grant 7/22 thru 9/24	00165660-630101-ADH	00165660-630101-ADH	CCOG ARPA	\$ (49,581.00)	100% reimbursement through ARMS system for In Home services-Balance on 6/28/24 is \$67,501 with anticipated reimbursement for May and June \$ 17,941= \$49,560
DHS/Aging Services	DHS/Aging Services - grant 7/22 thru 9/24	00195660-944501-CHOR	00195660-944501-CHOR	CCOG ARPA Purchase Services	\$ 24,897.28	In Home services - Grant contract runs from 07/2022 thru 09/2024. Balance on 06.28.24 = \$28008.53 with all invoices paid and none outstanding.
DHS/Aging Services	DHS/Aging Services - grant 7/22 thru 9/24	00165660-630101-CHOR	00165660-630101-CHOR	CCOG ARPA	\$ (24,897.28)	100% reimbursement through ARMS system for In Home services-Balance on 06.28.24 \$60,991 with anticipated reimbursement for May & Jun \$32,982 = \$28,009
DHS/Transportation	5310 Grant Capital	00165240-6312-0488	00165240-6312-0488	5311 Grant Capital	\$ (103,724.00)	Grant to purchase 6 vans. 4 have been purchased in FY24 (\$94,445 each).
DHS/Transportation	5311 Grant Capital	00195240-9831-0488	00195240-9831-0488	5311 Grant Capital	\$ 103,724.00	Grant to purchase 6 vans. 4 have been purchased in FY24 (\$94,445 each).
Behavioral Health	Behavioral Health Center	00195695-9445	00195695-9445	Start-up funding for the BHC	\$ 1,530,534.51	Monarch (operator) will not begin hiring staff for the Center until 2025; however, these funds needed to be appropriated during the current fiscal year (FY24)
Culture and Recreation						
Active Living & Parks	Fish Stocking	00198140-9357 CSP	00198111-9357	Park Operation Supplies	\$ 1,500.00	The Frank Liske Park dam repair, pushed back the stocking of the mature fish habitat and the annual supplemental stocking of all fishing sites (Camp T.N. Spencer, Frank Liske Park and Rob Wallace Park). We missed our opportunity of supplemental stocking since North Carolina Wildlife Resource Commission recommends stocking at lower water temperatures. The chance for a fish kill drastically increases when waterbodies exceed 75 degrees coupled with the stress of transporting (over 2 hours) from hatchery
Active Living & Parks	Fish Stocking	00198140-9357 FLP	00198112-9357	Park Operation Supplies	\$ 2,500.00	The Frank Liske Park dam repair, pushed back the stocking of the mature fish habitat and the annual supplemental stocking of all fishing sites (Camp T.N. Spencer, Frank Liske Park and Rob Wallace Park). We missed our opportunity of supplemental stocking since North Carolina Wildlife Resource Commission recommends stocking at lower water temperatures. The chance for a fish kill drastically increases when waterbodies exceed 75 degrees coupled with the stress of transporting (over 2 hours) from hatchery
Active Living & Parks	Fish Stocking	00198140-9357 RWP	00198113-9357	Park Operation Supplies	\$ 1,500.00	The Frank Liske Park dam repair, pushed back the stocking of the mature fish habitat and the annual supplemental stocking of all fishing sites (Camp T.N. Spencer, Frank Liske Park and Rob Wallace Park). We missed our opportunity of supplemental stocking since North Carolina Wildlife Resource Commission recommends stocking at lower water temperatures. The chance for a fish kill drastically increases when waterbodies exceed 75 degrees coupled with the stress of transporting (over 2 hours) from hatchery

Department	Project / Grant	Account Information	Account Information	Account Description	Amount	Justification
		Org-Object-Proj FY24 GL Codes	Org-Object-Proj FY25 GL Codes			(including impact if funding is not carried forward)
Active Living & Parks	USA Archery Level 3 Certification	00198140-9610	00198110-9610	Travel & Education	\$ 500.00	The one-time funding for the Archery certification needs to be re-appropriated as there were no courses offered prior to June 30, 2024.
Senior Center	DHS/Aging Services - grant 7/22 thru 9/24	00168145-6345-ARPA	00168145-6345-ARPA	Senior Center Operations Grant-ARPA	\$ (503.00)	100% reimbursement through ARMS system for free programming to participants, supplies, marketing, outreach and equipment.
Senior Center	DHS/Aging Services - grant 7/22 thru 9/24	00198145-9496-ARPA	00198145-9496-ARPA	Senior Center Operations Grant-ARPA	\$ 1,209.18	100% reimbursement through ARMS system for free programming to participants, supplies, marketing, outreach and equipment.
Library	Caanon Foundation Grant	00168210-6806-CANO1	00168210-6806-CANO1	Special programming supplies	\$ (58,000.00)	Grant funds were not spent. Have until October 2024 to expend all funds.
Library	Caanon Foundation Grant	00198210-9356-CANO1	00198210-9356-CANO1	Special programming supplies	\$ 58,000.00	Grant funds were not spent. Have until October 2024 to expend all funds.
Library	Book funds for MTP	00198210-9302	00198210-9302	Circulation stock	\$ 70,000.00	Fund not completely spent to stock new larger Mt. Pleasant branch library; acct code changed to admin 8210
				TOTAL	\$ 11,347,615.69	
				Fund Balance Needed (Other Funds)	\$ 3,965,505.50	
				Fund Balance Needed (General Fund)	\$ 7,382,110.19	

Date: 8/19/2024

Amount:

\$7,382,110.19 [001] ; \$100,000 [100]; \$3,865,505.50 [442] ;
GRAND TOTAL \$11,347,615.69

Dept. Head:

Department:

☐ Internal Transfer Within Department

☐ Transfer Between Departments/Funds

☒ Supplemental Request

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Fund	Indicator	Department/ Object/ Project	Account Name	Approved Budget	Increase Amount	Decrease Amount	Revised Budget
001	6	1210-6901	Fund Balance Appropriated		203,000.00		203,000.00
001	9	1210-9445	Purchased Services		3,000.00		3,000.00
001	9	1210-963701	Child Care Tuition Assistance		200,000.00		200,000.00
001	6	1230-6901	Fund Balance Appropriated		5,000.00		5,000.00
001	9	1230-9635	Education Programs		5,000.00		5,000.00
001	6	1710-6901	Fund Balance Appropriated		25,000.00		25,000.00
001	9	1710-9603	Auditors		7,000.00		7,000.00
001	9	1710-9605	Consultants		18,000.00		18,000.00
001	6	1810-6901	Fund Balance Appropriated		1,385,001.54		1,385,001.54
001	9	1810-9570	Service Contracts		1,385,001.54		1,385,001.54

Fund	Indicator	Department/ Object/ Project	Account Name	Approved Budget	Increase Amount	Decrease Amount	Revised Budget
001	6	1910-6901	Fund Balance Appropriated		232,608.00		232,608.00
001	9	1910-9124	Sign On / Referral Bonuses		232,608.00		232,608.00
001	6	1925-6901	Fund Balance Appropriated		1,950,000.00		1,950,000.00
001	9	1925-940004	Broadband		1,950,000.00		1,950,000.00
001	6	1952-6901	Fund Balance Appropriated		38,150.00		38,150.00
001	9	1952-9445	Purchased Services		38,150.00		38,150.00
001	6	2110-6901	Fund Balance Appropriated		971,756.54		971,756.54
001	9	2110-9316	Supplies		34,000.00		34,000.00
001	9	2110-9331	Minor Office Equipment		154,000.00		154,000.00
001	9	2110-9445	Purchased Services		43,000.00		43,000.00
001	9	2110-9863	Motor Vehicles		725,000.00		725,000.00
001	9	2110-9860	Equipment & Furniture		14,697.66		14,697.66
001	9	2110-9340	Uniforms		1,058.88		1,058.88
001	6	2110-6375-20095	State Budget Allocation		46,488.73		46,488.73
001	9	2110-9113-20095	Overtime		41,488.73		41,488.73
001	9	2110-9316-20095	Supplies		5,000.00		5,000.00
001	6	2110-6375-20097	State Budget Allocation		1,177,966.73		1,177,966.73
001	9	2110-9101-20097	Salaries & Wages		328,922.60		328,922.60

Fund	Indicator	Department/ Object/ Project	Account Name	Approved Budget	Increase Amount	Decrease Amount	Revised Budget
001	9	2110-9201-20097	Social Security		17,390.42		17,390.42
001	9	2110-9202-20097	Medicare		4,070.13		4,070.13
001	9	2110-9205-20097	Group Hospital Insurance		50,700.63		50,700.63
001	9	2110-9206-20097	Vision Care		99.79		99.79
001	9	2110-9207-20097	Life Insurance		154.67		154.67
001	9	2110-9210-20097	Retirement		36,321.88		36,321.88
001	9	2110-9230-20097	Workers' Compensation		6,714.67		6,714.67
001	9	2110-9235-20097	Deferred Compensation		13,937.42		13,937.42
001	9	2110-9356-20097	Special Program Supplies		25,000.00		25,000.00
001	9	2110-9605-20097	Consultants		659,750.00		659,750.00
001	9	2110-9610-20097	Travel & Education		25,000.00		25,000.00
001	9	2110-9863-20097	Motor Vehicles-20097		9,904.52		9,904.52
001	6	2110-6606-GHSP	Program Fees		840.79		840.79
001	9	2110-9333-GHSP	Safety Training & Equipment		840.79		840.79
001	6	2110-6255-HTRAF	Dept of Public Safety Grant		498,749.06		498,749.06
001	6	2110-6901	Fund Balance Appropriated			2,745.00	(2,745.00)
001	9	2110-9101-HTRAF	Salaries & Wages		293,749.20		293,749.20
001	9	2110-9201-HTRAF	Social Security		17,927.65		17,927.65
001	9	2110-9202-HTRAF	Medicare		4,191.88		4,191.88
001	9	2110-9205-HTRAF	Group Hospital Insurance		67,177.98		67,177.98
001	9	2110-9206-HTRAF	Vision Care		171.20		171.20
001	9	2110-9207-HTRAF	Life Insurance		184.78		184.78

Fund	Indicator	Department/ Object/ Project	Account Name	Approved Budget	Increase Amount	Decrease Amount	Revised Budget
001	9	2110-9210-HTRAF	Retirement		47,691.34		47,691.34
001	9	2110-9230-HTRAF	Workers' Compensation		5,993.83		5,993.83
001	9	2110-9235-HTRAF	Deferred Compensation		14,225.30		14,225.30
001	9	2110-9340-HTRAF	Uniforms		6,901.62		6,901.62
001	9	2110-9420-HTRAF	Cell Phone		40.00		40.00
001	9	2110-9610-HTRAF	Travel & Education		15,763.38		15,763.38
001	9	2110-9862-HTRAF	Technology		24,088.00		24,088.00
001	9	2110-9863-HTRAF	Motor Vehicles		3,387.90		3,387.90
001	6	2110-6342-TRAFU	NC Dept. of Transportation		26,861.78		26,861.78
001	9	2110-9101-TRAFU	Salaries & Wages		17,825.86		17,825.86
001	9	2110-9201-TRAFU	Social Security		1,241.49		1,241.49
001	9	2110-9202-TRAFU	Medicare		290.34		290.34
001	9	2110-9205-TRAFU	Group Hospital Insurance		2,967.01		2,967.01
001	9	2110-9206-TRAFU	Vision Care		7.53		7.53
001	9	2110-9207-TRAFU	Life Insurance		3.97		3.97
001	9	2110-9210-TRAFU	Retirement		1,870.61		1,870.61
001	9	2110-9230-TRAFU	Workers' Compensation		610.77		610.77
001	9	2110-9235-TRAFU	Deferred Compensation		957.77		957.77
001	9	2110-9610-TRAFU	Travel & Education		1,086.43		1,086.43
001	6	2115-6605	Deputy Reimbursement		566,855.00		566,855.00
001	9	2115-9316	Supplies		8,700.00		8,700.00

Fund	Indicator	Department/ Object/ Project	Account Name	Approved Budget	Increase Amount	Decrease Amount	Revised Budget
001	9	2115-9331	Minor Office Equipment		53,000.00		53,000.00
001	9	2115-9340	Uniforms		6,200.00		6,200.00
001	9	2115-9342	Minor Technology Equipment		6,800.00		6,800.00
001	9	2115-9445	Purchased Services		10,000.00		10,000.00
001	9	2115-9863	Motor Vehicles		482,155.00		482,155.00
001	6	2130-6901	Fund Balance Appropriated		13,598.00		13,598.00
001	9	2130-9853	State Criminal Alien Assistance Grant		13,598.00		13,598.00
001	6	2140-6901	Fund Balance Appropriated		76,840.00		76,840.00
001	9	2140-9355	Other Operating Cost		3,250.00		3,250.00
001	9	2140-9331	Minor Office Equipment		12,600.00		12,600.00
001	9	2140-9445	Purchased Services		2,930.00		2,930.00
001	9	2140-9863	Motor Vehicles		58,060.00		58,060.00
001	6	2145-6901	Fund Balance Appropriated		51,971.16		51,971.16
001	9	2145-9860	Equipment & Furniture		12,500.00		12,500.00
001	9	2145-9628	Donations		39,471.16		39,471.16
001	6	2710-6901	Fund Balance Appropriated		39,091.59		39,091.59
001	9	2710-9482	EMPG		30,334.50		30,334.50
001	9	2710-9431	McGuire		8,757.09		8,757.09

Fund	Indicator	Department/ Object/ Project	Account Name	Approved Budget	Increase Amount	Decrease Amount	Revised Budget
001	6	2715-6901	Fund Balance Appropriated		6,675.00		6,675.00
001	9	2715-9330	Tools and Equipment		1,050.00		1,050.00
001	9	2715-9445	Purchased Services		5,625.00		5,625.00
001	6	2730-6901	Fund Balance Appropriated		57,926.43		
001	9	2730-9560	Minor Equipment Maintenance		10,900.00		10,900.00
001	9	2730-9863	Motor Vehicles		47,026.43		47,026.43
001	6	2740-6901	Fund Balance Appropriated		284,871.00		284,871.00
001	9	2740-9331	Minor Office Equipment		31,050.00		31,050.00
001	9	2740-9445	Purchased Services		102,983.00		102,983.00
001	9	2740-9860	Equipment & Furniture		150,838.00		150,838.00
001	6	3270-6901	Fund Balance Appropriated		10,000.00		10,000.00
001	9	3270-9445	Purchased services		10,000.00		10,000.00
001	6	5240-6312-0488	5311 Grant Capital		103,724.00		103,724.00
001	9	5240-9831-0488	5311 Grant Capital		103,724.00		103,724.00
001	6	5410-6901	Fund Balance Appropriated		10,436.63		10,436.63
001	9	5410-9104-4HCAN	Temporary Employees		4,000.00		4,000.00
001	9	5410-9201-4HCAN	Social Security		526.99		526.99
001	9	5410-9202-4HCAN	Medicare		123.23		123.23
001	9	5410-9230-4HCAN	Workers' Compensation		10.17		10.17

Fund	Indicator	Department/ Object/ Project	Account Name	Approved Budget	Increase Amount	Decrease Amount	Revised Budget
001	9	5410-9610-4HCAN	Travel & Education		775.00		775.00
001	9	5410-9640-4HCAN	Insurance & Bonds		138.76		138.76
001	9	5410-9356-4HCAN	Special Program Supplies		4,862.48		4,862.48
001	6	5615-6901	Fund Balance Appropriated		121,289.25		121,289.25
001	9	5615-9461-232-1	AFDC Emergency Assistance		121,289.25		121,289.25
001	6	5630-6901	Fund Balance Appropriated		288,909.36		288,909.36
001	9	5630-9332	Adoption Svs program		285,394.73		285,394.73
001	9	5630-94003	Triple P Funding		3,514.63		3,514.63
001	6	5630-627601-ELVT	Teen Pregnancy Prevention Prgm		15,000.00		15,000.00
001	9	5630-947601-ELVT	Teen Pregnancy Prevention Prgm		15,000.00		15,000.00
001	6	5660-630101-ADH	CCOG ARPA		49,560.00		49,560.00
001	9	5660-944501-ADH	CCOG ARPA Purchase Services		49,560.00		49,560.00
001	6	5660-630101-CHOR	CCOG ARPA		24,897.75		24,897.75
001	9	5660-944501-CHOR	CCOG ARPA Purchase Services		24,897.75		24,897.75
001	6	5695-6901	Fund Balance Appropriated		1,530,534.51		1,530,534.51
001	9	5695-9445	Start-up funding for the BHC		1,530,534.51		1,530,534.51
001	6	8110-6901	Fund Balance Appropriated		500.00		500.00

Fund	Indicator	Department/ Object/ Project	Account Name	Approved Budget	Increase Amount	Decrease Amount	Revised Budget
001	9	8110-9610	Travel & Education		500.00		500.00
001	6	8111-6901	Fund Balance Appropriated		1,500.00		1,500.00
001	9	8111-9357	Park Operation Supplies		1,500.00		1,500.00
001	6	8112-6901	Fund Balance Appropriated		2,500.00		2,500.00
001	9	8112-9357	Park Operation Supplies		2,500.00		2,500.00
001	6	8113-6901	Fund Balance Appropriated		1,500.00		1,500.00
001	9	8113-9357	Park Operation Supplies		1,500.00		1,500.00
001	6	8145-6345-ARPA	Senior Center Operations Grant - ARPA		503.00		503.00
001	6	8145-6901	Fund Balance Appropriated		706.18		706.18
001	9	8145-9496-ARPA	Senior Center Operations Grant - ARPA		1,209.18		1,209.18
001	6	8210-6806-CANO1	Cannon Grant		58,000.00		58,000.00
001	9	8210-9356-CANO1	Special programming supplies		58,000.00		58,000.00
001	6	8210-6901	Fund Balance Appropriated		70,000.00		70,000.00
001	9	8210-9302	Circulation stock		70,000.00		70,000.00
100	6	9120-6901	Fund Balance Appropriated		100,000.00		100,000.00
100	9	9120-9609	Legal Fees		100,000.00		100,000.00

Fund	Indicator	Department/ Object/ Project	Account Name	Approved Budget	Increase Amount	Decrease Amount	Revised Budget
442	6	5910-6901	Fund Balance Appropriated		3,865,505.50		3,865,505.50
442	9	5910-9397	Miscellaneous		3,865,505.50		3,865,505.50

Budget Officer

☐ Approved

☐ Denied

Signature

Date

County Manager

☐ Approved

☐ Denied

Signature

Date

Board of Commissioners

☐ Approved

☐ Denied

Signature

Date

CABARRUS COUNTY



BOARD OF COMMISSIONERS WORK SESSION

**August 5, 2024
4:00 PM**

AGENDA CATEGORY:

Discussion Items for Action

SUBJECT:

County Manager - Messer GMP 3 for Behavior Health Center

BRIEF SUMMARY:

Messer Construction has submitted its guaranteed maximum price (GMP), which is contract amendment #3. GMP 1 covered preconstruction services and long lead items. GMP 2 was for site work, footings, foundation and steel. This GMP will capture costs for the rest of the construction project. The approval of this GMP will be required for the local government commission application for financing.

REQUESTED ACTION:

Recommend approval of GMP 3 contingent upon Local Government Commission approval and authorize the County Manager to execute upon approval from the Local Government Commission.

EXPECTED LENGTH OF PRESENTATION:

10 Minutes

SUBMITTED BY:

Kelly Sifford, AICP
Assistant County Manager

BUDGET AMENDMENT REQUIRED:

No

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

CABARRUS COUNTY



BOARD OF COMMISSIONERS WORK SESSION

**August 5, 2024
4:00 PM**

AGENDA CATEGORY:

Discussion Items for Action

SUBJECT:

Finance - Reimbursement Resolution

BRIEF SUMMARY:

The County may advance its own funds to pay certain expenditures associated with the following capital projects:

New Elementary School

Replacement Elementary School

RCCC Workforce Innovations Center

RCCC South Campus Building Renovations

Behavior Health Facility

Public Training Facility - Amended

The attached Reimbursement Resolutions will allow the County to reimburse themselves with future debt, if so desired, up to the amount on each resolution.

REQUESTED ACTION:

Motion to adopt the Reimbursement Resolutions.

EXPECTED LENGTH OF PRESENTATION:

1 Minute

SUBMITTED BY:

Jim Howden, Finance Director

BUDGET AMENDMENT REQUIRED:

No

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

ATTACHMENTS:

- ▣ Public Safety
- ▣ New Elementary School
- ▣ Replacement Elementary School
- ▣ Behavior Health Facility
- ▣ RCCC South Campus Renovations
- ▣ RCCC Workforce Innovations Center

Chairman Stephen M. Morris introduced the following resolution, and its title was read:

**SUPPLEMENTAL RESOLUTION DECLARING OFFICIAL INTENT TO
REIMBURSE EXPENDITURES WITH PROCEEDS OF DEBT PURSUANT TO
UNITED STATES DEPARTMENT OF TREASURY REGULATIONS**

BE IT RESOLVED by the Board of Commissioners of Cabarrus County:

Section 1. The Board hereby finds, determines and declares as follows:

(a) On February 5, 2024, the Board adopted a prior resolution declaring official intent to reimburse expenditures with proceeds of debt (the "Prior Resolution") for the Public Safety Training Facility Project, as described in the Prior Resolution, a copy of which is attached hereto as Exhibit A.

(b) At the time of adoption of the Prior Resolution, the Board reasonably expected that the maximum principal amount of debt to be incurred with respect to the Public Safety Training Facility Project would be \$35,000,000.

(c) As of the date of this supplemental resolution, the Board now reasonably expects that the maximum principal amount of debt to be incurred with respect to the Public Safety Training Facility Project instead will be \$70,000,000, and desires to amend the maximum principal amount of debt stated in the Prior Resolution to reflect the same.

(d) The maximum principal amount of debt to be incurred for the Public Safety Training Facility Project that was set forth in the Prior Resolution is hereby amended to be \$70,000,000.

(e) Except as supplemented hereby, the Prior Resolution adopted on February 5, 2024, shall remain in full force and effect.

Section 2. This resolution shall take effect immediately.

EXHIBIT A

Copy of Prior Resolution

Chairman Stephen M. Morris introduced the following resolution and its title was read:

RESOLUTION DECLARING OFFICIAL INTENT TO REIMBURSE EXPENDITURES WITH PROCEEDS OF DEBT PURSUANT TO UNITED STATES DEPARTMENT OF TREASURY REGULATIONS

BE IT RESOLVED by the Board of Commissioners of Cabarrus County:

1. The Board hereby finds, determines and declares as follows:

(a) Treasury Regulations Section 1.150-2 (the “Regulations”), promulgated by the United States Department of Treasury on June 18, 1993, prescribes certain specific procedures applicable to certain obligations issued by the County after June 30, 1993, including, without limitation, a requirement that the County timely declare its official intent to reimburse certain expenditures with the proceeds of debt to be issued thereafter by the County.

(b) The County has advanced and/or will advance its own funds to pay certain capital costs (the “Original Expenditures”) associated with financing, in whole or in part, (i) the design, acquisition, construction, installation and equipping of a new public safety training facility, including the acquisition of necessary land, easements and rights-of-way, (ii) site development, (iii) any and all related utilities relocation and (iv) various real and/or personal property improvements related to any of the foregoing (collectively, the “Public Safety Training Facility Project”).

(c) The funds heretofore advanced or to be advanced by the County to pay the Original Expenditures are or will be available only on a temporary basis, and do not consist of funds that were otherwise earmarked or intended to be used by the County to permanently finance the Original Expenditures.

(d) As of the date hereof, the County reasonably expects that it will reimburse itself for such Original Expenditures with the proceeds of debt to be incurred by the County, and the maximum principal amount of debt to be incurred with respect to the Public Safety Training Facility Project is expected to be \$35,000,000.

(e) All Original Expenditures to be reimbursed by the County were paid no more than 60 days prior to or will be paid on or after the date of, this declaration of official intent. The County understands that such reimbursement must occur not later than 18 months after the later of (i) the date the Original Expenditure was paid; or (ii) the date the Public Safety Training Facility Project was placed in service or abandoned, but in no event more than 3 years after the Original Expenditure was paid.

2. This resolution shall take effect immediately.

RESOLUTION DECLARING OFFICIAL INTENT TO REIMBURSE
EXPENDITURES WITH PROCEEDS OF DEBT PURSUANT TO UNITED STATES
DEPARTMENT OF TREASURY REGULATIONS

BE IT RESOLVED by the Board of Commissioners of Cabarrus County:

1. The Board hereby finds, determines and declares as follows:

(a) Treasury Regulations Section 1.150-2 (the “Regulations”), promulgated by the United States Department of Treasury on June 18, 1993, prescribes certain specific procedures applicable to certain obligations issued by the County after June 30, 1993, including, without limitation, a requirement that the County timely declare its official intent to reimburse certain expenditures with the proceeds of debt to be issued thereafter by the County.

(b) The County has advanced and/or will advance its own funds to pay certain capital costs (the “Original Expenditures”) associated with financing, in whole or in part, (i) the design, acquisition, construction, installation and equipping of a new public elementary school, including the acquisition of necessary land, easements and rights-of-way, (ii) site development, (iii) any and all related utilities relocation and (iv) various real and/or personal property improvements related to any of the foregoing (collectively, the “New Elementary School Project”).

(c) The funds heretofore advanced or to be advanced by the County to pay the Original Expenditures are or will be available only on a temporary basis, and do not consist of funds that were otherwise earmarked or intended to be used by the County to permanently finance the Original Expenditures.

(d) As of the date hereof, the County reasonably expects that it will reimburse itself for such Original Expenditures with the proceeds of debt to be incurred by the County, and the maximum principal amount of debt to be incurred with respect to the New Elementary School Project is expected to be \$51,000,000.

(e) All Original Expenditures to be reimbursed by the County were paid no more than 60 days prior to or will be paid on or after the date of, this declaration of official intent. The County understands that such reimbursement must occur not later than 18 months after the later of (i) the date the Original Expenditure was paid; or (ii) the date the New Elementary School Project was placed in service or abandoned, but in no event more than 3 years after the Original Expenditure was paid.

2. This resolution shall take effect immediately.

I, Lauren Linker, Clerk to the Board of Commissioners for the County of Cabarrus, North Carolina, DO HEREBY CERTIFY that the foregoing is a true copy of so much of the proceedings of said Board of Commissioners at a regular meeting held on August 20, 2024, as relates in any way to the passage of the resolutions hereinabove referenced, and that said proceedings are recorded in Minute Book No. [] of the minutes of said Board of Commissioners, beginning at page ____ and ending at page ____.

I DO HEREBY FURTHER CERTIFY that the schedule of regular meetings of said Board of Commissioners has been on file in my office pursuant to North Carolina General Statutes §143-318.12 as of a date not less than seven (7) days before said meeting.

WITNESS my hand and the corporate seal of said County, this 20th day of August 2024.

Clerk to the Board of Commissioners
for the County of Cabarrus, North Carolina

[SEAL]

RESOLUTION DECLARING OFFICIAL INTENT TO REIMBURSE
EXPENDITURES WITH PROCEEDS OF DEBT PURSUANT TO UNITED STATES
DEPARTMENT OF TREASURY REGULATIONS

BE IT RESOLVED by the Board of Commissioners of Cabarrus County:

1. The Board hereby finds, determines and declares as follows:

(a) Treasury Regulations Section 1.150-2 (the “Regulations”), promulgated by the United States Department of Treasury on June 18, 1993, prescribes certain specific procedures applicable to certain obligations issued by the County after June 30, 1993, including, without limitation, a requirement that the County timely declare its official intent to reimburse certain expenditures with the proceeds of debt to be issued thereafter by the County.

(b) The County has advanced and/or will advance its own funds to pay certain capital costs (the “Original Expenditures”) associated with financing, in whole or in part, (i) the design, acquisition, construction, installation and equipping of a new replacement public elementary school, including the acquisition of necessary land, easements and rights-of-way, (ii) site development, (iii) any and all related utilities relocation and (iv) various real and/or personal property improvements related to any of the foregoing (collectively, the “Replacement Elementary School Project”).

(c) The funds heretofore advanced or to be advanced by the County to pay the Original Expenditures are or will be available only on a temporary basis, and do not consist of funds that were otherwise earmarked or intended to be used by the County to permanently finance the Original Expenditures.

(d) As of the date hereof, the County reasonably expects that it will reimburse itself for such Original Expenditures with the proceeds of debt to be incurred by the County, and the maximum principal amount of debt to be incurred with respect to the Replacement Elementary School Project is expected to be \$51,000,000.

(e) All Original Expenditures to be reimbursed by the County were paid no more than 60 days prior to or will be paid on or after the date of, this declaration of official intent. The County understands that such reimbursement must occur not later than 18 months after the later of (i) the date the Original Expenditure was paid; or (ii) the date the Replacement Elementary School Project was placed in service or abandoned, but in no event more than 3 years after the Original Expenditure was paid.

2. This resolution shall take effect immediately.

I, Lauren Linker, Clerk to the Board of Commissioners for the County of Cabarrus, North Carolina, DO HEREBY CERTIFY that the foregoing is a true copy of so much of the proceedings of said Board of Commissioners at a regular meeting held on August 20, 2024, as relates in any way to the passage of the resolutions hereinabove referenced, and that said proceedings are recorded in Minute Book No. [] of the minutes of said Board of Commissioners, beginning at page ____ and ending at page ____.

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WITNESS my hand and the corporate seal of said County, this 20th day of August 2024.

Clerk to the Board of Commissioners
for the County of Cabarrus, North Carolina

[SEAL]

RESOLUTION DECLARING OFFICIAL INTENT TO REIMBURSE
EXPENDITURES WITH PROCEEDS OF DEBT PURSUANT TO UNITED STATES
DEPARTMENT OF TREASURY REGULATIONS

BE IT RESOLVED by the Board of Commissioners of Cabarrus County:

1. The Board hereby finds, determines and declares as follows:

(a) Treasury Regulations Section 1.150-2 (the “Regulations”), promulgated by the United States Department of Treasury on June 18, 1993, prescribes certain specific procedures applicable to certain obligations issued by the County after June 30, 1993, including, without limitation, a requirement that the County timely declare its official intent to reimburse certain expenditures with the proceeds of debt to be issued thereafter by the County.

(b) The County has advanced and/or will advance its own funds to pay certain capital costs (the “Original Expenditures”) associated with financing, in whole or in part, (i) the design, acquisition, construction, installation and equipping of a behavior health urgent care facility, including the acquisition of necessary land, easements and rights-of-way, (ii) site development, (iii) any and all related utilities relocation and (iv) various real and/or personal property improvements related to any of the foregoing (collectively, the “Behavior Health Facility Project”).

(c) The funds heretofore advanced or to be advanced by the County to pay the Original Expenditures are or will be available only on a temporary basis, and do not consist of funds that were otherwise earmarked or intended to be used by the County to permanently finance the Original Expenditures.

(d) As of the date hereof, the County reasonably expects that it will reimburse itself for such Original Expenditures with the proceeds of debt to be incurred by the County, and the maximum principal amount of debt to be incurred with respect to the Behavior Health Facility Project is expected to be \$20,000,000.

(e) All Original Expenditures to be reimbursed by the County were paid no more than 60 days prior to or will be paid on or after the date of, this declaration of official intent. The County understands that such reimbursement must occur not later than 18 months after the later of (i) the date the Original Expenditure was paid; or (ii) the date the Behavior Health Facility Project was placed in service or abandoned, but in no event more than 3 years after the Original Expenditure was paid.

2. This resolution shall take effect immediately.

I, Lauren Linker, Clerk to the Board of Commissioners for the County of Cabarrus, North Carolina, DO HEREBY CERTIFY that the foregoing is a true copy of so much of the proceedings of said Board of Commissioners at a regular meeting held on August 20, 2024, as relates in any way to the passage of the resolutions hereinabove referenced, and that said proceedings are recorded in Minute Book No. [] of the minutes of said Board of Commissioners, beginning at page ____ and ending at page ____.

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WITNESS my hand and the corporate seal of said County, this 20th day of August 2024.

Clerk to the Board of Commissioners
for the County of Cabarrus, North Carolina

[SEAL]

RESOLUTION DECLARING OFFICIAL INTENT TO REIMBURSE
EXPENDITURES WITH PROCEEDS OF DEBT PURSUANT TO UNITED STATES
DEPARTMENT OF TREASURY REGULATIONS

BE IT RESOLVED by the Board of Commissioners of Cabarrus County:

1. The Board hereby finds, determines and declares as follows:

(a) Treasury Regulations Section 1.150-2 (the “Regulations”), promulgated by the United States Department of Treasury on June 18, 1993, prescribes certain specific procedures applicable to certain obligations issued by the County after June 30, 1993, including, without limitation, a requirement that the County timely declare its official intent to reimburse certain expenditures with the proceeds of debt to be issued thereafter by the County.

(b) The County has advanced and/or will advance its own funds to pay certain capital costs (the “Original Expenditures”) associated with financing, in whole or in part, (i) the design, renovations, construction, installation, and equipping at Rowan Cabarrus Community College’s South Campus Building, including the acquisition of necessary land, easements and rights-of-way, (ii) site development, (iii) any and all related utilities relocation and (iv) various real and/or personal property improvements related to any of the foregoing (collectively, the “RCCC South Campus Renovations Project”).

(c) The funds heretofore advanced or to be advanced by the County to pay the Original Expenditures are or will be available only on a temporary basis, and do not consist of funds that were otherwise earmarked or intended to be used by the County to permanently finance the Original Expenditures.

(d) As of the date hereof, the County reasonably expects that it will reimburse itself for such Original Expenditures with the proceeds of debt to be incurred by the County, and the maximum principal amount of debt to be incurred with respect to the RCCC South Campus Renovations Project is expected to be \$7,000,000.

(e) All Original Expenditures to be reimbursed by the County were paid no more than 60 days prior to or will be paid on or after the date of, this declaration of official intent. The County understands that such reimbursement must occur not later than 18 months after the later of (i) the date the Original Expenditure was paid; or (ii) the date the RCCC South Campus Renovations Project was placed in service or abandoned, but in no event more than 3 years after the Original Expenditure was paid.

2. This resolution shall take effect immediately.

I, Lauren Linker, Clerk to the Board of Commissioners for the County of Cabarrus, North Carolina, DO HEREBY CERTIFY that the foregoing is a true copy of so much of the proceedings of said Board of Commissioners at a regular meeting held on August 20, 2024, as relates in any way to the passage of the resolutions hereinabove referenced, and that said proceedings are recorded in Minute Book No. [] of the minutes of said Board of Commissioners, beginning at page ____ and ending at page ____.

I DO HEREBY FURTHER CERTIFY that the schedule of regular meetings of said Board of Commissioners has been on file in my office pursuant to North Carolina General Statutes §143-318.12 as of a date not less than seven (7) days before said meeting.

WITNESS my hand and the corporate seal of said County, this 20th day of August 2024.

Clerk to the Board of Commissioners
for the County of Cabarrus, North Carolina

[SEAL]

RESOLUTION DECLARING OFFICIAL INTENT TO REIMBURSE
EXPENDITURES WITH PROCEEDS OF DEBT PURSUANT TO UNITED STATES
DEPARTMENT OF TREASURY REGULATIONS

BE IT RESOLVED by the Board of Commissioners of Cabarrus County:

1. The Board hereby finds, determines and declares as follows:

(a) Treasury Regulations Section 1.150-2 (the “Regulations”), promulgated by the United States Department of Treasury on June 18, 1993, prescribes certain specific procedures applicable to certain obligations issued by the County after June 30, 1993, including, without limitation, a requirement that the County timely declare its official intent to reimburse certain expenditures with the proceeds of debt to be issued thereafter by the County.

(b) The County has advanced and/or will advance its own funds to pay certain capital costs (the “Original Expenditures”) associated with financing, in whole or in part, (i) the design, acquisition, construction, installation and equipping of a new facility housing classrooms, labs, offices and support space to provide career credits in public safety, focused healthcare, education, local government and physical education programs, including the acquisition of necessary land, easements and rights-of-way, (ii) site development, (iii) any and all related utilities relocation and (iv) various real and/or personal property improvements related to any of the foregoing (collectively, the “RCCC Workforce Innovations Center Project”).

(c) The funds heretofore advanced or to be advanced by the County to pay the Original Expenditures are or will be available only on a temporary basis, and do not consist of funds that were otherwise earmarked or intended to be used by the County to permanently finance the Original Expenditures.

(d) As of the date hereof, the County reasonably expects that it will reimburse itself for such Original Expenditures with the proceeds of debt to be incurred by the County, and the maximum principal amount of debt to be incurred with respect to the RCCC Workforce Innovations Center Project is expected to be \$47,000,000.

(e) All Original Expenditures to be reimbursed by the County were paid no more than 60 days prior to or will be paid on or after the date of, this declaration of official intent. The County understands that such reimbursement must occur not later than 18 months after the later of (i) the date the Original Expenditure was paid; or (ii) the date the Workforce Innovations Center Project was placed in service or abandoned, but in no event more than 3 years after the Original Expenditure was paid.

2. This resolution shall take effect immediately.

I, Lauren Linker, Clerk to the Board of Commissioners for the County of Cabarrus, North Carolina, DO HEREBY CERTIFY that the foregoing is a true copy of so much of the proceedings of said Board of Commissioners at a regular meeting held on August 20, 2024, as relates in any way to the passage of the resolutions hereinabove referenced, and that said proceedings are recorded in Minute Book No. [] of the minutes of said Board of Commissioners, beginning at page ____ and ending at page ____.

I DO HEREBY FURTHER CERTIFY that the schedule of regular meetings of said Board of Commissioners has been on file in my office pursuant to North Carolina General Statutes §143-318.12 as of a date not less than seven (7) days before said meeting.

WITNESS my hand and the corporate seal of said County, this 20th day of August 2024.

Clerk to the Board of Commissioners
for the County of Cabarrus, North Carolina

[SEAL]

CABARRUS COUNTY



BOARD OF COMMISSIONERS WORK SESSION

**August 5, 2024
4:00 PM**

AGENDA CATEGORY:

Discussion Items for Action

SUBJECT:

Human Resources - Personnel Ordinance Changes

BRIEF SUMMARY:

Research and recommendations for benefits updates were presented during the February budget retreat. Human Resources will present detailed recommendations for three time-off accruals including: Vacation Tiers, Bereavement Leave and Parental Leave, along with the Personnel Ordinance and policy language required to support these changes. Additionally, new Ordinance language covering the Pregnant Workers Fairness Act will be presented.

REQUESTED ACTION:

Motion to approve new benefit recommendations, supporting policy and Personnel Ordinance language.

EXPECTED LENGTH OF PRESENTATION:

15 Minutes

SUBMITTED BY:

Lundee Covington, Human Resources Director
Ashley Dobbins, Human Resources Strategy Manager
Johanna Ray, Health & Wellness Manager

BUDGET AMENDMENT REQUIRED:

No

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

ATTACHMENTS:

- ▢ Personnel Ordinance
- ▢ Presentation
- ▢ Parental Leave
- ▢ Bereavement Data
- ▢ PPBL Data
- ▢ Vacation Tier Research
- ▢ New Vacation Tables

Personnel Ordinance Updates

BOC Work Session

August 5, 2024

Several Ordinance sections need some minor updating as clarifications or to return language inadvertently omitted from a previous edit. Several new sections are proposed to address current policies and practices and to cover proposed new time off categories.

General Updates

Lateral transfer section dropped from previous updates and needs reinstatement.

Section 6. Pay Rates in Promotion, Demotion, Transfer, and Reclassification

- (a) All transitions described below must start on the first day of a new pay cycle.
- (b) When an employee is promoted to a position in a higher salary range, the employee shall be eligible for a salary increase equivalent to the competitive market rate. Increases shall be calculated based on credit for experience and education. Increases that exceed the 35th percentile of the range must be approved by the County Manager.
- (c) When an employee is demoted for non-disciplinary reasons or has a job status change which results in a lower salary range being assigned to the employee's job, the employee's pay shall remain the same (except that it shall not exceed approximately 7.5%) over the maximum of the new range until general schedule adjustments or range revisions bring it back within the lower range); OR his or her salary may be reduced to any amount in the lower salary range, as long as the reduced salary does not fall below the minimum salary rate of that range.
- (d) When an employee is demoted for disciplinary reasons which results in a lower salary range being assigned to the employee's job, the employee's pay will be placed at the hire rate of the lower salary range or have his or her salary reduced by approximately 10%, whichever is less, upon the recommendation of the department head with the approval of the County Manager. In no case should the reduced salary fall below the minimum of the new salary range.
- (e) When an employee is transferred to a position in the same salary range, he or she will normally retain the same salary. Adjustments to the salary can be made for special situations, if justified, upon recommendation by the department head with the approval of the County Manager.
- (d)-
- (e)(f) When a position is reclassified to a higher salary range, the employee in the position shall receive approximately 5% or an increase to the entry level of the new salary grade, whichever is greater.
- (f)(g) When a position is reclassified to a lower salary range, the employee's salary in the position moves to the new range at the current rate of pay. It cannot exceed the maximum rate of pay of the salary grade by more than approximately 7.5% until general schedule adjustments or range revisions bring it back within the lower range.

ARTICLE VI. LEAVES OF ABSENCE

Firefighters 24-hour schedule needs to be added.

Section 5. Vacation Leave - Maximum Accrual

Vacation leave may be accrued without any applicable maximum until December 31 of each calendar year. At the end of each benefit year on December 31, any County employee with accrued vacation leave in excess of 240 hours (252 hours for law enforcement officers working a 12-hour shift schedule, 318 for fire fighters working 24-hour shift schedule) shall have the excess vacation leave converted to sick leave. Converted sick leave shall be used in the same manner as accrued sick leave and may be used for authorized sick leave purposes. Like regular sick leave, any unused converted sick leave may be counted toward creditable service at retirement as regulated by the North Carolina Local Governmental Employees' Retirement System or Law Enforcement Officers' Benefit and Retirement Fund.

Section 6. Vacation Leave - Payment on Separation

An employee who is separated shall be paid for vacation leave accumulated to the date of separation, not to exceed a maximum of 240 hours (252 hours for law enforcement officers working a 12-hour shift schedule, 318 for fire fighters working 24-hour shift schedule).

The estate of an employee who dies while employed by the County shall be entitled to payment for all of the accumulated vacation leave credited to the employee's account not to exceed a maximum of 240 hours (252 hours for law enforcement officers working a 12-hour shift schedule, 318 for fire fighters working 24-hour shift schedule). The date of death shall be used as the date of separation for purpose of determining such payment.

Adding a section regarding the order of accrual time usage.

Section 15. Family Medical Leave Act

Federal legislation made the Family and Medical Leave Act (FMLA) effective on August 5, 1993 and FMLA regulations were revised on January 16, 2009. A copy of the Department of Labor, Wage and Hour Division Publication 1420, Employee Rights and Responsibilities Under the Family and Medical Leave Act poster, is posted on Cabarrus County intranet.

In compliance with the FMLA, Cabarrus County provides up to 12 weeks of job protected leave or up to 26 weeks of military caregiver leave (unpaid if accrued paid leave time is not available) to employees if they have worked for the County for at least 12 months, normally within seven years, and for 1,250 hours over the previous 12 months.

(a) Eligible employees may use FMLA leave for the following events or conditions:

1. For the birth of a son or daughter or to care for the child after birth;
2. For placement of a son or daughter for adoption or foster care or to care for the child after placement;
3. To care for the employee's spouse, son, daughter or parent (but not a parent "in-law") with a serious health condition;
4. Because of a serious health condition that makes the employee unable to perform the functions of the job;
5. For qualifying exigency leave for families of members of any component of the Armed Forces when the covered military member (employee's spouse, son, daughter, or parent)

- is deployed or called to deploy with the Armed Forces to a foreign country; or
6. For military caregiver leave to care for an ill or injured servicemember to include certain veterans (employee's spouse, son, daughter, parent, or next of kin) with a serious illness or injury incurred or preexisting serious injury or illness aggravated in the line of duty while on active duty. Next of kin is defined as the closest blood relative of the injured servicemember.

The 12-month period for determining leave entitlement will be a rolling 12-month period. The 12 months immediately preceding the current leave request will determine the entitlement. Eligible employees are entitled to up to 12 weeks of unpaid FMLA leave less any leave used for a qualifying FMLA purpose during the preceding 12 months. Employees may not take more than 12 weeks unpaid/paid leave for a qualifying FMLA purpose in any 12-month period. An employee may be allowed additional accrued paid leave or leave without pay on recommendation of the department head and approval of the County Manager.

Military caregiver leave may extend up to 26 weeks in a single 12-month period beginning the date caregiver leave begins. FMLA leave already taken for other FMLA reasons is deducted from the 26 available weeks.

An FMLA covered absence runs concurrently with the use of available accrued leave and compensatory time for the FMLA absence. An FMLA covered absence also runs concurrently with a Workers' Compensation absence. Available accrued leave and compensatory time must be used for an FMLA absence prior to the use of approved leave without pay, except for Workers' Compensation absence.

Section 17. Leave Without Pay

When an employee will be absent from work and does not have sufficient accrued paid leave to cover the hours in their workweek, Leave Without Pay (LWOP) must be utilized to close out the pay period. Time should be requested before the absence if possible. The employee must have exhausted all forms of accrued paid leave which would have otherwise covered the requested leave time.

Approval of Leave Without Pay is an administrative decision and may be granted only in extraordinary situations with the approval of the Department Head (less than one full shift) and the County Manager (one full shift or greater than 8 hours).

The employee ~~must~~ should request the need for leave prior to being absent from work. The supervisor will initiate the request and make estimates of time needed based on information known, then make a recommendation to approve or disapprove to the department head. If disapproved, the employee may be subject to disciplinary action. The County Manager will receive notification for all LWOP requests the department head approves the form, it is forwarded to the County Manager if more than one shift is required.

Prior to recommending, the employee's supervisor shall consider the occurrence of peak workload periods, employee's length of service and other factors relevant to the operations of the department. The supervisor shall also review the personal circumstances of the employee before recommending approval or denial of a Lleave Wwithout Pay request.

If Leave Without Pay is denied and communicated to the employee and the employee does not report for work as scheduled, this will be considered a disciplinary incident subject to the County disciplinary

process. Failure to report for duty at the expiration of an approved **L**leave **W**without **P**pay event shall be considered a resignation.

If money is not available to cover benefit deductions, the employee will be responsible for making those payments to Finance, for example employee and dependent premiums for health, dental, etc.

