MINUTES OF THE REGULAR MEETING
OF THE ALAMANCE COUNTY BOARD OF COMMISSIONERS FOR ALAMANCE COUNTY
HELD ON MONDAY, JUNE 1, 2020

Call to Order - Chair Galey

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<th>Attendee Name</th>
<th>Title</th>
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<td>Bill Lashley</td>
<td>Commissioner</td>
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<td>Amy Scott Galey</td>
<td>Chair</td>
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<td>Steve Carter</td>
<td>Vice Chairman</td>
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<td>Eddie Boswell</td>
<td>Commissioner</td>
<td>Present</td>
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<td>Tim D. Sutton</td>
<td>Commissioner</td>
<td>Present</td>
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Invocation - Vice Chair Carter

Public Speakers

Citizens may address the Board for no more than 3 minutes per speaker on topics which are related to this meeting agenda. Citizens were encouraged to submit written comments or register to be called back during the meeting if they wanted to submit oral comments. Clerk Frink read the following public comment.

George Adams, 317 Bidney Dr. Burlington, NC. "Mr and Ms Commissioners: Due to Covid-19 I am asking that no new moneys be included in the 20-21 budgets because of uncertainties of sales taxes and the virus!!! I would also like to point out that the Alamance editorials for the last 3 weeks are, Sometimes its hard not to think of ABSS and school board as truly a joke, 5-21, Public sector employees vs private sector employees: which of these things is not like the other? and this week= School system's new math seems pretty much like old math ex MORE for ABSS $$$$$ What about our seniors, our working poor and small business people?? If ABSS and ACC are doing online now why can't they keep doing it? Safer and saves money $$$$$$"

Commissioners' Responses

Commissioner Boswell mentioned that some classes at ACC could not be completed online and EMT training was an example.

Commissioner Sutton said as a driver's education teacher he is around students and teenagers more than anyone on this Board. He said that his students say that online classes were boring and hard to maintain their attention.

Approval of the Agenda

RESULT: APPROVED [UNANIMOUS]
MOVER: Bill Lashley, Commissioner
SECONDER: Steve Carter, Vice Chairman
AYES: Lashley, Galey, Carter, Boswell, Sutton

Consent Agenda
RESULT: APPROVED [UNANIMOUS]
MOVER: Steve Carter, Vice Chairman
SECONDER: Eddie Boswell, Commissioner
AYES: Lashley, Galey, Carter, Boswell, Sutton

Appointments/Reappointments

Graham Board of Adjustment ETJ Member- Justin Moody
Graham Planning & Zoning Board ETJ Member- Justin Moody
Mebane Planning Board (ETJ) - Gale Pettiford
Workforce Development Board-Derrick Byrd

Library Board By-Laws revision

Bylaw Revisions- Alamance County Planning Committee for Services to the Elderly

Approval to Accept Late Property Tax Exemption Forms - Tax Department
Approval of late property tax exemption and exclusion applications for New Birth Baptist Church and Foothills Contracting, LLC.

Approval of Minutes

Alamance County Board of Commissioners - Regular Meeting - Mar 16, 2020 7:00 PM
Alamance County Board of Commissioners - Regular Meeting - Apr 6, 2020 9:00 AM

Presentations/Other Business

2898 : COVID-19 Update - Health Department
Stacie Saunders, Health Director, shared the current landscape of the COVID-19 response, global and national numbers. She continued that globally they were looking at 6.1 million cases and almost 370,000 deaths, and in the United States there were 1.78 million cases and over 104,000 deaths thus far. North Carolina had 28,589 confirmed cases and 886 deaths. Alamance County had a cumulative case count of 385 and 202 of those confirmed cases had been released from isolation, 157 remain active in isolation, 22 of those cases were receiving care in the hospital. There had been 26 COVID-19 related deaths in the county, 22 of those deaths were in a long term care facility (LTCF).

Ms. Saunders gave a break down of cumulative cases by demographics, race, ethnicity, zip code and by age. She said the trends looked similar to the state with the exception of the population over the age of 65 due to the outbreak in the long-term care facility. She mentioned there were persistent health disparities in the community.

She explained that she added a new slide because of the interest in the deaths in Alamance County that week and the New York Times article that had Burlington as topping the list for the fewest days between doubling for deaths. Ms. Saunders admitted that she had not dug into those numbers to determine where they were getting that information. She said that as of May 31st, Alamance County had 26 COVID-19 related-deaths and that 4 of those were general population and the other 22 were in a LTCF.
Commissioner Boswell asked about patients in LTCF and where do they go after they have been diagnosed. Ms. Saunders said it depended on the severity of their symptoms at the time. She explained that there are times when their symptoms are manageable within the facilities. She said if their symptoms or health worsens then are likely transferred to a hospital. He then asked why where they not pulled out as soon as they test positive. Ms. Saunders did not have an answer for that question as far as protocols in the facilities. Commissioner Lashley agreed that it was a big problem not transferring residents from the retirement homes as soon as they tested positive. He mentioned that Florida had been more proactive in moving patients to the hospitals to stop the spread in the retirement homes. Ms. Saunders offered to contact some of the LTCF’s about their protocols and precautions.

Chair Galey mentioned there was some work done in this area before the pandemic and that some in the nursing home industry were resistant to reforms.

Ms. Saunders discussed the new cases epi curve. She noted that there was access to increased collection within the community and more collection sites. She said that the more you collect then the more you find. She went on to provide information on case investigation and contact tracing. She reiterated that there were 157 active cases currently and that required an initial case investigation. Ms. Saunders indicated that was very intensive and taxing.

Commissioner Sutton asked about the odds of having COVID-19, yet not having a temperature. Ms. Saunders responded that she would bring the data around the symptoms they were seeing most often. She did mention that many of the cases that they had seen did not exhibit a fever and that some may not develop a fever.

Commissioner Sutton asked Ms. Saunders for her opinion on whether the pandemic was getting better or getting worse nationwide. She opined that they were seeing an increase in the number of new cases and there were some contributing factors. She noted there had been an increase in access to testing so the more that are tested the more they are finding. She mentioned that states are starting to lift restrictions so people were moving around more and no longer staying at home. Ms. Saunders also noted there were lots of festivities over the Memorial Day weekend where people were interacting with each other.

Vice Chair Carter asked whether the swab test detected antibodies in a person that had recovered. Ms. Saunders responded that the swab test was just a molecular polymerase chain react (PCR) test which looked for the genetic material of the active virus or infection and the serological test was used to look for antibodies. She noted that someone who did not have the active disease but was exposed may also have the antibodies. She mentioned that was the reason that the serological test was not necessarily the best one to use for a diagnostic.

RESULT: NO ACTION TAKEN

2894 : Manager's Recommended Budget Presentation FY 20-21 - County Manager Hagood
County Manager Hagood presented his recommended budget for fiscal year 2020-21. He said it was an important time to receive this important information for his recommended budget. He mentioned that this was not the budget that he foresaw coming for fiscal year 20-21 and that this community had been blessed. County Manager Hagood noted that the county had good economic times for the past 5-6 years and lots of growth. He said with the COVID-19 impact they were seeing a significant impact to the local economy and statewide. He felt this budget
would take the county thru a 12-18 month event. His recommended budget was $209,166,397 and he focused his discussion on the general fund which was the county's main spending fund. He reminded the Board that during the budget retreat the total general fund request was over $181 million. County Manager Hagood had reduced that request by $14 million so his general fund recommendation was $167,615,943. He said a key takeaway was that they were $4.2 million down from this fiscal year's budget. He recommended that the property tax rate remain at .67 cents.

He mentioned that the total budget for county government functions was almost $91 million which was down a little over $2 million from last fiscal year. He mentioned that the capital plan was a little over $24 million which was down almost $1.7 million from fiscal year 2019-20. He recommended reducing the education operations for ABSS and ACC by half a million dollars from the fiscal year 19-20 funding levels. County Manager Hagood reviewed the specific targeted reductions included in his recommended budget: no funding for the county's merit pay program, he froze 25 positions, a significant cut of $326,372 to the Board of Elections budget. He noted that there was designated funds and coronavirus funds that could be used to offset those cuts. The library, along with Parks were the other 2 hardest hit departments with Parks taking a $122,000 reduction that would eliminate all youth athletic programs, senior programs and a lot of the special population programs. He recommended freezing the 1 full-time and 5 part-time positions for the library along with cutting their books and materials budget in half. The budget did not include any funding for the county's capital improvement program (CIP), reduced the school system's CIP funding by almost $600,000, reduced the county's capital equipment by $704,596, reduced the Farmland Preservation Program by $75,000 and a reduction to education operations by half a million dollars.

County Manager Hagood predicted that the property tax revenue for fiscal year 2020-21 would be over $100 million which would be a $2.4 million increase from fiscal year 2019-20. He emphasized that was good news and an indication that the tax base was growing. He noted that the biggest impact of this budget was the sales tax revenue projections. He projected it to be $24.6 million which was down $7.1 million from fiscal year 2019-20. County Manager Hagood mentioned that was a big decrease and was due to what was going on economically with COVID-19. He went on to discuss further why he and staff were using such a conservative projection of sales tax revenues. He stressed that they had looked at what other counties were estimating and worked closely with the NC Association of County Commissioners. County Manager Hagood said he went with a 20% across the board reduction for next fiscal year knowing that they could watch that revenue and report to the Board as they collect it. He reiterated that this budget was built around this conservative estimate.

He planned to use $3.5 million of unassigned fund balance and $1.2 million of designated for a total use of $4.7 million of fund balance. He explained that one of his goals as county manager was to avoid the use of and even the budgeting of unassigned fund balance. County Manager Hagood provided figures on how they had budget unassigned fund balance over the past 5 years. He noted that the way the budget was constructed that if revenues came in at 20% then they would spend the $3.5 million in unassigned fund balance. If revenues comes in better there was a possibility that they would not have to spend that money.
County Manager Hagood noted that the Health Department had proposed a 5% increase to all of their fees and changing their flu vaccination fee effective July 1st. He recommended 1 new position which was the school resource office (SRO) position that would be paid for by the school system.

Commissioner Lashley asked about the SRO positions and who paid for those. He said that he could not get an answer from the school system. He asked if the state was paying for those positions then why was the county paying. County Manager Hagood explained that he saw in the revised school system budget that they had budgeted $250,000 for school resource officers. He said based on the way that they fund the school system, they do not dictate to them what to do with the funding. The county budgeted operational funding for them and they may choose to use some of the funding for the school resource officers. He commented that they do receive funds from the state specifically to pay for SRO’s. Chair Galey added that from what she understood the state only paid a certain amount or percentage and so to make up the salary difference the school system used the county funding. Sheriff Johnson mentioned that the school system was not paying what they should have been paying. They met with new superintendent and then they raised the salaries like they should have been.

County Manager Hagood proposed freezing a number of positions in county government. He said this could be reconsidered if revenues came in better. He mentioned that the county would have to increase the contributions for retiree health insurance. He mentioned that they had to increase the dollars budgeted for workers’ compensation along with increased contributions for the local government employee retirement system for each employee.

He suggested the purchase of 1 new ambulance since that was a priority for EMS along with 3 new vehicles for the Sheriff’s Office and 2 new vans for the detention center which would be paid for with ICE funding. He mentioned there was $10,000 worth of emergency management radios that would be paid for with SARA funds. County Manager Hagood shared that the landfill was budgeting funding for capital equipment. They planned to spend $644,000 for various pieces of equipment, $25,000 to build a pole barn to store the equipment, and $550,000 for a couple of paving projects.

County Manager Hagood continued his discussion about debt service included in the budget. He noted that the county’s legal debt margin was over a billion dollars and the county could carry up to a billion dollars in debt. He reminded the Board that they had set a maximum of $450 million in the county financial policy which was 3% of the tax base. He continued that the total outstanding principal balance would be $40.6 million as of July 1st. Only $4.5 million of the outstanding debt belonged to the county, almost $18 million was ABSS debt, and $17.5 million was ACC debt. County Manager Hagood noted another parameter of the financial policy was that the annual debt maximum payment should not be more than 15% of the general fund spending. He said the projected debt payment for fiscal year 2020-21 was $8.5 million. He reiterated that the county had a very large capacity for issuing debt.

County Manager Hagood recommended a $460,000 decrease for school system operations for fiscal year 2019-20 since their request for that year had been a flat request. Chair Galey clarified if the sales tax revenues came in better than a 20% decrease then that could be restored to the school system. County Manager Hagood said that it could and that it did not please him as
County manager to have to recommend a reduction to the school system spending. He recommended a $2.1 million decrease from fiscal year 2019-20 for the school system paygo capital budget. His total recommended funding for ABSS was $43,203,142. County Manager Hagood noted that there was a chart included that showed the county's level of funding for ABSS over the past 5 years. He noted that county had been on an overall upward trajectory for funding the school system at higher levels. He stressed that they are a priority and they receive the largest amount of funding from county government.

He advocated a $40,000 decrease for ACC. He noted this decrease was not from their request but from the fiscal year 2019-20 budget. County Manager Hagood recommended $3.4 million for ACC’s operations budget and $330,000 for their paygo capital budget for a total funding of $3,754,312. He mentioned a similar chart on ACC’s funding history over the past 5 years. He shared that the Board had demonstrated a willingness to fund public education and increase funding for public education.

County Manager Hagood provided a summary of the funding for outside agencies. The total recommended amount was $3 million and $2.1 million was grant/passthru funds. He recommended a $951,391 county match which was a 4% decrease from the fiscal year 2019-20 funding.

County Manager Hagood discussed the occupancy tax information. He reviewed that occupancy tax revenues had grown with more people continuing to come and stay in hotels. However, due to the COVID-19 crisis, they are projecting a 50% decrease in occupancy tax revenues.

He recommended 1 change to the ordinance, he recommended the purchase order amount be changed from $600 to $1,000.

County Manager Hagood said the total budget for all of the volunteer fire departments across the county was a little over $5.8 million. He said that 3 volunteer fire departments had requested fire district tax increases; Faucette and Elon fire departments had both requested a 1 cent increase while Eli Whitney had requested a 3 cent increase. Chair Galey requested County Manager Hagood provide contact numbers for the fire chiefs. She wanted to call them and discuss their request as she was feeling cautious about a tax increase of any kind in the county.

Commissioner Lashley asked whether the dental clinic was closed and what was the dental staff doing during the closure. County Manager Hagood said he would have to ask about that. He guessed that they could be out working on contact tracing or helping answer the phone lines.

Commissioner Boswell inquired as to what has happened with the city of Graham leaving county central communications for Burlington. County Manager Hagood thought that move had been delayed.

County Manager Hagood said the next steps were to hold a budget work session on Monday, June 8th at 9:00am and hold the budget public hearing on Monday, June 15th at 7:00pm. Chair Galey suggested seeing if anyone was still interested in holding a work session since they had a lot to process and think through. Commissioner Boswell complimented County Manager Hagood on a great job that he did with his presentation and he was okay with not having a work
session. Commissioner Sutton agreed only if he could get more information on the number of part-time employees and per pupil funding. There was a consensus not to have it and that if no one had an interest in a special-called meeting by Wednesday, then there would not be a called meeting for June 8th.

**2020-58 : Request to set a public hearing for June 15th at 7:00pm: Budget Ordinance FY 2020-21**

Chair Galey lead the discussion about where to hold the budget public hearing for June 15th. She suggested looking at Western Alamance High School since they had held previous budget hearings at other high schools. County Manager Hagood said he was waiting to hear back from Dr. Benson. He did mention there may be some IT difficulties with the streaming ability. Vice Chair Carter suggested holding it at the Historic Courthouse. Commissioner Boswell confirmed that the Commissioners’ Meeting Room was a guaranteed space for live streaming. Chair Galey suggested reaching out to Elon University to see if they had a space. Assistant County Manager Walker said that Elon might be an option because they should be hooked up to high speed internet.

Commissioner Lashley, seconded by Commissioner Boswell moved to set the public hearing for June 15th at 7:00pm.

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<td>SECONDER:</td>
<td>Eddie Boswell, Commissioner</td>
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<td>AYES:</td>
<td>Lashley, Galey, Carter, Boswell, Sutton</td>
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**2895 : Alamance County Capital Plan Presentation FY 20-21 - County Manager Hagood**

County Manager Hagood gave an update on the capital plan. He said this was a supplemental piece to the budget and a tool for the county to use to plan and implement projects. He summarized some of the changes that had been made to the plan and some of the proposed debt to be issued.

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**2907 : CARES Act Funds for Alamance County Update - County Manager Hagood**

County Manager Hagood gave a CARES Act Relief Fund update, these are funds allocated by the state to counties. He said that the county did receive $3 million and he had presented an initial plan to the Board during the May 18th regular meeting. He reminded the Board that they had discussed hazard pay for county employees who had been working the COVID-19 event. $800,000 was earmarked for municipalities and small businesses so the county was working within a budget of $2.2 million. He said a one-time bonus plan had been created for first responders and employees whose job duties place them in an increased risk of exposure to contract or take COVID-19 home to their families. County Manager Hagood continued that they were looking at hazard pay bonuses for public health employees (employees identified by assigned work), EMS, emergency management, central communications, Fire Marshal’s Office and social services (adult protective social workers, child protective services social workers, foster care social workers) for a total of 270 employees. The range of the bonuses paid would be $500-$1500 which would be a total cost of $360,338 paid from the coronavirus relief funds. He mentioned that Sheriff Johnson had located funding within his fiscal year 2019-20 budget for bonuses for his entire staff in the amount of $503,244. There was not enough money to include the Sheriff’s Office staff in the hazard pay bonus plan.
Chair Galey asked for a copy of this presentation and a breakdown of the number of employees in each department that will receive the bonus. County Manager Hagood said they will provide that information. He indicated that he planned to return at the June 15th meeting with a budget amendment for the county's allocation of the $2.2 million.

