

COUNTY OF CLEVELAND, NORTH CAROLINA
AGENDA FOR THE REGULAR COMMISSION MEETING

September 3, 2019

6:00 PM

County Commissioners Chamber

-
- **Call to Order and Determination of a Quorum** - Commission Chair
 - **Pledge of Allegiance and Invocation** (Please stand for the Pledge of Allegiance and remain standing for the Invocation)
 - **Recognition of Elected Officials**
 - **Recognition of Veterans**
 - **Recognition of Law Enforcement**
 - **Recognition of County Department Heads**

1. MOTION TO ADOPT THE PROPOSED AGENDA

(Only emergency items shall be added to the agenda. Upon approval of the Commission Chair and County Commission, the item will be added.)

2. CITIZEN RECOGNITION

The citizen recognition portion of the meeting is an opportunity for persons wishing to appear before the Commission to do so. Each presentation will be limited to three (3) minutes. The Board is interested in hearing citizen concerns, yet speakers should not expect comment, action, or deliberation on subject matter brought up during this segment. Topics requiring further investigation will be referred to the appropriate county agency.

3. CONSENT AGENDA

Motion to approve the following Consent Agenda items: (Consent items will be adopted with a single motion, second and vote, unless a request for removal from the Consent Agenda is heard from a Commissioner.)

- A. Minutes** Minutes from the June 4 and June 18, 2019 Regular

- | | | |
|----|------------------------------------|-----------------------------------------|
| | | Commissioners Meeting |
| B. | <u>Tax Administration</u> | Order of Collections 2019 |
| C. | <u>Emergency Management</u> | Budget Amendment (BNA#006) |
| D. | <u>Sheriff's Department</u> | Budget Amendment (BNA#007) |
| E. | <u>Health Department</u> | Budget Amendment (BNA#008) |
| F. | <u>Health Department</u> | Budget Amendment (BNA#009) |
| G. | <u>Finance</u> | Amendment to Audit Contract |
| H. | <u>Legal</u> | Ratification of Nondisclosure Agreement |

PUBLIC HEARINGS

After the public hearing has been opened, persons wishing to speak "for" or "against" the proposition will be asked to come forward and first state his or her name and address. All comments from the public are to be directed to the board. There are no comments directed at other members of the audience. If a speaker has a question, that question is to be directed to the Chair. No one will be allowed to speak at the hearing more than once unless the Chair recognizes a speaker a second time for rebuttal of information brought forth after the speaker has spoken. The original presentation by a speaker will be limited to no more than five (5) minutes. The rebuttal presentation will be limited to no more than three (3) minutes.

4. Mountainside Drive Road Paving Assessment
Chris Martin, Senior Planner
5. Case 19-09: Request to Rezone Property at 735 Winn Road from Residential (R) to General Business (GB)
Chris Martin, Senior Planner

REGULAR AGENDA

6. Final Resolution Installment Financing and Building Acquisition
Brian Epley, County Manager

COMMISSIONER REPORTS

ADJOURN

The next meeting of the Cleveland County Board of Commissioners will be held on Tuesday, September 17, 2019 at 6:00pm in the Commissioners Chamber.

COUNTY OF CLEVELAND, NORTH CAROLINA

AGENDA ITEM SUMMARY

Citizen Recognition

Department:

Agenda Title:

Agenda Summary:

Proposed Action:

ATTACHMENTS:

File Name

Description

No Attachments Available

COUNTY OF CLEVELAND, NORTH CAROLINA

AGENDA ITEM SUMMARY

Minutes

Department: Minutes

Agenda Title: Minutes from the June 4 and June 18, 2019 Regular Commissioners Meeting

Agenda Summary:

Proposed Action:

ATTACHMENTS:

File Name	Description
<input type="checkbox"/> 06-04-2019_Minutes.pdf	06042019 Minutes
<input type="checkbox"/> 06-18-2019_Minutes.pdf	06182019 Minutes

Cleveland County Board of Commissioners
June 4, 2019

The Cleveland County Board of Commissioners met in a regular session on this date, at the hour of 6:00 p.m. in the Commission Chamber of the Cleveland County Administrative Offices.

PRESENT: Ronnie Whetstine, Vice-Chair
Johnny Hutchins, Commissioner
Doug Bridges, Commissioner
Deb Hardin, Commissioner
Brian Epley, County Manager
Tim Moore, County Attorney
Phyllis Nowlen, Clerk to the Board
Kerri Melton, Assistant County Manager
Chris Green, Tax Administrator
Elliot Engstrom, Senior Staff Attorney
Allison Mauney, Human Resources Director
Perry Davis, Emergency Management Director/Fire Marshal
Lorie Poston, E-911 Communications Director
Ryan Wilmoth, Emergency Medical Services Director
Marty Gold, Information Technology Director
Jane Shooter, Interim Social Services Director
Greg Traywick, Ag Extension Director
Scott Bowman, Maintenance Director
Jason Falls, LeGrand Center Director
Sandra Orvig, Range Director
Betsy Harnage, Register of Deeds

ABSENT: Susan Allen, Chairman

CALL TO ORDER

Vice-Chairman Whetstine called the meeting to order and Commissioner Bridges provided the invocation and led the audience in the Pledge of Allegiance.

AGENDA ADOPTION

ACTION: Commissioner Hutchins made the motion, seconded by Commissioner Bridges and unanimously approved by the Board to, *approve the agenda as presented.*

SPECIAL PRESENTATION

2018 EXTENSION AND COMMUNITY ASSOCIATION UPDATE

Vice-Chairman Whetstine called Pat Farley, Extension and Community Association (ECA) County Council President to the podium to present the ECA update. Mrs. Farley stated there are three ECA clubs in Cleveland County located in Belwood, Boiling Springs and Lawndale with a total of twenty-eight members. Cleveland County's ECA chapter has recently completed their North Carolina Annual Report for 2018 which reviews the numerous events held in Cleveland County and documents the volunteer hours given by the ECA members. In 2018, the local ECA chapter had 3,470 volunteer ECA hours and 4,267 hours in other community service which totals 7,737 in volunteer hours. Mrs. Farley detailed the various projects and programs ECA members participate in throughout the county such as promoting safety and healthy environments, building healthy and strong families and fostering community and family resilience. She introduced several members from ECA who were present. The Board thanked the ECA members for all they continue to do for the citizens of Cleveland County.

CITIZEN RECOGNITION

Dr. Alden Sproull, Shelby – spoke about his concerns of firearm safety in Cleveland County. He spoke of his experiences as a doctor and several patients who were victims of firearms. Dr. Sproull discussed a recent incident in the Pebble Creek area where he resides. Dr. Sproull was standing in his back yard and heard two loud bangs which sounded like a firearm being discharged. Several weeks later, he was in his backyard and heard a volley of what sounded like firearms. Dr. Sproull contacted the Sheriff's Office and was advised there is no county ordinance regarding this matter. He concluded by stating he is not speaking about gun control but rather gun safety with respect to the proximity of homes and schools to gun ranges.

Lois Smith, 202 W. Zion Church Road, Unit 3, Shelby – spoke about issues at Cleveland County Animal Services shelter where she volunteers. Ms. Smith discussed the large number of animals that are being held in the shelter until their cases are processed through the court system. These holds are contributing to the over population of unadoptable animals at the shelter. Ms. Smith asked the Board for their assistance and guidance in having these and future court cases processed more quickly through the system.

CONSENT AGENDA

MONTHLY MANAGER'S REPORT

Cleveland County has been selected by the Office of the State Auditor to have an additional attest engagement performed on our participation in the Local Government Employees Retirement System. The County auditors, Thompson, Price, Scott, and Adams (TPSA), will examine the information requested along with reviewing the census data of Cleveland County as of December 31, 2018. The objectives of the examination are to (1) obtain reasonable assurance about whether the census data that was entered into the State retirement system is free from material misstatement based on information provided by the Office of the State Auditor; and (2) to express an opinion as to whether the census data is presented, in all material respects, in accordance with criteria set by the Retirement System's Handbook revised January 2018. TPSA should have this engagement completed by October 1, 2019. Below are a list of budget transfers included in the report.

BUDGET TRANSFERS LEGEND: D = DEPARTMENTAL; L = LATERAL

BUD #	BUDGET TYPE	DATE SUBMITTED BY DEPT	DEPT NAME TO	DEPT NAME FROM	EXPLANATION	BUDGET AMOUNT
231	D	5/1/2019	Adolescent Preg Prev Family Planning Nurse Family Partnership CAII CC4C PCM CODAP		To cover travel/training; contracted services; telecommunications	\$ 2,403
232	D	5/1/2019	Employee Wellness		To cover departmental supplies	\$ 500
233	D	5/1/2019	Electronic Maint		To cover inspection, maintenance, repairs - County Radio Towers - TIA Compliance	\$ 16,000
234	L	5/6/2019	Register of Deeds	Finance	To cover part time salaries for position moved fm Finance to ROD	\$ 5,000
235	NOT USED					
236	D	5/7/2019	Employee Wellness		To cover drug expense	\$ 10,000
237	D	5/9/2019	Register of Deeds		To cover redact services, notary fee and refund	\$ 561
238	D	5/10/2019	Maintenance		To cover travel/training & moisture assessment @ SIU Bldg	\$ 910
239	D	5/10/2019	Env Health		To cover dept supplies needed thru EOY	\$ 620
240	D	5/13/2019	Commissioners		To cover auto supplies; travel/training; telecommunications; prof servs; Clev Cup	\$ 18,646
241	D	5/13/2019	Manager's Office		To cover motor fuels; dept supplies; licenses/permits/certs; prof serv; Capital Eq	\$ 12,254
242	D	5/13/2019	Travel & Tourism		To cover dues/subscriptions & Microsoft Project Software	\$ 1,331
243	D	5/13/2019	Facilities Janitorial		To cover travel/training for usage of fleet vehicle	\$ 54
244	D	5/13/2019	JCPC Admin		To cover travel/training for usage of fleet vehicle	\$ 15
245	D	5/13/2019	Public Safety Grant		To cover license plate fee for eq1874	\$ 6
246	D	5/13/2019	Emergency Mgmt		To cover controlled assets exp	\$ 31
247	D	5/13/2019	Building Inspections		To cover dept supplies	\$ 400
248	D	5/13/2019	Coronor		To cover motor fuels; salaries/fringes thru Jan 31st payroll	\$ 11,243
249	D	5/13/2019	Public Shooting Range		To cover penalty exp thru June (NC DOR Tax Payments Fees)	\$ 211
250	D	5/13/2019	Planning/Zoning		To cover dept supply; contracted servs; maint contracts; board mtg exp and addl fds needed for GIS Server due to price change	\$ 1,510
251	D	5/13/2019	Mental Health (Partners)		To cover mental hlth transports thru June; cvr Boys & Girls Club Contribution	\$ 26,364
252	D	5/13/2019	Veteran Services		To cover add on sharp copier lease and increase in dues/subscriptions	\$ 373

BUDGET TRANSFERS LEGEND: D = DEPARTMENTAL; L = LATERAL

BUD #	BUDGET TYPE	DATE SUBMITTED BY DEPT	DEPT NAME TO	DEPT NAME FROM	EXPLANATION	BUDGET AMOUNT
253	D	5/13/2019	Debt Service		To cover lease pur payments for te year	\$ 22,287
254	L	5/13/2019	ic Courthouse (Earl Scrugg	Contingency	To cover purchase of historic artifacts supplies	\$ 151
255	D	5/13/2019	County Fire		To cover vaccines	\$ 121
256	D	5/13/2019	Cap Proj-EMS Polkville		To cover building exps	\$ 882
257	D	5/14/2019	Public Shooting Range		Corr b#249 posted to 422 acct instead of 442	\$ 211
258	D	5/14/2019	Health Dept Admin		To cover travel/training	\$ 500
259	D	5/13/2019	Board of Elections		To cover dues/subscriptions (MiF's)	\$ 332
260	D	5/15/2019	Employee Wellness		To cover prescription drugs order	\$ 10,000
261	L	5/15/2019	Municipal Grants	Contingency	To cover addl funding needed to cover Municipal Grants Parks/Recs Grants	\$ 2,860
262	L	5/17/2019	Emergency Mgmt	Contingency	To cover City of KM Fire Pymt missed from prev yrs	\$ 11,502
263	D	5/16/2019	WIC		To cover Medela order and contracted labor	\$ 10,467
264	D	5/16/2019	Child Health		To cover audiometers	\$ 332
265	D	5/16/2019	Employee Wellness		To cover addl funds needed for YE prescription drug orders	\$ 5,000
266	D	5/17/2019	WIC		To cover dept supplies and purch later file cabinets	\$ 1,522
267	D	5/17/2019	CODAP		To cover travel & training	\$ 971
268	D	5/20/2019	Health Dept Admin		To cover travel & training	\$ 1,600
269	D	5/20/2019	WIC		To cover invoices for promotional items purchased for giveaways	\$ 3,423
270	D	5/20/2019	WIC		To cover addl invoices for promotional items purchased for giveaways	\$ 566
271	D	5/21/2019	WIC		To cover funds needed to complete purch of breastpumps	\$ 46
272	D	5/20/2019	DSS-Admin		To cover computer eq purch and DSS director position ads	\$ 26,996
273	L	5/20/2019	Special Assist / Smart Start	Income Maint	To cover additional payroll	\$ 2,852
274	L	5/16/2019	EMS / Vol Rescue	EMS/Vol Rescue	To cover controlled assets & capital assets equipment purchases; advertising/rental	\$ 25,517
275	D	5/16/2019	Human Resources		To cover Travel & training and bank fees	\$ 2,022
276	L	5/20/2019	DSS Admin	Income Maint / Public Assist	To cover purchase of computer equipment	\$ 54,500
277	L	5/20/2019	DSS Admin / Outside Poor	Public Assist	To cover purchase fleet vehicles (\$53,022) and room & board exps for clients (\$129,470)	\$ 182,492
278	D	5/21/2019	Electronic Maint		To cover purch new computers	\$ 7,900

BUDGET TRANSFERS LEGEND: D = DEPARTMENTAL; L = LATERAL

BUD #	BUDGET TYPE	DATE SUBMITTED BY DEPT	DEPT NAME TO	DEPT NAME FROM	EXPLANATION	BUDGET AMOUNT
279	D	5/22/2019	WIC		To cover WIC EOY purchases	\$ 1,389
280	D	5/22/2019	Health Promotions		To cover Hlth Promotions EOY purchases	\$ 2,400
281	D	5/21/2019	Emergency Mgmt		To cover weather station for ARC Bldg	\$ 668
282	D	5/21/2019	Courts		To cover tvs and equipment for courtrooms	\$ 2,828
283	D	5/22/2019	Information Technology		To cover (2) laptops, NAS and Hard Drive Destructor	\$ 24,560
284	D	5/22/2019	Hlth Admin/Adult Hlth/Hlth Promos/APP/WIC/EH/NF P/CODAP/ACO/Dental		To cover YE purchases and account deficits	\$ 33,360
285	D	5/22/2019	Employee Wellness		To cover pharmacy fees	\$ 1,642
286	D	5/23/2019	Manned Sites		To cover purchase of snow plow	\$ 6,658
287	D	5/24/2019	WIC		To cover YE purchases	\$ 10,202
288	D	5/22/2019	Library		To cover YE departmental supply purchases	\$ 1,300

SERVICE WEAPON REMOVAL FOR RETIRING DEPUTY DAVID BRAMLETT

Sheriff Alan Norman requested retiring Deputy David Bramlett be presented his departmental service weapon. Deputy Bramlett will retire on June 30, 2019 after 21 years of full-time law enforcement service with the Cleveland County Sheriff’s Office. The service weapon requested to be removed from inventory is a Glock 9mm, Model 17, serial number BDKT-869 and County asset number 201158.

ACTION: Commissioner Hutchins made the motion, seconded by Commissioner Bridges, and unanimously adopted by the Board, *to approve the request to remove the service weapon from County inventory and issue to Deputy David Bramlett.*

SERVICE WEAPON REMOVAL FOR RETIRING DEPUTY RICK SHUFORD

Sheriff Alan Norman requested retiring Deputy Rick Shuford be presented his departmental service weapon. Deputy Shuford will retire on June 30, 2019 after 20 years of full-time law enforcement service with the Cleveland County Sheriff’s Office. The service weapon requested to be removed from inventory is a Glock 9mm, Model 17, serial number BDKT-779 and County asset number 201255.

ACTION: Commissioner Hutchins made the motion, seconded by Commissioner Bridges, and unanimously adopted by the Board, *to approve the request to remove the service weapon from County inventory and issue to Deputy Rick Shuford.*

SERVICE WEAPON REMOVAL FOR RETIRING CAPTAIN RICHARD ACUFF

Sheriff Alan Norman requested retiring Captain Richard Acuff be presented his departmental service weapon. Captain Acuff will retire on July 15, 2019 after 28 years of full-time law enforcement service with the Cleveland County Sheriff’s Office. The service weapon requested to be removed from inventory is a Glock 9mm, Model 17, serial number BBDTK-902 and County asset number 201149.

ACTION: Commissioner Hutchins made the motion, seconded by Commissioner Bridges, and unanimously adopted by the Board, *to approve the request to remove the service weapon from County inventory and issue to Captain Richard Acuff.*

HEALTH DEPARTMENT: BUDGET AMENDMENT (BNA #042)

ACTION: Commissioner Hutchins made a motion, seconded by Commissioner Bridges, and unanimously adopted by the Board to, *approve the following budget amendment:*

<u>Account Number</u>	<u>Project Code</u>	<u>Department/Account Name</u>	<u>Increase</u>	<u>Decrease</u>
012.539.4.800.00		Fam Planning/Misc Revenue	\$600.00	
012.539.5.420.00		Fam Planning/Contracted Services	\$600.00	

Explanation of Revisions: Budget allocation for \$600 the Health Department has received from Gardner-Webb University for providing a clinical rotation for their students in the Family Planning Clinic. The money will be used to support additional expenses for the Family Planning Program.

SHERIFF’S OFFICE: BUDGET AMENDMENT (BNA #043)

ACTION: Commissioner Hutchins made a motion, seconded by Commissioner Bridges, and unanimously adopted by the Board to, *approve the following budget amendment:*

<i>Account Number</i>	<i>Project Code</i>	<i>Department/Account Name</i>	<i>Increase</i>	<i>Decrease</i>
010.438.4.310.00	16607-P438	Sheriff’s Office Grants/Fed Gov’t Grants	\$5,497.00	
010.438.5.211.00	16607-P438	Sheriff’s Office Grants/Controlled Equipment	\$5,497.00	
<i>Explanation of Revisions: Budget allocation for \$5,497 in funds received from the 2018 Bulletproof Vest Partnership grant.</i>				

SHERIFF’S OFFICE: BUDGET AMENDMENT (BNA #044)

ACTION: Commissioner Hutchins made a motion, seconded by Commissioner Bridges, and unanimously adopted by the Board to, ***approve the following budget amendment:***

<i>Account Number</i>	<i>Project Code</i>	<i>Department/Account Name</i>	<i>Increase</i>	<i>Decrease</i>
010.438.4.310.00	16607-P438	Sheriff’s Office Grants/Fed Gov’t Grants	\$8,605.80	
010.438.5.211.00	16607-P438	Sheriff’s Office Grants/Controlled Equipment	\$8,605.80	
<i>Explanation of Revisions: Budget allocation for \$8,605.80 in funds received from the 2017 Bulletproof Vest Partnership grant.</i>				

REGISTER OF DEEDS: BUDGET AMENDMENT (BNA #045)


ACTION: Commissioner Hutchins made a motion, seconded by Commissioner Bridges, and unanimously adopted by the Board to, ***approve the following budget amendment:***

<i>Account Number</i>	<i>Project Code</i>	<i>Department/Account Name</i>	<i>Increase</i>	<i>Decrease</i>
010.419.4.510.00		Register of Deeds/State-Other Revenues	\$1,000.00	
010.419.5.322.00		Register of Deeds/Capital Equipment	\$1,000.00	
<i>Explanation of Revisions: Budget allocation for \$1,000 in additional revenues received over budgeted revenue to cover the increase of postage fees due to new passport program.</i>				

LEGAL: EASEMENT FOR SHELBY STREETSCAPE PROJECT

The County owns a property located at 103 South Lafayette Street in Uptown Shelby, Cleveland County Parcel Number 17081, commonly known as the Courthouse Square. The City of Shelby has requested permanent and construction easements on the corner portions of this piece of property. The purpose of the easements is to facilitate the City of Shelby’s continued work to beautify and develop Uptown Shelby. The exact portions of the property are included in the grant of easement.

ACTION: Commissioner Hutchins made the motion, seconded by Commissioner Bridges, and unanimously adopted by the Board, ***to approve the easement for the Shelby Streetscape Project.***



Resolution

Number 11-2019

Resolution Approving Grant of Easement to Another Unit of Government in North Carolina Pursuant to G.S. 153A-176, G.S. 160A-273, and 160A-274

WHEREAS, Cleveland County owns property located at 103 S. Lafayette Street in Shelby, Cleveland County Parcel Number 17081, further described in Exhibit A of the attached Deed of Easement, and further generally described as the “Courthouse Square”; and

WHEREAS, North Carolina General Statute § 153A-176 and North Carolina General Statute § 160A-273 authorize counties to grant easements over, through, under, or across any county property or the right-of-way of any public street or alley that is not a part of the State highway system; and

WHEREAS, North Carolina General Statute § 160A-274 authorizes a governmental unit in this state to exchange with, lease to, lease from, sell to, or purchase from any other governmental unit any interest in real or personal property upon such terms and conditions as the governmental unit deems wise, with or without consideration; and

WHEREAS, Cleveland County has determined that it is in the best interest of Cleveland County to convey the above-mentioned Grant of Easement to the City of Shelby, and deems it wise to do so for no consideration.

Now Therefore It Be Resolved, the CLEVELAND COUNTY BOARD OF COMMISSIONERS RESOLVES THAT:

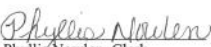
- Cleveland County hereby grants to the City of Shelby the easements described in the attached Deed of Easement.
- The easements described herein shall be granted for no consideration.

3. The Chairman of this Board is authorized to execute the attached Deed of Easement, along with any other documents necessary to convey the Grant of Easement in the manner authorized by this Resolution.

Adopted this the 4th day of June, 2019.

By: 
Susan Allen, Chairman
Cleveland County Board of Commissioners

ATTEST:


Phyllis Nowlen, Clerk
Cleveland County Board of Commissioners



Doc No: 200027185
Recorded: 06/10/2019 02:57:00 PM
Fee Amt: \$26.00 Page 1 of 8
Transfer Tax: \$0.00
Cleveland County North Carolina
Betsy S. Harnage, Register of Deeds
BK 1793 PG 641 - 648 (8)

NORTH CAROLINA

DEED OF EASEMENT

CLEVELAND COUNTY

THIS DEED OF EASEMENT made this 4th day of June, 20 19, by and between
Cleveland County GRANTOR(S), hereafter, collectively,
"OWNER(S)" and City of Shelby, GRANTEE, hereafter "GRANTEE";

WITNESSETH:

Owner(s) certifies they are all of the owners of certain real estate, hereafter referred to as "permanent easement" described on **Exhibit A** to this instrument; and the Parties have agreed it is in their best interests for Owner to grant and Grantee to accept a **permanent easement** in the easement premises for the purposes stated herein below;

THEREFORE, in consideration of the foregoing, the mutual covenants contained herein, the parties agree as follows:

- 1. Grant.** Owner hereby grants and conveys to Grantee a permanent easement in and upon the easement premises in the area described on **Exhibit A** to this instrument and attached hereto. Such area is hereafter referred to as the "permanent easement". The following rights are also granted: the right to install and maintain landscaping and hardscaping as shown on Exhibit A. Final landscaping and hardscaping may vary from that shown in Exhibit A and may change over time.
- 2. Purpose.** The Grantee and its assignees, if any, are hereby further granted the right within the easement area to construct, operate, maintain, improve, modify, or replace any landscaping or hardscaping together with rights of ingress and egress across all adjoining lands of Owner as may be necessary to the reasonable exercise of the rights herein granted.
- 3. Construction Easement.** Owner further grants to Grantee a temporary construction easement over the easement premises and outside of the actual or "approximate" location of the easement area as shown on Exhibit A for the purpose of installing, constructing, replacing or removing, as necessary from time to time, the landscaping and hardscaping specified above.

4. Owners Rights Reserved. Owner reserves the right to use the easement area in any manner which will not damage, impair, prevent or interfere with Grantee's installation or its exercise of the rights granted hereunder. Owners will not build or place any structure upon or substantially alter the easement area without the advance consent of the Grantee. Owner will have access to maintain two signs as shown on **Exhibit A** for the Earl Scruggs Center.

5. Assignment. Grantee may fully or partially transfer this easement without consent of or compensation to Owners. In the event of transfer, Owner's interests shall be protected to the same extent as hereunder.

6. Appearance. After completion of installation and construction, the Grantee at its sole expense will restore the appearance of the temporary construction easement area as nearly as reasonably possible to that, which existed immediately prior to such activity. The permanent easement will be constructed reasonably close to that which is shown in **Exhibit A**.

7. Maintenance. After completion of installation and construction of all landscaping and hardscaping, the Grantee at its sole expense will maintain the appearance of the easement area similar to that at the end of the construction and installation. Alterations in landscaping and hardscaping may occur at times, but will achieve a similar appearance.

8. Release. Owner hereby releases Grantee from all claims or rights of action now or hereafter accrued or acquired by them, due to injuries to any part of the **easement premises** or improvements thereon, resulting from Grantee's lawful activities carried out pursuant to this Agreement.

9. Binding Effect. All rights, title and privileges and all benefits and burdens herein granted or imposed shall **run with the land** (the **easement premises**) and shall be binding upon and inure to the benefit of the named parties, their respective heirs, personal representatives, successors and assigns.

10. Attachments. Exhibit "A" to this instrument, if attached, is incorporated herein by this reference as fully as if set out in the body of the text.

11. Other Terms. This writing contains **all** the terms of agreement.

TO HAVE AND HOLD the above described real property interest to the Grantee in perpetuity for the uses and purposes herein described. Owner covenants with Grantee that Owner is seized of the premises in fee simple, has the right to convey the Easement rights contained herein and will warrant and defend this conveyance against the lawful claims of all persons whomsoever, except for the following **EXCEPTIONS** to which Owners' title is subject:

NONE

IN WITNESS WHEREOF, the Owner(s) have set their hands the date above written.

OWNER(S)

Susan Allen

ATTEST: Phyllis Nowlen

- 2

STATE OF North Carolina

COUNTY OF Cleveland

I, April Wootts, a Notary Public of the County
of Cleveland and State of North Carolina, do hereby certify
that Susan Allen personally appeared before me this day and

acknowledged the due execution of the foregoing Deed of Easement, together with attached Exhibits.

WITNESS my hand and official seal this 4th day of June, 2019

April N. Cross
Notary Public

5-7-20

My Commission Expires:

(SEAL)



NORTH CAROLINA

CLEVELAND COUNTY

EXHIBIT "A" TO DEED OF EASEMENT by and between

Cleveland County AND City of Shelby

Dated June 4th, 2019.

The Easement Area is contained within that real property described in Record/Deed Book A, Page 015 and Plat Book N/A, Page N/A of the Cleveland County Registry.