Adding section for prorated hours for PT 9102 staff.

Section 25. Volunteer Service Leave

County Management recognizes the Board's commitment to volunteer activities which support the quality of education of children; enhance the community's quality of life through community support agencies.

County employees will receive up to 12 hours of County paid time off per calendar year for qualifying volunteer activities. **Part time 9102 staff will receive a prorated amount of hours based on their position FTE status.** Time must be during the employee's regularly scheduled workweek. Examples of qualifying events include school events such as tutoring, guest lecturer, EOG and exam proctoring, mentoring unrelated to the employee's child/ren, Special Olympics, Habitat for Humanity, Boys and Girls Club, etc.

An employee's job responsibilities take precedence over volunteer activities. Prior approval by the employee's supervisor is required for time away from work.

NEW Section, legal requirement

Pregnant Workers Fairness Act

The Pregnant Workers Fairness Act (PWFA) requires covered employers to provide a reasonable accommodation to a qualified employee or applicant's known limitations related to, affected by, or arising out of pregnancy, childbirth, or related medical conditions, unless the accommodation will cause the employer an "undue hardship." The PWFA applies only to accommodations. Other [laws](#) that the EEOC enforces make it illegal to fire or otherwise discriminate against employees or applicants on the basis of pregnancy, childbirth, or related medical conditions.

The PWFA went into effect on June 27, 2023. On April 15, 2024, the EEOC issued its [final regulation](#) to carry out the law. The regulation went into effect on June 18, 2024. You can find a summary of the regulation at <https://www.eeoc.gov/summary-key-provisions-eeocs-final-rule-implement-pregnant-workers-fairness-act-pwfa>.

NEW Section, adding policy reference, policy created in 1994

Leave Share

There are occurrences brought about by serious and prolonged medical conditions that cause employees to exhaust all available leave and therefore be placed on leave-without-pay (LWOP) status. It is recognized that all employees on LWOP could be without income at the most critical point in their work life. It is also recognized that employees may wish to voluntarily donate some of their accumulated

vacation and sick leave so as to provide assistance to fellow Cabarrus County employees. A donation bank has been created for this purpose and a committee created to oversee requests for leave.

In cases of a serious and prolonged medical condition, an employee may apply for or be nominated to become a recipient of donated leave time from other employees. A medical condition is defined as a documented medical condition of an employee that is likely to require the employee's absence from duty for a period of four work weeks or more and to result in a substantial loss of income to the employee due to limited leave in the employee's account. For more detailed information see the Leave Share Policy.

NEW Section following FMLA section to address those without FMLA protection but potential ADA and PWFA

Personal Medical Leave – Non-FMLA

Full time and part time 9102 employees who do not meet the eligibility requirements for FMLA leave based on date of employment and hours worked may be approved to take time off work to deal with their own serious personal medical situation (as defined under FMLA). Medical procedures that do not qualify for FMLA are not eligible under this section. Medical documentation of the health condition is required. Time away may be covered by accrued time or may be under Leave Without Pay (LWOP) and will not exceed 6 weeks. During this time, the county is not required to hold the employee's position and the employee will be responsible for payment of all insurance premiums. This time is not to be added to exhausted FMLA time or to extend time for those who otherwise qualify for FMLA leave. See Extended Sick Leave for use of accruals after exhaustion of FMLA.

Recommendations Related to Total Rewards: Time Off Benefits

Vacation Tier Changes/Recognition of Prior NC Government Service

Section 3. Vacation Leave

All regular and probationary employees (personnel status of full time and part time) who are scheduled to work at least 1,000 hours during the calendar year shall receive vacation leave in accordance with this policy. Vacation leave may be used at the employee's discretion with prior approval of the employee's immediate supervisor or department head. Use of compensatory time may/will be required if a balance is available. Elected positions are not subject to this section and do not earn vacation leave.

Section 4. Vacation Leave - Manner of Accrual

The anniversary date of employment shall be used for determining earned vacation leave. Employees/applicants with prior service with NC local or state governments may receive credit for prior service upon appropriate proof of service. Any employee working a regular 40-hour workweek shall earn vacation leave at the following rates in Schedule A or B if applicable.

The County Manager may establish a vacation leave earning rate, consistent with this schedule, for a new employee when in the best interest of the County for recruitment of an experienced individual.

Vacation leave credited to regular and probationary employees scheduled to work at least 1000 hours during the calendar year but fewer hours than the regular 40-hour work week shall be determined in accordance with the formula set forth in Section 14 of this Article.

Schedule A is for all persons hired or rehired on July 1, 1997, or thereafter; and those in full time County employment immediately prior to that date who voluntarily chose to change from Schedule B in order to receive retiree health and life insurance benefits. See Article IX., Section 3 for retiree benefits information.

Employees earning more vacation leave than listed on Schedule A for their years of service will have their vacation leave accrual rate remain at the then current level until or when advancement in seniority entitles them to earn an increased amount of leave. The exception — employees earning more than twenty days of vacation leave a year will as of, July 1, 1997, and thereafter, earn at a rate of twenty days a year.

Schedule A - Employees Scheduled 80 hours per pay period

Schedule A Table 1	Hired after 7/1/1997	-	-
Vacation — 80-hour schedule			
Years of Continuous Cabarrus County Service	Units Per Hour	Per Pay Period	Annual
Less than 5	0.0385	3.080	80.08

5 but less than 10	0.0500	4.000	104.00
10 but less than 15	0.0577	4.616	120.02
15 but less than 20	0.0654	5.232	136.03
20 years or more	0.0769	6.152	159.95

Schedule A: Table 1	Hired after 7/1/1997			
	Vacation – 80 hour schedule			
<u>Years of NC Government Service</u>	<u>Accrual Per Hour</u>	<u>Accrual Per Pay Period</u>	<u>Annual</u>	<u>Days (Rounded)</u>
Less than 5	0.0462	3.692	96	12
5 but less than 10	0.0577	4.615	120	15
10 but less than 15	0.0692	5.538	144	18
15 but less than 20	0.0808	6.462	168	21
20 years or more	0.0923	7.385	192	24

Schedule A - Employees Scheduled 84 hours per pay period

Schedule A Table 25	Hired after 7/1/1997		
Vacation – 84 hour schedule			
<u>Years of Continuous Cabarrus County Service</u>	<u>Units Per Hour</u>	<u>Per Pay Period</u>	<u>Annual</u>
Less than 5	0.0385	3.2340	84.084
5 but less than 10	0.0500	4.2000	109.200
10 but less than 15	0.0577	4.8468	126.017
15 but less than 20	0.0654	5.4936	142.834
20 years or more	0.0769	6.4596	167.950

Schedule A: Table 2	Hired after 7/1/1997			
	Vacation – 84 hour schedule			
<u>Years of NC Government Service</u>	<u>Accrual Per Hour</u>	<u>Accrual Per Pay Period</u>	<u>Annual</u>	<u>Days (Rounded)</u>
Less than 5	0.0462	3.877	101	12
5 but less than 10	0.0577	4.846	126	15
10 but less than 15	0.0692	5.815	151	18
15 but less than 20	0.0808	6.785	176	21
20 years or more	0.0923	7.754	202	24

Schedule A Table 27	Hired after 7/1/1997		
Vacation—24 hour schedule			
Years of Continuous Cabarrus County Service	Units Per Hour	Per Pay Period	Annual
Less than 5	0.0385	4.081	106.11
5 but less than 10	0.0500	5.300	137.80
10 but less than 15	0.0577	6.116	159.02
15 but less than 20	0.0654	6.932	180.23
20 years or more	0.0769	8.151	211.93

Schedule A: Table 3	Hired after 7/1/1997						
Vacation – 24 hour schedule (Fire)							
<u>YEARS</u>	<u>MONTHS</u>		<u>RATE</u>	<u>PER PAY - 96 Hours</u>	<u>PER PAY - 120 Hours</u>	<u>ANNUAL</u>	<u>24 HOUR DAYS</u>
>5	0	59	0.058242	5.587	6.984	163	6.8094
5<10	60	119	0.072802	6.989	8.736	204	8.5176
10<15	120	179	0.087363	8.390	10.488	245	10.2258
15<20	180	239	0.101923	9.782	12.228	286	11.9223
20+	240	999	0.116484	11.184	13.980	327	13.6305

Schedule B is for all persons employed full time with the County on June 30, 1997, that earned vacation leave on this schedule and chose voluntarily to remain on this schedule after that date, in lieu of receiving County paid health plan and life insurance coverage at retirement. Anyone earning vacation leave under this schedule on July 1, 1997, who is separated from County employment and rehired at a later date, will earn leave as listed in Schedule A.

Schedule B - Employees Scheduled 80 hours per pay period

Schedule A Table 25				
Vacation—80 hour schedule				
Years of Continuous Cabarrus County Service	Units Per Hour	Per Pay Period	Annual	Approximate Days

Less than 2	0.0385	3.0800	80.08	10+
2 but less than 5	0.0462			
5 but less than 10	0.0577	3.6960	96.10	12+
10 but less than 15	0.0692	4.6160	120.02	15
15 but less than 20	0.0808	5.5360	143.94	17+
20 years or more	0.0923	6.4640	168.06	21

Schedule B: Table 4	Hired before 7/1/1997			
	Vacation – 80 hour schedule			
<u>Years of Continuous Cabarrus County Service</u>	<u>Accrual Per Hour</u>	<u>Accrual Per Pay Period</u>	<u>Annual</u>	<u>Days (Rounded)</u>
20 years or more	0.1038	8.308	216	27

Sick Leave will need modification to modify bereavement content. New section for Bereavement Leave follows. There is also a change to general language that needs to be moved.

Section 7. Sick Leave

All regular and probationary employees who are scheduled to work at least 1,000 hours during the calendar year shall receive sick leave in accordance with this policy. Sick leave with pay is not a right which an employee may demand but a privilege granted by the Board of Commissioners for the benefit of an employee when sick and for other authorized purposes:

1. Sick leave shall be granted to an employee absent from work for any of the following reasons: sickness, bodily injury, required physical or dental examinations and treatment, or exposure to a contagious disease when continuing work might jeopardize the health of others.
2. Sick leave may be used for illness, injury, or a medical appointment of a member of an employee's immediate family.
3. **After bereavement leave is exhausted,** Sick leave may also be used for death in the employee's immediate family, but may not exceed 40 hours (42 hours for law enforcement officers working a 12-hour shift schedule) for any one occurrence.

Note for the purposes of 2 and 3. Immediate family shall be deemed to include spouse, mother, father, guardian, children, sister, brother, grandparents, grandchildren, plus the various combinations of half, step, in-law, and adoptive relationships that can be derived from those named. Foster children under the care of an employee shall be deemed immediate family for these purposes.

The County Manager may authorize additional sick leave use for extenuating circumstances.

Unless physically impossible, notification of the desire to take sick leave should be submitted to the employee's supervisor prior to the beginning of the scheduled workday.

Sick leave requested in a workweek or work period cannot result in paid hours that exceed the scheduled hours for the week or period. The sick leave hours requested but not needed to complete a scheduled workweek or work period will remain in the employee's accrued sick leave balance.

This section is applicable to all paid benefit accruals. Remove from this policy and add to the beginning of the Personnel Ordinance section on leave time.

NEW Section

Bereavement Leave

Time away from work for the death of an immediate family member is covered under a Bereavement Leave benefit/policy. Full and part time (9102) employees may receive up to 3 days (24 hours) for bereavement time for defined immediate family members. **The max per calendar year is 6 days.** See Bereavement Leave for Immediate Family and Others Policy for more details.

NEW Section

Paid Parental Bonding Leave

Eligible full and part time (9102) employees may qualify for Paid Parental Bonding Leave (PPBL) to allow paid time off to care for and bond with a newborn or a child following adoption or long-term foster care placement or guardianship. Birthing mothers will be provided 6 weeks of continuous leave time and non-birthing parents, those adopting or fostering will be provided 4 weeks of continuous leave if policy requirements are met. See Paid Parental Bonding Leave Policy for more details.

Cabarrus County Total Rewards: Time Off Benefits Part 1

Lundee Covington, HR Director
Ashley Dobbins, HR Strategy Manager
Johanna Ray, Health & Wellness Manager

August 5, 2024

Total Rewards Overview



HR conducted a comprehensive survey of surrounding and competing (for talent) jurisdictions in January, recently researching and adding State benefits to data.

- Cabarrus County was not competitive in multiple areas of time off benefits and presented options we wanted to explore at the Board of Commissioners retreat in February.
- We have researched other jurisdictions/HR professional organizations policies for guidance in establishing recommendations.

Jurisdictions

Cumberland County
Durham County
Forsyth County
Gaston County
Guilford County
Iredell County
Mecklenburg County
New Hanover County
Onslow County
Rowan County
Union County
Wake County

State of North
Carolina

City of Charlotte
City of Concord
City of Kannapolis
City of Mooresville
City of Raleigh

Supportive leave benefits are important because they may reduce:

Loss of talent in recruitment and retention - Average cost of *turnover*

Absenteeism - The habitual non-presence of an employee at their job for an unacceptable, unexcused time span.

Presenteeism - When employees come to work with an illness, injury, or other condition, negatively affecting their productivity and work quality.



Total Rewards Overview

Time off benefits that we are presenting today:

- **Enhanced Vacation Leave**
- **Bereavement Leave**
- **Paid Parental Bonding Leave**



Timeline for changes would vary by project. We estimate that changes could be made sometime after ***September 1st*** with coordination between HR, IT and Payroll.

Vacation Leave Tiers

Part I



Request to adjust vacation leave at all tier levels (based on years of service) to be more in line with other jurisdictions.

Adjustments have not been made since 1997

Action Items Upon Approval:

- Adjustment to vacation tables in the Finance/HR system
- Updates to Personnel Ordinance language
- Employees moved to the new earning level based on their years of service



Vacation Proposal



Vacation – 80 Hour Schedule

Years of Service	Range of vacation leave offered in other jurisdictions	Current	Proposed	
>5 years	12 – 16 days	10 Days	12 Days	+ 2 Days
5<10 years	14 – 19 days	13 Days	15 Days	+ 2 Days
10<15 years	17 – 24 days	15 Days	18 Days	+ 3 Days
15<20 years	20 – 27 days	17 Days	21 Days	+ 4 Days
20+ years	24 – 31 days	20 Days	24 Days	+4 Days

Vacation Leave Tiers - Part II

Estimated implementation after ***November 1***

For Recruitment of experienced staff:

Consider years of experience in NC local government/state service and place that new team member in the appropriate accrual rate.

Example: If an applicant has 11 years in NC local government they would earn vacation accruals at that rate - 18 days per year

For Retention of experienced staff:

Collect total experience in NC local government/state service and place current staff member in the appropriate accrual rate.



Cost - Vacation Tiers

- Vacation tiers impact employee banks:

»» Carry forward year to year



Paid out within limits (*240 maximum for FT 8-hour employee*)

- Minimal impact to vacation payouts due to turnover. Our vacation time is earned over the course of the year as employees work and therefore it takes an entire year to earn the 10 days of vacation.

Cost - Vacation Tiers

We have 1,265 Full Time Employees. Tenure breakdown:



Number of Employees	Tenure	Number of Proposed Vacation Days
647	0-5 years	12 Days
280	5-10 years	15 Days
131	10-15 years	18 Days
106	15-20 years	21 Days
95	20+ years	24 Days

Bereavement Leave



- 50% of other jurisdictions are offering paid bereavement leave for the loss of an immediate family member
- Propose offering 3 paid Bereavement days per occurrence of death in the immediate family
- Cap at 6 days per calendar year

Bereavement Leave



- The intended use of bereavement leave will be to manage funeral arrangements and attend services, including time to travel if needed.
- Upon approval, will remove bereavement leave language from current sick leave policy and establish a separate bank of time.

Bereavement Leave

Upon Approval, this bank can be utilized for:

Immediate Family - defined as employee's spouse, parent, child, sibling, grandparent, grandchild, plus the various combinations of half, step, in-law, and adoptive relationships of the same level.

Co-worker - up to 4 hours for funeral of employee or retiree, based on department approval/staffing.

Parental Bonding Leave



- Request a Parental Leave bank of time for FMLA eligible employees to care for and bond with a newborn or a child coming into their home through adoption, long-term foster placement, or guardianship.
- Recommendation of 6 weeks leave time for the birthing mother to include medical/recovery period.
- Recommendation of 4 weeks of leave time for non-birthing parent, adoption, long-term foster, or guardianship.



Benefits Eligibility



- Benefits eligible employees include:

Full time employees

 Part time 9102 (> 1000 hours per year) - receive a prorated amount of leave based on status

For Paid Parental Bonding Leave, must have been employed with Cabarrus County for a minimum of 1 year

- Bereavement and Paid Parental Bonding would only be available to those who meet qualifications defined in policies

Cost - Paid Parental Leave & Bereavement

- Employee salaries are budgeted in terms of annual salary. These programs will not increase that direct cost.
- Bereavement and Paid Parental Leave do not carry forward year to year or pay out.

Cost - Paid Parental Leave & Bereavement

Costs are indirect and include:

- ➡ Work shifting to other staff members or awaiting the employee's return.
- ➡ Utilizing part time employees to cover immediate needs.
- ➡ Potential overtime cost. Departments are tasked with managing overtime budgets.

Recap

We presented 4 potential benefit items today for consideration:

- Bringing our vacation tiers in line with other jurisdictions
- Considering Local Government/State Service when placing employees in the tier that matches that tenure
- Bereavement Leave
- Paid Parental Bonding Leave



FMLA Eligible Paternity/Maternity Leave

Year	Type	Number
2020	Paternity Leave	10
	Maternity Leave	4
2021	Paternity Leave	8
	Maternity Leave	2
2022	Paternity Leave	12
	Maternity Leave	5
2023	Paternity Leave	16
	Maternity Leave	12



<u>Jurisdiction</u>	<u>Bereavment</u>	
Cabarrus County	No	
City of Charlotte	Yes	5 days per year
City of Concord	Yes	5 days per occurrence
City of Kannapolis	Yes	5 days per year
City of Mooresville	Yes	5 days per occurrence
City of Raleigh	No	
Cumberland County	No	
Durham County	Yes	5 days per year
Forsyth County	No	
Gaston County	No	
Guilford County	Yes	5 days per year
Iredell County	No	
Mecklenburg County	Yes	5 days per occurrence
New Hanover	Yes	3 days per occurrence
Onslow County	No	
Rowan County	No	
Union County	No	
Wake County	Yes	5 days per year
State of NC	Yes - Pending	3 days
Totals:	10 out of 18	
	10 YES	
	8 NO	

<u>Jurisdiction</u>	<u>Paid Parental Leave</u>	<u>Time Allowed</u>	
Cabarrus County	No		
City of Charlotte	Yes	6 weeks	Birthing and Non-Birthing
City of Concord	Yes	6 weeks	Birthing and Non-Birthing
City of Kannapolis	Yes	6 weeks	Birthing and Non-Birthing
City of Mooresville	No		
City of Raleigh	Yes	8 weeks	Birthing and Non-Birthing
Cumberland County	No		
Durham County	Yes	12 weeks	Birthing and Non-Birthing
Forsyth County	No		
Gaston County	Yes	2 weeks	Birthing and Non-Birthing
Guilford County	Yes	8 weeks	Birthing and Non-Birthing
Iredell County	No		
Mecklenburg County	Yes	6 weeks	Birthing and Non-Birthing
New Hanover	Yes	6 weeks	Birthing and Non-Birthing
Onslow County	No		
Rowan County	No		
Union County	Yes	8 weeks	Birthing and Non-Birthing
Wake County	Yes	8 weeks	Birthing and Non-Birthing
State of NC	Yes	8 weeks for birthing	4 weeks for non-birthing
Totals:	12 out of 18		
	12 YES		
	6 NO		

Vacation Tier Research

Cabarrus County

< 2 yrs= 10 days
2 < 5 yrs = 10 days
5 < 10 yrs = 13 days
10 < 15 yrs = 15 days
15 < 20 yrs = 17 days
20+ yrs = 20 days

Proposed Cabarrus County

>5 years = 12 Days
5<10 Years = 15 Days
10<15 Years = 18 Days
15<20 Years = 21 Days
20+ Years = 24 Days

**Iredell County
Rowan County**

< 2 years = 10 days
2 - 5= 12 days
5 - 10 = 15 days
10 - 15 = 18 days
15 - 20 = 21 days
≥ 20 = 24 days

Forsyth County

1-4 years = 12 days
5-7 years = 14 days
8-12 years = 17 days
13-17 years = 20 days
18+ years = 23 days

Meck County

< 2 years = 14 days
2-4 = 16 days
5-9 = 19 days
10-14 = 24 days
15-19 = 27 days
>20 = 31 days

Cumberland County

0-2 yrs = 12 days
2 < 5 yrs = 15 days
5 < 10 yrs = 18 days
15 < 20 yrs = 24 days
20 + = 27 days

**New Hanover County
City of Mooreseville**

< 2 yrs = 10 days
2-4 yrs = 12 days
5-9 yrs = 15 days
10 -14 yrs = 18 days
15-19 yrs = 21 days
20+ yrs = 24 days

City of Charlotte

<3 years = 10 days
3 < 9 years = 15 days
9 < 14 years = 18 days
14+ yrs = 20 days

City of Concord

0-4 yrs = 12 days
5-9 yrs = 15 days
10 - 14 yrs = 18 days
15-19 yrs = 21 days
20+ yrs = 24 days

Guilford County

0 - 5 yrs = 12 days
5-10 yrs = 15 days
10-15 yrs = 18 days
15 - 20 yrs = 21 days
20 + yrs = 24 days

City of Raleigh

0-2 years = 12 days
3-9years = 15 days
10-14 years = 18 days
15-19 years = 21 days
20+ years = 24 days

**Gaston County
Union County**

> 2 yrs = 12 days
2 < 5 yrs = 14 days
5 < 10 yrs = 17 days
10 < 15 yrs = 20 days
15 < 20 yrs = 23 days
20 + yrs = 26 days

**City of Kannapolis
State of NC**

> 5 = 14 days
5 < 10 = 17 days
10 < 15 = 20 days
15 < 20 = 23 days
> 20 = 26 days

Wake County

> 5 yrs = 14 days
5 - 10 yrs = 17 days
10-15 yrs = 20 days
15-20 years = 23 days
20+ = 26 days

Table 1

<u>Employee Average Hours Worked</u>	<u>YEARS</u>	<u>MONTHS</u>		<u>RATE</u>	<u>PER PAY</u>	<u>ANNUAL</u>	<u>DAYS</u>
<i>8 - Hour Employees</i>	>5	0	59	0.046154	3.692	96	12
Average Annual Hours = 2080	5<10	60	119	0.057692	4.615	120	15
40 HPW (hours per week)	10<15	120	179	0.069231	5.538	144	18
Shifts per week = 5	15<20	180	239	0.080769	6.462	168	21
Average hours per day = 8	20+	240	999	0.092308	7.385	192	24
<i>80 Biweekly Hours/10 Shifts = 8</i>							

Table 2 (Previous Table 6)

<u>Employee Average Hours Worked</u>	<u>YEARS</u>	<u>MONTHS</u>		<u>RATE</u>	<u>PER PAY</u>	<u>ANNUAL</u>	<u>DAYS</u>
<i>8 - Hour Employee (Accepted Higher Vacation Accrual vs Retiree Insurance)</i>	20+	240	999	0.103846	8.308	216	27
Average Annual Hours = 2080							
40 HPW (hours per week)							
Shifts per week = 5							
Average hours per day = 8							
<i>80 Biweekly Hours/10 Shifts = 8</i>							

Table 3 (Previous Table 25)

<u>Employee Average Hours Worked</u>	<u>YEARS</u>	<u>MONTHS</u>		<u>RATE</u>	<u>PER PAY</u>	<u>ANNUAL</u>	<u>DAYS (Rounded)</u>
<i>12 - Hour Employee (Law Enforcement)</i>	>5	0	59	0.046154	3.877	101	12
Average Annual Hours = 2184	5<10	60	119	0.057692	4.846	126	15
42 HPW (hours per week) (2184/52)	10<15	120	179	0.069231	5.815	151	18
Shifts per week = 5	15<20	180	239	0.080769	6.785	176	21
Average hours per day = 8.4	20+	240	999	0.092308	7.754	202	24
<i>84 Biweekly Hours/10 Shifts = 8.4</i>							

Table 4 (Previous Table 27)

Employee Average Hours Worked

<i>24 - Hour Employee (Fire)</i>	<u>YEARS</u>	<u>MONTHS</u>		<u>RATE</u>	<u>PER PAY -</u>	<u>PER PAY -</u>	<u>ANNUAL</u>	<u>24 HOUR</u>
					<u>96 Hours</u>	<u>120 Hours</u>		<u>DAYS</u>
Average Annual Hours = 2756	>5	0	59	0.058242	5.587	6.984	163	6.8094
53 HPW (hours per week) (2756/52)	5<10	60	119	0.072802	6.989	8.736	204	8.5176
Shifts per week = 5	10<15	120	179	0.087363	8.390	10.488	245	10.2258
Average hours per day = 10.6	15<20	180	239	0.101923	9.782	12.228	286	11.9223
106 Biweekly Hours/10 Shifts = 10.6	20+	240	999	0.116484	11.184	13.980	327	13.6305

**Hourly earning rate calculated using this formula*

CABARRUS COUNTY



BOARD OF COMMISSIONERS WORK SESSION

**August 5, 2024
4:00 PM**

AGENDA CATEGORY:

Discussion Items for Action

SUBJECT:

Library - Library Card Sign Up Month

BRIEF SUMMARY:

The library charges patrons \$2 to replace missing or lost library cards. This means if patrons can't afford the replacement fee they will go without library services. To encourage citizens to use the library we will be promoting National Library Card Sign Up Month in September. We want everyone to be able to use the library so we want to offer replacement cards for no fee in the month of September. June is one of our busiest months, and we only took in \$140 in replacement card fees. So, this would not be a huge loss of income that would be outweighed with good publicity and increase library usage.

REQUESTED ACTION:

Motion to approve the waive of \$2 library card replacement fee for the month of September 2024.

EXPECTED LENGTH OF PRESENTATION:

5 Minutes

SUBMITTED BY:

Melanie Holles, Library Director

BUDGET AMENDMENT REQUIRED:

No

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

CABARRUS COUNTY



BOARD OF COMMISSIONERS WORK SESSION

**August 5, 2024
4:00 PM**

AGENDA CATEGORY:

Discussion Items for Action

SUBJECT:

Sheriff's Office - Acceptance of Governor's Highway Safety Program (GHSP) Grant Award

BRIEF SUMMARY:

This is a request to accept the funds for the third year of the current Governor's Highway Safety Program (GHSP) grant funding that was used to expand the Traffic Enforcement and Education Unit. The grant amount of \$126,672 will be used for the continuation of this program. There is a county match of \$126,672 to meet the eligibility requirement of this grant.

REQUESTED ACTION:

Motion to accept grant award and approve the associated budget amendment.

EXPECTED LENGTH OF PRESENTATION:

5 Minutes

SUBMITTED BY:

Chief Deputy Tessa Burchett

BUDGET AMENDMENT REQUIRED:

Yes

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

ATTACHMENTS:

- ▣ Traffic Grant Resolution
- ▣ Traffic Grant Agreement and Conditions
- ▣ Grant Application
- ▣ Budget Amendment

North Carolina Governor's Highway Safety Program

LOCAL GOVERNMENTAL RESOLUTION

WHEREAS, the _____ (herein called the "Agency")

(The Applicant Agency)

has completed an application contract for traffic safety funding; and that _____

(The Governing Body of the Agency)

_____ (herein called the "Governing Body") has thoroughly considered the problem identified and has reviewed the project as described in the contract;

THEREFORE, NOW BE IT RESOLVED BY THE _____ IN OPEN

(Governing Body)

MEETING ASSEMBLED IN THE CITY OF _____, NORTH CAROLINA,

THIS _____ DAY OF _____, 20 _____, AS FOLLOWS:

1. That the project referenced above is in the best interest of the Governing Body and the general public; and
2. That _____ is authorized to file, on behalf of the Governing
(Name and Title of Representative)
Body, an application contract in the form prescribed by the Governor's Highway Safety Program for federal funding in the amount of \$ _____ to be made to the Governing Body to assist in defraying
(Federal Dollar Request)
the cost of the project described in the contract application; and
3. That the Governing Body has formally appropriated the cash contribution of \$ _____ as
(Local Cash Appropriation)
required by the project contract; and
4. That the Project Director designated in the application contract shall furnish or make arrangement for other appropriate persons to furnish such information, data, documents and reports as required by the contract, if approved, or as may be required by the Governor's Highway Safety Program; and
5. That certified copies of this resolution be included as part of the contract referenced above; and
6. That this resolution shall take effect immediately upon its adoption.

DONE AND ORDERED in open meeting by _____

(Chairperson/Mayor)

ATTESTED BY _____

(Clerk)

SEAL

DATE _____

North Carolina Governor's Highway Safety Program

Agreement of Conditions

This Agreement is made by and between the North Carolina Department of Transportation, hereinafter referred to as the "Department", to include the Governor's Highway Safety Program, hereinafter referred to as "GHSP"; and the applicant agency, for itself, its assignees and successors in interest, hereinafter referred to as the "Agency". During the performance of this contract, and by signing this contract, the Agency agrees as follows:

A. Federal Provisions

1. **Equal Opportunity/Nondiscrimination.** The Agency will agree to comply with all Federal statutes and implementing regulations relating to nondiscrimination concerning race, color, sex, religion, national origin, handicaps, and age. These include but are not limited to:
 - (a) Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq., 78 stat. 252);
 - (b) The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. 4601)
 - (c) Federal-Aid Highway Act of 1973, (23 U.S.C. 324 et seq.), and Title IX of the Education Amendments of 1972, as amended (20 U.S.C. 1681-1683 and 1685-1686);
 - (d) Non-Discrimination in Federally-assisted programs of the United States Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964 (49 CFR Part 21), hereinafter referred to as "USDOT", as amended;
 - (e) Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. 794 et seq.), as amended, and 49 CFR Part 27; and
 - (f) The Age Discrimination Act of 1975, as amended (42 U.S.C. 6101 et seq.);
 - (g) The Civil Rights Restoration Act of 1987, (Pub. L. 100-209);
 - (h) Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) and 49 CFR parts 37 and 38;
 - (i) Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations;
 - (j) Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency
2. **Drug Free Workplace.** The Agency agrees to comply with the provisions cited in the Drug-Free Workplace Act of 1988 (41 U.S.C. 8103).
3. **Federal Grant Requirements and Contracts.** The Agency shall comply with the following statutes and implementing regulations as applicable:
 - (a) Highway Safety Act of 1966 (23 U.S.C. Chapter 4 -), as amended;
 - (b) Sec. 1906, Pub. L. 109-59, as amended by Sec. 4011, Pub. L. 114-94;
 - (c) Uniform Procedures for State Highway Safety Grant Programs (23 CFR part 1300);
 - (d) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 1201);
 - (e) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200) and all other relevant Federal regulations covering the Highway Safety Program;
 - (f) NHTSA Highway Safety Grant Funding Guidance, as revised, July 2015 (www.nhtsa.gov) and additions or amendments thereto.
4. **Political Activity (Hatch Act)** The Agency will comply with provisions of the Hatch Act (5 U.S.C. 1501-1508), which limits the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
5. **Lobbying.**
 - (a) **Certification Regarding Federal Lobbying.** The undersigned certifies, to the best of his or her knowledge and belief, that:
 - (i) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

- (ii) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (iii) The undersigned shall require that the language of this certification be included in the award documents for all sub-award at all tiers (including subcontracts, subgrants, and contracts under grant, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure

- (b) **Restriction on State Lobbying.** None of the funds under this program will be used for any activity specifically designed to urge or influence a State or local legislator to favor or oppose the adoption of any specific legislative proposal pending before any State or local legislative body. Such activities include both direct and indirect (e.g., "grassroots") lobbying activities, with one exception. This does not preclude a State official whose salary is supported with NHTSA funds from engaging in direct communications with State or local legislative officials, in accordance with customary State practice, even if such communications urge legislative officials to favor or oppose the adoption of a specific pending legislative proposal.

6. Audits.

- (a) **Audit Required.** Non-Federal entities that expend \$750,000 or more in a year in Federal awards shall have a single or program-specific audit conducted for that year in accordance with the provisions of 2 CFR, Subpart F, §200.500. Guidance on determining Federal awards expended is provided in 2 CFR, Subpart F, §200.502.
- (b) **Single Audit.** Non-Federal entities that expend \$750,000 or more in a year in Federal awards shall have a single audit conducted in accordance with 2 CFR, Subpart F, §200.501, except when they elect to have a program-specific audit conducted in accordance with 2 CFR, Subpart F, §200.501, paragraph (c).
- (c) **Non-Governmental Entities.** Non-governmental entities (not-for-profit and for-profit entities) must adhere to North Carolina General Statute 143C-6.22 and 09 NCAC Subchapter 03M.

7. Instructions for Lower Tier Certification.

- (a) By signing and submitting this proposal, the prospective lower tier participant (the Agency) is providing the certification set out below and agrees to comply with the requirements of 2 CFR Parts 180 and 1200.
- (b) The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension or debarment.
- (c) The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- (d) The terms covered transaction, civil judgement, debarment, suspension, ineligible, participant, person, principal, and voluntarily excluded, as used in this clause, are defined in 2 CFR Part 180 and 1200. You may contact the person to whom this proposal is submitted for assistance in obtaining a copy of those regulations.
- (e) The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred,

suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

- (f) The prospective lower tier participant further agrees by submitting this proposal that it will include the clause titled "Instructions for Lower Tier Participant Certification" including the "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions and will require lower tier participants to comply with 2 CFR Parts 180 and 1200.
 - (g) A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any prospective lower tier participants, each participant may, but is not required to, check the System for Award Management Exclusions website (<https://www.sam.gov/>).
 - (h) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
 - (i) Except for transactions authorized under paragraph 7(e) of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, the department or agency with which this transaction originated may pursue available remedies including suspension or debarment.
 - (j) **Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Covered Transactions.**
 - (i) The prospective lower tier participant (the Agency) certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in covered transactions by any Federal department or agency.
 - (ii) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participants shall attach an explanation to this contract proposal.
8. **Buy America Act.** The Agency and each subrecipient will comply with the Buy America requirement (23 U.S.C. 313) when purchasing items using Federal funds. Buy America requires a State, or subrecipient, to purchase with Federal funds only steel, iron and manufactured products produced in the United States, unless the Secretary of Transportation determines that such domestically produced items would be inconsistent with the public interest, that such materials are not reasonably available and of a satisfactory quality, or that inclusion of domestic materials will increase the cost of the overall project contract by more than 25 percent. In order to use Federal funds to purchase foreign produced items, the State must submit a waiver request that provides an adequate basis and justification for approval by the Secretary of Transportation.
 9. **Prohibition On Using Grant Funds To Check For Helmet Usage.** The Agency and each subrecipient will not use 23 U.S.C. Chapter 4 grant funds for programs to check helmet usage or to create checkpoints that specifically target motorcyclists.
 10. **Conditions for State, Local and Indian Tribal Governments.** State, local and Indian tribal government Agencies shall adhere to the standards established by 2 CFR Part 225, Cost Principles for State, Local, and Indian Tribal Governments and additions or amendments thereto, for principles for determining costs applicable to grants and contracts with state, local and Indian tribal governments.
 11. **Conditions for Institutions of Higher Education.** If the Agency is an institution of higher education, it shall adhere to the standards established by 2 CFR Part 215 Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations and 2 CFR 220 Cost Principles for Educational Institutions for determining costs applicable to grants and contracts with educational institutions.

- 12. Conditions for Non-Profit Organizations.** If the Agency is a non-profit organization, it shall adhere to the standards established by 2 CFR Part 215 Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations and 2 CFR Part 230 Cost Principles for Non-Profit Organizations for determining costs applicable to grants and contracts with non-profit organizations.
- 13. Conditions for Hospitals.** If the Agency is a hospital, it shall adhere to the standards established by 2 CFR Part 215 Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations.

B. General Provisions

- 1. Contract Changes.** This document contains the entire agreement of the parties. No other contract, either oral or implied, shall supercede this Agreement. Any proposed changes in this contract that would result in any change in the nature, scope, character, or amount of funding provided for in this contract, shall require a written addendum to this contract on a form provided by the Department.
- 2. Subcontracts Under This Contract.** The Agency shall not assign any portion of the work to be performed under this contract, or execute any contract, amendment or change order thereto, or obligate itself in any manner with any third party with respect to its rights and responsibilities under this contract without the prior written concurrence of the Department. Any subcontract under this contract must include all required and applicable clauses and provisions of this contract. Subcontracting does not relieve the Agency of any of the duties and responsibilities of this agreement. The subcontractor must comply with standards contained in this agreement and provide information that is needed by the Agency to comply with these standards. The Agency must submit any proposed contracts for subcontracted services to the Governor's Highway Safety Program for final approval no less than 30 days prior to acceptance.
- 3. Solicitation for Subcontracts, Including Procurements of Materials and Equipment.** In all solicitations, either by competitive bidding or negotiation, made by the Agency for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the Agency of the Agency's obligations under this contract. Additionally, Agencies making purchases or entering into contracts as provided for by this contract must adhere to the policies and procedures of 2 CFR Part 200 and North Carolina General Statute 143-128.4. Historically underutilized business defined; statewide uniform certification as it pertains to Historically Underutilized Businesses.
- 4. Incorporation of Provisions in Subcontracts.** The Agency shall include the provisions of section A-1 through A-13 of this Agreement in every subcontract, including procurements of materials and leases of equipment, unless exempted by the regulations, or directives issued pursuant thereto. The Agency shall take such action with respect to any subcontract or procurement as the Department, the State of North Carolina, hereinafter referred to as the "State", the National Highway Traffic Safety Administration, hereinafter referred to as "NHTSA", or the Federal Highway Administration, hereinafter referred to as "FHWA", may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event the Agency becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the Agency may request the Department or the State to enter into such litigation to protect the interests of the Department or the State. In addition, the Agency may request the NHTSA or FHWA to enter into such litigation to protect the interests of the United States.
- 5. Outsourcing.** All work shall be performed in the United States of America. No work will be allowed to be outsourced outside the United States of America.
- 6. Property and Equipment.**
 - (a) Maintenance and Inventory.** The Agency shall maintain and inventory all property and equipment purchased under this contract.
 - (b) Utilization.** The property and equipment purchased under this contract must be utilized by the Agency for the sole purpose of furthering the traffic safety efforts of the Agency for the entire useful life of the property or equipment.
 - (c) Title Interest.** The Department and NHTSA retain title interest in all property and equipment purchased under this contract. In the event that the Agency fails or refuses to comply with the provisions of this Agreement or terminates this contract, the Department, at its discretion, may take either of the following actions:
 - (i)** Require the Agency to purchase the property or equipment at fair market value or other mutually agreed to amount; or

- (ii) Require the Agency to transfer the property or equipment and title of said property or equipment, if any, to the Department or to another Agency, as directed by the Department.
- (d) **Non-expendable Property.** Non-expendable property is defined as property or equipment having a value of \$5000 or more with a life expectancy of more than one year. Non-expendable property purchased under this contract cannot be sold, traded, or disposed of in any manner without the expressed written permission of the Department.
7. **Educational or Other Materials.** If allowed, any educational or other materials developed using funds from this contract must be reviewed and approved by the GHSP prior to their production or purchase. The cost of these materials is generally limited to a maximum of \$5.00 per item. The purchase of promotional items and memorabilia are not an allowable cost.
8. **Review of Reports and Publications.** Any reports, papers, publications, or other items developed using funds from this contract must be reviewed and approved by the GHSP prior to their release.
9. **Reimbursement.**
- (a) **General.** Payments are made on a reimbursement basis. There is no schedule of advance payments. Only actual allowable costs are eligible for reimbursement. Claims for reimbursement must be made a minimum of quarterly and no more than once a month via the Grants Management System. Claims for reimbursement not made within the three month threshold are subject to denial. The itemized invoice shall be supported by documentation of costs as prescribed by the Department. Reimbursements will not be processed if other required reports are incomplete or have not been submitted. Failure to submit complete reports by the required deadline may result in denial of reimbursement.
- (b) **Approval.** The Governor's Highway Safety Program and the Department's Fiscal Section shall approve the itemized invoice prior to payment.
- (c) **Unapproved Costs.** Any rejected or unaccepted costs shall be borne by the Agency. The Agency agrees that in the event the Department determines that, due to Federal or State regulations that grant funds must be refunded, the Agency will reimburse the Department a sum of money equal to the amount of Federal and State participation in the rejected costs.
- (d) **Final Claims for Reimbursement.** Final claims for reimbursement must be received by the GHSP within 30 days following the close of the approved contract period. Project funds not claimed by this date are subject to reversion.
- (e) **Expending Funds Under This Contract.** Under no circumstances will reimbursement be made for costs incurred prior to the contract effective date or after the contract ending date.
10. **Project Costs.** It is understood and agreed that the work conducted pursuant to this contract shall be done on an actual cost basis by the Agency. The amount of reimbursement from the Department shall not exceed the estimated funds budgeted in the approved contract. The Agency shall initiate and prosecute to completion all actions necessary to enable the Agency to provide its share of the project costs at or prior to the conclusion of the project.
11. **Program Income.** The Agency shall account for program income related to projects financed in whole or in part with federal funds in accordance with 2 CFR 200.307. Program income earned during the contract period shall be retained by the Agency and deducted from the federal funds committed to the project by the GHSP unless approved in advance by the Federal awarding agency as an addition to the project. Program income must be accounted for separately and the records made available for audit purposes.
12. **Project Directors.** The Project Director, as specified on the signature page of this Agreement, must be an employee of the Agency or the Agency's governing body. Any exception to this provision must have the expressed written approval of GHSP.
13. **Reports Required.**
- (a) **Quarterly Progress Reports.** Unless otherwise directed, the Agency must submit Quarterly Progress Reports to the GHSP, on forms provided by the Department, which reflect the status of project implementation and attainment of stated goals. Each progress report shall describe the project status by quarter and shall be submitted to GHSP no later than fifteen (15) days after the end of each quarter. If the Agency fails to submit a Quarterly Progress Report or submits an incomplete Quarterly Progress Report, the Agency will be subject to having claims for reimbursement withheld. Once a Quarterly Progress Report that substantiates adequate progress is received, cost reimbursement requests may be processed or denied at the discretion of GHSP.
- (b) **Final Accomplishments Report.** A Final Accomplishments Report must be submitted to the GHSP within fifteen (15) days of completion of the project, on forms provided by the Department, unless otherwise directed. If the Agency fails to submit a Final Accomplishments Report or submits an

incomplete Final Accomplishments Report, the Agency will be subject to having claims for reimbursement withheld. Once a Final Accomplishments Report that substantiates adequate progress is received, claims for reimbursement may be processed or denied at the discretion of GHSP.

- (c) **Audit Reports.** Audit reports required in Section A-6 above shall be provided to the Department within thirty (30) days of completion of the audit.

14. Out-of-State Travel.

- (a) **General.** All out-of-state travel funded under this contract must have prior written approval by the Governor's Highway Safety Program.
- (b) **Requests.** Requests for approval must be submitted to the GHSP, on forms provided by the Department, no less than thirty (30) days prior to the intended departure date of travel.
- (c) **Agency Travel Policy Required.** For Agencies other than state agencies, out-of-state travel requests must include a copy of the Agency's travel policy, to include allowances for lodging, meals, and other travel-related expenses. For state agencies, maximum allowable subsistence is limited to the prevailing per diem rates as established by the North Carolina General Assembly.
- (d) **Agenda Required.** Out-of-state travel requests must include a copy of the agenda for the travel requested.

15. Conditions for Law Enforcement. In addition to the other conditions provided for in this Agreement, grants to law enforcement agencies are subject to the following:

- (a) **Certifications Required.**
- (i) **In-car Camera or Video System.** For any in-car camera or video system purchased under this contract, it is required that the operator of that equipment has successfully completed Standardized Field Sobriety Testing training (SFST). A copy of this certificate must be filed with GHSP prior to reimbursement of in-car camera or video systems.
- (ii) **Radar.** For any radar equipment purchased under this contract, it is required that the operator of that equipment has successfully completed Radar Certification Training. A copy of this certificate must be filed with GHSP prior to reimbursement of radar equipment.
- (iii) **Alcohol Screening Devices.** For any preliminary alcohol screening devices purchased under this contract, it is required that the operator of that equipment has successfully completed the Alcohol Screening Test Device training offered by the Forensic Test for Alcohol Branch.
- (b) **Report Required - Monthly Enforcement Data Report.** In addition to the reports mentioned above, law enforcement agencies engaging in enforcement activities must submit a Monthly Enforcement Data Report on the form provided by the Department no later than fifteen (15) days after the end of each month. If the Agency fails to submit a Monthly Enforcement Data Report or submits an incomplete Monthly Enforcement Data Report, the Agency will be subject to having cost reimbursement requests withheld. Once a Monthly Enforcement Data Report that substantiates adequate progress is received, cost reimbursement requests will be processed. The agency head must sign the form. However, the agency head may assign a designee to sign the form by providing written signature authority to the GHSP.

16. Conditions for Local Governmental Agencies.

- (a) **Resolution Required.** If the Agency is a local governmental entity, a resolution from the governing body of the Agency is required on a form provided by the Department.
- (b) **Resolution Content.** The resolution must contain a commitment from the governing body to provide the local funds as indicated in this contract. Additionally, the resolution is required even if the funding is one hundred percent from federal sources, as it serves as recognition by the governing body of federal funding for purposes of Section A-6 above.

17. Seat Belt Policy and Use. Agency must adopt and enforce a seat belt use policy required for all seating positions unless exempted by state law.

18. Text Messaging Policy. Agency must adopt and enforce a policy banning text messaging while driving unless exempted by state law.

19. Prohibited Interests. No member, officer, or employee of the Agency during his or her tenure, and for at least one (1) year thereafter, shall have any interest, direct or indirect, in this contract or the proceeds thereof or therefrom.

20. Continued Federal and State Funding.

- (a) **Federal Funding.** The Agency agrees and understands that continuation of this project with Federal funds is contingent upon Federal funds being appropriated by the United States Congress specifically for that purpose. The Agency further agrees and understands that in the event funds originally

appropriated by Congress for these grants are subsequently reduced by further acts of Congress, funding to the Agency may be proportionately reduced.