County Manager Hagood said they sent plan templates to each of the municipalities. They received 7 responses with total costs. He said that if you added up all of their costs it was a little over $2 million and the Board needed to think about what level of funding they wanted to provide to the municipalities. He said they had researched loans over grants for small businesses. He discussed the next steps and they would research whether they could purchase PPE to provide for small businesses.

RESULT: INFORMATIONAL

Resolution-Installment Financing-Capital Finance Plan
County Manager Hagood said he understood the dilemma in borrowing or using the county's cash. County Manager Hagood said this hinged on the fiscal year 19-20 budget because they were planning to borrow $167 million in March which included all of ABSS's debt and a little of ACC's debt. He continued that they would be talking with credit rating agencies in December or January to prepare for their review. He mentioned that they only minor negative concern was the county's cash balance. County Manager Hagood said if they borrowed the money then the county's cash balance would be higher and the only benefit of borrowing the money. Vice Chair Carter asked whether they could borrow it later. Ms. Evans said there was a time restriction and the application would go to the Local Government Commission (LGC) the following day so that is why they need a definitive answer.

Commissioner Lashley voiced that he did not believe it was wise to borrow the money when the county had it in the fund balance, Commissioner Boswell agreed. He offered especially during this time, if the county had the money then go ahead and pay for it.

RESULT: FAILED

Public Speakers
(Citizens may address the Board for no more than 3 minutes per speaker on issues of public interest.)

Donna Vanhook "At this writing, I am waiting to give an oral public comment. I was unable to submit a written public comment via the online form yesterday because I cannot find the link to do so. However, I did call yesterday and requested to make an oral public comment during the June 1, 2020 meeting as follows:

First, for the record, thank you for hearing my public comment on May 18, 2020, about the need for Alamance County Public Librarians Mobile Cafe to continue services in East Burlington neighborhoods. The temporary route I helped coordinate in response to ABSS schools closure during COVID-19 worked remarkably well for students lacking access to wifi due to the unfortunate digital divide in Alamance County.

ABSS students who reside at six Burlington Housing Authority apartment complexes, Beaumont Avenue and Tucker Street Apartments (owned by the same company), along with Misty Springs
Mobile Home Park (Sharpe Road) Gaines access to wifi internet to complete their homework. This five day a week route began on April 13, 2020 until the end of the school year.

Secondly, this is not a personal attack, however I am both appalled and perturbed about a couple of statements that occurred during the same May 18th commissioners meeting. Commissioner Bill Lashley stated to Sheriff Terry Johnson, “we used to beat the the hell out of them, but you can’t do that now.” This outrageous and oppressive statement pertained to discussion about the purchase of militarized law enforcement equipment for the sheriff’s department with COVID-19 relief funds, about which I strongly disagree. Chair Galey, your response was merely, “well, well, well” and then you chuckled with others in the room. This type of behavior should not be condoned and is not acceptable from county commissioners. It contributes to police culture detrimental to black and brown lives. This we see evidence of throughout the nation’s current turmoil in response to systemic police brutality. Thank you.”

**Commissioners’ Responses**

Commissioner Boswell said the mobile cafe route should continue in East Burlington.

Chair Galey addressed her reaction to the comments made at the last meeting. She said she took Ms. Vanhook's comments to heart and took responsibility for her actions.

Vice Chair Carter said he agreed with that and he apologized for any reaction he might have had that offended anyone.

Commissioner Lashley said it was time to get tough and do something about people burning down property. He suggested doing what had to be done to stop the looting and burning.

Commissioner Sutton said he wished this could be talked out, but was doubtful that this could happen. He shared a story about Myrtle Beach, SC and the gangs and turf wars. He said Myrtle Beach had let that get out of control and they needed to get tough to straighten this out. Commissioner Sutton said it was a sad day in America, he noted these problems were going on before the gentleman's death.

Vice Chair Carter said Sheriff Johnson demonstrated exactly what Commissioner Sutton said on yesterday.

Commissioner Boswell complimented the City of Burlington on their handling of the peaceful protest held the day before. He said it was about coming together.

Chair Galey shared since she started on this journey 4 years ago, she had shook hands and looked in the eyes of thousands of people. She noted 2 things that she had she learned: every human needs to feel safe and every person needs to feel valued. Chair Galey said that the experience of people of color was they were not safe and they were not valued. She continued that there was historical evidence to back up the feelings that they had. She understood how the African American community would see the murders of George Floyd and Mr Aubery and not feel safe or valued. She spoke that she did not know everything about everything but if people could reflect on that and put themselves in shoes of different people it might be a start to move together and forward as a community. Chair Galey said she was challenged to speak her truth and that was her truth.
County Manager's Report
No report.

Commissioners' Comments
Commissioner Boswell thanked the information technology staff for making sure they were able to participate remotely during the past couple of meetings.

Chair Galey wanted to read a statement to be entered into the record and she gave a timeline of what took place with ACE Speedway.

"Amy Scott Galey, Chair of the Alamance County Board of Commissioners, timeline of the question of whether ACE Speedway would open to spectators under Executive Order 141 (Phase 2):

May 11-call with Jason Turner, Matt Gross of DHHS, Stacie Saunders, me, Bryan, discussion of whether Phase 2 would start on May 22. Matt Gross initiated contact, is a racing fan who saw that ACE was planning to race the day that Phase 2 started. The discussion was centered on whether Phase 2 would start on May 22, not that it might start but outdoor arenas like ACE would not be included in it. Discussion of what safety precautions ACE and other racetracks would take if Phase 2 starts.

May 20 (Wednesday) 5 pm - Governor Roy Cooper announces Phase 2 will start in 48 hours, mass gathering ban of more than 25 people outside.

May 21 (Thursday) 9:30 am-call with Matt Gross of DHHS, Clyde Albright, me, Robert Turner, Sheriff, others to discuss the constitutionality of the mass gathering ban of 25 people. Clyde Albright told Matt Gross that he did not view the executive order as constitutional. Matt Gross said that he did not have the expertise to address that, not being an attorney, but that he would have someone from the governor’s staff get back to Clyde.

We waited to hear from an attorney from the governor’s staff. It was Memorial Day weekend. ACE Speedway had race 5/23.

May 25 (Tuesday) 8:00 am staff meeting with me, Bryan Hagood, Clyde Albright, Stacie Saunders, Steve Carter, Ben Pierce, Michelle Mills, Byron Tucker, and Sheriff. Discussed how county would respond to ACE’s actions on Saturday. Michelle Mills was to draft a press release in anticipation of what the governor would say at his media briefing that day, subject to change when we saw what the governor would actually say. It was agreed that Clyde would send a follow up email to Matt Gross, Stacie Saunders would go pick up the contact tracing info that ACE did possess, and the Sheriff and I would visit ACE to get a better understanding of what actually happened Saturday night and discuss whether ACE had made actually attempted to follow the public health measures they had agreed to.

Nothing heard from the governor legal staff.

Tuesday morning 5/26, can’t remember exact time, I talked with Julie Emmons, Deputy Chief of Staff for Congressman Mark Walker. I told her my frustration at getting no response from the governor. She offered to contact people she knew at DHHS, see if she could set up a bridge for communication.
May 27 (Wednesday) 3:02 pm I heard from Julie Emmons that Kevin Monroe, the governmental affairs person from the governor’s office, would call me.

May 27 I told Jason Turner that he needs to get his own attorney and prepare to defend in court his right to open under EO 141.

May 27 3:53 pm Kevin Monroe called me. I told him that the call with Matt Gross the Thursday prior had been about the constitutionality of the executive order and that we had asked for someone to call us. He asked if I wanted the governor’s legal counsel to call me, and I said no please have them call Clyde Albright. He promised he would.

May 28 (Thursday) 10:07 am nobody had called Clyde, so I called Kevin Monroe and left a message. He returned my call at 11:18 am and said that he would have the governor’s legal counsel call Clyde.

That was the sum of my personal involvement of the decision of whether ACE Speedway would open.

During all that, I called the other commissioners and our General Assembly delegation to update them and keep them informed.

County Attorney Albright offered that he had several conversations with Mr. McKinney and he acknowledged that his reading of that exemption language was correct. He understood how Mr. Albright might have been confused. Mr. Albright said he was not a judge or a jury and that he could not predict what a judge would say. He said his job was to keep Sheriff Johnson and the Board out of trouble. He felt he had made a valid point on the order.

Commissioner Sutton asked County Attorney Albright how he could take a federal ruling on a church service and parlay that thought of ethics over to a race or football game. He said he opposed the linking of religion to a baseball game or race. He said the whole country did not see it that way and neither did the 5-4 ruling.

**Adjournment**

There being no further business to be brought before the Board, the meeting was adjourned at 2:19 PM

Respectfully Submitted,

____________________

CLERK TO THE BOARD
TO: Alamance County Board of Commissioners

FROM: Tory Frink

DEPT: County Clerk

MEETING DATE: 06/1/20

DATE SUBMITTED: 04/16/20

ISSUE/ACTION REQUESTED:

Consideration of the reappointment of Justin Moody to the Graham Board of Adjustment as an Extraterritorial Jurisdiction (ETJ) member.

BACKGROUND/PURPOSE OF REQUEST:

If re-appointed to another term, as an ETJ member, Mr. Moody's term will be effective July 1, 2020 - June 30, 2023.

FISCAL IMPACT:

COUNTY MANAGER’S RECOMMENDATION:

ATTACHMENTS:

ACTION OF THE BOARD OF COMMISSIONERS

RESULT: APPROVED BY CONSENT VOTE [UNANIMOUS]

MOVER: Steve Carter, Vice Chairman

SECONDER: Eddie Boswell, Commissioner

AYES: Lashley, Galey, Carter, Boswell, Sutton
TO: Alamance County Board of Commissioners  
FROM: Tory Frink  
DEPT: County Clerk  
MEETING DATE: 06/1/20  
DATE SUBMITTED: 04/16/20

ISSUE/ACTION REQUESTED:
Consideration of the reappointment of Justin Moody to the Graham Planning & Zoning Board as an Extraterritorial Jurisdiction (ETJ) member.

BACKGROUND/PURPOSE OF REQUEST:
If re-appointed to another term, as an ETJ member, Mr. Moody's term will be effective July 1, 2020 - June 30, 2023.

FISCAL IMPACT:

COUNTY MANAGER’S RECOMMENDATION:

ATTACHMENTS:

ACTION OF THE BOARD OF COMMISSIONERS
RESULT: APPROVED BY CONSENT VOTE [UNANIMOUS]

MOVER: Steve Carter, Vice Chairman
SECONDER: Eddie Boswell, Commissioner
AYES: Lashley, Galey, Carter, Boswell, Sutton
TO: Alamance County Board of Commissioners  MEETING DATE: 06/1/20
FROM: Tory Frink  DATE SUBMITTED: 05/18/20
DEPT: County Clerk

ISSUE/ACTION REQUESTED:
Consideration of the Reappointment of Gale Pettiford to the Mebane Planning Board as an ETJ member.

BACKGROUND/PURPOSE OF REQUEST:
Ms. Pettiford has been on the Mebane Planning Board for several years as an ETJ member for the county. She is requesting reappointment for another term. New term to be effective 7/1/2020 to 6/30/2024.

FISCAL IMPACT:

COUNTY MANAGER’S RECOMMENDATION: NO RECOMMENDATION

ATTACHMENTS:

ACTION OF THE BOARD OF COMMISSIONERS
RESULT: APPROVED BY CONSENT VOTE [UNANIMOUS]
MOVER: Steve Carter, Vice Chairman
SECONDER: Eddie Boswell, Commissioner
AYES: Lashley, Galey, Carter, Boswell, Sutton
TO: Alamance County Board of Commissioners
FROM: Tory Frink
DEPT: County Clerk

MEETING DATE: 06/1/20
DATE SUBMITTED: 05/18/20

ISSUE/ACTION REQUESTED:
Consideration of the appointment of Derrick Byrd to the Workforce Development Board.

BACKGROUND/PURPOSE OF REQUEST:
Randy Fulk, current member is not seeking reappointment for another term which will expire on 6/30/2020. The Regional Partnership Workforce Development Board is requesting that Mr. Byrd be appointed as a representative of the organized labor sector. If Mr. Byrd is appointed his term of service will be 7/1/2020 - 6/30/2023.

FISCAL IMPACT:

COUNTY MANAGER’S RECOMMENDATION:

ATTACHMENTS:
WDB Appointment letter - Derrick Byrd.pdf (PDF)

ACTION OF THE BOARD OF COMMISSIONERS
RESULT: APPROVED BY CONSENT VOTE [UNANIMOUS]
MOVER: Steve Carter, Vice Chairman
SECONDER: Eddie Boswell, Commissioner
AYES: Lashley, Galey, Carter, Boswell, Sutton
May 13, 2020

TO: Clerk to the Board
Alamance County Board of Commissioners

FROM: Tammy Wall, Director

SUBJECT: Workforce Development Board Member Appointment

Good afternoon Clerk (Tory Frink) and Board,

Regional Partnership Workforce Development Board is submitting a membership appointment request for Derrick Byrd, an Int’l Rep. (BCTGM International Union) representing the organized labor sector. Mr. Byrd is being nominated by Randy Fulk (current member) who will not be seeking reappointment this term. Mr. Byrd will be seeking a 3 year term of July 2020 – June 30, 2023.

I would appreciate you including this request for appointment on the next Alamance County Board of Commissioners agenda.

If you have any questions, please do not hesitate to contact me at (336) 629-5141.

Kind Regards,

Tammy Wall
Director, Regional Partnership Workforce Development
NC Works

(336) 629-5141 office
(336) 707/4682 mobile
twall@regionaIcs.org

Regional Partnership Workforce Development
Post Office Box 1883
221 S. Fayetteville Street
Asheboro, NC 27204-1883
ISSUE/ACTION REQUESTED:
Seeking approval of a revision of the Library Committee By-Laws, dually revised and approved by the Library Committee on May 12, 2020.

BACKGROUND/PURPOSE OF REQUEST:
Alamance County Public Libraries is submitting a revision to the Library Committee by-laws. Changes include a revised responsibilities to include advocating for the Library, removing the consecutive term restrictions from the current two terms and the wording of the quorum definition and secretarial duties.

FISCAL IMPACT:

COUNTY MANAGER'S RECOMMENDATION:

ATTACHMENTS:
Bylaws 2020 05 12 - marked up edits version (DOCX)
Bylaws 2020 05 12 (DOCX)

ACTION OF THE BOARD OF COMMISSIONERS
RESULT: APPROVED BY CONSENT VOTE [UNANIMOUS]
MOVER: Steve Carter, Vice Chairman
SECONDER: Eddie Boswell, Commissioner
AYES: Lashley, Galey, Carter, Boswell, Sutton
May 12, 2020

ALAMANCE COUNTY LIBRARY COMMITTEE

BYLAWS

ARTICLE I

Composition and Meetings of Committee

Section 1. Membership

In accordance with the General Statutes of North Carolina, the Alamance County Library Committee (previously known as the Alamance County Library Board and hereinafter referred to as “the Committee”) shall consist of ten (10) persons who may also be referred to as “Trustees”. As provided in the resolution dated May 16, 1988 and January 21, 1992, and signed by the Alamance County Commissioners, this Committee is hereby created to advise the Board of County Commissioners on certain matters relating to the operation of the library. Alamance County Commissioners shall have final approval of trustees. The trustees shall be recommended in the following manner:

1) Two (2) trustees from the City of Burlington and recommended by the City of Burlington
2) Two (2) trustees from the City of Graham and recommended by the City of Graham.
3) Two (2) trustees from the City of Mebane and recommended by the City of Mebane.
4) Three (3) trustees at large from the County of Alamance and appointed by the Board of County Commissioners
5) One (1) County Commissioner serving as a liaison in a non-voting capacity

Criteria:
Trustees must be in good standing regarding any use of library services.
Trustees should be committed to representing members of their community.
Trustees should have an understanding of the role and basic tenets of Public Libraries.
Trustees should be committed to serving as active stewards for the Library’s growth and success.

Terms shall be for two years. Trustees shall be appointed for no more than two consecutive terms. Terms will start on July 1, the beginning of the fiscal year. Four (4) of the members shall initially be appointed to a one (1) year term in order to provide for staggering of the terms.

Commented [SG1]: Removing the consecutive term limit.
Section 2. Meetings

The regular meetings of the Committee shall be held during the months of August, November, February and May of each fiscal year. The meeting will be held at an Alamance County Public Library to be determined by the Library Director unless otherwise determined by the Committee.

A trustee may be replaced if he/she misses two (2) consecutive meetings without excused absences.

Section 3. Annual Meeting

An annual meeting will be held at the regular Committee meeting in November of each year for the purpose of electing new officers.

Section 4. Special Meetings

A special meeting of the Committee may be called at any time by the chairman or any two members of the Committee, by causing a written notice, signed by the person or persons calling the special meeting to be served upon each member of the Committee in the manner set forth in Section 5 below.

Section 5. Notices of Meetings

Notices of all meetings, setting the time and place of the meeting, and summarizing any new business to be discussed shall be served by the secretary, by electronic mail or by depositing the same in the U.S. mail, postage paid, addressed to all committee members at least five (5) days before the day of the meeting.

ARTICLE II

Officers

Section 1.

Officers shall be elected by vote of the committee members for one (1) year terms at the annual meeting of the Committee and shall be as follows: Chairman and Vice-Chairman. In case of a vacancy in any office, however caused, the Committee at its next regular or called meeting shall nominate and elect a successor from its membership. No officer except the secretary shall serve in the same office for more than two (2) consecutive full terms.
Section 2

The chairman shall preside at all meetings, appoint all special committees, authorize calls for any special meetings, and generally perform the duties of a presiding officer. In the absence of the chairman from a meeting, the vice-chairman shall serve. In the absence of the chairman and vice-chairman from a meeting, the trustees present may select a temporary chairman for that meeting.