LEGAL DESCRIPTION OF EASEMENT AREA:

See Exhibit A for easement areas

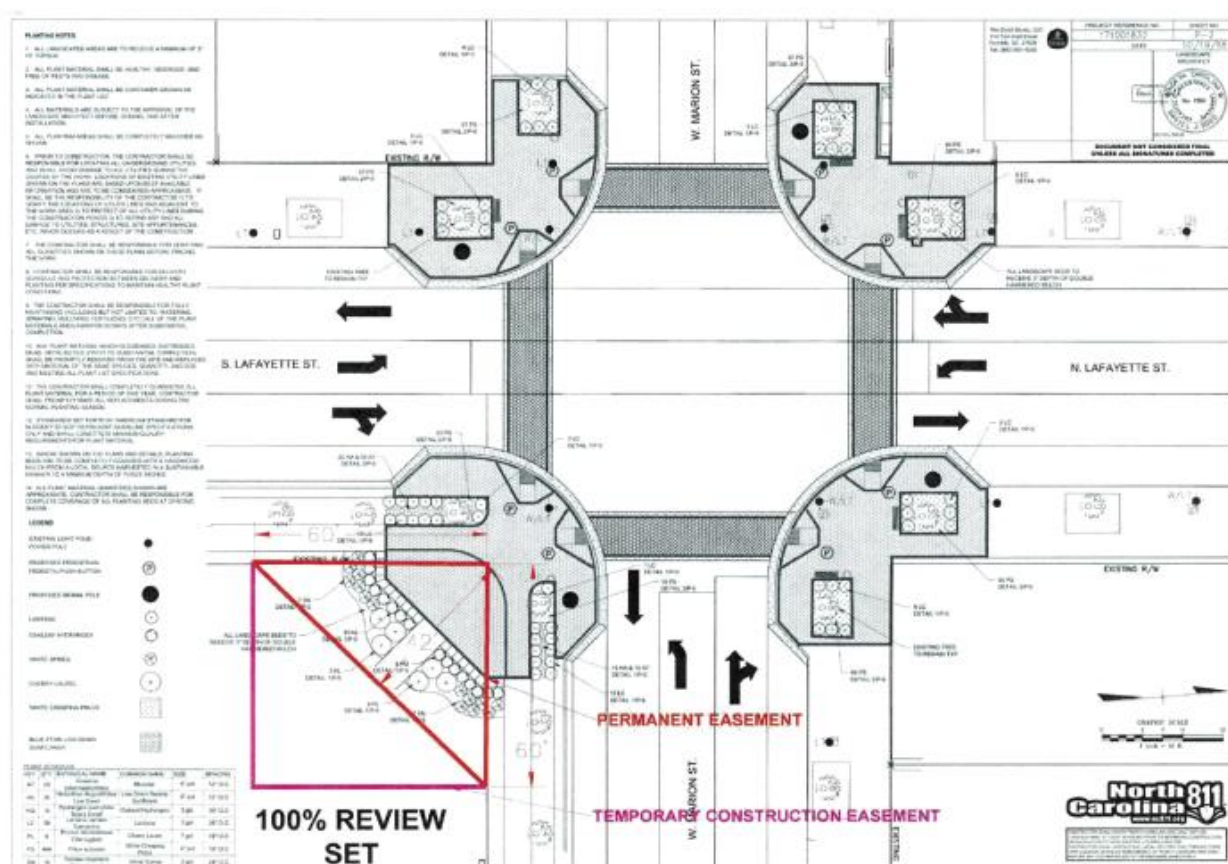
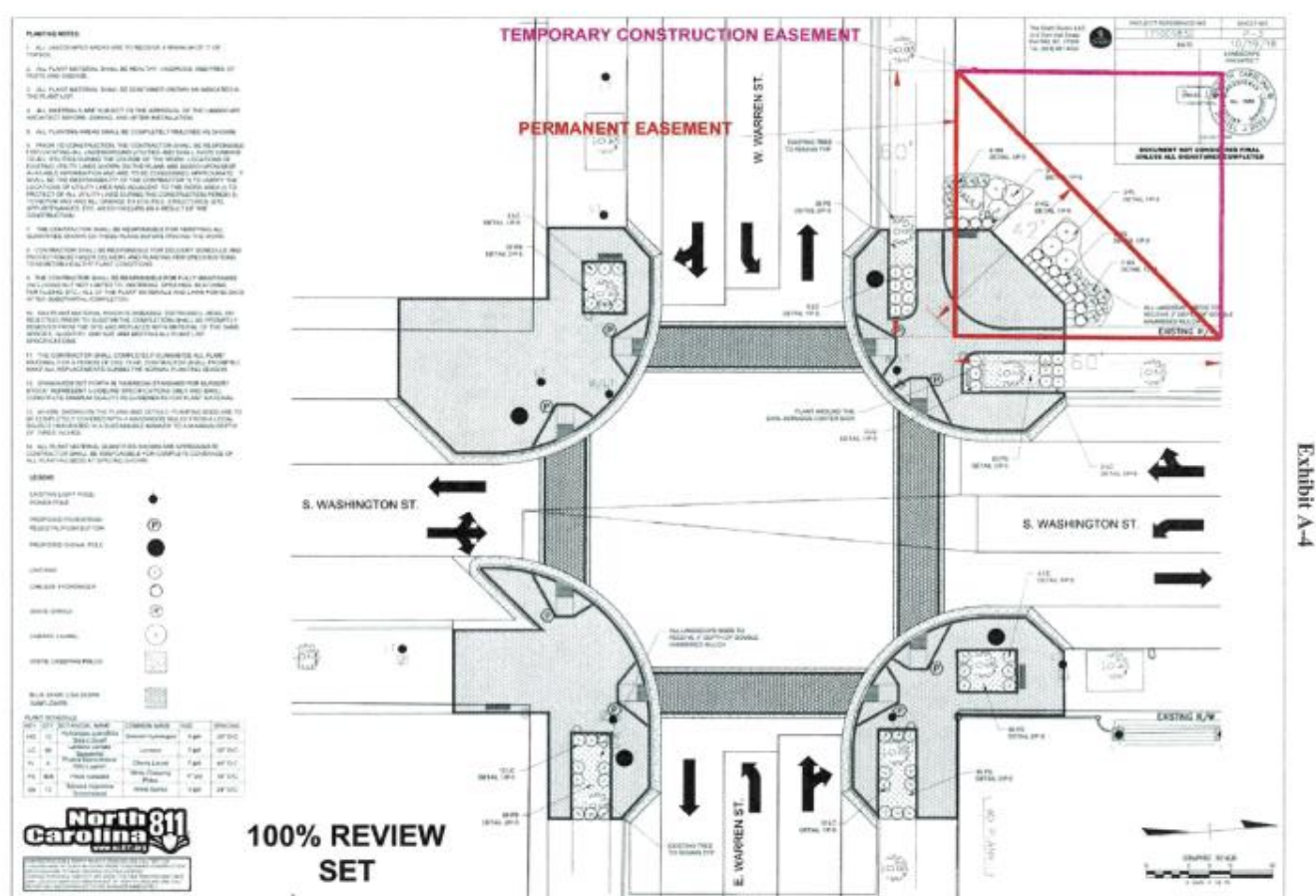
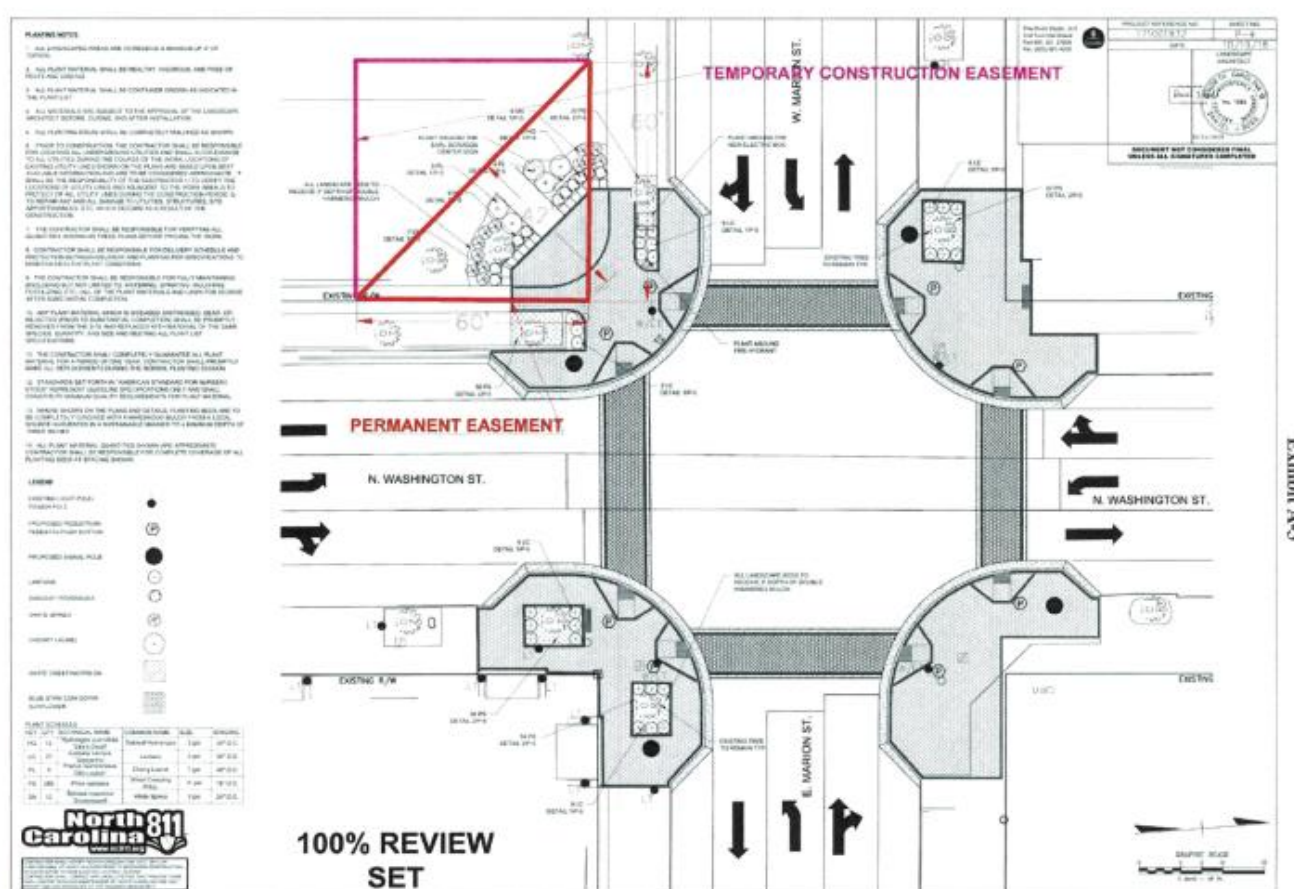
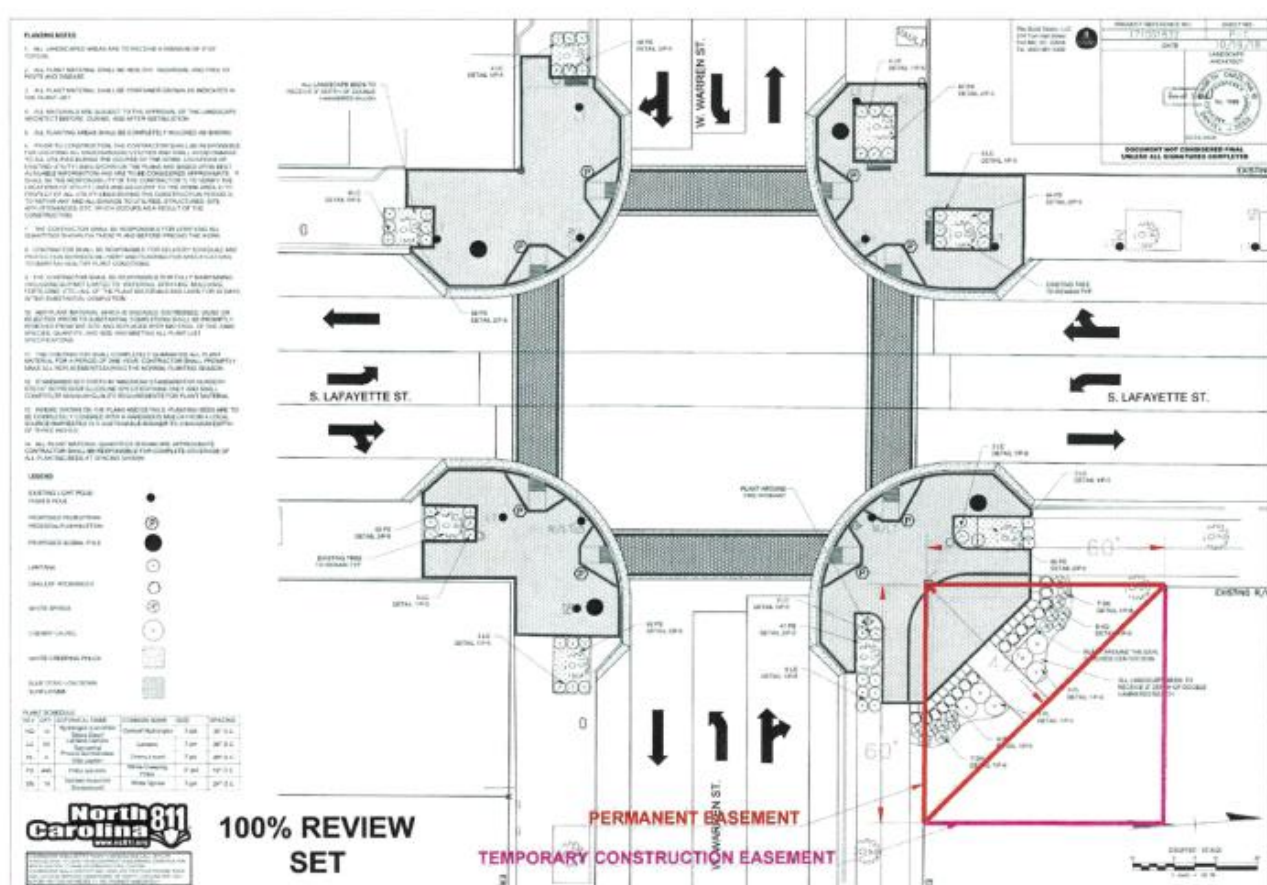


Exhibit A-1



LEGAL: TRANSFER OF PARCEL 18685 TO THE CITY OF SHELBY

The County owns a property located at 602 E. Warren Street in Shelby, Cleveland County Parcel Number 18685. This property is of no use to the County and it would be difficult to sell the property for any substantial value, as the property is subject to numerous liens from the City of Shelby. Transferring this property to the City of Shelby for no consideration would avoid a lengthy selling process. Staff from the City of Shelby have suggested that the city may use the property as part of its revitalization efforts.

ACTION: Commissioner Hutchins made the motion, seconded by Commissioner Bridges, and unanimously adopted by the Board, *to approve the transfer of parcel 18685 to the City of Shelby.*



PUBLIC HEARINGS

FY 2019 – 2020 COUNTY MANAGER’S RECOMMENDED BUDGET

Vice-Chairman Whetstine called County Manager Brian Epley to the podium to present the FY 2019 – 2020 County Manager’s Recommended Budget. Mr. Epley reminded the Board the budget has been available for public review over the last two weeks. The Board continues to maintain a very aggressive strategic plan that is updated each year. Staff’s goal is to have a priority-based budget that aligns with the Commissioner’s strategic plan. It is important to recognize there are competing priorities in the FY 2019 – 2020 budget. A priority setting methodology allows the Board and staff to recognize where we are and where we need to be. In developing a priority-based budget element such as essential services, emerging issues and supporting community partners must be looked at. In doing this, the budget will be balanced and priority based in helping our community move forward. County

Manager Epley presented a more detailed budget at the May 21, 2019 Commissioners Meeting. Mr. Epley reviewed the following PowerPoint to the Board.

Budget Summary
FY 19-20

Cleveland County
NORTH CAROLINA

COMPETING PRIORITIES

Balanced Priority Based Budget

Essential County
Functions

General Fund

FY 19-20 BUDGETED REVENUES

■ Ad valorem taxes
■ Restricted intergovernmental revenues
■ Sales and services
■ Miscellaneous
■ Local option sales taxes
■ Permits and fees
■ Investment earnings

Total Budgeted Revenues \$116,852,885

BUDGET MANAGEMENT

Total General Fund Budget

BUDGETED REVENUE SUMMARY

Tax Base Growth –
A) Clearwater Effect (3.42%) \$ 1,402,000
B) Natural Growth (1.69%) 848,000

Incentive Roll Offs 50,000
Budget Re-Engineering (year 5) 150,000

Total Available Budget for Prioritization \$ 2,450,000

FY 19-20 EXPENSE ALLOCATION

Human Services 31%
Cultural and Recreation 2%
Education 28%
Public Safety 25%
General Government 8%
Economic and Physical Development 6%

HEALTH AND DSS FUNDING

- No Operational Costs Shifts
- 2.5% Decrease since 2014

Health / DSS

PUBLIC SCHOOL FUNDING

Property Tax Revenue	\$ 13,467,648
Sales Tax Revenue	\$ 3,700,000
Local Operational Appropriation	\$ 10,250,000
Local Capital Appropriation	\$ 1,400,000
Sales Tax Capital Appropriation	\$ 1,450,000
Total	\$ 30,267,648

Public School System	2016	2017	2018	2019	2020
Per Pupil Funding	\$1,822	\$1,904	\$1,923	\$1,975	\$2,017

CLEVELAND COMMUNITY COLLEGE
FIVE-YEAR PLAN

FY 19	FY 20	FY 21	FY 22	FY 23
\$2,283,872	\$2,433,872	\$2,583,872	\$2,733,872	\$2,883,872

Local Funding Per FTE

% Cents given to CC

PUBLIC SAFETY FUNDING

Department	FY 14-15	FY 19-20	% Change
Detention Center	\$4,333,156	\$6,081,606	40%
Sheriff's Department	\$7,011,636	\$9,318,546	33%
Emergency Medical Services	\$6,462,508	\$7,385,043	10%
Emergency Management	\$400,341	\$395,538	-1%
E-911/Communications	\$1,400,409	\$1,267,075	-9.5%
Total Public Safety Budget	\$19,608,050	\$24,447,808	

Strategic Goals
Focus Areas



FY 19-20
FISCAL SUSTAINABILITY

Fiscal
Sustainability

- Finalize implementation of software system upgrade and identify improved business intelligence, efficiencies and customer service ✓
- Continued redevelopment of Personnel Ordinance to align with OSP ✓
- Position Cleveland County as employer of choice w/ sustainable competitive pay and employee wellness fund. ✓
- Fund Balance of at least 18% ✓
- Re-engineering Innovation & Implementation ✓
- Facility Master Plan Process & Long Term Capital Planning ✓

ECONOMIC DEVELOPMENT



- Maintain momentum and success in growing the County's tax base by: ✓
 - Expanding Workforce Development / Readiness
 - Analyze current property, prepare site due diligence and product development
 - Support CCEDP & existing industry
- Determine ways to assist the Agriculture community in their efforts to promote Agriculture as an economic development opportunity. ✓
- Dover Mill - Highest & Best Use ✓
- Develop a strategic plan for Travel and Tourism to market and promote Cleveland County as destination location. ✓
- Analyze current retail environment and develop retail recruitment strategies. ✓

PUBLIC SAFETY



- Development of options for a jail expansion which would improve efficiencies by co-location, manage increased capacity and consider other long-term capital needs in the County. ✓
- Continued focus on Animal Services to increase the number of unwanted births of animals. Review existing ordinance and current enforcement practices. ✓
- Continuation of goals from VFD Strategic Plan. ✓
- Evaluate Options for expanding broadband services to areas of the County which are not served ✓

COMMUNITY WELLNESS



- Focus on community health by engaging community partners aimed at lowering health rankings ✓
- Identify innovative placemaking strategies that enhance residents quality of life and position Cleveland County as a great place to live, work & play ✓
- Intentional focus on actively engaging in the fight against the opioid epidemic ✓
- Continued support of Partnering for Community Prosperity Project ✓

CITIZEN ENGAGEMENT



- Continue support of youth programs which provide life coaching, career assistance and education that insures our youth become productive adults. ✓
- Increase citizen engagement & communication through sharing of information about programs and services offered by Cleveland County. ✓
- Identify ways to increase Veterans support services by collaborating with Veterans support agencies in the County. ✓
- Support municipal collaboration and dialogue through Mayor's Roundtable. ✓
- Expansion and continuation of programs and educational materials to encourage a cleaner community. ✓

Community Partners
FY 19-20

COMMUNITY PARTNERS



Emerging Issues

EMERGING ISSUES

- Major Capital Improvement Planning
 - Jail Expansion
 - ERP Completion
 - Court Building
 - Social Services Building
- Medicaid Transformation
 - Reduction of Force
 - Further Service Consolidation
 - Un-Funded Mandates
- Risk Management
 - Operational/Legal Liability
- 2021 Revaluation
- Potential of Cooling Economy
 - State Board Valuations

Budget Summary

BUDGETED REVENUE/EXPENSE HIGHLIGHTS

REVENUE

Tax Base Growth –	A) Clearwater Effect	(3.42%)	\$ 1,402,000
	B) Natural Growth	(1.69%)	848,000
Incentive Roll Offs			50,000
Budget Re-Engineering (year 5)			150,000
Total Available Budget for Prioritization			\$ 2,450,000

EXPENSES

Employee Compensation	\$ 1,315,000
Employee Wellness	700,000
Road Paving Reserve	200,000
3 New FTE – Detention	138,000
Feasibility Analysis	67,000
Telemedicine Expansion	30,000
Total Prioritization Highlights	\$ 2,450,000

Solid Waste Fund



SOLID WASTE BUDGET SUMMARY

Fee Schedule - Phase III Implementation

Total Revenue - \$ 8,931,755

Total Expense - \$8,931,755

Questions?

The general fund is budgeted at \$116.8 million dollars. Fifty-six percent of the county’s total revenue in the FY 2019-2020 budget comes from ad valorem property taxes; that percentage compares favorably to peer counties. Additional revenues are generated from restricted intergovernmental revenues (19%) and 14% from local option sales tax. The budget is balanced on a .57 cent property tax rate with no recommendation for a tax rate increase. Health and Human Services continues to be the largest expense allocation in the budget. Approximately .31 cents out of every dollar spent goes to Health and Human Services. Mr. Epley reported there has been a 2.5% decrease in the overall Human Services budget since 2014. Education and Public Safety are the other top expense allocations in Cleveland County as they are in every other county in the state.

Public school funding maintains a .15 cent tax rate which generates \$13.4 million dollars in revenue with roughly 14,500 students in the county’s public-school system. Currently, there are 118 local education authorities in North Carolina; Cleveland County is ranked in the top fifty in local funding when compared to other counties across the state. The total FY 2019 – 2020 budget for Cleveland County Public Schools will be roughly \$30.2 million dollars, equaling to an average of \$2,000 per student. Mr. Epley then reviewed the local funding for Cleveland Community College and the proposed five-year funding plan to the Board which includes operational

money for the Advanced Manufacturing Center and new curriculums that will be onboarded over the next few years.

Commissioner's Strategic Goal focus areas Fiscal Sustainability, Economic Development, Citizen Engagement, Community Wellness and Public Safety overlap and inter connect with one other.

In the area of **Fiscal Sustainability** the County will focus on:

- Finalize implementation of software system upgrade and identify improved business intelligence, efficiencies and customer service
- Continued redevelopment of Personnel Ordinance
- Position Cleveland County as employer of choice w/ sustainable competitive pay and employee wellness fund
- Fund Balance of at least 18%
- Re-engineering Innovation & Implementation
- Facility Master Plan Process & Long-Term Capital Planning

Fiscal Sustainability is measured by four metrics; re-engineering, personnel requests, employee compensation and employee wellness. Three recommendations for re-engineering include an employee wellness dependent audit, LeGrand Center Culinary Program and automation and redesign (FTE Management). The first recommendation is an employee wellness dependent audit. Cleveland County is self-insured for the employee wellness fund. A lot of time, money and effort are invested into building a culture of wellness in the organization to include case management and wellness strategies to assist people make better health choices. A dependent audit is recommended to ensure the people on the county's health plan are eligible to be on the plan thus protecting the integrity of the health care plan and ultimately saving the county money.

Twelve new full-time employee requests (FTE) were received from the Sheriff's Office for the FY 2019 – 2020 budget. Included in the budget is three FTE Detention Officers at a cost of \$138,000 per year. Mr. Epley reminded the Board this is year two of a staffing analysis in the Detention Center. If the three new positions are approved, this will make a total of eleven new positions in that department over the last twelve months. The Board's commitment to multi-year strategies for the growth of Public Safety has increased the funding to 25% of the county's budget.

Employee compensation is included in the budget. A 2% increase (1.5% COLA, a .5% compression relief) across the organization is recommended. Also included in the budget is a 3% market adjustment for the Sheriff's Office. These increases will help keep Cleveland County competitive in the employment market.

The health fund is approaching \$10 million dollars. Medical inflation in this region continues to be in the double digits. Moving into the FY 2019 – 2020 budget year, an 8% increase is recommended which will take the monthly premiums from \$835 to \$900 per employee. The County will maintain a 100% employer contribution and dependent rates will remain flat, dependent rates, HSA contribution rates and an 80/20 health care plan.

The strategic goal of **Economic Development** continues to be important to the Board. A key focus is to maintain the momentum built in this area over the last several years with a specific focus on workforce development and readiness. Other avenues to keep the drive going include:

- Analyze current property, prepare site due diligence and product development
- Support CCEDP & existing industry
- Determine ways to assist the agriculture community in their efforts to promote agriculture as an economic development opportunity
- Dover Mill - Highest & Best Use
- Develop a strategic plan for Travel and Tourism to market and promote Cleveland County as destination location
- Analyze current retail environment and develop retail recruitment strategies

Avenues to achieve the strategic goal of the Board is **Public Safety** include:

- Development of options for a jail expansion which would improve efficiencies by co-location, manage increased capacity and consider other long-term capital needs in the County.
- Continued focus on Animal Services to increase the number of unwanted births of animals. Review existing ordinance and current enforcement practices.
- Continuation of goals from VFD Strategic Plan.
- Evaluate Options for expanding broadband services to areas of the County which are not served

Community Wellness is a new focus area for the Commissioners. Staff and Board members have worked hard to develop opportunities focusing on community health to lower Cleveland County's health ranking and identify innovative placemaking strategies that enhance resident's quality of life. The Board has intentional focus on actively engaging in the fight against the opioid epidemic and continues support of the Partnering for Community Prosperity Project.

The last focus area is **Citizen Engagement**. More effort is being made to engage and educate the people in the community. Other techniques for citizen engagement include:

- Continued support of youth programs which provide life coaching, career assistance and education that ensures our youth become productive adults.
- Increase communication through sharing of information about programs and services offered by Cleveland County.
- Identify ways to increase Veterans support services by collaborating with Veterans support agencies in the County.
- Support municipal collaboration and dialogue through Mayor's Roundtable.
- Expansion and continuation of programs and educational materials to encourage a cleaner community

In next year's budget, there is continuation of the municipal grant program. It is the intention of the Board to continue working with the county's municipalities for citizen engagement and promoting a healthy county.

The county is entering into Phase III of the solid waste fee schedule which was originally approved in the 2013 budget year. Phase III increases the tipping fees and the household fees. The solid waste department operates on a \$8.9 million-dollar revenue/expense budget. Several convenience center site improvements are in the budget including lighting, safety features and parking lots. The landfill is undergoing an expansion on Airport Road which will add an additional twenty to thirty years of life to the facility. This will save the county money long term as new sites will not need to be created.

	CURRENT PRICE		15% Increase in FY 19-20	
Solid Waste	\$41.00/Ton +\$2.00 Tax	\$43.00	\$47.15/Ton +\$2.00 Tax	\$49.15
C & D	\$22.48/Ton +\$2.00 Tax	\$24.48	\$25.85/Ton +\$2.00 Tax	\$27.85
Wooden Pallets		\$25.13		\$28.90
Fiberglass	\$17.00/Ton + \$2.00 Tax	\$19.00	\$17.00/Ton + \$2.00 Tax	\$19.00
Sludge/Alum Sludge	\$41.00/Ton +\$2.00 Sludge Fee	\$43.00	\$47.15/Ton +\$2.00 Sludge Fee	\$49.15
SLUDGE FEE	\$2.00 per ton	\$2.00	\$2.00 per ton	\$2.00
Mobile Homes		\$264.50		\$304.18
Yard Waste/Leaves		\$19.84		\$22.82
Mulch		\$10.00		\$10.00
Stumps		\$25.13		\$28.90
Friable Asbestos	\$41.00/Ton +\$2.00 Tax	\$43.00	\$47.15/Ton +\$2.00 Tax	\$49.15
Surcharge/Asbestos		\$150.00		\$150.00
Non-Friable Asbestos (Solid)	\$22.48/Ton +\$2.00 Tax	\$24.48	\$25.85/Ton +\$2.00 Tax	\$27.85
Dead Animals		\$1.32		\$1.52
Fowl		\$41.00		\$47.15
Livestock		\$6.61		\$7.60
Tires (Normal Course of Business)		\$0.00		\$0.00
Non-Documented Tires		\$132.25		\$152.09
PPG AFTER HOURS	\$117.00/hour	\$117.00	\$117.00/hour	\$117.00
Above and Beyond hours	\$30.00 per 15 minute increment	\$30.00	\$30.00 per 15 minute increment	\$30.00
Unsecured Load	\$200.00 per unsecured load	\$ 200.00	\$200.00 per unsecured load	\$ 200.00
Handle Fee (special waste)	\$150.00 per load	\$150.00	\$150.00 per load	\$150.00
S/W CVII (E-Waste Discount)	\$27.33/Ton + \$2.00 Tax	\$29.33	\$31.43/ton + \$2.00 Tax	\$33.43

Vice-Chairman Whetstine opened the floor to the Board for questions and comments. Commissioner

Bridges thanked Mr. Epley and his staff for the many hours and hard work that went into creating the FY 2019 – 2020 budget.

Vice-Chairman Whetstine opened the Public Hearing at 6:52 pm for anyone wanting to speak for or against the FY 2019 – 2020 County Manager’s Recommended Budget. *(Legal Notice was published in the Shelby Star on Friday, May 24, 2019 and Friday, May 31, 2019).*

Lois Smith, 202 W. Zion Church Road, Unit 3, Shelby – spoke neither for or against the recommended budget but thanked Mr. Epley for the items in the budget pertaining to Animal Services. She inquired if more funds could be added to Animal Services to assist in raising the salaries of the employees, hire more employees, public education and fund additional shelter needs. Ms. Smith expressed her concerns regarding Animal Services and thanked the Commissioners for the consideration in this matter.