- (b) **State Funding.** The Agency agrees and understands that continuation of this project with funds from the State of North Carolina is contingent upon State funds being appropriated by the General Assembly specifically for that purpose. The Agency also agrees that any state funds received under this contract are subject to the same terms and conditions stated in this Agreement.
- 21. Performance.** All grants provided by the Governor's Highway Safety Program are performance-based and, as such, require that continual progress be made toward the reduction of the number and severity of traffic crashes. Any agency, whose performance is deemed unsatisfactory by the GHSP, shall be subject to the sanctions as provided for in this contract. Additionally, unsatisfactory performance shall be cause for the Department to reduce or deny future funding.
- 22. Resolution of Disputes.** Any dispute concerning a question of fact in connection with the work not disposed of by contract by and between the Agency and the Department, or otherwise arising between the parties to this contract, shall be referred to the Secretary of the North Carolina Department of Transportation and the authorized official of the Agency for a negotiated settlement. In any dispute concerning a question of fact in connection with the project where such negotiated settlement cannot be resolved in a timely fashion, the final decision regarding such dispute shall be made by the Secretary of the North Carolina Department of Transportation, with the concurrence of the Federal funding agency, and shall be final and conclusive for all parties.
- 23. Department Held Harmless.**
- (a) **For State Agencies.** Subject to the limitations of the North Carolina Tort Claims Act, the Agency shall be responsible for its own negligence and holds harmless the Department, its officers, employees, or agents, from all claims and liability due to its negligent acts, or the negligent acts of its subcontractors, agents, or employees in connection with their services under this contract.
- (b) **For Agencies Other Than State Agencies.** The Agency shall be responsible for its own negligence and holds harmless the Department, its officers, employees, or agents, from all claims and liability due to its negligent acts, or the negligent acts of its subcontractors, agents, or employees in connection with their services under this contract.
- 24. Records Access and Retention.** The Agency shall provide all information and reports required by the regulations or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Department, the State, NHTSA, or FHWA, as appropriate, to be pertinent to ascertain compliance with such regulations, orders and instructions. Furthermore, the Agency shall maintain such materials during the contract period, and for five (5) years from the date of final payment from the Department or until all audit exceptions have been resolved, for such inspection and audit. Where any information required of the Agency is in the exclusive possession of another who fails or refuses to furnish this information, the Agency shall so certify to the Department, State, NHTSA, or FHWA, as appropriate, and shall set forth what efforts it has made to obtain the information. Pursuant to N.C.G.S. §147-64.7, the Department, the State Auditor, appropriate federal officials, and their respective authorized employees or agents are authorized to examine all books, records, and accounts of the Agency insofar as they relate to transactions with any department, board, officer, commission, institution, or other agency of the State of North Carolina pursuant to the performance of this Agreement or to costs charged to this Agreement.
- 25. Sanctions for Non-Compliance.** The applicant Agency agrees that if it fails or refuses to comply with any provisions and assurances in this contract, the Department may take any or all of the following actions:
- (a) Cancel, terminate, or suspend this contract in whole or in part;
- (b) Withhold reimbursement to the Agency until satisfactory compliance has been attained by the Agency;
- (c) Refrain from extending any further funding to the Agency under this contract with respect to which the failure or refusal occurred until satisfactory assurance of future compliance has been received from the Agency;
- (d) Refer the case to the United States Department of Justice for appropriate legal proceedings.
- 26. Cancellation, Termination, or Suspension of Contract.**
- (a) **By the Department.** For noncompliance with any of the said rules, regulations, orders or conditions, due to management deficiencies or criminal activity this contract may be immediately canceled, terminated, or suspended in whole or in part by the Department. For noncompliance not indicative of management deficiencies or criminal activity the Department shall give sixty (60) days written notice

to take corrective action. If the Agency has not taken the appropriate corrective action after sixty (60) days the Department may cancel, terminate, or suspend this contract in whole or in part.

- (b) **By mutual consent.** The Agency or the Department may terminate this contract by providing sixty (60) days advanced written notice to the other party.
- (c) **Unexpended funds.** Any unexpended funds remaining after cancelation or termination will revert to the Department.

27. Completion Date. Unless otherwise authorized in writing by the Department, the Agency shall commence, carry on, and complete the project as described in the approved Highway Safety Project Contract by September 30 of the Federal fiscal year for which it was approved.


28. E-Verify requirements. If this contract is subject to NCGS 143-133.3, the contractor and its subcontractors shall comply with the requirements of Article 2 of Chapter 64 of the NC General Statutes.

29. Certification of Eligibility Under the Iran Divestment Act. Pursuant to G.S. 147-86.59, any person identified as engaging in investment activities in Iran, determined by appearing on the Final Divestment List created by the State Treasurer pursuant to G.S. 147-86.58, is ineligible to contract with the State of North Carolina or any political subdivision of the State. The Iran Divestment Act of 2015, G.S. 147-55 et seq. requires that each Agency, prior to contracting with the State certify, and the undersigned Agency Authorizing Official on behalf of the Agency does hereby certify, to the following:

- (a) that the Agency is not now and was not at the time of the execution of the Contract dated below identified on the Final Divestment List of entities that the State Treasurer has determined engages in investment activities in Iran;
- (b) that the Agency shall not utilize on any contract with the State agency any subcontractor that is identified on the Final Divestment List; and
- (c) that the undersigned Agency Authorizing Official is authorized by the Agency to make this Certification.

30. Agency Fiscal Year. The end date for the Agency's fiscal year is June 30.

31. Signature. By signing below, the Agency agrees to adhere to the terms and conditions of this Agreement.

AGENCY PROJECT DIRECTOR		
NAME Grady L.Christie	TITLE Sergeant	ADDRESS 30 Corban Ave SE, Concord,NC
SIGNATURE 	DATE 7/15/2024	TELEPHONE NUMBER 704-920-3000
AGENCY AUTHORIZING OFFICIAL		
NAME	TITLE	ADDRESS
SIGNATURE	DATE	TELEPHONE NUMBER
AGENCY OFFICIAL AUTHORIZED TO RECEIVE FUNDS		
NAME	TITLE	ADDRESS
SIGNATURE	DATE	TELEPHONE NUMBER

North Carolina Governor's Highway Safety Program

SECTION A – GENERAL INFORMATION

1. Project Title: * Cabarrus County Sheriff's Office Traffic Enforcement and Education Unit Expansion	Fiscal Year: 2025
2. Agency: 1000000041 - CABARRUS COUNTY	3. Contact Person for Agency: Grady Christie
4. Agency Address: SHERIFF PO Box 525 CONCORD, NC 28026-0525	5. Telephone Number: * (704) 920-3000
	6. Cell Phone: (704) 743-3863
7. Physical Location of Agency * 30 Corban Ave SE Concord, NC 28025	8. Email of Contact Person * glchristie@cabarruscounty.us
9. Federal Tax ID Number / Type of Agency Federal Tax ID Number: * 56-6000281 Unique Entity Identifier: PF3KTEELMHV6 County: * CABARRUS Type of Agency <input type="radio"/> State <input type="radio"/> Non-Profit <input checked="" type="radio"/> County <input type="radio"/> Higher Education <input type="radio"/> Municipality <input type="radio"/> Hospital	10. Project Year * <input type="radio"/> New <input checked="" type="radio"/> Continuation Year: <input type="radio"/> 1 <input type="radio"/> 2 <input checked="" type="radio"/> 3 <input type="radio"/> 4+ Application Number: 1000020967
	11. Allocation of Funding * Federal % 50.00 Local % 50.00

Source of Funds			
12. Budget	Total Project Amount	Federal Amount	State/Local Amount
Personnel Costs	\$247,344.00	\$123,672.00	\$123,672.00
Contractual Services			
Other Direct Costs	\$6,000.00	\$3,000.00	\$3,000.00
Indirect Costs			
Total Project Costs	\$253,344.00	\$126,672.00	\$126,672.00

13. Specify How Non-Federal Share Will Be Provided: * Cabarrus County will provide the non-Federal share of the funds. (Account 00192110-9101)	
Project Number:	CFDA#: 20. Work Type:

SECTION B – DESCRIPTION OF PROJECT

Statement of Problem (Provide detailed information of the highway safety problems in your area to be addressed through this project. Include countywide crash data for the last three years and any other relevant information to validate the statements. For more detailed information see "How to write an effective traffic safety project" located at:

<https://connect.ncdot.gov/municipalities/Law-Enforcement/Pages/Law-Enforcement-Reporting.aspx>)

In October 2019, Cabarrus County saw the first Unit dedicated solely to traffic enforcement and education. The County is increasing, and traffic complaints about speeding and reckless driving placed heavy demands on patrol operations. Through the generosity of the Governor's Highway Safety Program, our project received approval and a three-year journey began. The goals are challenging and require hard work and dedication. Even though the hopes were to receive funding for a complete five-person unit with four traffic Officers and a Supervisor, we were grateful for the approval of two Officers.

The Cabarrus County Sheriff's Office has 244 sworn deputies, with 72 assigned to patrol duties. Those 72 deputies provide law

enforcement services to approximately 85,428 residents of Cabarrus County, including all unincorporated areas of the County and Harrisburg, Midland, and Mt. Pleasant towns. In October of 2019, the Sheriff's Office received a grant through GHSP for a dedicated traffic unit to cover the entire County, 364 square miles. Historically, traffic enforcement is part of regular patrol duties. However, traffic crash investigation is the NC Highway Patrol's responsibility and the Deputies working inside the three separate towns. In addition, the towns of Harrisburg, Mt. Pleasant, and Midland have contracts with the Sheriff's Office to provide 24-hour law enforcement services within their town limits.

The Cabarrus County Sheriff's Office investigated 907 crashes in 2023, an increase of 9.5% from 2022. In 39 crashes, there is a suspicion of alcohol or drug use, representing a decrease of 11.36% from 2022. Of the 39 impairment-related crashes, 8 resulted in injury, and 1 resulted in a fatal crash. For all other crashes investigated by the Sheriff's Office in 2023, 17.09% resulted in injury, an increase of 1.29 % from 2022.

While impaired drivers are a safety issue, they are not the only contributing factor to the number of crashes in Cabarrus County. The Cabarrus County Sheriff's Office has investigated 3,936 crashes in five years. Regardless of who investigates the crash, it is the Cabarrus County Sheriff's Office's responsibility to enforce traffic laws, which can help reduce the number of crashes. Even though the Sheriff's Office may not investigate the collision, the violations that lead to these crashes are preventable through education and enforcement. According to NHTSA, one of the best methods for reducing impaired driving is a combination of high-visibility enforcement (including checking stations) and heavy public awareness. This philosophy applies to other traffic offenses such as speeding, passenger restraint violations, and distracted driving. The Traffic Enforcement and Education Unit's implementation allows the Sheriff's Office to conduct targeted area enforcement and public awareness through education and information sharing.

According to the 2022 census, Cabarrus County is home to approximately 235,797 residents and is now the 11th most populated County in North Carolina. The County's business community is diverse, with a mix of small and large organizations in industries ranging from bioscience, motorsports, tourism, retail, and manufacturing. Cabarrus County is in the state's central piedmont area, with a total area of 364 square miles, and it borders Mecklenburg County, the second most populated County in North Carolina.

Cabarrus County is home to two of the most prominent tourist attractions on the East Coast, Concord Mills Mall and the Charlotte Motor Speedway. Cabarrus County continues to grow and has seen a 26.8% increase in population since 2010. According to the NC Budget and Management website, Cabarrus County will have just over 274,779 residents by July 2030. Major companies such as Amazon have opened distribution centers in Cabarrus County, which has increased population and traffic, especially during regular workweek hours. As a result, Cabarrus County saw an increase in employment from 103,000 employees to 105,000 employees (2.05%) from 2019 to 2020.

Cabarrus County has ten major highways that run through it. They include Interstate 85, US Highways 29, 52, 601, and NC Highways 3, 24, 27, 49, 73, and 200. The average household owns two cars and has an average commute of 28.3 minutes. Located just 20 minutes from downtown Charlotte, Cabarrus County is home to a large portion of Charlotte's workforce. The countywide traffic enforcement and education unit is a large and critical part of the solution to decrease traffic crashes in Cabarrus County. The Unit's sole purpose is to identify, enforce, and educate those drivers who choose to operate a vehicle dangerously and place all other persons in danger. However, it is vital that the Sheriff's Office also maintains (and increase, where possible) its current efforts. The Sheriff's Office works with local media outlets to produce an educational campaign to address distracted and dangerous driving with the traffic unit. The contributing circumstances surrounding these crashes are 100% preventable. Most citizens do the right thing and operate their vehicles with due regard for the safety of others. However, the message is clear for those who choose to endanger the lives of others by driving while impaired, speeding, driving while distracted, violating the right of way laws, and not wearing or using occupant protection devices. We are looking for you, and we will stop you. The Cabarrus County Sheriff's Office believes that the careless operation of a motor vehicle has such terrible consequences that it must expand to a full-time five-member traffic unit dedicated to finding and arresting these drivers. There are circumstances, especially where young drivers are involved, and educating them may be the only prevention tool we need. This Unit continues to identify ways to reach younger drivers and reduce the number of crashes involving them. Cabarrus County is ranked 10th in North Carolina for crashes involving young drivers. However, in 2019 the County ranked 17th worst for young drivers involved in serious injury crashes. Due to the Traffic Unit's focus and the time dedicated to improving this ranking through education before enforcement, the County's ranking improved to 30th. The young drivers of Cabarrus County represent the future, with the average age of a Cabarrus County resident being 38.

Below is a comparison of where Cabarrus County ranked in specific categories and how a dedicated Traffic Unit made a difference in three years. The ranking for each category is the average over four years of reporting across the state utilizing the annual report from NC Crash Data.

Proposed Solution *(Begin with a one-sentence summary of your project. Then describe in detail how your proposed project will address the problem identified in the "Statement of Problem" section):*

The demands on the current traffic unit and the desire to accomplish all grant goals required expanding the team by adding two additional Deputies.

In 2019, the original grant request for the first countywide traffic unit included a Sergeant with four Officers. There are difficulties in addressing all grant goals with only two officers. From the inception of the Traffic Unit, both Officers produced impressive numbers in most areas. However, other parts did not receive the attention we wanted to devote to them. As the original grant ended, the unit received a new grant, expanding by two more traffic officers. The County Commissioners praised the efforts of the existing two traffic Officers and fully supported the request to expand the Unit. The expansion allows for the improvement of the educational component of the Unit and a dedicated effort to reduce impaired driving.

While the original Traffic Officers address the high demands for traffic enforcement throughout the County during the day, the new Traffic Officers focus on traffic enforcement and the urgent need to improve the educational component of the Unit. The new Traffic Officers worked with the school system to develop programs that focus on the dangers of impaired and distracted driving. The Traffic Unit presents impressive numbers in speeding and seatbelt enforcement and 100% participation in GHSP campaigns speak volumes, considering the large geographical area covered by the Officers.

The Cabarrus County Sheriff's Office is not satisfied with exceeding only some of the goals in the grant. We want to accomplish all objectives, and we want to exceed the program's expectations. Our agency answers to a rapidly growing population while experiencing significant growth within the agency. The County has recently had the inception of a new courthouse, which requires 41 sworn deputies to oversee daily court proceedings. The population growth has no signs of slowing, along with the demands for more traffic enforcement and education. As citizens' needs for traffic-related concerns increase, it is necessary to continue the incredible work of the current Traffic Unit. We hope the notable work and unwavering dedication to traffic enforcement and education represented to date supports the expansion of the Unit.

The Cabarrus County Sheriff's Office recognizes the value of maintaining a transparent and collaborative partnership with the community we serve. Collectively, these partnerships not only strengthen law enforcement and community relations but also reinforce our efforts for implementing effective and sustainable traffic safety strategies. In doing so, the Cabarrus County Sheriff's Office remains committed to engaging with and sharing information with the members of our community through open dialogue.

With these thoughts in mind, engagement opportunities will be accomplished by coordinating and/or participating in various forums, meetings, and community functions whereby feedback from citizens and business owners alike are first solicited and then integrated into practical traffic safety initiatives. Over time, the effectiveness of these initiatives will be assessed, and the results communicated back to the community. To ensure transparency in the methods used during traffic enforcement activities, the Cabarrus County Sheriff's Office will make available to the community information regarding how to access traffic stop data already required and compiled by the North Carolina State Bureau of Investigation.

Budget Justification *(Provide a detailed explanation of the costs associated with proposed project):*

The cost associated with this application covers the activity hours and fringe benefits for two Deputies. The two deputies in this grant were added to the Traffic Unit and the County Commissioners enthusiastically support maintaining and expanding. The Traffic Unit has four Officers, two GHSP funded, with one Supervisor.

The grant application includes in- and out-of-state travel to traffic-focused conferences to expose the new members of the traffic unit to training from traffic safety experts nationwide. The education and tactics from these events will help all the members to make a practical impact on improving traffic safety in Cabarrus County.

Travel Justification *(Provide justification for all travel expenses):*

Members of the Traffic Unit will attend the annual National Traffic Safety Conference in North Carolina and Lifesaver's Conference, typically held out of state. In addition, members will participate in the yearly BikeSafe NC conference. Attending these conferences provides the opportunity to hear current training and tactics from experts in traffic safety and education fields. Traffic Unit Officers will use the information obtained from these conferences to improve current enforcement and education techniques. Grant funds will cover registration, class fees, lodging, and per diem.

To be completed by law enforcement agencies seeking first year grant:					
Provide the agency's number of sworn officers					244
Does the agency currently have a dedicated traffic or DWI unit?					Yes <input checked="" type="radio"/> No <input type="radio"/>
If a dedicated traffic or DWI unit exists, how many officers are assigned to the unit?					5
For applicants requesting enforcement grants, please provide the following county fatality rankings: Information can be located at:					
https://connect.ncdot.gov/municipalities/Law-Enforcement/Pages/Law-Enforcement-Reporting.aspx					
Overall Fatality Ranking:		19			
Alcohol Fatality Ranking:		27			
Unrestrained Fatality Ranking:		34			
Speed Related Fatalities:		33			
Other Applicable Rankings: (Specify)		Young driver crashes:6th, Young Serious Injury:30th, and Motorcycle Fatality: 21st.			
As part of this project all law enforcement agencies must enter traffic enforcement citations data of their agency for the past three years.					
Year 2021	Occupant Protection Citations	417	DWI Citations	116	Speed Citations 2,467
Year 2022	Occupant Protection Citations	265	DWI Citations	193	Speed Citations 2,777
Year 2023	Occupant Protection Citations	204	DWI Citations	184	Speed Citations 2,729
Goals and Objectives (Provide at least one SMART (Specific, Measurable, Attainable, Realistic and Timely) goals and objectives. For more detailed information see "How to write an effective traffic safety project" located at: https://connect.ncdot.gov/municipalities/Law-Enforcement/Pages/Law-Enforcement-Reporting.aspx					
Goal #1: Reduce traffic fatalities in Cabarrus County by 10 percent from the 2018-2022 annual average of 25.6 to 23 by September 30, 2025.					
Objectives: <ul style="list-style-type: none"> Identify the top 8 high crash locations and conduct targeted enforcement efforts a minimum of once a week. Conduct/participate in 3 outreach/educational traffic safety events each quarter. Participate and report in all GHSP and national highway safety campaigns. (Including, but not limited to Booze It & Lose It, Click It or Ticket, Child Passenger Safety, Distracted Driving Awareness, Motorcycle Awareness, etc.). Full campaign participation is accomplished through increased high visibility enforcement as appropriate. Meet quarterly with local and state DOT engineers to discuss crash causes in high crash locations. Coordinate with local media outlets on traffic enforcement and outreach activities a minimum of 2 times a quarter. Coordinate or participate in a minimum of 2 multi-agency traffic enforcement activities per quarter. Engage a minimum of 3 media partners in the traffic safety message. Increase the number of occupant protection contacts by 20 percent from the 2023 total of 204 to 245 from October 1, 2024, to September 30, 2025. Increase the number of speeding contacts by 20 percent from the 2023 total of 2729 to 3275 from October 1, 2024, to September 30, 2025. 					
Goal #2: To reduce the number of alcohol-related crashes in Cabarrus County by 10 percent from the 2018-2022 calendar year average of 236.6 crashes to 212 crashes during the fiscal year October 1, 2024, to September 30, 2025.					
Objectives: <ul style="list-style-type: none"> Increase the number of DWI contacts by 20 percent from 184 in the calendar year 2023 to 221 during the fiscal year, October 1, 2024, to September 30, 2025. Conduct/participate in 2 impaired driving checking stations/saturation patrols each month. 					

	<ul style="list-style-type: none"> • Identify the top alcohol-related crash areas and conduct targeted enforcement efforts a minimum of 1 time a week. • Conduct/participate in 2 impaired driving outreach/educational events each quarter. • Participate and report in all GHSP and national highway safety campaigns focused on impaired driving (Including, but not limited to Booze It & Lose It: St. Patrick's Day, Operation Firecracker, Labor Day, Halloween, and Holiday campaigns, etc.). Full campaign participation is accomplished through increased high-visibility enforcement. • Engage a minimum of 3 media partners in the traffic safety message focused on impaired driving.
Goal #3:	Reduce the number of young (age 20 and younger) driver-involved crashes in Cabarrus County by 10 percent from the 2018-2022 calendar year average of 1261 crashes to 1134 crashes during the fiscal year October 1, 2024, to September 30, 2025.
Objectives:	<ul style="list-style-type: none"> • Identify the top 8 young driver-involved high crash locations and conduct targeted enforcement efforts a minimum of 2 times a month. • Conduct/participate in 2 day-time seat belt initiatives each quarter. • Conduct/participate in 2 night-time seat belt initiatives each quarter. • Conduct/participate in 4 highway safety outreach/educational events focused on teens/young drivers each year. • Conduct/participate in 4 outreach/educational events focused on young drivers, highlighting the importance of occupant restraint use and other high-risk driving behaviors each year. • Participate and report in all GHSP and national highway safety campaigns, especially those focused on youth-related highway safety issues

Below are the 5-year goals of the NC Governor's Highway Safety Program (GHSP). To be eligible for funding, your traffic safety project should match one or more of the GHSP goals. Check all that apply.

<input checked="" type="checkbox"/>	Reduce NC's traffic-related fatalities by 4% from the 2022 total of 1,784 to 1,712 by December 31, 2025.
<input checked="" type="checkbox"/>	Reduce NC's alcohol-related fatalities by 4% from the 2022 total of 448 to 430 by December 31, 2025.
<input checked="" type="checkbox"/>	Reduce NC's unrestrained fatalities by 4% from the 2022 total of 562 to 539 by December 31, 2025.
<input checked="" type="checkbox"/>	Reduce NC's speed-related fatalities by 4% from the 2022 total of 426 to 408 by December 31, 2025.
<input checked="" type="checkbox"/>	Reduce NC's young driver-related fatalities by 4% from the 2022 total of 198 to 190 by December 31, 2025.
<input checked="" type="checkbox"/>	Reduce NC's motorcycle fatalities by 4% from the 2022 total of 237 to 227 by December 31, 2025.
<input checked="" type="checkbox"/>	Increase NC's seat belt usage rate from the 2022 usage rate of 90.8% to 91.46% by December 31, 2025.

SECTION C – BUDGET DETAIL

Personnel Costs

#	Personnel Position	Salary
1	Activity Hours for Deputy 1	\$90,173.00
2	Activity Hours for Deputy 2	\$73,631.00
Total Salaries Cost:		\$163,804.00
#	Personnel Fringe Benefits	Cost
1	Fringe Benefits for 2 Deputies	\$83,540.00
Total Fringe Benefits Cost:		\$83,540.00
Total Personnel Costs:		\$247,344.00

Other Direct Costs

#	Equipment	Quantity	Cap Amount	Cost
Total Equipment Cost				

Other Equipment Details :		
#	Other Items and Equipment Direct Cost:	Cost
Total Other Items and Equipment Direct Cost:		
#	Travel	Cost
1	In-State Travel	\$1,500.00
2	Out-of-State Travel	\$4,500.00
Total Travel Cost:		\$6,000.00
Total Other Direct Costs:		\$6,000.00

SECTION D – SCHEDULE OF TASKS BY QUARTERS

List the schedule of tasks by quarters, referring specifically to the objectives in Section B. Tasks should be a bulleted list of activities to be performed in each quarter.

Conditions for Enforcement Projects Only

By checking this box, the above agency agrees to the terms below as additional activities to be performed as part of this project.

- ☒ · A minimum of one (1) nighttime and one (1) daytime seat belt initiative per month;
- A minimum of one (1) impaired driving checkpoint per month;
- A minimum of 50% of seat belt initiatives must be conducted at night between the hours of 7:00 p.m. and 7:00 a.m.;
- Participation in all "Click It or Ticket" and "Booze It & Lose It" campaigns;
- Participation in any event or campaign as required by the GHSP;
- Attempt to utilize one of the Forensic Tests for Alcohol Branch's Mobile Breath Alcohol Testing (BATMobiles) units during at least one of the impaired driving checkpoints.

First Quarter (October, November, December)

- Continue to develop training presentations on the topic of the dangers of driving while impaired, speeding, distracted driving, and motorcycle awareness.
- Conduct required safety belt checkpoints during the first quarter.
- Conduct required impaired driving checkpoints during the quarter.
- Participate in any "Click It or Ticket," "Booze It & Lose It," or other event/campaign as required by GHSP during the quarter.
- Prepare and submit a quarterly progress report to GHSP.
- Host/participate in community engagement event(s) and receive public feedback regarding traffic safety issues and concerns. Incorporate feedback into traffic enforcement strategies.
- Provide information on how to access/review traffic stop data through the North Carolina State Bureau of Investigation.

Second Quarter (January, February, March)

- Attend a National Traffic Safety Conference.
- Begin media campaign on the dangers of driving while impaired, speeding, and distracted driving.
- In March begin the motorcycle awareness campaign.
- Document the number of educational campaigns conducted.
- Enforcement and Education protocols in place to address the goals of the project.
- Document the progress made to date on enforcement and education.
- Conduct required safety belt checkpoints during the second quarter.
- Conduct required impaired driving checkpoints during the quarter.
- Participate in any "Click It or Ticket", "Booze It & Lose It" or any event/campaign as required by GHSP during the quarter.
- Prepare and submit a quarterly progress report to GHSP.

Third Quarter (April, May, June)

- Monitor progress to date on the Enforcement and Education Unit.
- Work with BikeSafe NC to promote motorcycle awareness and safety.
- Document the number of educational campaigns conducted.
- Document the progress made to date on enforcement.
- Conduct required safety belt checkpoints during the third quarter.
- Conduct required impaired driving checkpoints during the quarter.
- Participate in any "Click It or Ticket", "Booze It & Lose It" or any event/campaign as required by GHSP during the quarter.
- Prepare and submit a quarterly progress report to GHSP.

Fourth Quarter (July, August, September)

- Continue to monitor progress to date on the Enforcement and Education Unit.
- Document the number of educational campaigns conducted.
- Document the progress made to date on enforcement.
- Conduct required safety belt checkpoints during the fourth quarter.
- Conduct required impaired driving checkpoints during the quarter.
- Participate in any "Click It or Ticket," "Booze It & Lose It," or other event/campaign as required by GHSP during the quarter.
- Prepare and submit a quarterly progress report to GHSP each quarter.
- Prepare and submit a final progress report to GHSP.

AGENCY AUTHORIZING SIGNATURE

☐ I have read and accept terms and conditions of the grant funding and attached the Grant Agreement. The information supplied in this application is true to the best of my knowledge

Name: PIN: Date:

Note:

1. Submitting grant application is not a guarantee of grant being approved.
2. Once form has been submitted, it cannot be changed unless it has a status of "Return".

FOR GHSP USE ONLY:

Recommendation:

Date:

Budget Revision/Amendment Request

Date: August 19, 2024

Amount: 126,672.00

Dept. Head: Sheriff Van W. Shaw

Department: 2110- Sheriff's Office

☐ Internal Transfer Within Department

☐ Transfer Between Departments/Funds

☒ Supplemental Request

Purpose: In Fiscal Year 2020, the Cabarrus County Sheriff's Office applied for and received funding through the Governor's Highway Safety Program (GHSP) for the formation of a Traffic Safety Unit for use throughout problem areas within Cabarrus County. These is a three year grant through the North Carolina Department of Transportation. This request is for the approval of allocating funds for year three in accordance with the agreement (attached). This grant is federally funded up to 50% with a 50% local match in the third year. The 50% local match includes personnel costs (salary & benefits) for 2 deputies and other indirect costs, which includes travel (in-state & out of state). Required to create a budget for the Traffic Grant 10/1/2024 and record Cabarrus County's 50% match.

Fund	Indicator	Department/ Object/ Project	Account Name	Approved Budget	Increase Amount	Decrease Amount	Revised Budget
001	6	2110-6342-TRAFU	NC Department of Transportation Grant		126,672.00		126,672.00
001	9	2110-9101-TRAFU	Salary & Wages - TRAFU		86,789.27		86,789.27
001	9	2110-9201-TRAFU	Social Security - TRAFU		5,380.93		5,380.93
001	9	2110-9202-TRAFU	Medicare - TRAFU		1,258.44		1,258.44
001	9	2110-9205-TRAFU	Group Hospital Insurance - TRAFU		10,680.00		10,680.00
001	9	2110-9206-TRAFU	Vision Care - TRAFU		21.00		21.00
001	9	2110-9207-TRAFU	Life Insurance - TRAFU		40.80		40.80
001	9	2110-9210-TRAFU	Retirement - TRAFU		13,105.18		13,105.18
001	9	2110-9230-TRAFU	Workers' Compensation - TRAFU		2,056.91		2,056.91
001	9	2110-9235-TRAFU	Deferred Compensation 401K - TRAFU		4,339.46		4,339.46
001	9	2110-9640-TRAFU	Insurance & Bonds - TRAFU		-		0.00
001	9	2110-9610-TRAFU	Travel & Education - TRAFU		3,000.00		3,000.00

Total 0.00

Budget Officer

- ☐ Approved
- ☐ Denied

Signature

Date

County Manager

- ☐ Approved
- ☐ Denied

Sianature

Date

Board of Commissioners

- ☐ Approved
- ☐ Denied

Signature

Date

CABARRUS COUNTY



BOARD OF COMMISSIONERS WORK SESSION

**August 5, 2024
4:00 PM**

AGENDA CATEGORY:

Discussion Items for Action

SUBJECT:

BOC - Appointments to Boards and Committees

BRIEF SUMMARY:

The following appointment to Boards and Committees are recommended for July:

Adult Care Home Community Advisory Committee:

Sandra Miller and Diamond Staton-Williams's terms on the Adult Care Home Community Advisory Committee expired July 31, 2024. Both would like to serve another term. It is recommended Ms. Miller and Ms. Staton-Williams be reappointed for a three-year term ending July 31, 2027 including an exception to the length of service provision of the Appointment Policy for Ms. Miller.

Mental Health Advisory Board:

Past Directors of the Department of Social Services have always been represented on the Mental Health Advisory Board. Hollye McCallum has been hired as the new Director of Social Services and has agreed to represent the Department of Social Services (DSS) on the board for a three (3) year term.

Mount Pleasant Mayor Tony Lapish has agreed to complete the term of outgoing Mayor Del Eudy, which is December 2024.

Reappoint Tara Conrad to continue filling the seat for Partners Healthcare Management.

The seat for Kannapolis City Schools has been vacant since the resignation of Jessica Grant in December 2023. John Basilice has been hired for that position and has agreed to

participate on the Mental Health Advisory Board. John has previously participated through his work with Cabarrus County Schools.

Human Services Advisory Board:

Natalie Atwell has resigned from the Human Services Advisory Board.

REQUESTED ACTION:

Provide information.

EXPECTED LENGTH OF PRESENTATION:

1 Minute

SUBMITTED BY:

Lauren Linker, Clerk to the Board

BUDGET AMENDMENT REQUIRED:

No

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

CABARRUS COUNTY



BOARD OF COMMISSIONERS WORK SESSION

**August 5, 2024
4:00 PM**

AGENDA CATEGORY:
OLD BUSINESS

SUBJECT:

Finance - Approval of Resolution for Installment Financing Contract for 2024B Draw Program

BRIEF SUMMARY:

Cabarrus County plans to enter into one or more short and/or long-term installment financing contracts, including the use of a draw down loan structure with the Cabarrus County Development Corporation or one or more third parties, for an amount not to exceed \$270,000,000 to finance all or a portion of the cost of constructing and equipping public school and county facilities and various real and personal property improvements.

North Carolina General Statute 160A-20 requires a public hearing on the described installment financing contracts to be held now.

Proceeding the public hearing is the final approval by adoption of the attached Resolution approving the installment contract financing in an amount not-to exceed \$270,000,000.

The LOBS are scheduled for issuance in August 2024, subject to approval by the Local Government Commission.

REQUESTED ACTION:

Recommended Motions:

Motion to Suspend the Rules of Procedure due to time constraints.

A motion to approve necessary documentation.

EXPECTED LENGTH OF PRESENTATION:

10 Minutes

SUBMITTED BY:

James Howden, Finance Director

BUDGET AMENDMENT REQUIRED:

No

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

This item was approved by the Board for inclusion on the Agenda as a Consent item.

ATTACHMENTS:

- ▣ Public Hearing Notice - Newspaper
- ▣ Public Hearing Notice - Website
- ▣ Installment Financing Contract
- ▣ Deed of Trust
- ▣ Trust Indenture
- ▣ Resolution

July 5, 2024

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Board of County Commissioners (the "Board") of the County of Cabarrus, North Carolina (the "County"), will conduct a public hearing on July 16, 2024 concerning the execution and delivery of (a) one or more short-term installment financing contract(s), which may utilize either a fixed rate loan structure or a draw-down loan structure, with one or more third parties and/or (b) one or more long-term installment financing contract(s) with one or more third parties (collectively, the "Contracts") to finance all or a portion of the costs of (i) the acquisition, construction, installation and equipping of one or more new buildings to be used as new public safety training facilities for the County, (ii) various site improvements related thereto, (iii) the acquisition, construction, installation and equipping of a new public elementary school, (iv) the acquisition, construction, installation and equipping of a new replacement public elementary school, (v) the acquisition, construction, installation and equipping of a new behavioral health facility and related facilities, (vi) the acquisition, construction, renovation, installation and equipping of the human services facility and related facilities, (vii) the acquisition, construction, installation and equipping of a new public library and senior center, (viii) the acquisition, construction, installation and equipping of a new addition at Fred L. Wilson Elementary School, (ix) the acquisition, construction, relocation, installation and equipping of the Mary Frances Wall Public School, (x) the acquisition, construction, relocation, installation and equipping of the Opportunity Public School, (xi) the acquisition, construction, installation and equipping of HVAC replacements at Rowan-Cabarrus Community College South Campus, (xii) the acquisition, construction, installation and equipping of roof replacements at various public school sites, (xiii) the acquisition, construction, installation and equipping of HVAC replacements at various public school sites, (xiv) the acquisition of any necessary rights-of-way and easements related to each of the foregoing (i) through (xiii) and (xv) various real and personal property improvements related to each of the foregoing (i) through (xiv) (collectively, the "Projects").

The plan of financing for the Projects involves (i) the entry by the County into one or more short-term installment financing contract(s) with one or more third parties who will provide the County with up to \$270,000,000 pursuant to the terms of the short-term installment financing contract(s), which amounts will be used to provide interim financing for the Projects pending execution and delivery of one or more long-term financing contract(s) and/or (ii) the entry by the County into one or more long-term installment financing contract(s) with one or more third parties who will provide the County with up to \$270,000,000 pursuant to the terms of said one or more long-term installment financing contract(s), which amounts will be applied to provide long-term financing for the Projects. The County's obligations to any third party supplying short-term and/or long-term financing are authorized by North Carolina General Statutes §160A-20 and will be secured by a lien upon or security interest in all or some portion of the Projects and/or in all or some portion of the real property on which the Projects will be located.

The obligations of the County under the Contracts will not be deemed to be a pledge of the faith and credit of the County within the meaning of any constitutional debt limitation and the Contracts will 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 the Contracts are in effect. No deficiency judgment may be rendered against the County in any action for breach of the Contracts 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 the Contracts.

PLEASE TAKE NOTICE THAT THE BOARD WILL HOLD A PUBLIC HEARING CONCERNING THE PLAN OF FINANCING AT 6:30 P.M., OR AS SOON THEREAFTER AS THE HEARING CAN BE HELD, ON TUESDAY, JULY 16, 2024, IN THE COMMISSIONERS' MEETING ROOM IN THE CABARRUS COUNTY GOVERNMENTAL CENTER, CONCORD, NORTH CAROLINA, AT WHICH ANY PERSON MAY BE HEARD CONCERNING THE PLAN OF FINANCING.

The Board of Commissioners' Meeting will be broadcast live on Channel 22, <https://www.youtube.com/cabarruscounty> and <https://www.cabarruscounty.us/cabcotv>.

If reasonable accommodations are needed, please contact the ADA Coordinator at 704-920-2100 at least 48 hours prior to the public hearing.

Lauren Linker
Clerk to the Board of Commissioners
for the County of Cabarrus, North Carolina

Publish: July 5, 2024.

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Lauren Linker
Clerk to the Board of Commissioners
for the County of Cabarrus, North Carolina

Posted: July 3, 2024

INSTALLMENT FINANCING CONTRACT

BETWEEN

CABARRUS COUNTY DEVELOPMENT CORPORATION

AND

COUNTY OF CABARRUS, NORTH CAROLINA

Dated as of
[August 1, 2024]

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THIS INSTRUMENT HAS BEEN PRE-AUDITED
IN THE MANNER REQUIRED BY THE LOCAL
GOVERNMENT BUDGET AND FISCAL
CONTROL ACT.

James Howden
Finance Director
County of Cabarrus, North Carolina

INSTALLMENT FINANCING CONTRACT

THIS INSTALLMENT FINANCING CONTRACT, dated as of [August 1, 2024] (the "*Contract*"), is between the **CABARRUS COUNTY DEVELOPMENT CORPORATION**, a North Carolina nonprofit corporation (the "*Corporation*") and the **COUNTY OF CABARRUS, NORTH CAROLINA** (the "*County*"), a political subdivision validly existing under the Constitution, statutes and laws of the State.

WITNESSETH:

WHEREAS, the County of Cabarrus, North Carolina is a duly and regularly created, organized and existing political subdivision validly existing as such under and by virtue of the Constitution, statutes and laws of the State of North Carolina (the "*State*");

WHEREAS, the County has the power, pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended, to finance or refinance (1) the purchase of real and personal property used, or to be used, for public purposes, by installment contracts that create in some or all of the property purchased a security interest to secure repayment of the purchase price to the seller or to an individual or entity advancing moneys or supplying financing for the purchase transaction and (2) 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 real property on which such fixtures or improvements are located, or in both, a security interest to secure repayment of money advanced or made available for such construction or repair;

WHEREAS, the Board of Commissioners of the County of Cabarrus, North Carolina (the "*Board*") has previously determined, and hereby further determines, that the County is in need of the Project (as hereinafter defined);

WHEREAS, in order to obtain funds to acquire, construct, renovate and equip the Project, the County has entered into this Contract with the Corporation under which it will make Installment Payments and Additional Payments in consideration thereof;

WHEREAS, there will be executed and delivered pursuant to a certain Indenture of Trust dated as of [August 1, 2024] (the "*Indenture*") between the Corporation and Regions Bank, as trustee (the "*Trustee*"), Cabarrus County Development Corporation Limited Obligation Bonds (County of Cabarrus, North Carolina Installment Financing Contract), Series 2024B (the "*2024B LOBs*" and, together with all Additional Obligations (as defined in the Indenture), if any, the "*Obligations*") evidencing proportionate undivided interests in the right to receive certain Revenues (as hereinafter defined) under this Contract;

WHEREAS, pursuant to the Indenture, the Corporation has assigned to the Trustee all of its rights, title and interest in and to (i) this Contract (except the rights of the Corporation under Article X, the rights to receive all notices and those Additional Payments payable to the Corporation under this Contract), (ii) the Deed of Trust (as defined herein) and the Premises (as defined herein) and (iii) all moneys and securities

from time to time held by the Trustee under the Indenture in any fund or account, each as further described in the Indenture (collectively, the "*Trust Estate*");

WHEREAS, the Obligations evidence proportionate undivided interests in the right to receive certain Revenues and shall be payable solely from the sources provided in the Indenture;

WHEREAS, the execution, performance and delivery of this Contract have been authorized, approved and directed by the Board by a resolution passed and adopted by the Board on [____], 2024;

WHEREAS, the execution, delivery and performance of this Contract by the Corporation, and the assignment by the Corporation to the Trustee, pursuant to the Indenture, of the Trust Estate, have been authorized, approved and directed by all necessary and appropriate action of the Corporation;

WHEREAS, the obligation of the County to make Installment Payments and Additional Payments shall not constitute a general obligation or other indebtedness of the County within the meaning of the Constitution of the State; 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;

WHEREAS, in order to secure further the obligation of the County hereunder, the County has entered into a certain Deed of Trust, Security Agreement and Fixture Filing dated as of [August 1, 2024] (the "*Deed of Trust*") with the deed of trust trustee named therein, for the benefit of the Corporation and its assignee; and

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

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

ARTICLE I

DEFINITIONS

All words and phrases defined in Article I of the Indenture shall have the same meaning when used in this Contract. In addition, the following terms shall have the meanings specified below unless the context clearly requires otherwise:

"Additional Advance" means each advance of funds, other than the Initial Advance, made hereunder by the Corporation to the County pursuant to an Advance Request.

"Advances" means, collectively, the Initial Advance and each Additional Advance.

"Additional Payments" means the reasonable and customary expenses and fees of the Trustee and the Corporation, any expenses of the Corporation in defending an action or proceeding in connection with this Contract or the Indenture, any taxes or any other expenses, including, but not limited to, licenses, permits, state and local income, sales and use or ownership taxes or property taxes which the County or the Corporation is expressly required to pay as a result of this Contract (together with interest that may accrue thereon in the event that the County fails to pay the same).

"Advance Request" has the meaning given such term in Article II.

"Advance Schedule" means the Advance Schedule attached hereto as Exhibit B and made a part hereof, which shall set forth the date and amount of the Initial Advance and each Additional Advance and each prepayment of the Advances, if any, as provided herein.

[*"Applicable Factor"* means 100%.]

[*"Applicable Index"* means the SIFMA Index.]

[*"Applicable Margin"* means 0.22% per annum.]

[*"Business Day"* shall mean any day other than a Saturday, Sunday or other day on which the County, the Trustee or the Purchaser are authorized or required by applicable law to close. With respect to the definition of the SIFMA Index, "Business Day" means any day that is not a Saturday, Sunday or SIFMA-recommended market holiday.]

"Closing Date" means [August __, 2024].

"Code" means the Internal Revenue Code of 1986, as amended, including regulations promulgated thereunder.

[*"Computation Date"* means Wednesday of each week, or if any Wednesday is not a Business Day, the next succeeding Business Day. If at any time the SIFMA Index is less than zero (0.0%), such rate shall be deemed to be zero (0.0%).]

"Contract of Purchase" means the Contract of Purchase, dated the Closing Date, between the Corporation and the Purchaser, relating to the purchase from time to time of the 2024B LOBs.

"Corporation" means Cabarrus County Development Corporation, a North Carolina nonprofit corporation.

"County" means the County of Cabarrus, North Carolina or any successor to its functions.

"County Representative" means (i) the Finance Director or the person or persons at the time designated to act on behalf of the County for the purpose of performing any act under this Contract by a written certificate furnished to the Trustee and the Corporation containing the specimen signatures of such person or persons and signed on behalf of the County by the County Manager and the Finance Director of the County, or (ii) if any or all of the County's rights and obligations are assigned hereunder, the person or persons at the time designated to act on behalf of the County and the assignee by a written certificate similarly furnished and of the same tenor.

"Deed of Trust" means the Deed of Trust, Security Agreement and Fixture Filing, dated as of [August 1, 2024] from the County to the deed of trust trustee named therein, for the benefit of the Corporation or its assignees, all of the terms, definitions, conditions and covenants of which are incorporated herein by reference and are made a part of this Contract as if fully set forth herein.

[*"Default Rate"* means the Term Loan Rate plus 3.0% per annum.]

[*"Drawn Rate"* means a rate per annum equal to the sum of (1) the Applicable Factor multiplied by the SIFMA Index, plus (2) the Applicable Margin.]

"Facilities" means, collectively, the buildings and other improvements financed with the proceeds

of the 2024B LOBs and described on Exhibit A hereto as the 2024B Project, and any additional facilities financed with the proceeds of Additional Obligations.

[*"Federal Funds Rate"* shall mean, for any day, the rate per annum (rounded upwards, if necessary, to the next 1/100th of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with member banks of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the next succeeding Business Day or if such rate is not so published for any Business Day, the Federal Funds Rate for such day shall be the average rounded upwards, if necessary, to the next 1/100th of 1% of the quotations for such day on such transactions received by Purchaser from three Federal funds brokers of recognized standing selected by Purchaser. For purposes of this Agreement the Federal Funds Rate shall not be less than zero percent (0%).]

"Final Maturity Date" means [August __, 2030].

"Fiscal Year" means a twelve-month period commencing on the first day of July of any year and ending on the 30th day of June of the succeeding year, or such other twelve-month period which may subsequently be adopted as the Fiscal Year of the County.

"Fitch" means Fitch Ratings, Inc., its successors and assigns, and, if such entity for any reason no longer performs the function of a securities rating agency, *"Fitch"* will be deemed to refer to any other nationally recognized securities rating agency designated by the Corporation, by notice to the Trustee and the Purchaser (so long as the 2024B LOBs are outstanding).

"Indenture" means the Indenture of Trust dated as of [August 1, 2024] between the Corporation and the Trustee, as amended or supplemented from time to time, pursuant to which the Obligations are executed and delivered.

"Initial Advance" means the advance made to the County on the Closing Date as described in Article II of this Contract.

"Initial Term Period" means the period commencing on the Closing Date and ending on [August __, 2027].

"Installment Payment Date" means (i) with respect to the interest components of the Installment Payments, the first Business Day of each month (commencing [September 2, 2024]) and the Final Maturity Date (or as may be otherwise provided in connection with any prepayment of the Advances) and (ii) with respect to the principal component of the Installment Payments, the Final Maturity Date.

"Installment Payments" means those payments made by the County pursuant to Article III of this Contract to repay the Purchase Price with interest.

"Maximum Rate" means 20.0% per annum.