Section 3

The secretary of the Committee shall be the Library Director or Office Manager, unless otherwise determined by the Committee. He/she shall keep a true and accurate account of all proceedings of the committee meetings and shall see that copies of the minutes of each meeting are distributed to all Committee members no later than five (5) days prior to the day of the next regularly scheduled meeting. The secretary shall have custody of the minutes and other records of the Committee. He/she shall notify the Alamance County Commissioners of all vacancies on the Committee.

ARTICLE III

Special Committees

Special committees for the study and investigation of special problems may be appointed by the chairman. Such committees will serve until the completion of the work for which they were appointed.

ARTICLE IV

Quorum

A quorum for the transaction of business shall consist of five (5) members of the Committee. Special committees for the study and investigation of special problems may be appointed by the chairman. Such committees will serve until the completion of the work for which they were appointed.

ARTICLE V

Duties of the Committee

The functions and responsibilities of the Committee shall be as follows:

1. To recommend programs, policies, and regulations for the operation of the library.
2. To recommend a schedule of fines and charges for the late return of, failure to return, damage to, or loss of library materials.
3. To recommend measures to protect and regulate the use of library materials.
4. To advise the Board of Commissioners on library matters.
5. To advocate on behalf of the library system.

Commented [SG2]: Correcting terminology to be Office Manager does act as the Secretary

Commented [SG3]: Changing this definition to be able to achieve a quorum.

Commented [SG4]: Removed since it was considered a part of the programs, policies, and regulations statement.

Commented [SG5]: Added as it is the biggest and often ask of the Committee, to help advocate for the community.
The Committee shall also keep abreast of the needs and desires of the users of all the public libraries in the county, and endeavor to fulfill these needs by recommending policies to the Alamance County Commissioners for the operation of these public libraries which are consistent with those needs.

ARTICLE VI

Limitations On Members of the Committee

Section 1.

No member of the Committee or immediate relative shall be considered for staff employment.

Section 2.

No member of the Committee shall use the business, finance, or contracts of the library for personal gain or profit.

ARTICLE VII

Order of Business

The order of business of the regular meetings shall be as follows:

Call to Order
Public Comment
Approval of Minutes (either read or previously received)
Report of the Director
Unfinished Business
New Business
Adjournment

ARTICLE VIII

Amendments

The bylaws may be amended at any meeting of the Committee with a quorum present and by a two thirds (2/3) vote of the members of the Committee, provided that the amendment was stated in the call for the meeting.

5/12/2020
Approved May 12, 2020 ALAMANCE COUNTY LIBRARY COMMITTEE

BYLAWS ARTICLE

I

Composition and Meetings of Committee

Section 1. Membership

In accordance with the General Statutes of North Carolina, the Alamance County Library Committee (previously known as the Alamance County Library Board and hereinafter referred to as "the Committee") shall consist of ten (10) persons who may also be referred to as "Trustees". As provided in the resolution dated May 16, 1988 and January 21, 1992, and signed by the Alamance County Commissioners, this Committee is hereby created to advise the Board of County Commissioners on certain matters relating to the operation of the library. Alamance County Commissioners shall have final approval of trustees. The trustees shall be recommended in the following manner:

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5) One (1) County Commissioner serving as a liaison in a non-voting capacity

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Trustees must be in good standing regarding any use of library services.
Trustees should be committed to representing members of their community.
Trustees should have an understanding of the role and basic tenets of Public Libraries.
Trustees should be committed to serving as active stewards for the Library's growth and success.

Terms shall be for two years. Terms will start on July 1, the beginning of the fiscal year. Four (4) of the members shall initially be appointed to a one (1) year term in order to provide for staggering of the terms.
Section 2. Meetings

The regular meetings of the Committee shall be held during the months of August, November, February and May of each fiscal year. The meeting will be held at an Alamance County Public Library to be determined by the Library Director unless otherwise determined by the Committee.

A trustee may be replaced if he/she misses two (2) consecutive meetings without excused absences.

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A special meeting of the Committee may be called at any time by the chairman or any two members of the Committee, by causing a written notice, signed by the person or persons calling the special meeting to be served upon each member of the Committee in the manner set forth in Section 5 below.

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Notices of all meetings, setting the time and place of the meeting, and summarizing any new business to be discussed shall be served by the secretary, by electronic mail or by depositing the same in the U.S. mail, postage paid, addressed to all committee members at least five (5) days before the day of the meeting.

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Section 1.

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The chairman shall preside at all meetings, appoint all special committees, authorize calls for any special meetings, and generally perform the duties of a presiding officer. In the absence of the chairman from a meeting, the vice-chairman shall serve. In the absence of the chairman and vice-chairman from a meeting, the trustees present may select a temporary chairman for that meeting.

Section 3.

The secretary of the Committee shall be the Library Director or Office Manager, unless otherwise determined by the Committee. He/she shall keep a true and accurate account of all proceedings of the committee meetings and shall see that copies of the minutes of each meeting are distributed to all Committee members no later than five (5) days prior to the day of the next regularly scheduled meeting. The secretary shall have custody of the minutes and other records of the Committee. He/she shall notify the Alamance County Commissioners of all vacancies on the Committee.

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Special Committees

Special committees for the study and investigation of special problems may be appointed by the chairman. Such committees will serve until the completion of the work for which they were appointed.

ARTICLE IV

Quorum

A quorum for the transaction of business shall consist of half of the current appointed members plus one or five (5) members of the fully appointed Committee.

ARTICLE V

Duties of the Committee

The functions and responsibilities of the Committee shall be as follows:

1. To recommend programs, policies, and regulations for the operation of the library.
2. To recommend a schedule of fines and charges for the late return of, failure to return, damage to, or loss of library materials.
3. To advise the Board of Commissioners on library matters.
4. To advocate on behalf of the library system.
The Committee shall also keep abreast of the needs and desires of the users of all the public libraries in the county, and endeavor to fulfill these needs by recommending policies to the Alamance County Commissioners for the operation of these public libraries which are consistent with those needs.

ARTICLE VI

Limitations On Members of the Committee

Section 1.

No member of the Committee or immediate relative shall be considered for staff employment.

Section 2.

No member of the Committee shall use the business, finance, or contracts of the library for personal gain or profit.

ARTICLE VII

Order of Business

The order of business of the regular meetings shall be as follows: Call to Order
Public Comment
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Unfinished Business New Business Adjournment

ARTICLE VIII

Amendments

The bylaws may be amended at any meeting of the Committee with a quorum present and by a two thirds (2/3) vote of the members of the Committee, provided that the amendment was stated in the call for the meeting.
TO: Alamance County Board of Commissioners

FROM: Tory Frink

DEPT: County Clerk

MEETING DATE: 06/1/20

DATE SUBMITTED:

ISSUE/ACTION REQUESTED:
Consideration of the approval of the bylaw revisions for the Alamance County Planning Committee for Services to the Elderly.

BACKGROUND/PURPOSE OF REQUEST:
The committee has proposed changing the name from Alamance County Planning Committee for Services to the Elderly to the Alamance County Senior Services Committee. The proposed revisions also strengthens their functions. A copy of the revised bylaws are attached.

FISCAL IMPACT:

COUNTY MANAGER’S RECOMMENDATION:

ATTACHMENTS:
Alamance Bylaws Proposed Revisions 5.12.2020 (PDF)

ACTION OF THE BOARD OF COMMISSIONERS
RESULT: APPROVED BY CONSENT VOTE [UNANIMOUS]

MOVER: Steve Carter, Vice Chairman

SECONDER: Eddie Boswell, Commissioner

AYES: Lashley, Galey, Carter, Boswell, Sutton
ARTICLE I. NAME AND PURPOSE

Section 1. **Name:** The name of this committee is the Alamance County Planning Committee for Services to the Elderly (herein: “Planning Committee”).

Section 2. **Mission:** The mission of the Planning Committee shall be to promote the general welfare of older adults in Alamance County by advocating for their needs and promoting an integrated network of support services.

Activities to be pursued in achieving the mission include:

1. To develop and implement a strategic plan for the Committee.
2. To make every effort to assure that older adults age 60 and older receive services meeting their physical, intellectual, spiritual and psychosocial needs, including those whose eligibility for special services is mandated, and to enhance opportunities for intergenerational activities.
3. To act as advocates for the older adults of Alamance County.
4. To promote cooperation with other agencies and groups, public and private, to further the aims of the Planning Committee in on-going or special projects.
5. To monitor the effectiveness and efficiency of service delivery for service providers receiving Home and Community Care Block Grant funds, and advising the Alamance County Commissioners on recommended budget adjustments for these services.
6. To prioritize available services in the county under Home and Community Care Block Grant and make funding recommendations to the Alamance County Commissioners.
7. At least twice a year, advise the Alamance County Board of Commissioners for their decision-making process concerning the needs, funding for services, priorities, resources, long-range planning and other issues, which affect services to the elderly.
ARTICLE II. MEMBERSHIP

Section 1. **Voting Members:** The Planning Committee shall consist of no less than 12 and no more than 21 residents of Alamance County appointed by the Alamance County Commissioners. Of the total membership two members shall be informal unpaid caregivers. Also, members shall be individuals who are supportive of the purposes of the Planning Committee and who possess qualities of leadership to assist the Planning Committee in reaching its stated purpose. 51% of membership shall be at least 60.

Section 1a. **Conflict of Interest:** No member of the Planning Committee may vote on any matter regarding an agency receiving Home and Community Care Block Grant funds if the member, is currently, or has within the prior 12 months had any ownership, employment, fiduciary, contractual, creditor, or consultative relationship, or has served on any governing board or committee of the agency. However, the member is allowed to participate in discussion about funding recommendations, and their presence counts toward determining a quorum.

Section 2. **Equal Opportunity:** The membership shall be open to appointees without regard to age, race, sex, creed, religion, color, national origin or disability. All geographical regions of Alamance County should be represented.

Section 3. **Appointments:** The Alamance County Commissioners shall appoint members to serve a one (1) year term as a voting member of the Planning Committee and reappointment will be for a two (2) year term. A vacancy may be filled at any time by the Alamance County Commissioners. A voting member is eligible to be appointed any number of times without limitation, but reappointment is not automatic.

Section 3a. **Vacancy:** The inability, for whatever reason, for an appointed member to complete his/her term of service, shall be reported in written form to the Planning Committee and to the Alamance County Board of Commissioners for the appointment of a replacement.

Section 3b. **Attendance:** Voting members with three (3) unexcused absences per year from scheduled meetings may be deemed to have resigned from the Committee. Advance notification to either the AAA staff or Chairperson of the Committee of the expected absence is required. Excused absences may include illness, death in the family, planned vacation, or others at the discretion of the person determining if the absence is excused.
Section 4. **Vote:** Each voting member of the Planning Committee shall have one vote upon any motion before the Committee. There shall be no proxy votes. At the discretion of the Planning Committee, if the time does not allow for a face-to-face meeting, voting can be delivered and taken through email or by telephone.

Section 5. **Quorum:** Fifty percent (50%) of the Planning Committee’s voting membership shall constitute a quorum.

Section 6. **Non-Voting Members:** Non-voting members shall be allowed to attend all regularly scheduled meetings of the Planning Committee. Each funded or non-funded organized older adult group in Alamance County shall have the opportunity to nominate one non-voting representative to the Planning Committee. The Alamance County Manager An Alamance County Government representative shall be a non-voting member of the committee.

Section 7. **Resignation:** A member of the Planning Committee may resign by giving written or oral notice to the Chairperson of the Planning Committee. A resignation shall take effect at the time received by the Chairperson unless another time is specified therein.

**ARTICLE III. OFFICERS**

Section 1. **Election of Officers:** The officers shall be the Chairperson, the Vice-Chairperson, and the Secretary. The officers shall be elected to serve a two year term and limited to 2 consecutive terms annually at the June meeting to serve for one the fiscal year starting in July. A nominating committee, appointed by the Chairperson, shall present nominations. Additional nominations from the floor shall be permitted. Incumbent officers are eligible for re-election without regard to limitation. Only voting members are eligible to serve as Chairperson and Vice-Chairperson. All voting and non-voting members are eligible to serve as Secretary. The vacancy of any officer of the Planning Committee may be filled for the balance of any term by majority vote of the membership.

Section 2. **Chairperson:** The Chairperson shall be the chief officer, shall preside at meetings, shall be ex-officio member of all committees, shall communicate all Planning Committee recommendations and updates regularly to the Alamance County Commissioners and shall perform other duties as appropriate.

Section 3. **Vice-Chairperson:** The Vice-Chairperson shall perform the duties of the Chairperson in the event of his/her absence, and perform other duties as assigned to him/her by the Chairperson or any committee.

Section 4. **Secretary:** The Secretary shall give notice of meetings, keep records of proceedings, publish minutes and perform other duties assigned by the Chairperson.
ARTICLE IV. SUBCOMMITTEES

Section 1. **Executive Committee:** The Executive Committee shall consist of the officers and one additional voting and non-voting member to be elected by the voting members.

Section 2. **Nominating Committee:** The Chairperson shall, in April of each election year, appoint a Nominating Committee of three (3) members to nominate officers for election at the June meeting.

Section 3. **Additional Committees:** The Chairman shall appoint such additional standing or special subcommittees as may be needed.

ARTICLE V. MEETINGS

Section 1. **Regular Meetings:** Regular meetings of the Planning Committee shall be held monthly with a minimum of six (6) per year.

Section 2. **Place of Meetings:** All meetings of the Planning Committee shall be held at a place designated in the notice of meeting or agreed upon by a majority of the members.

Section 3. **Special Meetings:** The Planning Committee shall meet from time to time in special meetings as necessary to conduct business matters at the request of the Chairperson or any other officer. Notice of such meetings shall be in compliance with North Carolina law, and shall include the purpose of the meeting and the items to be discussed.

Section 4. **Notice of Meetings:** Written notice, stating the time and place of all meetings shall be mailed or emailed to each member at least seven (7) days before the meetings are to be held.

ARTICLE VI. REGIONAL ADVISORY COUNCIL ON AGING (RACA)

Section 1. Committee will appoint a representation to the RACA for a two (2) year term. Attendance at RACA and reporting back to the Committee is the responsibility of the representative.

ARTICLE VII. AMENDMENTS TO THE BYLAWS

Section 1. **Amendments to the Bylaws:** These Bylaws may be amended by a two-thirds (2/3) vote of the total membership of the Planning Committee at any regularly scheduled meeting of the Planning Committee.
ARTICLE VIII. CONTRACTS

Section 1. **Authority to Lease real property**: The Alamance County Commissioners having given the Planning Committee authority to lease real property and contract, the Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Planning Committee, and such authority may be general or confined to specific instances.
TO: Alamance County Board of Commissioners
FROM: Jeremy Akins
DEPT: Tax

MEETING DATE: 06/1/20
DATE SUBMITTED:

ISSUE/ACTION REQUESTED:
New Birth Baptist Church and Foothills Contracting LLC have submitted applications for Property Tax Exemption and Exclusion, but they were after the January 31st deadline. We are requesting approval to accept the late applications.

BACKGROUND/PURPOSE OF REQUEST:
Applications for Property Tax Exemption and Exclusion must be filed by the deadline of January 31st of that Tax Year. The Board of Commissioners can approve to accept a late application, which then allows the Tax Administrator to review it for approval or denial.

FISCAL IMPACT:

COUNTY MANAGER’S RECOMMENDATION:

ATTACHMENTS:
New Birth Church late application and letter 2020 (PDF)
Foothills Contracting late applications and letter 2020 (PDF)

ACTION OF THE BOARD OF COMMISSIONERS
RESULT: APPROVED BY CONSENT VOTE [UNANIMOUS]
MOVER: Steve Carter, Vice Chairman
SECONDER: Eddie Boswell, Commissioner
AYES: Lashley, Galey, Carter, Boswell, Sutton
March 29, 2020

Minone Frizzelle,
Administrative Assistant
Alamance County Tax Dept.
124 W. Elm St.
Graham, NC 27253

Dear Ms Minone Frizzelle

As a follow up to your letter on 3/23/2020 regarding New Birth Baptist Church of Burlington Property Tax Exemption or Exclusion; please be informed that our tax attorney, unbeknownst to us, did not properly execute property exemption or exclusion papers. We simply were not aware that this matter was left undone. Our non-profit church property is being used to assist parishioners and others who cannot afford to pay market rental housing. In fact, we are currently in discussion with a homeless gentleman who has requested our assistance.

Your consideration of this matter is greatly appreciated, and we apologize for our negligence; we just were not aware that this matter was left undone.

Sincerely,

F.A. Coleman, Pastor
Property Tax Exemption or Exclusion

COUNTY: Alamance

Full Name of Owner(s): New Birth Baptist Church

Trade Name of Business:

Mailing Address of Owner: P.O. Box 2629 Burlington, NC 27215

Phone Numbers: Home: (336) 570-2657 Work: Cell: (336) 509-8000

List the Property Identification Numbers and addresses/locations for the properties included in this application (attach list if needed):

Property ID #: Parcel Address/Location: 906 Maple Ave.
Property ID #: ID # 132773 Address/Location: Burlington, NC 27215
Property ID #: Address/Location:

Non-Deferment Exemptions and Exclusions—Check or write in the exemption or exclusion for which this application is made. These exemptions or exclusions do not result in the creation of deferred taxes. However, taxes for prior years of exemption or exclusion may be recoverable if it is later determined that the property did not actually qualify for exemption or exclusion for those prior years.