Hearing no further comments, Vice-Chairman Whetstine closed the Public Hearing at 6:57 pm.

Vice-Chairman Whetstine opened the floor to the Board for questions and discussion. Commissioner Hutchins remarked about the growth of the County and the future plans and funding intended for departments such as the library, animal services and sheriff’s department. Staff has worked diligently to ensure goals are met and monies are budgeted to achieve these goals.

ACTION: Commissioner Hardin made a motion, seconded by Commissioner Bridges, and passed unanimously by the Board to, *approve the presented FY 2019 – 2020 County Manager’s Recommended Budget.*

REGULAR AGENDA

CLEVELAND COUNTY FAIR LANDSCAPE AND FENCE ENHANCEMENT PROJECT

Vice-Chairman Whetstine recognized Kerri Melton, Assistant County Manager, to present the Cleveland County Fair Landscape and Enhancement Project. Mrs. Melton reminded the Board this project was presented to them at their January work session. Staff began working on this endeavor three years ago to ensure funding was in

place. Cleveland County Government has partnered with the Cleveland County Fair Association on a landscape and fencing project on the East Marion Street side of the Fairgrounds property. The Fairgrounds Property is owned by Cleveland County and leased to the Cleveland County Fair Association. The Fair Association received a grant from the State of North Carolina for several projects on the property. One of those projects included replacement of the fence along Marion Street. The LeGrand Center and Cleveland Community College are located directly across from the fairgrounds. As Marion Street is a gateway into our community, it is important that the streetscape be consistent with that area on both sides of the road. The project includes lighting and irrigation, a six-foot fence with rock columns and natural screening. In 2018, Cleveland County contracted with the Dodd Studio to complete design and bidding of the proposed project. Bids were opened on May 29, 2019. Two bids were received on the project:

Shelby Nursery	\$303,506
TC Strickland	\$357,340

Dodd Studio, LLC is recommending the project be awarded to Shelby Nursery in the amount of \$303,506.00. The total project is expected to cost \$303,506. Cleveland County has budgeted \$150,000 for this project and the remaining funds will be provided by the Cleveland County Fair Association. Mrs. Melton reviewed the following PowerPoint to the Board.

Fairgrounds Landscape and Fencing Project



Kerri Melton
June 4, 2019

Fairgrounds Landscape and Fencing



Project Timeline

2016-2018	Discussions with Cleveland County Fair regarding project. County begins deferred capital plan for project.
July, 2018	Landscape Architect Review and Selection
December, 2018	Streetscape/Entry Concept Plan Received
January, 2019	First Draft Phasing Options report
April, 2019	Project out for bid
May, 2019	Bid opening

Existing Streetscape





Streetscape Concept Plan



Phase I

STREETSCAPE CONCEPT PLAN - A



Streetscape Concept Plan

PRECEDENT IMAGES






Shumard Oak


Yellowwood


Redbud

Cleveland County
NORTH CAROLINA

5

Project Cost

Cleveland County
NORTH CAROLINA

Estimate Project Cost

\$300,000

• Funding Cleveland County

\$150,000

• Funding Cleveland County Fair

\$150,000

Lowest Responsible Bidder

Shelby Nursery

\$303,506

PRESENTATION FOOTER

6

Next Steps

Cleveland County
NORTH CAROLINA

June, 2019

County Commissioners Award Bid
Hold Pre-construction meeting
Begin construction

Sept, 2019

Expected project completion

7

Cleveland County
NORTH CAROLINA

QUESTIONS??

8

Vice-Chairman Whetstine opened the floor to the Board for questions and discussion. Commissioners took turns discussing the screening and vegetation that will go around the fair grounds. Mrs. Melton reviewed the guidelines of the upkeep and maintenance of the vegetation outlined in the contract to the Board.

ACTION: Commissioner Bridges made the motion, seconded by Commissioner Hardin and unanimously adopted by the Board to, *approve the Fair Landscape and Fence Enhancement Project and award the lowest responsible bid to Shelby Nursery, Inc in the amount of \$303,506.*

THE STATE OF NORTH CAROLINA COUNTY OF CLEVELAND		AGREEMENT	Article 6.	BIDDER'S REPRESENTATIONS
KNOW ALL MEN BY THESE PRESENTS:			In order to induce OWNER to enter into this Agreement BIDDER makes the following representations:	
THIS AGREEMENT is dated as of the 16 th day of June in the year 2019 by and between			6.1 BIDDER has familiarized himself with the nature and extent of the Contract Documents, Work, locality and with all local conditions and federal, state and local laws, ordinances, rules and regulations that in any manner may affect cost, progress or performance of the Work.	
CLEVELAND COUNTY, NC (hereinafter called OWNER)			6.2 BIDDER has studied carefully all reports of investigations and tests of subsurface and latent physical conditions at the site which could affect cost, progress or performance of the Work which were relied upon by ENGINEER in the preparation of the Drawings and Specifications.	
SHELBY NURSERY, INC (hereinafter called BIDDER)			6.3 BIDDER has made or caused to be made examinations, investigations, tests, and studies of such reports and related data as he deems necessary for the performance of the Work at the Contract Price, within the Contract Time and in accordance with the other terms and conditions of the Contract Documents; and no additional examinations, investigations, tests, reports or similar data are or will be required by BIDDER for such purposes.	
OWNER and BIDDER, in consideration of the mutual covenants hereinafter set forth, agree as follows:			6.4 BIDDER has correlated the results of all such observations, examinations, investigations, tests, reports and data with the terms and conditions of the Contract Documents.	
Article 1.	WORK		6.5 BIDDER has given LANDSCAPE ARCHITECT written notice of all conflicts, errors or discrepancies that he has discovered in the Contract Documents and the written resolution thereof by LANDSCAPE ARCHITECT is acceptable to BIDDER.	
BIDDER shall complete all Work as specified or indicated in the Contract Documents. The Work is generally described as follows:			This Agreement will be effective on June 20, 2019.	
CLEVELAND COUNTY FAIRGROUNDS LANDSCAPE AND FENCE ENHANCEMENT PROJECT			CLEVELAND COUNTY OWNER By Susan R. Allen	
Article 2.	LANDSCAPE ARCHITECT		Shelby Nursery, Inc. BIDDER By Scott W. Scott	
The owner shall designate a representative, hereinafter called LANDSCAPE ARCHITECT and who will assume all duties and responsibilities and will have the rights and authority assigned to LANDSCAPE ARCHITECT in the Contract Documents in connection with completion of the Work in accordance with the Contract Documents.			(CORPORATE SEAL) ATTEST April C. Scott	
Article 3.	CONTRACT TIME 120 Consecutive Calendar Days		Address for giving notices P.O. Box 1210 Shelby, NC 28150 704-484-4800 Telephone Number 704-484-4930 Fax Number	
The Work will be substantially completed as indicated in the instructions to bidders section of this bid. Time period for completion of work to be modified as necessary, by the CLEVELAND COUNTY and/or LANDSCAPE ARCHITECT based upon weather conditions.			Address for giving notices 108 Berry Dr Shelby, NC 28150 (704) 471-1000 Telephone Number Scottree@MSD.com Fax Number	
Article 4.	CONTRACT PRICE \$303,506.00 Lump Sum (Base Bid and Alternate Total)		License No.	
OWNER shall make partial and final payments to BIDDER. Partial payments shall be based upon percentage of work completed less retainage. OWNER has ultimate approval of payment amounts.			Agent for service process	
Article 5.	PAYMENT PROCEDURES Upon final completion and acceptance of all Work, OWNER shall pay any remaining balance of Contract Price.			
JUNE 13, 2019	PAGE 1 OF 2 AGREEMENT BETWEEN CONTRACTOR & OWNER	JUNE 13, 2019	PAGE 2 OF 2 AGREEMENT BETWEEN CONTRACTOR & OWNER	

COMMISSIONERS REPORT

Commissioner Hardin – attended several events in the county such as the Shelby High School Graduation.

She also attended the JCPC Board meeting.

Commissioner Bridges – commented on the recent job fair that was held at the LeGrand Center. Over one hundred companies were in attendance to accept applications.

Commissioner Hutchins – gave an update on the upcoming veteran’s memorial services. He also attended several board meetings in that he serves on; The Council on Aging, MPO, Veteran’s Advisory Board and the Cleveland Community College Board of Trustees. He gave an update on the Foothills Shooting Complex expansion.

Commissioner Whetstine – attended the EMS Employee Recognition breakfast with several other Commissioners. Commissioners also visited the Department of Social Services to meet the new Director, Katie Swanson. Ms. Swanson will on board with the county on June 17, 2019. He also commented on the upcoming Distinguished Women’s Banquet hosted by the Commission for Women.

ADJOURN

There being no further business to come before the Board at this time, Commissioner Hardin made a motion, seconded by Commissioner Hutchins, and unanimously adopted by the Board, ***to adjourn the meeting***. The next meeting of the Commission is scheduled for ***Tuesday, June 18, 2019 at 6:00 p.m. in the Commissioners Chambers located at 311 E. Marion St., Shelby.***

*Ronnie Whetstine, Vice- Chairman
Cleveland County Board of Commissioners*

*Phyllis Nowlen, Clerk to the Board
Cleveland County Board of Commissioners*

Cleveland County Board of Commissioners
June 18, 2019

The Cleveland County Board of Commissioners met in a regular session on this date, at the hour of 6:00 p.m. in the Commission Chamber of the Cleveland County Administrative Offices.

PRESENT: Susan Allen, Chairman
Ronnie Whetstine, Vice-Chair
Johnny Hutchins, Commissioner
Doug Bridges, Commissioner
Deb Hardin, Commissioner
Brian Epley, County Manager
Tim Moore, County Attorney
Phyllis Nowlen, Clerk to the Board
Kerri Melton, Assistant County Manager
Chris Green, Tax Administrator
Elliot Engstrom, Senior Staff Attorney
Allison Mauney, Human Resources Director
Perry Davis, Emergency Management Director/Fire Marshal
Lorie Poston, E-911 Communications Director
Daryl Sando, Electronic Maintenance Director
Dorothea Wyant, Health Department Director
Katie Swanson, Social Services Director
Scott Bowman, Maintenance Director
Sandra Orvig, Range Director
Clifton Philbeck, Elections Director
Betsy Harnage, Register of Deeds

CALL TO ORDER

Chairman Allen called the meeting to order and Tax administrator Chris Green provided the invocation and led the audience in the Pledge of Allegiance.

AGENDA ADOPTION

ACTION: Commissioner Hardin made the motion, seconded by Commissioner Bridges and unanimously approved by the Board to, *approve the agenda as presented.*

CITIZEN RECOGNITION

Larry Beam, 106 Lariat Lane, Lawndale – advised there is a shooting range located close to his house. (Mr. Beam presented a map to the Commissioners showing the proximity he is referring to). Mr. Beam voiced his concerns regarding the amount of ammunition that is being used and the nuisance of the loud noise the range produces. He thanked the Board for their time and consideration in this matter.

Chairman Allen thanked Mr. Beam for his comments and advised the Planning Board has done their due diligence in regards to Sportsman's Dream Shooting Range. The business has been in operation for the last thirteen years and are properly zoned to operate.

Emanuel Hunt, Jr., 810 Pleasant Drive, Shelby – lives in the extraterritorial jurisdiction (ETJ) of Shelby and has great concerns about the lack of code enforcement and inspections in the ETJs. Mr. Hunt stated he lives in a hazardous condition and contacted the County and the City of Shelby asking for someone to come out and do an inspection. He was advised by both agencies they do not enforce any codes due to his residence being in the ETJ. Mr. Hunt asked the Board to look into this matter and resolve the issues in the county's ETJs.

CONSENT AGENDA

TAX COLLECTOR’S MONTHLY REPORT

The Tax Collector provided Commissioners with the following detailed written report regarding taxes collected during *May 2019*.

TOTAL TAXES COLLECTED MAY 2019			
YEAR	AMOUNT-REAL	AMOUNT-VEH	
DEF REV	\$0.00	\$0.00	
2018	\$347,990.25	\$0.00	\$347,990.25
2017	\$28,797.81	\$0.00	\$28,797.81
2016	\$11,102.03	\$0.00	\$11,102.03
2015	\$4,301.92	\$0.00	\$4,301.92
2014	\$3,194.46	\$0.00	\$3,194.46
2013	\$2,968.77	\$0.00	\$2,968.77
2012	\$1,244.99	\$414.87	\$1,659.86
2011	\$252.30	\$447.54	\$699.84
2010	\$259.17	\$138.07	\$397.24
2009	\$250.14	\$38.16	\$288.30
2008	\$0.00	\$161.17	\$161.17
TOTALS	\$400,361.84	\$1,199.81	\$401,561.65
DISCOUNT	\$0.00		
INTEREST	\$27,348.32	\$714.55	\$0.00
TOLERANCE	(\$6.71)	(\$2.09)	
ADVERTISING	\$1,286.00	\$733.24	
GARNISHMENT	\$13,463.57		
NSF/ATTY	\$207.26		
LEGAL FEES	\$552.21		
TOTALS	\$443,212.49	\$2,645.51	\$445,858.00
MISC FEE	\$0.00	\$0.00	
TAXES COLL	\$443,212.49	\$2,645.51	\$445,858.00
DEF	\$9,203.46	\$9,760.95	\$0.00
DISC	(\$25.77)	\$452,973.44	\$2,645.51
TOL	(\$0.50)		\$455,618.95
INT	\$583.76		
TOTAL TAXES UNCOLLECTED MAY 2019			
	AMOUNT-REAL	AMOUNT-VEH	COMBINED AMT
2018	\$1,635,690.08	\$0.00	\$1,635,690.08
2017	\$618,871.10	\$0.00	\$618,871.10
2016	\$347,093.84	\$0.00	\$347,093.84
2015	\$266,959.77	\$0.00	\$266,959.77
2014	\$219,193.52	\$0.00	\$219,193.52
2013	\$134,368.95	\$64,083.22	\$198,452.17
2012	\$102,525.55	\$73,174.51	\$175,700.06
2011	\$77,183.73	\$55,759.48	\$132,943.21
2010	\$69,824.53	\$53,125.40	\$122,949.93
2009	\$69,873.78	\$49,916.65	\$119,790.43
2008	(\$0.00)	\$0.00	(\$0.00)
	\$3,541,584.85	\$296,059.26	\$3,837,644.11
DEF REV	\$52,041.08	\$0.00	\$52,041.08
TOTAL UNCOLLECTED	\$3,593,625.93	\$296,059.26	\$3,889,685.19

TAX ABATEMENTS AND SUPPLEMENTS

The Tax Assessor provided Commissioners with a detailed written report regarding tax abatements and supplements during *May 2019*. The monthly grand total of tax abatements was listed as (\$1,100.31) and monthly grand total for tax supplements was listed as \$4,063.64.

FOOTHILLS SHOOTING COMPLEX: BUDGET AMENDMENT (BNA #046)

ACTION: Commissioner Whetstine made a motion, seconded by Commissioner Bridges, and unanimously adopted by the Board to, *approve the following budget amendment:*

Account Number	Project Code	Department/Account Name	Increase	Decrease
010.470.4.410.00		Shooting Range/Local & Other Grants	\$768.00	
010.470.5.210.00		Shooting Range/Departmental Supplies	\$768.00	
<i>Explanation of Revisions: Budget allocation for \$768.00 in grant award from the NRA Foundation for clay targets. The grant is also awarding the following merchandise: Winchester Light 12 gauge Shot Shells, Winchester 20 Gauge Shotgun Shells, Winchester 22LR High Velocity 36 grain copper plated Hp, Savage Stevens 555 O/U 20GA 26”, Savage Stevens 55 O/U 12GA 28”, Ruger 10/22 Carbine Autoloading Rifle 22LR, Echo-Sigma Trauma Kit and a thank you banner.</i>				

SOCIAL SEVICES: ENERGY OUTREACH PLAN

The Energy Outreach Plan is an Annual Plan the Department of Social Services sends to the state for a federally funded block grant for Energy Programs Outreach regarding Crisis and Low-Income Home Energy Assistance Program (LIHEAP).

ACTION: Commissioner Whetstine made a motion, seconded by Commissioner Bridges, and unanimously adopted by the Board to, approve the Energy Outreach Plan.

ClevelandCounty Department of Social Services/Human Services

ENERGY PROGRAMS OUTREACH PLAN

The Low Income Home Energy Assistance Program (LIHEAP) is a federally funded block grant program that is comprised of three different programs - Crisis Intervention Program (CIP), Low Income Energy Assistance Program (LIEAP) and Weatherization. There are also non-Federal Crisis Intervention Programs - Energy Neighbor, Share the Warmth, Wake Electric Round Up, and Helping Each Member Cope.

To maximize the success of this program, outreach to county residents through key community partner stakeholders, each county department of social services is required to develop and implement an Energy Program Outreach Plan (EPOP). This plan is a framework to assure that eligible households are made aware of the assistance available through these programs.

The county director and/or his/her designee is required to develop the EPOP, which addresses outreach and application activities related to the Energy Programs. The Outreach Plan is due to North Carolina Department of Health and Human Services (NCDHHS) by June 25, 2019.

Each county must form an outreach planning committee that creates the opportunity for county-level collaboration to discuss and plan how to effectively reach county residents to inform them of the services provided by the energy programs. The committee should meet at least twice yearly; September for outreach planning related to LIEAP and April to review the outcomes related to LIEAP and to plan for outreach activities for summer weather.

Energy Assistance Outreach Plan

Answer all questions below. Address CIP, non-Federal CIP, and LIEAP were appropriate:

COMMITTEE MEMBERSHIP

The Director of Social Services should engage a number of various community partners such as Vendors, Housing Authority, Public Libraries, Public School System/Local Colleges/Head Start, Legal Services, Meals on Wheels, Media, Public Health/Health Centers, Churches, Food Banks, Councils on Aging/Senior Centers, Community based Indian organizations, Volunteer Programs, Vocational Rehabilitation Offices, and Transportation, services, etc.

1. Provide a list of committee members and their agencies.

ACCESS Committee, Abuse Prevention Council Inc., Aldersgate United Methodist Church, Adventure House, Total Care of Shelby, Cleveland Community College, Cleveland Community College ESL Program, Cleveland County Council on Aging, Cleveland County Head Start Program, Cleveland County Health Dept., Cleveland Rutherford Kidney Association, Duke Energy, Grandparents Support Group Greater Cleveland County Baptist Association, Healthy at Home, Home and Community Block Grant, Hospice/Palliative Care, Hospice House, Isothermal Planning and Development, Kings Mtn. Crisis Ministry, Kings Mtn, Lions Senior Village, Ollie Harris Behavioral Health Center, Partners Behavioral Health Mangement, Red Cross, Salvation Army, Social Security Administration, Social Services Programs, United Way, West Warren Manor Office, YMCA of Boiling Springs, YMCA of Kings Mtn, YMCA of Shelby and area churches.

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Economic and Family Services

2. Provide potential meeting dates, times, locations, as well as agenda topics.

Agencies and area churches will be contactd and meetings will be held when necessary to coordinate our efforts in assuring eligible households are educated about our services for both CIP and LIEAP.

Define how DSS/DHS will work with the committee as well as any other agencies to collaborate regarding the Energy Program and how outreach will be provided to the citizens in your area.

Energy pamphlets will be provided to each agency with an explanation of our programs. Additional contacts will be made prior to the LIEAP start up date in December of each year to ensure everyone is educated and prepared to better assist eligible households regarding the LIEAP guidelines.

1. What is the process for referring customers? What marketing tools or items will be used (please provide a copy of your previous marketing materials & how you plan to enhance those in the future)?

Every agency listed in section one and area churches will be given pamphlets and all pertinent information to provide clients how and when to apply. We will now be able to share this information on our County Social Media sites as well.

2. What strategy does the county have, to continue collaborative efforts with community partners to complete outreach activities to target potential eligible households including individuals and families?

Continue to work closely with community partners in sharing program information, receiving feedback on successes and recommendations to better serve the clients, semi-annual contact with each partner for such information sharing as well as continued search for new organizations interested in joining our collaborative efforts.

3. What additional activities will be conducted to target households with members with children under 5, age 60 and over and disabled?

Agencies listed in section one target to serve adults disabled or 60 years or older and those focused on school age children under age 5. These agencies will be given the opportunity to assist in outreach efforts towards the target groups. We will be available to provide training and further education of programs as needed.

Media involvement is vital to the success to outreach activities. How will your county utilize media such as newspapers, social media, radio and television stations to publicize the Energy Programs?

Our agency works closely with our media partners in the community to promote the success of the Energy campaign providing information to support the communities needs and awareness of the assistance made available to them throughout the Energy CIP/LIEAP Campaigns.

1. Provide a list of media outlets that will be used as well as timeframes in which they will be contacted (provide examples of how the county can enhance these efforts):

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Economic and Family Services

The following newspapers, radio stations, and television stations will be contacted to request publication of the upcoming Energy Campaign. The Shelby Star, The Shelby Shopper, Cleveland Headline News, Cleveland Community College Broadcasting Station, The Kings Mtn Herald, Radio Stations WADA, WOHS, and WGWG.

ORGANIZATIONAL STRUCTURE:

Counties are required to provide application processes for CIP, non-Federal CIP programs, and/or LIEAP. This information must be reported to the NCDHHS annually.

1. Provide hours of operation, location and whether the programs are in house or contracted out. If your agency contracts out to other agencies attach the contract(s).

Our agency is open Monday - Friday 8-5. Energy applications are taken in house.

BEST PRACTICES:

Best practices are a method or technique that has been generally accepted as superior to any alternatives because it produces results. Best practices are essential to the program.

1. If your county has gone above and beyond what is listed on this form please provide this information below:

Cleveland County consistently works to strengthen community partnerships, vendors and local organizations for programs and services available to clients by providing support for one another, sharing of information and building of trust for our citizens need.

2. Any additional comments or activities for CIP, non-Federal CIP, and/or LIEAP:

None at this time

CONTACT INFORMATION:

Your contact information is essential to the success of the Energy Programs. Please complete the following information.

Name: Kerry Rice, Energy Program Coordinator

Address: PO Drawer 9006

Telephone: (704) 487-0661

Email: Kerry.Rice@ClevelandCounty.com

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Economic and Family Services

This plan must be approved by the local Board of Social Services/Human Services Board or local agency governing body prior to submission. Refer to the latest Dear County Director Letter for instructions on how to submit this document to the North Carolina State office.

Susan K. All

Board of Social Services/Human Services or governing body Signature

06/20/2019

Date

Kate Swann

Director's Signature

6/20/19

Date

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Economic and Family Services

PUBLIC HEARING

PLANNING DEPARTMENT: CASE 19-07; CODE TEXT AMENDMENT

Chairman Allen recognized Chris Martin, Senior Planner, to present case 19-07; code text amendment. Jay and Deborah Carpenter have filed a petition to amend Section 12-138 and 12-21 of the Cleveland County Unified Development Ordinance to allow accessory structures on lots without a residence. Currently, accessory structures such as private garages and storage buildings are only allowed on lots with a primary structure such as a house or commercial office. Section 12-21 of the Code states that an accessory building is “*a minor building that is located on the same lot as a principal building and that it is used incidentally to a principal building..... Garages, carports and storage sheds are common urban accessory structures.*” Mr. and Mrs. Carpenter have requested to add language that will allow accessory structures on lots without a primary structure if they meet the following criteria:

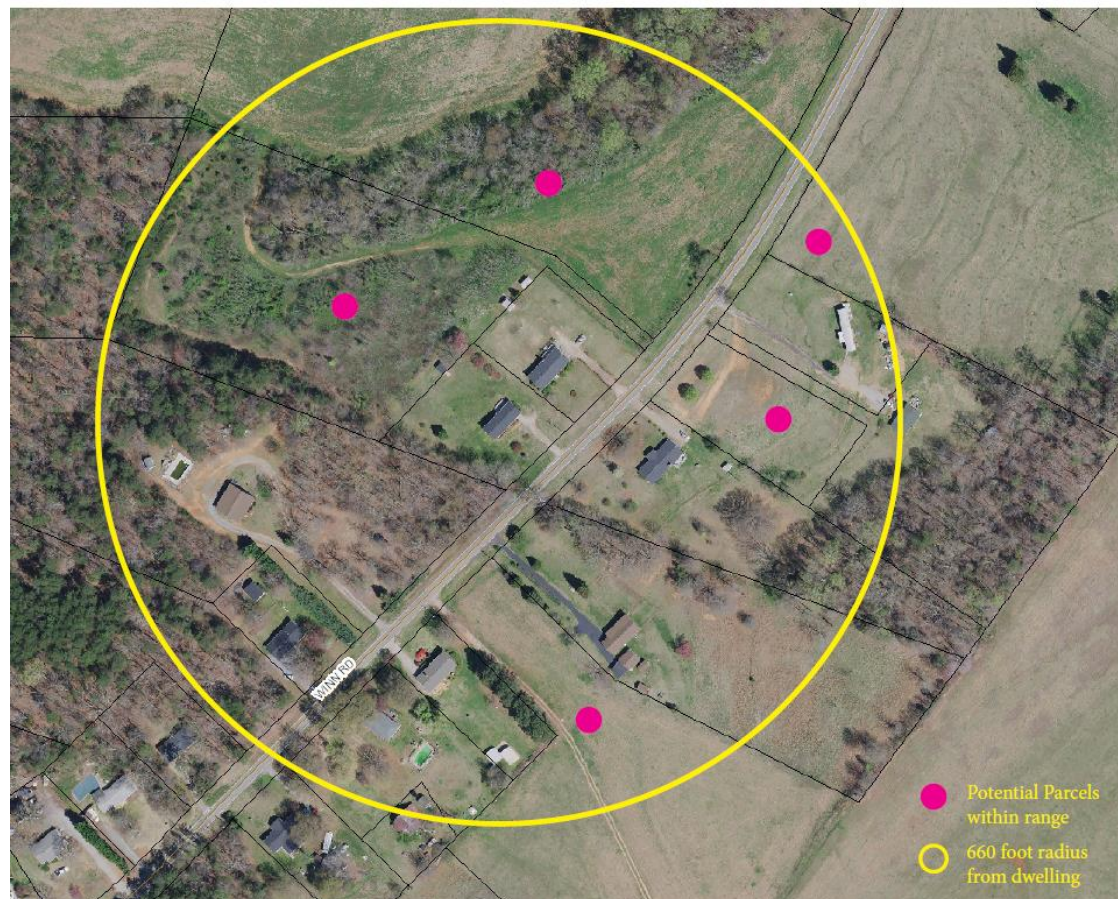
- Residential zoning districts only
- Accessory building lot is no more than 660 feet (1/8 mile) from landowner’s house lot
- Accessory building lot must be on the same road as the house lot
- Both accessory building lot and the house lot must have the same owner

The Planning Board voted unanimously to recommend denying the code amendment request 19-07 as written. The Board expressed concern about allowing an amendment that lessened the established Residential zoning restrictions across the entirety of Cleveland County. There was also concern about the potential creation of nonconforming lots and of businesses being established in accessory buildings placed on vacant residential lots. Planning Staff sent this case to Isothermal Planning and Development Commission (IPDC) for a recommendation. IPDC’s determination was the Planning Board was correct to recommend denying the proposed text amendment. They believe the cons of approving the text amendment greatly outweigh the pros. The primary reason they recommended denying this text amendment is, by allowing it may create non-conforming structures when one of the associated lots is sold individually. Additionally, allowing accessory structures to occupy lots without primary structures may pose a great risk to surrounding residential property values and may encourage unpermitted non-residential uses in residential districts. Staff also reached out to counties in the region to inquire if they allow accessory type buildings on vacant lots. Below are the responses received:

County and City Allowances for accessory buildings on vacant residential lots
(per NC listserv)

County/Municipality		Allowance
1	Person County	None
2	Charlotte	None
3	Eden	None
4	Forest City	Yes less than 1000sqft and more than 5ac
5	Chapel Hill	None
6	Summerfield	None
7	Vass	None
8	Gaston County	None
9	Polk County	None
10	McDowell County	None
11	Rutherford County	No County wide zoning
12	Whispering Pines	Allowed in RA, less than 1000 square feet, maximum height of 20 feet, must be enclosed
13	Rockingham County	None
14	Gibsonville	No
15	Albemarle	Yes on adjacent parcel
16	Camden County	No
17	Unionville	No
18	Hickory	No
19	Granville	Yes without power
20	Catawba County	No
21	Black Mountain	No
22	Belmont	No
23	Eden	No
24	Lincolnton	No
25	Garner	No

Winn Road - Carpenter Property



Chairman Allen opened the floor to the Board for discussion. Commissioners took turns commenting and questioning regarding the presented map and placement of accessory buildings on vacant property that does not adjoin primary residences. Commissioner Whetstine inquired if this case could be presented to the Board of Adjustment. Mr. Martin advised there is a process for variances. The Board of Adjustment has items they need to consider as defined by case law such as showing there is a hardship on the property. Mr. Martin also reminded the Board, if this text amendment were to pass, it would affect the entire county, not just the petitioner's property.