"Moody's" means Moody's Investors Service, Inc., its successors and assigns, and, if such entity for any reason no longer performs the function of a securities rating agency, *"Moody's"* will be deemed to refer to any other nationally recognized securities rating agency designated by the Corporation, by notice to the Trustee and the Purchaser (so long as the 2024B LOBs are outstanding).

"Net Proceeds," when used with respect to any (i) proceeds from policies of insurance on the Premises which are payable to the Corporation or the Trustee, (ii) proceeds of any condemnation award arising out of the condemnation of all or any portion of the Premises or the (iii) proceeds from any sale or

lease of the Premises pursuant to the Deed of Trust or otherwise subsequent to an Event of Default, 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 attached hereto and incorporated herein by reference, which sets forth the County's Installment Payments.

[*"Prime Rate"* means the Prime Rate as established from time to time by the Purchaser. The Prime Rate is a reference rate for fixing the lending rate for loans and does not necessarily represent the lowest rate of interest charged for borrowings. The Prime Rate is subject to increase or decrease at the sole option of Purchaser, and any rate based on the Prime Rate shall be adjusted on the date of any such increase or decrease.]

"Premises" means Premises as defined in the Deed of Trust, which includes only those Sites that are subject to the lien of the Deed of Trust and all buildings, structures, additions and improvements of every nature whatsoever thereon, such as the Facilities that are now or hereafter situated on or about such Sites that are subject to the lien of the Deed of Trust, including fixtures.

"Project" shall collectively mean the 2024B Project and all other facilities, equipment and assets financed in whole or in part with proceeds derived from the execution and delivery of Additional Obligations pursuant to Section 2.11 of the Indenture.

"Purchase Price" means the sum of the Initial Advance plus all Additional Advances advanced by the Corporation to enable the County to acquire, construct, renovate and equip the Project under the terms of this Contract, as such price may be adjusted in connection with the execution and delivery of Additional Obligations pursuant to Section 2.11 of the Indenture.

"Purchaser" means PNC Bank, National Association and its successors and assigns.

"Rating Agencies" collectively means Fitch, Moody's and S&P, as applicable, but only if such respective rating agency then has in effect a rating with respect to any rated debt that is payable from the County's general fund.

"Revenues" means (a) all Net Proceeds not applied to the repair or replacement of the Premises; (b) all Installment Payments; and (c) all investment income on all funds and accounts created under the Indenture.

"S&P" means Standard & Poor's Ratings Services, a Division of The McGraw Hill Companies, Inc., its successors and assigns, and, if such entity for any reason no longer performs the function of a securities rating agency, *"S&P"* will be deemed to refer to any other nationally recognized securities rating agency designated by the Corporation, by notice to the Trustee and the Purchaser (so long as the 2024B LOBs are outstanding).

[*"SIFMA Index"* means, for any Computation Date, the level of the index which is issued weekly and which is compiled from the weekly interest rate resets of tax-exempt variable rate issues included in a data base maintained by Municipal Market Data which meet specific criteria established from time to time by the Securities Industry and Financial Markets Association (*"SIFMA"*) and issued on Wednesday of each week, or if any Wednesday is not a Business Day, the next succeeding Business Day. If the SIFMA Index is no longer published, then *"SIFMA Index"* shall mean the S&P Weekly High Grade Index and if the S&P Weekly High Grade Index is no longer published, then *"SIFMA Index"* shall mean the prevailing rate determined by the Purchaser for tax-exempt state and local bonds meeting criteria determined in good faith

by the Purchaser to be comparable under the circumstances to the criteria used by the Securities Industry and Financial Markets Association to determine the SIFMA Index immediately prior to the date on which the Securities Industry and Financial Markets Association ceased publication of the SIFMA Index. Notwithstanding anything to the contrary contained herein, if at any time the SIFMA Index determined pursuant to the foregoing provisions is less than zero (0.0%), such rate shall be deemed to be zero (0.0%).]

"Sites" means the tract(s) of real property on which the Facilities are located, each as described in Exhibit A attached hereto and incorporated herein by reference.

"State" means the State of North Carolina.

"Taxable Event" means the occurrence after the Closing Date of a final decree or judgement of any Federal Court or a final action by the Internal Revenue Service determining that interest paid or payable on all or a portion of any 2024B LOB is or was includable in the gross income of the Purchaser for federal income tax purposes; provided, that no such decree, judgement or action will be considered final for this purpose unless the County has been given written notice and, if it is so desired and is legally allowed, has been afforded the opportunity to contest the same, either directly or in the name of the Purchaser, and until the conclusion of any appellate review, if sought. A Taxable Event does not include and is not triggered by (a) a change in law by Congress that causes the interest to be includable in the Purchaser's gross income for federal income tax purposes or (b) the occurrence or existence of any fact, event or circumstance which has the effect of causing interest paid or payable on the 2024B LOBs to become includable, in whole or in part, in the gross income of the Purchaser for federal income tax purposes, but which is not due to the taking of any action by the County, or the failure to take any action by the County.

[*"Taxable Rate"* means a rate of interest on the 2024B LOBs equal to the product of the Drawn Rate and 1.27% per annum.]

"Term Loan" means the term loan described in Section 3.2 of this Contract.

[*"Term Loan Period"* means the period, if any, commencing on [August __, 2027] and ending on the earlier of (a) [August __, 2030] or (b) the date all of the outstanding principal amount of the 2024B LOBs has been redeemed prior to [August __, 2030].]

[*"Term Loan Rate"* shall be the greater of (1) the Prime Rate plus 1.0% per annum, (2) the Fed Funds Rate plus 2.0% per annum and (3) 7.0% per annum.]

"Trustee" means Regions Bank, acting in the capacity of trustee for the Owners pursuant to the Indenture, and any successor thereto appointed under the Indenture.

"2024B Project" means, collectively, the Sites and the Facilities, each as described on Exhibit A hereto, together with any additions, modifications, attachments, replacements and parts thereof.

ARTICLE II

ADVANCE OF PURCHASE PRICE

On the Closing Date, the Corporation will make the Initial Advance to the County in the amount of \$[_____] representing the proceeds of the sale of the Initial 2024B LOBs. During the Initial Term Period, the County may request the Purchaser to purchase Additional 2024B LOBs in order for the Corporation to make Additional Advances in an aggregate amount not to exceed \$[_____], so that the total aggregate amount of Advances available hereunder shall not

exceed \$[_____]. [For each request for an Additional Advance, the County shall submit to the Purchaser at least five (5) Business Days prior to the requested date of disbursement a completed written disbursement request (an "Advance Request") substantially in the form set forth in Exhibit D hereto, together with the documents or other items required thereunder. The available amount of the Advances shall be non-revolving, and any amounts advanced by the Corporation under this Contract representing the proceeds of 2024B LOBs either as the Initial Advance or an Additional Advance that are subsequently repaid shall permanently reduce the remaining amount available to be advanced under this Contract as an Additional Advance. [Excluding the Initial Advance representing the proceeds of the purchase of the Initial 2024B LOBs made on the date hereof, each Advance Request shall be in a principal amount of not less than \$250,000, and no more than one (1) Advance Request may be submitted to the Bank during any calendar month period.]]

[Each Advance Request shall be delivered by regular mail or facsimile or electronic communication and executed by the County Manager or the Finance Director of the County (each an "Authorized Officer"). The Purchaser shall remit the proceeds of each Additional Advance to or upon the order of the County in accordance with written instructions provided by the County to the Purchaser in each Advance Request and shall send a written confirmation of the remittance of such Additional Advance (which may be delivered by electronic mail) within four (4) Business Days after the receipt of such Advance Request by the Purchaser. The Initial Advance and all Additional Advances shall not exceed \$[270,000,000] on a cumulative basis (without regard to repayment of any Advances). The Purchaser shall not be obligated to purchase any Additional 2024B LOBs in order to fund any Additional Advances if an Event of Default shall have occurred and be continuing under either this Contract or the Indenture. The County shall record on the Advance Schedule attached hereto as Exhibit C the amount of the Initial Advance and each Additional Advance made by the Corporation from the proceeds of 2024B LOBs purchased by the Purchaser to or upon the order of the County and the date on which the Initial Advance and each Additional Advance is made. Any failure by the County to record the Initial Advance or any Additional Advance on the Advance Schedule shall not affect the obligations of the County with respect to the Initial Advance or any Additional Advance. The Purchaser will maintain a schedule of Advances on its electronic books and records, which will be the official record of Advances made pursuant to this Contract.]

The County covenants and agrees that the Purchase Price will be applied in accordance with the terms and conditions of this Contract. The proceeds of the Purchase Price have been or will be used to acquire, construct, renovate and equip the Project and to provide money to pay for the cost of financing the acquisition, construction, renovation and equipping of the Project.

ARTICLE III

INSTALLMENT PAYMENTS; ADDITIONAL PAYMENTS

Section 3.1. ***Amounts and Times of Installment Payments and Additional Payments.*** As consideration for the financing of the Project by the Corporation, the County shall repay to the Trustee, as assignee of the Corporation, the Purchase Price in installments with interest as provided in this Contract and the Payment Schedule attached hereto, if any (each an "*Installment Payment*"), which Installment Payments shall be sufficient for the Trustee to pay principal and interest on the 2024B LOBs. Each installment shall be deemed to be an Installment Payment and shall be paid in the amounts and at the times set forth on the Payment Schedule except as provided herein. There shall be credited against the amount of Installment Payments otherwise payable hereunder amounts equal to (i) the portion of the proceeds of the sale of the Obligations which is deposited in the Bond Fund as accrued interest, if any, (ii) earnings derived from the investment of the Bond Fund and the Redemption Fund and (iii) any other moneys not constituting Installment Payments required to be deposited in the Bond Fund. Installment Payments shall be sufficient in the aggregate to repay the Purchase Price together with interest thereon. As further

consideration for the financing of the Project by the Corporation, the County shall also pay the Additional Payments, as required herein, on a timely basis directly to the person or entity to which such Additional Payments are owed.

[From the Closing Date until the Final Maturity Date, except as otherwise provided herein, interest with respect to the outstanding principal amount the 2024B LOBs shall accrue at the Drawn Rate. Upon the occurrence and continuation of a Taxable Event, interest with respect to the outstanding principal amount the 2024B LOBs shall accrue at the Taxable Rate. Upon the occurrence and continuation of an Event of Default, interest with respect to the outstanding principal amount the 2024B LOBs shall accrue at the Default Rate. During the Term Loan Rate Period, if any, interest with respect to the outstanding principal amount the 2024B LOBs shall accrue at the Term Loan Rate. The interest rate on the 2024B LOBs shall never exceed the Maximum Rate. The Installment Payments paid by the County shall be calculated and paid based on the interest rate applicable to the 2024B LOBs.]

[The Purchaser shall notify the County (with a copy to the Trustee) not less than two (2) Business Days prior to each Installment Payment Date of the amount of interest due on such Installment Payment Date, which shall include information with respect to the Drawn Rate, the Default Rate, the Term Loan Rate or the Taxable Rate, as applicable, during the preceding interest period, such notice to be given in writing by facsimile or email communication, confirmed by first-class mail, postage prepaid, and addressed to the Finance Director of the County. Notwithstanding the foregoing, the Purchaser's failure to provide the County (or the Trustee) with any notice described in this paragraph shall not in any way relieve the County of its obligation to make any Installment Payments due on the dates and in the amounts provided in this Contract.]

Notwithstanding the foregoing, the County shall repay the Outstanding principal amount of the 2024B LOBs on the Final Maturity Date, subject to the right of prior prepayment and subject to any required mandatory prepayments. Interest with respect to the Outstanding principal amount of the 2024B LOBs shall be paid on each Installment Payment Date. As long as the Purchaser is the sole registered Owner of the 2024B LOBs, the County shall make all payments with respect to the 2024B LOBs by wire transfer in immediately available funds to the address specified in writing by the Purchaser by the Record Date.

Section 3.2. ***Term Loan; Payment of Term Loan.*** Unless the County has arranged to refinance the 2024B LOBs and this Contract on the Final Maturity Date, the County shall provide to the Purchaser on a date that is not less than five (5) Business Days and not more than ten (10) Business Days prior to the Final Maturity Date a certificate stating that (i) no Event of Default has occurred and is continuing under Section 12.1 of this Contract, (ii) all representations and warranties in this Contract are true and correct as of the Final Maturity Date, and (iii) the County intends to convert the interest rate on the 2024B LOBs to the Term Loan Rate and to repay the Purchase Price in accordance with this Section 3.2. In the event that the County does not deliver to the Purchaser such certificate, the outstanding principal amount of the 2024B LOBs shall be due and payable on the Final Maturity Date, together with accrued interest from the prior Installment Payment Date. [In the event that such certificate is so delivered by the County, the outstanding principal balance of this 2024B LOB shall be converted to a Term Loan and shall be subject to repayment to the Purchaser in thirty-six (36) equal monthly principal installments, commencing on [September __, 2027] and continuing on the [___] day of each month thereafter, with the final payment of principal due on [August __, 2030]. During the Term Loan Period, interest shall accrue on the unpaid outstanding principal balance of this 2024B LOB at the Term Loan Rate and shall be payable in arrears on [the first Business Day of each month], commencing on [September 2, 2027], with the final payment of interest due on [August 1, 2030]]. The outstanding principal balance of the Term Loan represented by the 2024B Bond can be prepaid in whole on any date on 30 days' prior written notice to the Purchaser (or such shorter period as the Purchaser may accept) at a redemption price equal to 100% of the principal amount of the 2024B Bond to be redeemed, together with accrued interest to the date fixed for redemption.

The Term Loan is a continuation of the then outstanding principal balance of the 2024B LOBs and the 2024B LOBs shall remain Outstanding for all purposes, notwithstanding the conversion of the payment terms under the 2024B LOBs to a Term Loan. The 2024B LOBs shall remain Outstanding until the Term Loan is paid in full or fully defeased.

Section 3.3. ***Place of Payments.*** All payments required to be made to the Corporation hereunder shall be made at the Trustee's principal office in immediately available funds or as may be otherwise directed in writing by the Trustee. Notwithstanding the foregoing, as long as the Purchaser is the sole registered Owner of the 2024B LOBs, the County shall make all payments with respect to the 2024B LOBs by wire transfer in immediately available funds to the address specified in writing by the Purchaser by the Record Date.

Section 3.4. ***Late Charges.*** To the extent permitted by law, if the County fails to pay any Installment Payment or any other sum required to be paid to the Trustee by the first day of the month following the due date thereof, the County shall pay a late payment charge equal to the amount of the delinquency times a per diem rate calculated at the rate(s) borne by each respective Obligation.

Section 3.5. ***No Abatement.*** To the extent permitted by applicable law and Article XIV, 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 said Installment Payments or Additional Payments, any defense, recoupment, setoff, counterclaims or any claim (real or imaginary) arising out of or related to the acquisition, construction, renovation and equipping of the Project. The County assumes and shall bear the entire risk of loss and damage to the Project from any cause whatsoever, it being the intention of the parties that the Installment Payments and Additional Payments shall be made in all events unless the obligation to make such Installment Payments or Additional Payments is terminated as otherwise provided herein.

Section 3.6. ***Prepayment of Purchase Price.***

(a) If the County has performed all of its obligations under this Contract, it shall have the option to prepay or provide for the prepayment of the Purchase Price, as set forth in Section 4.01 of the Indenture, on any date on or after [August 1, 2024] in full or in part in the amount of \$5,000 or any whole multiple thereof on 45 days' notice to the Trustee, at a prepayment price equal to the then applicable redemption price of the Obligations to be prepaid, including any required redemption premium under Section 4.01 of the Indenture, plus accrued interest to the prepayment date.

Notwithstanding the provisions of the foregoing paragraph, the 2024B LOBs and the allocable portion of the Purchase Price relating thereto may be prepaid in whole or in part on any date on 30 days' notice (or such shorter notice period as may be agreed to by the Purchaser) to the Purchaser and the Trustee, at a prepayment price equal to the redemption price of the Obligations to be prepaid, plus accrued interest to the prepayment date.

(b) In the event that all or any portion of the Premises is damaged, destroyed or taken in eminent domain as evidenced by a certificate of a County Representative delivered to the Trustee and the Net Proceeds are greater than or equal to \$100,000, if the County determines not to apply any Net Proceeds and any other available moneys to the repair or replacement of the Premises, as permitted by Section 7.3(a) of this Contract, and the County has otherwise performed all of its obligations under this Contract, the County shall prepay the Purchase Price on any date selected by the County, in full or in part in the amount of \$5,000 or any whole multiple thereof on 45 days' notice to the Trustee, at a prepayment price equal to 100% of the par amount of the Obligations to

be prepaid plus accrued interest to the redemption date, but without premium, under Section 4.01(b) of the Indenture by causing the Trustee to deposit such Net Proceeds and any other available moneys into the Redemption Fund, but, except with respect to the Purchase Price relating to the 2024B LOBs, if the County uses other available moneys to prepay the Purchase Price in whole or in part, then the amount of such available moneys may not exceed one-third of the amount of Net Proceeds so applied. Notwithstanding the foregoing provisions of this subparagraph (b), only Obligations of the same series of Obligations which financed all or a portion of the cost of the portion of the Premises that has been damaged, destroyed or taken in eminent domain may be redeemed pursuant to the provisions of this subparagraph (b).

(c) In the event of a partial prepayment of the Purchase Price, the Payment Schedule shall be recalculated as necessary by the Trustee in the manner required by Section 3.08 of the Indenture.

ARTICLE IV

ACQUISITION AND CONSTRUCTION

Section 4.1. ***Acquisition and Construction Fund.*** The Corporation has caused the Initial Advance in the amount of \$[_____] to be remitted by the Purchaser to an account of the County pursuant to written directions provided by the County to the Purchaser. The County will specify the amount, if any, of the proceeds of each Additional Advance which are to be deposited with the Trustee for deposit in the Acquisition and Construction Fund. The proceeds of any Additional Advance which are deposited into the Acquisition and Construction Fund shall thereafter be subject to all of the terms and provisions of this Contract and the Indenture.

Section 4.2. ***Disbursements.*** Moneys held to the credit of the Acquisition and Construction Fund shall be disbursed by the Trustee in payment of the Cost of Acquisition and Construction on receipt of written requisition from the County substantially in the form set forth in Exhibit B attached hereto, together with any documents or other items as the Trustee may reasonably determine to be necessary, including but not limited to construction invoices, lien waivers, inspection reports, itemization of present and prospective expenditures and a list of items necessary for completion.

Section 4.3. ***Termination.*** The Acquisition and Construction Fund shall be terminated at the earlier of (a) the final distribution of moneys held in the Acquisition and Construction Fund or (b) the termination of this Contract.

Section 4.4. ***Reliance of Trustee on Documents.*** The Trustee may act in reliance on any writing or instrument or signature which it, in good faith, believes to be genuine and may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument. The Trustee is not liable in any manner for the sufficiency or correctness as to form, manner and execution, or validity of any instrument nor as to the identity, authority, or right of any person executing the same; and its duties hereunder are limited to the receipt of such moneys, instruments or other documents received by it as the Trustee, and for the disposition of the same in accordance herewith.

Section 4.5. ***Indemnification of Trustee.*** Unless the Trustee is guilty of negligence or misconduct with regard to its duties hereunder, the County agrees, to the extent permitted by applicable law and Article XIV, to indemnify the Trustee, its officers, directors and agents and hold them harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity, or any other expenses, fees or charges of any character or nature, which they may incur or with which they may be threatened by reason of its acting as Trustee under this Contract or the Indenture; and in connection therewith, to

indemnify the Trustee, its officers, directors and agents against any and all expenses, including reasonable attorneys' fees and the cost of defending any action, suit or proceedings or resisting any claim. The obligations of the County under this Section shall survive the termination of this Contract and the resignation or removal of the Trustee.

Section 4.6. ***Discretion of the Trustee To File Civil Action in the Event of Dispute.*** If the County and the Trustee disagree about the interpretation of this Contract, or about the rights and obligations, or the propriety of any action contemplated by the Trustee hereunder, the Trustee may, but shall not be required to, file an appropriate civil action to resolve the disagreement. The Trustee shall be indemnified, to the extent permitted by applicable law and Article XIV, for all costs, including reasonable attorneys' fees, in connection with such civil action and shall be fully protected in suspending all or part of its activities under this Contract until a final judgment in such action is received.

Section 4.7. ***Consultation with Counsel.*** The Trustee may, but is not required to, consult with qualified counsel of its own choice and shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by the Trustee in reliance on the reasonable opinion of such counsel. The Trustee shall otherwise not be liable for any mistakes of fact or errors of judgment, or for any acts or omissions of any kind unless caused by its negligence or misconduct.

Section 4.8. ***Compensation of Trustee.*** The County shall pay to the Trustee reasonable compensation for all services performed by the Trustee hereunder and under the Indenture and also for all reasonable expenses, charges and other disbursements and those of the Trustee's attorneys, agents and employees incurred in and about the administration and execution of the Indenture and the performance of the Trustee's powers and duties hereunder and under the Indenture, as an Additional Payment.

Section 4.9. ***Construction.*** The County shall comply with the provisions of Article 8 of Chapter 143 of the General Statutes of North Carolina and enter into construction contracts. The County shall cause the acquisition, construction, renovation and equipping of the Project to be carried on expeditiously in accordance with the plans and specifications therefor, all applicable ordinances and statutes, and in accordance with the requirements of all regularly constituted authorities having jurisdiction over same. The County shall insure (a) that no portion of the Facilities encroaches on or overhangs any easement or right of way and (b) each of the Facilities, when erected, will be wholly within its respective Site and building restriction lines, however established, and will not violate applicable use or other restrictions contained in prior conveyances or applicable protective covenants or restrictions. The County shall cause all utility lines, septic systems and streets serving the Facilities to be completed in accordance with health department standards and other applicable regulations of any governmental agency having jurisdiction. The County will promptly correct any structural defect in the improvements or any departure from the plans and specifications.

Section 4.10. ***Right of Entry and Inspection.*** The Corporation, the Purchaser, the Trustee and their representatives and agents shall have the right to enter on and inspect the Sites on which the Facilities are located and the improvements thereto and thereon from time to time, during and after acquisition, construction, renovation and equipping, and the County will cause any contractor or subcontractor to cooperate with the Corporation, the Purchaser, the Trustee and their representatives and agents during such inspections. No right of inspection or approval contained herein imposes on the Corporation, the Purchaser or the Trustee any duty or obligation whatsoever to undertake any inspection or to give any approval.

Section 4.11. ***Completion of Construction.*** The County shall proceed with reasonable diligence to complete the acquisition, construction, renovation and equipping of the Project in a timely manner. On completion of the acquisition, construction, renovation and equipping of the Project, a County Representative shall deliver to the Trustee (a) a certificate of a County Representative stating the fact and

date of such completion and stating that all of the Cost of Acquisition and Construction has been determined and paid (or that all of such Cost has been paid less specified claims which are subject to dispute and for which a retention in the Acquisition and Construction Fund is to be maintained in the full amount of such claims until such dispute is resolved), and (b) proof of the insurance coverage required by Section 5.10. If the accounting of the Acquisition and Construction Fund by the Trustee shows that moneys in the Acquisition and Construction Fund will remain unexpended for the Cost of Acquisition and Construction, the unexpended funds in the Acquisition and Construction Fund shall be applied in accordance with Section 3.12 of the Indenture.

Section 4.12. ***Payment and Performance Bonds.*** Each contractor entering into a construction contract for the construction of any portion of the Facilities that will also be a part of the Premises shall be required to furnish a performance bond and a separate labor and material payment bond as required by North Carolina General Statutes, Article 3, Chapter 44A, copies of which shall be provided to the Corporation. In lieu of furnishing a performance bond and a separate labor and material payment bond, each contractor may furnish collateral in an amount of their construction contract securing the County pursuant to North Carolina General Statutes, Article 8, Chapter 143 (Section 143-129), copies of the evidence of such collateral which shall be provided to the Corporation. The Trustee shall be listed as a dual obligee on any such bonds described in this Section 4.12.

In the event of any material default by a contractor under any such construction contract, or in the event of a material breach of warranty with respect to any materials, workmanship or performance, the County shall promptly proceed, either separately or in conjunction with others, to pursue diligently its remedies against such contractor and/or against each surety of any bond securing the performance of such construction contract. The net proceeds of any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing, remaining after deduction of expenses incurred in such recovery (including, without limitation, attorneys' fees and costs), and 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 paid to the Trustee for deposit into the Acquisition and Construction Fund if received before the completion of the Project (the "*Completion Date*") or, if received thereafter, shall be deposited as otherwise provided in Section 7.2 or otherwise applied as provided in Section 7.3. The net proceeds of any performance or payment bond or insurance policy required by this Section shall likewise be paid into the Acquisition and Construction Fund if received before the Completion Date, or, if received thereafter, shall either be deposited as provided in Section 7.2 or otherwise applied as provided in Section 7.3.

Section 4.13. ***Contractor's General Public Liability and Property Damage Insurance.*** The County shall require each contractor entering into a construction contract for the construction of any portion of the Facilities that will also be a part of the Premises to procure and maintain standard form (a) comprehensive general public liability and property damage insurance, at its own cost and expense, during the duration of such contractor's construction contract, in the amount of at least \$1,000,000 bodily injury and property damage liability combined single limit each occurrence and \$2,000,000 in the annual aggregate, and (b) comprehensive automobile liability insurance on owned, hired and non-owned vehicles for limits not less than \$1,000,000 each accident bodily injury and property damage liability. Such policies shall include the County, the Corporation and the Trustee as additional named insureds, and shall include a provision prohibiting cancellation or termination without 30 days' prior notice by certified mail to the County and the Trustee. A certificate evidencing such coverage shall be provided to the County or, if such insurance is provided by a private carrier, a completed certificate of insurance, in form acceptable to the County and the Corporation, shall be provided to the County and the Corporation with respect to each contractor entering into such 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 4.14. ***Contractor's Builder's Risk Completed Value Insurance.*** The County will procure and maintain, or will require each contractor entering into a construction contract for the construction of any portion of the Facilities that will also be a part of the Premises to procure and maintain, property insurance (builder's risk) on all acquisition, construction, renovation and equipping of such Facilities (excluding contractor's tools and equipment) at the applicable Site(s) at the full and insurable value thereof. Such policies shall include the County, the Corporation and the Trustee as additional named insureds, and shall include a provision prohibiting cancellation or termination without 30 days' prior notice by certified mail to the County and the Trustee. This insurance will also include the interest of the County and the contractor as additional insureds; and shall insure against "*all risk*" subject to standard policy conditions and exclusions. Each such contractor shall purchase and maintain similar property insurance for portions of the work stored off the applicable Site(s) or in transit when such portions of the 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 this insurance.

Section 4.15. ***Contractor's Worker's Compensation Insurance.*** Each contractor entering into a construction contract for the construction of any portion of the Facilities that will also be a part of the Premises shall be required to procure and maintain, at its own cost and expense, worker's compensation insurance during the term of its construction contract, covering its employees working thereunder. Such insurance, if issued by a private carrier, shall contain a provision prohibiting cancellation or termination without 30 days' prior notice by certified mail to the County, the Corporation and the Trustee. A certificate evidencing such coverage shall be provided to the County and the Corporation or, if such insurance is provided by a private carrier, a completed certificate of insurance, in form acceptable to the County, the Corporation and the Trustee, shall be provided to the County and the Corporation with respect to each contractor entering into such a construction contract. Each such construction contract shall also provide that each subcontractor of any contractor who is a party to such a construction contract shall be required to furnish similar worker's compensation insurance.

Section 4.16. ***Filing With the Trustee.*** The County shall provide on the Closing Date, but only with respect to those construction contracts, if any, which are in existence on the Closing Date, and on each anniversary of the Closing Date, a certificate of a County Representative certifying compliance with Sections 4.12, 4.13, 4.14 and 4.15. In addition to this certificate, the Trustee may request at any time copies of all performance bonds and insurance contracts or approved bonds thereof, as required under Sections 4.12, 4.13, 4.14 and 4.15, to be delivered to the Trustee in a timely manner and in such form as to certify compliance with the provisions of the Sections referred to above.

ARTICLE V

RESPONSIBILITIES OF THE COUNTY

Section 5.1. ***Care and Use.*** Subject to the provisions of applicable law and Article XIV, the County shall use the Premises 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 Premises so as to keep the Premises in good condition, repair, appearance and working order for the purposes intended, ordinary wear and tear excepted. The County shall replace any part of the Premises as may from time to time become worn out, unfit for use, lost, stolen, destroyed or damaged. Any and all additions to or replacements of the Premises and all parts thereof shall constitute accessions to the Premises and shall be subject to all the terms and conditions of this Contract and included in the term "*Premises*" as used in this Contract.

Section 5.2. **Inspection.** The Trustee shall have the right on reasonable prior written notice to the County, and subject to the reasonable direction and supervision of the County, to enter into and on the Sites to inspect the Facilities and observe their use during normal business hours.

Section 5.3. **Utilities.** The County shall pay or cause to be paid all charges for gas, water, steam, electricity, light, heat or power, telephone or other utility services furnished to or used on or in connection with the Premises. There shall be no abatement of the Installment Payments on account of interruption of any such services.

Section 5.4. **Taxes.** The County agrees to pay or cause to be paid when due any and all taxes relating to the Premises and the County's obligations hereunder 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 Premises by any governmental body or agency, together with any interest and penalties, other than taxes on or measured by the net income of the Corporation.

Section 5.5. **Title Insurance.** The County agrees to obtain, at its own cost and expense, a policy of title insurance from Investors Title Insurance Company, or an endorsement to such a policy, in form satisfactory to the Corporation and the Trustee, at the time of and dated as of the date of execution and delivery of this Contract, in an amount not less than [\$42,000,000], payable to the Trustee, as its interest may appear, insuring fee title of the County to the Premises.

Section 5.6. **[Reserved].**

Section 5.7. **Risk of Loss.** The County shall bear all risk (i) of loss or damage to the Project and (ii) of the condemnation of the Sites, the Facilities or any portion of them. In the event of loss or damage to all or any portion of the Project or condemnation of all or any portion of the Sites or the Facilities, the County shall continue to make the Installment Payments due hereunder and at its option either (a) repair or replace the Site(s) or the Facilities, as applicable, that are a part of the Premises, in accordance with Section 7.2, (b) if the Net Proceeds with respect to the Premises are less than \$100,000 and are not necessary to restore the Site(s) or the Facilities that are a part of the Premises to their intended use, direct the Trustee to deposit such Net Proceeds in the Bond Fund created under the Indenture to be applied toward the next payment of principal and interest with respect to the Obligations, or (c) if the Net Proceeds with respect to the Premises are greater than or equal to \$100,000, prepay all or a portion of the then outstanding Purchase Price with Net Proceeds or any other moneys in accordance with Section 3.5(b); provided that if the County has exercised its option to prepay the Purchase Price in part, the County remains liable to make Installment Payments for the remaining Purchase Price which is not prepaid.

Section 5.8. **Performance by the Trustee of the County's Responsibilities.** Any performance required of the County or any payments required to be made by the County may, if not timely performed or paid, be performed or paid by the Trustee, and, in that event, the Trustee shall be immediately reimbursed by the County for these payments or other performance by the Trustee, with interest thereon at a rate equal to the prime rate of the Trustee at the time the payment is made and as adjusted from time to time thereafter until so reimbursed.

Section 5.9. **Financial Statements and Other Information.** (a) The County agrees that it will (i) furnish to the Trustee and each Insurer, if any, annually and at such other reasonable times as the Trustee or an Insurer shall request, current financial statements (including, without limitation, the County's annual budget as submitted or approved), (ii) permit the Trustee and each Insurer, if any, or their respective agents and representatives to inspect the County's books and records and make extracts therefrom and (iii) provide each Insurer, if any, with such additional information as such Insurer may reasonably request. The County

will permit each Insurer, if any, to discuss the affairs, finances and accounts of the County or any information such Insurer may reasonably request regarding the security for the series of Obligations for which it has a Policy in effect with appropriate officers of the County. The County will permit each Insurer, if any, to have access to and to make copies of all books and records relating to the series of Obligations for which it has a Policy in effect at any reasonable time. The County represents and warrants to the Trustee that (i) all financial statements which have been or may be delivered to the Trustee do and will fairly and accurately reflect the County's financial condition and (ii) there has been no material adverse change, as of the date of execution of this Contract, in the County's financial condition from the condition as reflected in the financial statements for the Fiscal Year ended June 30, [2023]. The County further agrees that it will furnish a copy of its most recent audited financial statements to any Owner of the Obligations on written request therefor. The County's obligations to an Insurer under this Section 5.9 shall be effective only while that respective Insurer's Policy is in effect and no Insurer Default (as defined in the Indenture) has occurred and is continuing.

(b) So long as the 2024B Bonds are outstanding and during any Term Loan Period, if any, the County agrees that it will (i) furnish to the Purchaser, annually, within 210 days after the end of each Fiscal Year, and at such other reasonable times as the Purchaser shall request, current financial statements (including, without limitation, the County's annual budget as submitted or approved, within 30 days after adoption), (ii) permit the Purchaser or their respective agents and representatives to inspect the County's books and records and make extracts therefrom and (iii) provide the Purchaser with such additional information as the Purchaser may reasonably request. The County will permit the Purchaser to discuss the affairs, finances and accounts of the County or any information the Purchaser may reasonably request regarding the security for the 2024B LOBS or the Term Loan, if any, with appropriate officers of the County. The County will permit the Purchaser to have access to and to make copies of all books and records relating to the 2024B LOBS or the Term Loan, if any, at any reasonable time.

Section 5.10. **Property Insurance.** The County shall continually maintain insurance to the full insurable value of the Premises against loss by fire, hazards customarily included in the term "*extended coverage*" and such other hazards as the Trustee may reasonably require in such a manner and in such companies as the Trustee may from time to time reasonably require and shall promptly pay all premiums therefor when due. All insurance policies and renewals thereof shall name the Corporation and the Trustee as additional insureds thereunder, as the respective interests of each of such parties may appear, and have attached thereto a mortgagee long form loss payable clause in favor of and in form acceptable to the Trustee, and provide that no such policy can lapse or be canceled, substantially modified or terminated without at least 30 days prior notice to the Trustee and that any loss payable thereunder shall be made payable and shall be applied as provided in Article VII. In the event of loss, the County shall give immediate notice by mail to the Trustee, who may, but shall not be obligated to, make proof of loss. In the event of foreclosure of the Deed of Trust or other transfer of title to the Premises, all right, title and interest of the County in any insurance policies then in force shall pass to the Trustee. Additionally, during the term of this Contract, the County shall continually maintain standard liability insurance as is customarily maintained by like entities with respect to facilities similar to the Premises. Certificates of insurance shall be provided to the Trustee and the Purchaser upon request.

The County may provide for and maintain the insurance required under this Contract partially or wholly by means of an adequate risk retention fund. Reserves for a risk retention fund shall be determined by using actuarial principles. Any risk retention fund shall be reviewed annually by the County's risk manager or an independent insurance consultant or actuarial consultant. [Add from 2024A]

ARTICLE VI

TITLE ; LIENS

Section 6.1. **Title.** Title to the Premises and any and all additions, repairs, replacements or modifications thereto shall be in the County from and after the date of execution and delivery of this Contract so long as the County is not in default hereunder. Title to the Premises shall vest permanently in the County on the repayment in full of the Purchase Price and all Additional Payments, free and clear of any lien or security interest of the Trustee therein. Simultaneously with the execution and delivery of this Contract, the County shall deliver to the Trustee the Deed of Trust and UCC-1 financing statements in form satisfactory to the Corporation and the Trustee. Upon payment in full of all of the County's obligations hereunder, including the Purchase Price and all other payments due hereunder, the Corporation or its assignee, at the County's expense and request, shall discharge the Indenture and release the lien on the Deed of Trust and this Contract will terminate.

Section 6.2. **Liens.** The County shall not directly or indirectly create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, security interest, encumbrance or claim on or with respect to the Premises or any interest therein, except for (i) the lien and security interest of the Corporation and the Trustee therein; (ii) utility, access and other easements and rights of way, restrictions and exceptions which do not interfere with or impair the intended use of the Premises; and (iii) such minor defects, irregularities, encumbrances and clouds on title as normally exist with respect to property of the general character of the Premises and as do not materially impair title to the Premises. The County shall promptly, at its own expense, take such action as may be necessary duly to discharge any such mortgage, pledge, lien, security interest, charge, encumbrance or claim if the same shall arise at any time. The County shall reimburse the Corporation for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, security interest, charge, encumbrance or claim.

ARTICLE VII

DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS

Section 7.1. **Damage, Destruction or Condemnation.** If, during the term hereof, (i) any portion of the Project is destroyed or damaged by fire or other casualty; (ii) title to or the temporary or permanent use of any portion of the Project or the estate of the County or the Corporation or its assignee in any portion of the Project is taken under the power of eminent domain by any governmental authority; (iii) a material defect in construction of any portion of the Project becomes apparent; or (iv) title to or the use of any portion of the Project is lost by reason of a defect in title thereto, then the County shall continue to be obligated, subject to the provisions of Section 7.2, to pay the amounts specified in Section 3.1 at the respective times required.

Section 7.2. **Obligation of the County To Repair and Replace the Premises.** Subject to the provisions of Section 7.3, the Trustee shall cause the Net Proceeds of any insurance policies, performance or payment bonds, if any, condemnation awards with respect to the Premises or Net Proceeds made available by reason of any occurrence described in Section 7.1 with respect to the Premises, in either case in excess of \$100,000, to be deposited in a separate fund held by the Trustee. Except as set forth in Section 7.3, all Net Proceeds so deposited shall be applied to the prompt repair, restoration, modification, improvement or replacement of the Premises on receipt of requisitions acceptable to the Trustee approved by a County Representative stating with respect to each payment to be made: (a) the requisition number; (b) the name and address of the person, firm or corporation to whom payment is due; (c) the amount to be paid; and (d) that each obligation mentioned therein has been properly incurred, is a proper charge against

the Acquisition and Construction Fund or such separate fund, and has not been the basis of any previous withdrawal and specifying in reasonable detail the nature of the obligation, accompanied by a bill or a statement of account for such obligation. The Trustee shall cooperate with the County in the administration of such separate fund and shall not unreasonably withhold its approval of requisitions under this Section 7.2. If the Net Proceeds (plus any amount withheld therefrom by reason of any deductible clause) are insufficient to pay in full the cost of any repair, restoration, modification, improvement or replacement of the Premises, the County may complete the work and pay any cost in excess of the amount of the Net Proceeds, and the County agrees that, if by reason of any such insufficiency of the Net Proceeds, the County shall make any payments pursuant to the provisions of this Section 7.2, the County is not entitled to any reimbursement therefor from the Corporation, the Trustee or the Owners nor is the County entitled to any diminution of the amounts payable under Section 3.1. Any repair, restoration, modification, improvement or replacement of the Premises 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 Project and the Premises under this Contract and the Deed of Trust.

Section 7.3. ***Discharge of the Obligation of the County To Repair the Premises.*** On the occurrence of an event described in Section 7.1 with respect to the Premises, and if the County does not elect to repair, restore, improve or replace the affected portion of the Premises, the County may elect to proceed under either of the following options to the extent applicable:

(a) If the Net Proceeds are greater than or equal to \$100,000, the obligation of the County to repair or replace the Premises under Section 7.2 may, at the option of the County, be discharged by causing the Net Proceeds of such insurance policies or condemnation awards to be transferred to the Redemption Fund and applied to the prepayment of all or any part of the Purchase Price in accordance with Section 3.5(b), resulting in a corresponding redemption of the 2024B LOBs. If the Net Proceeds exceed the Purchase Price in accordance with Section 3.5(b), such excess after the payment of any Additional Payments shall be paid to or retained by the County; or

(b) If the Net Proceeds are less than \$100,000 and are not necessary to restore the affected portion of the Premises to its intended use, the County may direct the Trustee to deposit such Net Proceeds in the Bond Fund to be applied toward the next payment of principal and interest with respect to the Obligations.

Within 90 days of the occurrence of an event specified in Section 7.1 with respect to the Premises, the County shall (i) commence the repair, restoration, modification, improvement or replacement of the Premises, or (ii) shall elect, by written notice to the Trustee, to proceed under the provisions of subparagraph (a) or (b) above. For purposes of this Section, "*commence*" shall include the retention of an architect or engineer in anticipation of repair, restoration, modification, improvement or replacement of the Premises.

Section 7.4. ***Cooperation of the Corporation.*** The Corporation shall cooperate fully with the County and the Trustee in filing any proof of loss with respect to any insurance policy covering the events described in Section 7.1, and hereby assigns to the Trustee any interest it may have in such policies or rights of action for such purposes. In no event shall the Corporation or the County voluntarily settle, or consent to the settlement of, any proceeding arising out of any such insurance claim with respect to the Premises without the written consent of the other and the Trustee.

ARTICLE VIII

REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE COUNTY AND THE CORPORATION

Section 8.1. ***Representations, Warranties and Covenants of the County.*** The County warrants and represents to the Corporation and to the Trustee for the benefit of the Owners (all such representations and warranties being continuing) that:

(a) The County is a duly organized and validly existing political subdivision of the State and has all powers necessary to enter into the transactions contemplated by this Contract and the Deed of Trust and to carry out its obligations hereunder;

(b) The County agrees that during the term of this Contract it will take no action that would adversely affect its existence as a political subdivision in good standing in the State, cause the County to be consolidated with or merge into another political subdivision of the State or permit one or more other municipal corporations or political subdivisions of the State to consolidate with or merge into it, unless the political subdivision of the State created thereby expressly assumes in writing the County's obligations hereunder;

(c) This Contract, the Deed of Trust and all other documents relating hereto and the performance of the County's obligations hereunder and thereunder have been or will be duly and validly authorized, executed and delivered by the County and approved under all laws, regulations and procedures applicable to the County and, assuming due authorization, execution and delivery thereof by the other parties thereto, constitute valid, legal and binding obligations of the County, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and such principles of equity as a court having jurisdiction may impose;

(d) No approval or consent is required from any governmental authority with respect to the entering into or performance by the County of this Contract, the Deed of Trust and all other documents related thereto and the transactions contemplated hereby and thereby or if such approvals or consents are required, they have been or will be duly obtained;

(e) Except as disclosed by the County in writing to the other parties hereto, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or, to the best of the County's knowledge, threatened, against or affecting the County challenging the validity or enforceability of this Contract, the Deed of Trust or any other documents relating hereto and the performance of the County's obligations hereunder and thereunder, and compliance with the provisions hereof or thereof, under the circumstances contemplated hereby or thereby, does not and will not in any material respect conflict with, constitute on the part of the County a breach of or default under, or result in the creation of a lien or other encumbrance on any property of the County (except as contemplated herein or therein) pursuant to any agreement or other instrument to which the County is a party, or any existing law, regulation, court order or consent decree to which the County is subject;

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

foregoing, nor conflicts with or results in a violation of any provision of applicable law or regulation governing the County and no representation, covenant and warranty herein is false, misleading or erroneous in any material respect;

(g) The County is vested with fee simple title to the Premises, and there are no liens or encumbrances on the Premises other than the lien created by the Deed of Trust and the other liens permitted thereby;

(h) The resolutions relating to the performance by the County of this Contract, the Deed of Trust and the transactions contemplated hereby and thereby, have been duly adopted, are in full force and effect, and have not been in any respect modified, revoked or rescinded;

(i) The acquisition, construction, renovation, equipping and use of the Project is essential to the proper, efficient and economical operation of the County and the delivery of its services and the Project will provide an essential use and permit the County to carry out public functions that it is authorized by law to perform;

(j) The County reasonably believes funds will be available to satisfy all of its obligations hereunder;

(k) The County shall (i) cause its Budget Officer as statutorily defined to include the Installment Payments and the reasonably estimated Additional Payments coming due in each Fiscal Year in the corresponding annual budget request, (ii) require that the deletion of such funds from the County's final budget or any amended budget be made only pursuant to an express resolution of the Board which explains the reason for such action and (iii) deliver notice to the Trustee, the Rating Agencies and the Local Government Commission of the State of North Carolina within five days after the adoption by the Board of the resolution described in clause (ii) above. Nothing contained in this paragraph (k) obligates the County to appropriate moneys contained in the proposed budget for the payment of Installment Payments and reasonably estimated Additional Payments coming due under this Contract; and

(l) Moneys appropriated by the County to make Installment Payments in any Fiscal Year shall be used for no other purpose.

Section 8.2. ***Environmental Warranties and Representations.*** (a) The County warrants and represents to the Corporation after thorough investigation as follows:

(1) The County has no knowledge of and, after reasonable inquiry, no reason to believe (A) that any industrial use has been or will be made of the Facilities or the Sites, (B) that the Facilities or the Sites have been or will be used for the storage, treatment or disposal of chemicals or any wastes or materials that are classified by federal, State or local laws as hazardous or toxic substances, (C) that any manufacturing, landfilling or chemical production has occurred or will occur on the Facilities or the Sites, or (D) there is or will be any asbestos or other contaminant on, in or under the Facilities or the Sites.

(2) The Facilities and the Sites are and will remain in compliance with all federal, State and local environmental laws and regulations, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), Public Law No. 96-510, 94 Stat. 2767, 42 U.S.C. 9601 et seq., and the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), Public Law No. 99-499, 100 Stat. 1613.

(3) There are not now and will not be hereafter any hazardous materials, substances, wastes or other environmentally regulated substances (including, without limitation, any materials containing asbestos) located on, in or under the Facilities or the Sites or used in connection therewith and the County is in compliance with Section 1.13 of the Deed of Trust, except for (A) small quantities present in retail containers, (B) quantities and substances necessary and proper for the contemplated use of the Facilities, and (C) quantities and substances necessary and proper for the construction of the Facilities, all of which the County warrants will be stored, handled used and disposed of properly and in accordance with applicable law.

(4) The County will promptly notify the Corporation and the Trustee and each Insurer, if any, of any change in the nature or extent of any hazardous materials, substances or wastes maintained on, in or under the Facilities or the Sites or used in connection therewith, and will send to the Corporation copies of any citations, orders, notices or other material governmental or other communication received with respect to any other hazardous materials, substances, wastes or other environmentally regulated substances affecting the Facilities or the Sites.