[ ] G.S. 105-275(8) Pollution abatement/recycling [ ] G.S. 105-278.5 Religious educational assemblies
[ ] G.S. 105-275(17) Veterans organizations [ ] G.S. 105-278.6 Home for the aged, sick, or infirm
[ ] G.S. 105-275(18),(19) Lodges, fraternal & civic purposes [ ] G.S. 105-278.6 Low- or moderate-income housing
[ ] G.S. 105-275(20) Goodwill Industries [ ] G.S. 105-278.6 YMCA, SPCA, VFD, orphanage
[ ] G.S. 105-275(45) Solar energy electric system [ ] G.S. 105-278.6A CCRC-Attach Form AV-11
[ ] G.S. 105-275(46) Charter school property [ ] G.S. 105-278.7 Other charitable, educational, etc.
[ ] G.S. 105-277.13 Brownfields-Attach brownfields agreement [ ] G.S. 105-278.8 Charitable hospital purposes
[ ] G.S. 105-278.3 Religious purposes [ ] G.S. 131A-21 Medical Care Commission bonds
[ ] G.S. 105-278.4 Educational purposes (institutional) [ ] Other:

Tax Deferment Programs—Check the tax deferment program for which this application is made. ***These programs will result in the creation of deferred taxes that will become immediately due and payable with interest when the property loses eligibility. The number of years for which deferred taxes will become due and payable varies by program. Read the applicable statute carefully.***

[ ] G.S. 105-275(12) Nonprofit corporation or association organized to receive and administer lands for conservation purposes
[ ] G.S. 105-275(23a) Historic district property held as a future site of a historic structure
[ ] G.S. 105-277.14 Working waterfront property
[ ] G.S. 105-277.15A Site infrastructure land
[ ] G.S. 105-278 Historic property-Attach copy of the local ordinance designating property as historic property or landmark.
[ ] G.S. 105-278.6(e) Nonprofit property held as a future site of low- or moderate-income housing

Describe the property: Single Family (5 Bedroom House)

Describe how you are using the property. If another organization is using the property, give their name, how they are using the property, and any income you receive from their use: Nonprofit Church Property used to assist parishioners who cannot afford to pay market rent.

AFFIRMATION: I, the undersigned, declare under penalties of law that this application and any attachments are true and correct to the best of my knowledge and belief. I have read the applicable exemption or exclusion statute. I fully understand that an ineligible transfer of the property or failure to meet the qualifications will result in the loss of eligibility. If applying for a tax deferment program, I fully understand that loss of eligibility will result in removal from the program and the immediate billing of deferred taxes.

Signature[s] of Owner(s): Lora Vandebark Title: Treasurer Date: 2-16-2020
(All tenants of a tenancy in common must sign.)

The Tax Assessor may contact you for additional information after reviewing this application.

OFFICE USE ONLY: [ ] APPROVED [ ] DENIED BY: ___________________________ REASON FOR DENIAL: ____________________
### Property Owner
- **Name:** NEW BIRTH BAPTIST CHURCH OF BURLINGTON
- **Mailing Address:** 300 MAPLE AVE

### Administrative Data
- **Parcel ID No.:** 132773
- **OLD Tax ID:** 40-158-3
- **GPIN:** 8874299880
- **Owner ID:** 479610
- **Tax District:** 12 - CITY OF BURLINGTON
- **Land Use Code:** 010
- **Land Use Desc:** SINGLE FAMILY
- **Neighborhood:** 12140

### Administrative Data
- **Legal Desc:** AURORA MILLS TENEMENT, LT 3
- **Deed Year Bk/Pg:** 2018 - 3774 / 0843
- **Plat Bk/Pg:** 004 / 0016

### Sales Information
- **Deed Name:** JOHNSON PAMELA L
- **Sold Date:** 2011-12-02
- **Sold Amount:** $20,000

### Valuation Information
- **Tax Value:** $45,916

### Improvement Detail
- **Year Built:** 1930
- **Built Use/Style:** CONTEMPORARY
- **Current Use:** D / FAIR QUALITY (D)
- **Grade:** D / FAIR QUALITY (D)
- **Heated Area (S/F):** 1,048
- **Fireplace (Y/N):** N
- **Basement (Y/N):** N
- **Bedroom(s):** 2
- **Bathroom(s):** 1 Full Bath(s) 0 Half Bath(s)
- **Note:** As of January 1

### Sales History
- **Previous Sales Found for Parcel number 132773**

<table>
<thead>
<tr>
<th>Record Num</th>
<th>Sales Year</th>
<th>Name</th>
<th>Book/Page</th>
<th>Sale Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2019</td>
<td>NEW BIRTH BAPTIST CHURCH OF BURLINGTON</td>
<td>3774 / 0843</td>
<td>$47,500.00</td>
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<tr>
<td>2</td>
<td>2012</td>
<td>DUNCAN LAURA J</td>
<td>3060 / 0636</td>
<td>$20,000.00</td>
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<tr>
<td>3</td>
<td>2010</td>
<td>JOHNSON PAMELA L</td>
<td>0455 / 0101</td>
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<tr>
<td>4</td>
<td>1981</td>
<td>JOHNSON DENNIS A</td>
<td>455 / 101</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

Attachment: New Birth Church late application and letter 2020 (2020-57 : Approval to Accept Late Property Tax Exemption Forms - Tax
Attachment: New Birth Church late application and letter 2020 (2020-57 : Approval to Accept Late Property Tax Exemption Forms - Tax
February 13, 2020

To Whom It May Concern,

Thank you for considering our desired request to use the Contractors Program for the property in Alamance County for the year 2020.

Please see the attached property.

Sincerely,

Tim Linch
Contractor License #76084
APPLICATION for TAX YEAR 2020

Builder Property Tax Exemption  COUNTY: Ala.

(TThis Exclusion requires an annual application for each property seeking exemption.)

Full Name of Owner(s): Timothy D. & Dianne M. Linclt
Trade Name of Business: Foothills Contracting LLC
Mailing Address of Owner: 5883 Davis Mt. Lane, Snow Camp
Phone Numbers: 336 212 3326 Other: Email: Timothy Linclt@bellsouth.

Is the applicant a general contractor? If yes, provide General Contractor License #: 76084. If no, please provide answers to the following questions or attach additional documentation if needed.

For Purposes of Qualifying as a “Builder” under G.S. 105-273(3a) please complete the following that apply:

a. What is the address of your principal place of business? 5883 Davis Mt. Lane, Snow Camp
b. What is the telephone listing for the business? 336 212 3326 336 212 3327

c. How long have you been in the business of buying real property, making improvements, and reselling it?

d. How many properties have you purchased in the last five years?

e. How many properties have you sold in the last five years?

f. What types of advertising have you used for your business? Remax Realty - Mr. Louis

g. What is the website associated with the business?

h. How many properties do you currently own that are being improved and being held for sale?

Were the improvements that were made to land or structures made after July 1, 2015? Yes No

List the Property Identification Numbers and addresses/locations for the properties included in this application (attach list if needed):

Property ID #: Address/Location: 1066 Broad Rock Snow Camp

Date of last improvements made to a real property 2.2020

Splitting 1066 Broad Rock into 2 residential lots. One is occupied with house.

Please identify the land type this application applies:

[] Residential  [] Commercial

Please check all element of construction that are in place as of January 1 of the year of application:

[] Grading/site preparation  [] Curb and gutter  [] Streets  [] Utilities

Is this application for a new single family residence or a duplex? Yes No

Is this property held for sale? Yes No If yes, please provide the MLS#

Is the property occupied? Yes No If occupied but not rented who occupies the property?

Is the property being rented? Yes No

Please provide the estimated percentage complete as of January 1 of the year in which exemption is requested. 10% Complete
G.S. 105-273. Definitions.

(3a) "Builder" means a taxpayer engaged in the business of buying real property, making improvements to it, and then reselling it.

G.S. 105-277.02. Certain real property held for sale classified for taxation at reduced valuation.

(a) Residential Real Property. - Residential real property held for sale by a builder is designated a special class of property under authority of Article V, Sec. 2(2) of the North Carolina Constitution. For purposes of this subsection, "residential real property" is real property that is intended to be sold and used as an individual's residence immediately or after construction of a residence, and the term excludes property that is either occupied by a tenant or used for commercial purposes such as residences shown to prospective buyers as models. Any increase in value of this classified property attributable to subdivision of, improvements other than buildings, or the construction of either a new single-family residence or a duplex on the property by the builder is excluded from taxation under this Subchapter as long as the builder continues to hold the property for sale. In no event shall this exclusion extend for more than three years from the time the improved property was first subject to being listed for taxation by the builder.

(b) Commercial Property. - Commercial real property held for sale by a builder is designated a special class of property under authority of Article V, Sec. 2(2) of the North Carolina Constitution. For purposes of this subsection, "commercial real property" is real property that is intended to be sold and used for commercial purposes immediately or after improvement. Any increase in value of this classified property attributable to subdivision of or other improvements made to the property, by the builder, is excluded from taxation under this Subchapter as long as the builder continues to hold the property for sale. The exclusion authorized by this subsection ends at the earlier of the following:

1. Five years from the time the improved property was first subject to being listed for taxation by the builder.
2. Issuance of a building permit.
3. Sale of the property.

(c) The builder must apply for any exclusion under this section annually as provided in G.S. 105-282.1.

(d) In appraising property classified under this section, the assessor shall specify what portion of the value is an increase attributable to subdivision or other improvement by the builder.

This legislation effective for taxes imposed for taxable years beginning on or after July 1, 2016, and applies to subdivision of or other improvements made on or after July 1, 2015.

§ 105-285. Date as of which property is to be listed and appraised

(d) Real Property. - The value of real property shall be determined as of January 1 of the years prescribed by G.S. 105-286 and G.S. 105-287. The ownership of real property shall be determined annually as of January 1, except in the following situation: When any real property is acquired after January 1, but prior to July 1, and the property was not subject to taxation on January 1 on account of its exempt status, it shall be listed for taxation by the transferee as of the date of acquisition and shall be appraised in accordance with its true value as of January 1 preceding the date of acquisition; and the property shall be taxed for the fiscal year of the taxing unit beginning on July 1 of the year in which it is acquired. The person in whose name such property is listed shall have the right to appeal the listing, appraisal, and assessment of the property in the same manner as that provided for listings made as of January 1.

AFFIRMATION: I, the undersigned, declare under penalties of law that this application and any attachments are true and correct to the best of my knowledge and belief. I have read the applicable exemption and listings statutes above. I fully understand that a transfer or failure to meet the statutory qualifications will result in the loss of the exclusion.

Signature(s) of Owner(s):

[Signature]

Title: Owner

Date: 2-12-20

(All tenants of a tenancy in common must sign)

Title: 

Date: 

The Tax Assessor may contact you for additional information after reviewing this application.

OFFICE USE ONLY: [ ] APPROVED [ ] DENIED BY: ______________________ REASON FOR DENIAL: ________________________
APPLICATION for TAX YEAR 2020

Builder Property Tax Exemption

COUNTY: Aka.

(This Exclusion requires an annual application for each property seeking exemption.)

Full Name of Owner(s): Foothills Contracting UC
Trade Name of Business: Foothills Contracting UC
Mailing Address of Owner: Snow Camp, NC 27349
Phone Numbers: 336 212 3326 Other: 760 8
Email: TimothyLinett@Bells

is the applicant a general contractor? If yes, provide General Contractor License #: 760 8. If no, please provide answers to the following questions or attach additional documentation if needed.

For Purposes of Qualifying as a “Builder” under G.S. 105-273(3a) please complete the following that apply:

a. What is the address of your principal place of business? 5993 Davis Mt Lane Snow Camp
b. What is the telephone listing for the business? 336 212 3326

Were the improvements that were made to land or structures made after July 1, 2015? [ ] Yes [ ] No

List the Property Identification Numbers and addresses/locations for the properties included in this application (attach list if needed):

Property ID #: 314, 318, 322, 326, 330, 364
Address/Location: Workman Road Snow Camp

Date of last improvements made to a real property: February 2020

Please identify the land type this application applies:
[ ] Residential [ ] Commercial

Please check all elements of construction that are in place as of January 1, of the year of application:
[ ] Grading/site preparation [ ] Curb and gutter [ ] Streets [ ] Utilities

Is this application for a new single family residence or a duplex? [ ] Yes [ ] No

Is this property held for sale? [ ] Yes [ ] No If yes, please provide the MLS# 1 To build spec houses on each 1

Is the property occupied? [ ] Yes [ ] No If occupied but not rented who occupies the property?

Is the property being rented? [ ] Yes [ ] No

Please provide the estimated percentage complete as of January 1 of the year in which exemption is requested. 10% Complete
G.S. 105-273. Definitions.

(3a) "Builder" means a taxpayer engaged in the business of buying real property, making improvements to it, and then reselling it.

G.S. 105-277.02. Certain real property held for sale classified for taxation at reduced valuation.

(a) Residential Real Property. — Residential real property held for sale by a builder is designated a special class of property under authority of Article V, Sec. 2(2) of the North Carolina Constitution. For purposes of this subsection, "residential real property" is real property that is intended to be sold and used as an individual's residence immediately or after construction of a residence, and the term excludes property that is either occupied by a tenant or used for commercial purposes such as residences shown to prospective buyers as models. Any increase in value of this classified property attributable to subdivision of, improvements other than buildings, or the construction of either a new single-family residence or a duplex on the property by the builder is excluded from taxation under this Subchapter as long as the builder continues to hold the property for sale. In no event shall this exclusion extend for more than three years from the time the improved property was first subject to being listed for taxation by the builder.

(b) Commercial Property. — Commercial real property held for sale by a builder is designated a special class of property under authority of Article V, Sec. 2(2) of the North Carolina Constitution. For purposes of this subsection, "commercial real property" is real property that is intended to be sold and used for commercial purposes immediately or after improvement. Any increase in value of this classified property attributable to subdivision of or other improvements made to the property, by the builder, is excluded from taxation under this Subchapter as long as the builder continues to hold the property for sale. The exclusion authorized by this subsection ends at the earlier of the following:

1. Five years from the time the improved property was first subject to being listed for taxation by the builder.
2. Issuance of a building permit.
3. Sale of the property.

(c) The builder must apply for any exclusion under this section annually as provided in G.S. 105-282.1.

(d) In appraising property classified under this section, the assessor shall specify what portion of the value is an increase attributable to subdivision or other improvement by the builder.

This legislation effective for taxes imposed for taxable years beginning on or after July 1, 2016, and applies to subdivision of or other improvements made on or after July 1, 2015.

§ 105-285. Date as of which property is to be listed and appraised

(d) Real Property. — The value of real property shall be determined as of January 1 of the years prescribed by G.S. 105-286 and G.S. 105-287. The ownership of real property shall be determined annually as of January 1, except in the following situation: When any real property is acquired after January 1, but prior to July 1, and the property was not subject to taxation on January 1 on account of its exempt status, it shall be listed for taxation by the transferee as of the date of acquisition and shall be appraised in accordance with its true value as of January 1 preceding the date of acquisition; and the property shall be taxed for the fiscal year of the taxing unit beginning on July 1 of the year in which it is acquired. The person in whose name such property is listed shall have the right to appeal the listing, appraisal, and assessment of the property in the same manner as that provided for listings made as of January 1.

AFFIRMATION: I, the undersigned, declare under penalties of law that this application and any attachments are true and correct to the best of my knowledge and belief. I have read the applicable exemption and listings statutes above. I fully understand that a transfer or failure to meet the statutory qualifications will result in the loss of the exclusion.

Signature(s) of Owner(s):

[Signature]

Title: Owner

Date: 1-2-22

(All tenants of a tenancy in common must sign.)

[Signature]

Title: Owner

Date: 1-2-22

[Signature]

Title: Owner

Date: 1-2-22

The Tax Assessor may contact you for additional information after reviewing this application.

OFFICE USE ONLY: [ ] APPROVED [ ] DENIED BY: __________________________________ REASON FOR DENIAL:

Packet Pg. 42
APPLICATION for TAX YEAR 2020

Builder Property Tax Exemption

COUNTY: 

 builders

(This Exclusion requires an annual application for each property seeking exemption.)

Full Name of Owner(s): Foothills Contracting LLC, Timothy D. Lynch 

Trade Name of Business: Foothills Contracting LLC 

Mailing Address of Owner: 3993 Davis Mtn. Lake, Snow Camp, 27349 

Phone Numbers: 336-212-3326 Other: 

Email: timothy.d.lynch@bellsouth.net 

Is the applicant a general contractor? If yes, provide General Contractor License #: 76084. If no, please provide answers to the following questions or attach additional documentation if needed.

For Purposes of Qualifying as a "Builder" under G.S. 105-273(3a) please complete the following that apply:

a. What is the address of your principal place of business? 

b. What is the telephone listing for the business? 

c. How long have you been in the business of buying real property, making improvements, and reselling it? 

d. How many properties have you purchased in the last five years? 

e. How many properties have you sold in the last five years? 

f. What types of advertising have you used for your business? 

g. What is the website associated with the business? 

h. How many properties do you currently own that are being improved and being held for sale? 

Were the improvements that were made to land or structures made after July 1, 2015? 

[ ] Yes [ ] No 

List the Property Identification Numbers and addresses/locations for the properties included in this application (attach list if needed): 

Property ID #: 950, 966, 947, 970, West Greensboro Chapel, Snow Camp 

Date of last improvements made to a real property: 1/2020 

Please identify the land type this application applies: 

[ ] Residential [ ] Commercial 

Please check all elements of construction that are in place as of January 1 of the year of application: 

[ ] Grading/site preparation [ ] Curb and gutter [ ] Streets [ ] Utilities 

Is this application for a new single family residence or a duplex? [ ] Yes [ ] No 

Is this property held for sale? [ ] Yes [ ] No If yes, please provide the MLS# 

Is the property occupied? [ ] Yes [ ] No If occupied but not rented who occupies the property? 950 has been sold with a new house. Sold Jan 2022 

Is the property being rented? [ ] Yes [ ] No 

Please provide the estimated percentage complete as of January 1 of the year in which exemption is requested: 50% Complete
G.S. 105-273. Definitions.