Chairman Allen opened the Public Hearing at 6:22 pm for anyone wanting to speak for or against case 19-07; code text amendment. (*Legal Notice was published in the Shelby Star on Friday, June 7, 2019 and Friday, June 14, 2019*).

Deborah Carpenter, 740 Winn Road, Mooresboro – is the land owner of 740 Winn Road and spoke in favor of the approving the code amendment. She advised, the property in question was purchased six months ago and stated it is very close to the primary residence. They do not need another dwelling nor the money to build one but they do need a storage building. Mrs. Carpenter detailed the conditions of the other residences in her neighborhood and stated she knows the amendment would affect the whole county. She thanked the Board for their consideration in the matter.

Jay Carpenter, 740 Winn Road, Mooresboro – is the other land owner of 740 Winn Road and spoke in favor of the approving the code amendment. Mr. Carpenter stated he and his wife purchased the property with the intent to build a building on it. He continued, there is no room in his back yard to build the structure due to the location of the septic system. He went to the Planning Department for a permit and was advised a “dwelling” would be required on the property in order to build an accessory building. Mr. Carpenter explained his frustration with the current code amendment and asked for the Commissioners assistance in resolving their dilemma.

Beth Triplett, 106 Robert’s Court, Boiling Springs – spoke in favor of approving the code amendment

and read the following letter to the Board:

6/18/219

To: Cleveland County Commissioners

From: Billy Mosley
1438 Mt. Sinai Church Road
Shelby, NC 28152

RE: Case #19-07 Zoning Code Amendment Section 12-138

This letter is in support of Jay and Deborah Carpenter’s effort to ask the County Commissioners to consider the Zoning Code Amendment. The definition of an “Accessory Building” that was given to Mr. and Mrs. Carpenter is vague at best. It differentiates between and urban accessory structures and farm accessory structures; however can the average person differentiate a storage shed that is considered an “urban accessory” and one used for “farm use”?

Furthermore, in Section 12-138, it is not directly stated that a residential dwelling must be present first, it gives size restrictions and location restrictions, but does not state a residential dwelling must be present first. Section 12-174 gives set back requirements, but again does not state a residential dwelling is required.

Mr. and Mrs. Carpenter simply want to build a storage building that meets building code requirements, on property that they own within a reasonable distance on their primary dwelling, but have been told they cannot do so for reasons that are not directly stated in the Zoning Code.

I personally find it difficult to understand that in a rural part of a mostly rural county that someone would be denied access to build a structure for equipment storage on their own property in which they pay county property taxes.

Driving through Cleveland County you can find countless areas zoned residential with accessory building falling in and in every state of disrepair yet the county has no issue with these structures and the dangers and unsightliness they provide. Yet, a resident looking to build a new structure is denied access due to a vaguely written code and the interpretation of this code.

Mr. and Mrs. Carpenter’s primary residential address is 740 Winn Rd. Mooresboro, NC 28114, this is not in a residential neighborhood or subdivision, this is a rural area, and within rural areas people own equipment such as tractors, large mowers, tractor implements, etc. This equipment involves large monetary investments. Many people would like to have a safe, weatherproof location to store this equipment and it is quite concerning that the county wants to step in and deny an individual the opportunity to do this, again, based on a vaguely written code.

Mr. and Mrs. Carpenter were told that by granting a building permit for them to build a storage shed on a lot across from their residence sets precedence for people living in neighborhoods and subdivisions wanting to do the same. This would be addressed in any Home Owner’s Association Covenant so they were denied a permit for a hypothetical that would already be addressed. I stress again, this is a rural area not a residential subdivision.

Furthermore, If one decided to take the counties’ interpretation that a dwelling must be present on the property before an “accessory building” is permitted to be built, then in theory Mr. and Mrs. Carpenter simply need to purchase and unsightly mobile home in disrepair and park it on the property. At that point they would be granted a permit, because once more, the code as written does not state the residential dwelling must be in livable condition. Having a zoning code that is left to interpretation can be a slippery slope depending on which side of the interpretation an individual is on.

As a resident of Cleveland County for more than 20 years, a small business owner, and a resident who owns and lives on property in a rural area of this county I would ask that the County Commissioners give consideration to this amendment and pass this amendment. By passing this amendment it will instantly help clarify and take the interpretation out of the current code.

Thank you for your time in addressing this issue.

Scott Skinner, 163 Guffey Drive, Shelby – spoke in favor of approving the code amendment. Mr. Skinner

stated he understands the importance of checks and balances however, since the Carpenters live in a rural area of the county, they should be allowed to build their storage building.

Frank Houser, 1228 Lake Allen Road, Mooresboro – spoke in favor of approving the code amendment.

Mr. Houser advised he also lives in a rural area of the county and doesn’t understand why an accessory building can’t be built on property he owns and pays taxes on.

Jeff Fitzgerald, 1209 W. Zion Church Road, Shelby – spoke in favor of approving the code amendment.

He also detailed his frustration with the lack of clarity in the current ordinance code and how it affects the entire county. He thanked the Board for their time and attention in the matter.

Hearing no further comments, Chairman Allen closed the Public Hearing at 6:36 pm.

Chairman Allen opened the floor to the Board for questions and discussion. Commissioner Hutchins stated the Planning Board does an excellent job however he would like more clarification regarding Section 12-138 and 12-21 of the Cleveland County Unified Development Ordinance. Commissioner Hardin agreed with Commissioner Hutchins and asked for further explanation on certain definitions that are laid out in the ordinance. Chairman Allen asked Mr. Martin to further explain county zoning. Mr. Martin advised the county has several types of residential zoning. The most common is plain residential and it is applied to the majority of the rural areas in the county.

There is not necessarily a difference between the rural areas and the developed neighborhoods, they are all zoned

residential. Within the residential zoning district there are development standards that have to be met. Examples of these include set backs from property lines and where accessory buildings can be located. The definition of an accessory building in the county's ordinance states it is a building that is on the same lot as a principal building. It further goes on to explain accessory buildings include garages, carports and sheds.

Commissioner Hutchins inquired, when this particular type of zoning was implemented. Mr. Martin stated the residential zoning district was set when the County adopted zoning. Commissioner Whetstine asked about agricultural zoning and its restrictions. Mr. Martin explained buildings zoned as agricultural are primarily used for that purpose and it would not apply in this situation.

ACTION: Commissioner Hutchins made the motion, seconded by Commissioner Hardin and passed 4-1 by the Board (Commissioner Whetstine opposed) to, *postpone the decision until the August 6, 2019 regular Commissioners meeting to allow the Board time to gather further information.*

REGULAR AGENDA

ACCELERATE CLEVELAND

Chairman Allen called Hugh Sandoe, Analytics and Optimization Coordinator, to the podium to present Accelerate Cleveland. Accelerate Cleveland is a 501(c)3 nonprofit, and is a public-private partnership between Cleveland County, Cleveland Community College, and private industries. The program receives funding from the county, as well as the partnering industries in order to pay tuition fees, and an hourly stipend to program participants. Accelerate Cleveland also solicits contributions from foundations and other community agencies. Upon completion of the program, participants are not guaranteed a job, but are given an opportunity to interview with each of the industry partners. This program is to give motivated, underemployed individuals a pathway to an entry level career in the manufacturing field. With over 9,000 individuals in Cleveland County employed full time but making less than a living wage, the goal of the program is to identify individuals who are trapped in their current economic situation, and provide a pathway to opportunity. As they do not have the supports needed to quit their job and receive training, participants receive an hourly wage of \$10 during the course of the program. This allows them to quit their job to return to school for a short period of time, bettering their opportunities while meeting the urgent need for a skilled workforce in Cleveland County.

The curriculum combines three core components: soft skills training, Certified Production Technician (CPT), and the Career Readiness Certificate (CRC). The core curriculum, the CPT, consists of four modules:

- Safety
- Quality practices and measurement
- Manufacturing processes
- Maintenance awareness

The 10-15 student initial class size will be hands on, and will also include tours of the partnering industries. This will allow candidates to understand job roles and expectations with each firm, and help them to make informed decisions regarding their employment at the end of the program. Mr. Sandoe presented the following PowerPoint.

Accelerate Cleveland

Work Force & Up-Skilling

Pre-Apprenticeship Training overview



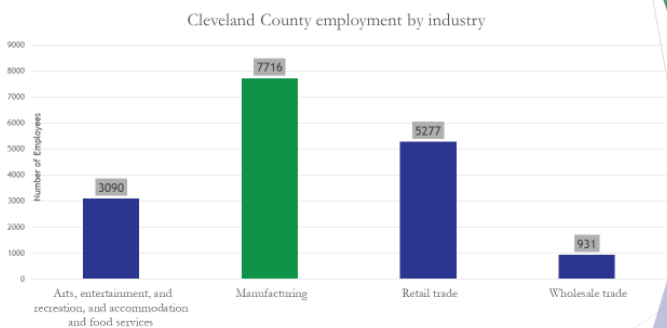
Past timeline

- ▶ Spring 2018- Project initiated
- ▶ November 2018- Industry project pitch
- ▶ Dec 2018-Feb 2019 Community informational meetings
- ▶ January 2019- Industry consensus meeting- structure and curriculum
- ▶ February 2019- Begin recruitment process
- ▶ February-May- Applicant screening, nonprofit formation
- ▶ June 2019- Class launch

Individual Incomes



Current Labor Market



Advantageous Market Sector Compensation



Who's in.....



Recruitment process

- ▶ Application screening- over 60 applicants
- ▶ 4 member panel interview
 - ▶ Community member, Community College Representative, County staff
- ▶ Career Readiness Certificate- silver level

Course Breakdown

- ▶ Certified Production Worker- 160 hours
- ▶ Soft skills- 54 hours
- ▶ Industry tours- 8 hours

Total: 7 weeks

CPT™ Certified Production Technician

Safety

- ▶ Work in a Safe and Productive Manufacturing Workplace

Manufacturing processes

- ▶ Set up equipment for the production process

Quality Practices and Measurement

- ▶ Use common measurement systems and precision measurement tools

Maintenance Awareness

- ▶ Perform preventive maintenance and routine repair

Soft skills

- ▶ Key areas include:
 - ▶ Communication and conflict management
 - ▶ Interviewing
 - ▶ Resume writing
 - ▶ Professionalism
 - ▶ Financial literacy

Industry Partnership

- ▶ Lunch and learns
- ▶ Industry tours
- ▶ Speed interviewing event
- ▶ Signing day
- ▶ Anticipated graduation date: 7/26

Questions- contact

Hugh Sandoe
Cleveland County Government
704-476-3039
hugh.sandoe@clevelandcounty.com

Chairman Allen opened the floor to the Board for questions and discussion. Each Commissioner commented on the positive affects this program will have on the citizens of the county.

ANIMAL LICENSING ORDINANCE UPDATE

Chairman Allen recognized Assistant County Manager Kerri Melton to present the Animal Licensing Ordinance Update. In 2013, the Cleveland County Board of Commissioners asked that an Animal Control Task Force be formed to address animal overpopulation in Cleveland County. The consensus of the task force members was to develop and implement Animal Registration Fees/Privilege License Fees for Cleveland County. An ordinance was developed in 2015 with recommended implementation in 2016. After concerns from the public, implementation of the ordinance has been delayed several times, most recently with the July, 2017 budget. The proposed license structure was developed to provide a financial incentive to owners of unaltered animals to opt for spaying/neutering. The proposed licensing/registration fee program allows the individual to make the decision to alter or not alter their animal, but fees are set at a higher rate for those who opt not to alter as the unaltered animals contribute to the overpopulation of animals. Over the last three years, Cleveland County has worked to look for alternative ways to reduce the overpopulation of animals. One of those strategies is development of a low cost spay/neuter program. All animals that become property of Cleveland County are spay/neutered prior to adoption. The county has also been very successful in creation of a Cat Diversion program which has significantly decreased the overpopulation of cats in the county. At their January work session, Commissioners directed staff to develop a committee to look at updating Chapter 3- Animals of the Cleveland County Code of Ordinances. This committee has met several times and will be making recommendations to the Board later this year. It is most appropriate to delay implementation of the Licensing/Registration program to ensure the program aligns with the revised ordinance. Mrs. Melton reviewed the following PowerPoint to the Board.



Animal Licensing Ordinance



Timeline

- 2013 Animal Control Task Force Created
- 2015 Licensing Ordinance Developed and Approved
- 2016 Expected implementation
- 2017 Implementation delayed two years
- Jan, 2019 Animal Ordinance Committee created



Steering Committee

- Animal Services Consultant
- Animal Services Employees
- Senior Staff Attorney
- County Manager representative
- Local Veterinarian
- District Court Judge
- Commissioner



Ordinance Committee Review

- Shelter
- Tethering
- Enforcement
- Licensing
- Leash Law
- Dangerous Dog





Action Items

OPTIONS

- Implement current Animal Licensing Ordinance
- Revoke current Animal Licensing Ordinance
- Delay implementation of Ordinance for further review by committee



Questions and Discussion

Chairman Allen opened the floor to the Board for questions and discussion. Commissioner Hutchins stated he was on the first animal control committee and the original ordinance was not given a unanimous vote. He agrees with having an animal licensing ordinance but disagrees with the method, fee amount and purpose of the ordinance. He continued by suggesting the purposed ordinance be sent to the Animal Services Steering Committee for review and a recommendation. Commissioner Bridges echoed Commissioner Hutchins thoughts and comments. Commissioner Hardin stated this ordinance is several years old and much has changed since then. She also suggested to send the purposed ordinance to the committee for evaluation and recommendation.

ACTION: Commissioner Hutchins made the motion, seconded by Commissioner Hardin and unanimously approved by the Board to, *delay implementation of the Animal Licensing Ordinance for further review by the Animal Services Steering Committee.*

BOARD APPOINTMENTS

BOILING SPRINGS PLANNING AND ADJUSTMENT BOARD

ACTION: Commissioner Hutchins made the motion, seconded by Commissioner Bridges, and unanimously adopted by the Board, *to re-appoint Pat Hamrick to serve as a member of this board*, for a period of three-years, scheduled to conclude June 30, 2022.

CLEVELAND COUNTY ADULT HOME CARE ADVISORY BOARD

ACTION: Commissioner Whetstine made the motion, seconded by Commissioner Hardin, and unanimously adopted by the Board, *to appoint Tina McNeilly to serve as a member of this board*, for a period of one-year, scheduled to conclude June 30, 2020.

CLEVELAND COUNTY CHILD FATALITY PREVENTION BOARD

ACTION: Commissioner Bridges made the motion, seconded by Commissioner Whetstine, and unanimously adopted by the Board, *to appoint DSS Director Katie Swanson and EMS Director Ryan Wilmoth to serve as non-expiring members of this board, and appoint Katie Baker to serve as a member of this board* for a period of two-years, scheduled to conclude June 30, 2021.

COMMUNITY CARE BLOCK

ACTION: Commissioner Whetstine made the motion, seconded by Commissioner Bridges, and unanimously adopted by the Board, *to appoint Nancy Abaisekong to serve as a member of this board*, for a period of two-years, scheduled to conclude June 30, 2021.

CLEVELAND COUNTY COMMISSION FOR WOMEN

ACTION: Commissioner Hutchins made the motion, seconded by Commissioner Hardin, and unanimously adopted by the Board, *to move Alva Finney and Beverly Shuford to non-voting ex-officio status and appoint Betsy Harnage to serve the unexpired term of Alva Finney whose term is scheduled to conclude on June 30, 2020 and appoint Patti Alexander to serve the unexpired term of Beverly Shuford whose term is scheduled to conclude on December 31, 2020*.

CLEVELAND COMMUNITY COLLEGE BOARD OF TRUSTEES

ACTION: Commissioner Bridges made the motion, seconded by Commissioner Hutchins, and unanimously adopted by the Board, *to re-appoint Craig DeBrew and Larry Hamrick Jr. to serve as members of this board*, for a period of one-year, scheduled to conclude June 30, 2020.

CLEVELAND COUNTY JURY COMMISSION BOARD

ACTION: Commissioner Hardin made the motion, seconded by Commissioner Bridges, and unanimously adopted by the Board, *to appoint Melissa Curtis to serve as a member of this board*, for a period of two-years, scheduled to conclude June 30, 2021.

CLEVELAND COUNTY JUVENILE CRIME PREVENTION COUNCIL

ACTION: Commissioner Whetstine made the motion, seconded by Commissioner Hutchins, and unanimously adopted by the Board, *to re-appoint Dr. Gregory Grier, Phil Weathers and Cathy Robertson to serve as members of this board*, for a period of two-years, scheduled to conclude June 30, 2021.

CLEVELAND COUNTY MEMORIAL LIBRARY BOARD OF TRUSTEES

ACTION: Commissioner Hardin made the motion, seconded by Commissioner Bridges, and unanimously adopted by the Board, *to re-appoint Michelle Garey to serve as a member of this board*, for a period of three-years, scheduled to conclude June 30, 2022.

CLEVELAND COUNTY NURSING HOME ADVISORY BOARD

ACTION: Commissioner Hardin made the motion, seconded by Commissioner Hutchins, and unanimously adopted by the Board, *to appoint Wanda Robinson and re-appoint Karen Waldrop to serve as members of this board*, for a period of three-years, scheduled to conclude June 30, 2022.

CLEVELAND COUNTY SOCIAL SERVICES ADVISORY BOARD

ACTION: Commissioner Whetstine made the motion, seconded by Commissioner Bridges, and unanimously adopted by the Board, *to re-appoint Susan Allen and Mary Accor to serve as members of this board*, for a period of four-years, scheduled to conclude June 30, 2023.

CLEVELAND COUNTY VETERAN'S ADVISORY BOARD

ACTION: Commissioner Hardin made the motion, seconded by Commissioner Hutchins, and unanimously adopted by the Board, *to re-appoint Marty Pendergraft to serve as a member of this board*, for a period of three-years, scheduled to conclude June 30, 2022.

REGION C WORKFORCE DEVELOPMENT BOARD

ACTION: Commissioner Whetstine made the motion, seconded by Commissioner Bridges, and unanimously adopted by the Board, *to re-appoint David Pharr and Vince Reese to serve as a member of this board*, for a period of three-years, scheduled to conclude June 30, 2022.

CLOSED SESSION

ACTION: Commissioner Whetstine made the motion, seconded by Commissioner Hardin, and unanimously adopted by the Board, *to go into closed session per N.C.G.S. 143-318.11(a)(3) to consult with an attorney in order to preserve the attorney-client privilege regarding Wal-Mart's tax appeal. (Copy of closed session minutes are sealed and found in Closed Session Minute Book).*

RECONVENE IN REGULAR SESSION

ACTION: Commissioner Hutchins made the motion, seconded by Commissioner Bridges, and unanimously adopted by the Board to, *reconvene in open session.*

Chairman Allen announced “*while in closed session, the Board gave direction to the attorney regarding the pending tax appeal by Wal-Mart, Inc.*”

ADJOURN

There being no further business to come before the Board at this time, Commissioner Hutchins made a motion, seconded by Commissioner Hardin, and unanimously adopted by the Board, *to adjourn the meeting*. The next meeting of the Commission is scheduled for *Tuesday, July 2, 2019 at 6:00 p.m. in the Commissioners Chambers located at 311 E. Marion St., Shelby*.

*Susan Allen, Chairman
Cleveland County Board of Commissioners*

*Phyllis Nowlen, Clerk to the Board
Cleveland County Board of Commissioners*

COUNTY OF CLEVELAND, NORTH CAROLINA

AGENDA ITEM SUMMARY

Order of Collections 2019

Department: Tax Administration
Agenda Title: Order of Collections 2019
Agenda Summary:
Proposed Action:

ATTACHMENTS:

File Name	Description
<input type="checkbox"/> Order_of_Collection_2019____StaffReport_(1).pdf	Order of Collections

STAFF REPORT

To: County Commissioners

Date: August 26, 2019

Via: Brian Epley, County Manager

From: Chris Green, Tax Administrator

Subject: Order of Collection (Consent Agenda)

Summary Statement: Adoption of Order directing the Tax Collector to collect taxes for 2019 and prior years.

Review: Please include the following Order under the consent agenda for your regular meeting scheduled for September 3, 2019. This Order is set forth in accordance with N.C.G.S. 105-321(b) and shall have the force and effect of a judgment and execution against real and personal property.

Pros:

-

Cons:

-

Fiscal Impact:

Recommendation: Adoption of Order (statutory requirement).

Attachment: Order

State of North Carolina

County of Cleveland

Order of Collection

To Necole' Richard, Tax Collector:

You are hereby authorized, empowered, and commanded to collect the taxes set forth in the tax records for the year 2019, and all taxes outstanding for tax years 2009 through 2018, as filed in the office of the Tax Collector and in the tax receipts herewith delivered to you, in the amounts and from the taxpayers likewise therein set forth. Such taxes are hereby declared to be a first lien upon all real property of the respective taxpayers in Cleveland County and this order shall be a full and sufficient authority to direct, require, and enable you to levy on and sell any real or personal property of such taxpayers, for and on account thereof, and to use or cause to be used, all remedies provided by law.

Adopted this, the 3rd day of September, 2019.

Susan Allen, Chair
Cleveland County Board of Commissioners

Attest:

Phyllis Nowlen
Cleveland County Clerk

COUNTY OF CLEVELAND, NORTH CAROLINA

AGENDA ITEM SUMMARY

Emergency Management: Budget Amendment (BNA#006)

Department: Emergency Management
Agenda Title: Budget Amendment (BNA#006)
Agenda Summary:
Proposed Action:

ATTACHMENTS:

File Name	Description
<input type="checkbox"/> bna006_09.03.19.pdf	Emergency Management: Budget Amendment (BNA#006)

BUDGET NEW - ORDINANCE AMENDMENT

BNA # 006SUBMITTED TO BOARD OF COUNTY COMMISSIONERS
FOR CONSIDERATION AT MEETING TO BE HELD ON:September 3, 2019

FROM: BUDGET OFFICER

THRU: FINANCE OFFICE

FOR DEPT: Emergency ManagementDATE: 7/16/2019

SIGNATURES:


Finance Director
Department Manager

Account Number	Project Code	Department	Account Name	Increase	Decrease
010.437.4.350.00	NCDPS-LEPC	Emergency Management	State Grant	\$ 1,000.00	
010.437.5.700.00	NCDPS-LEPC	Emergency Management	Grants	\$ 1,000.00	

Explanation of Revisions Budget funds from NC Department of Public Safety to be used to provide training, food, and supplies to the Local Emergency Planning Committee.

THE ABOVE AMENDMENT HAS BEEN APPROVED AND RECORDED IN THE MINUTES OF THE COUNTY COMMISSIONERS' MEETING ON _____
(Date)

Phyllis Nowien, Clerk to the BoardRETURN TO FINANCE OFFICE and Forward copy via email to Tonya.Sigmon@clevelandcounty.comcc: Personnel
cc: PurchasingBatch # _____
Date: _____
By: _____



North Carolina Department of Public Safety

Emergency Management

Roy Cooper, Governor
Erik Hooks, Secretary

Michael A. Sprayberry, Director

MEMORANDUM

To: DPS Fiscal
From: Lisa Patton, NCEM Homeland Security
Subject: Cost Report Setup for FY19 NC Tier II Noncompetitive MOA
Date: June 4, 2019

\$700

8/16/19

Attached is a fully executed Memorandum of Agreement between NCEM and Cleveland County. Please create a cost report based on the information below:

Federal share	0%	\$ 0.00
State share	100%	\$ 1,000.00
Local share	0%	\$ 0.00
Total	100%	\$ 1,000.00
Planning	100%	\$ 1,000.00
Organization	0%	\$ 0.00
Equipment	0%	\$ 0.00
Training	0%	\$ 0.00
Exercise	0%	\$ 0.00
Other	0%	\$ 0.00
Total	100%	\$ 1,000.00

Contact: Perry Davis
Sub-recipient: Cleveland County
Address: 100 Justice Place
Shelby, NC 28150-
Tax ID: 56-6000288

Award Number: T2-2019
MOA Number: T2-2019-1917
Cost Center: 1506-8064
Performance Period: January 1, 2019 – December 31, 2019

Thank you.

Lisa Patton





North Carolina Department of Public Safety

Emergency Management

Roy Cooper, Governor
Erik A. Hooks, Secretary

Michael A. Sprayberry, Director

NC Tier II Grant Fiscal Year 2019

Grant#: T2-2019

SUBAWARD NOTIFICATION

Perry Davis

Cleveland County
100 Justice Place
Shelby, NC 28150-

Period of Performance: January 1, 2019 to December 31, 2019

Project Title: LEPC Support

Total Amount of Award: \$1,000.00

MOA #: 1917

North Carolina Emergency Management (NCEM) is pleased to inform you that the federal Fiscal Year (FY) 2019 NC Tier II Grant has been approved for funding. In accordance with the provisions of FY 2019 NC Tier II Noncompetitive award, NCEM hereby awards to the foregoing sub-recipient a grant in the amount shown above.

Payment of Funds: The grant shall be effective upon final approval by NCEM of the grant budget and program narrative and the execution of the forthcoming Memorandum of Agreement. Grant funds will be disbursed (according to the approved project budget) upon receipt of evidence that funds have been invoiced and products received and/or that funds have been expended (i.e., invoices, contracts, itemized expenses, etc.).

Conditions: The sub-recipient shall understand and agree that funds will only be expended for those projects outlined in the funding amounts as individually listed above. Sub-recipient shall also certify the understanding and agreement to comply with the general and fiscal terms and conditions of the grant including special conditions; to comply with provisions of the 2 CFR 200 and all applicable laws governing these funds and all other federal, state and local laws; that all information is correct; that there has been appropriate coordination with affected agencies; that sub-recipient is duly authorized to commit the applicant to these requirements; that costs incurred prior to grant application approval will result in the expenses being absorbed by the sub-recipient; and that all agencies involved with this project understand that federal funds are limited to the period of performance. Sub-recipient must read and sign forthcoming Memorandum of Agreement for acceptance of the award.

For projects involving construction or the installation of equipment:

Prior to funds being expended from this award the sub-recipient must complete and submit an Environmental Planning and Historical Preservation form to NCEM for approval. On receipt of the approval letter from NCEM the sub-recipient may begin to expend grant funds.

Supplanting: The sub-recipients confirm that sub-grant funds will not be used to supplant or replace local or state funds or other resources that would otherwise have been available for homeland security activities. In compliance with that mandate, the sub-recipient will certify that the receipt of federal funds through NCEM shall in no way supplant or replace state or local funds or other resources that would have been made available for homeland security activities.

GRANT AWARD NOTICE: THIS AWARD IS SUBJECT TO THE GRANT SPECIAL CONDITIONS AND FINAL APPROVAL BY THE DEPARTMENT OF PUBLIC SAFETY, NORTH CAROLINA EMERGENCY MANAGEMENT GRANT PROGRAM BUDGET AND NARRATIVE



MAILING ADDRESS
4236 Mail Service Center
Raleigh NC 27699-4236
www.readync.org
www.ncdps.gov

OFFICE LOCATION
1636 Gold Star Drive
Raleigh, NC 27607-3371
Telephone: (919) 825-2500
Fax: (919) 825-2685



North Carolina Department of Public Safety

Emergency Management

Roy Cooper, Governor
Erik A. Hooks, Secretary

Michael A. Sprayberry, Director

NC Tier II Noncompetitive Grant

Fiscal Year 2019

Grant#: T2-2019

Memorandum of Agreement (MOA)

between

Grantor:

State of North Carolina
Department of Public Safety
Emergency Management

MOA #: 1917

DPS fund code: 1506-8064

Recipient:

Cleveland County
Tax ID/EIN #: 56-6000288
Duns #: 089146799

Award amount: \$1,000.00

Period of performance: January 1, 2019 to December 31, 2019

1. Purpose

This grant award supports the hazardous material preparedness activities of Local Emergency Planning Committees (LEPCs) as defined in the Emergency Planning and Community Right-to-Know Act (EPCRA). These funds are to be used by your county's or region's LEPC for hazardous materials emergency response planning, training, and related exercises. See Attachment 1: Allowable Expenditures.

2. Authority

In accordance with the provisions of N.C.G.S. §166A-29.1, North Carolina Emergency Management hereby awards to the foregoing Recipient a grant in the amount shown above.

3. Compensation

The Grantor agrees that it will pay the Recipient complete and total compensation for the services to be rendered by the Recipient. Payment to the Recipient for expenditures under this Agreement will be reimbursed after the Recipient's cost report, detailed invoices, and proof of payment are submitted and approved for eligible expenses. These documents must be submitted no later than January 31, 2020. The original signed copy of this MOA must be signed by the Official(s) authorized to sign below and returned to North Carolina Emergency Management no later than 45 days after the award date. The grant shall be effective upon return of the executed Memorandum of Agreement and final approval by North Carolina Emergency Management of the grant budget.