(b) To the extent permitted by law, the County shall indemnify and hold the Corporation and Trustee harmless from and against (1) any and all damages, penalties, fines, claims, liens, suits, liabilities, costs (including clean-up costs, judgment and expenses (including attorneys', consultants' or experts' fees and expenses) of every kind and nature suffered by or asserted against the Corporation or the Trustee as a direct or indirect result of any warrant or representation made by the County in subsection (a) above being false or untrue in any material respect, or (2) any requirement under any law, regulation or ordinance, local, State or federal, which requires the elimination or removal of any hazardous materials, substances, wastes or other environmentally regulated substances by the Corporation, the County or any transferee or assignee of the County or the Corporation.

(c) The County's obligations hereunder shall not be limited to any extent by the Contract term or the County's satisfaction of its obligations thereunder, but shall continue in full force and effect notwithstanding satisfaction of such obligation or foreclosure under the Deed of Trust or delivery of a deed in lieu of foreclosure.

Section 8.3. ***Warranties and Representations of the Corporation.*** The Corporation warrants and represents to the County (all such warranties and representations being continuous):

(a) The Corporation is a nonprofit corporation duly organized, existing and in good standing under and by virtue of the laws of the State, has the power to enter into this Contract and the Indenture, and has duly authorized the execution and delivery of this Contract and the Indenture;

(b) The Corporation has duly authorized this Contract and the Indenture and has caused each to be executed on its behalf in accordance with the laws of the State;

(c) Neither the execution and delivery of this Contract or the Indenture, 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 charter or bylaws of the Corporation or any agreement or instrument to which the Corporation is now a party or by which the Corporation is bound, or constitutes a default under any of the foregoing; and

(d) To the best of the Corporation's knowledge after due and reasonable investigation, 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 Corporation challenging the validity or enforceability of this Contract, the Indenture or any other documents relating hereto and the performance of the Corporation's obligations hereunder and thereunder.

ARTICLE IX

TAX COVENANTS AND REPRESENTATIONS

The County covenants that 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 of the interest portion of the Installment Payments created by this Contract under Section 103 of the Code. The County will not, directly or indirectly, use or permit the use of any proceeds of any fund created under the Indenture or of any other funds of the County, or take or omit to take any action that would cause the obligation 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 the date of delivery of the 2024B LOBs and will comply with all requirements of Section 148 of the Code to the extent applicable. The County further represents and covenants that the Installment Payments created by this Contract are not and will not constitute a "private activity bond" as defined in Section 141 of the Code.

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

Notwithstanding any provision of this Article, if the County shall provide to the Trustee an opinion of nationally recognized bond or special 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 portion of the Installment Payments created by this Contract under Section 103 of the Code, the County and the Trustee may rely conclusively on such opinion in complying with the provisions hereof.

ARTICLE X

INDEMNIFICATION

To the extent permitted by applicable law and Article XIV, the County hereby agrees to indemnify, protect and save the Corporation, the Purchaser, the Local Government Commission of North Carolina and any member, director, officer, agent or employee thereof and the Trustee harmless from all liability, obligations, losses, claims, damages, actions, suits, proceedings, costs and expenses, including attorneys' fees, arising out of, connected with, or resulting, directly or indirectly, from the Project, or from the Indenture, the Deed of Trust and this Contract or from the County's performance under each of said documents, including, without limitation, the possession, condition, construction or use of the Project. The indemnification arising under this Article shall continue in full force and effect notwithstanding the payment in full of all obligations under this Contract.

ARTICLE XI

DISCLAIMER OF WARRANTIES

The County acknowledges that the Corporation has not designed the Facilities, that none of the Trustee, the Corporation or the Purchaser has supplied any plans or specifications with respect thereto and none of the Corporation, the Trustee or the Purchaser (a) is a manufacturer of, nor a dealer in, any of the component parts of the Facilities or similar facilities, (b) has made any recommendation, given any advice nor taken any other action with respect to (1) the choice of any supplier, vendor or designer of, or any other contractor with respect to, the Facilities or any component part thereof or any property or rights relating thereto, or (2) any action taken or to be taken with respect to the Facilities or any component part thereof or any property or rights relating thereto at any state of the construction thereof, (c) has not at any time had physical possession of the Facilities 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 Facilities or any component part thereof or any property or rights relating thereto (1) will not result in or cause injury or damage to persons or property, (2) has been or will be properly designed, or will accomplish the results which the County intends therefor, or (3) is safe in any manner or respect.

NONE OF THE CORPORATION, THE TRUSTEE OR THE PURCHASER MAKES ANY EXPRESS OR IMPLIED WARRANTY OR REPRESENTATION OF ANY KIND WHATSOEVER WITH RESPECT TO THE FACILITIES OR ANY COMPONENT PART THEREOF, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OR REPRESENTATION WITH RESPECT TO THE MERCHANTABILITY OR THE FITNESS OR SUITABILITY THEREOF FOR ANY PURPOSE, and further including 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 Facilities' ability to perform any function; that the Purchase Price will be sufficient to pay all of the Cost of Acquisition and Construction of the Facilities; or any other characteristic of the Facilities; it being agreed that the County is to bear all risks relating to the Facilities, the completion thereof or the transactions contemplated hereby or by the Deed of Trust or the Indenture, and the County hereby waives the benefits of any and all implied warranties and representations of the Corporation, the Trustee or the Purchaser.

ARTICLE XII

DEFAULT AND REMEDIES

Section 12.1. ***Definition of Event of Default.*** The County shall be deemed to be in default hereunder upon the happening of any of the following events of default (each, an "*Event of Default*"):

(a) The County fails to make any Installment Payment by the second Business Day preceding the first day of the month following the date on which such Installment Payment is due;

(b) The County fails to budget and appropriate moneys sufficient to pay all Installment Payments and the reasonably estimated Additional Payments coming due in any Bond Year;

(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 (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 or therein contained, for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the County by the Trustee unless such failure can be corrected and the Trustee shall agree in writing to an extension of such time prior to its

expiration; provided, however, that if the failure cannot be corrected within the stated period, Trustee will not unreasonably withhold consent for an extension not longer than 60 days;

(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 90 days after the institution or occurrence thereof;

(e) The Rating Requirement is not met with respect to any rated debt that is payable from the County's general fund, but only with respect to those Rating Agencies which then have in effect a rating on such rated debt; or

(f) Any representation or statement made by the County herein, in the Deed of Trust or in any other document executed or delivered in connection herewith is found to be incorrect or misleading in any material respect as of the date made.

Section 12.2. ***Remedies on Default.*** On the occurrence of any Event of Default, the Trustee may, but only with the prior written consent of the Purchaser if the 2024B LOBs are then Outstanding, and, if requested in writing by a majority in aggregate principal amount of the Owners of the Obligations, the Trustee shall, to the extent permitted by applicable law and Article XIV, exercise any one or more of the following remedies as the Trustee shall elect or as shall be directed by a majority in aggregate principal amount of the Owners of the Obligations:

(a) Declare the unpaid portion of the principal components of Installment Payments immediately due and payable without notice or demand to the County;

(b) Proceed by appropriate court action to enforce performance by the County of the applicable covenants of this Contract or to recover for the breach thereof; or

(c) Exercise or direct the Deed of Trust trustee to exercise all the rights and remedies of a secured party or creditor under the Uniform Commercial Code of the State and the general laws of the State with respect to the enforcement of the security interest granted or reserved under this Contract and the Deed of Trust including, without limitation, to the extent permitted by law, re-enter and take possession of the Premises 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 and other sale, lease, sublease or other disposition, toward the balance due under this Contract and, thereafter, shall pay any remaining proceeds to the County.

NOTWITHSTANDING ANY OTHER PROVISIONS HEREIN, IT IS THE INTENT OF THE PARTIES HERETO TO COMPLY WITH GENERAL STATUTES OF NORTH CAROLINA SECTION 160A-20. NO DEFICIENCY JUDGMENT MAY BE ENTERED AGAINST THE COUNTY IN VIOLATION OF SECTION 160A-20 INCLUDING, WITHOUT LIMITATION, ANY DEFICIENCY JUDGMENT FOR AMOUNTS THAT MAY BE OWED HEREUNDER WHEN THE SALE OF ALL OR ANY PORTION OF THE PREMISES IS INSUFFICIENT TO PRODUCE ENOUGH MONEY TO PAY IN FULL ALL REMAINING OBLIGATIONS UNDER THIS CONTRACT. TO THE EXTENT OF ANY CONFLICT BETWEEN THIS PARAGRAPH AND ANY OTHER PROVISION OF THIS ARTICLE XII, THIS PARAGRAPH SHALL TAKE PRIORITY. THIS SECTION 12.2 IN NO WAY LIMITS THE PROVISIONS OF ARTICLE XIV.

Section 12.3. **Further Remedies.** Notwithstanding the occurrence of an Event of Default hereunder and the exercise of any or all of the remedies listed in Section 12.2, this Contract shall remain in full force and effect and the County, to the extent permitted by applicable law and Article XIV, shall be and remain liable for the full performance of all its obligations hereunder. All remedies of the Trustee 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 XIII

ASSIGNMENT

Section 13.1. **Assignment by the County.** 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 Premises (except for the lien and security interest of the Corporation therein or except for any permitted encumbrances under Section 6.2) without the Trustee's or Purchaser's prior written consent, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, the County may lease all or a portion of the Premises subject to the following conditions:

- (a) the obligation of the County to make Installment Payments and Additional Payments under this Contract will remain obligations of the County;
- (b) the County will, at least 30 days before the execution and delivery of any such lease, furnish or cause to be furnished to the Trustee a true and complete copy of such lease;
- (c) no lease will cause the interest component of Installment Payments relating to any Obligations to become includable in gross income for federal income tax purposes, as evidenced by an opinion of an opinion of nationally recognized bond or special counsel to such effect; and
- (d) the Trustee shall have received an opinion of Counsel to the County to the effect that such lease is subordinate to the lien of the Deed of Trust and such lease shall terminate upon any foreclosure of such lien.

Section 13.2. **Assignment by the Corporation.** The Corporation has assigned all of its interest in the Premises and this Contract (other than its rights under Article X, certain notice rights and those Additional Payments payable to the Corporation under this Contract), including without limitation, the Corporation's right to receive the Installment Payments, to the Trustee.

ARTICLE XIV

LIMITED OBLIGATION OF THE COUNTY

NOTWITHSTANDING ANY PROVISION OF THIS CONTRACT, THE INDENTURE OR THE DEED OF TRUST WHICH MAY BE TO THE CONTRARY, NO PROVISION OF THIS CONTRACT, THE INDENTURE OR THE DEED OF TRUST SHALL BE CONSTRUED OR INTERPRETED AS CREATING A PLEDGE OF THE FAITH AND CREDIT OF THE COUNTY WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE. NO PROVISION OF THIS CONTRACT, THE INDENTURE OR THE DEED OF TRUST 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, THE INDENTURE AND THE DEED OF TRUST SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE COUNTY TO MAKE ANY PAYMENTS BEYOND THOSE APPROPRIATED IN THE SOLE DISCRETION OF THE COUNTY FOR ANY FISCAL YEAR IN WHICH THIS CONTRACT IS IN EFFECT; PROVIDED, HOWEVER, ANY

FAILURE OR REFUSAL BY THE COUNTY TO APPROPRIATE FUNDS WHICH RESULTS IN THE FAILURE BY THE COUNTY TO MAKE ANY PAYMENT COMING DUE HEREUNDER WILL IN NO WAY OBTAIN 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, THE INDENTURE OR THE DEED OF TRUST 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, THE INDENTURE OR THE DEED OF TRUST RESTRICT THE FUTURE ISSUANCE OF ANY OF THE COUNTY'S OBLIGATIONS OR ANY OTHER 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, THE INDENTURE OR THE DEED OF TRUST, THIS ARTICLE SHALL TAKE PRIORITY.

ARTICLE XV

JOINDER BY THE TRUSTEE

The Trustee hereby executes this Contract to signify its agreement to be bound to the terms of this Contract applicable to it. The County and the Corporation acknowledge and agree that the Trustee shall be entitled to enforce and to benefit from the terms and conditions of this Contract applicable to it.

ARTICLE XVI

MISCELLANEOUS

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

Section 16.2. **County's Acceptance of Rights and Responsibilities Under the Indenture.** The County accepts all responsibilities assigned to it under and pursuant to the Indenture.

Section 16.3. **Severability.** If any portion of this Contract other than Article XIV 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 16.4. **Governing Law.** This Contract shall be construed, interpreted and enforced in accordance with the laws of the State, without regard to conflict of law principles.

Section 16.5. **Notices.** 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 Corporation: Cabarrus County Development Corporation
65 Church Street, SE
Post Office Box 707
Concord, North Carolina 28025
Attention: President

If to the County: County of Cabarrus, North Carolina
Governmental Center
65 Church Street, SE
Post Office Box 707
Concord, North Carolina 28025
Attention: Finance Director

If to the Trustee: Regions Bank
1180 West Peachtree Street
Atlanta, Georgia 30309
Attention: Corporate Trust Department

If to the Purchaser: PNC Bank, National Association
301 Fayetteville Street
Raleigh, NC 27601
Attention: [Kyle Huber]

The Corporation, the County, the Purchaser and the Trustee may, by written notice to the others, designate any further or different addresses to which subsequent notices, bonds or other communications shall be sent.

Section 16.6. **Section Headings.** All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Contract.

Section 16.7. **Entire Contract.** This Contract, together with the schedules and Exhibits hereto, constitutes the entire Contract between the parties and this Contract shall not be modified, amended, altered or changed except by written agreement signed by the parties.

Section 16.8. **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 Trustee). The Trustee and each Insurer, if any, shall be a third-party beneficiary hereof.

Section 16.9. **Time.** Time is of the essence of this Contract and each and all of its provisions.

Section 16.10. **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 16.11. **Covenants of County, Corporation or Local Government Commission not Covenants of Officials Individually.** No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, director, agent, officer or employee of the County, the Corporation or the Local Government Commission of North Carolina in his individual capacity, and neither the members of the Board, the Board of Directors of the Corporation, the members of the Local Government Commission of North Carolina nor any other member, director, agent, officer or employee of the Board, the County, the Corporation or the Local Government Commission of North Carolina shall be subject to any personal liability or accountability by reason of the execution and delivery of the Obligations. No member of the Board, the Board of Directors

of the Corporation, the Local Government Commission of North Carolina nor any agent, officer or employee of the County, the Corporation or the Local Government Commission of North Carolina shall incur any personal liability under this Contract.

Section 16.12. ***Amounts Remaining in Funds.*** It is agreed by the parties hereto that any amounts remaining in the Bond Fund, the Acquisition and Construction Fund, the Redemption Fund or any other fund or account created under the Indenture, on termination of this Contract and the Indenture, and after payment in full of the Obligations (or provision for payment thereof having been duly made in accordance with the provisions of this Contract or the Indenture) and fees and expenses of the Trustee in accordance with this Contract and the Indenture and all Additional Payments shall have been made, shall be paid to the County by the Trustee as an overpayment of Installment Payments in accordance with the terms of the Indenture.

Section 16.13. ***Amendments to this Contract.*** This Contract shall not be amended by the parties hereto except in accordance with Article IX of the Indenture. In addition, no amendment to this Contract which would increase the amount or maturity of Obligations Outstanding will be effective until it is approved by the Local Government Commission of North Carolina.

Section 16.14. ***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 16.15. ***E-Verify.*** The Corporation understands that “E-Verify” is a federal program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law in accordance with Section 64-25(5) of the General Statutes of North Carolina, as amended. The Corporation uses E-Verify to verify the work authorization of its employees in accordance with Section 64-26(a) of the General Statutes of North Carolina, as amended. The Corporation will require that any subcontractor that it uses in connection with the transactions contemplated by this Contract certify to such subcontractor's compliance with E-Verify.

[Signatures begin on next page]

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

CABARRUS COUNTY DEVELOPMENT CORPORATION

[SEAL]

By: _____
Michael K. Downs, President

Attest:

Lauren Linker, Secretary

[Signatures Continued on Following Pages]

Counterpart Signature Page to the Installment Financing Contract
Dated as of [August 1, 2024], Between the Cabarrus County Development Corporation
and the County of Cabarrus, North Carolina

Counterpart Signature Page to the Installment Financing Contract
Dated as of [August 1, 2024], Between the Cabarrus County Development Corporation
and the County of Cabarrus, North Carolina

COUNTY OF CABARRUS, NORTH CAROLINA

[SEAL]

Stephen M. Morris
Chairman of the Board

Attest:

Lauren Linker
Clerk to the Board

[Signatures Continued on Following Pages]

Counterpart Signature Page to the Installment Financing Contract
Dated as of [August 1, 2024], Between the Cabarrus County Development Corporation
and the County of Cabarrus, North Carolina

Consented to and Accepted:

REGIONS BANK,
as Trustee

By: _____
Lisa L. Moorehead, Vice President

[Signatures Continued on the Following Page]

Counterpart Signature Page to the Installment Financing Contract
Dated as of [August 1, 2024], Between the Cabarrus County Development Corporation
and the County of Cabarrus, North Carolina

THIS CONTRACT HAS BEEN
APPROVED UNDER THE PROVISIONS
OF ARTICLE 8, CHAPTER 159 OF THE
GENERAL STATUTES OF NORTH CAROLINA.

Secretary of the Local Government Commission

INSTALLMENT PAYMENT SCHEDULE

[Intentionally Omitted for 2024B LOBs]

EXHIBIT A

DESCRIPTION OF 2024B Project

DESCRIPTION OF SITES

2024B Project DESCRIPTION:

The 2024B Project consists of providing funds to pay all or a portion of the costs of (a) providing funds to pay all or a portion of the costs (i) the acquisition, construction, installation and equipping of one or more new buildings to be used as new public safety training facilities for the County, (ii) various site improvements related thereto, (iii) the acquisition, construction, installation and equipping of a new public elementary school, (iv) the acquisition, construction, installation and equipping of a new replacement public elementary school, (v) the acquisition, construction, installation and equipping of a new behavioral health facility and related facilities, (vi) the acquisition, construction, renovation, installation and equipping of the human services facility and related facilities, (vii) the acquisition, construction, installation and equipping of a new public library and senior center, (viii) the acquisition, construction, installation and equipping of a new addition at Fred L. Wilson Elementary School, (ix) the acquisition, construction, relocation, installation and equipping of the Mary Frances Wall Public School, (x) the acquisition, construction, relocation, installation and equipping of the Opportunity Public School, (xi) the acquisition, construction, installation and equipping of HVAC replacements at Rowan-Cabarrus Community College South Campus, (xii) the acquisition, construction, installation and equipping of roof replacements at various public school sites, (xiii) the acquisition, construction, installation and equipping of HVAC replacements at various public school sites, (xiv) the acquisition of any necessary rights-of-way and easements related to each of the foregoing (i) through (xiii) and (xv) various real and personal property improvements related to each of the foregoing (i) through (xiv) (collectively, the “2024B Project”).

DESCRIPTION OF PREMISES:

[Human Services Facility Site] (Also being the Premises under the Deed of Trust):]

Legal description of the Premises:

[Human Services Facility Site:

[Insert Legal Description of the Premises]

Remaining Sites (Not part of Premises under the Deed of Trust):

[New Public Safety Training Facilities Site

New Public Elementary School Site

New Replacement Public Elementary School Site

New Behavioral Health Facility Site

New Public Library and Senior Center Site

Fred L. Wilson Elementary Public School Site

Mary Frances Wall Public School Site

Opportunity Public School Site

Rowan-Cabarrus Community College South Campus Site

Various Public School Sites

EXHIBIT B
FORM OF REQUISITION
ACQUISITION AND CONSTRUCTION FUND

Regions Bank, as Trustee
1180 West Peachtree Street
Atlanta, Georgia 30309
Attention: Corporate Trust Department

Re: Direction to Make Disbursements from the Installment Financing Contract Acquisition and Construction Fund

Ladies and Gentlemen:

Pursuant to Section 3.11 of the Indenture of Trust dated as of [August 1, 2024] (the "*Indenture*") between the Cabarrus County Development Corporation, a North Carolina nonprofit corporation (the "*Corporation*") and Regions Bank, as trustee (the "*Trustee*"), and Section 4.2 of the Installment Financing Contract dated as of [August 1, 2024], (the "*Contract*") between the Corporation and the County of Cabarrus, North Carolina (the "*County*"), you are hereby directed to disburse from the Acquisition and Construction Fund referred to in the Indenture (the "*Acquisition and Construction Fund*") the amount indicated below.

The undersigned hereby certifies:

1. This is requisition number _____ from the Acquisition and Construction Fund.
2. The name and address of the person, firm or bank to whom the disbursement is due is as follows:

3. The amount to be disbursed is \$_____.
4. The purpose of the disbursement is to _____.
5. The disbursement herein requested is for an obligation properly incurred, is a proper charge against the Acquisition and Construction Fund as a Cost of Acquisition and Construction and such obligation has not been the basis of any previous disbursement.

Dated this _____ day of _____, _____.

COUNTY OF CABARRUS, NORTH CAROLINA

By: _____

County Representative

EXHIBIT C

ADVANCE SCHEDULE

[illegible]

EXHIBIT D

ADVANCE REQUEST

[Bank of America, N.A.]
620 S. Tryon Street, NC1-030-25-01
Charlotte, NC 28255
Attention: R. Brooks Scurry]

Re: Request for Disbursement of Funds – Installment Financing Contract, dated as of [August __, 2024 (the “Contract”) between the Cabarrus County Development Corporation (the “Corporation”) and the County of Cabarrus, North Carolina (the “County”)

Ladies and Gentlemen:

Pursuant to the terms and conditions of the Contract and the Contract of Purchase, dated as of [August __, 2024] (the “Contract of Purchase”) between the Corporation, the County and [Bank of America, N.A.] the County hereby requests the disbursement of funds to or for the order of the County as an Additional Advance under the Contract and the purchase of a corresponding amount of Additional 2024B LOBs under the Contract of Purchase for the costs described below. Capitalized terms used herein but not defined herein shall have the meanings given to such terms in the Contract or the Contract of Purchase.

This is request number _____ for disbursement of funds under the Contract and the purchase of Additional 2024B LOBs under the Contract of Purchase in the amount of \$_____. The requested disbursement should be either _____ deposited to the Acquisition and Construction Fund held by the Trustee, or _____ remitted to the County’s account, or to the person, firm or bank referenced below, in accordance with the following instructions:

[Insert name of recipient and wire transfer or other instructions]

The County makes the following representations in connection with this funding request:

1. The proceeds of the requested disbursement will be used by the County either to (a) reimburse the County for costs of the 2024B Project or Costs of Issuance previously paid by the County or (b) to pay costs of the 2024B Project or Costs of Issuance incurred by the County but not yet paid by the County.
2. The obligations to be reimbursed or paid with this requested disbursement of funds has not been the subject of any previous Advance Request and have not been paid out of the Acquisition and Construction Fund.
3. To the best knowledge of the undersigned, no Event of Default has occurred and is continuing under either the Contract or the Indenture.
4. The undersigned is an Authorized Officer.

Dated this ____ day of _____, ____.

COUNTY OF CABARRUS, NORTH CAROLINA

By: _____
Authorized Officer

Drafted by and
Return to:

Stephen L. Cordell
Maynard Nexsen PC
227 W. Trade Street, Suite 1550
Charlotte, North Carolina 28202

NORTH CAROLINA

CABARRUS COUNTY

COLLATERAL IS OR INCLUDES FIXTURES

**DEED OF TRUST,
SECURITY AGREEMENT
AND FIXTURE FILING**

THIS DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING, made and entered into as of the 1st day of [August, 2024] (the "*Deed of Trust*"), from the **COUNTY OF CABARRUS, NORTH CAROLINA**, a political subdivision regularly created and validly existing under the laws of the state of North Carolina, whose address is Governmental Center, 65 Church Street SE, Post Office Box 707, Concord, North Carolina 28025, as grantor (hereinafter called the "*Grantor*"), to **RICHARD M. KOCH**, as trustee (hereinafter referred to as the "*Trustee*"), for the benefit of the **CABARRUS COUNTY DEVELOPMENT CORPORATION**, a nonprofit corporation duly created, existing and in good standing under the laws of the State of North Carolina, whose address is 65 Church Street, SE, Post Office Box 707, Concord, NC 28025, as grantee (the "*Corporation*") (the Corporation and its successors and assigns, including the bond trustee in its capacity as such under the Indenture of Trust dated as of [August 1, 2024] (the "*Indenture*") between the Corporation and **REGIONS BANK**, as bond trustee, are hereinafter referred to as the "*Beneficiary*");

RECITALS:

The Grantor and the Corporation have entered into an Installment Financing Contract dated as of [August 1, 2024] (the "*Contract*"), pursuant to which (i) the Corporation has agreed to advance certain monies to enable the Grantor to acquire, construct, renovate and equip the Project (as defined in the Contract), and (ii) the Grantor has agreed to make the Installment Payments (as defined in the Contract) to the Corporation. The Contract is incorporated herein by this reference.

The Corporation has assigned substantially all of its rights under the Contract to Regions Bank, as bond trustee, pursuant to the Indenture under which certificates of participation and/or limited obligation bonds (collectively, the "*Obligations*") evidencing proportionate undivided interests in the right to receive certain Revenues (as defined in the Contract) under the Contract, including the 2024B LOBs (as defined in the Contract) will be executed and delivered. Regions Bank is unwilling to enter into the Indenture and the Beneficiary is unwilling to enter into the Contract unless the Grantor secures the obligations under the Contract and this Deed of Trust by the conveyance of the Sites and the Facilities, each as defined in the Contract and as more fully described herein.

This Deed of Trust has been executed and delivered to secure (i) the obligations of the Grantor to make the Installment Payments (as defined in the Contract), and (ii) the payment and performance of all of the other liabilities and obligations, whether now existing or hereafter arising, of the Grantor to the Corporation under the Contract and this Deed of Trust, all such obligations and liabilities described in (i) or (ii) above hereinafter collectively called the "*Indebtedness*."

It is intended that this Deed of Trust comply with the provisions of Sections 45-67 *et seq.* of the North Carolina General Statutes. For purposes of complying with such provisions, the Grantor hereby represents as follows:

(a) That this Deed of Trust has been executed and delivered by the Grantor to secure future Indebtedness which may be incurred from time to time under the Contract;

(b) That the principal amount of present Indebtedness secured by this Deed of Trust is \$[_____];

(c) That the maximum principal amount, including present and future Indebtedness, which may be secured by this Deed of Trust at any one time is \$400,000,000 (exclusive of advances that may be made under the terms of the Contract or this Deed of Trust for fire and extended coverage insurance, taxes, assessment or other necessary expenditures for the preservation of the real property), subject to the limitation that at no time shall the total principal amount of Indebtedness secured hereby exceed said maximum principal sum of \$400,000,000 together with accrued interest and the payment for fire and extended coverage insurance, taxes, assessments or other necessary expenditures for the preservation of the real property; *provided that* the foregoing limitation shall apply only to the lien upon real property located in the State of North Carolina created by this Deed of Trust and shall not in any manner limit, affect or impair any grant of a security interest in or lien on any other real property or any personal property in favor of the Beneficiary;

(d) That the period within which such future Indebtedness may be incurred is the period between the date hereof and the date 30 years from the date hereof; and

(e) It shall not be a requirement for any such future Indebtedness to be secured hereby that the Grantor sign an instrument or other notation stipulating that such Indebtedness is secured by this Deed of Trust, as no such future Indebtedness is required, under the Contract or otherwise, to be evidenced by a written instrument or notation.

The Grantor desires to secure (a) the payment of the Indebtedness and any renewals, modifications or extensions thereof, in whole or in part, and (b) 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 premises 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 considerations, receipt of which is hereby acknowledged, the Grantor has given, granted, bargained and sold, and by these presents does give, grant, bargain, sell and convey unto the Trustee, its heirs, successors and assigns, the following property (hereinafter collectively referred to as the "*Premises*"):

(a) The tracts of real property lying and being in Cabarrus County, North Carolina and described below in the legal description attached as an exhibit hereto (hereinafter referred to as the "*Sites*"):

SEE EXHIBIT "A" ATTACHED HERETO FOR A DESCRIPTION OF
THE SITES, WHICH EXHIBIT "A" IS INCORPORATED HEREIN BY
REFERENCE

(b) All buildings, structures, additions and improvements of every nature whatsoever now or hereafter situated on or about the Sites (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 Sites 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 Sites, and the record owner of the Sites 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 Sites 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 way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by Grantor.

(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 (other than insurance proceeds and condemnation payments) so long as the Grantor is not in Default hereunder.

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 (as defined in Exhibit B attached hereto and incorporated herein by reference), 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 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 canceled of record at the request and at the cost of the Grantor.

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

ARTICLE I

1.01. ***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.

1.02. ***Taxes, Liens and Other Charges.*** The Grantor will comply with the terms of the Contract in all matters relating to taxes, liens and other charges.

1.03. ***Insurance.*** The Grantor shall comply with the terms of the Contract in all matters relating to insurance.

1.04. ***Condemnation.*** The Grantor shall comply with the terms of the Contract in all matters relating to condemnation.

1.05. ***Care of Premises.*** The Grantor shall comply with the Contract in all matters relating to the care of the Premises.

1.06. ***Leases and Other Agreements Affecting the Premises.*** The Grantor will duly and punctually perform all terms, covenants, conditions and agreements binding upon it under any lease or any other agreement of any nature whatsoever which involves or affects the Premises or any part thereof. The Grantor will, at the request of Beneficiary, furnish Beneficiary with executed copies of all leases now or hereafter created upon the Premises or any part thereof, and all leases now or hereafter entered into will be in form and substance subject to the prior written approval of Beneficiary (which approval will not be unreasonably withheld or delayed). The Grantor will not enter into any lease upon the Premises or any part thereof except in accordance with the Contract. To the extent any such lease exists, the Grantor will not, without the express written approval of Beneficiary (which approval will not be unreasonably withheld or delayed), modify, surrender or terminate any such lease, or permit an assignment or a subletting by any tenant without the prior express written approval of Beneficiary (which approval will not be unreasonably withheld or delayed). The Grantor will not accept payment of rent under any such lease more than one month in advance without the prior express written approval of Beneficiary.

1.07. ***Security Agreement and Fixture Filing.*** With respect to the Fixtures, this Deed of Trust is hereby made and declared to be a security agreement in favor of Beneficiary encumbering each and every item of such property included herein as a part of the Premises, in compliance with the provisions of the

Uniform Commercial Code as enacted in the State of North Carolina, and the Grantor hereby grants a security interest to Beneficiary in and to all of such Fixtures. This Deed of Trust shall constitute a financing statement filed as a fixture filing in accordance with N.C. Gen. Stat. §25-9-502 (or any amendment thereto). For purposes of complying with the requirements of N.C. Gen. Stat. §25-9-502, the name of Grantor, as Debtor, and Beneficiary, as Secured Party, and the respective addresses of Grantor, as Debtor, and Beneficiary, as Secured Party, are set forth on the first page of this Deed of Trust. Grantor authorizes Beneficiary to effect any filing or recording of any additional financing statements relating to the Fixtures or amendments thereto where appropriate to perfect and continue the security interest in, and to protect and preserve, the Fixtures. Subject to Article XIV of the Contract and the limitations on remedies in Article XI of the Contract, 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, or (iii) as prescribed by the specific statutory consequences now or hereafter enacted and specified in said Uniform Commercial Code, all at Beneficiary's sole election. The mention in any such financing statement or statements of the rights in and to (i) the proceeds of any fire and/or hazard insurance policy, or (ii) any award in eminent domain proceedings for a taking or for loss of value, or (iii) the Grantor's interest as lessor in any present or future lease or rights to rents, issues or awards growing out of the use and/or occupancy of the Premises, whether pursuant to lease or otherwise, shall not in any way alter any of the rights of Beneficiary as determined by this Deed of Trust or affect the priority of Beneficiary's security interest granted hereby or by any other recorded document, it being understood and agreed that such mention in such financing statement or statements is solely for the protection of Beneficiary in the event any court shall at any time hold with respect to the foregoing clauses (i), (ii) or (iii) of this sentence that notice of Beneficiary's priority of interest, to be effective against a particular class of persons, must be filed in the Uniform Commercial Code records.

1.08. ***Further Assurances; After Acquired Property.*** 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 and on request of the Trustee or the Beneficiary, 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 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 Beneficiary, be necessary or desirable in order to effectuate, complete, or perfect, or to continue and preserve (a) the obligations of the Grantor under the 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 Grantor. Upon any failure by the Grantor so to do, 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 Beneficiary as its agent and attorney-in-fact to do so.

1.09. ***Expenses.*** To the extent permitted by applicable law and Article XIV of the Contract, the Grantor will pay or reimburse Beneficiary and Trustee, upon demand therefor, for all reasonable attorneys' fees, costs and expenses actually incurred by Beneficiary and the Trustee in any suit, action, legal proceeding or dispute of any kind in which Beneficiary and/or 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 misconduct by Beneficiary or any breach of this Deed of Trust by Beneficiary; and all such amounts paid by Beneficiary shall be added to the Indebtedness.

1.10. ***Limit of Validity.*** If from any circumstances whatsoever fulfillment of any provision of this Deed of Trust or the Contract, at the time performance of such provision 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 Contract that is in excess of the current limit of such validity, but such obligation shall be fulfilled to the limit of such validity.

1.11. ***Use and Management of the Premises.*** Unless required by applicable law, the Grantor shall not materially alter or change the use of the Premises or abandon the Premises without the prior written consent of Beneficiary which shall not be unreasonably withheld; provided, however, that nothing contained in this Section 1.11 or elsewhere in the Deed of Trust shall be deemed or construed so as to in any way estop, limit or impair the Grantor from exercising or performing any regulatory, policing, legislative, governmental or other powers or functions of a political subdivision pursuant to applicable law.

1.12. ***Acquisition of Collateral.*** The Grantor shall not acquire 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 (which consent will not be unreasonably withheld or delayed).

1.13. ***Hazardous Material.***

(a) The Grantor represents, warrants and agrees that, except as previously disclosed to the Corporation and the Insurer (as defined in the Indenture), if any, 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 Grantor's actual knowledge no other person has used or installed any Hazardous Material on, from or in the Premises; (ii) to the Grantor's knowledge, no other person has violated any applicable Environmental Laws relating to or affecting the Premises or any other property owned by the Grantor except as previously disclosed to Beneficiary; (iii) to the best of the Grantor's 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, to the best knowledge of the Grantor, 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 other than the processing of materials in the ordinary course of the Grantor's business as of the date hereof; (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 with Environmental Laws applicable to the Premises, all at no cost or expense to Beneficiary or Trustee; (vii) the Grantor has obtained and will at all times continue 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 in full compliance with the terms and provisions of the Permits; (viii) to the best of the Grantor's 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 abates; (ix) the Grantor shall immediately 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 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 applicable law and Article XIV of the Contract, the Grantor hereby agrees to indemnify Beneficiary and Trustee and hold Beneficiary and 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, attorneys' and experts' fees) and claims of any and every kind whatsoever paid, incurred, suffered by, or asserted against Beneficiary, 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; (ii) the violation of any Environmental Laws applicable to the Premises or the Grantor; (iii) the failure by the Grantor to comply fully with the terms and provisions of this Section 1.13; (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; or (v) any warranty or representation made by the Grantor in paragraph (a) of Section 1.13 being false or untrue in any material respect.

(c) In the event Beneficiary has a reasonable basis to suspect that the Grantor has violated any of the covenants, warranties, or representations contained in this Section 1.13, or that the Premises are not in compliance with the applicable Environmental Laws for any reason, the Grantor shall take such steps as Beneficiary reasonably requires by written 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, Beneficiary may take such action as Beneficiary reasonably believes necessary to protect its interest, and the cost and expenses of all such actions taken by Beneficiary, including, without limitation, 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) 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 CERCLA, or in any applicable state or local law or regulation, (c) toxic substances, as defined in the Toxic Substances Control Act of 1976, or in any applicable state or local law or regulation or (d) 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*"); the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("*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*"). To the extent permitted by applicable and by Article XIV of the Contract, the obligations and liabilities of the Grantor under this

Section 1.13 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 1.13 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 and such grace period as specified in the Contract for the cure of such default. 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.

1.14. **Release of Premises.** Notwithstanding any other provision of this Deed of Trust, at any time and from time to time, so long as no Event of Default has occurred and is continuing, the Trustee and the Beneficiary, with the prior written consent of the Insurer, if any, will release the Premises or any part thereof from the lien and security interest of this Deed of Trust, but only when and if the following requirements have been fulfilled:

(1) In connection with any release of the Premises, or any part thereof, there shall be filed with the Beneficiary a certified copy of the resolution of the Board of Commissioners for the Grantor stating the purpose for which the Grantor desires such release of the Premises, giving an adequate legal description of the part of the Premises to be released, requesting such release and providing for the payment by the Grantor of all expenses in connection with such release.

(2) In connection with the release of any part of the Premises constituting less than the entire Premises, (a) either (i) the value of the Premises remaining after the proposed release (as such value is evidenced by or derived from (A) an appraisal of the remaining Premises prepared by a certified MAI-approved appraiser, (B) the insured value of the remaining Premises or (C) the assessed tax valuation of the remaining Premises) is not less than 50% of the aggregate principal components of the Installment Payments relating to the Obligations then Outstanding or (ii) the Grantor (A) provides for substitution other property (the "*Substitute Property*") that will be made subject to the lien of this Deed of Trust that has a value such that the combined value of the remaining Premises and the Substitute Property, (as such value is evidenced by or derived from (I) an appraisal of the remaining Premises and the Substitute Property prepared by a certified MAI-approved appraiser, (II) the insured value of the remaining Premises and the Substitute Property or (III) the assessed tax valuation of the remaining Premises and the Substitute Property) is not less than the value of the Premises immediately before the proposed substitution or is not less than 50% of the aggregate principal components of the Installment Payments relating to the Obligations then Outstanding, and (b) the Grantor delivers to the Trustee, the Beneficiary, the Purchaser (as defined in the Contract) and the Insurer, if any, an opinion of bond or special counsel to the Grantor to the effect that (i) the substitution of such Substitute Property is permitted by law and is permitted under the terms of the Indenture and this Deed of Trust and (ii) for any Obligations with respect to which the interest component of the Installment Payments is intended to be excludable from the gross income of the owners thereof for federal or State income tax purposes, that such release and substitution will not adversely affect the excludability of interest with respect to such Obligations from the gross income of the owners thereof for federal and state income tax purposes, and (c) the Grantor records a release, amendment or modification to this Deed of Trust or such other instruments necessary to reflect such release of a part of the Premises

and, if applicable, substitution of Substitute Property at the place and in the manner required by the laws of the State.

(3) In connection with the release of any part of the Premises constituting less than the entire Premises, such release shall not prohibit Grantor's ingress, egress and regress to and from the remainder of the Premises not being released, or materially interfere with the use of the remainder of the Premises not being released.

(4) In connection with the release of all property constituting the entire Premises, there is paid to the Beneficiary an amount sufficient to provide for the payment in full of all Outstanding Obligations in accordance with Article VI of the Indenture.

ARTICLE II

2.01. **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 any Additional Payment when due or any Installment Payment by the second Business Day preceding the first day of the month following the date on which such Installment Payment is due; or

(b) The occurrence of any other "*Event of Default*" under the Contract or the Indenture.

2.02. **Acceleration upon Default, Additional Remedies.** If 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 in accordance with the Contract and this Deed of Trust without any presentment, demand, protest or notice of any kind. Thereafter, Beneficiary may, to the extent permitted by applicable law and Article XIV of the Contract:

(a) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court 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 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 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, Trustee or Beneficiary, to the extent permitted by applicable law and Article XIV of the Contract, 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, specially enforce any of the covenants hereof, or cause the Trustee to foreclose this Deed of Trust by power of sale; and

(c) To the extent permitted by applicable law and Article XIV of the Contract, exercise any or all of the remedies available to a secured party under the Uniform Commercial Code of North Carolina or under any other applicable laws.

(d) NOTWITHSTANDING ANY PROVISIONS HEREIN, IT IS THE INTENT OF THE PARTIES TO COMPLY WITH THE PROVISIONS OF NORTH CAROLINA GENERAL STATUTES SECTION 160A-20. NO DEFICIENCY JUDGMENT MAY BE ENTERED AGAINST THE GRANTOR IN FAVOR OF THE BENEFICIARY IN VIOLATION OF SECTION 160A-20, INCLUDING, WITHOUT LIMITATION, ANY DEFICIENCY JUDGMENT FOR AMOUNTS THAT MAY BE OWED UNDER THE 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 OBLIGATIONS UNDER THE CONTRACT OR THIS DEED OF TRUST. TO THE EXTENT OF ANY CONFLICT BETWEEN THIS PARAGRAPH AND ANY OTHER PROVISION OF THIS DEED OF TRUST, THIS PARAGRAPH SHALL TAKE PRIORITY AND SHALL INCORPORATE HEREIN BY REFERENCE ARTICLE XIV OF THE CONTRACT. 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 AND THE TAXING POWER OF THE GRANTOR IS NOT AND MAY NOT BE PLEDGED DIRECTLY OR INDIRECTLY OR CONTINGENTLY TO SECURE ANY MONIES DUE OR SECURED UNDER THIS DEED OF TRUST.

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

Upon application of Beneficiary, it shall be lawful for and the duty of Trustee, and 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 North Carolina law with respect to the exercise of powers of sale contained in deeds of trust and upon such sale, Trustee shall convey title to the purchaser in fee simple. After retaining from the proceeds of such sale just compensation for Trustee's services and all expenses incurred by Trustee, including a reasonable trustee's commission not exceeding one-half of one percent (.5%) of the bid and reasonable attorneys' fees for legal services actually performed, Trustee shall apply the residue of the proceeds first to the payment of all sums expended by Beneficiary under the terms of this Deed of Trust; second, to the payment of the Indebtedness and interest thereon secured hereby; and the balance, if any, shall be paid to the Grantor. The Grantor agrees that in the event of sale hereunder, Beneficiary shall have the right to bid thereat. Trustee may require the successful bidder at any sale to deposit immediately with 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 Trustee shall at the same time and place again offer the Premises for sale. Such deposit shall be refunded in case a resale is had; otherwise, it shall be applied to the purchase price.

2.04. ***Performance by 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, Beneficiary may, at its option, pay, perform or observe the same, and all payments made or costs or expenses incurred by Beneficiary in connection therewith, shall be secured hereby and shall be, without demand, immediately repaid by the Grantor to Beneficiary with interest thereon at the rate provided in the

Contract. Beneficiary shall be the sole judge of the necessity for any such actions and of the amounts to be paid. 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.

2.05. ***Waiver of Appraisement, 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 appraisement, valuation, stay, extension, 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 marshaled upon any foreclosure of the lien hereof.

2.06. ***Leases.*** Beneficiary and 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 Grantor, a defense to any proceedings instituted by Beneficiary and Trustee to collect the sums secured hereby.

2.07. ***Discontinuance of Proceedings and Restoration of the Parties.*** In case Beneficiary and 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 Beneficiary and Trustee, or either of them, then and in every such case the Grantor and Beneficiary and Trustee, and each of them, shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of Beneficiary and Trustee, and each of them, shall continue as if no such proceeding had been taken.

2.08. ***Remedies Not Exclusive.*** To the extent permitted by applicable law and Article XIV of the Contract, Trustee and 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 Trustee's or Beneficiary's right to realize upon or enforce any other security now or hereafter held by Trustee or Beneficiary, it being agreed that Trustee and Beneficiary, and each of them, shall be entitled to enforce this Deed of Trust and any other security now or hereafter held by Beneficiary or 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 Trustee or 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 power or remedy given by any instrument securing or relating to the Indebtedness secured hereby to Trustee or 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 Trustee or Beneficiary and either of them may pursue inconsistent remedies.

2.09. ***Waiver.*** No delay or omission of 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 Beneficiary and Trustee, and each of them, may be exercised from time to time and as often as may be deemed expedient by Beneficiary and Trustee, and each of them. No consent or waiver, expressed or implied, by 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 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 Beneficiary of its rights hereunder or impair any rights, powers or remedies consequent on any breach or Default by the Grantor.

2.10. ***Suits to Protect the Premises.*** Beneficiary and Trustee, and each of them, shall have 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 Beneficiary.

2.11 ***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, 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 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.

ARTICLE III

3.01. ***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 Grantor, Trustee or Beneficiary such reference shall be deemed to include a reference to the heirs, executors, legal representatives, successors and assigns of Grantor, Trustee or Beneficiary, respectively.

3.02. ***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 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 thereof, shall refer to the corresponding Articles, Sections or subsections thereof, of this Deed of Trust unless specific reference is made to such Articles, Sections or subsections thereof of another document or instrument.

3.03. ***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, then subject to applicable law and Article XIV of the Contract, the remainder of this Deed of Trust and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

3.04. ***Applicable Law.*** This Deed of Trust shall be interpreted, construed and enforced according to the laws of the State of North Carolina.

3.05. ***Notices, Demands and Request.*** 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 or served by personal delivery or by depositing in the United States Mail, prepaid and registered or certified return receipt requested, and addressed to the addresses set forth in the Contract. 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 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.

3.06. ***Appointment of Successor Trustee.*** Beneficiary shall at any time have the irrevocable right to remove Trustee herein named without notice to such Trustee 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 this state, and in the event of the death or resignation of Trustee named herein, 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 Trustee in the same manner and to the same extent as though such were named herein as Trustee. In the event of such substitution of Trustee, Beneficiary shall furnish notice thereof to the Grantor.

3.07. ***Trustee's Powers.*** At any time, or from time to time, without liability therefor and without notice, upon written request of the Beneficiary and the Grantor, but only with (a) the Purchaser's written consent and (b) the Insurer's written consent, if any, and presentation of this Deed of Trust, and without affecting the liability for payment of the Indebtedness secured hereby or the effect of this Deed of Trust upon the remainder of said Premises, the Trustee may (i) reconvey any part of said 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. This provision shall not limit the powers of Trustee under applicable law or Section 2.03 hereof.

3.08. ***Beneficiary's Powers.*** Without affecting the liability 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, with (a) the Purchaser's written consent and (b) the Insurer's written consent, if any, 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 Beneficiary's option, any parcel, portion or all of the Premises in accordance with the provisions of this Deed of Trust, (v) take or release any other or additional security for any obligation herein mentioned, or (vi) make compositions or other arrangements in relation thereto. The provisions of N.C. Gen. Stat. Section 45-45.1 or any similar statute hereafter enacted in replacement or in substitution thereof shall be inapplicable to this Deed of Trust.

3.09. ***Acceptance by Trustee.*** Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made of public record as provided by law.