(3a) "Builder" means a taxpayer engaged in the business of buying real property, making improvements to it, and then reselling it.

G.S. 105-277.02. Certain real property held for sale classified for taxation at reduced valuation.

(a) Residential Real Property. — Residential real property held for sale by a builder is designated a special class of property under authority of Article V, Sec. 2(2) of the North Carolina Constitution. For purposes of this subsection, "residential real property" is real property that is intended to be sold and used as an individual's residence immediately or after construction of a residence, and the term excludes property that is either occupied by a tenant or used for commercial purposes such as residences shown to prospective buyers as models. Any increase in value of this classified property attributable to subdivision of, improvements other than buildings, or the construction of either a new single-family residence or a duplex on the property by the builder is excluded from taxation under this Subchapter as long as the builder continues to hold the property for sale. In no event shall this exclusion extend for more than three years from the time the improved property was first subject to being listed for taxation by the builder.

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2. Issuance of a building permit.
3. Sale of the property.

(c) The builder must apply for any exclusion under this section annually as provided in G.S. 105-282.1.

(d) In appraising property classified under this section, the assessor shall specify what portion of the value is an increase attributable to subdivision or other improvement by the builder.

This legislation effective for taxes imposed for taxable years beginning on or after July 1, 2016, and applies to subdivision of or other improvements made on or after July 1, 2015.

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AFFIRMATION: I, the undersigned, declare under penalties of law that this application and any attachments are true and correct to the best of my knowledge and belief. I have read the applicable exemption and listings statutes above. I fully understand that a transfer or failure to meet the statutory qualifications will result in the loss of the exclusion.

Signature(s) of Owner(s):

(All tenants of a tenancy in common must sign)

Title: __________ Date: ____________

Title: __________ Date: ____________

The Tax Assessor may contact you for additional information after reviewing this application.

OFFICE USE ONLY: [ ] APPROVED [ ] DENIED BY: ______________ REASON FOR DENIAL: __________________
MINUTES OF THE REGULAR MEETING
OF THE ALAMANCE COUNTY BOARD OF COMMISSIONERS FOR ALAMANCE COUNTY
HELD ON MONDAY, MARCH 16, 2020

Call to Order - Chair Galey

<table>
<thead>
<tr>
<th>Attendee Name</th>
<th>Title</th>
<th>Status</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Bill Lashley</td>
<td>Commissioner</td>
<td>Present</td>
<td></td>
</tr>
<tr>
<td>Amy Scott Galey</td>
<td>Chair</td>
<td>Present</td>
<td></td>
</tr>
<tr>
<td>Steve Carter</td>
<td>Vice Chairman</td>
<td>Present</td>
<td></td>
</tr>
<tr>
<td>Eddie Boswell</td>
<td>Commissioner</td>
<td>Present</td>
<td></td>
</tr>
<tr>
<td>Tim D. Sutton</td>
<td>Commissioner</td>
<td>Present</td>
<td></td>
</tr>
</tbody>
</table>

Invocation- Commissioner Boswell

Public Speakers

(Citizens may address the Board for no more than 3 minutes per speaker on topics which are related to this meeting agenda.)

Chair Galey advised that the detention officer that was scheduled to be recognized was under the weather and was unable to attend the meeting.

There were no public speakers.

Commissioners' Responses

N/A

Approval of the Agenda

Chair Galey asked for a motion to amend the agenda to add a COVID-19 update from Stacie Saunders prior to the Public Health Month Proclamation. Vice Chair Carter, seconded by Commissioner moved to amend the agenda to add the COVID update. The motion carried. Vice Chair Carter, seconded by Commissioner Boswell moved for approval of the agenda as amended. The motion carried.

RESULT: APPROVED AS AMENDED [UNANIMOUS]
MOVER: Steve Carter, Vice Chairman
SECONDER: Eddie Boswell, Commissioner
AYES: Lashley, Galey, Carter, Boswell, Sutton

Consent Agenda

Chair Galey asked for a motion to delete the out of state travel request items from the consent agenda. She was advised that Sheriff Johnson wanted to delete those from the agenda due to the coronavirus they would not be traveling out of state. Commissioner Boswell, seconded by Commissioner Lashley moved to remove the out of state travel request from the consent agenda. The motion carried. Commissioner Lashley, seconded by Vice Chair Carter moved for approval of the consent agenda as amended. The motion carried.

RESULT: APPROVED AS AMENDED [UNANIMOUS]
MOVER: Bill Lashley, Commissioner
SECONDER: Steve Carter, Vice Chairman
AYES: Lashley, Galey, Carter, Boswell, Sutton

Appointments/Reappointments
COVID Update, Stacie Saunders

Stacie Saunders, Public Health Director, gave an update on COVID-19. At the time of her presentation, Ms. Saunders said there were currently 33 cases in NC with no deaths and no reported cases in Alamance County. She discussed the group with the highest risk for the severe illness. This group included folks over the age of 65 with underlying health conditions and those with a weakened immune system. Ms. Saunders described the work that the Emergency Operations Center (EOC) had been doing. She stated that the health department had opened up the EOC several weeks ago. They created a COVID 19 community call line that was manned by staff at the EOC so people could call into the community line with questions about COVID 19. The health department was charged with monitoring communicable diseases. Ms. Saunders advised the Board that she and the medical director had sent out a memo to congregate living facilities with recommendations about restricting visitations.

County Manager Hagood, shared how fortunate the county was to have Stacie Saunders. He continued that she had been a great person in the right spot. He also complimented Debbie Hatfield, Emergency Management Coordinator, on the outstanding work she had done. He said at this time the county business hours remained the same. He advised that the land development plan meetings had been cancelled; park and library programs have been canceled. County Manager Hagood said the Sheriff’s Office had made some modifications as well and that courts were closed. Ms. Saunders noted that the county had set up a website for COVID-19 information and that the EOC was running on a partial activation of 12 hours per day. He mentioned that department heads were evaluating their employees in a mission critical way so they would be able to send staff home to telework. He said they are trying to have as many employees work from home that can in order to limit the numbers in the buildings and limit the exposure.

Debbie Hatfield, spoke that the EOC was staffed 12 hours per day. She noted that had received a lot of request from nursing facilities for mask and hand sanitizer. She mentioned that she was putting together a situation report. Chair Galey asked her to make sure the Commissioners were on the list to get that report.

Commissioner Sutton inquired as to how the state of Washington had so many cases and asked Ms. Saunders to comment on that. Ms. Saunders responded that some of the first US cases were in the Pacific Northwest and Washington. She indicated that a nursing home had been hit very badly and that was one of the epicenters of the illness.
Chair Galey asked Ms. Hatfield to discuss the "State of the Emergency" and any benefits for the public. Ms. Hatfield clarified that the "State of Emergency" was different than a disaster declaration. She said a disaster declaration would qualify them for reimbursement. She said the "State of Emergency" would move them higher on a list to receive equipment and hand sanitizer. Chair Galey clarified whether the "State of Emergency" was retroactive. Ms. Hatfield confirmed that as long as they keep up with the daily expenses they would have a good chance of getting reimbursed.

Chair Galey discussed the Commissioners' meetings. She said she was one of 5 commissioners and felt like they should continue to hold and show-up for meetings. She complimented Brian Baker, Director of Parks, for his hard work behind scenes. Chair Galey said if there were restrictions on the number of people attending the meetings then they would explore virtual meetings, facebook live, and have essential staff present.

**Proclamation: Public Health Month**
Stacie Saunders, Public Health Director, read a proclamation in recognition of "Public Health Month".

| RESULT: | RECOGNIZED |

**2833 : Alamance County Sheriff's Office Activity Presentation - Sheriff Terry Johnson**
Sheriff Terry Johnson, presented his 2019 Sheriff's Office activity report. He reviewed charts and compilation of statistics and measures of his department. The Sheriff's office was organized into two main divisions: operations and detention. Operations had the following departments: patrol, criminal investigations, special victims unit, crime scene investigations, evidence and property control, specialized investigator, street crimes, special operations, school resource officers, animal control, civil process, and court services. Detention consisted of: platoons, special services, food services, medical, maintenance, ICE detention, ICE transportation, US Marshals detention, US Marshals transportation, and state inmate transportation.

Sheriff Johnson highlighted some of the services that was provided for all the residents of Alamance County. For example, the Sheriff’s Office served civil papers, provides count security, and maintains the county jail on behalf of all residents. He also mentioned that the Sheriff’s Office investigations did not stop at the city limits. Various divisions worked inside the municipalities. In addition, they also assisted municipal agencies as needed. Sheriff Johnson discussed the traffic statistic for Alamance County. Sheriff Johnson mentioned that the Sheriff’s Office handle 86,404 call for service with an average response time of 12 minutes 47 seconds and average total call duration of 54 minutes 12 seconds. The most numerous types of calls for service (CFS) were: security checks, extra patrols, business checks, warrant services, “speak to an officer” calls, alarm calls and emergency line (911) hang ups. In addition to “calls for service”, the Sheriff’s Office had completed 603 field contact cards on suspicious individuals they encountered during the course of their duties where the encounter did not rise to the level of arrest or some type of report. Another interesting statistic was in connection with the Special Operations Division and the Patrol Division. Both divisions conducted the majority of the agency’s 3,470 traffic stops. As a result of those traffic stops, 1,072 citations were issued and 236 arrests were made.

Sheriff Johnson discussed some investigation statistics. The Criminal Investigation Division was
assigned 755 cases. Pursuant to those cases, they recovered $1,207,727.00 worth of property and made 667 charges on 165 arrests.

The Special Victim’s Unit received 1,419 cases, conducted 1,181 checks on sex offenders, followed up on 807 domestic violence incidents, served 594 domestic violence protective orders, made 636 arrests, handled 246 involuntary and voluntary commitments, and conducted 433 follow-up’s on mental health related calls.

Sheriff Johnson highlighted the Mobile Field Force and drones that were used under the Emergency Response Units. The Mobile Field Force had been utilized when there was civil disorder on November 24th. This involved a demonstration of over 300 protesters that were blocking the roadway on South Maple Street at West McAden Street in Graham. The Mobile units held the demonstrators at bay until the situation came to a peaceful resolution. The drones had been deployed 36 times during the year. The drones were utilized to assist in locating missing or endangered subjects. They also assisted in locating suspects or performing any of a variety of functions in emergency situations. Sheriff Johnson proudly mentioned how fortunate they had been in the acquisition of a new armored vehicle (Lenco Bearcat) that had already been utilized in several high-risk warrant scenarios. He also mentioned that the Detention Divisions had processed 9,641 admissions at the Alamance County Detention Center and maintained an average daily population of 489 persons.

Sheriff Johnson shifted his presentation to salaries and retention for his department. He emphasized that North Carolina had experienced tremendous growth in recent years and Alamance County had followed that trend. Because of that growth, there had been an increase demand for public service. The county has had difficulties in attracting new applicants and retaining officers. Sheriff Johnson explained that the primary obstacle was offering an experienced officer a competitive salary without hiring them at a higher wage than a comparable officer that was already employed with his office. If they paid a new experienced officer more than what other already employed officers were making, it would cause a conflict. Sheriff Johnson reviewed his department’s hiring cost and turnover numbers. He compared the base salaries, average salaries, career ladders of his office to neighboring law enforcement agencies. He shared a salary increase proposal. After reviewing the salary information, Sheriff Johnson requested that County Manager Hagood and the Board review the budget for salary increases. He cautioned that without a proper raises, he would continue to lose people with 5-10 years of experience to other agencies in the county or outside the county that pay better. He noted that 60% of his detention center employees had less than three years of experience. Sheriff Johnson believed in his people, he said they showed up for work no matter what was going on. He asked the Board to look into their hearts and see what could be done for these people. They were career officers that wanted to work for Alamance County but they also had to feed their families.

**RESULT:** INFORMATIONAL

**2829 : Alamance County Detention Officer Social Security Bridge Allowance - County Manager Hagood**

County Manager Hagood shared that he appreciated the passion that Sheriff Johnson showed for his employees. He mentioned that the deputy I and deputy II positions were some of the highest turnover positions. County Manager Hagood provided background information. He reminded the Board that on March 18th 2019, they had approved a resolution supporting a local bill that was sent to Raleigh asking for permission to create a detention officer separation allowance. The
Sheriff’s Office viewed that benefit as a recruiting and retention tool. The Commissioners voted to send a request to Raleigh to grant the county permission to offer the separation allowance for detention officers, but that bill was still in committee. They had to come up with an option for the Commissioners to consider that could be done at the local level. This new option was very similar to the original separation allowance that was sent to the General Assembly. This new benefit for detention officers will be called the Alamance County Detention Officer Social Security Bridge Allowance. One of the main differences between this new benefit, and the law that they sent to Raleigh, was it would take the Board approval and only continue as long as the Board of Commissioners were supportive of it to continue. If the Commissioners were to vote to not offer the benefit to anyone else at a later date, the retiree would be paid regardless of the action by of the board. A contract would be signed by the potential officer and the county. This social security bridge allowance for detention officers have the same eligibility requirements that were in the separation allowance. The detention officer would have to demonstrate that they had served 15 consecutive years of employment with Alamance County Detention Facility, and they must be eligible for the local government retirement system. Which means they would need to have 30 years of service at any age, or 25 years of service at age 60. So currently at the detention center, there are 64 of the total 112 detention officers are eligible for this program. If the board voted to institute this, they will budget $42,000 next fiscal year to cover the projected cost. From fiscal year 2021-22 to the fiscal year 3132, the cost of the program was estimated at $63,000 annually.

County Manager Hagood continued with general information about the social security bridge allowance. He reiterated that the Sheriff’s Office and the detention center would be able to use this new benefit for recruiting purposes.

**RESULT:** APPROVED [UNANIMOUS]

**MOVER:** Steve Carter, Vice Chairman

**SECONDER:** Bill Lashley, Commissioner

**AYES:** Lashley, Galey, Carter, Boswell, Sutton

**2846 : Report on accelerating revaluation cycle - Jeremy Akins, Tax Administrator**

Jeremy Akins, Tax Administrator, discussed the revaluation cycle and what would it look like if they accelerated the cycle. He quickly reviewed comparison information. He spoke that in North Carolina, the minimum frequency would be every eight years which is the current cycle for Alamance County. Mr. Akins looked at statewide statistics, 54 counties are on the 8 year cycle and 34 counties are on the 4 year cycle. He explained that the predominant cycle statewide was still the 8 year cycle, but that the 4 year cycle was not an uncommon cycle. Mr. Akins reviewed information from the Department of Revenue and the break down of the counties by population. Alamance County was in the highest population bracket of 100,000 plus. There were 27 counties in that bracket. Mr. Akins explained why the higher populated counties preferred the shorter cycle. He suggested that it had to do with growth. The counties with higher population found it more advantageous to be on shorter cycles because the tax base was growing at a faster rate. Lower populated counties tend to remain on the longer cycle because they do not have the available resources. Alamance County was currently using the split approach. This split approach treated the two phases of Data Maintenance and Value Review as completely separate tasks rather than lumping them together. Instead of going out and looking at the whole county once in every 8 years, by going out every year his department would get 1/8th of the county every year. Data Maintenance would cost $180,000.00 per year and the Value Review would cost $132,000.00 per year. Over the course of the 2 year project, it will be about $264,000 or
about $132,000 per year. Mr. Akins indicated the 2009 revaluation cost was $1.6 million and the initial budget for the 2017 revaluation was $1.8 million. He looked at other counties having similar parcel counts and pulled their cost per parcel. Mr. Akins averaged that back in and applied it to Alamance County and it would cost about $1.7 million for the county to go to a four year cycle. Initially that would be half as many years of data maintenance. The same value review cost was just under a million dollars to do that revaluation but Alamance County would have to do twice as many of them. Mr. Akins mentioned at the end of the day you end up spending just as much on data maintenance, but you are doing the revaluation reviews twice. This would be an extra $264,000. That was the difference to go from an 8 years to 4 years, bringing it up to just under $2 million over an eight year span.

Mr. Akins mentioned the effects of coronavirus, COVID 19. He shared that each week, he watched the stock market implode, businesses shut down, and they had no idea when they were going to start opening up. He advised the Commissioners to consider some other things. If they went to a more traditional growth from this point forward to 2% then they were up to 19% as of 2022. That was a value increase of $2.28 billion and that brought in $18.7 billion or a revenue flow rate of 59 cents. He did not find that to be bad, but was down 8 cents off from where they were at now if they wanted to go revenue neutral. With our 15% position kind of 5% position well at least we are still up, but only $600 million for a base of about $17 billion for a revenue neutral of 65 cents. That was a 2 cent difference. This would be a wide swing, and it depended on what happened in the next 2 years. Revenue is determined by the tax rate. If a revenue neutral rate was adopted, there would be no additional revenue from the revaluation. There would be that year to year deconstruct growth. If a rate above or below revenue neutral is adopted. He offered more for consideration, the Department of Revenue threshold was at 85% of the market. Mr. Akins mentioned that they were sitting at 85% of the market and if they went below that point, they would have a mandatory revaluation in 3 years. If Alamance County went below 85% next year it would trigger a mandatory revaluation in 2024. With the circumstance as it is with COVID19, he did not know what it would be. It might be a good time to think about making the change. Mr. Akins said they needed to prevent a loss because they will equalize public service companies, and that will take revenue away. Unless they did something to prevent it.