4. Conditions

The funds awarded under this grant must only be used by your county's or region's LEPC for the purposes of hazardous materials emergency response planning, training and exercises, as mandated in N.C.G.S. § 166A-29.1. Furthermore, the use of these funds must meet one or more of the follow criteria:

- A. Support costs incurred facilitating LEPC meetings (e.g. printing, general office supplies, food and non-alcoholic beverages)
- B. Support regional LEPC meetings and collaboration
- C. Enhance LEPC outreach efforts or produce promotional materials
- D. Host or support local and regional LEPC conferences

- E. Create or update hazardous material emergency response plans
- F. Support local or regional hazardous materials response exercises
- G. Support purchases of equipment necessary to support the LEPC and its mission

Purchases of equipment must be pre-approved in writing by the NCEM Hazardous Materials Group

H. Under no circumstances are the following items eligible for funding under this grant:

- Salaries or benefits for any employee
- Drone aircraft or unmanned aerial vehicles
- Support for programs not focused on hazardous materials preparedness

5. Regulation

The funds awarded under this grant must be used in compliance with all applicable state and federal laws to include compliance with N.C.G.S. §§ 143C-6-22, 143C-6-23 and 09 NCAC 03M. By accepting this payment, the Recipient agrees to use these funds in a manner consistent with state laws and regulations.

6. Taxes

Recipient shall be responsible for all taxes.

7. Warranty

As an independent recipient, the Recipient will hold the Grantor harmless for any liability and personal injury that may occur from or in connection with the performance of this Agreement to the extent permitted by the North Carolina Tort Claims Act. Nothing in this Agreement, express or implied, is intended to confer on any other person any rights or remedies in or by reason of this Agreement. This Agreement does not give any person or entity other than the parties hereto any legal or equitable claim, right or remedy. This Agreement is intended for the sole and exclusive benefit of the parties hereto. This Agreement is not made for the benefit of any third person or persons. No third party may enforce any part of this Agreement or shall have any rights hereunder. This Agreement does not create, and shall not be construed as creating, any rights enforceable by any person not a party to this Agreement. Nothing herein shall be construed as a waiver of the sovereign immunity of the State of North Carolina. Nothing in this Agreement is intended to conflict with current laws or regulations of the State of North Carolina, Department of Public Safety, North Carolina Emergency Management, or the Recipient. If a term of this agreement is inconsistent with such authority, then that term shall be invalid, but the remaining terms and conditions of this agreement shall remain in full force and effect.

8. Points of contact

To provide consistent and effective communication between the Grantor and Recipient, each party shall appoint a Principal Representative(s) to serve as its central point of contact responsible for coordinating and implementing this MOA. The Department of Public Safety, North Carolina Emergency Management contact shall be, Assistant Director for Administration, Grants Management Branch Staff, and NCEM Field Branch Staff. The Recipient's point of contact shall be the person designated by the Recipient.

9. Public record access

This agreement may be subject to the North Carolina Public Records Act, Chapter 132 of the North Carolina General Statutes.

10. Situs

This Agreement shall be governed by the laws of North Carolina and any claim for breach or enforcement shall be filed in State Court in Wake County, North Carolina.

11. Antitrust laws

This Agreement is entered into in compliance with all State and Federal antitrust laws.

12. Other provisions/severability

Nothing in this Agreement is intended to conflict with current laws or regulations of the State of North Carolina, Department of Public Safety, North Carolina Emergency Management, or the Recipient. If a term

of this agreement is inconsistent with such authority, then that term shall be invalid, but the remaining terms and conditions of this agreement shall remain in full force and effect.

13. Compliance

Recipient shall be wholly responsible for the purchases to be made under this MOA and for the supervision of its employees and assistants. Recipient shall be responsible for compliance with all laws, ordinances, codes, rules, regulations, licensing requirements and other regulatory matters that are applicable to the conduct of its business and purchase requirements performed under this MOA.

14. Entire agreement

This agreement and any annexes, exhibits and amendments annexed hereto and any documents incorporated specifically by reference represent the entire agreement between the parties and supersede all prior oral and written statements or agreements.

15. Modification

This agreement may be amended only by written amendments duly executed by the Grantor and the Recipient.

16. Termination

The terms of this agreement, as modified with the consent of all parties, will remain in effect until December 31, 2019. Either party upon thirty (30) days advance written notice to the other party may terminate this agreement. Upon approval by NCEM Hazardous Materials Group and the issuance of the Grant Adjustment Notice, if this MOA is extended, the termination date for the extension will be the date listed in the applicable Grant Adjustment Notice. Failure to provide applicable cost reports, proof of payment and/or a deobligation request letter by January 31, 2020 will result in an automatic deobligation of grant funds.

17. Execution and effective date

This grant shall become effective upon return of this original Memorandum of Agreement, properly executed on behalf of the Recipient, to North Carolina Emergency Management and will become binding upon execution of all parties to the Agreement. The terms of this Agreement will become effective January 1, 2019. The last signature shall be that of Erik A. Hooks, Secretary for the North Carolina Department of Public Safety.

18. Certification of eligibility - Under the Iran Divestment Act

Pursuant to N.C.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 N.C.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, N.C.G.S. § 147-86.55 et seq.* requires that each vendor, prior to contracting with the State certifies, and the undersigned on behalf of the Vendor does hereby certify, to the following:

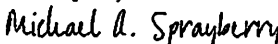
- A. That the vendor is not identified on the Final Divestment List of entities that the State Treasurer has determined engages in investment activities in Iran
- B. That the vendor shall not utilize on any contract with the State agency any subcontractor that is identified on the Final Divestment List
- C. That the undersigned is authorized by the Vendor to make this Certification

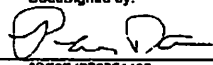
The State Treasurer's Final Divestment List can be found on the State Treasurer's website at the address: <https://www.nctreasurer.com/inside-the-department/OpenGovernment/Pages/Iran-divestment-Act-resources.aspx> and will be updated every 180 days. For questions about the Department of State Treasurer's Iran Divestment Policy, direct questions to (919) 814-3852.

IN WITNESS WHEREOF, the parties have each executed this Agreement and the parties agree that this Agreement will be effective as of January 1, 2019.

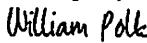
N.C. DEPARTMENT OF PUBLIC SAFETY
DIVISION OF EMERGENCY MANAGEMENT
1636 GOLD STAR DR
RALEIGH, NC 27607

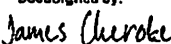
CLEVELAND COUNTY
100 JUSTICE PLACE
SHELBY, NC 28150-


DocuSigned by:

BC5D277488294AB
Michael A. Sprayberry, Director
North Carolina Emergency Management

DocuSigned by:

8BE9E47767F1467..

APPROVED AS TO PROCEDURES

DocuSigned by:

183181C9731404
William Polk, Assistant General Counsel
Reviewed for the Department of Public
Safety, by William Polk, DPS Assistant
General Counsel, to fulfill the purposes of the
North Carolina Tier II Grant Program

DocuSigned by:

2DD3F7AD88AA40D
James J. Cherokee, Controller
North Carolina Department of Public Safety

DocuSigned by:

01C48830687343D...
Erik A. Hooks, Secretary
North Carolina Department of Public Safety

THIS MOA WAS PREVIOUSLY APPROVED AS TO FORM BY THE NORTH CAROLINA DEPARTMENT OF PUBLIC SAFETY FOR THE 2019 TIER II GRANT PROGRAM ONLY AND IS SUBJECT TO EXECUTION BY ERIK A. HOOKS, SECRETARY OF THE DEPARTMENT OF PUBLIC SAFETY. THIS MOU/MOA SHOULD NOT BE USED FOR OTHER MOUs/MOAs EXCEPT FOR THE TIER II GRANT.

Attachment 1



North Carolina Department of Public Safety

Emergency Management

Roy Cooper, Governor
Erik A. Hooks, Secretary

Michael A. Sprayberry, Director

FY2019 Tier II Grants: Allowable Expenditures

Tier II grants that are awarded may provide Local Emergency Planning Committees (LEPCs) the funding options to expand the scope of their hazardous materials emergency preparedness programs. Expansion through response planning, training and related exercises are allowed, and may include fixed facility planning. LEPC(s) that applied for competitive and/or noncompetitive Tier II grants and that were selected/approved for an award were each awarded grant funds from the hazardous materials facility fees collected during the Tier II reporting period. The grant funds are to be used for hazardous materials emergency response planning, training and related exercises, with some conditions and limitations.

The funds awarded under this grant are only allowed for use by your county LEPC or regional LEPC and must fall under one or more of the following categories:

- Supporting costs incurred facilitating LEPC meetings (e.g. printing, general office supplies, food and non-alcoholic beverages)
- Supporting regional LEPC meetings and collaboration
- Enhancing LEPC outreach efforts or produce promotional materials
- Hosting or supporting local and regional LEPC conferences
- Creating or updating hazardous material emergency response plans
- Supporting local or regional hazardous materials response exercises
- Supporting purchases of equipment necessary to support the LEPC
- Supporting hazardous material risk assessments currently being conducted by North Carolina Emergency Management
- Subscription- HazMat related website, (e.g. MSDS online, Chemtrac) for approved list of eligible subscriptions contact NCEM Hazmat prior to purchase of subscription at hazmat@ncdps.gov

All equipment purchases must have prior written approval.

Allowable expenditures are in accordance with the provisions of N.C.G.S. §166A-29.1.

Tier II grants may not be used for salaries or benefits for any employee, drone aircraft or unmanned aerial vehicles, items intended as gifts, or support for programs not focused on hazardous materials preparedness.

LEPCs have until December 31, 2019 to spend these funds. All requests for reimbursement must include a cost report, invoices, proof of payment, and an AAR and/or revised plans if applicable to their approved project. Reimbursement requests must be submitted to NCEM no later than January 31, 2020. For questions regarding the grant contact the NCEM Grants Branch at NCEMgrants1@ncdps.gov

MAILING ADDRESS:
4236 Mail Service Center
Raleigh NC 27699-4236
www.ncdps.gov
www.readync.org



An Equal Opportunity Employer

OFFICE LOCATION:
1636 Gold Star Drive
Raleigh, NC 27607-3371
Telephone: (919) 825-2500
Fax: (919) 825-2685

COUNTY OF CLEVELAND, NORTH CAROLINA

AGENDA ITEM SUMMARY

Sheriff's Department: Budget Amendment (BNA#007)

Department: Sheriff's Department

Agenda Title: Budget Amendment (BNA#007)

Agenda Summary:

Proposed Action:

ATTACHMENTS:

File Name	Description
<input type="checkbox"/> BNA007_09.03.19.pdf	Sheriff Dept Budget Amendment (BNA#007)

BUDGET NEW - ORDINANCE AMENDMENT

BNA # 007SUBMITTED TO BOARD OF COUNTY COMMISSIONERS
FOR CONSIDERATION AT MEETING TO BE HELD ON:September 3, 2019

FROM: BUDGET OFFICER

THRU: FINANCE OFFICE

FOR DEPT: SHERIFF'S OFFICEDATE: 8/12/2019

SIGNATURES:



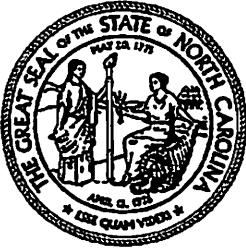
Finance Director



Department Manager

Account Number	Project Code	Department	Account Name	Increase	Decrease
010.438.4.310.00	16738-TECH	LAW ENF GRANTS	FED GOV'T GRANTS	\$24,386.00	
010.438.5.211.00	16738-TECH	LAW ENF GRANTS	CONTROLLED EQUIP	\$11,236.00	
010.438.5.910.00	16738-TECH	LAW ENF GRANTS	CAPITAL EQUIP	\$13,150.00	

Explanation of Revisions: Request to budget funds received from NCDPS Governor's Crime Commission for purchase of items for Technological AdvancementTHE ABOVE AMENDMENT HAS BEEN APPROVED AND RECORDED IN THE MINUTES OF THE COUNTY
COMMISSIONERS' MEETING ON _____
(Date)_____
Phyllis Nowlen, Clerk to the BoardRETURN TO FINANCE OFFICE and Forward copy via email to Tonya.Sigmon@clevelandcounty.comcc: Personnel Batch # _____
cc: Purchasing Date: _____
By: _____



STATE OF NORTH CAROLINA
DEPARTMENT OF PUBLIC SAFETY
GOVERNOR'S CRIME COMMISSION
1201 Front Street, Suite 200
Raleigh, NC 27609
Telephone: (919) 733-4564 Fax: (919) 733-4625
<http://www.ncgccd.org>

GRANT AWARD

Applicant: County of Cleveland
Authorizing Official: Brian Epley
County Manager
Address: P. O. Box 1210
Shelby, North Carolina 28151-1210
Vendor Number: 566000288

Project Name: 2018 - Cleveland County Sheriff's Office -
Technological Advancement
Implementing Agency: Cleveland County Sheriff's Office
Project Director: Mark Craig
Administrative Lt.
Project Number: PROJ012730
Account Manager: CRM Administrator

Grant Period: 10/01/2018 - 09/30/2020

Budgets

Period	Personnel	Contractual	Travel	Supplies	Equipment	Indirect Costs	Total
Year 1	\$0.00	\$0.00	\$0.00	\$15,386.00	\$9,000.00	\$0.00	\$24,386.00
Grant Budget Total							\$24,386.00

Source	Federal Grant #	CFDA #	% Funding	Federal Award
2018::Byrne Justice Assistance Grants	2018-DJ-BX-0041	16.738	100%	\$24,386.00

In accordance with the laws and regulations of the United States and the State Of North Carolina, and on the basis of the grantee's application, the Department of Public Safety hereby awards to the foregoing grantee an award in the amount above.

This grant is subject to the conditions listed in the approved grant application as well as all applicable rules, regulations and conditions, as may be described by the Department of Public Safety. Special conditions are attached to this award.

This grant shall become effective, as of the start date of the grant period listed, once this original grant award has been properly executed on behalf of the grantee and returned to the Governor's Crime Commission, attention of the Grants Management Director. The grant award must be returned within 30 days of the date the award is mailed from the Governor's Crime Commission. No alterations of any kind may be made on this grant award.

Authorizing Official

Brian Epley 8/5/19
Signature of Authorizing Official Date

Brian Epley, County Manager
Name and Title of Authorizing Official

Governor's Crime Commission

Caroline C. Valand 7/26/19
Signature of Director Date

Caroline C. Valand, Executive Director
Name and Title of Director

Project Director

Mark Craig 08-02-19
Signature of Project Director Date

Mark Craig, Administrative Lt.
Name and Title of Project Director

☐ This award is subject to the attached conditions, which must be signed by both the authorizing official and the project director, and returned along with this Grant Award. No alterations of any kind may be made on this grant award.

COUNTY OF CLEVELAND, NORTH CAROLINA

AGENDA ITEM SUMMARY

Health Department: Budget Amendment (BNA#008)

Department: Health Department

Agenda Title: Budget Amendment (BNA#008)

Agenda Summary:

Proposed Action:

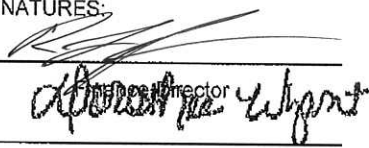
ATTACHMENTS:

File Name	Description
<input type="checkbox"/> BNA008_09.03.19.pdf	Health Dept WIC Budget Amendment (BNA#008)

BUDGET NEW - ORDINANCE AMENDMENT

BNA # 008SUBMITTED TO BOARD OF COUNTY COMMISSIONERS
FOR CONSIDERATION AT MEETING TO BE HELD ON:FROM: BUDGET OFFICER
THRU: FINANCE OFFICE
FOR DEPT: 012-540 WIC
DATE: 8/13/2019

SIGNATURES:


Department Manager

Account Number	Department	Account Name	Increase	Decrease
012-540-4-310-40	WIC	Grants	\$ 7,980.00	
012-540-4-310-41	WIC	Grants	\$ 3,490.00	
012-540-4-310-43	WIC	Grants	\$ 1,206.00	
012-540-5-211-40	WIC	Controlled Equipment	\$ 2,510.00	
012-540-5-210-40	WIC	Departmental Supplies	\$ 1,060.00	
012-540-5-311-41	WIC	Educational/Certif/Training	\$ 3,240.00	
012-540-5-581-40	WIC	Awards/Appreciation	\$ 4,410.00	
012-540-5-311-41	WIC	Educational/Certif/Training	\$ 250.00	
012-540-5-211-43	WIC	Controlled Equipment	\$ 826.00	
012-540-5-581-43	WIC	Awards/Appreciation	\$ 380.00	

Explanation of Revisions The North Carolina Dept of Health & Human Services, Nutrition Services Branch, to record a special time-limited fund to WIC for equipment, supplies and educational material.

THE ABOVE AMENDMENT HAS BEEN APPROVED AND RECORDED IN THE MINUTES OF THE COUNTY COMMISSIONERS' MEETING ON _____
(Date)

Phyllis Nowlen, Clerk to the Board

RETURN TO FINANCE OFFICE and Forward copy via email to Tonya.Sigmon@clevelandcounty.com

cc: Personnel Batch # _____
cc: Purchasing Date: _____
By: _____



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor

MANDY COHEN, MD, MPH • Secretary

BETH LOVETTE, MPH, BSN, RN • Acting Director

Division of Public Health

July 19, 2019

MEMORANDUM

TO: Beth Phillippi, WIC Director
Cleveland County Health Department

FROM: *Kim Lovenduski*
Kim Lovenduski, Deputy Director
Nutrition Services Branch

SUBJECT: Equipment Approval

Thank you for submitting your FY2019 Special Funding Opportunity application. We are pleased to provide you with approval to purchase the following items:

ITEM	Quantity	Total Cost	
Digital Scale with Height Rod <i>CS</i>	1	\$499.99	210
Clinton Pediatric Scale Table <i>CS</i>	1	\$2,510.00	211
Breastfeeding Room Chair <i>BRF</i>	1	\$826.10	211
Educational Materials <i>NE</i>	60	\$600.00	311
My Plate Preschool Plate <i>NE</i>	500	\$1,895.00	311
Promotional Bags <i>CS</i>	1000	\$1,500.00	581
Breastfeeding Promotional Bags <i>BRF</i>	20	\$380.00	581
WIC Promotional Bags <i>CS</i>	20	\$380.00	581
Feeding Set <i>CS</i>	500	\$750.00	581
Travel Bowls with Lids <i>CS</i>	500	\$600.00	581
Infant Finger Brush <i>CS</i>	10	\$779.90	581
Infant Toothbrush <i>CS</i>	1000	\$400.00	581
Eating Healthy with MyPlate Magnet <i>NE</i>	500	\$250.00	581
MyPlate 16X10 Placemat <i>NE</i>	250	\$250.00	311
Healthy Snacks Cookbook <i>NE</i>	50	\$247.50	311
Farmers Market Cookbook <i>NE</i>	50	\$247.50	311
TVs with DVD Play & Mount <i>CS</i>	2	\$560.00	210
Total		\$12,675.99	

plus shipping and handling and tax

Please note:

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF PUBLIC HEALTH • NUTRITION SERVICES BRANCH

LOCATION: 5601 Six Forks Road, Building 2, Raleigh, NC 27609

MAILING ADDRESS: 1914 Mail Service Center, Raleigh, NC 27699-1914

www.ncdhhs.gov • TEL: 919-707-5800 • FAX: 919-870-4818

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER



Cleveland County

NORTH CAROLINA

MEMORANDUM

TO: Cleveland County Board of Health

FROM: Dorothea Wyant, Health Director

DATE: August 13, 2019

SUBJECT: Budget Amendments

ITEM NUMBER ONE BNA#008

The North Carolina Department of Health and Human Services, Nutrition Services Branch, has approved a special time-limited fund to Cleveland County WIC for \$12,676 to be used for equipment, educational material, and supplies. We request permission to budget this amount in the WIC Department, Client Services, (540) for these purposes.

ITEM NUMBER TWO BNA#009

The NC Department of Health and Human Services Division of Mental Health, Developmental Disabilities, Substance Abuse Services has awarded Cleveland County \$50,000 to conduct tobacco merchant education and environmental scans of tobacco, vape and CBD retailers in an effort to prevent underage sales of these products to minors. We request permission to budget this funding in CODAP (548) to cover personnel time, travel and supplies.

We appreciate your consideration of this matter.

DW/tcb

COUNTY OF CLEVELAND, NORTH CAROLINA

AGENDA ITEM SUMMARY

Health Department: Budget Amendment (BNA#009)

Department: Health Department

Agenda Title: Budget Amendment (BNA#009)

Agenda Summary:

Proposed Action:

ATTACHMENTS:

File Name	Description
<input type="checkbox"/> Health_Dept_CODAP_Budget_Amendment_(BNA#009).pdf	Health Dept: CODAP: Budget Amendment (BNA#009)

BUDGET NEW - ORDINANCE AMENDMENT

BNA #

009

SUBMITTED TO BOARD OF COUNTY COMMISSIONERS
FOR CONSIDERATION AT MEETING TO BE HELD ON:

SIGNATURES:

FROM: BUDGET OFFICER

THRU: FINANCE OFFICE

FOR DEPT: 548/CODAP

DATE: 8/13/2019

Finance Director

Department Manager

Account Number	Department	Account Name	Increase	Decrease
012-548-4-540-26	SYNAR	Federal Grants	\$ 50,000.00	
012-548-5-121-00	SYNAR	Salaries	\$ 11,849.00	
012.548.5.131.00		Social Security	\$ 735.00	
012.548.5.132.00		Retirement	\$ 1,068.00	
012.548.5.133.00		Hospital Insurance	\$ 2,700.00	
012.548.5.134.00		Dental Insurance	\$ 45.00	
012.548.5.135.00		401k	\$ 592.00	
012.548.5.136.00		Medicare	\$ 172.00	
012-548-5-211-26	SYNAR	equipment	\$ 3,800.00	
012-548-5-310-26	SYNAR	Travel	\$ 500.00	
012-548-5-370-26	SYNAR	Advertising	\$ 25,139.00	
012-548-5-581-26	SYNAR	Awards/Incentives	\$ 3,400.00	

Explanation of Revisions Partners Behavioral Health with pass thru funds with NCDHHS has awarded CCHD
with a grant to conduct tobacco merchant education and environmental scans of tobacco, vape
and CBD Retailers. Salaries/Fringe are for currently established/funded positions (537,548,530)-Aja Pass(548)
Deshay Oliver(537), and Grant Wilson (530).

THE ABOVE AMENDMENT HAS BEEN APPROVED AND RECORDED IN THE MINUTES OF THE COUNTY
COMMISSIONERS' MEETING ON _____
(Date)

Phyllis Nowlen, Clerk to the Board

RETURN TO FINANCE OFFICE and Forward copy via email to Tonya.Sigmon@clevelandcounty.com

cc: Personnel Batch # _____
cc: Purchasing Date: _____
By: _____

AUGUST

		548.5.121.00																				
		Annual Salary		MONTH	Salary %		FICA	RETIREMENT	MEDICAL	DENTAL	401K	MEDICARE	TOTAL									
AUGUST	Deshay	\$	62,607.60	\$	5,217.30	50%	\$	2,608.65	\$	161.74	\$	235.04	\$	450.00	\$	7.50	\$	130.43	\$	37.83	\$	3,631.18
	Aja	\$	36,334.56	\$	3,027.88	75%	\$	2,270.91	\$	140.80	\$	204.61	\$	675.00	\$	11.25	\$	113.55	\$	32.93	\$	3,449.04
	Grant	\$	36,156.96	\$	1,506.54	20%	\$	301.31	\$	18.68	\$	27.15	\$	-	\$	-	\$	15.07	\$	4.37	\$	366.57
	Grant	\$	40,428.00	\$	1,684.50	20%	\$	336.90	\$	20.89	\$	30.35	\$	180.00	\$	3.00	\$	16.85	\$	4.89	\$	592.87

SEPTEMBER

548.5.121.00																					
Annual Salary		MONTH		Salary %		FICA		RETIREMENT		MEDICAL		DENTAL		401K		MEDICARE		TOTAL			
Deshay	\$ 62,607.60	\$	5,217.30	60%	\$	3,130.38	\$	194.08	\$	282.05	\$	540.00	\$	9.00	\$	156.52	\$	45.39	\$	4,357.42	
	\$ 40,428.00	\$	3,369.00	75%	\$	2,526.75	\$	156.66	\$	227.66	\$	675.00	\$	11.25	\$	126.34	\$	36.64	\$	3,760.29	
	\$ 40,428.00		3,369.00	20%	\$	673.80	\$	41.78	\$	60.71	\$	180.00	\$	3.00	\$	33.69	\$	9.77	\$	1,002.75	
				6,330.93		392.52		570.42		1,395.00		23.25		316.55		91.80		9,120.46			

Total \$ 11,848.70 \$ 734.62 \$ 1,067.57 \$ 2,700.00 \$ 45.00 \$ 592.43 \$ 171.81 \$ 17,160.13

548.5.121 548.5.131 548.5.132 548.5.133 548.5.134 548.5.135 548.5.136
11,848.70 734.62 1,067.57 2,700.00 45.00 592.43 171.81 17,160.13

MOU: Synar Extension Pilot Project

July 1-September 30, 2019

We Cleveland County Health Department agree to work in partnership with the NC Department of Health and Human Services Division of Mental Health, Developmental Disabilities, Substance Abuse Services (DMH/DD/SAS) and Partners Behavioral Health Management to bill for the following checked items, up to \$75,000 per provider per LME, no later than September 30, 2019. All planning and delivery of work must be completed on or before December 31, 2019.

Topic 1: \$30,000 (Check all that apply, but must choose one of the first two bullets at minimum)

Tobacco retailer work:

- ☐ Conduct merchant education for 90% of tobacco retail outlets in a given area, (zip, city, county, census tract/block, etc.).
- ☒ Complete coverage study of selected zip codes (training/webinar provided) to verify accuracy and coverage of tobacco retailers in current merchant list.
- ☒ Publicize positive merchant efforts (i.e. local media, congratulation letters, merchant pledges, materials-button or lapel pins, etc.)
- ☐ Recruit/retain/pay youth volunteers for work and/or supplies, as necessary (i.e. merchant education, coverage study, media work, etc.)
- ☒ Pay personnel/staff for time and travel

Topic 2: \$25,000 (Check all that apply, but must choose first bullet at minimum)

Tobacco survey work:

- ☐ Conduct tobacco surveys (non-enforceable compliance checks), for tobacco retailers with FDA violations, using youthful looking 18-year old young adults (training/webinar provided) *no law enforcement required
- ☐ Publicize positive merchant efforts (i.e. local media, congratulation letters, merchant pledges, materials-button or lapel pins)
- ☐ Recruit/retain/train/pay young adult volunteers for work and/or supplies needed (i.e. tobacco survey, media work)
- ☐ Pay personnel/staff for time and travel

Topic 3: \$20,000 (Check all that apply, but must choose one of the first two bullets at minimum)

Vape Shops and/or Kratom/CBD store work:

- ☒ Conduct Environmental scans of Vape Shops
- ☒ Conduct Environmental scans of Kratom/CBD stores -*does not count towards Synar hours*
- ☒ Publicize findings (i.e. local media, city council meetings, etc.)
- ☐ Recruit/retain/pay youth volunteers for work and/or supplies as needed (i.e. environmental scans, media work) *youth not required for environmental scans
- ☒ Pay personnel/staff for time and travel

Total Amount Requested: \$50,000

Signature of Authorized Agency Representative: DeShay Oliver

Date: 08/03/2019



Cleveland County
NORTH CAROLINA

MEMORANDUM

TO: Cleveland County Board of Health
FROM: Dorothea Wyant, Health Director
DATE: August 13, 2019
SUBJECT: Budget Amendments

ITEM NUMBER ONE BNA#008

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We appreciate your consideration of this matter.

DW/tcb

COUNTY OF CLEVELAND, NORTH CAROLINA

AGENDA ITEM SUMMARY

Amendment to Audit Contract

Department: Finance

Agenda Title: Amendment to Audit Contract

Agenda Summary:

Proposed Action:

ATTACHMENTS:

File Name	Description
<input type="checkbox"/> Staff_report_8.12.19_Audit_Contract.docx	Amendment Staff Report



Cleveland County

NORTH CAROLINA

STAFF REPORT

To: County Commissioners Date: 08/12/19
Via: Brian Epley, County Manager
From: Lucas Jackson, Finance Director
Subject: Annual External Audit Contract Amendment

Summary Statement:

N.C.G.S. 159-34 requires each unit of local government in North Carolina to have its' accounts audited at the close of each fiscal year by a certified public accounting firm. The audit evaluates the performance of a unit of local government with regard to compliance with applicable federal and state laws as well as the accuracy and reliance of the financial statement disclosures.

Review:

Each year Cleveland County's audit contract must be approved first by the County Board of Commissioners and then the North Carolina Local Government Commission. The Finance Department is recommending an amendment to the contract with Thompson, Price, Scott, Adams & Co, P.A. for the 2018-2019 fiscal year audit.