3.10. ***E-Verify.*** The Corporation understands that "E-Verify" is a federal program operated by the United States Department of Homeland Security and other federal agencies, or any successor or

equivalent program used to verify the work authorization of newly hired employees pursuant to federal law in accordance with Section 64-25(5) of the General Statutes of North Carolina, as amended. The Corporation uses E-Verify to verify the work authorization of its employees in accordance with Section 64-26(a) of the General Statutes of North Carolina, as amended. The Corporation will require that any subcontractor that it uses in connection with the transactions contemplated by this Contract certify to such subcontractor's compliance with E-Verify.

3.11. ***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.

[Signatures begin on next page]

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

[SEAL]

County of Cabarrus, North Carolina

By: _____
Stephen M. Morris
Chairman of the Board of Commissioners

Attest:

Lauren Linker
Clerk to the Board of Commissioners

STATE OF NORTH CAROLINA

COUNTY OF CABARRUS

I, _____, a Notary Public for said County and State, certify that Stephen M. Morris personally came before me this day, and being by me duly sworn, acknowledged that he is the Chairman of the Board of Commissioners of the County of Cabarrus, North Carolina, a political subdivision organized and existing under the Constitution and laws of the State of North Carolina, and that, by authority duly given and as the act of such political subdivision, the foregoing instrument was signed in its name by him as the Chairman of its Board of Commissioners, sealed with its seal, and attested by Lauren Linker as Clerk to the Board of Commissioners.

Witness my hand and notarial seal, this ____ day of [August, 2024].

My commission expires: _____

Notary Public _____, 20____.

EXHIBIT A

DESCRIPTION OF SITE

[Human Services Facility Site] (the “Premises”):

Legal description of the Premises:

[Human Services Facility Site]:

[Insert Legal Description]

[End of Legal Description of the Premises]

EXHIBIT B

PERMITTED ENCUMBRANCES

"Permitted Encumbrances" means, as of any particular time: (a) this Deed of Trust; (b) the Contract, as it may be amended from time to time, including any liens or encumbrances permitted by the terms of the Contract, as so amended; (c) the Indenture; (d) utility, access and other easements and rights of way, restrictions and exceptions which exist of record as of the closing date which do not interfere with or impair the intended use of the Premises; and (e) such minor defects, irregularities, encumbrances and clouds on title as normally exist with respect to property of the general character of the Premises and as do not materially impair title to the Premises.

CABARRUS COUNTY DEVELOPMENT CORPORATION

AND

**REGIONS BANK,
AS TRUSTEE**

INDENTURE OF TRUST

Dated as of
[August 1,] 2024

This instrument has been entered into by the within-described parties in order to secure certain Cabarrus County Development Corporation Limited Obligation Bonds (County of Cabarrus, North Carolina Installment Financing Contract), Series 2024B, as more fully described herein.

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EXHIBIT A FORM OF 2024B LIMITED OBLIGATION BOND

INDENTURE OF TRUST

THIS INDENTURE OF TRUST dated as of [August 1,] 2024 (the "Indenture"), by and between the Cabarrus County Development Corporation, a North Carolina nonprofit corporation (the "Corporation") and Regions Bank, as trustee (the "Trustee"), and related to the issuance of not exceeding \$[270,000,000] Cabarrus County Development Corporation Limited Obligation Bonds (County of Cabarrus, North Carolina Installment Financing Contract), Series 2024B (the "2024B LOBs," and together with all Additional Obligations, if any, the "Obligations").

W I T N E S S E T H:

WHEREAS, the County of Cabarrus, North Carolina (the "County") is a duly and regularly created, organized and existing political subdivision validly existing as such under and by virtue of the Constitution, statutes and laws of the State of North Carolina (the "State");

WHEREAS, the County, for the purpose of acquiring, renovating and equipping the Project and for the specific current purpose of (a) providing funds to pay all or a portion of the costs of (i) the acquisition, construction, installation and equipping of one or more new buildings to be used as new public safety training facilities for the County, (ii) various site improvements related thereto, (iii) the acquisition, construction, installation and equipping of a new public elementary school, (iv) the acquisition, construction, installation and equipping of a new replacement public elementary school, (v) the acquisition, construction, installation and equipping of a new behavioral health facility and related facilities, (vi) the acquisition, construction, renovation, installation and equipping of the human services facility and related facilities, (vii) the acquisition, construction, installation and equipping of a new public library and senior center, (viii) the acquisition, construction, installation and equipping of a new addition at Fred L. Wilson Elementary School, (ix) the acquisition, construction, relocation, installation and equipping of the Mary Frances Wall Public School, (x) the acquisition, construction, relocation, installation and equipping of the Opportunity Public School, (xi) the acquisition, construction, installation and equipping of HVAC replacements at Rowan-Cabarrus Community College South Campus, (xii) the acquisition, construction, installation and equipping of roof replacements at various public school sites, (xiii) the acquisition, construction, installation and equipping of HVAC replacements at various public school sites, (xiv) the acquisition of any necessary rights-of-way and easements related to each of the foregoing (i) through (xiii) and (xv) various real and personal property improvements related to each of the foregoing (i) through (xiv) (collectively, the "2024B Project") and (b) paying certain expenses incurred in connection with the execution and delivery of the 2024B LOBs ;

WHEREAS, pursuant to this Indenture, the Corporation has assigned all of its rights, title and interest in and to (i) the Contract (as defined herein) (except the rights of the Corporation under Article X, the rights to receive all notices and those Additional Payments payable to the Corporation under the Contract), (ii) the Deed of Trust (as defined herein) and the Premises (as defined in the Deed of Trust) and (iii) all moneys and securities from time to time held by the Trustee under this Indenture in any fund or account, each as further described herein (collectively, the "Trust Estate");

WHEREAS, the Obligations, including the 2024B LOBs, evidence proportionate undivided interests in the right to receive certain Revenues payable by the County under and pursuant to the Contract and shall be payable solely from the sources provided for in this Indenture;

WHEREAS, pursuant to the Contract, the County will pay certain Installment Payments in consideration for the advancement by the Corporation of the Purchase Price (as such terms are defined in the

Contract) of the Project, which Installment Payments will be deposited by the Trustee in the funds and accounts established hereunder in accordance with the terms hereof and of the Contract;

WHEREAS, the execution, delivery and performance of the Contract by the Corporation, and the assignment by the Corporation to the Trustee, pursuant to this Indenture, of the Trust Estate have been authorized, approved and directed by all necessary and appropriate action of the Corporation;

WHEREAS, the Trustee has entered into this Indenture for and on behalf of the Owners, and will hold its rights hereunder, except as otherwise specifically provided herein, for the equal and proportionate benefit of the Owners, and will disburse moneys received by the Trustee in accordance with this Indenture;

WHEREAS, the obligation of the County to make Installment Payments and Additional Payments under and pursuant to the Contract shall not constitute a pledge of the faith and credit of the County within the meaning of the Constitution of the State;

WHEREAS, in order to further secure the obligations of the County under the Contract, the County will enter into the Deed of Trust, Security Agreement and Fixture Filing, dated of even date herewith, as amended from time to time (the "Deed of Trust"), with the deed of trust trustee named therein, for the benefit of the Corporation and its assignee;

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

WHEREAS, all things necessary to make the Obligations, when executed and delivered by the Corporation and authenticated by the Trustee as provided in this Indenture, legal, valid and binding obligations, as herein provided, and to constitute this Indenture a valid, binding and legal instrument for the security of the Obligations in accordance with its terms, have been done and performed;

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

That the Corporation, in consideration of the premises and the mutual covenants herein contained and for the benefit of the Owners and the sum of One Dollar (\$1.00) to it duly paid by the Trustee at or before the execution of these presents, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, in order to secure the payment of the principal, premium, if any, and interest with respect to all Obligations at any time Outstanding under this Indenture, according to their tenor and effect, and to secure the performance and observance of all the covenants and conditions in the Obligations and herein contained, and to declare the terms and conditions on and subject to which the Obligations are executed, delivered and secured, has executed and delivered this Indenture and has granted, warranted, aliened, remised, released, conveyed, assigned, pledged, set over and confirmed, and by these presents does grant, warrant, alien, remise, release, convey, assign, sell, set over and confirm unto Regions Bank, as the Trustee, and to its successors and assigns forever, all and singular the following described property, franchises and income:

(a) All rights, title and interest of the Corporation in the Contract, except its rights under Article X thereof, its rights to receive all notices and those Additional Payments payable to the Corporation under the Contract;

(b) All rights, title and interest of the Corporation in the Deed of Trust and the Premises (as defined in the Deed of Trust); and

(c) All moneys and securities from time to time held by the Trustee under this Indenture in any fund or account and any and all other personal property of every name and nature from time to time hereafter by delivery or by writing of any kind specially pledged or hypothecated, as and for additional security hereunder, by the Corporation, or by anyone on its behalf, in favor of the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

TO HAVE AND TO HOLD the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended to be, to the Trustee and its successors in said trust and assigns forever;

IN TRUST, NEVERTHELESS, on the terms herein set forth for the equal and proportionate benefit, security and protection of all Owners, without privilege, priority or distinction as to the lien or otherwise of any of the Obligations over any other of the Obligations;

PROVIDED, HOWEVER, that if the principal with respect to the Obligations and the premium, if any, and the interest with respect thereto, shall be paid at the times and in the manner mentioned in the Obligations according to the true intent and meaning thereof, and if there are paid to the Trustee all sums of money due or to become due to the Trustee in accordance with the terms and provisions hereof, then on such final payment this Indenture and the rights hereby granted shall cease, terminate and be void; otherwise this Indenture to be and remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH and it is expressly declared, that all Obligations executed and delivered and secured hereunder are to be executed, authenticated and delivered and all said property, rights, interests, revenues and receipts hereby pledged, assigned and mortgaged are to be dealt with and disposed of under, on and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Corporation has agreed and covenanted, and does hereby agree and covenant, with the Trustee for the benefit of the Owners, as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

Section 1.01. **Definitions.** All words and phrases defined in Article I of the Contract have the same meaning in this Indenture and are incorporated herein by reference. In addition, the following terms, except where the context indicates otherwise, have the respective meanings set forth below.

"Acquisition and Construction Fund" means the special fund created under Section 3.11 of this Indenture.

"Additional Obligations" means Obligations executed and delivered in accordance with Section 2.11.

"Additional 2024B LOBs" means 2024B LOBS purchased by the Purchaser after the date of Closing.

"Bond Fund" means the special fund created under Section 3.02 of this Indenture.

"Bond Year" means initially the period beginning the date of the initial issuance of the 2024B LOBs and ending June 30, [2025] and thereafter the period beginning July 1 of each year and ending on the ensuing June 30.

["Business Day" shall mean any day other than a Saturday, Sunday or other day on which the County, the Trustee or the Purchaser are authorized or required by applicable law to close. With respect to

the definition of the SIFMA Index, "Business Day" means any day that is not a Saturday, Sunday or SIFMA-recommended market holiday.]

"Code" means the Internal Revenue Code of 1986, as amended.

"Contract" means the Installment Financing Contract dated as of [August 1,] 2024 between the Corporation and the County and any amendments or supplements thereto including the Exhibits attached thereto.

"Contract of Purchase" means the Contract of Purchase dated as of [August __], 2024 between the Corporation and the Purchaser and any amendments or supplements thereto.

"Corporation" means Cabarrus County Development Corporation, a North Carolina nonprofit corporation.

"Corporation Representative" means any person or persons at the time designated to act on behalf of the Corporation for purposes of performing any act on behalf of the Corporation under the Contract and this Indenture by a written certificate furnished to the County and the Trustee containing the specimen signature of such person or persons and signed on behalf of the Corporation by its President.

"Cost of Acquisition and Construction" includes payment of or reimbursement for the following items:

- (a) the Costs of Issuance;
- (b) obligations incurred or assumed for the Project in connection with the acquisition, construction, renovation and equipping thereof, including, without limitation, costs of obtaining title insurance for, environmental assessments of and surveys of the Sites;
- (c) the cost of acquisition, construction, renovation and equipping of the Project, including, without limitation, the Corporation's fees and expenses, fees and expenses of the Local Government Commission of the State (the "LGC"), taxes, inspection costs, an insurance policy, if any, a financial surety bond, if any, permit fees, filing and recording costs and advertising expenses in connection with the acquisition, construction, renovation and equipping of the Project; and
- (d) all other costs which are considered to be a part of the cost of acquisition, construction, renovation and equipping of the Project in accordance with generally accepted accounting principles and which will not adversely affect the exclusion from gross income for federal income tax purposes of the designated interest component of Installment Payments payable by the County hereunder, including sums required to reimburse the County for advances made by the County that are properly chargeable to the acquisition, construction, renovation and equipping of the Project.

"Costs of Issuance" means the costs incurred in connection with the initial issuance of any Obligations, including, without limitation, all printing expenses in connection with this Indenture, the Contract, and the documents and certificates contemplated hereby, the Preliminary Official Statement and the Official Statement for such Obligations, if any, and the legal fees and expenses of counsel to the Corporation, special counsel, counsel to the County, counsel to the placement agent, other counsel, counsel to the underwriter(s) or purchaser(s) of such Obligations, placement agent fees, rating agency fees, if any, North Carolina Municipal Council (or its successor) assessments, any accounting expenses incurred in connection with determining that such Obligations are not "arbitrage bonds" within the meaning of the Code, the Trustee's initial fees and expenses (including attorney's fees), and state license fees, on the submission of requisitions by the County signed by a County Representative stating the amount to be paid, to whom it is to be paid and the reason for

such payment, and that the amount of such requisition is justly due and owing and has not been the subject of another requisition which was paid and is a proper expense of executing and delivering such Obligations.

"Event of Default" means those defaults specified in Section 7.01 of this Indenture.

"Federal Securities" means, subject to any limitations set forth in any supplemental indenture and, to the extent such investments qualify under Section 159-30 of the General Statutes of North Carolina, as amended from time to time, (a) direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("United States Treasury Obligations"), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

"Initial 2024B LOBs" means the \$[] principal amount of 2024B LOBs purchased by the Purchaser pursuant to the Contract of Purchase on the date of Closing, which represents the Initial Advance under the Contract.

"Insurer" means, with respect to a series of Obligations, that insurance company, if any, or its successor, insuring the scheduled payment when due of the principal and interest with respect to such series of Obligations.

"Insurer Default" means, subject to any modification set forth in a supplemental indenture, the following: (a) the failure of the Insurer to make any payment required under the Policy when the same shall become due and payable and such failure has not been cured or waived, (b) the Insurer contests the binding validity of the Policy and such Policy shall have been declared null and void or unenforceable in a final determination by a court of law, (c) a decree or order for relief shall be entered by a court or insurance regulatory authority having jurisdiction over the Insurer in an involuntary case under an applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a conservator, rehabilitator, receiver, liquidator, custodian, trustee, sequestrator (or similar official) of the Insurer or for a substantial part of the property of the Insurer or ordering the winding-up or liquidation of the affairs of the Insurer, and the continuance of any such decree or order shall be unstayed and remain in effect for a period of ninety (90) consecutive days thereafter; or (d) the Insurer shall voluntarily suspend transaction of its business and shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, shall consent to the entry of an order for relief in an involuntary case under any such law or shall consent to the appointment of or taking possession by a conservator, rehabilitator, receiver, liquidator, assignee, trustee, custodian or sequestrator (or other similar official) of the Insurer or for any substantial part of its property, or shall make a general assignment for the benefit of creditors.

"Obligations" means the 2024B LOBs and any Additional Obligations executed and delivered pursuant to Section 2.11.

"Opinion of Counsel" means an opinion in writing of legal counsel, who may be counsel to the Trustee, the County or the Corporation.

"Outstanding" or "Obligations Outstanding" means all Obligations which have been executed and delivered, except:

- (a) Obligations canceled or which shall have been surrendered to the Trustee for cancellation;
- (b) Obligations in lieu of which other Obligations have been authenticated under Sections 2.08 or 2.09;
- (c) Obligations which shall have been redeemed as provided in Article IV (including Obligations redeemed on a partial payment as provided in Section 4.01); and
- (d) Obligations which shall be deemed to have been paid under Article VI.

The term "Outstanding" or "Obligations Outstanding" specifically includes any Obligations with respect to which the principal or interest has been paid by the Insurer for such series of Obligations.

"Owner" or "Owners" means the registered owner or owners of any Obligation fully registered as shown in the registration books of the Trustee.

"Permitted Investments" means, any investment to the extent otherwise permitted by applicable law (including, without limitation, Section 159-30 of the North Carolina General Statutes), subject to any limitations set forth in any supplemental indenture or imposed by an Insurer.

"Person" or "person" means natural persons, firms, associations, banks and public bodies.

"Policy" shall mean with respect to a series of Obligations, a municipal bond insurance policy, if any, which insures the scheduled payment when due of the principal and interest with respect to such series of Obligations as provided in said Policy.

"Project" shall collectively mean the 2024B Project and all other facilities, equipment and assets financed in whole or in part with proceeds derived from the execution and delivery of Additional Obligations pursuant to Section 2.11 of this Indenture.

"Record Date" means (a) with respect to the 2024B LOBs, the Business Day preceding an Installment Payment Date, and (b) with respect to any other Obligation issued hereunder, the fifteenth day (whether or not a Business Day) of the month next preceding an Installment Payment Date.

"Redemption Fund" means the special fund created under Section 3.08.

"Tax Certificate" means, with respect to the 2024B LOBs, collectively (a) the Certificate as to Non-Arbitrage and Other Matters dated the date of delivery of the 2024B LOBs, executed by the County and the Corporation and (b) the Tax Compliance Agreement dated the date of delivery of the 2024B LOBs, executed by the County and the Corporation.

"Trust Estate" means the property pledged and assigned to the Trustee pursuant to the granting clauses hereof.

"Trustee Representative" means the person or persons at the time designated to act on behalf of the Trustee for purposes of performing any act on behalf of the Trustee under this Indenture by a written certificate furnished to the County and the Corporation containing the specimen signature of such person or persons and signed on behalf of the Trustee by any duly authorized officer of the Trustee.

"2024B LOBs " means the not to exceed \$[_____] Cabarrus County Development Corporation Limited Obligation Bonds (County of Cabarrus, North Carolina Installment Financing Contract),

Series 2024B evidencing proportionate and undivided interests in the right to receive certain Revenues pursuant to the Contract.

"2024B Project" means, collectively, the Facilities financed with the 2024B LOBs and the Site(s) on which the Facilities financed with the 2024B LOBs are located, each as described in Exhibit A of the Contract, together with any additions, modifications, attachments, replacements and parts thereof.

Section 1.02. ***Interpretations.*** For purposes of this Indenture:

(a) ***Successors.*** References to specific persons, positions or officers shall include those who or which succeed to or perform their respective functions, duties or responsibilities.

(b) ***Laws.*** References to the Code, or to the laws or Constitution of the State, or rules or regulations thereunder, or to a section, division, paragraph or other provision thereof, shall include those laws and rules and regulations, and that section, division, paragraph or other provision thereof as from time to time amended, modified, supplemented, revised or superseded, provided that no such amendment, modification, supplementation, revision or supersession shall be applied to alter the obligation to pay the principal, premium, if any, or interest due and owing with respect to the Obligations Outstanding in the amount and manner, at the times, and from the sources provided in this Indenture, except as otherwise herein permitted.

(c) ***Singular/Plural.*** Unless the context otherwise indicates, words importing the singular number include the plural number and words importing the plural number include the singular number.

(d) ***Computations.*** Unless otherwise provided in this Indenture or the facts are then otherwise, all computations required for the purposes of this Indenture shall be made on the assumptions that: (i) all Installment Payments are paid as and when the same become due; and (ii) all credits required by this Indenture to be made to any fund or account are made in the amounts and at the times required.

(e) ***Exclusion of Obligations Held by or for the County and the Corporation.*** In determining whether the Owners of the requisite principal amount of Obligations Outstanding have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Obligations owned by the County or the Corporation shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee is protected in relying on any such request, demand, authorization, direction, notice, consent or waiver, only Obligations which the Trustee knows to be so owned shall be disregarded.

(f) ***Obligations and Opinions.*** Except as otherwise specifically provided in this Indenture, each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include an identification of any certificates or opinions relied on in such certificate or opinion, and a statement: (i) that the person making the certificate or opinion has read the covenant or condition and the definitions herein relating thereto; (ii) as to the nature and scope of the examination or investigation on which the statements or opinions contained in the certificate or opinion are based; (iii) that in the opinion of such person, he or she has made such examination and investigation as is necessary to enable him or her to express an informed opinion as to whether the covenant or condition has been complied with; and (iv) as to whether, in the opinion of such person, the condition or covenant has been complied with.

(g) ***Counsel Opinions.*** Any Opinion of Counsel may be qualified by reference to the constitutional powers of the United States of America and the State, the police and sovereign powers of the State, judicial discretion, and bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights and similar matters.

(h) *Consolidated Certifications, Opinions and Instruments.* When several matters are required to be certified by, or covered by an opinion of, any specified person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such person, or that they are so certified or covered by only one document, but one such person may certify or give an opinion with respect to some matters and one or more other such persons as to other matters, and any such person may certify or give an opinion as to such matters in one or several documents. When any person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, such instruments may, but need not, be consolidated and form one instrument.

(i) *Opinions and Certifications of County and Corporation.* Any certificate or opinion of an officer of the County or the Corporation may be based, insofar as it relates to legal matters, on a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters on which his or her certificate or opinion is based are erroneous. Any such certificate or opinion may be based, insofar as it relates to factual matters, on a certificate or opinion of, or representations by, an officer or officers of the Corporation or the County stating that the information with respect to such factual matters is in the possession of the County or the Corporation, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such factual matters are erroneous.

(j) *References to Indenture.* The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Indenture as a whole and not to any particular article, section or subdivision hereof; and the term "heretofore" means before the date of execution of this Indenture, the term "now" means at the date of execution of this Indenture, and the term "hereafter" means after the date of execution of this Indenture.

(k) *Section and Article References.* References in this Indenture to Section or Article numbers, without added references to other documents, are to the indicated Sections or Articles in this Indenture.

(l) *Gender.* Words of the masculine gender include correlative words of the feminine and neuter genders.

(m) *Captions.* The captions or headings of this Indenture and the table of contents appended to copies hereof are for convenience only and in no way define, limit or describe the scope or intent of any provisions, articles or sections of this Indenture.

(n) *Remedies.* Nothing expressed or implied in this Indenture is intended or shall be construed to confer on or to give any Person, other than the County, the Trustee, the Corporation and the Owners of the Obligations, any right, remedy or claim under or by reason of this Indenture or any covenant, agreement, condition or stipulation hereof.

(o) *References to Fees and Expenses.* Whenever this Indenture contains a reference to fees or expenses, such reference is deemed to include the word "reasonable" as an antecedent thereto.

ARTICLE II

AUTHORIZATION, TERMS AND ISSUANCE OF OBLIGATIONS

Section 2.01. *Authorized Amount of Obligations.* No Obligations may be executed and delivered hereunder except in accordance with this Article II. The aggregate principal amount of 2024B

LOBs that may be executed and delivered pursuant to Section 2.08 is not in excess of \$[270,000,000]. Additional Obligations may be delivered as provided in Section 2.11 of this Indenture.

Section 2.02. *Execution and Delivery of Obligations; Details of 2024B LOBs; Payment; Registration and Exchange.*

(a) No Obligations may be executed and delivered except in accordance with the provisions of this Indenture. All Obligations shall constitute proportionate undivided interests in the right to receive Revenues under the Contract. All covenants, agreements and provisions of this Indenture shall be for the benefit and security of all present and future Owners without preference, priority or distinction as to lien or otherwise, except as otherwise provided herein, of any one Obligation over any other Obligation by reason of priority in the issue, sale or negotiation thereof, or otherwise.

(b) The 2024B LOBs evidence proportionate undivided interests in the right to receive certain Revenues pursuant to the Contract. The 2024B LOBs will be executed and delivered as fully registered limited obligation bonds in denominations of \$100,000 and any principal amount in excess thereof. The 2024B LOBs will be numbered from R-1 upwards. The 2024B LOBs may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority.

(c) The 2024B LOBs be dated as of the date of their delivery and will be issued as a single term bond maturing (subject to the right of prior redemption as hereinafter set forth) on [August __, 2030]. The 2024B LOBs will be subject to optional redemption as set forth in Section 4.01 of this Indenture. The 2024B LOBS will bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days) payable on each Installment Payment Date, initially at the [Drawn Rate], and thereafter as otherwise as set forth in the Contract. The interest rate on the 2024B LOBs shall never exceed the Maximum Rate. A single definitive certificated 2024B LOBs is to be delivered to the Purchaser.

[The Purchaser shall notify the County (with a copy to the Trustee) of the Default Rate, the Taxable Rate or the Term Loan Rate, as applicable, for each interest period within two (2) Business Days of establishing such rate in writing by facsimile or email communication delivered to the Finance Director of the County. The Purchaser shall also notify the County (with a copy to the Trustee) not less than two (2) Business Days prior to each Installment Payment Date of the amount of interest due on such Installment Payment Date, which shall include the interest rate applicable to the 2024B LOBs during the applicable interest period at the Drawn Rate(s) in effect during the applicable interest period, the Default Rate, the Term Loan Rate or the Taxable Rate, as applicable, such notice to be given in writing by facsimile or email communication, confirmed by first-class mail, postage prepaid, and addressed to the Finance Director of the County. Notwithstanding the foregoing, the Purchaser's failure to provide the County with any notice described in this paragraph shall not in any way relieve the County of its obligation to make any Installment Payments due on the dates and in the amounts provided in the Contract.]

(d) Both the principal and interest with respect to the 2024B LOBs and any premiums on the redemption thereof prior to maturity, if any, are payable in any lawful coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. The 2024B LOBs shall bear interest until the aggregate principal sum of all of the 2024B LOBs has been paid, but if the 2024B LOBs have matured or have been called for redemption and the Redemption Date has occurred and funds are available for the payment thereof in full in accordance with the terms of this Indenture, the 2024B LOBs shall then cease to bear interest as of the maturity date or Redemption Date.

(e) The 2024B LOBs will be dated as of their date of initial execution and delivery, except that 2024B LOBs executed and delivered in exchange for or on the registration of transfer of 2024B LOBs will be dated as of the Installment Payment Date preceding the day of authentication thereof, unless (1) the date of such authentication precedes their date of initial execution and delivery, in which case they will be dated as of their date of initial execution and delivery; (2) it is authenticated after a Record Date and before the following Installment Payment Date, in which event interest with respect thereto shall be payable from such following Installment Payment Date; or (3) the date of such authentication is an Installment Payment Date to which interest with respect to the 2024B LOBs has been paid in full or duly provided for in accordance with the terms of this Indenture, in which case they will be dated as of such Installment Payment Date; except that if, as shown by the records of the Trustee, interest with respect to the 2024B LOBs is in default, 2024B LOBs executed and delivered in exchange for or on registration of transfer of 2024B LOBs will be dated as of the date to which interest with respect to the 2024B LOBs has been paid in full. If no interest has been paid with respect to the 2024B LOBs, 2024B LOBs executed and delivered in exchange for or on the registration of transfer of 2024B LOBs will be dated as of their date of initial execution and delivery.

(f) Except as set forth in the last sentence of this Section 2.02(e), the 2024B LOBs and any premiums on the redemption thereof prior to maturity, if any, are payable at the designated corporate trust office of the Trustee on presentation and surrender. Interest with respect to the 2024B LOBs will be paid by the Trustee by check or draft mailed on the Installment Payment Date to each Owner as its name and address appear on the register kept by the Trustee at the close of business on the Record Date. Any Owner of a 2024B LOB or 2024B LOBs in an aggregate principal amount of not less than \$500,000 may, by prior written instructions filed with the Trustee not later than three Business Days prior to the Installment Payment Date (which instructions shall remain in effect until revoked by subsequent written instructions), instruct that interest payments for any period be made by wire transfer to an account in the continental United States or other means acceptable to the Trustee. As long as the Purchaser is the sole registered Owner of the 2024B LOBs, the County shall make all payments with respect to the 2024B LOBs by wire transfer in immediately available funds to the address specified in writing by the Purchaser by the Record Date, and principal with respect to the 2024B LOBs shall be paid when due without the requirement of presentation or surrender.

(g) The 2024B LOBs, upon surrender thereof at the designated corporate trust office of the Trustee, together with an assignment duly executed by the Owner or such Owner's attorney or legal representative in such form as shall be satisfactory to the Trustee, may, at the option of the Owner thereof, be exchanged for an equal aggregate principal amount of 2024B LOBs of the same series and maturity, of any denomination or denominations authorized by this Indenture, bearing interest at the same rate, and in the same form as the registered 2024B LOBs surrendered for exchange. The County shall make provision for the exchange of the 2024B LOBs at the designated corporate trust office of the Trustee.

(h) The Trustee shall keep the registration books for the registration and registration of transfer of the 2024B LOBs as provided in this Indenture. The registration books shall be available at all reasonable times for inspection by the County and its agents and representatives, and the Trustee shall provide to the County, upon written request, an accurate copy of the names and addresses of the Owners set forth in the registration books.

(i) The transfer of any 2024B LOBs may be registered only upon the registration books upon surrender thereof to the Trustee together with an assignment duly executed by the Owner or such Owner's attorney or legal representative in such form as shall be satisfactory to the Trustee. Upon any such registration of transfer the Corporation shall execute and the Trustee shall authenticate and deliver in exchange for such 2024B LOBS a new registered 2024B LOB or 2024B LOBs, registered in the name of the transferee, of any denomination or denominations authorized by this Indenture in the aggregate principal

amount equal to the principal amount of such 2024B LOB surrendered or exchanged, of the same maturity, and bearing interest at the same rate.

(j) In all cases in which 2024B LOBs shall be exchanged or the transfer of 2024B LOBs shall be registered hereunder, the Corporation shall execute and the Trustee shall authenticate and deliver at the earliest practicable time 2024B LOBs in accordance with the provisions of this Indenture. All 2024B LOBs surrendered in any such exchange or registration of transfer shall forthwith be cancelled by the Trustee. Registrations of transfer or exchanges of 2024B LOBs shall be without charge to the Owners of such 2024B LOBs, but any taxes or other governmental charges required to be paid with respect to the same shall be paid by the Owner of the 2024B LOBs requesting such registration of transfer or exchange as a condition precedent to the exercise of such privilege. Neither the Corporation nor the Trustee shall be required (i) to issue, transfer or exchange 2024B LOBs during a period beginning at the opening of business fifteen (15) days before the day of the mailing of a notice of redemption of 2024B LOBs pursuant to Section 2.02 of this Indenture and ending at the close of business on the day of such mailing or (ii) to transfer or exchange any 2024B LOBs so selected for redemption in whole or in part.

(k) Notwithstanding any provision of this Section 2.02 to the contrary, no transfer of a 2024B LOB shall be registered under this Indenture unless such transfer is to (i) a bank (including a Federal Reserve Bank), (ii) another recognized financial institution, (iii) an insurance company, (iv) any governmental agency that regulates financial institutions, including, but not limited to, the Federal Deposit Insurance Corporation, (v) any other entity approved by the Local Government Commission, or (vi) any affiliate of the Purchaser; provided, however, that if such affiliate ceases to be an affiliate of such Purchaser and at the time it ceases to be an affiliate of such Purchaser it would not qualify as a permitted transferee under this paragraph, such affiliate agrees to transfer such 2024B LOB to a permitted transferee before it ceases to be an affiliate of such Purchaser. The Trustee shall be entitled to receive and rely upon a certificate from the proposed transferee regarding the satisfaction of the foregoing provisions of this paragraph. Prior to making any such transfer, the Purchaser shall give notice to the Local Government Commission and the County of such transfer and the name of the transferee.

Section 2.03. **Limited Obligation.** Each Obligation evidences a proportionate undivided interest in the right to receive certain Revenues under the Contract. The Obligations are payable solely from Revenues (as defined in the Contract) as, when and if the same are received by the Trustee, which Revenues are to be held in trust by the Trustee for such purposes in the manner and to the extent provided herein. The Owner of each Obligation is not entitled to receive more than the amount of principal, premium, if any, and interest with respect to such Obligation. The Obligations do not constitute a debt of the County or any assignee of the County under the Contract.

NOTWITHSTANDING ANY PROVISION OF THIS INDENTURE, THE CONTRACT OR THE DEED OF TRUST WHICH MAY BE TO THE CONTRARY, NO PROVISION OF THIS INDENTURE, THE CONTRACT OR THE DEED OF TRUST SHALL BE CONSTRUED OR INTERPRETED AS CREATING A PLEDGE OF THE FAITH AND CREDIT OF THE COUNTY WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE. NO PROVISION OF THIS INDENTURE, THE CONTRACT OR THE DEED OF TRUST 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 INDENTURE, THE CONTRACT OR THE DEED OF TRUST 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 THE CONTRACT IS IN EFFECT; PROVIDED, HOWEVER, ANY FAILURE OR REFUSAL BY THE COUNTY TO APPROPRIATE FUNDS, WHICH RESULTS IN THE FAILURE BY THE COUNTY TO MAKE ANY PAYMENT COMING DUE UNDER THE 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 ANY BREACH OF THE CONTRACT, THIS INDENTURE OR THE DEED OF TRUST, 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 INDENTURE, THE CONTRACT OR THE DEED OF TRUST. TO THE EXTENT OF ANY CONFLICT BETWEEN THIS PARAGRAPH AND ANY OTHER PROVISION OF THIS INDENTURE, THIS PARAGRAPH SHALL TAKE PRIORITY AND SHALL INCORPORATE HEREIN BY REFERENCE ARTICLE XIV OF THE CONTRACT.

Section 2.04. ***Execution of the Obligations.*** The Obligations shall be executed on behalf of the Corporation with the manual or facsimile signature of its President or Vice President and shall have impressed or imprinted thereon, by facsimile or otherwise, the official seal of the Corporation, and be attested with the manual or facsimile signature of its Secretary. If any officer of the Corporation whose signature or whose facsimile signature appears on the Obligations ceases to be such officer before the authentication of such Obligations, such signature or the facsimile thereof shall nevertheless be valid and sufficient for all purposes as if he had remained in office until authentication; and any Obligation may be signed on behalf of the Corporation by such persons as are at the time of execution of such Obligation proper officers of the Corporation, even though at the date of this Indenture, such person was not such officer.

Section 2.05. ***Authentication.*** No Obligation is valid or becomes obligatory for any purpose or is entitled to any security or benefit under this Indenture unless and until a certificate of authentication on such Obligation substantially in the form included in Exhibit A hereto has been duly executed by the Trustee and such executed certificate of the Trustee on any such Obligation is conclusive evidence that such Obligation has been authenticated and delivered under this Indenture. The Trustee's certificate of authentication on any Obligation shall be deemed to have been executed by it if signed by an authorized officer or signatory of the Trustee, but it is not necessary that the same officer or signatory sign the certificate of authentication on all of the Obligations executed and delivered hereunder.

Section 2.06. ***Form of 2024B LOBs.*** The 2024B LOBs shall be substantially in the form set forth in Exhibit A to this Indenture, with such appropriate variations, omissions and insertions as may be permitted or required hereby.

Section 2.07. ***Delivery of the 2024B LOBs.*** On the execution and delivery of this Indenture, the Corporation shall issue the Initial 2024B LOBs in the aggregate principal amount of \$[] to the Trustee, and the Trustee shall authenticate the Initial 2024B LOBs and shall deliver them to the original Purchaser thereof as directed by the Corporation as hereinafter in this Section provided. Additional 2024B LOBs will be issued in the amounts and at the times the Purchaser purchases such Additional 2024B LOBs in accordance with the provisions of the Contract of Purchase and the provisions of Article III of the Contract relating to Additional Advances of the Purchase Price.

- (a) Before the authentication and delivery of the Initial 2024B LOBs, the Trustee has received:
 - (i) an originally executed counterpart of the Contract, this Indenture and the Deed of Trust and a certified copy of the resolution adopted by the Board of Commissioners of the County, approving the Contract;
 - (ii) a request and authorization to the Trustee on behalf of the Corporation and signed by a Corporation Representative to authenticate and deliver the Initial 2024B LOBs.

(iii) a certificate of a County Representative as required by Section 4.16 of the Contract.

(b) Following receipt of the items set forth above, the Trustee shall deliver the Initial 2024B LOBs to the Purchaser, on payment by the Purchaser to the Trustee of the sum of \$[_____]. Such sum shall be deposited in the Acquisition and Construction Fund pursuant to Article III or applied as otherwise directed in writing by the County.

(c) The Trustee shall deliver (or be deemed to deliver by notation on its electronic books and records) any Additional 2024B LOBs to the Purchaser on payment by the Purchaser to the Trustee of the purchase price of such Additional 2024B LOBs. The proceeds of any Additional 2024B LOBs shall be deposited in the Acquisition and Construction Fund pursuant to Article III or applied as otherwise directed in writing by the County. No Additional 2024B LOBs may be delivered after [August __, 2027]. The Trustee shall maintain a record of the principal amount of the Initial 2024B LOBs and the principal amount and delivery date of all Additional 2024B LOBs. The Purchaser will maintain a schedule of the Initial 2024B LOBs and all Additional 2024B LOBs on its electronic books and records, which will be the official record of the principal amount of 2024B LOBs Outstanding under this Indenture.

Section 2.08. ***Mutilated, Lost, Stolen or Destroyed Obligations.*** If any Obligation is mutilated, lost, stolen or destroyed, a new Obligation may be executed and delivered on behalf of the Corporation, of like date, maturity, denomination and series as that mutilated, lost, stolen or destroyed, upon execution of the Corporation and authentication of the Trustee; provided that the Trustee has received indemnity of the County, the Corporation and the Trustee from the Owner of the Obligation satisfactory to the Trustee and provided further, in case of any mutilated Obligation, that such mutilated Obligation is first surrendered to the Trustee, and in the case of any lost, stolen or destroyed Obligation, that there is first furnished to the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee. If any such Obligation has matured, instead of delivering a duplicate Obligation, the Trustee may pay the same without surrender thereof. The Trustee may charge the Owner of the Obligation with its reasonable fees and expenses in this connection.

Section 2.09. ***Registration of Obligations; Persons Treated as Owners; Transfer of Obligations.*** Books for the registration and for the transfer of Obligations shall be kept by the Trustee which is hereby appointed the registrar. On surrender for transfer of an Obligation at the principal corporate trust office of the Trustee, duly endorsed for transfer or accompanied by an assignment duly executed by the Owner or his attorney duly authorized in writing, the Trustee shall deliver in the name of the transferee or transferees a new authenticated and fully registered Obligation or Obligations of the same series.

The Trustee is not required to register the transfer of any Obligations during the period of 15 days next preceding the mailing of notice calling such Obligation for redemption as herein provided, or after any Obligation has been selected for redemption.

As to any Obligation, the person in whose name the same is registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of either principal or interest with respect to such Obligation shall be made only to or on the written order of the Owner thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge such Obligation to the extent of the sum or sums paid.

The Trustee shall require the payment, by any Owner requesting transfer of Obligations, of any tax, trustee fee, fee or other governmental charge required to be paid with respect to such transfer. If any transfer requires that more than one Obligation be executed and delivered, the principal amounts of which equal the principal amount of the Obligations surrendered for transfer, an additional fee (including the cost of printing the Obligations, if necessary) will be required.

Section 2.10. ***Cancellation of Obligations.*** Whenever any Outstanding Obligations are delivered to the Trustee for cancellation pursuant to this Indenture, on payment thereof or for or after replacement pursuant to Section 2.08 or 2.09 of this Indenture, such Obligations shall be promptly canceled and burned or otherwise destroyed by the Trustee, and counterparts of a certificate of destruction evidencing such burning or other destruction shall be furnished by the Trustee to the County.

Section 2.11. ***Additional Obligations.*** So long as the Contract remains in effect and no Event of Default has occurred and is continuing, Additional Obligations, which may consist of certifications of participation, limited obligation bonds or any combination of certificates of participation and/or limited obligation bonds, may be executed and delivered on the terms and conditions provided herein.

Additional Obligations may be delivered by the Trustee to provide funds to pay: (i) the cost of renovating, equipping or expanding the Project or acquiring, constructing, renovating and equipping other facilities or acquiring equipment and other capital assets for utilization by the County for public purposes; (ii) the cost of refunding of all or any portion of the Obligations then Outstanding, any other installment financing obligations of the County or any other debt obligations of the County; and (iii) the cost of the execution, delivery and sale of the Additional Obligations, including such other costs reasonably related to a refunding under subparagraph (ii) hereof.

Additional Obligations may be executed and delivered only on there being filed with the Trustee:

(a) Originally executed counterparts of a supplemental indenture and an amendment to the Contract adopted in accordance with the requirements of Article IX and approved by the LGC, if so required by law, including requirements regarding approval of the Owners, if applicable, and, if the County, acting in its sole discretion, has determined that all or any portion of any property, buildings or equipment related to the facilities being financed (but not refinanced), is to be subjected to the Deed of Trust, also expressly providing that, for all the purposes hereof, the property covered by the Deed of Trust shall include such portion, if any, designated by the County of the property, buildings or equipment related to the facilities being financed (but not refinanced) by the Additional Obligations, and that the Obligations being executed and delivered, as well as any Obligations and Additional Obligations theretofore or thereafter executed and delivered, shall be secured on a parity with all Obligations Outstanding, including the 2024B LOBs, except that the date or dates of the Additional Obligations, the rate or rates of interest with respect to the Additional Obligations, the time or times of payment of the interest with respect thereto and the principal amount with respect thereto, and provisions for the redemption thereof, if any, all shall be as provided in the supplemental indenture and amendment to the Contract, and further providing for an increase in the Purchase Price and the Installment Payments required or authorized to be paid to the Trustee under the Contract in such amount as shall be necessary to pay (assuming that no Event of Default shall occur), the principal, premium, if any, and interest with respect to the Additional Obligations.

(b) A written Opinion or Opinions of Counsel with recognized expertise in tax-exempt financing and mutually acceptable to the County, the Corporation and the Trustee, to the effect that the amendment to the Contract and the authentication of the Additional Obligations have been duly authorized, that the amendment to the Contract is valid and enforceable against the County and that the exclusion from gross income for federal income tax purposes of the interest component of the Installment Payments will not be adversely affected by the issuance of the Additional Obligations, and that the sale and delivery of the Additional Obligations will not constitute a default under the Contract or this Indenture or cause any violation of the covenants, agreements or representations herein or therein.

(c) A written order to the Trustee to deliver the Additional Obligations to the purchaser or purchasers therein identified on payment to the Trustee of a specified sum plus accrued interest.

Each of the Additional Obligations executed and delivered pursuant to this Section 2.11 shall be secured, *pari passu*, with the 2024B LOBs originally executed and delivered and all other series of Additional Obligations, if any, executed and delivered pursuant to this Section 2.11, without preference, priority or distinction of any Obligations or Additional Obligations over any other.

ARTICLE III

REVENUES AND FUNDS

Section 3.01. ***Source of Payment of Obligations; Deposit of Obligation Proceeds.*** All Obligations evidence proportionate undivided interests in the right to receive Revenues under the Contract. Installment Payments, when, as and if received by the Trustee, shall be held hereunder for payment of the principal, premium, if any, and interest with respect to the Obligations as provided in this Indenture. Unless otherwise specified in writing by the County, the proceeds from the sale of any 2024B LOBs shall be deposited to the credit of the Acquisition and Construction Fund. The proceeds of any Additional Obligations, executed and delivered pursuant to Section 2.11, shall be applied by the Trustee as directed in a certificate signed by a County Representative.

Section 3.02. ***Creation of the Bond Fund.*** A special fund is hereby created and established with the Trustee, to be designated "Cabarrus County Development Corporation Limited Obligation Bonds (County of Cabarrus, North Carolina Installment Financing Contract) Bond Fund" (the "Bond Fund"), the moneys in which shall be used to pay the principal, premium, if any, and interest with respect to the Obligations. Within the Bond Fund, there are hereby created and ordered established an Interest Account and a Principal Account, the moneys in which shall be used as set forth in Section 3.06.

Notwithstanding the foregoing, as long as the Purchaser is the sole registered Owner of the 2024B LOBs, the County shall make all payments with respect to the 2024B LOBs by wire transfer in immediately available funds to the address specified in writing by the Purchaser by the Record Date.

Section 3.03. ***Payments into the Interest Account of the Bond Fund.*** There shall be deposited into the Interest Account of the Bond Fund (a) all accrued interest received at the time of the sale and delivery of the respective series of Obligations, if any; (b) that portion of each payment of Installment Payments which is designated and paid as interest under the Contract (except as such amount is reduced pursuant to Section 3.05); (c) investment earnings on the Bond Fund and the Redemption Fund, as provided in Section 5.01; (d) Net Proceeds from any lease of the Premises after an Event of Default to the extent required to pay the next installment of interest with respect to the Obligations or any previous installment of interest not paid; and (e) all other moneys received by the Trustee under this Indenture accompanied by written directions from the County that such moneys are to be deposited into the Interest Account of the Bond Fund. The Trustee shall credit all amounts deposited into the Interest Account of the Bond Fund, including particularly the amounts set forth in Section 3.1 of the Contract, toward the Installment Payment then due and payable under the Contract. The Trustee shall notify the County of all amounts credited toward Installment Payments within 30 days of such credit.

Notwithstanding the foregoing, as long as the Purchaser is the sole registered Owner of the 2024B LOBs, the County shall make all payments with respect to the 2024B LOBs by wire transfer in immediately available funds to the address specified in writing by the Purchaser by the Record Date

Section 3.04. ***Payments Into the Principal Account of the Bond Fund.*** There shall be deposited into the Principal Account of the Bond Fund (a) that portion of each payment of Installment Payments

which is designated and paid as principal under the Contract; (b) Net Proceeds from any lease of the Premises after an Event of Default after the deposit required by Section 3.03; and (c) all other moneys received by the Trustee under this Indenture accompanied by written directions from the County that such moneys are to be deposited into the Principal Account of the Bond Fund.

Notwithstanding the foregoing, as long as the Purchaser is the sole registered Owner of the 2024B LOBs, the County shall make all payments with respect to the 2024B LOBs by wire transfer in immediately available funds to the address specified in writing by the Purchaser by the Record Date

Section 3.05. [Reserved]

Section 3.06. ***Use of Moneys in the Bond Fund.*** Moneys in the Interest Account of the Bond Fund shall be used solely for the payment of the interest with respect to the Obligations as the same becomes due and payable. Moneys in the Principal Account of the Bond Fund shall be used solely for the payment of the principal with respect to the Obligations. Investment earnings on moneys on deposit in the Bond Fund shall be held in the Bond Fund and applied to the next payment(s) of Installment Payments. If the Obligations are to be redeemed in whole pursuant to Section 4.01, any moneys remaining in the Bond Fund shall be applied to such redemption along with other moneys held by the Trustee for such purpose.