Mr. Akins advised that if the Board of Commissioners was interested in changing the revaluation cycle. It was really simple by adopting a resolution, stating when the next revaluation would be and what the new cycle will be thereafter. A copy of the resolution would be sent to the Department of Revenue. He stressed that the tax department was very capable of doing it for 2022, but that window was closing rapidly. They would need to be in production as of July 1st or they could do it in 2023 as well.

**RESULT:**  NO ACTION TAKEN

**Resolution in Support of the State of North Carolina's Proposed FY 2019-2021 Biennium Budget - Chair Galey**

Chair Galey introduced a resolution in support of the State of North Carolina's proposed fiscal year 2019-21 biennium budget. She explained that she had a conversation with State Senator Rick Gunn, about the importance of the budget, particularly as it applied to Alamance County. There was a total of $29.5 million dollars sitting in Raleigh waiting for permission to be allocated to Alamance County. This included $18 million in capital funding for the public school system and $7.9 million dollars in capital funding for the community college. Relevant to the corona virus was $15,000 to the Faucette Volunteer Fire Department and $15,000 to the Snow
Camp Volunteer Fire Department. The resolution called on the Governor Cooper, and the members of the General Assembly to act in accordance with the needs of the state and support Alamance County by taking measures to ensure these important programs were included in the proposed state budget and funded from institutions and communities. Chair Galey had other conversations with different parts of different state agencies affected by the budget, like the Department of Social Services. Chair Galey said it was time for Governor Cooper to sign a budget and for the General Assembly to take whatever action needed to get the budget done.

<table>
<thead>
<tr>
<th>RESULT:</th>
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<tbody>
<tr>
<td>MOVER:</td>
<td>Amy Scott Galey, Steve Carter</td>
</tr>
<tr>
<td>SECONDER:</td>
<td>Bill Lashley, Commissioner</td>
</tr>
<tr>
<td>AYES:</td>
<td>Lashley, Galey, Carter, Boswell, Sutton</td>
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</table>

**Budget Amendments**

**Plastic Pesticide Recycling Program- Grant Cooperative Extension**
Mark Danieley, Cooperative Extension Director, asked for permission to apply for a grant from the Department of Agriculture, for the pesticide plastic container recycling program. He explained that farmers in Alamance did not have a location to dispose of empty triple-rinsed pesticide containers within the county other than the county landfill. This grant from the NCDA Pesticide Environmental Trust Fund would assist in purchasing a 40-foot container.

<table>
<thead>
<tr>
<th>RESULT:</th>
<th>APPROVED [UNANIMOUS]</th>
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<tbody>
<tr>
<td>MOVER:</td>
<td>Eddie Boswell, Commissioner</td>
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<tr>
<td>SECONDER:</td>
<td>Bill Lashley, Commissioner</td>
</tr>
<tr>
<td>AYES:</td>
<td>Lashley, Galey, Carter, Boswell, Sutton</td>
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</table>

**COPS Grant-Sheriff Office**
Sheriff Terry Johnson requested permission to apply for a COPS grant for 3 law enforcement officers to work on human trafficking cases. He said that it was 70% funding by feds, 30% by local and that the federal cost would be $375,000 and the local cost would be $164,926 over a 3 year period. This will allow the county to properly maintain a multi-year grant in a special revenue fund. The grant will provide funding of up to $375,000.00 over three years and with a required a match of $164,926.00 in local funds for a total program cost of $539,926.00 to hire three full time positions tasked with human trafficking investigations including child sexual exploitation cases.

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<thead>
<tr>
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</tr>
<tr>
<td>AYES:</td>
<td>Lashley, Galey, Carter, Boswell, Sutton</td>
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**Public Speakers**
(Citizens may address the Board for no more than 3 minutes per speaker on issues of public interest.)

**Commissioners' Responses**

**County Manager's Report**

**February 2020 Fiscal Update**

**Commissioners' Comments**
Closed Session: N.C.G.S. 143-318-11(a)(3)

Chair Galey, seconded by Commissioner Boswell moved to enter into Closed Session pursuant to North Carolina General Statute Section 143-318.11(a) (3) in order to preserve the attorney-client privilege between the County Attorney and the Board and consult with the County Attorney regarding the claims made in the matter entitled: Rivas v Alamance County.

Vice Chair Carter, seconded by Commissioner Lashley moved to reconvene in open session. After reconvening in open session Chair Galey announced that the Board received legal advice from County Attorney concerning the resolution of the Rivas claim and authorized the resolution of the claim.

Adjournment

There being no further business to be brought before the Board, the meeting was adjourned at 9:41 PM

Respectfully Submitted,

____________________

CLERK TO THE BOARD
Call to Order - Chair Galey

Chair Galey announced that Vice Chair Carter and Commissioner Lashley were physically present. Commissioners Sutton and Boswell were calling in on the phone. Chair Galey spoke that they were experiencing significant challenges in the community during this time of the coronavirus. She continued that this was the governing board of this county and they were meeting to conduct essential business of this county. She mentioned that Commissioners Sutton and Boswell volunteered to call in and that they were spread out around the room since being limited to 10 people being physically present to remain in compliance with Governor's Executive Order. Chair Galey noted that during the course of the meeting, they may have a person leave and another person may come in. She stated that she, Vice Chair Carter, Commissioner Lashley, Tory Frink, Clerk to the Board, Clyde Albright, County Attorney, Bryan Hagood, County Manager, Sheriff Terry Johnson, Stacie Saunders, Health Director, and Susan Evans, Finance Officer were physically in attendance. Chair Galey advised there would not be a public comment period during that meeting. The law required only one public comment period per month even though they customarily had one at each meeting. She said they would forego the public comment period until the next meeting.

<table>
<thead>
<tr>
<th>Attendee Name</th>
<th>Title</th>
<th>Status</th>
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<tr>
<td>Bill Lashley</td>
<td>Commissioner</td>
<td>Present</td>
<td></td>
</tr>
<tr>
<td>Amy Scott Galey</td>
<td>Chair</td>
<td>Present</td>
<td></td>
</tr>
<tr>
<td>Steve Carter</td>
<td>Vice Chairman</td>
<td>Present</td>
<td></td>
</tr>
<tr>
<td>Eddie Boswell</td>
<td>Commissioner</td>
<td>Remote</td>
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</tr>
<tr>
<td>Tim D. Sutton</td>
<td>Commissioner</td>
<td>Remote</td>
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</tr>
</tbody>
</table>

Invocation - Chair Galey

Approval of the Agenda

RESULT: APPROVED [UNANIMOUS]
MOVER: Steve Carter, Vice Chairman
SECONDER: Bill Lashley, Commissioner
AYES: Lashley, Galey, Carter, Boswell, Sutton

Consent Agenda

RESULT: APPROVED [UNANIMOUS]
MOVER: Steve Carter, Vice Chairman
SECONDER: Bill Lashley, Commissioner
AYES: Lashley, Galey, Carter, Boswell, Sutton

Appointments/Reappointments

Historic Properties Commission- Sarah Parris & Katherine Hadley

Approval of Minutes

Alamance County Board of Commissioners - Regular Meeting - Jan 6, 2020 9:00 AM

Presentations/Other Business
2852 : COVID-19 Update - Stacie Saunders, Public Health Director & County Manager Hagood

Stacie Saunders, Public Health Director, provided an update on the coronavirus (COVID-19). She started by giving some background information and some of the symptoms associated with the virus. She said there were 2,585 cases in North Carolina and currently 19 cases in Alamance County. Ms. Saunders said that out of those 19 cases, 12 of them had recovered which meant they were out of isolation and doing well. She said 3 active cases were receiving care through the hospital system. At the time of Ms. Saunders report to the Board, there had been no COVID-19 related deaths in Alamance County. She mentioned that the health department had reviewed over 430 test results and that 413 of those had been negative. She added that the Emergency Operations Call Center had received over 1130 calls so far.

County Manager Hagood thanked county staff. He said Ms. Saunders had shared a lot of pertinent information. He spoke that there were a lot of front-line employees working in stressful situations doing a fine job. He appreciated the job that they were doing. County Manager Hagood informed there were departments that were open but encouraged folks to call first before stopping in. He continued that the essential support staff departments were open and employees were teleworking when necessary. County Manager Hagood noted that a handful of departments were closed but those staff members were filling in at the call center.

2853 : 2020-21 Alamance County Budget Retreat Information - County Manager Hagood

County Manager Hagood provided information on the budget request received by county departments, the school system, ACC, and outside agencies. He mentioned that normally the department heads and outside agencies would be here in person to answer any questions. He said that if there were any specific questions for department heads then he would follow-up with them later to get those answers. County Manager Hagood announced that the total budget requests received was $181,717,221. He noted that out of that $181 million, $124 million pertained to county government. The education requests were a little over $53 million and outside agencies had requested a little over $3.7 million.

FY 20-21 Budget Request Information
Preliminary General Fund Budget - $181,717,221
• County Government - $124,807,256
• County Services - $100,582,627
• Mental Health - $1,203,556
• Debt Service - $11,107,417
• Trans/Other Funds - $11,870,856
• Contingency - $42,800
• Education - $53,172,427
• Outside Agencies - $3,737,538

County Manager Hagood compared the fiscal year 2020-21 budget requests to the adopted general fund budget for fiscal year 2019-20. The fiscal year 2020-21 budget request was a $9.8 million increase.

FY 20-21 Budget Request vs FY 19-20
FY 20-21 Requested General Fund Budget - $181,717,221
FY 19-20 Adopted General Fund Budget - $171,905,114
Difference of - $9,812,107
FY 20-21 Requested Increases -
- Education Increase = $3,464,973
- Education Capital Plan Increase = $925,744
- County Government Increase = $4,974,588
- Outside Agencies = $446,802

County Manager Hagood gave a breakdown of the county government request. He said that there was a request for 12.5 new positions. He reviewed the employee compensation and benefits. As he continued, he explained that he has talked about high turnover positions and the difficulty in recruiting and retaining employees. County Manager Hagood indicated that he was considering various strategies to address the high turnover positions, recruiting and retention problems. He recommended continuation of the 2% merit plan at a cost of $549,000 along with lowering the service bonus eligibility from 7 years to 5 years. He noted that the current average years of service was 7 years and lowering the eligibility to 5 years would cost around $72,000.

County Manager Hagood noted another strategy that he was considering which would be a $2,000 salary increase for all emergency services positions: Sheriff's Office, Emergency Management, Fire Marshal's Office, EMS and Central Communications. This would cost about $843,616. He mentioned a plan to raise the salaries of the public health nurses which would cost almost $96,000. He reiterated that DSS had 5 positions that were constant high-turnover positions: child support agents, income caseworkers I and II, social worker investigative agent, and social worker III. He strategized giving an annual bonus of $500 for each position at their 1-year anniversary which would be a $72,126 cost. County Manager Hagood emphasized that some of these strategies were already in place such as merit plan and the 7-year service bonus.

Commissioner Lashley commented that the sales tax will go way down this year and the outside agencies will have to be reduced. County Manager agreed and mentioned that he had an upcoming slide that would address the sales tax projections.

County Manager Hagood shared information on employee benefits. He continued that the Detention Officer's Social Security Bridge Allowance would be included in this budget and that will be a cost of about $45,213. He estimated that $954,985 would be budgeted for the employer contributions for the 401k match. He noted that a number of employees have retired and will be added to the retiree health plan. He projected that cost to be a little over $335,000 while the employee dental contribution will increase by $57,000. County Manager Hagood explained that the state had required cities and counties to contribute more money to the State Retirement Fund so that cost was almost $550,000.

Various county departments had requested $94,500 for new equipment; $1,365,681 for vehicles; and $254,610 for other capital improvements. He said the total requested for the equipment, vehicles, and capital improvements came to $1.7 million. He reminded them that he had allocated .96 (almost 1 cent) for county capital which equals to a little over a million dollars. He said in order to stay within that amount for capital funding they would need to cut $667,641.

County Manager Hagood mentioned that the county had its own capital improvement plan that they had been spending $250,000 per year. He said there were 3 projects scheduled to be
completed in that plan for the upcoming fiscal year. County Manager Hagood advised the county landfill had requested $1.2 million for vehicles, equipment, a maintenance pole shed, and other improvements.

County Manager Hagood discussed the county's debt service. As of July 1st, the total outstanding principal will be $40.6 million. He pointed out that the top of his chart pertained information on existing county debt and the lower half of the chart was potential new debt.

### Debt Service

**Total Outstanding Principal July 1 - $40,688,582**

<table>
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<tr>
<th>Existing Debt</th>
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<th>Installment</th>
<th>FY20-21 Payment</th>
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<tr>
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<td>$</td>
<td>$4,529,182</td>
<td>$1,221,670</td>
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<tr>
<td>Alamance-Burlington Schools</td>
<td>15,620,747</td>
<td>$3,004,399</td>
<td>$4,710,527</td>
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<tr>
<td>Alamance Community College</td>
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<td>$2,362,637</td>
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<tr>
<td><strong>Total</strong></td>
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<td>$7,533,582</td>
<td>$8,294,834</td>
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<table>
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<th>Potential New Debt</th>
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<th>FY20-21 Payment</th>
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<tr>
<td>County ($5M Projects, $2M EMS, $1M Rescue truck)</td>
<td>$</td>
<td>$8,000,000</td>
<td>$645,833</td>
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<tr>
<td>ABSS – New HS and Southern HS</td>
<td>96,000,000</td>
<td>0</td>
<td>$2,166,750</td>
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<tr>
<td>Alamance Community College</td>
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<tr>
<td><strong>Total</strong></td>
<td>$96,000,000</td>
<td>$8,000,000</td>
<td>$2,812,583</td>
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**Total Debt Service Budget** – $11,107,417

Legal Debt Margin - $1,103,188,890

Board approved Debt Policy (3% Assessed Value) $457,385,713

He noted that the county had $4.5 million in existing installment loan debt which had gone up a little bit from last year because of the voting machines, along with the central-communications VHF project. County Manager Hagood also reminded them of the existing installment loan debt for ABSS and ACC. He anticipated the total debt payment for all 3 existing loans for fiscal year 2020-21 to be $8,294,834. He referred to the projects in the potential new debt chart and commented that most of those projects were funded in the county’s capital plan. County Manager Hagood advised that there had been discussion about a new EMS facility in Mebane, financing a new truck for the rescue squad and the $5 million county project list. If the county undertook all those projects it would be an additional $8 million in new potential debt.

County Manager Hagood mentioned that the school system had received $42.4 million for operations and $3.3 million for capital in fiscal year 2019-20. He noted that their operations request for fiscal year 2020-21 was $45.7 million which was a $3.3 million increase and their capital outlay request remained at $3.3 million. In fiscal year 2019-20, ACC had been funded at
$3.4 million for operations and had received $870,000 for capital outlay. He noted that ACC had requested $3.6 million for fiscal year 2020-21 which was a 5% increase in their operations funding. They also requested $480,000 for capital outlay which was a $150,000 increase since they were budgeted to receive $330,000.

County Manager Hagood briefly reviewed that the total amount requested from outside agencies totaled $3.7 million. He commented that was $450,000 more than last fiscal year. He continued that 6 outside agencies received home care community block grant funding which a little over a million of that was passed thru monies.

Commissioner Boswell asked whether the county was tracking any extraordinary expenses that it was incurring by having extra employees. He wanted to make sure that the county received its portion of any FEMA allocations. County Manager Hagood assured him that Debbie Hatfield and Emergency Management had been working with FEMA to prepare the county for any reimbursement filings.

County Manager Hagood discussed the revenue projections and revenues as it pertained to the property tax base and pre COVID-19 projections and estimates. He advised that it was difficult to have this discussion since they were not 100% sure what this might have done to the economy or revenues. He said that the tax department had provided him with an assessed value of $15,246,190,417 as of March 5th. He said they are working off this number for the next fiscal year. He hoped they could refine it more before he presented his manager’s recommended budget. County Manager Hagood said that number represented about a 3% growth in the base valuation which was good news. He provided some figures on the pre COVID-19 revenue sources: property tax and sales tax. He estimated a little over $101 million in total levy of property taxes next fiscal year which was a $4.2 million increase over the fiscal year 2019-20 budget. He noted that as of March 31st the county had collected $93.2 million in property taxes. County Manager Hagood said they were getting close to collecting all the property taxes for fiscal year 2019-20. He spoke that the was good news that the property tax revenues were growing and continuing to come in based on the growth. County Manager Hagood advised that they had estimated approximately $32.9 million for next fiscal year in sales tax which would have been about a 3.47% increase over the fiscal year 2019-20 budget. He mentioned that they had collected $19.4 million at the end of March for 7 months. He noted that sales tax was always 2 months in the arrears.

County Manager Hagood discussed the unassigned fund balance. He reminded the Board that the last audit showed that the county had $18.3 million in unassigned fund balance which was 12% of expenditures. He said the goal was to have that at 17% and they wanted to get back up to 17% which was the board approved percentage goal.

County Manager Hagood reviewed that the total general fund request was $181,717,221. Pre COVID-19 revenues were estimated at $173,350,496 so there was a $8.3 million gap without the use of any fund balance. He said it would have required a 5.55 cents property tax increase to balance the budget if there were no reductions in the requests. He said that if you included the fund balance that was budgeted for fiscal year 2019-20 then that would have left a $2.9 million gap. County Manager Hagood said property taxes would have to be raised 1.92 cents to balance the budget if you did not cut the requests. He emphasized that pre COVID-19 property tax
revenues and sales tax revenues were good. He said that one of their goals has been to get into a budget model where the growth could carry through. He continued discussing trends for past revenues when entering a recession. He noted that revenues become very volatile once you enter a recession. County Manager Hagood commented that the collection rate slowed down the second year of the recession in 2009 because people had a harder time paying their bills. He noted that the sales tax had an immediate impact. There was a 23% decrease in sales tax revenues from Article 39 during fiscal year 2007-08 to fiscal year 2008-09. He said that if that happened again today, it would be almost a $3.3 million reduction in sales tax revenue going into the next fiscal year or another $4.7 million decrease for the following fiscal year. County Manager Hagood provided some post COVID scenarios on revenues for the next fiscal year. He gave a timeline of when he planned to present his recommended budget.