When the original contracts were prepared for the audit, the Office of the State Auditor indicated that the Medicaid portion of the audit would be a separate engagement as it was for the prior year. However, after the contracts were issued and approved, additional correspondence was received from the Office of State Auditor that indicated that they were not going to require a separate report as they had for the year ending June 30, 2018. The same procedures will be performed for the audit engagement. This amendment to the contract would add \$5,500 for Medicaid testing that was originally going to be billed as separate engagement.

Fiscal Impact: Net impact of \$-0-.

Recommendation: Finance Director recommends approval of amendment to the 2018-2019 fiscal year audit contract with Thompson, Price, Scott, Adams & Co, P.A.

COUNTY OF CLEVELAND, NORTH CAROLINA

AGENDA ITEM SUMMARY

Ratification of Nondisclosure Agreement

Department: Legal

Agenda Title: Ratification of Nondisclosure Agreement

Agenda Summary:

Proposed Action:

ATTACHMENTS:

File Name	Description
<input type="checkbox"/> 911_NDA_Staff_Report.pdf	NDA Staff Report

STAFF REPORT

To: Board of Commissioners
From: Elliot Engstrom, Senior Staff Attorney
Subject: AT&T Nondisclosure Agreement

Date: August 28, 2019

Summary Statement:

Staff recommends ratifying a non-disclosure agreement between the County and AT&T Services, Inc. The agreement is a routine part of county operations.

Review:

As part of wireless 911 services, the County may come into possession of confidential information from AT&T. The non-disclosure agreement states that the County will keep such information confidential. The obligation to keep information confidential does not apply to information that is required by law or regulation to be disclosed.

The agreement is a routine part of county operations. It must be ratified by the Board of Commissioners because the 911 Communications Director does not possess independent authority to enter into contracts on behalf of the County. AT&T Services, Inc. is aware that the agreement is being presented to the Board of Commissioners for approval.

Attachment:

Non-disclosure agreement with AT&T Services, Inc.

Action Requested

Ratify the agreement by approving it via a majority vote.

NON-DISCLOSURE AGREEMENT

THIS AGREEMENT is entered into as of July 19, 2019 between AT&T Services, Inc. on behalf of its carrier affiliates, with its principal place of business at One AT&T Plaza, 208 S. Akard Street, Dallas, Texas 75202 ("Headquarters") and the public safety entity requesting wireless 911 services, Cleveland County Communications, located in Shelby, NC ("PSAP" or "Cleveland County" or "the County.").

1. The Carrier and the PSAP intend to disclose to each other information, which may include confidential information, for the purpose(s) described in Attachment A hereto (the "Project"). The term "Confidential Information" shall mean any information or data which is disclosed by a party to the other party under or in contemplation of this Agreement and which: (a) if in tangible form or other media that can be converted to readable form, is clearly marked as proprietary, confidential or private when disclosed, or (b) if oral, is identified as proprietary, confidential, or private on disclosure and is summarized in a writing so marked and delivered within thirty (30) days following such disclosure. The summary may be in the form of a non-confidential description of the confidential information that was disclosed. Confidential information may be either the property of the disclosing party or information provided to the disclosing party by a corporate affiliate of the disclosing party or by a third party.
2. The receiving party acknowledges the economic value to the disclosing party of all Confidential Information. With respect to Confidential Information, the recipient shall:
 - (a) use the Confidential Information only for the purpose(s) set forth in Attachment A;
 - (b) restrict disclosure of the Confidential Information solely to those employees of such party and its affiliates with a "need to know" and not disclose it to any other person or entity without the prior written consent of the disclosing party;
 - (c) advise those employees who gain access to Confidential Information of their obligations with respect to the Confidential Information;
 - (d) make only the number of copies of the Confidential Information necessary to disseminate the information to those employees who are entitled to have access to it, and ensure that all confidentiality notices set forth on the Confidential Information are reproduced in full on such copies; and
 - (e) safeguard the Confidential Information with the same degree of care to avoid unauthorized disclosure as recipient uses to protect its own confidential and private information.

For the purposes of this Agreement only, "employees" includes third parties retained for temporary administrative, clerical or programming support.

A "need to know" means that the employee requires the Confidential Information in order to perform his or her responsibilities in connection with the Project.

3. The obligations of Paragraph 2 shall not apply to any Confidential Information which the recipient can demonstrate:
 - (a) is or becomes available to the public through no breach of this Agreement;
 - (b) was previously known by the recipient without any obligation to hold it in confidence;
 - (c) is received from a third party free to disclose such information without restriction;
 - (d) is independently developed by the recipient without the use of Confidential Information of the disclosing party;
 - (e) is approved for release by written authorization of the disclosing party, but only to the extent of and subject to such conditions as may be imposed in such written authorization;
 - (f) is required by law or regulation to be disclosed (e.g. a request pursuant to the North Carolina Public Records Act, N.C.G.S. §§ 132-1 et seq.), but only to the extent and for the purposes of such required disclosure; or
 - (g) is disclosed in response to a valid order of a court or other governmental body of the United States or any political subdivisions thereof, but only to the extent of and for the purposes of such order; provided, however, that the recipient shall first notify the disclosing party of the order and permit the disclosing party to seek an appropriate protective order.
4. When requested by the recipient, the disclosing party will provide a non-confidential resume of Confidential Information prior to disclosure of the actual Confidential Information to enable the recipient to determine whether it can accept the Confidential Information. Each party has the right to refuse to accept any information under this Agreement, and nothing obligates either party to disclose to the other party any particular information.
5. Each party acknowledges its obligation to control access to and/or exportation of technical data under the applicable export laws and regulations of the United States, and each party agrees to adhere to and comply with such laws and regulations with respect to any technical data received under this Agreement.
6. Confidential Information, including permitted copies, shall be deemed the property of the disclosing party. The recipient shall, within twenty (20) days of a written request

by the disclosing party, return all Confidential Information, including all copies thereof, to the disclosing party or destroy all such Confidential Information. The recipient shall also, within ten (10) days of a written request by the disclosing party, certify in writing that it has satisfied its obligations under Paragraphs 2, 6 and 7 of this Agreement.

7. Both parties agree that an impending or existing violation of any provision of this Agreement would cause the disclosing party irreparable injury for which it would have no adequate remedy at law, and that the disclosing party shall be entitled to seek immediate injunctive relief prohibiting such violation, in addition to any other rights and remedies available to it.
8. Nothing contained in this Agreement or in any discussions undertaken or disclosures made pursuant hereto shall (a) be deemed a commitment to engage in any business relationship, contract or future dealing with the other party, or (b) limit either party's right to conduct similar discussions or perform similar work to that undertaken pursuant hereto, so long as said discussions or work do not violate this Agreement.
9. No patent, copyright, trademark or other proprietary right or license is granted by this Agreement or any disclosure hereunder, except for the right to use such information in accordance with this Agreement. No warranties of any kind are given with respect to the Confidential Information disclosed under this Agreement or any use thereof, except as may be otherwise agreed to in writing.
10. Disclosures subject to this Agreement may take place between the date written above through termination of this agreement.
11. This Agreement may not be assigned by either party without the prior written consent of the other.
12. If any provision of this Agreement shall be held invalid or unenforceable, such provision shall be deemed deleted from this Agreement and replaced by a valid and enforceable provision which so far as possible achieves the parties' intent in agreeing to the original provision. The remaining provisions of this Agreement shall continue in full force and effect.
13. Each party warrants that it has the authority to enter into this Agreement and to lawfully make the disclosures contemplated hereunder. The previous language of this Section 13 notwithstanding, the parties understand and acknowledge that Cleveland County's Communications Director alone does not have authority to contract for the County and that this signed Agreement will be presented to the Cleveland County Board of Commissioners as soon as reasonably possible for ratification.
14. This Agreement, including Attachment A attached hereto and incorporated herein by this reference, represents the entire understanding between the parties with respect to the subject matter hereof and supersedes all prior communications, agreements and understandings relating thereto. The provisions of this Agreement may not be modified, amended, or waived, except by a written instrument duly executed by both parties. This Agreement shall be governed in all respects by the domestic laws of North Carolina.

Please Return signed form to Mark W. Loschky at the below address:

AT&T Services, Inc. on behalf of its carrier affiliates

PO Box 97061


Redmond, WA 98073-9761

By: Mark W. Loschky

Title: Assistant Vice President - Senior Legal Counsel

Date: July 19, 2019

By: _____ Date: _____
Lorie Poston
Communications Director
Cleveland County

By:  _____ Date: 8/19/19
Lucas Jackson
Finance Director
Cleveland County

This instrument has been pre-audited in the manner required by, and complies with, Article 3 of Chapter 159 of the NC General Statutes, also cited as "The Local Government Budget and Fiscal Control Act.

ATTACHMENT A TO NON-DISCLOSURE AGREEMENT

To the Non-Disclosure Agreement dated July 19, 2019 between AT&T Services, Inc. on behalf of its carrier affiliates and Cleveland County Communications, in Shelby, NC.

Purpose(s) for which Confidential Information is being disclosed:

- Wireless 911 service including voice and/or text

Confidential information may include, but not be limited to:

- One or more lists of Carrier transmission towers as updated from time to time and estimated coverage maps* associated with "border cells."
- Network architecture plans and documentation and information contained therein.
- Carrier proprietary supplier relationship information.
- Carrier's external and internal pricing and cost information.

Special Terms and Conditions:

* Range and coverage provided on maps are estimated and provided to aid with routing decisions only. Factors such as topography, electronic interference, weather conditions and proximity to an operating cellular tower may affect transmission quality. Cellular phone quality, antenna type and placement may also affect reception.

Carrier has contracted with several third party agents to provide certain 911 database management and consulting services. Carrier Confidential Information provided by these third party agents shall be subject to the terms herein as if said Confidential Information was provided directly by the Carrier.

COUNTY OF CLEVELAND, NORTH CAROLINA

AGENDA ITEM SUMMARY

Mountainside Drive

Department:

Agenda Title: Mountainside Drive Road Paving Assessment

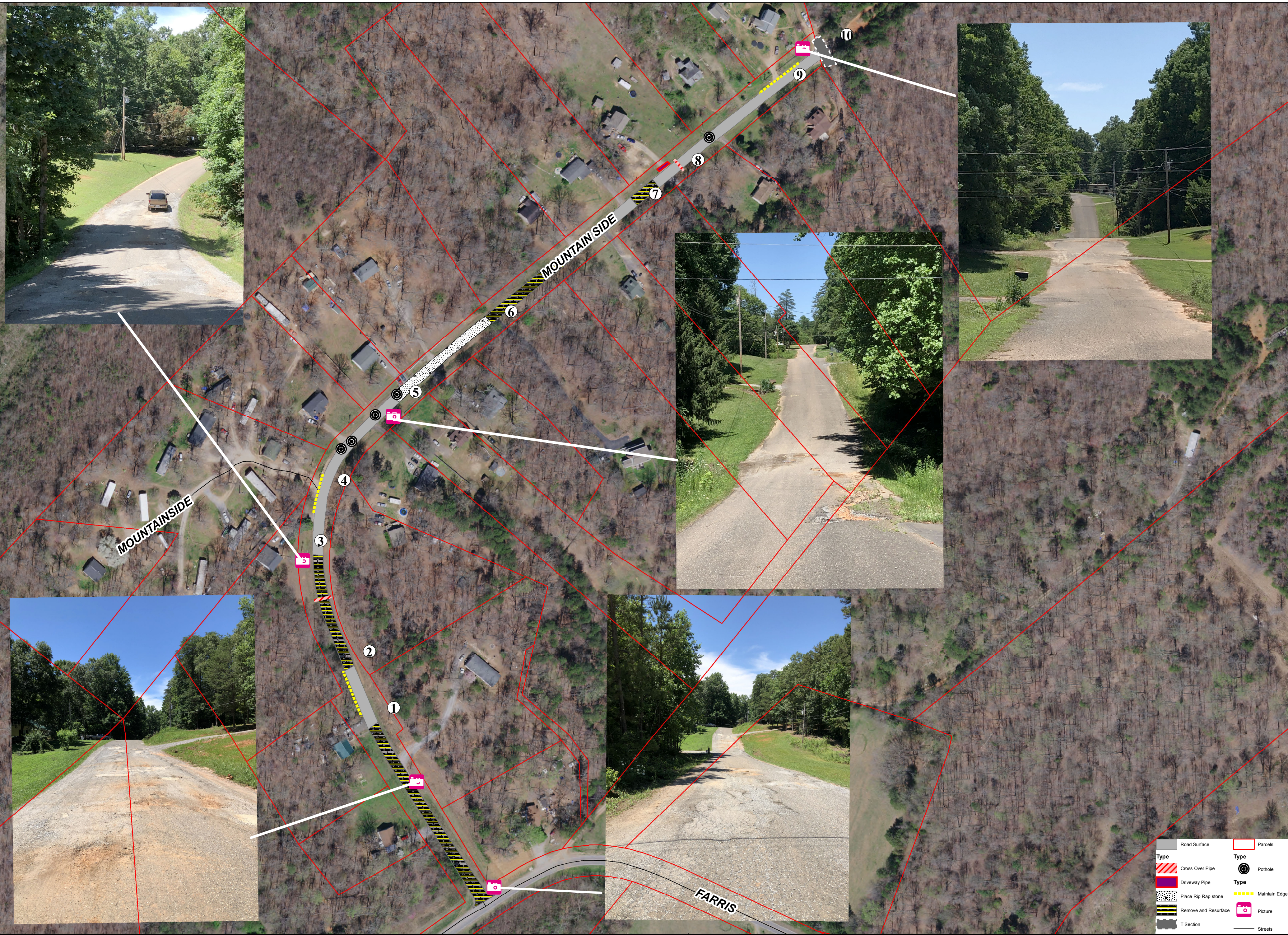
Agenda Summary: Chris Martin, Senior Planner

Proposed Action:

ATTACHMENTS:

File Name	Description
<input type="checkbox"/> Map_of_Parcels_included_in_Mountain_Side.pdf	Parcel Map
<input type="checkbox"/> Mountain_Side_Drive_w_pics_(2).pdf	Road with Pics
<input type="checkbox"/> Staff_Report_Final_Resolution.doc	Mountainsside Drive Staff Report
<input type="checkbox"/> Mountainside_Drive_Resolution-Final_(2).doc	Mountainside Drive DRAFT Resolution





MOUNTAIN SIDE DRIVE



NTS

CLEVELAND COUNTY, NORTH CAROLINA
REFERENCE SYSTEM: NAD 83 NORTH CAROLINA STATE PLANE 3200

DESIGNED BY: CLEVELAND COUNTY
GIS DEPARTMENT
DATE CREATED: 04/23/2019
PHONE: 704-484-4962
EMAIL: matt.capps@clevelandcounty.com

DISCLAIMER
The information contained on this map is furnished by government and private industry sources and is believed to be accurate, but accuracy is not guaranteed. Mapping information is a representation of various data sources and is not a substitute for information that would result from an accurate land survey. The information contained herein does not replace information that may be obtained by consulting the information's official source. In no event shall Cleveland County, NC or its consultants be liable for any damages, direct or consequential, from the use of the information contained on this map.
DISCLAIMER

Road Surface	Parcels
Cross Over Pipe	Pothole
Driveway Pipe	Maintain Edge
Place Rip Rap stone	Picture
Remove and Resurface	Streets
T Section	



STAFF REPORT

To: Board of Commissioners Date: August 13, 2019

Via: Brian Epley, County Manager

From: Chris Martin, Planning Department

Subject: Paving Assessment-Mountain Side Drive

Summary Statement: Property owners along Mountain Side Drive have presented a petition requesting to participate in the paving assessment program.

Review: Each property will be assessed at an "equal rate per lot" to pave this street in accordance with NCDOT standards. The attached petition represents 80% of the lots and 87% of the road frontage, satisfying the minimum required by NCGS 153A-205.

Area contractors on the NCDOT Contractor Directory, were sent a "Request for Proposal" to solicit bids on this project in July 2019. The RFP was also advertised on the County website. The following qualified Bids were received August 9, 2019.

- | | |
|-------------------------|--------------|
| • Sunny Day Landscaping | \$189,780 |
| • B&N Grading | \$198,171 |
| • Cleveland Contractors | \$220,810.72 |
| • Quinn Sales, Inc. | \$253,150 |

After hearing comments from the property owners you may then award the contract and adopt the Final Assessment Resolution that will set the amount charged to each lot.

Recommendation: If Final Resolution is adopted, Staff recommends awarding the contract to **B&N Grading, Inc.** for \$198,171. B&N Grading is a full service contractor, NCDOT qualified, and has positive references from NCDOT.

Pros: Equal financial participation from all property owners
Street will be eligible for NCDOT maintenance

Cons: Capital outlay required from County

Fiscal Impact: The County will pay the Contractor and the property owners will reimburse us over a period of 5 years at 3.25% interest.

Requested Action:

Adopt the Assessment Resolution and award a bid.

ASSESSMENT RESOLUTION PAVING OF MOUNTAIN SIDE DRIVE

WHEREAS, the Cleveland County Board of Commissioners have the authority to make special assessments for the purpose of paving streets as set forth and described in NCGS 153A-185; and

WHEREAS, property owners abutting Mountain Side Drive have presented a petition requesting the County of Cleveland, North Carolina, to assess said property owners for the purpose of paving; and

WHEREAS, the County of Cleveland shall assess each lot abutting said street, at an equal rate per lot, plus an administrative fee of one dollar (\$1.00) per linear foot, one hundred percent (100%) of the total project costs shall be assessed against each lot, and assessments may be financed at an annual interest rate of three and one quarter percent (3.25%) payable in five (5) annual installments and collected in the same manner as property taxes; and

WHEREAS, the following Tax Parcels shall be assessed; 11561, 11563, 11570, 11587, 11583, 70407, 11580, 11579, 11578, 11577, 11576, 60605, 11575, 70803, 11573, 11572, 11571, 71871, 41650, 41048, 41651, 11569, 11585, 11568, 11526, also shown on the attached map.

WHEREAS, the Cleveland County Board of Commissioners held a public hearing at 6:00pm on Tuesday, September 3, 2019, in the Cleveland County Administrative Building, 311 East Marion Street, Shelby, North Carolina in accordance with the mandates of NCGS 153A-191.

Now Therefore Be It Resolved, that the Cleveland County Board of Commissioners hereby agree to assess each property owner as set forth in this resolution.

Adopted the 3rd day of September 2019.

By:

Susan Allen, Chairman
Cleveland County Board of Commissioners

ATTEST:

Phyllis Nowlen, Clerk
Cleveland County Board of Commissioners

COUNTY OF CLEVELAND, NORTH CAROLINA

AGENDA ITEM SUMMARY

Case 19-09: Request to Rezone Property at 735 Winn Road from Residential (R) to General Business (GB)

Department:

Agenda Title: Case 19-09: Request to Rezone Property at 735 Winn Road from Residential (R) to General Business (GB)

Agenda Summary: Chris Martin, Senior Planner

Proposed Action:

ATTACHMENTS:

File Name	Description
<input type="checkbox"/> 19-09_Staff_Report.pdf	Staff Report
<input type="checkbox"/> 19-09_Recommendation.pdf	Recommendation
<input type="checkbox"/> 19-09_Zoning_Map_735_Winn_Road.pdf	Zoning Map
<input type="checkbox"/> 19-09_Aerial_Map_735_Winn_Road.pdf	Aerial Map
<input type="checkbox"/> 19-09_Future_Land_Use_Map_735_Winn_Road.pdf	Future Land Use Map
<input type="checkbox"/> Site_Plan_11x17.pdf	Site Plan

STAFF REPORT

To: Cleveland County Board of Commissioners Date: August 28, 2019

From: Chris Martin, Senior Planner

Subject: Rezoning Case 19-09 735 Winn Rd

Summary Statement: Jay and Deborah Carpenter are requesting to rezone property at 735 Winn Road from Residential (R) to General Business Conditional District (GB-CD)

Review: The property is one (1) acre and is located on Winn Road, south of Mooresboro near the County line. The Carpenter's have acquired the property and wish to construct a building to operate a sign business at this location. They have submitted an application and site plan showing how the property will be used.

This area is comprised mostly of rural residential uses, with a home based auto sales business along the same road. The surrounding zoning districts include Residential, with the auto sales parcel zoned Rural Agriculture Conditional District. The Land Use Plan designates this area as future Residential.

NCGS 153A-341 requires that local government boards adopt one of the following three zoning consistency statements to go along with its decision:

- Approving the zoning amendment and describing its consistency with the adopted plan and why the action is reasonable and in the public interest;
- Rejecting the zoning amendment and describing its inconsistency with the adopted plan and why the action is reasonable and in the public interest;
- Approving the zoning amendment and:
 - A declaration that the approval is deemed an amendment to the comprehensive plan.
 - An explanation in the conditions the governing board took into account in amending the zoning ordinance to meet the development needs of the community.
 - Why the action was reasonable and in the public interest.

Pros:

- Allows the citizen to utilize property for desired use

Cons:

- Rezoning could be considered spot zoning
- The action is inconsistent with the Land Use Plan

Fiscal Impact:

- None

Planning Board Recommendation: The Planning Board voted to recommend **approval** of the requested rezoning request.

ZONING MAP AMENDMENT - CASE 19-09

Residential (R) to General Business Conditional District (GB-CD)

Planning Board Recommendation

APPROVE

The Planning Board voted 6-1 to recommend **approving** the rezoning request from Residential to General Business Conditional District with the following conditions:

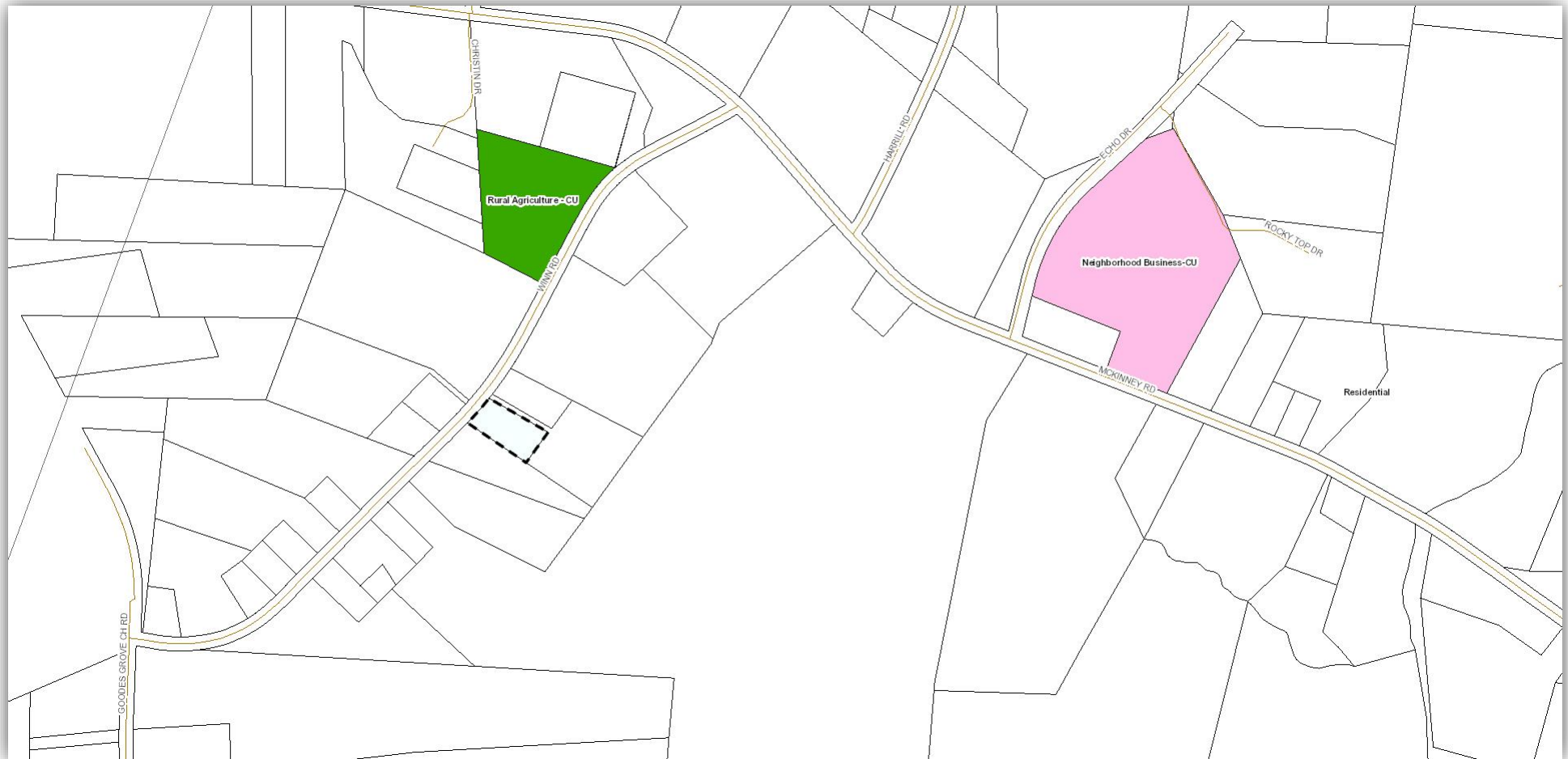
- No wall pack lighting allowed on the building or light spillage onto adjoining properties.
- Appropriate NCDOT driveway permits obtained or a waiver issued by the NCDOT.
- 4/12 pitch on the building's roof.
- No signage other than a non-lit sign on the door or window.
- No outdoor storage of materials, except for vehicles used in the business, which can be stored behind the building.
- The footprint of the building shall not exceed 1800 square feet.
- No more than two bay doors on the front of the building.

NCGS 153A-341 requires a plan consistency statement be recorded that shows one of the following:

- Approving the proposed amendment and describing its consistency with the Land Use Plan
- Rejecting the proposed amendment and describing its inconsistency with the Land Use Plan
- Approving the proposed amendment and declaring the plan is amended with an explanation as to how the changes meet the development needs of the community.