Section 3.07. ***Custody of the Bond Fund.*** The Bond Fund shall be in the custody of the Trustee. The Trustee shall withdraw sufficient funds from the Bond Fund to pay the principal and interest with respect to the Obligations as the same become due and payable, which responsibility, to the extent of the moneys therein, the Trustee hereby accepts.

Section 3.08. ***Creation of the Redemption Fund.*** There is hereby created and established with the Trustee the "Cabarrus County Development Corporation Limited Obligation Bonds (County of Cabarrus, North Carolina Installment Financing Contract) Redemption Fund" (the "Redemption Fund") into which shall be deposited all Net Proceeds and other available funds, to the extent the same is required to be deposited therein under Article VII or Section 3.5 of the Contract, and any other moneys provided by the County to be applied to a redemption of principal components of Installment Payments. Moneys on deposit in the Redemption Fund shall be disbursed for redemption of the Obligations as provided in Sections 4.01(a) and (b) of this Indenture. Any income from investment of moneys in the Redemption Fund not disbursed in accordance with the preceding sentence shall be deposited into the Interest Account of the Bond Fund and applied to the next payment of the Installment Payments. Whenever any moneys on deposit in the Redemption Fund are disbursed for redemption of less than all of the Outstanding Obligations, the Installment Payments set forth in the Contract shall be recalculated by the Trustee to reflect the reduction in the outstanding principal amount of the Obligations after such redemption. The Installment Payments, as recalculated, shall be payable on such dates, not less than five (5) calendar days prior to, and in amounts equal to, the amount necessary to pay the principal and interest with respect to the Obligations coming due on the next occurring semi-annual principal maturity dates of such Obligations, as the case may be.

Section 3.09. ***Nonpresentment of Obligations.*** Except with respect to the 2024B LOBs, which are not required to be presented for payment when due, if any Obligation is not presented for payment when due, if funds sufficient to pay such Obligation have been made available to the Trustee for the benefit of the Owner thereof, it is the duty of the Trustee to hold such funds without liability for interest thereon, for the benefit of the Owner of such Obligation, who shall be restricted exclusively to such funds for any claim of whatever nature on his or her part under the Contract or this Indenture or on or with respect to such Obligation.

Any money that is so set aside or transferred and that remains unclaimed by the Owners for a period of five years after the date on which such Obligations have become payable will be treated as abandoned

property under Chapter 116B of the General Statutes of North Carolina, as amended, and the Trustee shall report and remit this property to the Escheat Fund according to the requirements of Section 116B-51 et seq. of the General Statutes of North Carolina, as amended. Thereafter, the Owners may look to the Escheat Fund for payment and then only to the extent of the amounts so received without any interest thereon, and the Trustee, the Corporation and the County shall have no responsibility with respect to such money.

Section 3.10. ***Creation of Additional Accounts in Supplemental Indentures.*** The supplemental indenture for each series of Obligations executed and delivered hereunder may establish accounts within the funds established hereunder.

Section 3.11. ***Creation of the Acquisition and Construction Fund.*** A special fund is hereby created and established with the Trustee to be designated "Cabarrus County Development Corporation Limited Obligation Bonds (County of Cabarrus, North Carolina Installment Financing Contract) Acquisition and Construction Fund" (the "Acquisition and Construction Fund"). Unless otherwise specified in writing by the County, the balance of the proceeds from the sale of the Initial 2024B LOBs remaining after funding any deposits set forth in Section 3.01, if any, shall be deposited in the Acquisition and Construction Fund. Unless otherwise specified in writing by the County, the proceeds from the sale of any Additional 2024B LOBs shall be deposited in the Acquisition and Construction Fund. In addition, the Trustee shall deposit into the Acquisition and Construction Fund such amounts as the County may designate in a certificate signed by a County Representative in connection with the issuance of Additional Obligations pursuant to Section 2.11. The Trustee shall create accounts within the Acquisition and Construction Fund on the County's written direction. Any moneys held in the Acquisition and Construction Fund or any account thereof shall be invested and reinvested by the Trustee in accordance with this Indenture, and the income therefrom shall be retained in the Acquisition and Construction Fund or any account thereof and used (together with all other moneys held in the Acquisition and Construction Fund) to pay the Cost of Acquisition and Construction attributable to the Project, as directed by the County. Moneys held in the Acquisition and Construction Fund shall be disbursed in accordance with Section 4.2 of the Contract. After the completion of the Project or any project funded with the proceeds of Additional Obligations, the proceeds of the applicable series of Obligations may be moved from one account to another account in the Acquisition and Construction Fund on the County's written direction.

Section 3.12. ***Application of Acquisition and Construction Fund Subsequent to Completion of Acquisition and Construction.*** The balance, if any, remaining in the Acquisition and Construction Fund on completion of the acquisition, construction, renovation and equipping of the 2024B Project, as certified in writing to the Trustee and, if the Purchaser is the Owner of all of the 2024B LOBs Outstanding, to the Purchaser by a County Representative pursuant to Section 4.11 of the Contract, (i) may be applied by the Trustee for any purpose permitted by applicable law which, in the opinion of nationally recognized bond counsel, will not cause interest with respect to the 2024B LOBs to become includable in the gross income of the owners thereof for federal income tax purposes or (ii) absent the delivery of such an opinion to the Trustee, will be deposited first to the credit of the Interest Account and next to the Principal Account of the Bond Fund and applied to the future Installment Payments coming due under the Contract with respect to the 2024B LOBs in the order of their due date.

Section 3.13. ***Moneys To Be Held in Trust; Reports to County.*** The ownership of the Bond Fund, the Redemption Fund, the Acquisition and Construction Fund and any other fund or account created hereunder or under the Contract shall be in the Trustee, for the benefit of the Owners as specified in the Indenture. Not less than once during each calendar year, the Trustee shall provide the County with an accounting for all receipts to and disbursements from each fund or account.

Section 3.14. ***Repayment to the County From the Trustee.*** After payment in full of the Obligations, the interest with respect thereto, any premium thereon, the fees, charges and expenses of the

Trustee and all other amounts required to be paid hereunder and under the Contract, any amounts remaining in the Bond Fund, the Redemption Fund, the Acquisition and Construction Fund or otherwise held by the Trustee pursuant hereto shall be paid to the County on the expiration or sooner termination of the Contract as a return of an overpayment of Installment Payments.

Section 3.15. ***Custody of Separate Trust Fund.*** The Trustee is authorized and directed to hold all Net Proceeds from any insurance proceeds or condemnation awards (which shall be in a separate fund) and disburse such proceeds in accordance with Article VII of the Contract. If the County directs that any portion of such Net Proceeds be applied to redeem Obligations in accordance with the Contract, the Trustee covenants and agrees to take and cause to be taken the necessary steps to redeem on the next succeeding redemption date the amount of Obligations so specified by the County.

ARTICLE IV

REDEMPTION OF OBLIGATIONS

Section 4.01. ***Redemption Dates and Prices.*** The 2024B LOBs are subject to redemption, in whole or in part, as set forth below:

(a) ***Optional Redemption.*** The 2024B LOBs may be redeemed before their maturities at the option of the County, from any funds that may be available for such purpose, in whole or in part on any date on 30 days' prior written notice to the Purchaser and the Trustee. The 2024B LOBs called for redemption under this paragraph will be redeemed at a redemption price equal to 100% of the principal amount of the 2024B LOBs to be redeemed, together with accrued interest to the date fixed for redemption.

(b) ***Extraordinary Optional Redemption.*** If the County elects to prepay the Purchase Price in full or in part in accordance with Section 3.5(b) of the Contract, the 2024B LOBs shall be called for redemption in whole or in part, as applicable, on any date selected by the County before maturity from the Net Proceeds and other available moneys described in Section 3.5(b) of the Contract and deposited into the Redemption Fund. The 2024B LOBs called for redemption under this subsection shall be redeemed at the redemption price of 100% of the principal amount thereof, together with accrued interest to the redemption date, without premium.

In the case of any partial redemption of 2024B LOBs, such 2024B LOBs shall be redeemed in inverse order of maturity.

When Obligations are redeemed in part, the schedule of Installment Payments set forth in the Contract, if any, shall be recalculated as necessary by the Trustee in the manner required by Section 3.08.

The Trustee shall pay to the Owners of Obligations so redeemed the amounts due on their respective Obligations at the principal corporate trust office of the Trustee on presentation and surrender of the Obligations; provided, however, that, if redeemed in part, the Obligations may be redeemed only in authorized denominations. Notwithstanding the foregoing, so long as the 2024B LOB is held by the Purchaser, the 2024B LOB may be redeemed in part without the obligation to present or surrender the 2024B LOB, and such partial redemption shall be noted on the Purchaser's electronic books and records. Redemptions shall be accompanied by a written designation prepared by the Trustee stating the portion of the payment representing the unpaid principal amount of the Obligation immediately before the payment, the portion of the payment representing interest, and the remaining portion, if any, which shall be designated and paid as a redemption premium.

Section 4.02. ***Notice of Redemption.*** Except with respect to an optional redemption of the 2024B LOBs, notice of redemption identifying the Obligations or portions thereof to be redeemed shall be

given by the Trustee in writing (or by other means acceptable to the Owners) not less than 30 days nor more than 60 days before the date fixed for redemption by first-class mail, postage prepaid (i) to the then-registered Owners of the Obligations to be redeemed at their addresses appearing on the registration books maintained by the Trustee and (ii) to the LGC; provided, however, that a notice of redemption is not required for mandatory sinking fund redemptions pursuant to Section 4.01(c) of this Indenture.

Notwithstanding the foregoing, (i) if notice is given, the failure to receive an appropriate notice shall not affect the validity of the proceedings for such redemption, (ii) the failure to give any such notice or any defect therein shall not affect the validity of the proceedings for the redemption of the Obligations or portions thereof to be redeemed with respect to which notice was correctly given, and (iii) the failure to give any such notice to the parties described in clause (iii) in the preceding paragraph, or any defect therein, shall not affect the validity of any proceedings for the redemption of the Obligations.

Notice of redemption shall specify, as applicable, (i) that the Obligations or a designated portion thereof are to be redeemed, (ii) the CUSIP numbers of the Obligation or Obligations to be redeemed, if any, (iii) the redemption date, (iv) the redemption price, (v) the redemption agent's name and address, (vi) the date of original issue of the Obligations to be redeemed, (vii) the interest rate with respect to the Obligations to be redeemed, (viii) the maturity date of the Obligations to be redeemed and (ix) if a redemption in part, called amounts for the Obligations to be redeemed.

Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives the notice.

If at the time of mailing of notice of redemption there shall not have been deposited with the Trustee moneys sufficient to redeem all the Obligations or portions thereof called for redemption, which moneys are or will be available for redemption of said Obligations, such notice will state that it is conditional on the deposit of the redemption moneys with the Trustee not later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

Section 4.03. **Redemptions.** Except with respect to an optional redemption of the 2024B LOBs, before the date fixed for redemption, funds shall be deposited with the Trustee to pay, and the Trustee is hereby authorized and directed to apply such funds to the payment of, the Obligations or portions thereof called for redemption, together with accrued interest thereon to the redemption date, and any required premium. On the giving of notice and the deposit of such funds for redemption pursuant to this Indenture (which, in the case of redemption pursuant to Section 4.01(a) and (b) above, may be less than the full principal amount of the Outstanding Obligations and accrued interest thereon to the redemption date), interest with respect to the Obligations or portions thereof thus called shall no longer accrue after the date fixed for redemption.

The Obligations or portions thereof called for redemption shall be due and payable on the redemption date at the redemption price, together with accrued interest thereon to the redemption date and any applicable redemption premium. If any required notice of redemption has been given and moneys sufficient to pay the redemption price, together with accrued interest thereon to the redemption date and any required redemption premium, have been deposited with the Trustee, the Obligations or portions thereof so called for redemption shall cease to be entitled to any benefit or security under this Indenture and the Owners of such Obligations shall have no rights in respect of such Obligations or portions thereof so called for redemption except to receive payment of the redemption price and accrued interest to the redemption date from such funds held by the Trustee.

Anything in this Indenture to the contrary notwithstanding, if an Event of Default occurs and is continuing, there will be no redemption of less than all of the Obligations Outstanding.

Section 4.04. **Cancellation.** All Obligations which have been redeemed shall not be redelivered but shall be canceled and burned or otherwise destroyed by the Trustee in accordance with Section 2.10.

Section 4.05. **Delivery of New Obligations On Partial Redemption of Obligations.** On surrender and cancellation of the Obligations called for redemption in part only, a new Obligation or Obligations of the same maturity and interest rate and of authorized denominations, in an aggregate principal amount equal to the unredeemed portion thereof, shall be executed on behalf of the Corporation and authenticated and delivered by the Trustee. The expenses of such execution, authentication, delivery and exchange shall be paid by the County as Additional Payments under the Contract.

ARTICLE V

INVESTMENTS

Section 5.01. **Investment of Moneys.** All moneys held as part of the Bond Fund, the Redemption Fund, the Acquisition and Construction Fund or any other fund or account created hereunder or under the Contract shall be deposited or invested and reinvested from time to time by the Trustee, at the written direction of the County as agent of the Corporation, in deposits or investments, which are Permitted Investments subject to the following restrictions:

(a) Moneys in the Acquisition and Construction Fund shall be invested only in obligations which will by their terms mature not later than the date the County estimates the moneys represented by the particular investment will be needed for withdrawal from the Acquisition and Construction Fund;

(b) Moneys in the Bond Fund shall be invested only in obligations which will by their terms mature on such dates as to ensure that on the date of each interest and principal payment, there will be in the Bond Fund from matured obligations and other moneys already in the Bond Fund, cash equal to the interest and principal payable on such payment date; and

(c) Moneys in the Redemption Fund shall be invested in obligations which will by their terms mature, or will be subject to redemption at the option of the owner thereof, on or before the date funds are expected to be required for expenditure or withdrawal.

Any and all such deposits or investments shall be held by or under the control of the Trustee. The Trustee may make any and all such deposits or investments through its own investment department or the investment department of any bank or trust company under common control with the Trustee. The Trustee is specifically authorized to enter into agreements with itself or any other person, which agreements guarantee the repurchase of specific Permitted Investments at specific prices. Except as expressly provided in Article III of this Indenture, deposits or investments, shall at all times be a part of the fund or account from which the moneys used to acquire such deposits or investments shall have come, and all income and profits on such deposits or investments shall be credited to, and losses thereon shall be charged against, such fund or account. In computing the amount in any fund or account held under the provisions of this Indenture, obligations purchased as a deposit or investment of moneys therein shall be valued exclusive of accrued interest. The Trustee shall sell and reduce to cash a sufficient amount of such deposits or investments whenever the cash balance in any fund or account created hereunder is insufficient to satisfy the purposes of such fund or account.

The value of all Permitted Investments in the funds and accounts established under this Indenture shall be determined by the Trustee three (3) Business Days prior to each Installment Payment Date. In addition, the value of the Permitted Investments in such funds and accounts shall be determined by the Trustee at any time requested in writing by the County or the Corporation on reasonable notice to the Trustee (which period of

notice may be waived or reduced by the Trustee); provided, however, that the Trustee shall not be required to determine the value of the Permitted Investments more than once in any calendar month.

Section 5.02. **Arbitrage Certification.** In reliance on the County's direction of investments as provided in Section 5.01 of this Indenture, and in reliance on the County's covenant in Article IX of the Contract, the Trustee certifies and covenants to and for the benefit of the Owners that so long as any of the Obligations remain Outstanding, moneys in any fund or account held by the Trustee under this Indenture, whether or not such moneys were derived from the proceeds of the sale of the Obligations or from any other source, will not, with actual knowledge, be deposited or invested in a manner which will cause the Obligations to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code.

ARTICLE VI

DISCHARGE OF INDENTURE

If, when the Obligations secured hereby become due and payable in accordance with their terms or otherwise as provided in this Indenture, the whole amount of the principal, premium, if any, and interest due and payable with respect to all of the Obligations shall be paid or provision has been made for the payment of the same, together with all other sums payable hereunder and any amounts owed to an Insurer, if any, then the right, title and interest of the Trustee in and to the Trust Estate and all covenants, agreements and other obligations of the Corporation to the Trustee and the Owners shall then cease, terminate and become void and be discharged and satisfied. In such event, on the written request of the County, the Trustee shall transfer and convey to the County all property assigned or pledged to the Trustee by the Corporation then held by the Trustee pursuant to this Indenture, and the Trustee shall execute such documents as may be reasonably required by the County and shall turn over to the County any surplus in any fund created under this Indenture.

Outstanding Obligations shall, before the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in this Article VI if (a) in case said Obligations are to be redeemed on any date before their maturity, the County has given to the Trustee in form satisfactory to the Trustee irrevocable instructions to give on a date in accordance with the provisions of Section 4.02 notice of redemption of such Obligations on said redemption date, (b) there has been deposited with the Trustee either moneys in an amount which shall be sufficient, or Federal Securities that are Permitted Investments which shall not contain provisions permitting the redemption thereof at the option of the County, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held by the Trustee at the same time, sufficient to pay, when due, the principal, premium, if any, and interest due and to become due with respect to the Obligations on the redemption date or maturity date thereof, as the case may be, and (c) in the event said Obligations are not by their terms subject to redemption within the next 60 days, the County has given the Trustee in form satisfactory to it (i) irrevocable instructions to give, as soon as practicable in the same manner as the notice of redemption is given pursuant to Section 4.02, a notice to the Owners of such Obligations that the deposit required by (b) above has been made with the Trustee and that said Obligations are deemed to have been paid in accordance with this Section and stating such maturity or redemption date on which moneys are to be available for the payment of the principal, premium, if any, and interest with respect to said Obligations, (ii) verification from an accountant or other verification agent satisfactory to the Trustee that the moneys or Federal Securities deposited with the Trustee will be sufficient to pay when due the principal, premium, if any, and interest due and to become due with respect to the Obligations on the redemption date or maturity date thereof, as the case may be and (iii) an Opinion of Counsel with recognized expertise in tax-exempt financing that such deposit of moneys or Federal Securities will not adversely affect the exclusion from gross income for federal income tax purposes of interest with respect to the Obligations. Neither the Federal Securities nor moneys deposited with the Trustee pursuant to this Article VI or principal or interest payments on any such Federal Securities shall be withdrawn or used

for any purpose other than, and shall be held in trust for, the payment of the principal, premium, if any, and interest with respect to the Obligations; provided any cash received from such principal or interest payments on such Federal Securities deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Federal Securities of the type described in clause (b) of this paragraph maturing at the times and in amounts sufficient (together with any other moneys or Federal Securities then held by the Trustee as described above) to pay when due the principal, premium, if any, and interest to become due with respect to said Obligations on or before such redemption date or maturity date thereof, as the case may be. At such time as any Obligations shall be deemed paid as aforesaid, such Obligations shall no longer be secured by or entitled to the benefits of this Indenture and the Contract, except for the purpose of exchange and transfer and any payment from such moneys or Federal Securities deposited with the Trustee.

The release of the obligations of the Corporation under this Section is without prejudice to the rights of the Trustee to be paid reasonable compensation for all services rendered by it hereunder and all its reasonable expenses, charges and other disbursements incurred with respect to the administration of the trust hereby created and the performance of its powers and duties hereunder.

Notwithstanding anything in this Indenture to the contrary, in the event that the principal or interest due with respect to any of the Obligations is paid by an Insurer pursuant to its Policy with respect to such series of Obligations, such series of Obligations shall remain Outstanding for all purposes, shall not be defeased or otherwise satisfied and shall not be considered paid, and the assignment and pledge of the Trust Estate and all covenants, agreements and other obligations of the County and the Corporation to the Owners of such series of Obligations shall continue to exist and shall run to the benefit of the Insurer, and the Insurer shall be subrogated to the rights of the Owners of such series of Obligations.

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.01. ***Events of Default.*** If any of the following events occur it is hereby defined as and shall be deemed an "Event of Default" under this Indenture:

- (a) Default in the payment of the principal or premium, if any, with respect to any Obligation when the same becomes due and payable, whether at the stated maturity thereof or on proceedings for redemption.
- (b) Default in the payment of any installment of interest with respect to any Obligation when the same becomes due and payable.
- (c) The occurrence of an "Event of Default" as provided in the Contract or the Deed of Trust.

Section 7.02. ***Remedies on Default.***

- (a) On the occurrence and continuance of an Event of Default, the Trustee may, but only with the prior written consent of the Purchaser if the Series 2024B LOBs are then Outstanding, and, if requested in writing by a majority in aggregate principal amount of the Owners of the Obligations then Outstanding shall, declare the obligations of the County as to the principal component of the Installment Payments and the aggregate principal amount of Obligations to be immediately due and payable, whereupon they will, without further action, become due and payable; provided, however, that as long as a Policy for a series of Obligations is in effect and no Insurer Default has occurred and is continuing, the Obligations of that series are not subject to acceleration unless the Trustee receives the prior written consent of the Insurer of that series to such acceleration.

(b) The provisions of the preceding paragraph are subject to the condition that if, after the principal with respect to any of the Installment Payments and the Obligations has been so declared to be due and payable, and before the earlier of (i) the exercise of rights granted under the Deed of Trust or (ii) to the extent permitted by applicable law and Section 2.03, any judgment or decree for the payment of the moneys due has been obtained or entered as hereinafter provided, the defaulting party (the "Defaulting Party") shall cause to be deposited with the Trustee a sum sufficient to pay all matured installments of the principal and interest with respect to all Obligations which have become due otherwise than by reason of such declaration (with interest on such overdue installments of principal and interest, to the extent permitted by law, at the rate or rates per annum borne by the Obligations) and such amount as is sufficient to cover reasonable compensation and reimbursement of expenses payable to the Trustee, and all Events of Default hereunder other than nonpayment of the principal with respect to the Obligations which have become due by said declaration have been remedied, then, in every such case with the consent of the Insurer, such Event of Default shall be deemed waived and such declaration and its consequences rescinded and annulled, and the Trustee shall promptly give written notice of such waiver, rescission or annulment to the Defaulting Party and shall give notice thereof by first-class mail to all Owners; but no such waiver, rescission and annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

The provisions of paragraph (a) are further subject to the condition that any waiver of any event of default under the Contract and a rescission and annulment of its consequences shall constitute a waiver of the corresponding Event of Default under this Indenture and a rescission and annulment of the consequences thereof. If notice of such event of default under the Contract has been given as provided herein and if the Trustee thereafter has received notice that such event of default has been waived, the Trustee shall promptly give written notice of such waiver, rescission or annulment to the Defaulting Party and shall give notice thereof by first-class mail to all Owners; but no such waiver, rescission and annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

(c) On the occurrence and continuance of any Event of Default, then and in every such case the Trustee in its discretion may, to the extent permitted by Section 2.03 and applicable law, and on the written direction of the Owners of not less than a majority in aggregate principal amount of the Obligations then Outstanding and receipt of indemnity to its satisfaction shall, in its own name and as the Trustee of an express trust:

(i) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Owners, and require the Defaulting Party to carry out any agreements with or for the benefit of the Owners and to perform its or their duties under the Contract and this Indenture, provided that any such remedy may be taken only to the extent permitted under the applicable provisions of the Contract or this Indenture, as the case may be; and

(ii) take whatever action at law or in equity is permissible and may appear necessary or desirable to enforce its rights against the Defaulting Party or the Premises (as defined in the Deed of Trust) held as security therefor, including all remedies available to the Beneficiary under the Deed of Trust.

No right or remedy is intended to be exclusive of any other rights or remedies, but each and every such right or remedy shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute. If any Event of Default has occurred and if requested in writing by the Owners of a majority in aggregate principal amount of Obligations then Outstanding and indemnified as provided in Section 8.01(m), the Trustee is obligated to exercise, to the extent permitted by Section 2.03 and applicable law, such one or more of the rights and powers conferred by this Section as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Owners.

Notwithstanding anything in this Indenture to the contrary, upon the occurrence and continuance of an Event of Default and so long as no Insurer Default has occurred and is continuing, the Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners of the series of Obligations insured by such Insurer or the Trustee for the benefit of the Owners of such series of Obligations under this Indenture, including, without limitation, (i) the right to accelerate the principal with respect to the Obligations as described in this Indenture, and (ii) the right to annul any declaration of acceleration of such series of Obligations, and the Insurer shall also be entitled to approve all waivers of Events of Default relating to such series of Obligations pursuant to Section 7.09.

Section 7.03. ***Majority of Owners May Control Proceedings.*** The Owners of a majority in aggregate principal amount of the Obligations then Outstanding have the right, at any time, to the extent permitted by law, by an instrument or instruments in writing issued to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver, and any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions hereof. The Trustee is not required to act on any direction given to it pursuant to this Section until the indemnity described in Section 8.01(m) of this Indenture is furnished to it by such Owners.

Section 7.04. ***Rights and Remedies of Owners.*** No Owner shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless (i) a default has occurred of which the Trustee has been notified in writing as provided in Section 8.01(h), or of which by said Section it is deemed to have notice, and such default has become an Event of Default as defined in Section 7.01; (ii) the Owners of not less than a majority in aggregate principal amount of Obligations then Outstanding have made written request to the Trustee and shall have offered the Trustee reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceedings in its own name and they shall have also offered to the Trustee indemnity as provided in Section 8.01(m); and (iii) the Trustee thereafter fails or refuses to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name. Such notification, request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Owners have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by his action or to enforce any right hereunder except in the manner herein provided and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Owners of all Obligations then Outstanding. Nothing contained in this Indenture shall, however, affect or impair the right of any Owner to enforce the payment of the principal, premium, if any, and interest with respect to any Obligation at and after the maturity thereof to the extent permitted by Section 2.03 and applicable law.

Section 7.05. ***Trustee May Enforce Rights Without Obligations.*** All rights of action and claims under this Indenture or any of the Obligations Outstanding hereunder may be enforced by the Trustee without the possession of any of the Obligations or the production thereof in any trial or proceedings relative thereto; and any suit or proceeding instituted by the Trustee shall be brought in its name as the Trustee, without the necessity of joining as plaintiffs or defendants any Owners of the Obligations, and any recovery of judgment shall be for the ratable benefit of the Owners of the Obligations, subject to the provisions of this Indenture.

Section 7.06. ***Delay or Omission No Waiver.*** No delay or omission of the Trustee or of any Owner to exercise any right or power accruing on any default shall exhaust or impair any such right or power or shall be construed to be a waiver of any such default, or acquiescence therein; and every power

and remedy given by this Indenture, to the extent permitted by Section 2.03 and applicable law, may be exercised from time to time and as often as may be deemed expedient.

Section 7.07. ***No Waiver of One Default to Affect Another.*** No waiver of any default hereunder, whether by the Trustee, the Insurer of a series of Obligations or the Owners, shall extend to or affect any subsequent or any other then existing default or shall impair any rights or remedies consequent thereon.

Section 7.08. ***Discontinuance of Proceedings on Default; Position of Parties Restored.*** If the Trustee has proceeded to enforce any right under this Indenture and such proceedings have been discontinued or abandoned for any reason, or have been determined adversely to the Trustee, then and in every such case the Corporation, the County, the Trustee and the Owners shall be restored to their former positions and rights hereunder with respect to the Trust Estate, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 7.09. ***Waivers of Events of Default.*** The Trustee may in its discretion with the consent of the Insurer, if any, waive any Event of Default hereunder and its consequences, and notwithstanding anything else to the contrary contained in this Indenture shall do so on the written request of the Owners of a majority in aggregate principal amount of all Obligations then Outstanding; provided, however, that there shall not be waived without the consent of the Owners of 100% of that series of Obligations as to which the Event of Default exists (a) any Event of Default in the payment of the principal or premium with respect to any Outstanding Obligations at the date of maturity specified therein or (b) any default in the payment when due of the interest with respect to any such Obligations, unless before such waiver or rescission, all arrears of interest and all arrears of payments of principal and premium, if any, then due, as the case may be (both with interest on all overdue installments at the rate or rates borne by the Obligations), and all expenses of the Trustee in connection with such default have been paid or provided for. In case of any such waiver, or in case any proceedings taken by the Trustee on account of any such default have been discontinued or abandoned or determined adversely to the Trustee, then and in every such case the Corporation, the County, the Trustee and the Owners shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

Section 7.10. ***Application of Moneys.*** All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee, be deposited in the Bond Fund and applied as follows:

(a) Unless the principal with respect to all of the Obligations have become or have been declared due and payable, all such moneys shall be applied:

FIRST - To the payment to the persons entitled thereto of all installments of interest then due with respect to the Obligations, in the order of the maturity of the installments of such interest beginning with the earliest such maturity and, if the amount available is not sufficient, to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege; and

SECOND - To the payment to the persons entitled thereto of the unpaid principal and premium, if any, with respect to any of the Obligations which shall have become due (other than Obligations matured or called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates and beginning with the earliest due date and, if the amount available is not sufficient to pay in full all Obligations due on any particular date,

then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or privilege; and

THIRD - The payment to the persons entitled thereto of interest on overdue installments of principal, premium, if any, and interest, to the extent permitted by law, and if the amount available is not sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such particular installment, to the persons entitled thereto, without any discrimination or privilege; and

FOURTH - To be held for the payment to the persons entitled thereto, as the same become due, of the principal, premium, if any, and interest with respect to the Obligations which may thereafter become due in accordance with the terms of this Indenture.

(b) If the principal with respect to all of the Obligations has become due or has been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid with respect to the Obligations, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Obligation over any other Obligation, ratably, according to the amounts due, respectively, for principal and interest, to the persons entitled thereto without any discrimination or privilege, with interest on overdue installments of interest or principal, to the extent permitted by law.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Installment Payment Date unless it shall deem another date more suitable) on which such application is to be made and on such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Owner of any Obligation until such Obligation shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever the principal, premium, if any, and interest with respect to all of the Obligations have been paid under the provisions of this Section 7.10 and all expenses and charges of the Trustee and all amounts owed to any Insurer have been paid, any balance remaining in the Bond Fund shall be paid to the County.

ARTICLE VIII

CONCERNING THE TRUSTEE

Section 8.01. *Duties of the Trustee.* The Trustee hereby accepts the trusts imposed on it by this Indenture and agrees to perform said trusts, but only on and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee:

(a) The Trustee, before the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured or waived) the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise as a reasonable and prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees but shall be answerable for the conduct of the same in accordance with the standard specified above, and shall be entitled to act on an Opinion of Counsel concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act on an Opinion of Counsel and shall not be responsible for any loss or damage resulting from any action or non-action taken by or omitted to be taken in good faith in reliance on such Opinion of Counsel.

(c) The Trustee shall not be responsible for any recital herein or in the Obligations (except in respect to the execution of the certificate of authentication on behalf of the Trustee), or for the recording or rerecording, filing or refiling of the Contract or this Indenture or of any supplements thereto or hereto or instruments of further assurance, or insuring the security for the Obligations or the Project, or collecting any insurance moneys or for the validity of the execution by the Corporation of this Indenture or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Obligations executed and delivered hereunder or intended to be secured hereby, or for the value of or title to the Project, or for the maintenance of the security for the Obligations, and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Corporation or the County, except as provided herein; but the Trustee may require of the Corporation or the County full information and advice as to the performance of the covenants, conditions and agreements aforesaid. The Trustee shall have no obligation to perform any of the duties of the County or the Corporation under the Contract; and the Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with Article V.

(d) The Trustee may become the Owner of the Obligations with the same rights which it would have if not the Trustee.

(e) The Trustee shall be protected in acting on any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture on the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Obligation shall be conclusive and binding on all future Owners of the same Obligation and on any Obligations executed and delivered in place thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely on a certificate signed on behalf of the

Corporation by a Corporation Representative, or on behalf of the County by a County Representative or such other person as may be designated for such purpose by a certified resolution, as sufficient evidence of the facts therein contained, and, before the occurrence of a default of which the Trustee has been notified as provided in subsection (h) of this Section or of which by said subsection it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but shall in no case be bound to secure the same.

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or default.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure by the County or the Corporation to cause to be made any of the payments to the Trustee required to be made by Article III hereof, unless the Trustee shall be specifically notified in writing of such default by the Corporation or the County or by the Owners of at least 25% in aggregate principal amount of Obligations then Outstanding, and all notices or other instruments required by this Indenture to be delivered to the Trustee, must, in order to be effective, be delivered at the principal corporate trust office of the Trustee, and in the absence of such notice so delivered or express knowledge to the contrary, the Trustee may conclusively assume there is no default except as aforesaid.

(i) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purposes for which they were received but need not be segregated from other funds except to the extent required by this Indenture or law. The Trustee shall not be under any liability for interest on any moneys received hereunder except such as may be agreed on.

(j) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right, but shall not be required, to inspect any and all of the property pledged herein, including all books, papers and records of the Corporation or the County pertaining to the Project.

(k) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(l) Notwithstanding anything in this Indenture to the contrary, the Trustee shall have the right, but shall not be required, to demand in respect of the execution and delivery of any Obligations, the withdrawal of any cash, or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee deemed desirable for the purpose of establishing the right of the Corporation or the County to the execution and delivery of any Obligations, the withdrawal of any cash, or the taking of any other action by the Trustee.

(m) Before taking any action hereunder (except for the acceleration of the Obligations under Section 7.02(a)) the Trustee may require that satisfactory indemnity be furnished to it by the Owners for the reimbursement of all expenses which it may incur and to protect it against all liability, except liability which may result from its negligence or default, by reason of any action so taken.

(n) The Trustee may use the services of an agent to carry out the duties, responsibilities and obligations required of the Trustee hereunder and where the Trustee is required to act, the agent of the Trustee may act in the place and stead of the Trustee; provided, however, that the use of any agent shall not relieve the Trustee of any of its obligations under the Indenture. Where any act is to be performed or any event is to occur under the Indenture at the principal corporate trust office of the Trustee, such act or event may be performed or occur, as the case may be, at the office of the agent of the Trustee.

(o) The Trustee may not serve as the provider of any financial guaranty instrument under this Indenture or any subsequent supplemental indenture.

(p) The Trustee shall not be liable to the Corporation or the County for any loss suffered as a result of or in connection with any investment of funds made by the Trustee in good faith as instructed by or approved by the County.

(q) The Trustee shall not be accountable for the use by the Corporation or the County of the proceeds of the Obligations.

(r) The Trustee shall have no duty or responsibility to examine or review, and shall have no liability for the contents of, any documents submitted to or delivered to any Owner in the nature of a preliminary or final placement memorandum, official statement, offering circular or similar disclosure document.

(s) The Trustee shall not be liable for any debts contracted or for damages to persons or to personal property injured or damaged, or for salaries or nonfulfillment of contracts, relating to the Project. The Trustee shall have no duty to inspect or oversee the construction or completion of the Project or to verify the truthfulness or accuracy of the certifications made by the Corporation or the County with respect to the Trustee's disbursements for Costs of Acquisition and Construction in accordance with this Indenture and the Contract.

Section 8.02. ***Fees and Expenses of Trustee.*** The Trustee shall be entitled to payment and reimbursement for its reasonable fees for its services rendered hereunder as and when the same become due and all expenses reasonably and necessarily made or incurred by the Trustee in connection with such services as and when the same become due as provided in Section 4.8 of the Contract.

Section 8.03. ***Resignation or Replacement of Trustee.*** The Trustee may resign by giving written notice to the County, the Corporation and each Insurer not less than 60 days before such resignation is to take effect. Such resignation shall take effect only on the appointment of a successor qualified as provided in the third paragraph of this Section 8.03. However, if a successor Trustee is not appointed within 60 days after the Trustee gives notice of resignation, the Trustee shall have the right to petition a court of competent jurisdiction to appoint a successor Trustee. The Trustee may be removed at any time (i) by the Corporation, at the written direction of the County, (ii) by an instrument in writing, executed by the Owners of a majority in aggregate principal amount of the Obligations then Outstanding, or (iii) by an Insurer for cause. The Corporation may not, however, remove the Trustee if an Event of Default under this Indenture has occurred and is continuing and no removal will be effective until a successor Trustee has been appointed and until such appointment has been accepted.

If the Trustee shall at any time resign or be removed or otherwise become incapable of acting, a successor may be nominated by the County and appointed by the Corporation, or if there is an Event of Default by the County under the Contract, by the Owners of a majority in aggregate principal amount of the Obligations then Outstanding by an instrument or concurrent instruments signed by such Owners, or their attorneys-in-fact duly appointed; provided that the Corporation may, by an instrument executed by it, appoint a successor until a new successor shall be appointed by the Owners as herein authorized. The Corporation on making such appointment shall forthwith give notice thereof, to each Owner and to the County, which notice may be given concurrently with the notice of resignation given by any resigning Trustee. Any successor so appointed by the Corporation shall immediately and without further act be superseded by a successor appointed in the manner above provided by the Owners of a majority in aggregate principal amount of the Obligations Outstanding.

Every successor Trustee shall be a bank or trust company in good standing, qualified to act hereunder, and having a capital and surplus of not less than \$100,000,000. In addition, the appointment of a successor Trustee hereunder shall be subject to the prior written consent of each Insurer and the Secretary of the LGC, which consents shall not be unreasonably withheld. Any successor appointed hereunder shall execute, acknowledge and deliver to the County and to the Corporation an instrument accepting such appointment hereunder, and thereon such successor shall, without any further act, deed or conveyance, become vested with all the estates, properties, rights, powers and trusts of its predecessor in the trust hereunder with like effect as if originally named as Trustee herein; but the Trustee retiring shall, nevertheless, on the written demand of its successor, execute and deliver an instrument conveying and transferring to such successor, on the trusts herein expressed, all the estates, properties, rights, powers and trusts of the predecessor, which shall duly assign, transfer and deliver to the successor all properties and moneys held by it under this Indenture. Should any instrument in writing from the County or the Corporation be required by any successor for more fully vesting in and confirming to it all the estates, properties, rights, powers and trusts of the predecessor, the said deeds, conveyances and instruments in writing shall be made, executed, acknowledged and delivered by the County or the Corporation on request of such successor.

The instruments evidencing the resignation or removal of the Trustee and the appointment of a successor hereunder, together with all other instruments provided for in this Section shall be filed and/or recorded by the successor Trustee in each recording office, if any, where this Indenture shall have been filed and/or recorded.

Section 8.04. ***Conversion, Consolidation or Merger of Trustee.*** Any bank or trust company into which the Trustee or its successor may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business as a whole shall be the successor of the Trustee under this Indenture with the same rights, powers, duties and obligations and subject to the same restrictions, limitations and liabilities as its predecessor, all without the execution or filing of any papers or any further act on the part of any of the parties hereto or thereto, anything herein or therein to the contrary notwithstanding; provided, however, that such merged or successor entity meets the qualifications of a successor Trustee under Section 8.03. In case any of the Obligations to be executed and delivered hereunder shall have been authenticated, but not delivered, any successor Trustee may adopt the certificate of any predecessor Trustee, and deliver the same as authenticated; and, in case any of such Obligations shall not have been authenticated, the Corporation may authenticate the Obligation and any successor Trustee may deliver the same in the manner provided in Article II of this Indenture.

Section 8.05. ***Intervention by Trustee.*** In any judicial proceeding to which the Corporation or the County is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of Owners of the Obligations, the Trustee may intervene on behalf of Owners of the Obligations, and shall do so if requested in writing by the Owners of at least 25% in aggregate principal amount of the Obligations then Outstanding.

Section 8.06. ***Power to Appoint Co-Trustees.*** At any time or times, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Project may at the time be located, the Corporation and the Trustee shall have power to appoint and, upon the request of the Trustee or of the Owners of a majority of the aggregate principal amount of the Obligations then Outstanding, the Corporation shall for such purpose join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint, one or more persons approved by the Trustee and the County either to act as co-trustee or co-trustees, jointly with the Trustee of all or any part of the Project, or to act as separate trustee or separate co-trustees all or any part of the Project, and to vest in such person or persons, in such capacity, such title to the Project or any part thereof, and such rights, powers, duties, trusts or obligations as the Corporation and the Trustee may consider necessary or desirable, subject to the remaining provisions of this section.

Any co-trustee or separate trustee shall be a bank or trust company with trust powers organized under the laws of the United States of America or any state of the United States or the District of Columbia, having a combined capital stock, surplus and undivided profits aggregating at least \$100,000,000.

The Trustee and co-trustee, if any, may by written instrument between them designate and assign either the Trustee or the co-trustee or both of them to perform all or any part of the responsibilities and duties of the Trustee under this Indenture.

If the Corporation shall not have joined in such appointment within 30 days after the receipt by it of a written request to do so, or in case an Event of Default shall have occurred and be continuing, the Trustee and the County shall have the power to make such appointment.

The Corporation shall execute, acknowledge and deliver all such instruments as may be required by any such co-trustee or separate trustee for more fully confirming such title, rights, powers, trusts, duties and obligations to such co-trustee or separate trustee.

Every co-trustee or separate trustee appointed pursuant to this section, to the extent permitted by law or any applicable contract, shall be subject to the following terms, namely:

(a) This Indenture shall become effective at the time the Obligations shall be authenticated and delivered, and thereupon such co-trustee or separate trustee shall have all rights, powers, trusts, duties and obligations by this Indenture conferred upon the Trustee in respect of the custody, control or management of moneys, papers, securities and other personal property.

(b) All rights, powers, trusts, duties and obligations conferred or imposed upon the trustees shall be conferred or imposed upon and exercised or performed by the Trustee, or by the Trustee and such co-trustee or co-trustees, or separate trustee or separate trustees, as shall be provided in the instrument appointing such co-trustee or co-trustees or separate trustee or separate trustees, except to the extent that, under the law of any jurisdiction in which any particular act or acts are to be performed, the Trustee shall be incompetent or unqualified to perform such act or acts, in which even such act or acts shall be performed by such co-trustee or co-trustees or separate trustee or separate trustees.

(c) Any request in writing by the Trustee to any co-trustee or separate trustee to take or to refrain from taking any action hereunder shall be sufficient warrant for the taking, or the refraining from taking, of such action by such co-trustee or separate trustee.

(d) Any co-trustee or separate trustee, to the extent permitted by law, may delegate to the Trustee the exercise of any right, power, trust, duty or obligation, discretionary or otherwise.

(e) The Trustee at any time, by an instrument in writing, with the concurrence of the County and the Corporation evidenced by a resolution, may accept the resignation of any co-trustee or separate trustee appointed under this Section, and, in case an Event of Default shall have occurred and be continuing, the Trustee shall have power to accept the resignation of, or remove, any such co-trustee or separate trustee without the concurrence of the Corporation and the County. Upon the request of the Trustee, the Corporation and the County shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co-trustee or separate trustee so resigned or removed may be appointed in the manner provided in this Section.

(f) No co-trustee or separate trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder.

(g) Any moneys, paper, securities or other items of personal property received by any such co-trustee or separate trustee hereunder shall forthwith, so far as may be permitted by law, be turned over to the Trustee.

Upon the acceptance in writing of such appointment by any such co-trustee or separate trustee, it or he shall be vested with such rights, powers, duties, trusts or obligations, as shall be specified in the instrument of appointment jointly with the Trustee (except insofar as applicable law makes it necessary for any such co-trustee or separate trustee to act alone) subject to all the terms of this Indenture. Every such acceptance shall be filed with the Trustee.

In case any co-trustee or separate trustee shall die, become incapable of acting, resign or be removed, all rights, powers trusts, duties and obligations of said co-trustee or separate trustee shall, so far as permitted by law, vest in and be exercised by the Trustee unless and until a successor co-trustee or separate trustee shall be appointed in the same manner as provided for with respect to the appointment of a successor Trustee pursuant to Section 8.03 hereof.

ARTICLE IX

SUPPLEMENTAL INDENTURES AND AMENDMENTS OF THE CONTRACT

Section 9.01. ***Supplemental Indentures Not Requiring Consent of Owners.*** The Trustee and the Corporation may, with the written consent of the County, but without the consent of, or notice to, the Owners, enter into such indentures supplemental hereto for any one or more or all of the following purposes, as long as such supplemental indenture does not adversely affect the interests of the Owners:

- (a) To add to the covenants and agreements of the Corporation contained in this Indenture other covenants and agreements to be thereafter observed by the Corporation;
- (b) To cure any ambiguity, or to cure, correct or supplement any defect or omission or inconsistent provision contained in this Indenture, or to make any provisions with respect to matters arising under this Indenture or for any other purpose if such provisions are necessary or desirable and do not adversely affect the interests of the Owners; or
- (c) To execute and deliver Additional Obligations as provided in Section 2.11.

Section 9.02. ***Supplemental Indentures Requiring Consent of Owners.*** Exclusive of supplemental indentures covered by Section 9.01, the written consent of the County and the consent of the Owners of not less than a majority in aggregate principal amount of the Obligations then Outstanding is required for the execution by the Corporation and the Trustee of any indenture or indentures supplemental hereto; provided, however, that without the consent of the Owners of all the Obligations at the time Outstanding affected thereby nothing herein contained shall permit, or be construed as permitting:

- (a) A change in the terms of redemption or maturity of the principal amount of or the interest with respect to any Outstanding Obligation, or a reduction in the principal amount of or premium payable on any redemption of any Outstanding Obligation or the rate of interest thereon;
- (b) The deprivation of the Owner of any Obligation then Outstanding of the lien created by this Indenture (other than as originally permitted hereby);
- (c) A privilege or priority of any Obligation or Obligations over any other Obligation or Obligations; or
- (d) A reduction in the aggregate principal amount of the Obligations required for consent to such supplemental indenture.

If at any time the County or the Corporation requests the Trustee to enter into such supplemental indenture for any of the purposes of this Section, the Trustee shall, on being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be mailed by first-class mail to the Owners of the Obligations then Outstanding at the address shown on the registration books maintained by the Trustee. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Owners. If, within 60 days or such longer period as is prescribed by the County and the Corporation following the giving of such notice, the Owners of not less than a majority in aggregate principal amount of the Obligations then Outstanding at the time of the execution of any such supplemental indenture have consented to and approved the execution thereof as herein provided, no Owner shall have any right to object to any of the terms and provisions contained therein, or in the operation thereof, or in

any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Corporation from executing the same or from taking any action pursuant to the provisions thereof.