Commissioner Sutton requested a report on the growth of positions and asked that Davidson County be included as a comparison.

**RESULT:** INFORMATIONAL

### Budget Amendments

**2020-11 : Sheriff Dept - BJA Grant Approval**

Sheriff Terry Johnson asked permission to apply for a $750,000 grant to help with the "Stepping Up Initiative" and mental health issues within the jail. The grant did not require up-front county funds. The match will be supported with staff work and maintenance of effort funds. He said that the purpose of this grant was to reduce recidivism of those with mental health illness in the criminal justice system.

**RESULT:** APPROVED [UNANIMOUS]

**MOVER:** Bill Lashley, Commissioner

**SECONDER:** Steve Carter, Vice Chairman

**AYES:** Lashley, Galey, Carter, Boswell, Sutton

### Adopt Project Grant Ordinance if Awarded the Grant

**RESULT:** ADOPTED [UNANIMOUS]

**MOVER:** Steve Carter, Vice Chairman

**SECONDER:** Bill Lashley, Commissioner

**AYES:** Lashley, Galey, Carter, Boswell, Sutton

### County Manager's Report

County Manager Hagood commented that they had received the February sales tax numbers and that they were about $200,000 over the last February numbers.

County Manager Hagood mentioned that he would be bringing a request for the loan projects for the county. He said that he had planned to do the full $5 million but he had curtailed that down to $2.2 million. He said that will take care of the projects that they had already started.

### Alamance County March 2020 Fiscal Report

### Commissioners' Comments

Commissioner Boswell gave a compliment to County Manager Hagood for the budget presentation. He appreciated all the first responders and was praying for them every morning.
Chair Galey touched base about the April 20th meeting. She thanked Commissioner Boswell and Sutton for volunteering to call into the meeting.

**Adjournment**

There being no further business to be brought before the Board, the meeting was adjourned at 11:20 AM

Respectfully Submitted,

__________________________

CLERK TO THE BOARD
Alamance County Board of Commissioners
INFORMATION ITEM AGENDA ITEM

TO: Alamance County Board of Commissioners
FROM: Stacie Saunders
DEPT: Health Department

MEETING DATE: 06/1/20
DATE SUBMITTED: 05/26/20

ISSUE/ACTION REQUESTED:
Health Director Stacie Saunders will provide an update on COVID-19.

BACKGROUND/PURPOSE OF REQUEST:

FISCAL IMPACT:

COUNTY MANAGER’S RECOMMENDATION:

ATTACHMENTS:

ACTION OF THE BOARD OF COMMISSIONERS
RESULT: NO ACTION TAKEN
Alamance County Board of Commissioners
INFORMATION ITEM AGENDA ITEM

TO: Alamance County Board of Commissioners

FROM: Bryan Hagood

DEPT: County Manager

MEETING DATE: 06/1/20

DATE SUBMITTED:

ISSUE/ACTION REQUESTED:

Alamance County Manager Bryan Hagood will present the recommended budget for fiscal year 2020-21 to the Board of Commissioners for review and consideration.

BACKGROUND/PURPOSE OF REQUEST:

Alamance County Manager Bryan Hagood will present the recommended budget for fiscal year 2020-21 to the Board of Commissioners for review and consideration.

FISCAL IMPACT:

COUNTY MANAGER’S RECOMMENDATION:

ATTACHMENTS:

ACTION OF THE BOARD OF COMMISSIONERS
TO: Alamance County Board of Commissioners
FROM: Bryan Hagood
DEPT: County Manager

MEETING DATE: 06/1/20
DATE SUBMITTED: 05/27/20

ISSUE/ACTION REQUESTED:

Approval of a request to set the budget public hearing for Monday, June 15th at 7:00pm.

BACKGROUND/PURPOSE OF REQUEST:

Once I submit my proposed budget, I am requesting that the Board set a public hearing on the proposed budget in accordance with N.C.G.S. 159-12. A copy of the proposed budget will be made available to the public on the county website and in the offices of the Finance Officer and Clerk to the Board.

FISCAL IMPACT:

COUNTY MANAGER’S RECOMMENDATION:

ATTACHMENTS:

ACTION OF THE BOARD OF COMMISSIONERS

RESULT: APPROVED [UNANIMOUS]
MOVER: Bill Lashley, Commissioner
SECONDER: Eddie Boswell, Commissioner
AYES: Lashley, Galey, Carter, Boswell, Sutton
TO: Alamance County Board of Commissioners
FROM: Bryan Hagood
DEPT: County Manager

MEETING DATE: 06/1/20
DATE SUBMITTED:

ISSUE/ACTION REQUESTED:
Alamance County Manager Bryan Hagood will present the Capital Plan to the Board of Commissioners for review and consideration.

BACKGROUND/PURPOSE OF REQUEST:
Alamance County Manager Bryan Hagood will present the Capital Plan to the Board of Commissioners for review and consideration.

In order to provide needed and desired services to the public, Alamance County must furnish and maintain capital facilities and equipment for County government, Criminal Justice System, Alamance-Burlington School System and the Alamance Community College. The Capital Plan is a planning and implementation tool for the acquisition, development, construction, maintenance, and renovation of public facilities, infrastructure, and certain capital equipment.

The Capital Plan is the result of an ongoing process by County staff to assess the need for major capital expenditures, to determine the feasibility of funding these projects, and to establish a plan for financing and implementing these projects to remain in compliance with Commissioner established financial policies. In developing its plan, the County adheres to a set of financial and debt management policies established by the Alamance County Board of Commissioners and outlined in the Financial Management Policies section of this manual. These policies help preserve the County’s credit rating and establish the framework for the county’s overall fiscal planning and management.

Projects are evaluated and prioritized to optimize the use of limited capital funds to meet operational and community needs. Capital expenditures strive to meet the following goals:

1. Eliminate hazards and risks to public health and safety;
2. Support, maintain, create, or enhance educational opportunities;
3. Improve service effectiveness and efficiency;
4. Protect assets and program operations;

FISCAL IMPACT:

COUNTY MANAGER’S RECOMMENDATION:

ATTACHMENTS:
ACTION OF THE BOARD OF COMMISSIONERS

RESULT: INFORMATIONAL
TO: Alamance County Board of Commissioners

FROM: Bryan Hagood

DEPT: County Manager

MEETING DATE: 06/1/20

DATE SUBMITTED:

ISSUE/ACTION REQUESTED:

The Board of Commissioners will receive an update pertaining to the allocation of funds to Alamance County for Coronavirus-related expenses.

BACKGROUND/PURPOSE OF REQUEST:

The North Carolina Legislature has created a Coronavirus Relief Fund (CRF) using federal funds from the CARES Act. The NC Pandemic Recovery Office (NCPRO) will oversee the funding as well as receive guidance from the U.S. Department of the Treasury to advise Counties on requirements. The NC Legislature has allocated Alamance County $3,007,967 to assist the County in responding to COVID-19. This $3 million is part of the $150 million allocation to 97 County governments with each County government receiving a base allocation of $250,000 plus additional money based on population size.

Use of the funding must meet the following requirements: 1) be considered necessary expenditures incurred due to the public health emergency related to the Coronavirus Disease 2019; 2) not be accounted for in the most recently approved budget, as of March 27, 2020 for the State or government; and 3) incurred during the period of March 1, 2020 through December 30, 2020.

Alamance County will receive the funds once the application and W-9 are submitted and processed. A funding plan is required by June 1 and can later be changed. The County must return all unspent funds as of December 30th. At this time there is no guidance from NCPRO about possible municipal distribution. If the County decides to distribute to municipalities, nonprofits, and/or local businesses, the County will be held liable for misuse of funds or underreporting. A report of the funding uses must be submitted by October 1, 2020 and January 1, 2021 to NCPRO. At this time, six uses of CRF funds have been approved by NCPRO:

1. Medical expenses (testing, emergency response, transportation, telemedicine, increase hospital and clinic capacities)

2. Public health (communicating/enforcing public health orders and CDC recommendations, distributing PPE, disinfecting public areas, and cost to quarantining individuals)

3. Payroll (Payroll and benefits for public employees with substantial amount of time dealing with public and hazard pay. The NCPRO is looking into “substantial” definition.)
4. Action to facilitate public health measures (food deliveries for seniors and other vulnerable populations, increasing teleworking for public employees, sanitizing County jails, care for the homeless, distance learning, as well as medical and sick pay for public employees)

5. Expenses associated with the provision of economic support (grants for local businesses, payroll support, and unemployment insurance costs, not Revenue Replacement.)

6. Any other COVID-19 related expenses

The Board of Commissioners will discuss the possible uses of Coronavirus Relief Funds per the known allowable uses in preparation for the submittal of Alamance County’s plan to the NC Pandemic Recovery Office by June 1, 2020.

For more information please contact Alamance County Manager Bryan Hagood at 336-570-4044.

FISCAL IMPACT:

COUNTY MANAGER’S RECOMMENDATION:

ATTACHMENTS:

ACTION OF THE BOARD OF COMMISSIONERS

RESULT: INFORMATIONAL
The Board of Commissioners will be asked to approve a resolution authorizing and approving an installment financing contract with Capital One Public Funding, LLC and authorizing the County Manager to sign and handle execution and delivery of documents.

On May 4, 2020, the summary of bids for the Capital Finance Plan financing was presented to the Board of Commissioners. Staff recommended awarding the bank bid to Capital One Public Funding, LLC for a term of fifteen years with a Taxable Interest Rate of 2.09% and a Tax-Exempt Interest Rate of 2.53%. On May 18, 2020 a public hearing was held as required by NCGS 160A-20. Approval of this resolution will approve the financing documents and authorize staff to finalize the financing details.

Microsoft Word - 13080952_4_Approval Resolution-Alamance 2020 IFC (PDF)
3980.pdf (PDF)
3981.pdf (PDF)

RESULT: FAILED
EXTRACTS FROM MINUTES OF BOARD OF COMMISSIONERS

A meeting of the Board of Commissioners for the County of Alamance, North Carolina, was held at 9:00 A.M., on June 1, 2020. Pursuant to Section 166A-19.24 of the North Carolina General Statutes, such meeting was conducted remotely by use of simultaneous communication.

The following Commissioners participated by simultaneous communication and were counted as present for quorum purposes:

[NOTE: Must include when such Commissioners joined and left the meeting]

________________________________________________________________________
______________________________________________________________________________

The following Commissioners did not participate by simultaneous communication and were counted as absent for quorum purposes:

________________________________________________________________________
______________________________________________________________________________

* * *

Commissioner ______________ introduced the following Resolution which was read by title, and moved it be adopted:

RESOLUTION AUTHORIZING AND APPROVING AN INSTALLMENT FINANCING CONTRACT WITH CAPITAL ONE PUBLIC FUNDING, LLC AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS IN CONNECTION THERewith

WHEREAS, the Board of Commissioners (the “Board”) of the County of Alamance, North Carolina (the “County”) has determined to finance a portion of the cost of (i) renovating, repairing, equipping and improving the County’s jail facilities, (ii) renovating, repairing, equipping and improving the County’s emergency medical services garage, (iii) renovating, repairing, equipping and improving the County’s courthouse facilities and family justice center and (iv) renovating, repairing, equipping and improving the County’s human services center (collectively, the “Project”);

WHEREAS, to effectuate such plan to finance a portion of the cost of the Project, the Board has determined that it is in the best interests of the County to enter into an installment financing contract with Capital One Public Funding, LLC (the “Bank”), pursuant to the authority granted to the County under Section 160A-20 of the General Statutes of North Carolina, whereby the Bank will advance funds, in an amount not to exceed $2,200,000, for such purpose and the County will make installment payments in consideration thereof;

WHEREAS, the Board duly conducted a public hearing on May 18, 2020 regarding an installment financing contract to finance the construction and other accomplishment of the
Project and, in connection with the public hearing, the Board provided for public comments to be submitted up to 24 hours following the close of the public hearing;

WHEREAS, there have been available at this meeting, forms of the following (collectively, the “Financing Documents”):

1. Installment Financing Contract (the “Contract”) between the County and Capital One Public Funding, LLC (the “Bank”); and

2. Deed of Trust and Security Agreement (the “Deed of Trust”) from the County to a trustee for the benefit of the Bank.

WHEREAS, the Board of Commissioners of the County wants to approve the Financing Documents and to authorize other actions in connection therewith; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the County as follows:

1. Each of the Financing Documents, in the form submitted to this meeting, is hereby approved, and the Chair of the Board, the County Manager, the Finance Officer, and the Clerk to the Board are each hereby authorized and directed to execute and deliver each of those documents, on behalf of the County, with such changes, insertions or omissions as each may approve, the execution thereof by any of them to constitute conclusive evidence of such approval.

2. The Chair of the Board, the County Manager, the Finance Officer, the Clerk to the Board and the County Attorney are each hereby authorized to take any and all such further action and to execute and deliver such other documents as may be necessary or advisable to carry out the intent of this Resolution and to effect the installment financing pursuant to the Contract. Without limiting the generality of the foregoing, the Finance Officer is authorized to approve all details of the financing, including without limitation, the amount advanced under the Contract (which shall not exceed $2,200,000), the annual principal payments under the Contract, the term of the Contract and the interest rate thereunder. Execution of the Contract by the Chair of the Board, the County Manager or the Finance Officer, shall conclusively evidence approval of all such details of the financing.

3. All actions of the County effectuating the proposed financing are hereby approved, ratified and authorized pursuant to and in accordance with the transactions contemplated by the documents referred to above.

4. This Resolution shall become effective immediately upon its adoption.

The motion to adopt the resolution was adopted by the following vote:

AYES: __________________

NAYS: __________________
* * *

STATE OF NORTH CAROLINA  )
COUNTY OF ALAMANCE)

I, TORY M. FRINK, Clerk to the Alamance County Board of Commissioners, DO HEREBY CERTIFY as follows:

1. A meeting of the Alamance County Board of Commissioners, located in the State of North Carolina, was duly held June 1, 2020, such meeting having been noticed, held and conducted in accordance with all requirements of law (including open meetings requirements), and minutes of that meeting have been or will be duly recorded in the Minute Book kept by me in accordance with law for the purpose of recording the minutes of the Board.

2. The attached extract accurately reflects the actions taken by the Board of Commissioners with respect to the matters therein.

3. That extract correctly states the time when the meeting was convened and the place where the meeting was held and the members of the Board who attended the meeting.

IN WITNESS WHEREOF, I have hereunto set my hand and have hereunto affixed the seal of the County as of __________, 2020.

(SEAL)

______________________________
Clerk to the Board of Commissioners
INSTALLMENT FINANCING CONTRACT

BETWEEN

CAPITAL ONE PUBLIC FUNDING, LLC

AND

COUNTY OF ALAMANCE, NORTH CAROLINA

DATED JUNE 9, 2020
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INSTALLMENT FINANCING CONTRACT

This INSTALLMENT FINANCING CONTRACT, dated June 9, 2020 (this “Contract”), is between CAPITAL ONE PUBLIC FUNDING, LLC (the “Lender”), and the COUNTY OF ALAMANCE, NORTH CAROLINA, a body corporate and politic and a political subdivision of the State of North Carolina (the “County”), under the Constitution and laws of the State of North Carolina (the “State”).

PREAMBLE

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

WHEREAS, the County has determined to finance a portion of the cost of the 2020A Project and the 2020B Project, each as more particularly described in Exhibit A hereto (collectively, the “Projects”); and

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

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

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

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

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

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

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

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

ARTICLE I

DEFINITIONS

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

“2020A Installment Payments” means those payments to be made by the County to the Lender as described in Article III and in the 2020A Payment Schedule attached hereto.

“2020A Loan” means the advance made by the Lender on the date hereof in the aggregate principal amount of $[A Amount].

“2020A Payment Schedule” means the document entitled “2020A Payment Schedule” attached hereto and incorporated herein by reference which sets forth the 2020A Installment Payments to be made by the County hereunder, as the same may be revised from time to time in accordance with this Contract.

“2020A Project” means the construction and improvement of certain County facilities, as more particularly described in Exhibit A hereto.

“2020B Installment Payments” means those payments to be made by the County to the Lender as described in Article III and in the 2020B Payment Schedule attached hereto.

“2020B Loan” means the advance made by the Lender on the date hereof in the aggregate principal amount of $[B Amount].

“2020B Payment Schedule” means the document entitled “2020B Payment Schedule” attached hereto and incorporated herein by reference which sets forth the 2020B Installment Payments to be made by the County hereunder, as the same may be revised from time to time in accordance with this Contract.

“2020B Project” means the construction and improvement of certain County facilities, as more particularly described in Exhibit A hereto.
“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).

“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.

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

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

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

“Cost of the Projects” 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 Projects;

(b) the cost of the acquisition, construction and installation of the Projects, 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 Loans, 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 Projects, 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 Projects 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 Projects.

“County” means the County of Alamance, 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, dated as of the date hereof, from the County to the deed of trust trustee named therein, for the benefit of the Lender, as beneficiary.

“Determination of Taxability” means and shall be deemed to have occurred on the date when (i) the County shall receive notice from the Lender that the Internal Revenue Service has assessed as includable in the gross income of the Lender for federal income tax purposes the interest components of the 2020A Installment Payments made by the County under this Contract due to the occurrence of an Event of Taxability or (ii) the County or the Lender shall receive notice from the Commissioner or any District Director of the Internal Revenue Service that the interest components of the 2020A Installment Payments made by the County under this Contract are includable in the gross income of the Lender for federal income tax purposes due to the occurrence of an Event of Taxability.

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

“Event of Taxability” means the occurrence or existence of any fact, event or circumstance caused by the action or inaction of the County to comply with any covenants in this Contract or any document or certificate executed by the County in connection with the transactions contemplated by this Contract which has the effect of causing the interest components of the 2020A Installment Payments made by the County under this Contract to be includable in the gross income of the Lender for federal income tax purposes.

“Inclusion Date” means the effective date that the interest components of the 2020A Installment Payments made by the County under this Contract are includable in the gross income of the Lender for federal income tax purposes as a result of a Determination of Taxability.

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

“Installment Payments” means, collectively, the 2020A Installment Payments and the 2020B Installment Payments.

“Interest Rate” means (i) with respect to the 2020A Loan, 2.53% per annum and (ii) with respect to the 2020B Loan, 2.09% per annum, each calculated on the basis of a 360-day year of twelve 30-day months; provided, however, that from and after a Determination of Taxability, the Interest Rate with respect to the 2020A Loan shall be adjusted as described in Section 3.2.

“Lender” means Capital One Public Funding, LLC 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.

“Loans” means, collectively, the 2020A Loan and the 2020B Loan.

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

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

“Payment Schedules” means, collectively, the 2020A Payment Schedule and the 2020B Payment Schedule.

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

“Projects” means, collectively, the 2020A Project and the 2020B Project, each as more particularly described in Exhibit A hereto.

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

“State” means the State of North Carolina.

ARTICLE II
THE LOANS

Section 2.1 The Loans. The Lender hereby advances to the County, and the County hereby accepts from the Lender, the $[Amount] principal amount of the 2020A Loan, to be applied in accordance with the terms and conditions of this Contract. The proceeds of the 2020A Loan will be used to finance the cost of the 2020A Project and certain expenses incurred in connection with the 2020A Loan.
The Lender hereby advances to the County, and the County hereby accepts from the Lender, the $[B Amount] principal amount of the 2020B Loan, to be applied in accordance with the terms and conditions of this Contract. The proceeds of the 2020B Loan will be used to finance the costs of the 2020B Project and certain expenses incurred in connection with the 2020B Loan.

ARTICLE III

INSTALLMENT PAYMENTS; ADDITIONAL PAYMENTS

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

(a) The County shall repay the 2020A Loan in installments, together with interest thereon at the Interest Rate, as provided in this Contract and the 2020A Payment Schedule. Each installment shall be deemed a 2020A Installment Payment and shall be paid in the amount and at the time set forth in the 2020A Payment Schedule, except as otherwise provided in this Contract. Each amount received by the Lender as a 2020A 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 2020A Installment Payment.

The County shall repay the 2020B Loan in installments, together with interest thereon at the Interest Rate, as provided in this Contract and the 2020B Payment Schedule. Each installment shall be deemed a 2020B Installment Payment and shall be paid in the amount and at the time set forth in the 2020B Payment Schedule, except as otherwise provided in this Contract. Each amount received by the Lender as a 2020B 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 2020B Installment Payment.

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

Section 3.2 Rate Adjustment. In the event of a Determination of Taxability, the Interest Rate with respect to the 2020A Loan, from and after the Inclusion Date, shall be 5% per annum. In addition, the County shall pay to the Lender (i) an amount necessary to reimburse the Lender for any interest, penalties or other charges assessed by the Internal Revenue Service and the Department of Revenue by reason of the Lender’s failure to include the interest components of the 2020A Installment Payments in its gross income for federal income tax purposes, and (ii) upon request of the Lender, additional interest as a result of such increase in the Interest Rate with respect to all previous 2020A Installment Payments made by the County after the Inclusion Date, provided that the County has not already paid or will not otherwise pay such additional interest as a consequence of such increase in the Interest Rate. In the event of a Determination of Taxability, the Lender shall provide the County with a new 2020A Payment Schedule which reflects the new Interest Rate and will replace the 2020A Payment Schedule attached hereto.

Section 3.3 Place of Payments. All payments required to be made to the Lender under this Contract shall be made to the Lender at the address set forth in the Payment Schedule in immediately available funds or as may be otherwise directed in writing by the Lender.
Section 3.4 No Abatement. There will be no abatement or reduction of the Installment Payments or Additional Payments by the County for any reason, including but not limited to, any failure by the County to appropriate funds to the payment of the Installment Payments or Additional Payments, any defense, recoupment, setoff, counterclaim or any claim (real or imaginary) arising out of or related to the acquisition, construction and installation of the Projects. The County assumes and shall bear the entire risk of loss and damage to the Projects 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.

(a) Upon at least thirty days prior written notice to the Lender, the County shall have the option to prepay or provide for the prepayment of the outstanding principal components of the 2020A Installment Payments (i) in whole on any date on or after April 1, 2028 at a prepayment price equal to 100% of such principal components plus accrued interest thereon to the date of such prepayment and (ii) in part on any Installment Payment Date no more than once per calendar year in an amount between $250,000 and $500,000 at a prepayment price equal to 100% of such principal components plus accrued interest thereon to the date of such prepayment, provided the source of funds for prepayment is other than proceeds of refinancing the County’s obligation to repay the 2020A Loan.

(b) Except as provided in Section 3.5(c), the 2020B Installment Payments are not subject to prepayment prior to maturity.

(c) 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.

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

[RESERVED]

ARTICLE V

ACQUISITION, CONSTRUCTION AND INSTALLATION OF THE PROJECTS

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

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

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

Section 5.4 Payment and Performance Bonds. The County shall cause each contractor entering into a Construction Contract to provide performance and labor and materials payment bonds as required by law. The Net Proceeds of any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing, after reimbursement to the County of any amounts theretofore paid by the County and not previously reimbursed to the County for correcting or remedying the default or breach of warranty which gave rise to the proceedings against such contractor or surety, shall be used by the County to pay Costs of the Projects 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 Projects, they shall likewise be used by the County to pay Costs of the Projects 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 Projects 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 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 [Reserved].

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 Projects) 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 Projects. In the event of loss or damage to or condemnation of the Projects 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. Upon request, the County shall send to the Lender (i) a copy of the County’s audited financial statements for each fiscal year as soon as such audited financial statements become available and (ii) a copy of the County’s annual budget for each fiscal year within thirty days after adoption, as well as any amendments to the budget that affect the appropriation for Installment Payments.

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

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

Section 6.11 Leasing by County. The County 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 delivery thereof, furnish or cause to be furnished to the Lender a true and complete copy of such lease;

(c) no lease shall cause the portion of each 2020A Installment Payment designated as and comprising interest to be includable in gross income for purposes of federal income taxation; and

(d) such 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 outstanding principal amounts of the Loans 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.
full of all of the County’s obligations hereunder, including the outstanding principal amounts of the Loans, interest accrued thereon and all other payments due hereunder, the Lender, at the County’s request, shall release and cancel the Deed of Trust.

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

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

ARTICLE VIII

DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS

Section 8.1 Damage, Destruction or Condemnation. If, during the term hereof, (i) the Projects 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 Projects or any portion thereof or the estate of the County, the Lender or its assignee in the Projects 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 Projects 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(c). 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(c), 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 Projects, 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 Projects are essential for improving the facilities of the County in order to serve better the citizens of the County and the Projects 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.
(k) In connection with the County's compliance with any continuing disclosure undertakings (each, a “Continuing Disclosure Agreement”) entered into by the County in connection with the issuance of other financial obligations on and after February 27, 2019, pursuant to SEC Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the “Rule”), the County agrees that it shall not file or submit, or permit to be filed or submitted, on the MSRB’s “EMMA” website, any documentation that includes the following unredacted sensitive or confidential information about the Lender or its affiliates: address and account information of the Lender or its affiliate, e-mail addresses, telephone numbers, fax numbers, names and signatures of officers, employees and signatories of the Lender or its affiliates, unless otherwise required for compliance with the Rule or otherwise required by law. The County acknowledges that the Lender is not responsible for the County’s compliance or noncompliance with the Rule or any Continuing Disclosure Agreement.

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 limited liability company duly organized, existing and in good standing under and by virtue of the laws of North Carolina and has the power and authority to enter into this Contract.]

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

ARTICLE X
TAX COVENANTS

Section 10.1 Tax Covenants. The County covenants that, to the extent permitted by law, it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income for federal income tax purposes of the interest components of the 2020A Installment Payments under Section 103 of the Code. The County will not directly or indirectly use or permit the use of the proceeds of the 2020A Loan or any other funds of the County, or take or omit to take any other action, that would cause the obligation of the County to make 2020A Installment Payments created by this Contract to be an “arbitrage bond” within the meaning of Section 148(a) of the Code. To that end, the County has executed the Tax Certificate, dated the date hereof (the “Tax Certificate”), and will comply with all requirements of Section 148 of the Code to the extent applicable. The County further covenants that the 2020A Loan is not a “private activity bond” as defined in Section 141 of the Code.

The County will maintain books on which will be recorded (i) the Lender or (ii) any assignee of the 2020A Installment Payments due under this Contract as the registered owner of the 2020A Installment Payments.

Without limiting the generality of the foregoing, the County agrees that there shall be paid from time to time all amounts required to be rebated to the United States of America pursuant to
Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the obligation of the County to make 2020A Installment Payments created by this Contract from time to time. This covenant shall survive the termination of this Contract.

Notwithstanding any provision of this Article, if the County shall provide to the Lender an opinion of nationally recognized bond counsel to the effect that any action required under this Section or the Tax Certificate is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of the interest components of the 2020A Installment Payments pursuant to Section 103 of the Code, the County and the Lender may rely conclusively on such opinion in complying with the provisions of this Article.

ARTICLE XI

INDEMNIFICATION

Section 11.1 Indemnification. Without waiving its sovereign immunity and 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 damages that (i) arise in tort, in contract, under 42 U.S. Code §1983 or under the public bidding laws of the State or (ii) are proximately caused by the negligence of the County in administering the Projects 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 Projects 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 Indemnitee 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 Projects, the vendors of any equipment acquired and the engineers and contractors for the acquisition, construction and installation of the Projects 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 PROJECTS OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE PROJECTS.
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. 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 other financial institution, or any affiliate thereof, 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 other financial institution, or any affiliate thereof. 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. Venue shall be proper and shall lie exclusively in the Superior Court of Alamance County, North Carolina.

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 Alamance, North Carolina
124 West Elm Street
Graham, North Carolina 27253
Attention: Finance Officer

If to the Lender:

Capital One Public Funding, LLC
[Insert address]

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

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

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

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

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

Section 16.9 If Payment or Performance Date Not a Business Day. If the date for making payment, or the last date for performance of any act or the exercising of any right, as provided in this Contract, is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Contract, and no interest shall accrue for the period after such nominal date.
Section 16.10 Covenants of County not Covenants of Officials Individually. No covenant, stipulation, obligation or agreement contained in this Contract shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent or employee of the Board of Commissioners or the County in his individual capacity, and neither the members of the Board of Commissioners nor any other officer of the Board of Commissioners or the County shall be subject to any personal liability or accountability by reason of the execution and delivery of this Contract. No member of the Board of Commissioners or any agent or employee of the County shall incur any personal liability in acting or proceeding or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Contract.

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

Section 16.12 Term Sheet. The terms of this Contract shall supersede the terms of the term sheet from the Lender to the County dated April 21, 2020, including any amendments thereto. To the extent of any conflict between this Contract and such term sheet, this Contract will take priority.

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

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

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

COUNTY OF ALAMANCE, NORTH CAROLINA

[SEAL]  

By: ____________________________________  
Chair of the Board of Commissioners

ATTEST:

_____________________________  
Clerk to the Board of Commissioners

[Signatures Continued on the Following Page]
[Counterpart Signature Page to the Installment Financing Contract between Capital One Public Funding, LLC and the County of Alamance, North Carolina]

CAPITAL ONE PUBLIC FUNDING, LLC, as Bank

By: _________________________________
Vice President

[Signatures Continued on the Following Page]
[Counterpart Signature Page to the Installment Financing Contract between Capital One Public Funding, LLC and the County of Alamance, 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
### 2020A PAYMENT SCHEDULE

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<th>Interest Component</th>
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Unless otherwise instructed by the Lender, the County shall wire funds to:
## 2020B PAYMENT SCHEDULE

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<th>Interest Component</th>
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Unless otherwise instructed by the Lender, the County shall wire funds to:
EXHIBIT A

DESCRIPTION OF THE PROJECTS

2020A Project

The 2020A Project consists of (i) renovating, repairing, equipping and improving a portion of the County’s jail facilities, (ii) renovating, repairing, equipping and improving the County’s courthouse facilities and a portion of the family justice center and (iii) renovating, repairing, equipping and improving a portion of the County’s human services center.

2020B Project

The 2020B Project consists of (i) renovating, repairing, equipping and improving a portion of the County’s jail facilities, (ii) renovating, repairing, equipping and improving the County’s emergency medical services garage, (iii) renovating, repairing, equipping and improving a portion of the County’s family justice center and (iv) renovating, repairing, equipping and improving a portion of the County’s human services center.
EXHIBIT B

DESCRIPTION OF THE MORTGAGED PROPERTY

The Mortgaged Property consists of a tracts or parcels of land described as follows:

[Insert legal description for Family Justice Center.]
DEED OF TRUST AND SECURITY AGREEMENT

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

Return to:  
Capital One Public Funding, LLC

STATE OF NORTH CAROLINA  
COUNTY OF ALAMANCE

(COLLATERAL IS OR INCLUDES FIXTURES)

This DEED OF TRUST AND SECURITY AGREEMENT, made and entered into as of June 9, 2020 (this “Deed of Trust”), from the COUNTY OF ALAMANCE, NORTH CAROLINA, a body corporate and politic and a political subdivision of the State of North Carolina, whose address is 124 West Elm Street, Graham, North Carolina 27253 Attention: Finance Director, as grantor (the “Grantor”), to [DEED OF TRUST TRUSTEE], as trustee (the “Trustee”), for the benefit of CAPITAL ONE PUBLIC FUNDING, LLC, [insert address] (the “Bank” and, together with its successors and assigns, the “Beneficiary”);

WITNESSETH:

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

WHEREAS, this Deed of Trust has been executed and delivered to secure (i) the obligations of the Grantor to make the Installment Payments and Additional Payments and (ii) the performance of all of the other liabilities and obligations, whether now existing or hereafter arising, of the Grantor to the Bank under the Installment Financing Contract (all such obligations and liabilities described in (i) or (ii) above being hereinafter collectively called the “Indebtedness”); and
WHEREAS, the Grantor desires to secure (i) the payment of the Indebtedness and any renewals, modifications or extensions thereof, in whole or in part, and (ii) the additional payments hereinafter agreed to be made by or on behalf of the Grantor, by a conveyance of the lands and security interests hereinafter described;

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

(a) The real property lying and being in the County of Alamance, 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 emblems 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 Bank under the Installment Financing Contract and all property released pursuant to the provisions of the Installment Financing Contract or this Deed of Trust.

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

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

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

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

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

ARTICLE I

Section 1.1 Payment of Indebtedness. The Grantor will pay the Indebtedness and all other sums now or hereafter secured hereby promptly as the same shall become due as provided in the Installment Financing Contract and as permitted by law.
Section 1.2 **Taxes, Liens and Other Charges.**

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

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

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

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

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

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

Section 1.5 **Care of Premises.**

(a) The Grantor will keep or cause to be kept the buildings, parking areas, roads and walkways, recreational facilities, landscaping and all other Improvements of any kind now or hereafter erected on the Real Property or any part thereof in good condition and repair (ordinary
wear and tear excepted), will not commit or suffer any waste, and will not do or suffer to be done anything which will increase the risk of fire or other hazard to the Premises or any part thereof.

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

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

(d) Upon reasonable prior notice to the Grantor, 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 Projects (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 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 Appraisement, Valuation, Stay, Extension and Redemption Laws.** The Grantor agrees, to the full extent permitted by law, that in case of a Default hereunder, neither the Grantor nor anyone claiming through or under it shall or will set up, claim or seek to take advantage of any appraisement, valuation, stay, extension, 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 appraisement, 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 Alamance, North Carolina, 124 West Elm Street, Graham, North Carolina 27253 Attention: Finance Officer, (b) if to the Beneficiary, Capital One Public Funding, LLC, [insert address] and (c) if to the Deed of Trust Trustee, [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
etitle 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 E-Verify Covenant. The Trustee understands that (1) “E-Verify” is a federal program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law and (2) Article 2 of Chapter 64 of the General Statutes of North Carolina, as amended (the “E-Verify Statute”), requires employers (as defined in the E-Verify Statute) to verify the work authorization of an employee (as defined in the E-Verify Statute) hired to work in the United States through E-Verify. The Trustee and the Trustee’s subcontractors under this Deed of Trust shall comply with the requirements of the E-Verify Statute.

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

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

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

COUNTY OF ALAMANCE, NORTH CAROLINA

By: ______________________________

Chair of the Board of Commissioners for the County

[SEAL]

ATTEST:

_____________________________

Clerk to the Board of Commissioners for the County

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STATE OF NORTH CAROLINA )
)  
COUNTY OF ALAMANCE )

I, _________________________________, a Notary Public, certify that Amy Scott Galey personally came before me this day and acknowledged that she is the Chair of the Board of Commissioners for the County of Alamance, 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 Tory M. Frink, the Clerk to the Board of Commissioners for said County.

WITNESS my hand and notarial seal, this _____ day of ______________ 2020.

My commission expires: 

______________________________
Notary Public

______________________________
EXHIBIT A
REAL PROPERTY DESCRIPTION

[Insert legal description for Family Justice Center.]
EXHIBIT B

PERMITTED ENCUMBRANCES

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

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

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

(3) the lien of this Deed of Trust;

(4) any lease in conformity with the Installment Financing Contract; and

(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.