Max Hopper, Chairman
Cleveland County Planning Board

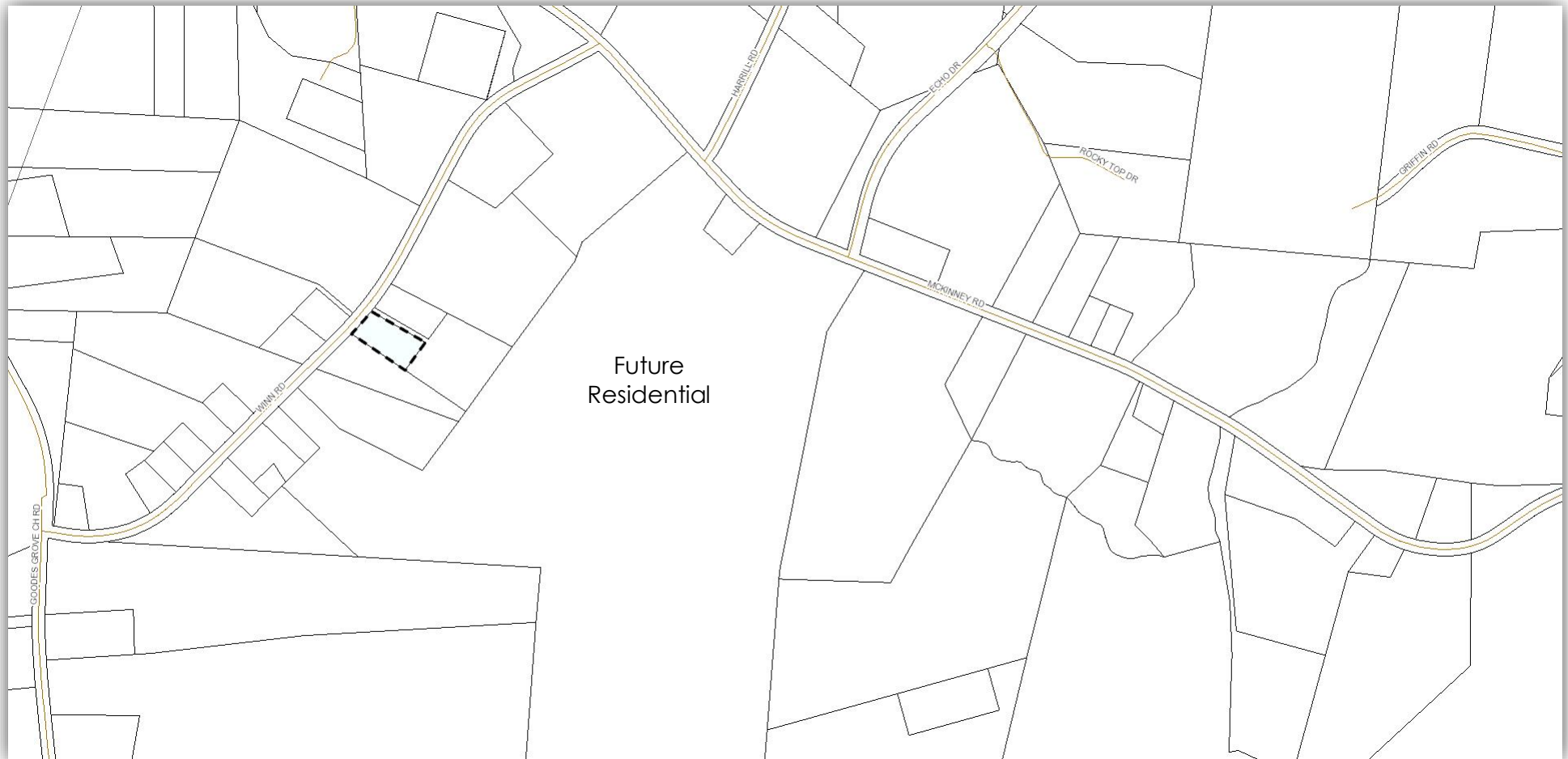
Case # 19-09 Re-Zoning for 735 Winn Road R to GB-CU
Zoning Map, Parcel #61359 1.01 acres

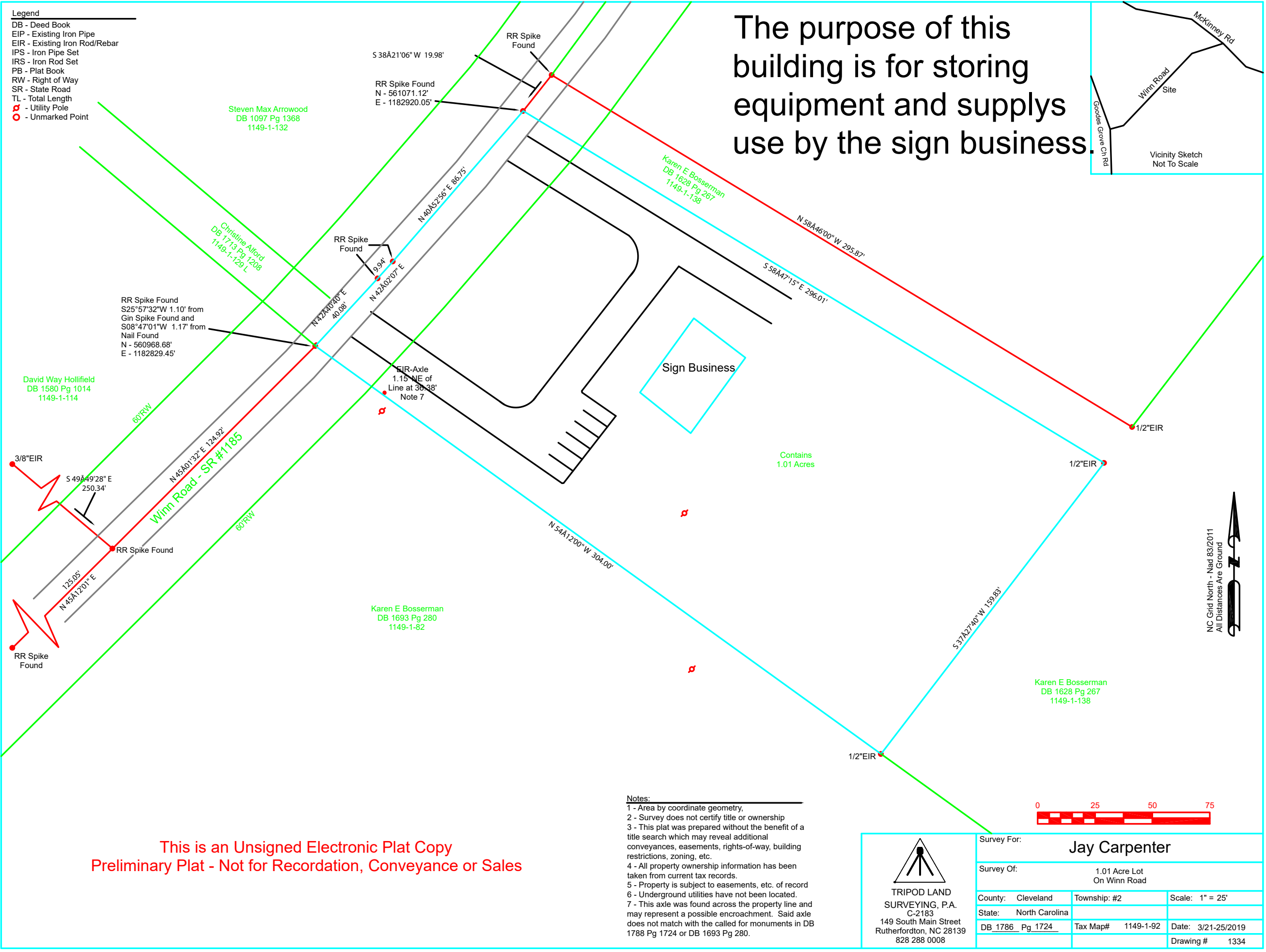


Case # 19-09 Re-Zoning for 735 Winn Road R to GB-CU
Aerial Map, Parcel #61359 1.01 acres



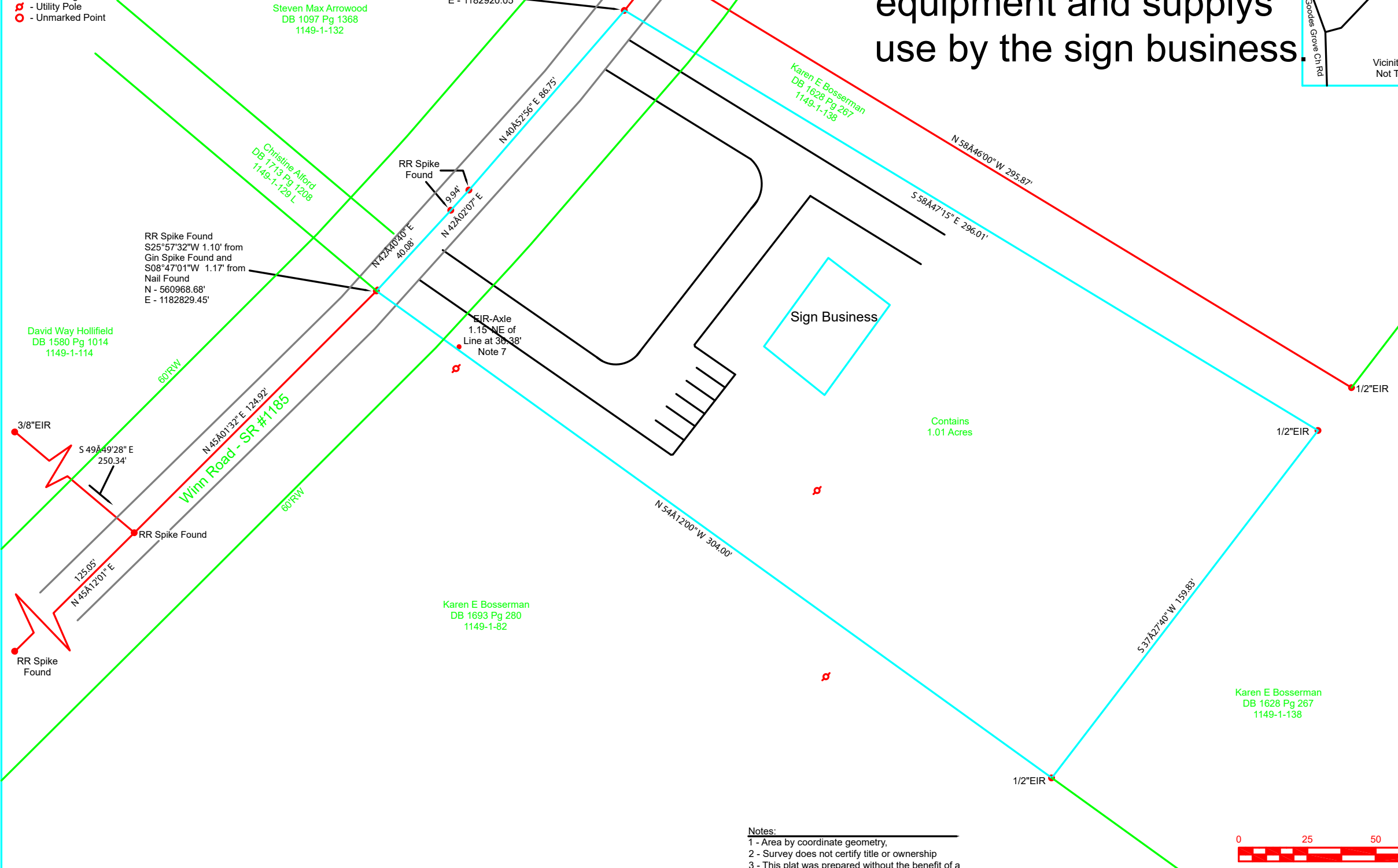
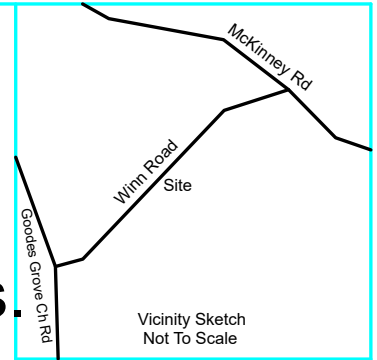
Case # 19-09 Re-Zoning for 735 Winn Road R to GB-CU
Land Use Plan, Parcel #61359 1.01 acres





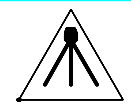
Legend
DB - Deed Book
EIP - Existing Iron Pipe
EIR - Existing Iron Rod/Rebar
IPS - Iron Pipe Set
IRS - Iron Rod Set
PB - Plat Book
RW - Right of Way
SR - State Road
TL - Total Length
⚡ - Utility Pole
○ - Unmarked Point

The purpose of this building is for storing equipment and supplies use by the sign business.



This is an Unsigned Electronic Plat Copy
Preliminary Plat - Not for Recordation, Conveyance or Sales

Notes:
1 - Area by coordinate geometry,
2 - Survey does not certify title or ownership
3 - This plat was prepared without the benefit of a title search which may reveal additional conveyances, easements, rights-of-way, building restrictions, zoning, etc.
4 - All property ownership information has been taken from current tax records.
5 - Property is subject to easements, etc. of record
6 - Underground utilities have not been located.
7 - This axle was found across the property line and may represent a possible encroachment. Said axle does not match with the called for monuments in DB 1788 Pg 1724 or DB 1693 Pg 280.

 TRIPOD LAND SURVEYING, P.A. C-2183 149 South Main Street Rutherfordton, NC 28139 828 288 0008		Survey For: Jay Carpenter	
Survey Of: 1.01 Acre Lot On Winn Road			
County:	Cleveland	Township: #2	Scale: 1" = 25'
State:	North Carolina		
DB 1786 Pg 1724	Tax Map#	1149-1-92	Date: 3/21-25/2019
		Drawing #	1334

COUNTY OF CLEVELAND, NORTH CAROLINA

AGENDA ITEM SUMMARY

Final Resolution Installment Financing and Building Acquisition

Department:

Agenda Title: Final Resolution Installment Financing and Building Acquisition

Agenda Summary: Brian Epley, County Manager

Proposed Action:

ATTACHMENTS:

File Name	Description
<input type="checkbox"/> 12348903_1_Installment_Financing_Contract-Cleveland_County_2019_(3).pdf	Draft Installment Financing Contract
<input type="checkbox"/> 12370590_1_Deed_of_Trust_Cleveland_County_2019.pdf	Draft Deed of Trust
<input type="checkbox"/> Draft_Lease_Amendment.pdf	Draft Lease Agreement

INSTALLMENT FINANCING CONTRACT

BETWEEN

ZIONSBANCORPORATION, N.A.

AND

COUNTY OF CLEVELAND, NORTH CAROLINA

DATED [CLOSING DATE]

INSTALLMENT FINANCING CONTRACT

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INSTALLMENT FINANCING CONTRACT

This **INSTALLMENT FINANCING CONTRACT**, dated [CLOSING DATE] (this “Contract”), is between **ZIONSBANCORPORATION, N.A.** (the “Lender”), and the **COUNTY OF CLEVELAND, NORTH CAROLINA**, a body corporate and politic and a political subdivision of the State of North Carolina (the “County”), under the Constitution and laws of the State of North Carolina (the “State”).

PREAMBLE

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

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

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

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

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

WHEREAS, in order to secure the obligations of the County under this Contract, the County has entered into a Deed of Trust (as hereinafter defined) with the deed of trust trustee named therein for the benefit of the Lender creating a lien on all of the right, title and interest of the County in and to the Mortgaged Property (as hereinafter defined);

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

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

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

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

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. The following terms have the meanings specified below unless the context clearly requires otherwise:

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

“Amount Advanced” means the aggregate principal amount of \$[amount] advanced by the Lender on the date hereof to enable the County to finance the cost of the Project.

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

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

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

“Completion Date” means the date on which completion of the acquisition, construction and installation of the Project occurs, as evidenced by the certificate provided for in Section 5.3.

“Construction Contracts” means the contracts between the County and the contractors selected and hired by the County relating to the acquisition, construction and installation of the Project.

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

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

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

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

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

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

"Deed of Trust" means the Deed of Trust and Security Agreement, made [CLOSING DATE], from the County to the Deed of Trust Trustee, for the benefit of the Lender, as beneficiary.

"Deed of Trust Trustee" means the deed of trust trustee named in the Deed of Trust, and any successor trustee thereto.

"Default Rate" means ____% per annum.

"Engineer" means any engineer, engineering consultant or architect, or firm thereof, hired by or employed by the County, licensed in the State and experienced in the work for which retained.

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

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

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

“Interest Rate” means 3.29% per annum calculated on the basis of a 360-day year of twelve 30-day months; provided, however, that from and after an Event of Default, the Interest Rate shall equal the Default Rate.

“Lender” means Zionsbancorporation, N.A. or its successors and assigns.

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

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

“Net Proceeds,” when used with respect to any proceeds of insurance policies, payment bonds, performance bonds, condemnation awards or moneys received as a consequence of default under a construction contract or otherwise made available by reason of any occurrence described in Section 5.4 or 8.1, means the amount remaining after deducting from the gross proceeds thereof all expenses (including, without limitation, attorneys’ fees and costs) incurred in the collection of such proceeds.

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

“Permitted Encumbrances” means

(1) easements, exceptions or reservations (i) for the purpose of pipelines, telephone lines, cable television lines, telegraph lines, power lines and substations, roads, streets, alleys, highways, parking, railroad purposes, drainage and sewerage purposes, dikes, canals, laterals, ditches, transportation of oil, gas or other materials, removal of oil, gas or other materials, and other like purposes, or (ii) for the joint or common use of real property, facilities and equipment, which exist on the Closing Date or arise under the provisions of Section 3.9 of the Deed of Trust and which, in the case of either (i) or (ii), in the aggregate do not materially interfere with or impair the operation of the Mortgaged Property for the purposes for which it is or may reasonably be expected to be used;

(2) the rights of the Lender under this Contract;

(3) the lien of the Deed of Trust and any other liens and encumbrances listed in Exhibit B thereto;

- (4) any lease in conformity with the provisions of Section 6.11;
- (5) any materialmen's liens incurred in the ordinary course of business and not remaining undischarged for more than sixty (60) days from the date thereof; and
- (6) any other liens, encumbrances, charges and restrictions on the Mortgaged Property described in Schedule B - Section II of the commitment of Investors Title Insurance Company to issue the Title Policy provided by the County under Section 6.5, or approved in writing by the Lender.

"Plans and Specifications" means the plans and specifications prepared by one or more Engineers hired or employed by the County relating to the acquisition, construction and installation of the Project.

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

"State" means the State of North Carolina.

"Title Policy" means the policy of title insurance issued by _____ pursuant to Section 6.5.

ARTICLE II

AMOUNT ADVANCED

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

ARTICLE III

INSTALLMENT PAYMENTS; ADDITIONAL PAYMENTS

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

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

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

Section 3.2 [RESERVED]

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

Section 3.4 No Abatement. There will be no abatement or reduction of the Installment Payments or Additional Payments by the County for any reason, including but not limited to, any failure by the County to appropriate funds to the payment of the Installment Payments or Additional Payments, any defense, recoupment, setoff, counterclaim or any claim (real or imaginary) arising out of or related to the acquisition, construction and installation of the Project. The County assumes and shall bear the entire risk of loss and damage to the Project from any cause whatsoever, it being the intention of the parties hereto that the Installment Payments shall be made in all events unless the obligation to make the Installment Payments is terminated as otherwise provided in this Contract.

Section 3.5 Prepayment of Amount Advanced.

(a) Upon not less than thirty (30) days prior written notice of prepayment to the Lender, the County shall have the option to prepay or provide for the prepayment of the outstanding principal components of the Installment Payments in whole or in part on any date at a prepayment price equal to one hundred percent (100%) of such principal components, plus accrued interest thereon to the date of such prepayment.

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

(c) The County's notice of its intent to prepay shall be irrevocable.. Partial prepayments shall be applied in the inverse order of maturity. In the event of a partial prepayment of the outstanding principal components of the Installment Payments, the Payment Schedule shall be recalculated as necessary by the Lender in order to reflect the effect of such prepayment.

ARTICLE IV

PROJECT FUND

Section 4.1 Project Fund. The Lender hereby agrees to cause (a) the Amount Advanced, less amounts reimbursed to the County for costs of improvements to the County's Emergency Services Building, to be deposited, at the direction of the County, in a fund established with a financial institution acceptable to the Lender and designated as the "County of Cleveland 2019 of this Article IV and (b) the balance of the Amount Advanced to be deposited with the County.

Section 4.2 Investment. The County shall cause the moneys at any time held in the Project Fund to be invested and reinvested in any investment obligations that are permitted under Section 159-30(c) of the General Statutes of North Carolina, as amended. Investment earnings on the moneys in the Project Fund shall be retained in the Project Fund pending their disbursement in accordance with this Article IV.

Section 4.3 Disbursement. Unless the Project Fund is earlier terminated in accordance with the provisions of Section 4.4, moneys in the Project Fund shall be disbursed in payment of the Cost of the Project. In connection with the drawing of funds from the Project Fund, the County Manager or Finance Director or their designees, shall prepare and execute a written requisition substantially in the form set forth in Exhibit B attached hereto, which shall be submitted to the Lender for approval. No funds shall be drawn from the Project Fund until the requisition therefor shall be approved by the Lender (such approval not to be unreasonably withheld).

If moneys in the Project Fund and any other available funds are insufficient to pay the Cost of the Project, the County shall provide any balance of the funds needed to complete the Project. Any moneys remaining in the Project Fund after completion of the Project in accordance with Section 5.3 shall be used (a) as necessary, if, in the opinion of nationally recognized bond counsel it is permissible to do so, first, to pay the interest component of any scheduled Installment Payment which has become due and payable, second, to pay the principal component of any scheduled Installment Payment which has become due and payable and, third, to pay the outstanding principal components of the remaining Installment Payments coming due thereafter in the order of their due dates or (b) at the option of the County, to pay for such other capital facilities as the County may determine, provided that such use is authorized by law and, in the opinion of nationally recognized bond counsel, it is permissible to do so. Any moneys remaining in the Project Fund on termination thereof before completion of the Project shall be credited against future principal components of Installment Payments coming due in the order of their due dates.

Section 4.4 Termination. The Project Fund shall be terminated at the earliest of (a) the final distribution of all moneys in the Project Fund, (b) the receipt by the County of written notice of an Event of Default given by the Lender or (c) the termination of this Contract.

ARTICLE V

ACQUISITION, CONSTRUCTION AND INSTALLATION OF THE PROJECT

Section 5.1 Acquisition, Construction and Installation of the Project. The County shall comply with the provisions of Article 8 of Chapter 143 of the General Statutes of North Carolina, as amended, and enter into the Construction Contracts relating to the Project. The County shall cause the acquisition, construction and installation of the Project to be carried on expeditiously in accordance with the Plans and Specifications, all applicable statutes and ordinances and all other applicable requirements of all regularly constituted authorities having jurisdiction over the same. The County shall insure that the Project will not violate any applicable use or other restrictions contained in prior conveyances or applicable protective covenants or restrictions. The County shall promptly correct any defect in the Project or any departure from the Plans and Specifications, unless it obtains the approval of the Lender otherwise, which approval shall not be unreasonably denied.

The County may make, or cause to be made, such changes in the Project as it deems necessary or appropriate to cause the Project to be completed for a cost within the funds available therefor; provided, however, that no change may be made in the Project which would result in its use for purposes other than presently contemplated.

Section 5.2 Right of Entry and Inspection. The Lender and its representatives and agents shall have the right to enter on and inspect the real property upon which the Project is to be located and the improvements thereto and thereon from time to time, during the acquisition, construction or installation of the Project, to the extent that the County has such right, and the County shall cause any contractor or subcontractor to cooperate with the Lender and its representatives and agents during such inspections. No right of inspection or approval contained in this Contract imposes on the Lender any duty or obligation whatsoever to undertake any inspection or to give any approval, except as provided in Section 5.1.

Section 5.3 Completion of the Project. The County shall use its best efforts to cause the acquisition, construction and installation of the Project to be completed within two (2) years, unforeseeable delays beyond the reasonable control of the County only excepted. Upon completion of the acquisition, construction and installation of the Project, the County Representative shall deliver to the Lender (a) a certificate of the County stating the fact and date of such completion and that all of the Cost of the Project has been determined and paid (or that all of such Cost has been paid less specified claims which are subject to dispute) and (b) a certificate of a duly authorized officer or agent of the architects, engineers or supervising contractors selected and hired by the County in connection with the acquisition, construction and installation of the Project stating the fact and date of such completion.

Section 5.4 Payment and Performance Bonds. Each contractor entering into a Construction Contract 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, each of which shall name the Lender as an obligee in addition to the County and copies of which shall be provided to the Lender. In lieu of furnishing a performance bond and a separate labor and material payment bond, each contractor may furnish collateral in the amount of its Construction Contract securing the County and the Lender pursuant to North Carolina General Statutes, Article 8, Chapter 143 (Section 143-129), evidence of which shall be provided to the Lender.

In the event of any material default by a contractor under any Construction Contract, or in the event of a material breach of warranty with respect to any materials, workmanship or performance, the County shall 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, after reimbursement to the County of any amounts theretofore paid by the County and not previously reimbursed to the County for correcting or remedying the default or breach of warranty which gave rise to the proceedings against such contractor or surety, shall be used by the County to pay Costs of the Project if received before the Completion Date, or, if received thereafter, shall either be deposited as provided in Section 8.2 or applied as provided in Section 8.3. To the extent that the Net Proceeds of any payment bond or collateral required by this Section are not applied directly to pay the Cost of the Project, they shall likewise be used by the County to pay Costs of

the Project if received before the Completion Date, or, if received thereafter, be deposited as provided in Section 8.2 or applied as provided in Section 8.3.

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

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

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

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

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

ARTICLE VI

RESPONSIBILITIES OF THE COUNTY

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

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

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

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

The County may also, upon the loss of or damage to any portion of any fixture constituting a part of the Mortgaged Property that is to be protected against by insurance required or permitted by Section 6.6 and in lieu of making any claim upon such insurance, substitute and install or cause to be substituted and installed as a fixture other equipment, machinery or other personal property having equal or greater value and utility (but not necessarily serving the same function) in the operation of the Mortgaged Property for such lost or damaged fixture. In any instance in which the County so elects to substitute or cause to be substituted any fixture for any damaged fixture,

the County may remove the damaged fixture from the Mortgaged Property and dispose of it without any further responsibility or accountability to the Lender therefor.

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

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

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

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

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

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

(a) Insurance against loss and/or damage to the Mortgaged Property under a policy or policies covering such risks as are ordinarily insured against for similar property. Such insurance

(which may be builder's risk insurance in whole or in part until the completion of the Project) shall be in an amount not less than the lesser of (i) the full replacement cost of the Mortgaged Property or (ii) the outstanding principal components of the Installment Payments, but any such policy may have a deductible amount of not more than \$50,000. No such policy of insurance shall be so written that the proceeds thereof will produce less than the minimum coverage required by the preceding sentence, by reason of co-insurance provisions or otherwise, without the prior written consent thereto by the Lender. The term "full replacement cost" shall mean the actual replacement cost of the Mortgaged Property, without deduction for physical depreciation, and shall be determined once every three years by an insurance consultant, in any case, selected and paid for by the County. Each such policy shall contain a replacement cost endorsement.

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

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

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

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

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

evidencing such coverage and stating, as required, the amount of coverage with respect to the Mortgaged Property or any part thereof.

Section 6.7 [Reserved]

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

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

Section 6.10 Financial Statements. The County shall send to the Lender a copy of the County's audited financial statements for each fiscal year within two hundred seventy (270) days of the completion of such fiscal year.

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

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

Section 6.11 Leasing by County. The County may lease any portion of the Mortgaged Property, subject to all of the following conditions:

- (a) The County shall not be relieved of any of its obligations under this Contract.
- (b) The County shall, within thirty (30) days after the execution of any lease, furnish or cause to be furnished to the Lender a true and complete copy of such lease.
- (c) Any lease shall be subject to the provisions of this Contract and the Deed of Trust and subordinate to the lien of the Deed of Trust.

ARTICLE VII

TITLE; LIENS; PERSONAL PROPERTY

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

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

Section 7.3 Personal Property. The County, at any time and from time to time, in its sole discretion and at its own expense, may install or permit to be installed items of equipment or other personal property in or upon any portion of the Mortgaged Property and may remove or replace such items and property if they do not constitute fixtures. All such items that constitute fixtures, except for any data processing or telecommunications equipment, shall become a part of the Mortgaged Property. All such items constituting data processing or telecommunications equipment or that are not deemed to be fixtures shall remain the sole personal property of the County in which the Lender shall not have any interest, and may be modified or removed by the County at any time, provided that the County shall repair and restore, or cause to be repaired and restored, any and all damage to the Mortgaged Property resulting from the installation, modification or removal of any such items.

ARTICLE VIII

DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS

Section 8.1 Damage, Destruction or Condemnation. If, during the term hereof, (i) the Project or any portion thereof is destroyed or is damaged by fire or other casualty, (ii) title to or the temporary or permanent use of the Project or any portion thereof or the estate of the County, the Lender or its assignee in the Project or any portion thereof is taken under the power of eminent domain by any governmental authority other than the County or (iii) a material defect in the

acquisition, construction and installation of the Project becomes apparent, then the County shall continue to be obligated, subject to the provisions of Section 8.3, to pay the amounts specified in Section 3.1 at the respective times required regardless of whether the documentation provided for in Section 5.3 has been delivered.

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

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

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

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

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

ARTICLE IX

REPRESENTATIONS OF THE COUNTY AND LENDER

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

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

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

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

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

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

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

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

(h) The County Manager or the Finance Director of the County shall include the Installment Payments and reasonably estimated Additional Payments coming due in each fiscal year in the corresponding annual budget request and exercise due diligence to have the Board of Commissioners include funds for the payment thereof in the corresponding final budget of the County. Any deletion of such funds from the County's final budget shall be made only pursuant to an express resolution of the Board of Commissioners which explains the reason for such action. Subject to applicable law, the actions required of the County and its officers and of the Board of Commissioners pursuant to this paragraph shall be deemed to be and shall be construed to impose ministerial duties and it shall be the duty of each and every public official of the County to take

such action and do such things as are required by law in the performance of the official duty of such official to enable the County to carry out and perform the actions required pursuant to this paragraph and its other agreements in this Contract. Nothing contained in this paragraph obligates the County to appropriate the moneys so budgeted or is to be construed to conflict with the provisions of Article XV.

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

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

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

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

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

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

ARTICLE X

[RESERVED]

ARTICLE XI

INDEMNIFICATION

Section 11.1 Indemnification. To the fullest extent permitted by law and subject to the provisions of Section 160A-20 of the North Carolina General Statutes, as amended, the County hereby agrees to indemnify, protect and save the Local Government Commission of North Carolina, the Lender and the Deed of Trust Trustee and their respective officers, employees, directors, members and agents (collectively the "Indemnitees") harmless from all liabilities, obligations, losses, claims, damages, actions, suits, proceedings, costs and expenses, including reasonable attorneys' fees, that (i) arise in tort, in contract, under 42 U.S. Code §1983 or under the

public bidding laws of the State or (ii) arise out of, are connected with, or result, directly or indirectly, from the Project or any portion thereof, including, without limitation, the manufacture, selection, acquisition, delivery, possession, condition, construction, improvement, environmental or other condition, lease, use, operation or return of the Project or any portion thereof, or the transactions contemplated by this Contract; provided, however, that the right to indemnification shall not apply to losses arising from (i) any action taken by any other Indemnatee and (ii) the exercise of the right of the County not to appropriate moneys for the payment of Installment Payments. The indemnification arising under this Article shall continue in full force and effect notwithstanding the payment in full of all obligations under this Contract, subject only to the remedies allowable under Section 160A-20 of the North Carolina General Statutes, as amended.

ARTICLE XII

DISCLAIMER OF WARRANTIES

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

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

ARTICLE XIII

DEFAULT AND REMEDIES

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

(a) The County fails to make any Installment Payment or pay any other amount hereunder when due.

(b) (i) The County fails to budget and appropriate moneys sufficient to pay all Installment Payments and the reasonably estimated Additional Payments coming due in any fiscal year of the County; or (ii) the County deletes from its duly adopted budget any appropriation for the purposes specified in clause (i) above.

(c) The County fails to perform or observe any term, condition or covenant of this Contract on its part to be observed or performed, other than as referred to in subparagraph (a) or (b) above, or of the Deed of Trust on its part to be observed or performed, or breaches any warranty by the County herein contained, other than as referred to in subparagraph (e) of this Section, for a period of thirty (30) days after written notice specifying such failure or breach and requesting that

it be remedied has been given to the County by the Lender; provided, however, that if such failure or breach cannot with due diligence be cured within such thirty (30)-day period and the County has promptly commenced and diligently worked to cure such failure or breach within such thirty (30)-day period, the County will have an additional period of ninety (90) days to cure such failure or breach and, further, that if such failure or breach cannot with due diligence be cured within such ninety (90)-day period and the County has diligently continued to work to cure such failure or breach within such ninety (90)-day period, then, upon consultation with the Lender as to such matter, the County will have an additional reasonable period of time to cure such failure or breach as long as the County diligently continues to work to cure such failure or breach.

(d) Any bankruptcy, insolvency or reorganization proceedings or similar litigation is instituted by the County, or a receiver, custodian or similar officer is appointed for the County or any of its property, and such proceedings or appointments are not vacated or fully stayed within ninety (90) days after the institution or occurrence thereof.

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

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

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

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

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

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

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

recovery, repair, storage, sale, lease, sublease or other disposition of the Mortgaged Property, toward the obligations due under this Contract and, thereafter, pay any remaining proceeds to the County.

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

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

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

ARTICLE XIV

ASSIGNMENT

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

Section 14.2 Assignment by the Lender. The Lender may, at any time and from time to time, assign to any bank, insurance company or similar financial institution or to any other entity approved by the Local Government Commission of North Carolina, or to a trust created to hold a pool of such obligations, all or any part of its interest in the Mortgaged Property or this Contract, including, without limitation, the Lender's rights to receive the Installment Payments and any Additional Payments due and to become due hereunder. Reassignment by any assignee may also only be to a bank, insurance company or similar financial institution or to any other entity approved by the Local Government Commission of North Carolina. The County agrees that this Contract may become part of a pool of obligations at the Lender's or its assignee's option. The Lender or its assignees may assign or reassign either the entire pool or any partial interest herein. Notwithstanding the foregoing, no assignment or reassignment of the Lender's interest in the Mortgaged Property or this Contract shall be effective unless and until the County shall receive a duplicate original counterpart of the document by which such assignment or reassignment is made disclosing the name and address of each assignee. The County covenants and agrees with the

Lender and each subsequent assignee of the Lender to maintain for the full term of this Contract a written record of each such assignment or reassignment. The County hereby appoints the Lender as its agent for the purpose of maintaining any written record in connection with an assignment under this Section, and the Lender hereby accepts such appointment. The County agrees to execute any document reasonably required by the Lender in connection with any assignment. Notwithstanding any assignment by the Lender of its interest in this Contract, the County shall not be obligated to provide any financial or other information to any assignee of the Lender except as set forth in Section 6.10.

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

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

ARTICLE XV

LIMITED OBLIGATION OF THE COUNTY

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

PROVISION OF THIS CONTRACT SHALL BE CONSTRUED TO PLEDGE OR TO CREATE A LIEN ON ANY CLASS OR SOURCE OF THE COUNTY'S MONEYS, NOR SHALL ANY PROVISION OF THIS CONTRACT RESTRICT THE FUTURE ISSUANCE OF ANY OF THE COUNTY'S BONDS OR OBLIGATIONS PAYABLE FROM ANY CLASS OR SOURCE OF THE COUNTY'S MONEYS. TO THE EXTENT OF ANY CONFLICT BETWEEN THIS ARTICLE AND ANY OTHER PROVISION OF THIS CONTRACT, THIS ARTICLE SHALL TAKE PRIORITY.

ARTICLE XVI MISCELLANEOUS

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

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

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

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

If to the County:

County of Cleveland, North Carolina
PO Box 1210
Shelby, NC 28151
Attention: Finance Director

If to the Lender:

Zionsbancorporation, N.A.
1 South Main, 18th Floor
Salt Lake City, Utah 84133
Attention: _____

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

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

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

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

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

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

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

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

Section 16.12 Term Sheet. The terms of this Contract shall supersede the terms of the Summary of Proposed Terms from the Lender to the County, including any amendments thereto. To the extent of any conflict between this Contract and such document, this Contract will take priority.

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

hired to work in the United States through E-Verify. The Lender and the Lender's subcontractors under this Contract shall comply with the requirements of the E-Verify Statute.

Section 16.14 Role of Lender. The Lender and its representatives are not registered municipal advisors and do not provide advice to municipal entities or obligated persons with respect to municipal financial products or the issuance of municipal securities (including regarding the structure, timing, terms and similar matters concerning municipal financial products or municipal securities issuances) or engage in the solicitation of municipal entities or obligated persons for the provision by non-affiliated persons of municipal advisory services and/or investment advisory services. With respect to this Contract, the Deed of Trust or any documents or instruments related thereto (the "Related Documents") and any other information, materials or communications provided by the Lender: (a) the Lender and its representatives are not recommending an action to any municipal entity or obligated person; (b) the Lender and its representatives are not acting as an advisor to any municipal entity or obligated person and do not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to any municipal entity or obligated person with respect to the Related Documents or information, materials or communications; (c) the Lender and its representatives are acting for their own interests; and (d) the Issuer has been informed that the County and the LGC should discuss this Agreement, or the Related Documents, and any such other information, materials or communications with any and all internal and external advisors and experts that the Issuer and the LGC, respectively, deem appropriate before acting on this Contract, any Related Document or any such other information, materials or communications.

Section 16.15 Electronic Municipal Market Access Filing. The County shall not file or submit, or permit the filing or submission, of all or any portion of this Contract or any related document with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system (or any successor continuing disclosure vehicle) unless such document or portion thereof, as applicable, to be so filed or submitted (i) has been submitted to the Lender in advance of such filing or submission and (ii) shall have been redacted to the extent required by the Lender.

Section 16.16 Privately Negotiated Loan. The County acknowledges and agrees that the Lender is advancing the Amount Advanced in evidence of a privately negotiated loan and in that connection no evidence of the Amount Advanced be (i) assigned a separate rating by any municipal securities rating agency, (ii) registered with The Depository Trust Company or any other securities depository, (iii) issued pursuant to any type of offering document or official statement or (iv) assigned a CUSIP number by Standard & Poor's CUSIP Service.

Section 16.17 US Patriot Act. The County represents and warrants to the Lender that neither it nor any of its principals, shareholders, members, partners, or affiliates, as applicable, is a person named as a Specially Designated National and Blocked Person (as defined in Presidential Executive Order 13224) and that it is not acting, directly or indirectly, for or on behalf of any such person. The Authority further represents and warrants to the Lender that the County and its principals, shareholders, members, partners, or affiliates, as applicable, are not directly or indirectly, engaged in, nor facilitating, the transactions contemplated by this transaction on behalf of any person named as a Specially Designated National and Blocked Person.

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

COUNTY OF CLEVELAND, NORTH CAROLINA

[SEAL]

By: _____
Susan K. Allen, Chair
of the Board of Commissioners
for the County

ATTEST:

Phyllis Nowlen
Clerk to the Board of Commissioners
for the County

[Signatures Continued on the Following Page]

DRAFT

[Counterpart Signature Page to the Installment Financing Contract,
dated [CLOSING DATE], between Zionsbancorporation, N.A
and the County of Cleveland, North Carolina]

ZIONS Bancorporation, N.A.

By: _____
Name: _____
Title: _____

[Signatures Continued on the Following Page]

[Counterpart Signature Page to the Installment Financing Contract,
dated [CLOSING DATE], between Zionsbancorporation, N.A.
and the County of Cleveland, North Carolina]

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

By:

Greg C. Gaskins
Secretary of the Local Government
Commission of North Carolina

DRAFT

PAYMENT SCHEDULE

Installment Payment Date	Principal Component	Interest Component	Total Installment Payment
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DRAFT

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

Lender Name: Zionsbancorporation, N.A
ABA#:
Acct #:
Ref. Name: Cleveland County, NC

EXHIBIT A

DESCRIPTION OF THE PROJECT

The Project consists of the purchase and improvement of a building and related land to be utilized as a Public Safety Complex and reimbursement to the County for costs of improvements to the County's Emergency Services Building, all located in the County.

DRAFT

EXHIBIT B

DESCRIPTION OF THE MORTGAGED PROPERTY

The Mortgaged Property consists of a tract or parcel of land described as follows:

DRAFT

DEED OF TRUST AND SECURITY AGREEMENT

Prepared by:
Edwin F. Lucas III, Esq.
Robinson, Bradshaw & Hinson, P.A.
101 North Tryon Street, Suite 1900
Charlotte, North Carolina 28246

Return to:
Zionsbancorporation, N.A
1 South Main, 18th Floor
Salt Lake City, Utah 84133

STATE OF NORTH CAROLINA
COUNTY OF CLEVELAND

(COLLATERAL IS OR INCLUDES FIXTURES)

This **DEED OF TRUST AND SECURITY AGREEMENT**, made and entered into as of [closing date] (this “Deed of Trust”), from the **COUNTY OF CLEVELAND, NORTH CAROLINA**, a body corporate and politic and a political subdivision of the State of North Carolina, whose address is 311 East Marion Street, Shelby, NC 28151, as grantor (the “Grantor”), to _____, whose address is _____, as trustee (the “Trustee”), for the benefit of **ZIONSBANCORPORATION, N.A.** whose address is 1 South Main, 18th Floor, Salt Lake City, Utah 84133 (the “Lender” and, together with its successors and assigns, the “Beneficiary”);

WITNESSETH:

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

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

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

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

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

SEE EXHIBIT A ATTACHED HERETO FOR THE REAL
PROPERTY DESCRIPTION, WHICH EXHIBIT A IS
SPECIFICALLY INCORPORATED HEREIN BY REFERENCE.

(b) All buildings, structures, additions and other improvements of every nature whatsoever now or hereafter situated on or about the Real Property (collectively the "Improvements").

(c) All gas and electric fixtures, radiators, heaters, engines and machinery, boilers, ranges, elevators and motors, plumbing and heating fixtures, carpeting and other floor coverings, fire extinguishers and any other safety equipment required by governmental regulation or law, washers, dryers, water heaters, mirrors, mantels, air conditioning apparatus, refrigerating plants, refrigerators, cooking apparatus and appurtenances, window screens, awnings and storm sashes and other machinery, equipment or other tangible personal property, which are or shall be so attached to the Improvements, including all extensions, additions, improvements, betterments, renewals, replacements and substitutions, or proceeds from a permitted sale of any of the foregoing, as to be deemed to be fixtures under North Carolina law (collectively the "Fixtures") and accessions to the Real Property and a part of the Premises as between the parties hereto and all persons claiming by, through or under them, and which shall be deemed to be a portion of the security for the Indebtedness. The location of the collateral described in this paragraph is also the location of the Real Property, and the record owner of the Real Property is the Grantor.

(d) All easements, rights-of-way, strips and gores of land, vaults, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, minerals, flowers, shrubs, crops, trees, timber and other emblements now or hereafter located on the Real Property or under or above the same or any part or parcel thereof, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances, reversion and reversions, remainder and remainders, whatsoever, in any way belonging, relating or appertaining to the Premises or any part thereof, or which hereafter shall in any

way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by the 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 so long as the Grantor is not in Default hereunder.

SUBJECT, HOWEVER, to such of the Permitted Encumbrances (as defined in Exhibit B hereto and specifically incorporated herein by reference) as are superior to the security created by this Deed of Trust and excluding all property excluded from the lien or security interest of the Lender under the Installment Financing Contract and all property released pursuant to the provisions of the Installment Financing Contract or this Deed of Trust.

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

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

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

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

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

ARTICLE I

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

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

(a) The Grantor will pay, or cause to be paid, before the same become delinquent, all taxes, liens, assessments and charges of every character including all utility charges, whether public or private, already levied or assessed or that may hereafter be levied or assessed upon or against the Premises; and will furnish the Beneficiary, on or before the final date whereon the same can be paid without penalty, evidence of the due and punctual payment of all such taxes, liens, assessments and charges. Nothing contained herein shall require the payment or discharge of any such tax, lien, assessment or charge by the Grantor for so long as the Grantor shall in good faith and at its own expense contest the same or the validity thereof by appropriate legal proceedings provided that such proceedings shall prevent (i) the collection thereof or other realization thereof and the sale or forfeiture of the Premises or any part thereof to satisfy the same or (ii) the enforcement thereof, against the Grantor, the Trustee, the Beneficiary and the Premises and so long as the Grantor first deposits with the Beneficiary in escrow such sums or other security as the Beneficiary may reasonably require to assure Beneficiary of the availability of sufficient monies to pay such tax, lien, assessment or charge if and when the same is finally determined to be due.

(b) The Grantor will not suffer any mechanic's, materialman's, laborer's, statutory or other lien to be created and to remain outstanding upon all or any part of the Premises. The Grantor shall be entitled to discharge such liens by bonds or to contest any such liens pursuant to the same procedure as the Grantor is entitled to contest taxes in the preceding subsection 1.2(a).

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

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

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

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

Section 1.5 **Care of Premises.**

(a) The Grantor will keep or cause to be kept the buildings, parking areas, roads and walkways, recreational facilities, landscaping and all other Improvements of any kind now or hereafter erected on the Real Property or any part thereof in good condition and repair (ordinary

wear and tear excepted), will not commit or suffer any waste, and will not do or suffer to be done anything which will increase the risk of fire or other hazard to the Premises or any part thereof.

(b) Except in the ordinary course of its business or as provided in Section 6.1 of the Installment Financing Contract, the Grantor will not remove, demolish or alter or permit to be removed, demolished or altered the structural character of any Improvement located on the Real Property or any Fixture without the prior written consent of the Beneficiary.

(c) If the Premises or any part thereof is damaged by fire or any other cause, the Grantor will give immediate notice thereof to the Beneficiary and the Trustee.

(d) Upon reasonable prior notice to the Grantor, the Beneficiary or its representative is hereby authorized to enter upon and inspect the Premises at any time during normal business hours. The Beneficiary agrees that any confidential information about the Grantor obtained in the exercise of its rights under this subsection shall, except as otherwise required by law or regulation applicable to the Beneficiary, be maintained in a confidential manner and shall be used by the Beneficiary only for the protection of its rights and interests hereunder.

(e) The Grantor will comply promptly or cause there to be compliance promptly with all present and future laws, ordinances, rules and regulations of any governmental authority (including, but not limited to, all environmental and ecological laws and regulations) affecting the Premises or any part thereof.

Section 1.6 Leases Affecting Premises. The Grantor may lease any portion of the Premises as provided in the Installment Financing Contract.

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

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

Section 1.8 Further Assurances. At any time, and from time to time, upon request by the Beneficiary, the Grantor will make, execute and deliver or cause to be made, executed and delivered, to the Beneficiary and/or the Trustee and, where appropriate, cause to be recorded and/or filed and from time to time thereafter to be re-recorded and/or refiled at such time and in such

offices and places as shall be deemed desirable by the Beneficiary, any and all such other and further deeds of trust, security agreements, financing statements, continuation statements, instruments of further assurance, certificates and other documents as may, in the opinion of the Beneficiary, be necessary or desirable in order to effectuate, complete, or perfect, to continue and preserve or to give notice of (a) the obligations of the Grantor under the Installment Financing Contract or this Deed of Trust and (b) the lien of this Deed of Trust as a first and prior lien, subject to Permitted Encumbrances, upon and security title in and to all of the Premises, whether now owned or hereafter acquired by the Grantor. Upon any failure by the Grantor so to do, the Beneficiary may make, execute, record, file, re-record and/or refile any and all such deeds of trust, security agreements, financing statements, continuation statements, instruments, certificates, and documents for and in the name of the Grantor and the Grantor hereby irrevocably appoints the Beneficiary as its agent and attorney-in-fact to do so.

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

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

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

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

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

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

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

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

Section 1.17 Hazardous Material.

(a) The Grantor represents, warrants and agrees that: (i) the Grantor has not used or installed any Hazardous Material (as hereinafter defined) in violation of applicable Environmental Laws (as hereinafter defined) on, from or in the Premises and, to the best of the Grantor's actual knowledge, no other person has used or installed any Hazardous Material on, from or in the Premises; (ii) to the best of the Grantor's actual knowledge, no other person has violated any applicable Environmental Laws relating to or affecting the Premises; (iii) to the best of the Grantor's actual knowledge, the Premises are presently in compliance with all applicable Environmental Laws, and there are no facts or circumstances presently existing upon or under the Premises, or relating to the Premises, which may violate any applicable Environmental Laws, and there is not now pending or threatened any action, suit, investigation or proceeding against the Grantor or the Premises (or against any other party relating to the Premises) seeking to enforce any right or remedy against the Grantor or the Premises under any of the Environmental Laws; (iv) the Premises shall be kept free of Hazardous Materials to the extent required by applicable Environmental Laws, and shall not be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce, or process Hazardous Materials, except as a necessary incident to the normal operation and maintenance of the Premises by the Grantor and in connection with acquisition, construction and installation of the Project (as defined in the Installment Financing Contract) and any additional Improvements on the Real Property; (v) the Grantor shall not cause or permit the installation of Hazardous Materials in, on, over or under the Premises or a Release (as hereinafter defined) of Hazardous Materials unto or from the Premises or suffer the presence of Hazardous Materials in, on, over or under the Premises in violation of applicable Environmental Laws; (vi) the Grantor shall comply or cause there to be compliance with Environmental Laws applicable to the Premises, all at no cost or expense to the Beneficiary or the Trustee; (vii) the

Grantor has obtained and the Grantor 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 actual knowledge, there has been no Release of any Hazardous Materials on or from the Premises in violation of applicable Environmental Laws, whether or not such Release emanated from the Premises or any contiguous real estate, which has not been abated and any resulting violation of applicable Environmental Laws abated; (ix) the Grantor shall immediately give 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 law and subject to the provisions of Section 160A-20 of the General Statutes of North Carolina, as amended ("G.S. § 160A-20"), the Grantor hereby agrees to indemnify the Beneficiary and the Trustee and hold the Beneficiary and the Trustee harmless from and against any and all liens, demands, defenses, suits, proceedings, disbursements, liabilities, losses, litigation, damages, judgments, obligations, penalties, injuries, costs, expenses (including, without limitation, reasonable attorneys' and experts' fees) and claims of any and every kind whatsoever paid, incurred, suffered by, or asserted against the Beneficiary, the Trustee and/or the Premises for, with respect to, or as a direct or indirect result of: (i) the presence of Hazardous Materials in, on or under the Premises, or the escape, seepage, leakage, spillage, discharge, emission or Release on or from the Premises of any Hazardous Materials regardless of whether or not caused by or within the control of the Grantor; (ii) the violation of any Environmental Laws applicable to the Premises or the Grantor, whether or not caused by or within the control of the Grantor; (iii) the failure by the Grantor to comply fully with the terms and provisions of this Section; (iv) the violation of any of the Environmental Laws in connection with any other property owned by the Grantor, which violation gives or may give rise to any rights whatsoever in any party with respect to the Premises by virtue of any of the Environmental Laws, whether or not such violation is caused by or within the control of the Grantor; or (v) any warranty or representation made by the Grantor in subsection (a) of this Section being false or untrue in any material respect.

(c) In the event the Beneficiary has a reasonable basis to suspect that the Grantor has violated any of the covenants, warranties, or representations contained in this Section, or that the Premises are not in compliance with the applicable Environmental Laws for any reason, the Grantor shall take such steps as the Beneficiary reasonably requires by notice to the Grantor in order to confirm or deny such occurrences, including, without limitation, the preparation of environmental studies, surveys or reports. In the event that the Grantor fails to take such action, the Beneficiary may take such action as the Beneficiary reasonably believes necessary to protect its interest, and the cost and expenses of all such actions taken by the Beneficiary, including, without limitation, the Beneficiary's reasonable attorneys' fees, shall be added to the Indebtedness.

(d) For purposes of this Deed of Trust: (i) "Hazardous Material" or "Hazardous Materials" means and includes, without limitation, (a) solid or hazardous waste, as defined in the Resource Conservation and Recovery Act of 1980, or in any applicable state or local law or

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

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

ARTICLE II

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

(a) Failure by the Grantor to pay when due, any Installment Payment as required by the Installment Financing Contract or by this Deed of Trust.

(b) Failure by the Grantor to duly observe or perform after notice and lapse of any applicable grace period any other term, covenant, condition or agreement of this Deed of Trust.

(c) Any warranty of the Grantor contained in this Deed of Trust proves to be untrue or misleading in any material respect.

(d) The occurrence of any "Event of Default" under the Installment Financing Contract.

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

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

(b) Commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver as hereinafter provided, specially enforce any of the covenants hereof, or cause the Trustee to foreclose this Deed of Trust by power of sale.

(c) Exercise any or all of the remedies available to a secured party under any applicable laws.

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

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

Upon application of the Beneficiary, it shall be lawful for and the duty of the Trustee, and the Trustee is hereby authorized and empowered, to expose to sale and to sell the Premises at

public auction for cash, after having first complied with all applicable requirements of laws of the State of North Carolina with respect to the exercise of powers of sale contained in deeds of trust, and upon such sale the Trustee shall convey title to the purchaser in fee simple. After retaining from the proceeds of such sale just compensation for the Trustee's services and all expenses incurred by the Trustee, including the Trustee's commission not exceeding one percent (1%) of the bid and reasonable attorneys' fees for legal services actually performed, the Trustee shall apply the residue of the proceeds first to the payment of all sums expended by the Beneficiary under the terms of this Deed of Trust; second, to the payment of the Indebtedness secured hereby; and the balance, if any, shall be paid to the Grantor. The Grantor agrees that in the event of sale hereunder, the Beneficiary shall have the right to bid thereat. The Trustee may require the successful bidder at any sale to deposit immediately with the Trustee cash or certified check in an amount not to exceed twenty-five percent (25%) of the bid, provided notice of such requirement is contained in the advertisement of the sale. The bid may be rejected if the deposit is not immediately made and thereupon the next highest bidder may be declared to be the purchaser. Such deposit shall be refunded in case a resale is had; otherwise, it shall be applied to the purchase price.

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

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

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

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

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

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

or to which either of them may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by the Trustee or the Beneficiary and either of them may pursue inconsistent remedies.

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

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

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

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

Grantor have been made knowingly, intentionally and willingly by the Grantor as part of a bargained for transaction.

ARTICLE III

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

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

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

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

Section 3.5 **Notices, Demands and Requests.** All notices, demands or requests provided for or permitted to be given pursuant to this Deed of Trust must be in writing and shall be deemed to have been properly given if served or given by personal delivery or by being deposited in the United States Mail, postage prepaid, registered or certified return receipt requested, and addressed to the addresses as follows: (a) if to the County, County of Cleveland, North Carolina, 311 East Marion Street, Shelby, NC 28151, Attention: Finance Director, (b) if to the Beneficiary, 1 South Main, 18th Floor, Salt Lake City, Utah 84133 and (c) if to the Deed of Trust Trustee, _____.

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

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

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

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

Section 3.9 Release of Premises.

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

(b) Upon the Grantor exercising its rights to dispose of any Fixtures in accordance with the provisions of Section 6.1 of the Installment Financing Contract, the Beneficiary and the Trustee will execute all releases or other documents necessary to effectuate the release of the respective Fixtures from the lien of this Deed of Trust.

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

Section 3.11 Miscellaneous. The covenants, terms and conditions herein contained shall bind, and the benefits and powers shall inure to the respective heirs, executors, administrators, successors and assigns of the parties hereto. Whenever used herein, the singular number shall include the plural, the plural the singular, and the term "Beneficiary" shall include any payee of the indebtedness hereby secured and any transferee or assignee thereof, whether by operation of law or otherwise.

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

COUNTY OF CLEVELAND, NORTH CAROLINA

By: _____

Susan K. Allen, Chair of the Board of
Commissioners for the County

[SEAL]

ATTEST:

Phyllis Nowlen, Clerk to the Board of Commissioners
for the County

I, _____, a Notary Public, certify that Susan K. Allen came before me this day and acknowledged that he is the Chair of the Board of Commissioners for the County of Cleveland, North Carolina, and that, by authority duly given and as the act of said County, the foregoing instrument was signed in its name by her, sealed with its seal, and attested by Phyllis Nowlen, the Clerk to the Board of Commissioners for said County.

My commission expires:

EXHIBIT A
REAL PROPERTY DESCRIPTION

DRAFT

EXHIBIT B
PERMITTED ENCUMBRANCES

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

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

(2) the rights of the Lender under the Installment Financing Contract;

(3) the lien of this Deed of Trust;

(4) any lease in conformity with the provisions of Section 6.11 of the Installment Financing Contract;

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

(6) any other liens, encumbrances, charges and restrictions on the Real Property described as exceptions in Schedule B – Section II of the commitment of Investors Title Insurance Company to issue the title insurance policy required pursuant to Section 6.5 of the Installment Financing Contract, or approved in writing by the Lender.

LEASE AMENDMENT

THIS AMENDMENT (the "Amendment") is made this _____ day of _____, 2019, by and between Cleveland County, North Carolina ("Landlord"), and Halifax Gaston/Shelby LLC, a Florida limited liability company ("Tenant"), to the Lease between the parties initially dated May 1, 2013 and attached hereto as Exhibit 2, to which Landlord succeeded as landlord on the _____ day of _____, 2019, following Landlord's purchase of the Premises.

WHEREAS, Landlord and Tenant have in force a lease agreement (the "Lease") pursuant to which Tenant has leased from Landlord a premises (the "Premises"), which is located at 315 East Graham Street in Shelby, North Carolina, and is more fully described in Exhibit A of the Lease, a copy of which is attached hereto as Exhibit 2.

WHEREAS, the Parties find it favorable to make certain changes to the Lease and acknowledge that these changes are good and valuable consideration for one another;

NOW THEREFORE, the following Amendment is made to the Lease Agreement:

1. The Lease termination date is revised to September 30, 2023. Base rent for the revised Lease term shall be calculated according to the schedule attached hereto as Exhibit 1.
2. Landlord shall have the right to terminate the Lease at any time upon 120 days' written notice to Tenant.
3. Tenant's option to extend the lease (Section 20.13) is extinguished and eliminated from the Lease.
4. During the final 12 months of the revised Lease term, Tenant shall be relieved of the following obligations in the Lease, and such obligations shall become obligations of Landlord:
 - a. Taxes (Section 3.01);
 - b. Insurance (Section 3.02);
 - c. Maintenance by Tenant (Section 7.02);
 - d. Snow and Ice (Section 7.03);
 - e. Roof (Section 7.05);
 - f. HVAC (Section 7.07);
 - g. Utility Charges (Section 9.01);

The transfer of these obligations notwithstanding, Tenant shall still be responsible for any damage to the Premises caused by the intentional or reckless actions or omissions of Tenant or Tenant's officers, employees, or agents, during the term of the Lease.

5. All other terms of the existing Lease shall remain in effect.

LANDLORD:

Cleveland County, North Carolina

By: _____
Susan K. Allen

Title: Chairman of the Board of Commissioners

Attest: _____
Phyllis Nowlen

Title: Clerk to the Board of Commissioners

TENANT:

Halifax Gaston/Shelby LLC, a Florida limited liability company

By: _____

Printed Name: _____

Title: _____

EXHIBIT 1

Rental due dates and amounts pursuant to Lease Amendment:

<u>Lease Period</u>	<u>Rent Amount (Annual)</u>	<u>Rent Amount (Monthly)</u>
10/01/2019 – 04/30/2020	\$94,839.73	\$7,903.31
05/01/2020 – 04/30/2021	\$97,210.72	\$8,100.89
05/01/2021 – 04/30/2022	\$99,640.99	\$8,303.42
05/01/2022 – 04/30/2023	\$102,132.01	\$8,511.00
05/01/2023 – 09/30/2023	\$104,276.79	\$8,689.73

DRAFT

EXHIBIT 2

COUNTY OF CLEVELAND, NORTH CAROLINA

AGENDA ITEM SUMMARY

Adjourn

Department:

Agenda Title: The next meeting of the Cleveland County Board of Commissioners will be held on Tuesday, September 17, 2019 at 6:00pm in the Commissioners Chamber.

Agenda Summary:

Proposed Action:

ATTACHMENTS:

File Name

Description

No Attachments Available