Section 9.03. ***Execution of Supplemental Indenture.*** The Trustee is authorized to join with the Corporation in the execution of any such supplemental indenture and to make further agreements and stipulations which may be contained therein, but the Trustee is not obligated to enter into any such supplemental indenture which affects its rights, duties or immunities under this Indenture. Any supplemental indenture executed in accordance with the provisions of this Article shall thereafter form a part of this Indenture; and all the terms and conditions contained in any such supplemental indenture as to any provision authorized to be contained therein shall be deemed to be part of this Indenture for any and all purposes. In case of the execution and delivery of any supplemental indenture, express reference may be made thereto in the text of the Obligations executed and delivered thereafter, if any, if deemed necessary or desirable by the Trustee.

Section 9.04. ***Amendments of the Contract or the Deed of Trust Not Requiring Consent of Owners.*** The Corporation and the Trustee may, with the written consent of the County and the Insurer, but without the consent of or notice to the Owners, consent to any amendment, change or modification of the Contract or the Deed of Trust that does not materially adversely affect the interests of the existing Owners as may be required (a) by the provisions of the Contract, the Deed of Trust or this Indenture; (b) for the purpose of curing any ambiguity or formal defect or omission in the Contract or the Deed of Trust; (c) in order to more precisely identify the Premises (as defined in the Deed of Trust) or to add or substitute improvements acquired in accordance with the Contract, the Deed of Trust and this Indenture; (d) in order to execute and deliver Additional Obligations as provided in Section 2.11; (e) to amend the County's continuing disclosure obligation as provided in Article VIII of the Contract; or (f) in connection with any other change therein which, in the judgment of the Trustee, does not materially adversely affect the interests of the existing Owners.

Section 9.05. ***Amendments of the Contract or the Deed of Trust Requiring Consent of Owners.*** Except for the amendments, changes or modifications permitted by Section 9.04, neither the Corporation nor the Trustee shall consent to any other amendment, change or modification of the Contract or the Deed of Trust without the giving of notice thereof to the Owners and receipt of consent by the Owners of not less than a majority in aggregate principal amount of the Obligations at the time Outstanding given and procured as provided in Section 9.02. If the County and the Corporation request the consent of the Trustee to any such proposed amendment, change or modification of the Contract or the Deed of Trust, the Trustee shall, on being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided in Section 9.02. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the principal corporate trust office of the Trustee for inspection by all Owners.

ARTICLE X

[RESERVED]

ARTICLE XI

MISCELLANEOUS

Section 11.01. ***Evidence of Signature of Owners and Ownership of Obligations.*** Any request, consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys appointed in writing. Proof of the execution of any such instrument or of an instrument appointing any such attorney, or the ownership of Obligations shall be sufficient (except as otherwise herein expressly provided) if made in the following manner, but the Trustee may, nevertheless, in its discretion require further or other proof in cases where it deems the same desirable:

(a) The fact and date of the execution by any Owner or his or her attorney of such instrument may be proved by the certificate of any officer authorized to take acknowledgments in the jurisdiction in which he or she purports to act that the person signing such request or other instrument acknowledged to him or her the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before a notary public.

(b) The ownership of the Obligations shall be proved by the registration books kept under the provisions of Section 2.09.

Any request or consent of the Owner of any Obligation shall bind all future Owners of such Obligation in respect of anything done or suffered to be done by the County or the Trustee in accordance therewith.

Section 11.02. ***Covenants of Corporation.*** The Corporation agrees that the Trustee as assignee of the Corporation under the Contract may enforce, in its name or in the name of the Corporation, all rights of the Corporation and all obligations of the County under the Contract, for and on behalf of the Owners, whether or not the Corporation is in default under this Indenture. The Trustee and the Corporation hereby agree that the Corporation shall not be obligated to make any payments or to take any other action with respect to the Project under the Contract.

Section 11.03. ***Inspection of the Project.*** The Trustee and its duly authorized agents have the right, on reasonable notice to the County, at all reasonable times, to examine and inspect the Project. The Trustee and its duly authorized agents shall also be permitted, at all reasonable times, to examine the books, records, reports and other papers of the County with respect to the Project.

Section 11.04. ***Parties Interested Herein.*** Nothing in this Indenture expressed or implied is intended or shall be construed to confer on, or to give to any person other than the County, the Corporation, the Trustee, an Insurer and the Owners, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Corporation or the Trustee shall be for the sole and exclusive benefit of the County, the Corporation, the Trustee, each Insurer and the Owners.

Section 11.05. ***Titles, Headings and Captions.*** The titles, captions and headings of the articles, sections and subdivisions of this Indenture have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms or provisions hereof.

Section 11.06. ***Severability.*** If any provision of this Indenture, other than Section 2.03, is held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof. In the event any one or more of the provisions provided in this Indenture shall be construed to be held invalid or unenforceable, the parties hereto shall, in the alternative,

agree to replace such provision with a lawful provision which most nearly approximates the provision held to be invalid or unenforceable.

Section 11.07. **Governing Law.** This Indenture shall be construed, interpreted, governed and enforced in accordance with the laws and Constitution of the State, without regard to conflicts of law principles.

Section 11.08. **Execution in Counterparts.** This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.09. **Notices.** All notices, certificates or other communications shall be sufficiently given and shall be deemed given when delivered or mailed by certified or registered mail, postage prepaid, as follows:

If to the County:	County of Cabarrus, North Carolina Governmental Center 65 Church Street, SE Post Office Box 707 Concord, North Carolina 28025 Attention: Finance Director
If to the Corporation:	Cabarrus County Development Corporation 65 Church Street, SE Post Office Box 707 Concord, North Carolina 28025 Attention: President
If to the Trustee:	Regions Bank 1180 West Peachtree Street, Suite 1200 Atlanta, Georgia 30309 Attention: Corporate Trust Department

The County, the Corporation, the Trustee, and each Insurer, if any, may, by written notice, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

A copy of all notices given by the Trustee to the Owners of the Obligations hereunder shall be delivered to each Insurer at the same time and in the same manner of delivery.

Section 11.10. **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 Indenture, 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 Indenture.

Section 11.11. **Corporation, County, and Trustee Representatives.** Whenever under the provisions hereof the approval of the Corporation, the County or the Trustee is required, or the County, the Corporation or the Trustee 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 Corporation by a Corporation Representative, for the County by a County Representative and for the Trustee by a Trustee Representative, and the Corporation, the County and the Trustee shall be authorized to act on any such approval or request.

Section 11.12. ***E-Verify***. The Trustee understands that “E-Verify” is a federal program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law in accordance with Section 64-25(5) of the General Statutes of North Carolina, as amended. The Trustee uses E-Verify to verify the work authorization of its employees in accordance with Section 64-26(a) of the General Statutes of North Carolina, as amended. The Trustee will require that any subcontractor that it uses in connection with the transactions contemplated by this Indenture certify to such subcontractor's compliance with E-Verify.

[Signatures begin on next page]

IN WITNESS WHEREOF, the Corporation and the Trustee have caused this Indenture to be executed in their respective corporate names and their respective corporate seals to be hereto affixed and attested by their duly authorized officials or officers, all as of the date first above written.

CABARRUS COUNTY DEVELOPMENT CORPORATION

[SEAL]

By: _____
Michael K. Downs, President

Attest:

By: _____
Lauren Linker, Secretary

REGIONS BANK,
as Trustee

[SEAL]

By: _____
Lisa L. Moorehead, Vice President

Attest:

By: _____
Assistant Secretary

EXHIBIT A

FORM OF OBLIGATION

R-1 PRINCIPAL AMOUNT OF INITIAL 2024B LOBs \$ _____

United States of America
State of North Carolina

CABARRUS COUNTY DEVELOPMENT CORPORATION
LIMITED OBLIGATION BONDS
(COUNTY OF CABARRUS, NORTH CAROLINA INSTALLMENT FINANCING CONTRACT)
SERIES 2024B

INTEREST RATE	FINAL MATURITY DATE	DATED DATE	CUSIP
[Drawn Rate]	[August __, 2030]	[August __], 2024	[N/A]

REGISTERED OWNER: PNC BANK, NATIONAL ASSOCIATION

INITIAL PRINCIPAL SUM: _____ AND NO/100 DOLLARS

THIS CERTIFIES THAT THE REGISTERED OWNER (named above), or registered assigns, has a proportionate undivided interest in the right to receive certain revenues, as described below, pursuant to a certain Installment Financing Contract dated as of [August 1,] 2024 (which agreement as from time to time amended is referred to herein as the "*Contract*"), between the Cabarrus County Development Corporation, a North Carolina nonprofit corporation (the "*Corporation*") and the County of Cabarrus, North Carolina (the "*County*"). The interest of the Owner of this limited obligation bond, which is one of a series of Obligations executed and delivered under the Indenture referred to herein and designated Cabarrus County Development Corporation Limited Obligation Bonds (County of Cabarrus, North Carolina Installment Financing Contract), Series 2024B (the "*2024B LOBs* ") is secured as provided in the Indenture of Trust dated as of [August 1,] 2024 (the "*Indenture*"), between the Corporation and Regions Bank, as trustee (the "*Trustee*"), for the registered owners of all Obligations Outstanding under the Indenture, including the 2024B LOBs (the "*Owners*"), by which the rights (with certain exceptions) of the Corporation under the Contract have been assigned by the Corporation to the Trustee for the benefit of the Owners. Pursuant to the Contract and the Indenture, the Owner hereof is entitled to receive, solely out of and to the extent available from the sources hereinafter identified, on the Maturity Date stated above (or earlier as hereinafter provided), the Initial Principal Sum stated above, as such Initial Principal sum is increased from time to time to reflect the issuance of Additional 2024B LOBs as recorded on Schedule 1 attached hereto and in the books and records of the Trustee and the Purchaser, and interest thereon (computed on the basis of the actual days elapsed in a year of 360) from the Dated Date (shown above) payable on each Installment Payment Date, initially at the [Drawn Rate], and thereafter as otherwise set forth in the Contract, until payment in full of the aggregate principal sum of all of the 2024B LOBs . The interest rate on the 2024B LOBs shall never exceed the Maximum Rate. Principal with respect to this 2024B LOB is payable in lawful money of the United States of America at the corporate trust office of the Trustee located in Charlotte, North Carolina, or that of its successor; and interest with respect to this 2024B LOB is payable to the Owner hereof by check or draft of the Trustee, or its successor, to be mailed to such Owner at his or her address as it last appears in the registration books kept by the Trustee on the fifteenth day (whether or not a Business Day) of the month next preceding an Installment Payment Date (the "*Record Date*"); provided that, any Owner of a 2024B LOBs in an aggregate principal amount of not less than \$500,000 may, by prior written

instructions filed with the Trustee not later than three Business Days prior to the Installment Payment Date (which instructions shall remain in effect until revoked by subsequent written instructions), instruct that interest payments for any period be made by wire transfer to an account in the continental United States or other means acceptable to the Trustee. Notwithstanding the foregoing, so long as the Purchaser is the registered Owner of all of the 2024B LOBs, the principal and interest with respect to this 2024B LOB shall be paid by the County by wire transfer in immediately available funds on each principal payment date and Installment Payment Date to the address specified in writing by the Purchaser by the Record Date.

[*“Applicable Factor”* means 100%]

[*“Applicable Index”* means the SIFMA Index.]

[*“Applicable Margin”* means 0.22% per annum.]

[*“Business Day”* shall mean any day other than a Saturday, Sunday or other day on which commercial banks in Charlotte, North Carolina are authorized or required by applicable law to close.]

[*“Computation Date”* means Wednesday of each week, or if any Wednesday is not a Business Day, the next succeeding Business Day. If at any time the SIFMA Index is less than zero (0.0%), such rate shall be deemed to be zero (0.0%).]

[*“Default Rate”* means the Term Loan Rate plus 3.0% per annum.]

[*“Drawn Rate”* means a rate per annum equal to the sum of (1) the Applicable Factor multiplied by the SIFMA Index, plus (2) the Applicable Margin.]

“Installment Payment Date” means (i) with respect to the interest components of the Installment Payments, the first Business Day of each month (commencing [September 2, 2024]) and the Final Maturity Date (or as may be otherwise provided in connection with any prepayment of the Advances) and (ii) with respect to the principal component of the Installment Payments, the Final Maturity Date.

[*“Maximum Rate”* means 20.0% per annum.]

[*“Prime Rate”* means the Prime Rate as established from time to time by the Purchaser. The Prime Rate are both reference rates for fixing the lending rate for loans and does not necessarily represent the lowest rate of interest charged for borrowings. The Prime Rate is subject to increase or decrease at the sole option of Purchaser.]

[*“SIFMA Index”* means, for any Computation Date, the level of the index which is issued weekly and which is compiled from the weekly interest rate resets of tax-exempt variable rate issues included in a data base maintained by Municipal Market Data which meet specific established from time to time by the Securities Industry and Financial Markets Association and issued on Wednesday of each week, or if any Wednesday is not a Business Day, the next succeeding Business Day. If at any time the SIFMA Index is less than zero (0.0%), such rate shall be deemed to be zero (0.0%).]

“Taxable Event” means the occurrence after the Closing Date of a final decree or judgement of any Federal Court or a final action by the Internal Revenue Service determining that interest paid or payable on all or a portion of any 2024B LOB is or was includable in the gross income of the Purchaser for federal income tax purposes; provided, that no such decree, judgement or action will be considered final for this purpose unless the County has been given written notice and, if it is so desired and is legally allowed, has been afforded the opportunity to contest the same, either directly or in the name of the Purchaser, and until

the conclusion of any appellate review, if sought. A Taxable Event does not include and is not triggered by (a) a change in law by Congress that causes the interest to be includable in the Purchaser's gross income for federal income tax purposes or (b) the occurrence or existence of any fact, event or circumstance which has the effect of causing interest paid or payable on the 2024B LOBs to become includable, in whole or in part, in the gross income of the Purchaser for federal income tax purposes, but which is not due to the taking of any action by the County, or the failure to take any action by the County.

[*"Taxable Rate"* means a rate of interest on the 2024B LOBs equal to the product of the Drawn Rate and 1.27% per annum.]

[*"Term Loan Period"* means the period, if any, commencing on [August __, 2027] and ending on the earlier of (a) [August __, 2030] or (b) the date all of the outstanding principal amount of the 2024B LOBs has been redeemed prior to [August __, 2030].]

[*"Term Loan Rate"* shall be the greater of (1) the Prime Rate plus 1.0% per annum, (2) the Fed Funds Rate plus 2.0% per annum and (3) 7.0% per annum.]

From the Closing Date until the Final Maturity Date, except as otherwise provided herein, interest with respect to the outstanding principal amount the 2024B LOBs shall accrue at the [Drawn Rate]. Upon the occurrence and continuation of a Taxable Event, interest with respect to the outstanding principal amount the 2024B LOBs shall accrue at the Taxable Rate. Upon the occurrence and continuation of an Event of Default, interest with respect to the outstanding principal amount the 2024B LOBs shall accrue at the Default Rate. During the Term Loan Rate Period, if any, interest with respect to the outstanding principal amount the 2024B LOBs shall accrue at the Term Loan Rate. The interest rate on the 2024B LOBs shall never exceed the Maximum Rate.

[The Purchaser shall notify the County (with a copy to the Trustee) of the Default Rate, the Taxable Rate or the Term Loan Rate, as applicable, for each interest period within [two (2)] Business Days of establishing such rate in writing by facsimile or email communication delivered to the Finance Director of the County. The Purchaser shall also notify the County (with a copy to the Trustee) not less than two (2) Business Days prior to each Installment Payment Date of the amount of interest due on such Installment Payment Date, which shall include the interest rate applicable to the 2024B LOBs during the applicable interest period at the Drawn Rate(s) in effect during the applicable interest period, the Default Rate, the Term Loan Rate or the Taxable Rate, as applicable, such notice to be given in writing by facsimile or email communication, confirmed by first-class mail, postage prepaid, and addressed to the Finance Director of the County. Notwithstanding the foregoing, the Purchaser's failure to provide the County with any notice described in this paragraph shall not in any way relieve the County of its obligation to make any Installment Payments due on the dates and in the amounts provided in the Contract.]

Under the conditions described in the Indenture, and without the approval or consent of the owners of any of the Obligations then Outstanding under the Indenture, Additional Obligations may be executed and delivered from time to time under the Indenture to provide funds for various purposes permitted by the terms of the Indenture. All such Additional Obligations, if any, will be secured *pari passu* with the 2024B LOBs originally executed and delivered under the Indenture and all other Additional Obligations, if any, executed and delivered from time to time pursuant to the terms of the Indenture, without preference, priority or distinction of any Obligation over any other Obligation.

EACH OBLIGATION EVIDENCES A PROPORTIONATE UNDIVIDED INTEREST IN THE RIGHT TO RECEIVE CERTAIN REVENUES UNDER THE CONTRACT. THE OBLIGATION OF THE COUNTY TO MAKE INSTALLMENT PAYMENTS AND ADDITIONAL PAYMENTS (AS HEREINAFTER DEFINED) IS A LIMITED OBLIGATION OF THE COUNTY, PAYABLE SOLELY FROM CURRENTLY BUDGETED APPROPRIATIONS OF THE COUNTY; DOES NOT

CONSTITUTE A GENERAL OBLIGATION OR OTHER INDEBTEDNESS OF THE COUNTY WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE OF NORTH CAROLINA; AND DOES NOT CONSTITUTE A DIRECT OR INDIRECT PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE COUNTY WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE OF NORTH CAROLINA.

This 2024B LOB is one of the limited obligation bonds evidencing proportionate undivided interests in the right to receive certain revenues, as defined in the Contract (the "*Revenues*"), pursuant to the Contract and the Indenture, in an aggregate principal amount not in excess of \$[270,000,000], and executed and delivered under the Indenture for the purpose, among others, of (a) providing funds to pay all or a portion of the costs of (i) the acquisition, construction, installation and equipping of one or more new buildings to be used as new public safety training facilities for the County, (ii) various site improvements related thereto, (iii) the acquisition, construction, installation and equipping of a new public elementary school, (iv) the acquisition, construction, installation and equipping of a new replacement public elementary school, (v) the acquisition, construction, installation and equipping of a new behavioral health facility and related facilities, (vi) the acquisition, construction, renovation, installation and equipping of the human services facility and related facilities, (vii) the acquisition, construction, installation and equipping of a new public library and senior center, (viii) the acquisition, construction, installation and equipping of a new addition at Fred L. Wilson Elementary School, (ix) the acquisition, construction, relocation, installation and equipping of the Mary Frances Wall Public School, (x) the acquisition, construction, relocation, installation and equipping of the Opportunity Public School, (xi) the acquisition, construction, installation and equipping of HVAC replacements at Rowan-Cabarrus Community College South Campus, (xii) the acquisition, construction, installation and equipping of roof replacements at various public school sites, (xiii) the acquisition, construction, installation and equipping of HVAC replacements at various public school sites, (xiv) the acquisition of any necessary rights-of-way and easements related to each of the foregoing (i) through (xiii) and (xv) various real and personal property improvements related to each of the foregoing (i) through (xiv) (collectively, the "2024B Project") and (b) paying certain expenses incurred in connection with the execution and delivery of the 2024B LOBs. Under the Contract, the Corporation has agreed to advance to the County the Purchase Price (as defined in the Contract), the proceeds from which will be used to finance the 2024B Project, and the County has agreed to pay directly to the Trustee, as assignee of the Corporation, semiannual payments (the "*Installment Payments*") in repayment of the Purchase Price, which are required by the Indenture to be distributed by the Trustee to the payment of the principal, premium, if any, and interest with respect to the Obligations. In addition to the Installment Payments, the County has agreed to make certain other payments (the "*Additional Payments*") sufficient to pay the fees and expenses of the Trustee and the Corporation and other expenses required to be paid by the County under the Contract. The County has covenanted in the Contract to pay the Installment Payments and the Additional Payments as they become due, and, as security for that payment obligation a Deed of Trust, Security Agreement and Fixture Filing dated as of [August 1,] 2024 (the "*Deed of Trust*") from the County to the Deed of Trust trustee named therein for the benefit of the Corporation with respect to a portion of the 2024B Project (as further defined in the Deed of Trust, the "Premises"), which has been assigned to the Trustee pursuant to the Indenture. In the event the Contract is terminated by reason of an Event of Default (as defined in the Contract), the principal amount of this 2024B LOB and the interest with respect thereto will be payable from such moneys, if any, as may be available for such purpose, including any moneys received by the Trustee from the sale, lease, sublease or other disposition of the Premises pursuant to the Deed of Trust. The Contract may also be terminated in the event that the County shall exercise its option to prepay in full the Purchase Price. In the event that the County shall prepay the Purchase Price in full, the proceeds thereof are required to be used to pay the principal, premium, if any, and interest with respect to the Obligations. Reference is hereby made to the Contract and the Indenture for a description of the rights, duties and obligations of the County, the Corporation, the Trustee and the Owners, the terms on which the Obligations are secured, the terms and conditions on which the Obligations will be deemed to be paid at or before maturity or redemption of the Obligations on the making of provision for the full or partial

payment thereof, and the rights of the Owners on the occurrence of an Event of Default. All capitalized, undefined terms used herein shall have the meanings ascribed thereto in the Contract and the Indenture.

The 2024B LOBs are executed and delivered solely as fully registered limited obligation bonds without coupons in denominations of \$100,000 and any principal amount in excess thereof. A single definitive certificated 2024B LOB is to be delivered to the Purchaser.

This 2024B LOB is transferable by the Owner hereof in person or by his or her attorney duly authorized in writing on the registration books kept at the corporate trust office of the Trustee on surrender of this 2024B LOB together with a duly executed written instrument of transfer satisfactory to the Trustee. On such transfer, a new fully registered 2024B LOB or 2024B LOBs without coupons of the same maturity, of authorized denomination or denominations, for the same aggregate principal amount, will be executed and delivered to the transferee in exchange herefor, all on payment of the charges and subject to the terms and conditions set forth in the Indenture. The Trustee shall deem the person in whose name this 2024B LOB is registered as the absolute owner hereof, whether or not this 2024B LOB shall be overdue, for the purpose of receiving payment and for all other purposes, and neither the County nor the Trustee shall be affected by any notice to the contrary.

No transfer of a 2024B LOB shall be registered by the Trustee unless such transfer is to (i) a bank (including a Federal Reserve Bank), (ii) another recognized financial institution, (iii) an insurance company, (iv) any governmental agency that regulates financial institutions, including, but not limited to, the Federal Deposit Insurance Corporation, (v) any entity approved the North Carolina Local Government Commission or (vi) any affiliate of the Purchaser; provided, however, that if such affiliate ceases to be an affiliate of the Purchaser and at the time it ceases to be an affiliate of the Purchaser it would not qualify as a permitted transferee under this paragraph, such affiliate agrees to transfer such 2024B LOB to a permitted transferee before it ceases to be an affiliate of the Purchaser. The Trustee shall be entitled to receive and rely upon a certificate from the proposed transferee regarding the satisfaction of the foregoing provisions of this paragraph. Prior to making any such transfer, the Purchaser shall give notice to the Local Government Commission and the County of such transfer and the name of the transferee.

If this 2024B LOB is called for redemption in part only, on surrender and cancellation of this 2024B LOB, a new fully registered 2024B LOB or 2024B LOBs of the same maturity, of authorized denominations, in an aggregate principal amount equal to the unredeemed portion hereof, shall be executed and delivered by the Trustee to the Owner hereof.

The 2024B LOBs are subject to redemption, in whole or in part, as follows:

(a) *Optional Redemption.* The 2024B LOBs may be redeemed before their maturities at the option of the County, from any funds that may be available for such purpose, in whole or in part on any date on 30 days' prior written notice to the Purchaser and the Trustee. The 2024B LOBs called for redemption under this paragraph will be redeemed at a redemption price equal to 100% of the principal amount of the 2024B LOBs to be redeemed, together with accrued interest to the date fixed for redemption.

(b) *Extraordinary Optional Redemption.* If the County elects to prepay all or a portion of the Purchase Price pursuant to the Contract on the occurrence of the loss, damage or taking in eminent domain of all or any portion of the Project, the 2024B LOBs shall be redeemed in whole or in part on any date selected by the County at the redemption price of 100% of the principal amount thereof, together with accrued interest to the redemption date, without premium, from Net Proceeds and certain available moneys of the County as described in the Indenture.

In the case of any partial redemption of 2024B LOBs, the 2024B LOBS shall be selected for redemption in inverse order of maturity.

If a 2024B LOB subject to redemption is in a denomination larger than the minimum authorized denomination, a portion of such 2024B LOB may be redeemed, but only in a principal amount such that the unredeemed portion of such 2024B LOB is equal to an authorized denomination. For any 2024B LOB in a denomination of more than the minimum authorized denomination, the Trustee shall treat each such 2024B LOB as representing a single 2024B LOB in the minimum authorized denomination plus that number of 2024B LOBs that is obtained by dividing the remaining principal amount of such 2024B LOB by the minimum authorized denomination.

If it is determined that one or more, but not all, of the authorized denominations of principal amount represented by any 2024B LOB is to be called for redemption, then, on notice of intention to redeem such authorized denominations of principal amount with respect to such 2024B LOB, the Owner of such 2024B LOB, on surrender of such 2024B LOB to the Trustee for payment of the principal amount with respect to such 2024B LOB, will be entitled to receive new 2024B LOBs in the aggregate principal amount of the unredeemed balance of the principal amount with respect to such 2024B LOB. New 2024B LOBs representing the unredeemed balance of the principal amount with respect to such 2024B LOBs will be executed and delivered to the Owner thereof without charge therefor.

If the Owner of any 2024B LOB of a denomination greater than the amount being redeemed fails to present such 2024B LOB to the Trustee for payment and exchange as aforesaid, such 2024B LOB will, nevertheless, become due and payable on the date fixed for redemption to the extent of the denomination being redeemed and to that extent only.

Anything in the Indenture to the contrary notwithstanding, if an Event of Default occurs and is continuing, there will be no redemption of less than all of the Obligations Outstanding except for mandatory sinking fund redemptions required by the Indenture.

[The County shall provide to the Purchaser on a date that is not less than five (5) Business Days and not more than ten (10) Business Days prior to the Final Maturity Date a certificate stating that (i) no Event of Default has occurred and is continuing under Section 12.1 of the Contract, (ii) all representations and warranties in the Contract are true and correct as of the Final Maturity Date, and (iii) the County intends to convert the interest rate on the 2024B LOBs to the Term Loan Rate and to repay the Purchase Price in accordance with this section. In the event that the County does not deliver to the Purchaser such certificate, the outstanding principal amount of the 2024B LOBs shall be due and payable on the Final Maturity Date, together with accrued interest from the prior Installment Payment Date. In the event that such certificate is so delivered by the County, the outstanding principal balance of this 2024B LOB shall be converted to a Term Loan and shall be subject to repayment to the Purchaser in thirty-six (36) equal monthly principal installments, commencing on [September __, 2027] and continuing on the [____] day of each month thereafter, with the final payment of principal due on [August __, 2030]. During the Term Loan Period, interest shall accrue on the unpaid outstanding principal balance of this 2024B LOB at the Term Loan Rate and shall be payable in arrears on [the first Business Day of each month], commencing on [September 2, 2027], with the final payment of interest due on [August 1, 2030]. The outstanding principal balance of the Term Loan can be prepaid and this 2024B LOB redeemed in whole on any date on 30 days prior written notice to the Purchaser (or such shorter period as the Purchaser may accept) at a redemption price equal to 100% of the principal amount of the Term Loan to be redeemed, together with accrued interest to the date fixed for redemption.]

The Term Loan is a continuation of the then outstanding principal balance of the 2024B LOBs and the 2024B LOBs shall remain Outstanding for all purposes, notwithstanding the conversion of the payment

terms under the 2024B LOBs to a Term Loan. The 2024B LOBs shall remain Outstanding until the Term Loan thereunder is paid in full or fully defeased.

The Indenture permits supplements and amendments thereto and to the Contract and the Deed of Trust on the agreement of the Corporation and the Trustee and with the approval of the Owners of not less than a majority or, in certain instances, 100% in aggregate principal amount of the Obligations at the time Outstanding. The Indenture also contains provisions permitting the Corporation and the Trustee to enter into amendments to the Indenture and the Contract without the consent of the Owners of the Obligations for certain purposes.

Any consent or request by the Owner of this 2024B LOB shall be conclusive and binding on such Owner and on all future Owners of this 2024B LOB and of any certificate executed and delivered on the transfer of this 2024B LOB, whether or not notation of such consent or request is made on this 2024B LOB.

This 2024B LOB is executed and delivered with the intent that the laws of the State of North Carolina shall govern its legality, validity, enforceability and construction.

This 2024B LOB shall not be entitled to any right or benefit under the Indenture, or be valid or become obligatory for any purposes until this 2024B LOB shall have been authenticated by the execution by the Trustee, or its successors as Trustee, of the certificate of authentication inscribed hereon.

[Signature Pages Follow]

IN WITNESS WHEREOF, Cabarrus County Development Corporation has caused this 2024B LOB to be executed with the manual or facsimile signature of its President and its corporate seal or a facsimile thereof to be impressed or imprinted hereon and attested with the manual or facsimile signature of its Secretary, all as of the Dated Date set forth above.

CABARRUS COUNTY DEVELOPMENT CORPORATION

[Corporate Seal]

By: _____
Michael K. Downs, President

Attest:

By: _____
Lauren Linker, Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Limited Obligation Bonds (County of Cabarrus, North Carolina Installment Financing Contract), Series 2024B evidencing a proportionate undivided interest in the right to receive certain Revenues pursuant to the within mentioned Contract and Indenture.

REGIONS BANK, as Trustee

Dated: [August __], 2024

By: _____
Lisa L. Moorehead, Vice President

Schedule I
Schedule of Initial 2024B LOBs and Additional 2024B LOBs

<u>Date</u>	<u>Initial 2024B LOBs:</u> <u>Principal Amount</u>
[08/__/2024]	\$XX,000,000

<u>Date</u>	<u>Additional 2024B LOBs:</u> <u>Principal Amount</u>
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[Insert Date and Principal Amount on date of each draw/deemed delivery of Additional 2024B LOBs]

[FORM OF ASSIGNMENT]

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please print or typewrite Name and Address,
including Zip Code, and Federal Taxpayer Identification or
Social Security Number of Assignee)

the within 2024B LOB and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney to register the transfer of the within 2024B LOB on the books kept for registration thereof,
with full power of substitution in the premises.

Dated: _____

Signature guaranteed by:

NOTICE: Signature must be guaranteed by a Participant in the Securities Transfer Agent Medallion Program ("Stamp") or similar program.

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within 2024B LOB in every particular, without alteration, enlargement or any change whatever.

TRANSFER FEE MAY BE REQUIRED

RESOLUTION APPROVING SHORT-TERM AND/OR LONG-TERM INSTALLMENT CONTRACT FINANCINGS OF VARIOUS PUBLIC PROJECTS IN AN AGGREGATE PRINCIPAL AMOUNT UP TO \$270,000,000; AUTHORIZING INTERIM INSTALLMENT CONTRACT FINANCINGS FOR SUCH PROJECTS IN AN AGGREGATE PRINCIPAL AMOUNT UP TO \$270,000,000; AUTHORIZING THE EXECUTION AND DELIVERY BY THE CABARRUS COUNTY DEVELOPMENT CORPORATION OF ONE OR MORE SERIES OF LIMITED OBLIGATION BONDS AND/OR CERTIFICATES OF PARTICIPATION RELATED THERETO, AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS

WHEREAS, the Board of Commissioners desires to undertake a proposed plan of financing in an aggregate principal amount of up to \$270,000,000, which plan would involve the entry by the County into one or more short-term and/or long-term installment financing contract(s) with the Cabarrus County Development Corporation (the “Corporation”) or one or more other third parties pursuant to North Carolina General Statutes §160A-20, as amended, the proceeds of which would be used to pay all or a portion of the costs of (i) the acquisition, construction, installation and equipping of one or more new buildings to be used as new public safety training facilities for the County, (ii) various site improvements related thereto, (iii) the acquisition, construction, installation and equipping of a new public elementary school, (iv) the acquisition, construction, installation and equipping of a new replacement public elementary school, (v) the acquisition, construction, installation and equipping of a new behavioral health facility and related facilities, (vi) the acquisition, construction, renovation, installation and equipping of the human services facility and related facilities, (vii) the acquisition, construction, installation and equipping of a new public library and senior center, (viii) the acquisition, construction, installation and equipping of a new addition at Fred L. Wilson Elementary School, (ix) the acquisition, construction, relocation, installation and equipping of the Mary Frances Wall Public School, (x) the acquisition, construction, relocation, installation and equipping of the Opportunity Public School, (xi) the acquisition, construction, installation and equipping of HVAC replacements at Rowan-Cabarrus Community College South Campus, (xii) the acquisition, construction, installation and equipping of roof replacements at various public school sites, (xiii) the acquisition, construction, installation and equipping of HVAC replacements at various public school sites, (xiv) the acquisition of any necessary rights-of-way and easements related to each of the foregoing (i) through (xiii) and (xv) various real and personal property improvements related to each of the foregoing (i) through (xiv) (collectively, the “2024B Projects”), and under said one or more short-term and/or long-term installment financing contract(s) the County would secure the repayment by the County of the

moneys advanced pursuant to such one or more short-term and/or long-term installment financing contract(s) by granting a security interest in and lien on all or some portion of the 2024B Projects and/or all or some portion of the real property upon which the 2024B Projects are located;

WHEREAS, as part of said proposed plan of financing, the Corporation may also execute and deliver one or more series of Limited Obligation Bonds and/or Certificates of Participation in said one or more short-term and/or long-term installment financing contract(s) in an aggregate principal amount not exceeding \$270,000,000 to finance the advancement of moneys to the County pursuant to said one or more short-term and/or long-term installment financing contract(s) between the County and the Corporation or one or more other third parties;

WHEREAS, as part of the proposed plan of financing for the 2024B Projects, the Board of Commissioners further desires to authorize interim financing, which may utilize either a fixed rate loan structure or a draw-down loan structure, for all or some portion of the 2024B Projects in an aggregate principal amount of up to \$270,000,000, which would involve the entry by the County into one or more short-term installment financing contract(s) with one or more third parties pursuant to North Carolina General Statutes §160A-20, as amended, the proceeds of which would be used to provide interim financing for all or some portion of the 2024B Projects pending execution and delivery of said one or more long-term financing contract(s) and the related Limited Obligation Bonds and/or Certificates of Participation, if any, and under said one or more short-term installment financing contract(s) the County would secure the repayment by the County of the moneys advanced pursuant to such short-term installment financing contract(s) by granting a security interest in and lien on all or some portion of the 2024B Projects and/or all or some portion of the real property upon which the 2024B Projects are located; and

WHEREAS, as part of said proposed plan of financing, the Corporation may also execute and deliver one or more series of Limited Obligation Bonds and/or Certificates of Participation in said one or more short-term installment financing contract(s) in an aggregate principal amount not exceeding \$270,000,000 to finance the advancement of moneys to the County pursuant to said one or more short-term installment financing contract(s) between the County and the Corporation or one or more other third parties;

WHEREAS, there have been submitted to this meeting draft forms of the following documents (the “Financing Documents”) with respect to the financing for the 2024B Projects:

(1) an Installment Financing Contract, proposed to be dated on or about August 1, 2024 (or such other date(s) as may be selected by the County), between the County and the Corporation (or one or more third parties) as counterparty (the “Contract(s)”), pursuant to which the Corporation (or such one or more third parties) will advance moneys to the County for the costs of the 2024B Projects and the County agrees to make periodic installment payments (the “Installment Payments”) to repay the moneys so advanced, with or without interest, as applicable;

(2) a Deed of Trust, Security Agreement and Fixture Filing (the “Deed of Trust”), proposed to be dated on or about August 1, 2024, among the County as Grantor, the Corporation (or such one or more third parties) as Beneficiary and the trustee named therein, by which the County would secure its obligations to the Corporation (or such one or more third parties) under the Contract(s);

(3) an Indenture of Trust, proposed to be dated on or about August 1, 2024 (the “Trust Indenture”), between the Corporation and the trustee named therein, as trustee (the “Trustee”), pursuant to which there may be executed and delivered from time to time Certificates of Participation and/or Limited Obligation Bonds, including, without limitation, the Limited Obligation Bonds (County of Cabarrus, North Carolina Installment Financing Contract), Series 2024B (collectively, the “Certificates and/or Bonds”), the proceeds of which will be used to advance the moneys to the County under the Contract(s); and

(4) a Contract of Purchase to be dated on or about August 1, 2024 (the “Contract of Purchase”), pursuant to which the 2024B Limited Obligation Bonds would be purchased from time to time by the purchaser(s) of the 2024B Limited Obligation Bonds;

WHEREAS, the obligations of the County to make Installment Payments and other payments pursuant to the Contract(s) shall constitute limited obligations of the County payable solely from currently budgeted appropriations of the County and shall not constitute a pledge of the faith and credit of the County within the meaning of any constitutional debt limitation;

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

WHEREAS, the Board of Commissioners desires to approve the Financing Documents and to authorize other actions in connection therewith;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners, as follows:

Section 1. All actions taken by or on behalf of the County to date to effectuate the proposed financing, including the selection of Maynard Nexsen Pruet PC, as special counsel, are hereby ratified, approved and authorized pursuant to and in accordance with the transactions contemplated by the Financing Documents.

Section 2. The Board of Commissioners hereby finds and confirms that (i) the 2024B Projects and the financing thereof by one or more installment financing contracts is necessary and expedient for the County; (ii) financing of the 2024B Projects by one or more installment financing contracts, under the circumstances, is preferable to a bond issue by the County; (iii) the sums to fall due under said one or more installment financing contracts are adequate and not excessive for their proposed purpose; (iv) the County's debt management procedures and policies are good and its debt will continue to be managed in strict compliance with law; (v) the increase in taxes, if any, necessary to meet the sums to fall due under said one or more installment financing contracts will not be excessive; and (vi) the County is not in default regarding any of its debt service obligations.

Section 3. The acquisition, construction and equipping of the 2024B Projects, the financing thereof and the granting of security interests therein, all as provided in the Financing Documents referenced in this Resolution, are hereby ratified and approved.

Section 4. Each of the Contract(s), the Contract of Purchase and the Deed of Trust is hereby approved in substantially the form submitted to this meeting, and each of the Chairman of the Board of Commissioners or the County Manager is hereby authorized to execute and deliver each of those documents in the name and on behalf of the County, with such changes, insertions or omissions as the persons executing such documents may approve, including but not limited to changes, insertions or omissions related to obtaining a policy of municipal bond insurance with respect to all or a portion of any Certificates and/or Bonds, their execution and delivery thereof to constitute conclusive evidence of such approval. The County Clerk is hereby authorized to affix the seal of the County to each of said documents as may be appropriate and to attest to the same.

Section 5. The Trust Indenture (including the form of Certificate and/or Bond) is hereby approved in substantially the form submitted to this meeting, with such changes, insertions or omissions as appropriate, including but not limited to changes, insertions or omissions related to obtaining a policy of municipal bond insurance with respect to all or a portion of any Certificates and/or Bonds, as the representative(s) of the County executing the Contract(s) may approve, the execution and delivery of the Contract(s) to constitute conclusive evidence of such approval. The Board of Commissioners hereby approves the sale of Certificates and/or Bonds by the Corporation in an aggregate principal amount not in excess of the amount of moneys to be advanced to the County pursuant to the Contract(s).

Section 6. Each of the Chairman of the Board of Commissioners, the County Manager and the Director of Finance are authorized to approve all details of the financing of the 2024B Projects, including, without limitation, the amount advanced under the Contract(s) and the aggregate principal amount of any Certificates and/or Bonds (which shall not exceed \$270,000,000), the maturities, the principal amounts and the interest amounts (if any) of the Installment Payments and any Certificates and/or Bonds, which interest amounts may be either fixed or variable rates and, if fixed rates, (calculated with respect to any Certificates and/or Bonds) shall not exceed 22.00% per annum on an effective interest cost basis, the prepayment terms and prices (which shall not exceed 103% of the principal amount being prepaid). Execution of the Contract(s) by the Chairman of the Board of Commissioners or the County Manager shall conclusively evidence such approval of all such details of said financing.

Section 7. The Chairman of the Board of Commissioners, the County Manager, the Director of Finance and the County Attorney are hereby authorized to take any and all such further action, including approval of modifications to the Financing Documents, and to execute and deliver for and on behalf of the County such other documents and certificates (including, without limitation, agreements with securities depositories, financing statements, one or more contracts of purchase or purchase agreements, one or more placement agreements, one or more private placement agreements or other offering documents or memoranda, tax certificates and agreements and other documents and agreements (including repurchase agreements) relating to the investment of the proceeds from the execution and delivery of the Contract(s)) as they may deem necessary or advisable to carry out the intent of this resolution and to effect the financing pursuant to the Contract(s) and the other Financing Documents. The County Clerk is hereby authorized to affix

the seal of the County to such documents and certificates as may be appropriate and to attest to the same and to execute and deliver the same as may be needed.

Section 8. The Finance Director shall prepare and file a sworn statement of debt with the LGC and the Clerk to the Board in accordance with North Carolina General Statutes Section 159-150.

Section 9. The County covenants that, to the extent permitted by the Constitution and laws of the State of North Carolina, it will do and perform all acts and things to comply with the requirements of the Internal Revenue Code of 1986, as amended (the “Code”), in order to assure that interest paid with respect to the 2024B Limited Obligation Bonds will not be includable in the gross income of the owners thereof for purposes of federal income taxation, except to the extent that the County obtains an opinion of bond counsel to the effect that noncompliance would not result in interest with respect to the 2024B Limited Obligation Bonds being includable in the gross income of the owners of the 2024B Limited Obligation Bonds for purposes of federal income taxation.

Section 10. This Resolution shall become effective immediately upon its adoption.

Adopted this 19th day of August, 2024.

Stephen M. Morris, Chairman
Cabarrus County Board of Commissioners

ATTEST:

Lauren Linker, Clerk to the Board

CABARRUS COUNTY



BOARD OF COMMISSIONERS WORK SESSION

**August 5, 2024
4:00 PM**

AGENDA CATEGORY:

Approval of Regular Meeting Agenda

SUBJECT:

BOC - Approval of Regular Meeting Agenda

BRIEF SUMMARY:

The proposed agenda for the August 19, 2024 regular meeting is attached.

REQUESTED ACTION:

Motion to approve the agenda for the August 19, 2024 regular meeting as presented.

EXPECTED LENGTH OF PRESENTATION:

1 Minute

SUBMITTED BY:

Lauren Linker, Clerk to the Board

BUDGET AMENDMENT REQUIRED:

No

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:

ATTACHMENTS:

- ▣ Proposed August 19, 2024 Regular Meeting Agenda

CABARRUS COUNTY



BOARD OF COMMISSIONERS REGULAR MEETING

**August 19, 2024
6:30 PM**

MISSION STATEMENT

THROUGH VISIONARY LEADERSHIP AND GOOD STEWARDSHIP, WE WILL ADMINISTER STATE REQUIREMENTS, ENSURE PUBLIC SAFETY, DETERMINE COUNTY NEEDS, AND PROVIDE SERVICES THAT CONTINUALLY ENHANCE QUALITY OF LIFE

CALL TO ORDER BY THE CHAIRMAN

PRESENTATION OF COLORS

INVOCATION

A. APPROVAL OR CORRECTIONS OF MINUTES

B. APPROVAL OF THE AGENDA

C. RECOGNITIONS AND PRESENTATIONS

1. Active Living and Parks - Senior Center Month
2. DSS - Child Support Awareness Month Proclamation

D. INFORMAL PUBLIC COMMENTS

E. OLD BUSINESS

F. CONSENT AGENDA

(Items listed under consent are generally of a routine nature. The Board may take action to approve/disapprove all items in a single vote. Any item may be withheld from a general action, to be discussed and voted upon separately at the discretion of the Board.)

1. Appointments - Adult Care Home Community Advisory Committee
2. Appointments - Mental Health Advisory Board
3. (Appointment) and Removal - Human Services Advisory Board
4. Active Living and Parks - Healthy Aging NC Grant
5. Construction Standard Construction Standards - Approval Of Funds For Demolition

Of Property at 4509 Manteo Drives - Approval Of Funds For Demolition OF Property at 4509 Manteo Drive

6. County Manager - Fiscal Year 2024 Funding Re-appropriations
7. County Manager - Messer GMP 3 for Behavior Health Center
8. Education - CCS / KCS Maintenance Agreement for Fiscal Year 2024-25
9. Finance - Reimbursement Resolution
10. Human Resources - Personnel Ordinance Changes
11. Library - Library Card Sign Up Month
12. Sheriff's Office - Acceptance of Governor's Highway Safety Program (GHSP) Grant Award
13. Sheriff's Office - Awarding of Service Weapon to Sgt. Michael Harris Upon Retirement
14. Sheriff's Office - Awarding of Service Weapon to Deputy Brandon Ayscue Upon Retirement
15. Tax Administration - Refund and Release Reports – July 2024

G. NEW BUSINESS

H. REPORTS

1. BOC - Receive Updates from Commission Members who Serve as Liaisons to Municipalities or on Various Boards/Committees
2. BOC - Request for Applications for County Boards/Committees
3. Budget - Monthly Budget Amendment Report
4. Budget - Monthly Financial Update
5. Communications and Outreach - Monthly Summary Report
6. County Manager - Monthly Building Activity Reports
7. EDC - June 2024 Monthly Summary Report

I. GENERAL COMMENTS BY BOARD MEMBERS

J. WATER AND SEWER DISTRICT OF CABARRUS COUNTY

K. ADJOURN

In accordance with ADA regulations, anyone who needs an accommodation to participate in the meeting should notify the ADA Coordinator at 704-920-2100 at least forty-eight (48) hours prior to the meeting.

CABARRUS COUNTY



BOARD OF COMMISSIONERS WORK SESSION

**August 5, 2024
4:00 PM**

AGENDA CATEGORY:

Closed Session

SUBJECT:

Closed Session - Pending Litigation

BRIEF SUMMARY:

A closed session is needed to discuss matters related to pending litigation as authorized by NCGS 143-318.11(a)(3).

REQUESTED ACTION:

Motion to go into closed session to discuss matters related to pending litigation as authorized by NCGS 143-318.11(a)(3).

EXPECTED LENGTH OF PRESENTATION:

1 Hour or More

SUBMITTED BY:

Mike Downs, County Manager

BUDGET AMENDMENT REQUIRED:

No

COUNTY MANAGER'S RECOMMENDATIONS/COMMENTS:
