

CASWELL COUNTY BOARD OF COMMISSIONERS
MEMBERS PRESENT

AUGUST 2, 2021
OTHERS PRESENT

David J. Owen, Chairman
Jeremiah Jefferies, Vice Chairman
John D. Dickerson
Nathaniel Hall
Rick McVey
Steve Oestreicher

Bryan Miller, County Manager
Carla R. Smith, Clerk to the Board
Debra Ferrell, The Caswell Messenger
Brian Ferrell, County Attorney

The Board of Commissioners for the County of Caswell, North Carolina, met in regular session on Monday, August 2, 2021, at 9:00 am in the Historic Courthouse.

WELCOME:

Chairman Owen called the meeting to order and paused for a moment of Silent Prayer. Then the Board of Commissioners and all the guests in attendance recited the Pledge of Allegiance.

PUBLIC COMMENTS:

The following individuals appeared before the Board to make public comments:

Randy Poole of 596 Jones Rd in Pelham. He wanted to revisit the redesign of the square. There were many comments made at the last meeting about the legal aspects of the redesign and the cost. If you go to surrounding areas, you won't find a more attractive courthouse or square. So, what is the Board trying to achieve by redesigning the square? To enhance the square, there is a small monument to honor a pioneer in education. That is N.L. Dillard, so add a statue of him to the square.

Herb Hickman of Caswell County. During the last meeting he listened for over two hours to comments from concerned residents. Slaves in America were considered property not people. Early in the 17th century, a Dutch ship loaded with African slaves landed in Jamestown, VA which was determined to be the start of slavery in America. Between 1774 and 1804, all northern states abolished slavery, but it remained vital in the South. The South reached a breaking point in 1860 when Abraham Lincoln was elected president. Within 3 months, 7 states seceded from the Union to form the Confederate States. The Confederate constitution read as follows: Our new government is founded upon the great truth that the Negro is not equal to the white man; that slavery subordination to the superior race is his natural and normal condition. Slavery was the basis for white supremacy and control. That is what the war monuments represent today. Before this meeting started, we all stood and recited the pledge of allegiance. The last sentence states "with liberty and justice for all". Displaying these confederate statues, monuments, and flags with their offensive and racist undertones will never bring America closer together. The NC General Statue

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100-2.1(c) (3) gives you the authority to relocate the statues and monuments from public taxpayer funded land.

Sharon Hickman of Caswell County. The South chose to secede from the Union. They created their own country complete with President, flag, and Constitution. One who participates in war against their own native country is considered a traitor or treason. Laws were enacted to keep us in servitude, restricted our voting laws, limited where we worked, and how we got to work. Fast forward to today. Things have gotten better, but there are still much to do. Why are you still holding on to these antiquated reminders? She knows what racism feels like. Why should she feel sorry or sad for that Confederate soldier? It was nothing done for us. They rewrote history books omitting what they didn't like and added what they wanted to, hidden under Jim Crow Law and white sheets. We are supposed to be a progressive nation. Show us that you can learn from your mistakes. If you want to keep honoring this soldier, put it on private property.

Thomas Wright of 559 George Russell Rd in Yanceyville. He came to disapprove before the Board approves the July 19, 2021 Regular Meeting minutes. He don't want those minutes approved. Mr. Wright gave the Commissioners packets, but the whole story is turned around. In the minutes, dates are changed and none of what is being said here is normal. He wants to know how the dates changed from the 28th of November to the 28th of October. You put a story out there and left it out there for 2-3 weeks. Now you changed the story. The July 19th Regular Meeting minutes are a whole different story. Do not approve those July 19th minutes until you know what happened.

Charles Blackwell of 490 Wall Street in Yanceyville. In early 1865 as the Civil War waged on, Abraham Lincoln in his second inaugural address made the following statements: *"Fondly do we hope ~ fervently do we pray ~ that this mighty scourge of war may speedily pass away. Yet, if God wills that it continue until all the wealth piled by the bondsman's two hundred and fifty years of unrequited toil shall be sunk and until every drop of blood drawn with the lash shall be paid by another drawn with the sword as was said three thousand years ago so still it must be said 'the judgments of the Lord are true and righteous altogether.'"* Yet 156 years later there are those amongst us that that continue to exist in a time warp. Refusing to accept the fact all men are created equal. It pains me that so many of my fellow citizens will repeat the Pledge of Allegiance, but by their actions disrespect the descendants of former slaves by advocating ideas and systems that are inconsistent to liberty and justice for all. So, to answer the question don't we have better things to spend money on than the redesign of the Yanceyville Square. No, spending money on a project to redesign the square will enhance opportunities for future economic development. We respect descendants of the Confederate soldiers and understand they want to honor their heritage. Their dead joined the thousands of Union soldiers who died on the battle fields as the war was fought to preserve slavery. That tremendous loss of lives does not diminish the fact that slavery was a morally unacceptable institution. No taking the statue down will not end systemic racism. That can only happen when people's minds and hearts are changed. However, it can start a healing process. We can only hope and pray that the moral conscious of your leadership will result in the decision to relocate all monuments and redesign the public square.

Earnestine Hamlett of Caswell County. She wanted to thank the Board for their vote to continue moving forward with the redesign of the Town square. It is my hope that we can continue to move forward and fulfill our duties and obligations morally and legally. Our county motto is Preserving the past and embracing the future.

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Ed Clarke of Danville VA. Have any of you heard of the Corwin 13th Amendment. This was a bill that they wanted to pass that tells the people in the southern states that if they will stay in the Union, they can keep their slaves. Wonder why that is never mentioned? Why is Thomas Day never mentioned as a black slave owner in Milton? If we are going to tear one set of monuments down, let's tear them all down. Let's not tear any of them down. Mr. Clarke's great-great grandfather went fool enough to march out in the middle of a battlefield for the sake of a slave. All the money you going to spend to get rid of one monument. Joseph Stalin would be so pleased. It was never a march for equality. It was a march for supremacy. If you can't see it, you never will. That monument deserves to stay there. It's been there that many years. All this holding hands, singing Kumbaya, and trying to be one; it will never happen. Let the monument stay. It deserves to be there. It tells a story that a lot of people are scared of. It exposes Lincoln for what he was doing. People better wake up; it's getting just like the Soviet Union.

Tony Lundy of Danville, VA. There was a vote in Virginia in 1861 for Virginia to stay in the Union. At that point in time, North Carolina was going to follow Virginia to stay in the Union, slavery or not. A week later, Lincoln asked for 75,000 troops to march on the South. It was viewed as a highly unconstitutional, illegal act. A week or two later, Virginia had a vote to come out of the Union. The soldier outside is defending the state of North Carolina. That is a young soldier asked to fight, and he answered the call for NC. How can anyone dishonor that? That is an honorable statue out front, and Mr. Lundy is asking that you keep it.

RECOGNITIONS:

There were no recognitions from the Board.

AGENDA:

APPROVAL OF AGENDA:

A **motion** was made by Commissioner McVey and seconded by Commissioner Jefferies and **carried unanimously** to approve the Consent Agenda.

APPROVAL OF CONSENT AGENDA:

- a. June 7, 2021 Budget Meeting Minutes
- b. June 21, 2021 Regular Meeting Minutes
- c. July 19, 2021 Regular Meeting Minutes
- d. FY 2020-2021 Audit Contract

Chairman Owen asked that we hold the July 19, 2021 minutes until amended. A **motion** was made by Commissioner Hall and seconded by Commissioner Jefferies and **carried unanimously** to approve the Consent Agenda.

DISCUSSION ITEMS:

Pelham Industrial Park Covenants: County Manager Miller presented the Covenants to the Board, and he highlighted a few sections that the Board may need to be aware of. In Section 2.04 Definitions, Mr. Miller read the definition of association and by-laws. As of now, Mr. Miller has not been able to ascertain who are members of the association. We do know the landowners, but

the by-laws are not readily available. That is something we will continue to work on. Move down the page to Article III Permitted uses. The uses were read aloud, but here again the association is not crystal clear as of now. Then Mr. Miller continues reading the Article. County Manager Miller thinks it's interesting because the development we have, with the casino coming to Danville, there is no mention of retail sales for this site. Rightly so since it was deemed an industrial park at the time. That is something the Board may want to look at going forward, i.e., a gas station. Next Section 5.02 Plan Approval required was read. As you read through the Article there are certain requirements. The Association is not readily available and have not met in 7 years. In Section 5.13 Subdivision, it speaks of no owner being able to split a parcel and create additional parcels, except Caswell County. The proposal received a few weeks ago was for a group to buy 47 acres that planned to make several different business units out of it. Hearing that proposal, they would not be able to subdivide their parcel according to the restrictive governance. Article VI addresses Eligibility for voting rights. There are 2 types of memberships. Class A membership consists of owners of a lot and are entitled to 1 vote for each acre of the property owned. Class B membership consists of Caswell County, which shall be entitled to 3 votes for each acre owned. Section 6.04 discusses the role of the Economic Developer, and the Board can read through this section at their discretion. There's also restrictive governance that speaks to assessments that the association can make as they move through the process. These restrictive governances were made on the 4th day of September in 2002. In light of the development that the Board has coming potentially, the County Manager suggested that the Board look further into these restrictive governances. Maybe consider splitting out certain parcels from the Industrial Park. But at the very least engage a development firm to help the Board walk through the process. Chairman Owen asked how many Class A members we have. County Manager Miller said he knows of 3. Commissioner Dickerson asked if any consideration had been given to raising the price of land in the Industrial Park. County Manager Miller said it is advertised on the previous website for what the Board will consider. An individual can make any offer and that offer should come before the Board to consider. What the Board can do is say that they will not consider anything below X amount. That would give us the authority to reject any offer below that amount. We then have to go through an upset bid process when we sell property. That process may take weeks to go through. Attorney Ferrell said the Board always has the discretion to reject or accept any offer presented no matter what price is listed on the website. The idea is that you use a public process to generate the highest price for the property. The covenants are fairly generic. Before getting into the nuts and bolts of the language of the covenants, the Board needs to have a vision for the park. Use the covenants to help facilitate the ultimate plan that you have for the park. Perhaps this was just an opportunity you had 20 years ago to designate some area for a future development, but now you're seeing that come to fruition. The idea is to find out what the highest and best uses of this park and then you can build the covenants and revisions around what you see. The Providence Development Group, which made the offer for the 47 acres, has reiterated that they are still interested in the property. Commissioner Hall said whether we use a consultant, firm, or group, we should look at what we want to do in 2021-2022 with the park. 2002 is a long time ago and things have changed. Chairman Owen asked if the Board wanted to form a committee to begin that process or have the County Manager take the lead on it. Commissioner Hall said he is not sure what will be the best use of the commissioners' time, but Mr. Hall thinks the County Manager and/or the Economic Developer should take the lead on this. Chairman Owen asked the County Manager to take a look at that and let the Board know if it will be best done internally or if a group or firm is needed.

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ACTION ITEMS:

SOLID WASTE EQUIPMENT:

The Commissioners have in your agenda packet a breakdown of options for Solid Waste. As we spoke about last time, to repair the loader in Solid Waste it's going to cost about \$35,000. There are signs of additional problems that will not be solved by this repair. There are some problems with the turntable, but this repair will only unseize the engine. Last time that occurred we ended up paying \$31,000-32,000. The options include repairing the equipment outright, purchasing a new Hyundai WH210 Wheel Loader, and 4 leasing options. There are 2 standard lease options and 2 lease options with a \$1 buyout at the end of the lease. There is an extra warranty provision for about \$10,000 if we were to move toward ownership. There is also an additional option of purchasing a 2019 B loader for \$195,000. The log loader will be unable to move around the yard as easily as the wheeled loaders. Commissioner Dickerson said that is a lot of money. Have we looked at options to buy used equipment? Commissioner Dickerson spoke with a dealer in South Boston, Milam Equipment, and if we give them the specs we are looking for, they will locate something that will be sufficient. County Manager Miller said we have looked at several options of used equipment. The problem we have encountered when looking at used equipment is our equipment requires a certain reach, and a lot of the equipment we looked at wasn't capable of the reach that we needed to push the trash back up to the dumpster. Age and the overall condition of the equipment has been issues as well. Commissioner Dickerson asked how many hours in a given year do we put on that equipment. A.J. Fuqua, Solid Waste Director said anywhere from 1000-1500 hours. Commissioner Dickerson asked if it is fair to say that 10,000 hours is the life of the piece of equipment. A.J. Fuqua replied that depends on the maintenance plan and other variables in that. County Manager Miller said A.J. Fuqua is only here to answer questions. The Board has been provided all the documentation for the different leasing options with the specs on the equipment, which was included in your agenda packet. We are fine going out to get pricing for used equipment if that is the pleasure of the Board. A.J. Fuqua said he has talked with multiple dealers in North Carolina and Virginia. Mr. Fuqua did find a piece of used equipment that was \$120,000, but it had a lot of electrical issues. It does have the reach, but it comes with problems like the one we have, which was purchased used. Commissioner Dickerson then said he was trying to be a good steward of the tax money. It would be due diligence on the Board's part to reach out to the dealer in South Boston to see if they can locate whatever we need. If they can locate a piece of equipment that fits the bill, we save some money. If they can't then we move forward with looking at new equipment. County Manager Miller said we are happy to reach out to any vendor that the Board thinks may be helpful, but to reiterate that operating without this piece of equipment does cause a lot of issues for our solid waste department. Currently we have not been able to find one to lease at a price we think is reasonable. They want to lease it for \$15,000 a month. Trying to be a good steward of taxpayers' money, the solid waste director and another staff member have taken it upon themselves to push the trash up with the equipment we have, which is an extremely burdensome process. That is what they have been doing to save taxpayers \$15,000. Chairman Owen asked how much moving do you do with that loader. A.J. Fuqua said it is important for the cleanliness around the brush pile or if we need to go back to the outside of the path. We probably move it about 2-3 times a week. Chairman Owen said if we repair the loader, it will be \$30,000, do you have any idea on the cost to repair the turntable. A.J. Fuqua said it would probably be \$40,000-\$45,000 because the machine would have to go away. Commissioner Hall said he had a couple of comments. What did we decide on the fee for solid waste? The fee for Solid Waste is

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\$113 per household, which was a dramatic increase from \$60 to \$113. Commissioner Hall then said he has been on the Board for several years and heard people talk about saving money by buying used equipment. Most of the used stuff the County has bought over the years that Commissioner Hall has been on the Board has been junk. We have put money in for repair after repair. What Commissioner Hall hopes this Board will do is to plan ahead. We reduced the fee one year to save people money, but never looked ahead to a savings fund to replace equipment. As soon as we finish the budget, the equipment dies. Now we have to start thinking ahead. We may have to buy some new equipment. We need to continue thinking not only for solid waste, but for all departments, equipment runs out. We ran into this same situation with air conditioning units and other things around the County. Each year we decide we want to save a dollar, but that is not the best way to go forward. Commissioner Oestreicher then asked if ARP will cover any of this. County Manager Miller said no, he was not aware of any provisions in ARP that would allow us to buy this kind of equipment with those funds. Chairman Owen asked if it is better for us to lease or buy the equipment straight out. County Manager Miller said that is a Board decision. If you lease, you end up spending \$35,000 more over the term of the lease in interest fees. Spending \$229,000 out of fund balance does two things. It reduces fund balance we have available for other things, and it supplants County tax dollars for what we identify as an enterprise fund, which from an accounting standpoint is not a good practice. The Enterprise fund should be self-sustaining just like any water system. The fees from Solid Waste should be able to run solid waste. We should not have to take tax dollars. Chairman Owen said we would expect Solid Waste to pay it back, and then suggested that we look at the used equipment and see what is out there and have the County Manager to report back to the Board. Chairman Owen also said he agrees with Commissioner Hall and buying used equipment, especially like this, is not the best route to go, but that may be what we end up having to do. If we decide to lease the equipment, we will need to consider how long we want to lease the equipment and how long we want the maintenance agreement to be. Commissioner Jefferies said at one time Solid Waste had funds available so that they could buy equipment, but we cut the fee to save taxpayers money. Chairman Owen said so we will bring this back. Commissioner Oestreicher asked what the lease lead time is. There is a 3-month lead time to get this equipment.

RESOLUTION AUTHORIZING REFINANCING OF DETENTION CENTER:

The County of Caswell proposes to refinance capital costs of the design, construction, furnishing and equipping of a jail and related facilities in the County, located on a site owned by the County for overall debt service savings to the benefit of County, which Project was originally financed in 2011. Caswell County proposes to finance the Project by the use of a County installment contract authorized under North Carolina General Statute 160A, Article 3, Section 20, in a total principal amount not to exceed \$3,500,000. The Proposed Contract is necessary or expedient because it will provide substantial overall debt service savings to the benefit of Caswell County resulting from favorable interest rates and terms advantageous to the County currently available in the financial marketplace. The findings must be presented to the NC Local Government Commission (LGC) to go through the process for us to issue different debt. The money we receive will be used to pay off our current debt. Chairman Owen asked the County Manager to share with the Board the interest rate. Currently we have a bid that came in with 0.8% interest rate. Commissioner McVey said what is the current interest rate. Mr. Miller said we are currently paying 3.325%. Over a 6-year period that will result in a savings of about \$120,000. Commissioner Oestreicher asked what the

difference in the terms of the loans are. County Manager Miller said there is no difference. We have about 6 years remaining on the loan. Attorney Ferrell said this is not the borrowing resolution. This resolution just authorizes moving forward, but additional resolutions will be brought back before you for the financing. County Manager Miller said another Public Hearing is required for this as well.

A **motion** was made by Commissioner Hall, seconded by Commissioner Oestreicher, and **carried unanimously** to approve the resolution to refinance the Detention Center.

SOLID WASTE ORDINANCE AMENDMENT:

County Manager Miller said this is an amendment to the Solid Waste Ordinance making it a little more enforceable. There was some confusion when we used the word citizen as to what citizens we were talking about. Were we referring to all citizens of North Carolina or citizens of Caswell County? So, what we have done is gone through and put Caswell County citizens, Caswell County residents and Caswell County Convenience Center rather than leaving it generic as it was before. There are probably some other discussions the Board needs to have concerning fees and civil penalties. Fees are currently set at \$500 per occurrence. There are other jurisdictions that have higher fees and higher civil penalties. That is a Board decision rather than a manager's decision. Commissioner Dickerson said when we met with the District Attorney, Sheriff, and the others, A.J. Fuqua as well, one of the things discussed on the heels of having to pay \$300,000 additional funds to Solid Waste entity for volumes of trash that ran up our tonnage in hock waste. One of the things the District Attorney purposed on was increasing the penalties. Commissioner Dickerson would like to see the penalties increased for out of area people. Anybody that doesn't live in this county, plain and simple, should not be dumping trash in our facilities and our taxpayers having to pay that cost. Whatever kind of stiff penalties we can put, raise the fees, and stick it to them. Let the word get out that we are not going to take it anymore. Our citizens are toting a heavy enough bill as it is. Fees went from \$60 to \$113. Anything we can do to stop that burden from being placed on our people, Commissioner Dickerson is all for it. Mr. Dickerson asked for any input from the lawyer on what we legally can do to make it tough on these folks taking advantage of Caswell County. Attorney Ferrell said enforcement is the key. You can have whatever number of dollar amount penalties as you want, but you have to have some options for enforcement. There are various ways to do that. We can certainly build in safer penalties for violation of the ordinance. It is tricky when you are calling out residents of different states, but under the equal protection clause, you can add a penalty of violation that applies to folks coming out of county and violating provisions. So, we can certainly look at strengthening the penalty provisions. You need to determine how you monitor who's coming in and who's bringing what in, and you will need to be consistent with that. We can look at adding some additional penalties. Commissioner Dickerson said also it was discussed in trying to put the wording into the ordinance if someone dumped items in the dumpster and damaged it. It would be easy to get a civil judgement against them, but it's not worth the paper it's written on. If it could be worked in to where it's part of the criminal conviction, thereby citizens will have to pay restitution, you got a whole lot better chance of the County collecting that money. Attorney Ferrell said yes, in any County Ordinance when you are looking at making it a criminal penalty for a violation which is generally a misdemeanor versus a civil penalty. What has more teeth, a criminal process or a civil process? There are certainly some advantages to using the District Attorney and the power of the criminal court system to prosecute violations to the ordinances. The restitution may be something

brought out in the criminal process as well that might not be available. So, we can look at revision of penalties, both criminal and civil, if you would like for Attorney Ferrell to. Commissioner Dickerson said yes, he would. Chairman Owen asked County Manager Miller if he would bring a recommendation back to the Board for increasing the fee and any changes to the ordinance in order to do that. Most of the changes are just adding Caswell or Caswell County. Commissioner Oestreicher had a question for the County Attorney. If they are an out of state violator, what is the process or procedure for collecting that fine? What is the jurisdiction? Attorney Ferrell said if an out of state individual comes and dumps trash in Caswell County, that is a violation of our ordinance. They would be subject to civil penalty. So just because they don't live here, because they came to Caswell County and availed themselves to the benefits of using our facility, we would have action in Caswell County. Civil penalty would be enforceable in Civil Court not Criminal Court. So, you bring a lawsuit in the same way you would enforce a civil penalty that was unpaid against a local resident. You would do the same thing, but you would be serving the process in whatever state the person comes from. Is it more difficult to locate or submit to the jurisdiction to enforce the penalty should they not pay it? Sure, it is. That is what Attorney Ferrell's overall point was to stop people from using the facility in the first place. Monitoring or some way of enforcing who is coming in is key. An example is like in Chatham County, where you have to have a sticker on your car to come into their facilities. You receive the sticker in your tax bill. We should look at all available means to strengthen the ordinance, but at the end of the day, the most effective way to eliminate these is to have some sort of monitoring for torrents, the stream from coming in. After the fact, it is expensive and challenging. Commissioner Oestreicher asked does changing it into a criminal offense change it. Attorney Ferrell said he is glad the District Attorney has been engaged in the process. The District Attorney is the charging body, the only one that can enforce the criminal law after charges brought are levied by the Sheriff's Office. If the District Attorney is willing to get involved and prosecute these cases when found, that certainly has a deterrent effect because the folks would be subject to criminal prosecution in NC. If they commit a crime in NC, no matter what it is, just like any person coming to NC would be should they commit a crime. Oestreicher said so changing it to a criminal offense would be stronger. Attorney Ferrell said it would help to do it either way, you may not have to do it exclusively. That may be something we need to look at. How the penalty differs for different circumstances. Because the District Attorney, it sounds like he is willing to get involved and prosecute some of these cases in some instances, but we shouldn't want to rely solely on the District Attorney. If the county separately believed there was a reason to pursue some civil action. Commissioner Oestreicher said you could have it staged where we could have both. Attorney Ferrell said yes, trying to bring to bear the most significant penalties, criminal and civil, that we can in the circumstances and to the extent that we can have some flexibility in that process. It is better if the District Attorney can for some reason still have the option for civil penalties and then vice-versa. Chairman Owen said to the County Manager, the way we operate now, how can we beef up enforcement. County Manager Miller said there are several different methods. Currently we have 2 people working in Solid Waste and they can't be at 10 different sites. Our enforcement will only be as good as our operators. Our operators are running stores or working jobs, and they don't always have the ability to be there to stop and confront anyone they see, that they suspect is an out of towners. The County Manager felt Attorney Ferrell brought up a good point, some jurisdictions use stickers, but you have to have someone there to see the stickers. A lot of jurisdictions use county owned sites and that is one of

the recommendations, that the County move toward county owned sites. When we come back we will have several other options available. Commissioner Hall said as we move through the discussion, Mr. Hall feels it would be good to have a work session with the District Attorney and the Sheriff. We hear a lot of things, but we don't hear any directives from them. Maybe they are overburdened or something. The other issue is maybe staff and the citizens can make some suggestions for monitoring. Mr. Hall said if he lived in Virginia and he comes over every Saturday to take grandma and aunt Susie's garbage to the dump, is he violating some law or rule because he is being a good family member? We need to consider these things. We may have to go back to some kind of sticker or pass, but we need to think things through as we move forward. Chairman Owen said we may want to begin to think about a work session. Commissioner Dickerson said we had a work session with the District Attorney, the Sheriff, the County Manager, and A.J. Fuqua. These issues were talked about in there. We were assured that the prosecuting office and Sheriff were in full cooperation with implementing the enforcement of this ordinance once it is worded where they could enforce it properly. They're on board and we just needed to be able to get it polished as it needs to open up the court findings that we can put into it that will have the most effect to stop the illegal dumping. And to Mr. Hall's comment the prosecutor says there is discretion in the law. Mr. Dickerson said he sees where Mr. Hall is going with that. If someone was cleaning out their grandma's trash, we are not looking to nitpick and get someone who is actually dumping trash for a citizen in the county. You have reports coming in from Cherry Grove people coming in from Alamance County, Semora coming in from Person, and you got them in Pelham coming in from Virginia. That's adding a lot of cost to the people who pay taxes here and we need to do all we can to try and make sure we can stop it. Part of it was discussed that we would go into a Public Awareness Campaign once this ordinance is completed, and let the people know that there will be folks watching. There will be a concerted effort to do more than just put them on paper. Chairman Owen wanted to take action on the ordinance, but Commissioner Dickerson asked if we were going to get feedback from the Attorney on the fees. Attorney Ferrell said it may make sense to incorporate all of the changes at one time. Attorney Ferrell said the changes that have been proposed will not give the Board a leg up in enforcement. The Board can move forward with the changes tonight or you can hold until the next time when it comes back up. The Board will not need a Public Hearing. This is a general police power ordinance. Since you are missing a member today, if you approve it today, you will have to bring it back assuming you have a majority vote and bring it back within 30 days. Chairman Owen said if we have to bring it back regardless, let's just hold off and bring it back for the whole package. Commissioner Hall asked what the whole package meant. Attorney Ferrell said what he understood you wanted to see was the enforcement provision reworded, to look at the penalties, and make sure we have the maximum enforcement permitted by the law in the civil and criminal context. If the District Attorney is going to be heavily involved, it may be helpful to ask the District Attorney if he sees any issues with the language or any other provisions that he would like strengthened to give it the best chance in court. So, we can reach out to the District Attorney and get some feedback there. Commissioner Hall said here again he feels the Board should have a work session with the District Attorney and the Sheriff. When you go back to this issue of subjective; it can mean anything. To Commissioner Hall it means in a sense that the District Attorney has the authority to discriminate if he/she feels like it's appropriate. The Sheriff may or may not have the staff. The Board needs to hear that directly from him. In terms of penalties and fees, if we get a recommendation on some penalties and fees,

Mr. Hall wants time to think it through. To say you are going to charge someone \$500 or \$1000 sounds good, but it may or may not work. It may not make good sense. Chairman Owen said let's let the County Manager and the Attorney work on these items and bring recommendations back to the Board. We will have a work session just on this item. We can hear the recommendations, talk through them and at the following meeting make a decision.

COUNTY MANAGER'S UPDATES:

County Manager Miller had 1 update. Mr. Miller wanted to make the Board aware that we are moving forward with the salary study. We have started that process and the Consultant will be meeting with Department Heads on August 9th at 1 pm. Employees will meet at 3 pm on August 9th and again on August 10th at 1 pm and 3 pm.

COMMISSIONER COMMENTS:

Commissioner Oestreicher said included in the agenda packet was the proposal for the salary study. County Manager Miller said yes it was included. Commissioner Oestreicher then said he noticed in there that there is a compensation plan very similar to similar counties, jurisdictions, etc. He just wanted to be sure we understood the parameters of the comparisons and make sure it is specific. County Manager Miller said when we moved through this process, in the budget, this is one of the things Bryan Miller brought up that he thought would be important. The Board didn't give him any direction on what criteria they wanted to see. So are there any criteria the Board wants to use i.e., like counties or surrounding counties. You may have a like county in western NC. The likelihood that an employee would leave here to work for that jurisdiction in western NC is not very likely, but an employee leaving here and going to Alamance County is a lot more likely. So, there are a lot of different ways you can look at it. If you are just going to pick certain jurisdictions. There's a lot of different theories and ways that you can look at that and Mr. Miller is more than happy to pass along to the consultants any recommendations that the Board would have. What Mr. Miller don't want to see is the consultant go through the process and then the Board say that's the wrong set of criteria. You should have done something different. If the Board wants to provide us with some guidance moving into this, we are happy to take that and pass it along. Commissioner Oestreicher said the guidance he is hearing is that that's what we are paying the consultant to do. To come with things from their experience and what their expertise would suggest are proper and comparable. It's like selecting a real estate agent in that you find someone comparable in selling your home. Mr. Oestreicher would suggest that, looking at this Board, he feels no one would feel like they are an expert at salary. Mr. Oestreicher would suggest that the people we have selected to do this study are better at this than the Board. So as the very first step in this process maybe we need to hear back from the consultants, as to what their criteria are for selecting counties and what their recommendations would be. The second part of what we asked them to do is the time and grade aspect of the salary plan. Mr. Oestreicher don't see that specifically mentioned in there. Is that his misreading of it? County Manager Miller said we currently have the time and grade plan. So, what the consultants have said is that they would help us to adapt and give us recommendations to our current time and grade salary plan. Commissioner Oestreicher said he just didn't see that in the plan and wanted to make sure that was in there. County Manager Miller will talk with the consultants about that.

Commissioner Jefferies commented on the junk yard on Jack Pointer Road. He has received several calls about the lawnmowers there, and Mr. Jefferies feels something needs to be done about it. Chairman Owen asked County Manager Miller to relay that to the County Planner so he can ride out to look at it.

Commissioner Hall wanted to comment on the Delta variant, so he will keep his comment short. Commissioner Hall feels that we need to consider adding precautions for our employees and our citizens.

Chairman Owen then asked if we had the meeting on Cycle NC. Commissioner Hall said yes and asked that the County Manager give an update. County Manager Miller said we had a meeting on Cycle NC coming through Caswell County and using Yanceyville as one of their stops. We had numerous departments represented and Commissioner Hall was part of that group. We discussed the way we wanted to approach food vendors at the site. We discussed signage on the routes. We will have future meetings as it gets closer. Chairman Owen asked how many cyclists do you think we will have come through roughly. Commissioner Hall said he don't know and hasn't contacted the representative yet. If they are going to make this the full route, we may be looking at 1000-1500 cyclists if the variant doesn't change that. If it is an off-shoot route, there may be about 300-400 cyclists. There was a lot of discussion about preparing for the ride, and that was one of the questions the officers and EMS asked, and we will try to get that answered. Commissioner Oestreich asked about the date of Cycle NC. That will be October 5th on a Tuesday.

ANNOUNCEMENTS AND UPCOMING EVENTS:

- The Art's Council is still having their 2nd Saturday from 10 am-2 pm. Merchants and the Maude Gatewood Museum are open.
- First Friday in the Town of Yanceyville is this Friday.
- Hoe Down on Saturday, September 25, 2021

Jennifer Eastwood, Health Director Update:

Jennifer Eastwood gave a quick Covid update. We have had a bit of a lull, but in the past 2 weeks our cases are starting to uptick. Since last Friday, we have had 37 cases come in. It's not as high as it was during the peak, during January and March, but it is an area of concern for us. Mrs. Eastwood wanted to give you an update on the mitigation strategy that we have implemented and what we are working with the State on. As far as testing, we are still working with an outside vendor to do testing. It was a vendor provided by the State, which is OptumServe. They have a location at the Health Department, but we have moved them inside. Through the winter and in the spring, weather was a problem with them. They were very unreliable and not open more than they were open, which presented a problem for people who needed to be tested. So, we have moved them inside our building, and so far, that is working out a lot better. They have also added a rapid test to the services that they provide. We also had a testing site at the Pelham Community Center. That has since closed because we thought the State contract was ending in June and that is the information we gave the Pelham Community Center. They began to plan things during the day, so they needed their facility. We do appreciate them allowing us to use the building as long as they did. We are talking about the possibility, with our numbers going up, of opening another site somewhere. As far as contact tracing, we also continue to use an outside vendor which is

August 2, 2021

provided for us by the State. When people ask questions about contact tracing our staff is not doing that inhouse. We contract that out through Community Care NC. We do have access to that information through their portal, but we may not readily have numbers and facts about certain cases available to us when people ask questions. A lot of the questions we are getting asked right now are about the number of cases that are vaccinated versus unvaccinated. That's where this contact tracing comes in. Those are questions CCNC are asking. We get that information from them, but it takes a little bit of time or a delay in the information. If we were doing it ourselves, we would have that more readily available. As far as vaccination we have 9328, who have had at least one dose of vaccine and that's 41% of our population. 8546 are fully vaccinated, and that is about 38% of our population. When we are looking at our numbers, according to the State epidemiologist, last week the State Public Health Lab is sequencing virus specimens. About 80% of them last week were Delta. That was expected to go up and reach 100% by this week or next week. About 99% of the cases were unvaccinated individuals. There is only a 1% rate right now of vaccine breakthrough in NC. We have a couple of cases in Caswell County, but most of our cases are unvaccinated individuals. So, we will continue to vaccinate, North Village and Caswell Family Medical Center will continue their vaccination efforts. The Health Department will participate in the Summer Cash Card program through the State, where we will offer \$25 cash cards to those who receive their first dose of vaccine during the month of August. We will also give a \$25 cash card to anyone who dries someone to get their first dose of the vaccine. Mrs. Eastwood wanted to encourage the Board and citizens to pay attention to when we are doing these clinics. Information will be posted on the Health Department's website and Facebook page. WE will participate in the American Legion's ride for Colby Richmond which will be this coming Saturday. We will be there giving out vaccines. We also plan to be at the Courthouse on the 11th, Court Day to give vaccines, and we have our normally scheduled vaccine clinics. Aside from that what citizens can do since we are considered a red county now is to reconsider masking indoors, whether you are vaccinated or not, and then continue to practice the 3 W's. One thing that we have noticed is that respiratory illnesses have increased overall since we have been unmasking, and RSV, which is particularly hard on babies and young children. So, continue to practice social distancing and hand hygiene. Commissioner Hall asked which test is most accurate. The PCR test continues to be the gold standard in testing, and that is usually sent out to a lab. The rapid test is not a PCR test. The antigen test is only accurate when someone has symptoms. The rapid test is done in screening, but it is only effective when someone has symptoms. PCR continues to be our gold standard. Commissioner Dickerson said the rapid test is instantaneous and you get the results back then. Mrs. Eastwood said when we talk about rapid, we talk about the antigen test, and you can get results in about 15 minutes. However, there are some providers that have purchased the equipment and are able to do a PCR test inhouse. They can turn those results around in a couple hours, whereas sending it off to a lab takes a couple of days. When you are going to be tested you can ask if this is a PCR test and if it will be done inhouse or is it an antigen test. That helps you know the reliability of the results. Then Commissioner Dickerson asked about the antibody test if someone has had Covid and don't want to get the vaccine. Mrs. Eastwood said LabCorp is running the antibody test. Anyone that donates blood is being done automatically. Aside from that, talk with your practitioner and they can test you. Commissioner Oestreicher said this is an unfair question. You said 38% of the County residents you vaccinated. Mrs. Eastwood said have been vaccinated in the State of NC. Commissioner Oestreicher asked how many in Caswell County. Mrs. Eastwood said she doesn't know. The way that they get their information

is through the statewide Covid Vaccine Management System. So, anyone who is vaccinated at any site in NC feeds into that system. Where we miss information is when people go across the border and get vaccinated in Virginia. We have no way of reporting that back to the State. As far as the number of vaccines the Health Department has given, Mrs. Eastwood has no idea. The Health Department has vaccinated not only Caswell County residents, but also people from Virginia and other counties as well. Mrs. Eastwood said she would have to go back and count forms to find that out because they enter all their data into the state site. Commissioner Dickerson asked if there are any plans to offer the antibody test through the testing setup at the Health Department. Mrs. Eastwood said no, but the Health Department is a LabCorp lab so we could do it. We have not checked to see if it is covered under our contract, but it may be a cost to the patient. The Health Department does draw blood for LabCorp so they could draw that specimen.

CLOSED SESSION

A **motion** was made by Commissioner Jefferies, seconded by Commissioner McVey and **carried unanimously** to consider the opioid litigations and the attorney's findings on relocation of objects of remembrance which privilege is hereby acknowledged. NCGS 143-318.11(a)(6) with the following individuals permitted to attend: County Manager, Bryan Miller, Clerk to the Board, Carla Smith, County Attorney, Brian Ferrell, and Attorney Jake Daniel.

A **motion** was made by Commissioner McVey, seconded by Commissioner Oestreicher and **carried unanimously** to return to open session at 11:52 am.

County Manager Miller handed out the 2019-2020 Financial Audit information to the Board.

Commissioner Hall said he believes we need to have some discussion for additional precautions, because he cannot be around unvaccinated people. Commissioner Dickerson asked what Mr. Hall suggested. Commissioner Hall suggested that we know if all Board members are vaccinated, address how staff is treated, and who can have access to our buildings, if they are not vaccinated. The Delta variant makes people much more ill, and we need to be aware of that. Citizens in general should not be in and out of the buildings. Caswell County has lost around 30 people to the virus. Personal freedoms need to be considered. Chairman Owen feels the Health Director can help lead this discussion, and Commissioner Oestreicher asked that Mrs. Eastwood make recommendations for all county employees.

ADJOURNMENT:

Commissioner McVey made a motion at 12:03 pm to adjourn, seconded by Commissioner Owen and the motion carried unanimously.

During the last commissioners meeting, I listened for over two hours from concerned residents who were passionately pleading their case for not relocating the confederate statue and monuments from court square. Let me address some of the comments and fill in the blanks.

Yes there was slavery in Africa. Warring African tribes were fighting for different reasons. The winning tribes took their captives and made them work to earn their freedom, but there limits and boundaries associated with it. African slaves didn't lose their status as human beings. Once their debt was paid, they were set free. Slaves in America were considered chattel (property), not people. They existed to be worked to death and to breed more slaves that worked to death.

Early in the 17th century, a Dutch ship loaded with African slaves landed in Jamestown, Va .which various scholars have determined that was the start of slavery in America. After the revolutionary war , many northern colonies began to link slavery with the oppression by the British and called for the end of slavery. Slavery was never

widespread in the North. Between 1774 and 1804, all northern states abolished slavery, but it remained absolutely vital to the South as slaves were needed to work the sugar and cotton plantations. The first half of the 19th century brought bitter and hostile debate about slavery. In 1859, black slave insurrections exposed a growing rift over slavery, The South reached a breaking point in 1860 when Abraham Lincoln was elected president. Within 3 months, 7 Southern states seceded from the union to form the Confederate States of America. 4 more states would follow after the start of the civil war. The Confederate Constitution read as follows: our new government is founded upon the great truth that the Negro is not equal to the white man; that slavery subordination to the superior race is his natural and normal condition. This, our new government is the first in the history of the world based upon this great physical, philosophical, and moral truth. Jan 1st, 1863 president Lincoln issued this proclamation: slaves within any state or designated part of a state in rebellion shall be then and thereafter and forever free.

Slavery was the basis of White supremacy and control which united southern Whites in a common goal. They couldn't imagine the South without slavery, and when it

was threatened, southern whites took up arms, slave owners or not to defend their way of life. Slavery represented control and power.

That is what the southern states, and war monuments represent today. Its not just about war heroes, White America wants to retain control and power. These symbols are offensive to Black America because they reminds us of a painful unjust past. Freedom written on paper is just a hollow victory when we cant share in the power. When we cant help write laws, or when we cant vote to elect public officials without having our voting rights challenged or restricted.

Before this meeting started, we all stood and recited the pledge of alliance. The last sentence states: " with liberty and justice for all" Displaying these confederate statues, monuments, and flag with their offensive and racist undertones will never will never bring America closer together.

In closing, I would like to say that this commission voted properly in Nov of 2020 when they decided to relocate the confederate soldier and monuments from court square. The N.C. constitution General statue 100-2.1 (c) (3) gives you the authority at the local level to relocate

the statue and monuments from public taxpayer funded land.

The	Governing Board BOARD OF COMMISSIONERS
of	Primary Government Unit (or charter holder) CASWELL COUNTY
and	Discretely Presented Component Unit (DPCU) (if applicable) N/A

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

and	Auditor Name THOMPSON, PRICE, SCOTT, ADAMS & CO, P.A.
	Auditor Address 1626 S MADISON STREET, WHITEVILLE, NC 28472

Hereinafter referred to as Auditor

for	Fiscal Year Ending 06/30/21	Audit Report Due Date 10/31/21
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Must be within four months of FYE

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business- type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types).
2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit performed under the requirements found in Subpart F of the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

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

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.
4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC Staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.
5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2018 revision, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Accounting Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.
6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC Staff within four months of fiscal year end. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay shall be submitted to the Secretary of the LGC for approval.
7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.
8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's (Units') records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.
9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. (This also includes any progress billings.)(G.S. 159-34 and 115C-447) All invoices for Audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to

the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.

10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).

11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC Staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC Staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.

13. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

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

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the

Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to charter schools or hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 28 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

18. Special provisions should be limited. Please list any special provisions in an attachment.

19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the primary government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.

20. The contract shall be executed, pre-audited (pre-audit requirement does not apply to charter schools or hospitals), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.

21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.

22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

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

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

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

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

27. **Applicable to audits with fiscal year ends of June 30, 2020 and later.** For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and Governmental Auditing Standards, 2018 Revision (as applicable). Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

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

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

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

29. Information based on the audited financial statements shall be submitted to the Secretary for the purpose of identifying Financial Performance Indicators and Financial Performance Indicators of Concern.

30. Applicable to charter school contracts only: No indebtedness of any kind incurred or created by the charter school shall constitute an indebtedness of the State or its political subdivisions, and no indebtedness of the charter school shall involve or be secured by the faith, credit, or taxing power of the State or its political subdivisions.

31. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 16 for clarification).

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

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

34. Modifications to the language and terms contained in this contract form (LGC-205) are not allowed.

FEES FOR AUDIT SERVICES

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

Financial statements were prepared by: ☒ Auditor ☐ Governmental Unit ☐ Third Party

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

Name:

Title and Unit / Company:

Email Address:

MAT PATTERSON

PATTERSON & ASSOCIATES

mat@papllccpas.com

OR Not Applicable ☐ (Identification of SKE Individual not applicable for GAAS-only audit or audits with FYEs prior to June 30, 2020.)

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

3. Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the billings for the last annual audit of the unit submitted to the Secretary of the LGC. Should the 75% cap provided below conflict with the cap calculated by LGC Staff based on the billings on file with the LGC, the LGC calculation prevails. All invoices for services rendered in an audit engagement as defined in 20 NCAC .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

PRIMARY GOVERNMENT FEES


Primary Government Unit	CASWELL COUNTY
Audit Fee	\$ 51,250
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	\$
Writing Financial Statements	\$ 3,500
All Other Non-Attest Services	\$
75% Cap for Interim Invoice Approval (not applicable to hospital contracts)	\$ 41,062.50

DPCU FEES (if applicable)






Discretely Presented Component Unit	N/A
Audit Fee	\$ N/A
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	\$ N/A
Writing Financial Statements	\$ N/A
All Other Non-Attest Services	\$ N/A
75% Cap for Interim Invoice Approval (not applicable to hospital contracts)	\$

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* THOMPSON, PRICE, SCOTT, ADAMS & CO, P.A.	
Authorized Firm Representative (typed or printed)* ALAN W. THOMPSON	Signature* 
Date* 07/16/21	Email Address* alanthompson@tpsacpas.com

GOVERNMENTAL UNIT




Governmental Unit* CASWELL COUNTY	
Date Primary Government Unit Governing Board Approved Audit Contract* (G.S.159-34(a) or G.S.115C-447(a))	
Mayor/Chairperson (typed or printed)* David J. Owen 	Signature*  
Date 8/2/2021 	Email Address dowen@caswellcountync.gov 

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

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

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

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

Primary Governmental Unit Finance Officer* (typed or printed) JENNIFER HAMMOCK	Signature*  
Date of Pre-Audit Certificate* 8/2/2021 	Email Address* jhammock@caswellcountync.gov



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

P.O. Box 398
1626 S Madison Street
Whiteville, NC 28472
Telephone (910) 642-2109
Fax (910) 642-5958

Alan W. Thompson, CPA
R. Bryon Scott, CPA
Gregory S. Adams, CPA

July 16, 2021

Caswell County
144 Court Square
PO Box 98
Yanceyville, NC 27379

To Management and Those Charged With Governance:

We are pleased to confirm our understanding of the services we are to provide the Caswell County for the year ended June 30, 2021. We will audit the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of the Caswell County as of and for the year ended June 30, 2021. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Caswell County's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Caswell County's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's discussion and analysis.
2. Law Enforcement Officers' Special Separation Allowance Schedule of Total Pension Liability (Asset) and Schedule of Total Pension Liability (Asset) as a Percentage of Employee Payroll
3. Schedule of Changes in the Total OPEB Liability and Related Ratios
4. Schedule of the Proportionate Share of the Net Pension Liability (Asset) and Schedule of County Contributions – LGERS
5. Schedule of the Proportionate Share of the Net Pension Liability (Asset) and Schedule of County Contributions – ROD

We have also been engaged to report on supplementary information other than RSI that accompanies the Caswell County's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole:

1. Schedule of Expenditures of Federal and State Awards.
2. Combining and Individual Fund Financial Statements, Budgetary Schedules, and Other Schedules

Members

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

Our responsibility for other information included in documents containing the entity's audited financial statements and auditors' report does not extend beyond the financial information identified in the report. We have no responsibility for determining whether such other information contained in these documents is properly stated.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on-

- Internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Board of Commissioners and management of Caswell County. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements or the Single Audit compliance opinions are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

Audit Procedures-General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

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

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories (if material), and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures-Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Test of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures-Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Caswell County's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. Accordingly, we will express no such opinion. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of Caswell County's major programs. For federal programs that are included in the 2019 Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the 2019 Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be

to express an opinion on Caswell County's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal and State awards, and related notes of Caswell County in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal and State awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for (1) designing, implementing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal and State awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal and State awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review by August 1, 2021.

You are responsible for identifying all federal and State awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal and State awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal and State awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal and State awards. You also agree to make the audited financial statements readily available to intended users of schedules of expenditures of federal and State awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal and State awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal and State awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal and State awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information. With regard to using the auditors' report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents. With regard to electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

You agree to assume all management responsibilities relating to the financial statements, schedules of expenditures of federal and State awards, related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal and State awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, (Matt Patterson), who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

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

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing. We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If for whatever reason your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate. We will not undertake any accounting services (including but not limited to reconciliation of accounts and preparation of requested schedules) without obtaining approval through a written change order or additional engagement letter for such additional work.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' report or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

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

The audit documentation for this engagement is the property of Thompson, Price, Scott, Adams & Co., P.A. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request in a timely manner to Oversight Agencies (or its designee), a federal agency provided direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Thompson, Price, Scott, Adams & Co., P.A. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the federal cognizant agency. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit by approximately August 1, 2021 and to issue our reports no later than October 31, 2021. Alan Thompson is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, should not exceed \$54,750. Also, any excessive additional fees incurred in obtaining required audit evidence (i.e. bank confirmations) will be billed directly to the Board. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit.

If additional programs are required to be tested that have not been identified as major programs for testing in previous years, additional fees may be charged at standard hourly rates. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. However, we believe our contract as it is will be sufficient to cover but we do want to reserve the right to discuss this issue.

We appreciate the opportunity to be of service to the Caswell County and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Alan W. Thompson".

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

RESPONSE:

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

Management signature: Bruce M. Mull

SIGN HERE

Title: County Manager ✓

Date: 8/2/2021 ✓

Governance signature: Dwight J. Owen

SIGN HERE

Title: Chairman ✓

Date: 8-2-21 ✓

CC: Board of Commissioners



RESTRICTIVE COVENANTS FOR PELHAM INDUSTRIAL PARK

Article I	Recitals	
	1.01	Ownership
	1.02	Intent to Subdivide
	1.03	Intent to Impose Restrictive Covenants
	1.04	Covenants Run With the Land
Article II	General Provisions	
	2.01	Establishment of Restrictions and Covenants
	2.02	Restrictions Operate as Covenants
	2.03	Purpose of Restrictions
	2.04	Definitions
Article III	Permitted Uses	
	3.01	Permitted Uses
Article IV	Prohibited Uses	
	4.01	Prohibited Uses
Article V	Development Standards	
	5.01	Site Coverage
	5.02	Plan Approval Required
	5.03	Setbacks
	5.04	Building Materials
	5.05	Building Mechanical Systems
	5.06	Landscaping
	5.07	Lighting
	5.08	Signs
	5.09	Building Maintenance
	5.10	Refuse Collection
	5.11	Rights of Way
	5.12	Parking and Loading
	5.13	Subdivision
	5.14	Enforcement
Article VI	Association Membership and Voting Rights	
	6.01	Eligibility
	6.02	Voting Rights
	6.03	Amendments
	6.04	Role of Economic Developer
Article VII	Assessments	
	7.01	Creation of Lien
	7.02	Purpose of Annual Assessment
	7.03	Special Assessments for Capital Improvements
	7.04	Notice and Quorum
	7.05	Remedies of the Association
	7.06	Subordination of the Lien to Mortgages
Article VIII	Miscellaneous Provisions	
	8.01	Owners' Easements of Enjoyment
	8.02	Delegation of Use
	8.03	Enforcement
	8.04	Severability
	8.05	Utility Easements
	8.06	Reservations
	8.07	Liability
	8.08	Duration

DECLARATION OF RESTRICTIONS AND COVENANTS FOR PELHAM INDUSTRIAL PARK

THIS DECLARATION, made this ____ day of _____, 2002, by CASWELL COUNTY, NORTH CAROLINA, a Body Politic and Political Subdivision of the State of North Carolina and its successors in title to any part of the property hereinafter described, hereafter referred to collectively as the "Declarant," recites and provides as follows:

ARTICLE I

RECITALS

Section 1.01 Ownership. CASWELL COUNTY is the owner of certain real property located in Caswell County North Carolina, consisting of approximately 170 acres located at US 29 and NC 700 in Pelham, North Carolina, hereafter referred to as "Pelham Industrial Park," and more particularly described in a deed recorded in Book 392 Page 316 of the Caswell County Register of Deeds.

Section 1.02 Intent to Subdivide. It is the present intention of CASWELL COUNTY to subdivide the Pelham Industrial Park into smaller parcels in the future and from time to time to convey certain of such parcels to other individuals or entities.

Section 1.03 Intent to Impose Restrictive Covenants. This Declaration is entered into and made by CASWELL COUNTY to foster the proper and mutually beneficial development and use of the Property, to protect the present and future owners of each parcel within the Property against the unsuitable development and use of other such parcels, and to prevent haphazard and inharmonious improvements to any portion of the Property.

As a condition of the sale and conveyance of Pelham Industrial Park Property and in partial consideration for it, CASWELL COUNTY intends to subject the Property to the covenants contained herein for the benefit of future owners of the Property. Now, therefore, in order that the lands described herein shall be developed and used in a manner calculated to promote the utility, value, and enjoyment thereof, the parties hereto do hereby covenant with any future owner of any part of the Property, and do place the following restrictions upon the use and occupancy of said land, and the purchaser or owner of any lot or parcel of said land herein conveyed does for himself, herself, or itself, and for his, her, and its successors in interest to the Property agree to the following restrictive covenants.

Section 1.04 Covenants Run With the Land. The covenants, restrictions, easements, conditions and other provisions of this Declaration shall be deemed to be covenants running with, and attached to, the Property and each parcel which comprises any part of the Property, whether existing now or as a result of any future subdivision,

Section 2.04 Definitions.

"Association" shall mean and refer to the Owners' Association created by, and comprised of, CASWELL COUNTY, their successors and assigns, and any future Owners of the Property as acreage, Sites or Lots are sold, pursuant to the By-Laws.

"By-Laws" shall mean the By-Laws of the Association initially adopted by CASWELL COUNTY and all amendments thereto.

"Common Areas" shall mean and refer to those tracts of land or portions of the Property, with any improvements thereon, which are deeded or leased to the Association and designated in such deed or lease as "Common Areas." All Common Areas are to be devoted to, and are intended for, the common use and enjoyment of the Owners, their employees, guests and invitee, subject to any fee schedules and rules adopted by the Association and to any leases by the Association.

"Lot" shall mean any portion or parcel of the Property, whether now existing as a platted lot or individual parcel or tract, or whether hereafter created by the subdivision of the Property or some portion thereof, and all of which Lots together comprise the Property.

"Owner" shall mean and refer to the holder, whether one or more persons or entities and whether of record or not, of all or part of the title to any Lot which is a part of the Property, excluding those holding such interest merely as security for the performance of an obligation.

"Property" shall mean that certain tract of land referred to as the Pelham Industrial Park, as more specifically defined in Section 1.01

ARTICLE III

PERMITTED USES

Section 3.01 Permitted Uses. Each and every parcel or Lot of the Property is restricted in its use to the following permitted uses only, and all other uses are prohibited except as otherwise set forth herein (the "Permitted Uses"):

- (a) Heavy and light manufacturing;
- (b) Use as an office complex, small business development center, or uses primarily comprised of research activities, scientific laboratories and compatible light manufacturing related thereto;

- (c) Assembly and testing of electronic components, devices, equipment systems, and parts;
- (d) Public and quasi-public facilities;
- (e) Warehouse and wholesale distribution;
- (f) Any other use ruled acceptable by the Association.

The Association, in its sole and absolute discretion, shall have the right to determine whether the use of any Site or Lot is a Permitted Use. Each Owner shall obtain the consent of the Association to its proposed use of its Site or Lot before commencing such use.

ARTICLE IV

PROHIBITED USES

Section 4.01 Prohibited Uses. The following uses are not permitted for property within the Park:

- (a) Residential uses;
- (b) Uses which, in the opinion of the Association, create a nuisance to other Owners of any portion of the Property, including but not limited to, excessive:
 - (1) Noise;
 - (2) Smoke;
 - (3) Odor;
 - (4) Dust and/or Dirt;
 - (5) Noxious gases and fumes;
 - (6) Glare;
 - (7) Vibration;
 - (8) Radiation;
 - (9) Hazardous wastes;
 - (10) Fire; and/or
 - (11) Health Hazards.

Any use which the Association finds to be incompatible with the overall development and intent of the Property;

ARTICLE V

DEVELOPMENT STANDARDS

Section 5.01 Site Coverage. A Site must be at least two (2) acres in size, and is defined as all contiguous portions or parcels of the Property under one ownership and tenancy, whether consisting of one (1) or more Lots (as hereafter defined).

Section 5.02 Plan Approval Required. All architectural and site plans are subject to review and approval by the Association, and the Association must grant approval of all plans and specifications in writing prior to the commencement of any construction. Plans shall incorporated the elements required within Article V.

Section 5.03 Setbacks. No building shall be located on any one or more Lots (as defined hereafter) nearer to the front lot line or nearer to the Side Lot Line than the minimum setback set forth below:

- (a) Fire Prevention Access. There shall be a paved access lane of twenty (20) feet around the perimeter of each building. This lane must be accessible and unobstructed at all times (i.e., no landscaping or encumbrances within the 20' lane).
- (b) Front Yard Setback. Fifty (50) feet from the right of way of any public or private road.
- (c) Side Yard Setback. Twenty-five (25) feet beyond the twenty (20) foot fire prevention lane.
- (d) Rear Yard Setback. Ten (10) feet beyond the twenty (20) foot fire prevention lane.

Section 5.04 Building Materials. Masonry, brick, stucco, stone and concrete aggregates and pre-engineered metal buildings are acceptable building materials.

Section 5.05 Building Mechanical Systems. All building mechanical systems must be screened.

Section 5.06 Landscaping. All front yard setbacks shall be landscaped with an effective combination of trees, ground cover, and shrubbery. All other unpaved areas shall be similarly landscaped.

Section 5.07 Lighting. Lighting of exterior walls or signs shall be directed into the Lot or Site and shall conform to the overall lighting theme for the Property

established by the Association, and is subject to written Association approval.

Section 5.08 Signs. All signs shall be for identification only, shall conform to the overall theme for the Property established by the Association, and are subject to prior written approval by the Association. Absolutely no sign shall be constructed, operated, or lit in a manner so that it will rotate, gyrate, blink or move in any manner. All signs attached to a building shall be flush mounted. Construction and/or "future tenant" signs are subject to written Association approval. No painted signs shall be permitted.

Section 5.09 Building Maintenance. All buildings and land, including unimproved and/or unused land, whether occupied or not, shall be maintained in good condition and repair to the satisfaction of the Association. Owners of any Lot or Site within the Property shall be liable for any costs and expenses required to maintain the standard established by the Association. If any Owner fails to maintain his property and the improvements thereon to the satisfaction of the Association, the Association may, but shall have no obligation to, make such repairs and take such action as it deems necessary in its sole discretion to repair and maintain such property and improvements. Any costs incurred by the Association shall be billed to the Owner as assessments without requiring a judgment from a court of competent jurisdiction. Attorney's fees and costs incurred in collection will be assessed against the Owner as well. Any such assessments not paid within thirty (30) days of the date due shall become a continuing lien upon the Property in accordance with the provisions of Article VI hereof.

Section 5.10 Refuse Collection. Refuse may be stored in outside receptacles (dumpsters), but any such areas shall be screened appropriately and not be visible from any adjacent street, Site or Lot. Refuse collection is the responsibility of the individual Owners of any Lot or Site within the Property, though the Association may contract collectively for refuse collection if it so desires. Owners are responsible for keeping refuse collection areas tidy to the satisfaction of the Association, notwithstanding any individual or collective arrangements for refuse collection. No trash, garbage, refuse, sewage, sawdust or other unsightly or offensive material shall be placed upon the Common Areas or abandoned or dumped on any portion of the Property.

Section 5.11 Rights of Way.

- (a) All improvements shall be subject to easements as they appear in the land records of the Register of Deeds of Caswell County, North Carolina.
- (b) All outdoor utility equipment shall be screened to the satisfaction of the Association.

Section 5.12 Parking and Loading.

- (a) Adequate parking, loading, and unloading facilities shall be provided for all employees, customers, agents, visitors, invitees and other persons transacting business at the site.
- (b) Each owner of a Site shall provide a minimum of two (2) off-street parking spaces (10 feet x 18 feet) for every three (3) persons employed at that location per shift, plus adequate additional spaces for company-owned or leased vehicles and visitors.
- (c) Paved parking areas and walkways may not be placed within a front yard setback area.
- (d) All parking areas, access drives, fire lanes, loading, and unloading areas shall be paved or constructed of suitable hard surfacing material to provide a dust-free surface.

Section 5.13 Subdivision. No Owner of any Lot or parcel of the Property, other than CASWELL COUNTY, shall be permitted to alter the existing boundaries of such Lot or parcel or to otherwise divide, subdivide, or partition such Lot or parcel into smaller tracts without the written consent of the Board of Directors of the Association or the Association's Architectural Review Committee, if such a committee is established by it. CASWELL COUNTY, however, reserves unto itself, the right to plat or replat any portion or all of CASWELL COUNTY Property as it deems appropriate. The provisions of this paragraph shall not prohibit the combining of two (2) or more contiguous Lots into one larger tract. All subdivision activity must meet the requirements of the Caswell County Subdivision Regulations.

Section 5.14 Enforcement. The interpretation and enforcement of the provisions of this Article V, and the review and consents provided for under it, shall be made, given and/or withheld, as appropriate, by the Board of Directors of the Association or by the Architectural Review Committee of the Association, if one is established by it.

ARTICLE VI

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

Section 6.01 Eligibility. Every Owner of a Lot shall be a member of the Association. Membership shall be appurtenant to and may not be separated from

ownership of a Lot. Membership shall transfer upon the conveyance of a Lot to the new Owner, and the former Owner shall cease to be a member upon the transfer of title. In the event that there is more than one Owner of any Lot, all Owners shall be members of the Association and shall be accorded the rights and privileges of membership; provided, however that only one of such Owners shall be entitled to vote on any issue coming before the membership. In the absence of an agreement between such Owners as to who shall exercise such voting rights on behalf of all such Owners, the Board of Directors may, in its sole and absolute discretion decide which of such Owners shall have the right to exercise such voting rights.

Section 6.02 Voting Rights. The Association shall have the following two classes of voting membership:

Class A. Class A membership shall consist of all Owners of a Lot or Lots. Owners shall be entitled to one (1) vote for each acre of the Property owned in the aggregate, regardless of the number of lots comprised by such acreage.

Class B. Class B membership shall consist of CASWELL COUNTY, which shall be entitled to three (3) votes for each acre of the Property owned by it in the aggregate, regardless of the number of Lots comprised by such acreage. Class B Membership shall cease when fee simple title to all Lots in the Property has been conveyed by CASWELL COUNTY to others.

Neither Class A nor Class B members shall be entitled to a vote for any fraction of an acre of the Property owned by such member; provided, however, that if a member owns more than one Lot, and one or more of such Lots contain a fraction of an acre, such fractions shall be added to one another for purposes of computing the total acreage owned by that member and the number of votes to which that member is entitled.

Section 6.03 Amendments. Notwithstanding anything to the contrary contained in this Declaration or in the Articles of Incorporation of the Association, no amendments may be made to this Declaration or the Articles without the affirmative consent of the Class B members. This section shall terminate when Class B membership ceases to exist upon the conveyance by CASWELL COUNTY of all Lots in the Property to others.

Section 6.04 Role of Economic Developer. Unless otherwise specified by the Caswell County Board of Commissioners, the Caswell County Economic Developer shall be the County's designated representative for the Pelham Industrial Park Association and shall be entitled to cast all votes and make all decisions on behalf of Caswell County with respect to the rights and duties arising from this Declaration of Restrictions and Covenants for Pelham Industrial Park, subject to approval by the Caswell County Board of Commissioners. The Economic Developer is further

authorized to establish price terms and all Conditions of Site Sales Transactions on behalf of the County, subject to approval by the Caswell County Board of Commissioners.

ARTICLE VII

ASSESSMENTS

Section 7.01 Creation of the Lien and Personal Obligation of Assessments. Each present Owner of any Lot, including without limitation, CASWELL COUNTY hereby covenants and agrees, and each future Owner of any Lot by acceptance of a deed therefor (whether or not it shall be so expressed in such deed) is deemed to covenant and agree, to pay to the Association all annual assessments or charges assessed against such Lot by the Association.

The annual assessments and all other sums due hereunder, which have not been paid within 30 days of the date due as shown by the notice of assessment, together with all interest, costs, and reasonable attorneys' fees, shall be a charge upon the land and shall be a continuing lien upon the Lot against which each such assessment is made. Interest shall accrue from the due date if such assessment is not paid within 30 days of such due date, at the Judgment Rate of interest then in effect in North Carolina. In addition to being a charge upon the land, and a lien against the Lot, each such assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the Owner of such Lot at the time when the assessment fell due. Such Owner shall not be relieved of such personal obligation by reason of the subsequent sale or conveyance of the Lot or Lots owned by him.

Section 7.02 Purpose of Annual Assessment. The Assessments levied by the Association shall be used exclusively to provide for the improvement and maintenance of the Common Areas and the facilities thereon and for any other legitimate expenses incurred by the Association in the performance of its duties.

Section 7.03 Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable only to the year in which it is levied for the purpose of defraying, in whole or in part, the cost of any new construction or repair or replacement thereof of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the affirmative vote or written assent of 51% of both classes of members, and provided, further, that no such special assessment shall in any way jeopardize or effect the Association's ability to improve and maintain its Common Areas.

Section 7.04 Notice and Quorum for any Action Authorized Under Section 7.02 and 7.03. Any action authorized under Section 7.02 or 7.03 shall be taken at a meeting called for that purpose, and written notice of which shall be sent to all members not less than 10 days nor more than 60 days in advance of the meeting. If the proposed action is favored by a majority of the votes cast at such meeting, but such vote is less than the requisite 51% of both classes of members, members who were not present in person or by proxy may give their assent in writing, provided the same is obtained by the appropriate officers of the Association not later than 30 days from the date of such meeting.

Section 7.05 Effect of nonpayment of Assessments; Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate set forth in Section 7.01 above. The Association may bring an action at Law against the Owner personally obligated to pay the same, or foreclose its lien against the property or both, in addition to any other remedies that may be available to the Association hereunder, at law or in equity. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas, abandonment of his Lot, or conveyance of his Lot to others.

Section 7.06 Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale, transfer or conveyance of any Lot shall not affect any lien created and obtained pursuant to this Article VIII, or any ability of the Association to foreclose such lien. Notwithstanding the foregoing, however, the foreclosure of any such superior mortgage shall extinguish the lien of such assessments as to payments which became due prior to such foreclosure. Such foreclosure shall not affect, extinguish or satisfy the underlying debt to the Association.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.01 Owners' Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Areas which shall be appurtenant to and shall pass with the title to every Lot or parcel comprising the Property, subject to the following provisions:

- (a) the right of the Association to suspend the voting rights and/or right to use the Common Areas, including without limitation any recreational facilities, if any, by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 30 days for any

infraction of its published rules and regulations after hearing by the Board of Directors of the Association; and

- (b) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be determined by the members of the Association. No such dedication or transfer shall be effective unless two-thirds (2/3) of both classes of the members of the Association consent to such dedication or transfer.

Section 8.02 Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Areas and facilities to his employees, tenants, his guests or invitees. In the event of any such delegation, the Owner so delegating or permitting the use of the Common Areas to, or by, others shall, at all times and in all cases, remain accountable to the Association for the acts or omissions of such persons.

Section 8.03 Enforcement. Except as otherwise set forth herein, the Declarant, the Association and/or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, easements and charges now or hereafter imposed by the provisions of this Declaration and to prevent any violation or breach thereof. Failure by the Declarant, the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In addition to the foregoing, CASWELL COUNTY and/or the Association shall have the right to enter upon any Lot whereupon any structure has been constructed in violation hereof and summarily abate or remove the same at the Owner's expense, and such entry, abatement or removal shall not be deemed a trespass. All costs, expenses and attorney's fees incurred in connection with such removal shall be a charge assessed against the Lot in question pursuant to the terms of Article VIII hereof.

Section 8.04 Severability. The invalidation of any one or more of these covenants or restrictions or any other provision of the Declaration by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 8.05 Utility Easements. CASWELL COUNTY reserves unto itself, its successors and assigns, a perpetual, non-exclusive, alienable and releasable easement and right to go on, over and under the ground to erect, maintain and use electric and telephone poles, wires, cables, conduits, drainage ways, sewers, water mains, and other suitable equipment for the conveyance and use of electricity, telephone equipment, gas, sewer, water drainage or other public conveniences or utilities in the Common Areas. These reservations and rights expressly include the

right to cut any trees, bushes, or shrubbery, rights to make any grading of the soil, or take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, and safety and appearance. CASWELL COUNTY further reserves the right to locate wells, pumping stations and tanks within the Common Areas. Such rights may be exercised by a licensee or assignee of CASWELL COUNTY, but this reservation shall not be considered an obligation of CASWELL COUNTY to provide or maintain any such utility service or equipment.

Section 8.06 Reservations. The granting herein of the easement of enjoyment of the Common Area in no way grants to the public or to the owners of any land outside the Property the right to enter such open space without the express permission of the Association. It is expressly understood and agreed that the granting of the easements set out in this Agreement in no way places a burden of affirmative action on the Declarant and/or the Association, that the Declarant and the Association are not bound to make any of the improvements described herein, or extend to any Owner any service of any kind, except as such may be undertaken at the expense of the Association.

Section 8.07 Liability. Neither the Declarant, nor the Association, nor any agent or employee of the Declarant or the Association, shall be liable to any Owner or to any other person on account of any claim, liability, damage or expense suffered or incurred by or threatened against an Owner or any other person arising out of or in any way relating to the subject matter of any reviews, acceptances, inspections, permissions, consents or required approvals which must be obtained from the Declarant, the Association and/or their designees whether given, granted or withheld.

Section 8.08 Duration. These covenants are made running with the land and shall be binding on all lot owners, their heirs, devisees or assigns for a period of 35 years from the date hereof, after which time said covenants shall be automatically extended for successive periods of ten years each thereafter unless and until otherwise terminated by Caswell County

WITNESS the following signatures and seals as of the day, month and year first written above.

CASWELL COUNTY
BOARD OF COMMISSIONERS

By: M. O. Battle (SEAL)

Mel O. Battle, Chairman

ATTEST:

Wanda P. Smith
Wanda P. Smith, Clerk to the Board

NOTARY ACKNOWLEDGEMENT

I, Mary Jo Henderson, a Notary Public, do hereby certify that Wanda P. Smith, Clerk to the Caswell County Board of Commissioners, personally appeared before me this day and acknowledged that she is Clerk to the Caswell County Board of Commissioners, and that by authority duly given and as the act of the Board of Commissioners, the foregoing

This the 4th day of September, 2002
Mary Jo Henderson, Notary Public
My Commission Expires: 12-22-02

Mary Jo Henderson
Notary Public
Caswell County, NC
My Commission Expires 12-22-02

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF CASWELL, NORTH CAROLINA MAKING REQUIRED FINDINGS AND AUTHORIZING THE FILING OF AN APPLICATION FOR APPROVAL OF A FINANCING AGREEMENT AUTHORIZED BY NORTH CAROLINA GENERAL STATUTE 160A-20 AND PROVIDING FOR CERTAIN OTHER MATTERS RELATED THERETO

WHEREAS, the County of Caswell, North Carolina (**the "County"**) desires to refinance capital costs of the design, construction, furnishing and equipping of a jail and related facilities in the County, located on a site owned by the County, and finance costs related to the execution and delivery of refinancing documents (**together, the "Project"**) for overall debt service savings to the benefit of County, which Project was originally financed in 2011; and

WHEREAS, the County desires to refinance the Project by the use of a County installment contract authorized under North Carolina General Statute 160A, Article 3, Section 20, in a total principal amount not to exceed \$3,500,000 (**the "Proposed Contract"**); and

WHEREAS, the County holds title to certain Project personal property and Project real property that has been improved (**together, the "Property"**); and

WHEREAS, findings of fact by this governing body must be presented to enable the North Carolina Local Government Commission (**the "LGC"**) to make its findings of fact set forth in North Carolina General Statute 159, Article 8, Section 151 prior to approval of the Proposed Contract;

NOW THEREFORE, BE IT RESOLVED that the Board of Commissioners of County of Caswell, North Carolina, meeting in regular session on the 2nd day of August, 2021, makes the following findings:

1. The Proposed Contract is necessary or expedient because it will provide substantial overall debt service savings to the benefit of the County resulting from favorable interest rates and terms advantageous to the County currently available in the financial marketplace.
2. The Proposed Contract is preferable to a County bond issue for the same purpose because (a) the cost of the proposed undertaking and refinancing exceeds the amount that can be prudently raised from currently available appropriations, unappropriated fund balances, and non-voted bonds that could be issued by the County in the current fiscal year pursuant to Article V, Section 4 of the North Carolina Constitution (the "two-thirds limitation"), (b) the Project constitutes refinancing the acquisition of equipment and construction of improvements on real property and therefore is suited for installment contract financing under North Carolina General Statute 160A, Article 3, Section 20, (c) the cost of an election necessary to approve a general obligation bond financing by the County would result in the expenditure of significant funds, the time required for such election

would cause an unnecessary delay which would thereby decrease the financial benefits of issuing such bonds and the Proposed Contract is the most expeditious method of raising funds quickly, and (d) the Proposed Contract will provide financing for an essential project at an overall rate comparable to a general obligation bond issue without the cost, delay and uncertainty involved in a voted bond issue, and over a term not to exceed the term of the existing financing.

3. The sums to fall due under the Proposed Contract are adequate and not excessive for the proposed purpose because the Proposed Contract will result in overall debt service savings.
4. The County's debt management procedures and policies are good because the County's existing and planned debt falls well within North Carolina's legal debt limitations for local governments, because past audit reports of the County indicate that its debt management and contract obligation payment policies have been carried out in strict compliance with the law, and the County has not been censured by the LGC, external auditors or any other regulatory agency in connection with such debt management and contract obligation payment policies.
5. There will be no increase in ad valorem property taxes necessary to meet the sums to fall due under the Proposed Contract.
6. The County is not in default in any of its debt service obligations.
7. The attorney for the County will render an opinion that the Project is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of North Carolina.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the County Manager and the County Finance Officer are and each of them is hereby authorized to act on behalf of the County of Caswell in filing an application with the North Carolina Local Government Commission for approval of the Project and the proposed financing contract and in taking such other actions not inconsistent with this resolution, including negotiation of the Proposed Contract and other relevant documentation necessary to complete the transactions set forth herein.

BE IT FURTHER RESOLVED that acts of the County Manager and the County Finance Officer in negotiating with financial institutions and in causing publication of notice as is required for the Board of Commissioners to hold a public hearing on the Proposed Contract in accordance with and as required by Section 160A-20 of the General Statutes of North Carolina are hereby authorized and confirmed.

BE IT FURTHER RESOLVED that the actions of the County's representatives, including the Manager, Finance Officer, Davenport & Company LLC to be the County's financial advisor and Sands Anderson PC to be the County's bond counsel, in furtherance of the purposes of this resolution, are hereby ratified.

This resolution is effective upon its adoption this 2nd day of August, 2021.

The motion to adopt this resolution was made by Commissioner Nathaniel Hall,
seconded by Commissioner Steve Oestreicher and was approved by the
following vote:

Ayes: 6 (Owen, Jefferies, Hall, Oestreicher, McVey, and Dickerson)

Noes: 0

* * * * *

The undersigned Clerk to the Board of Commissioners of Caswell County, North
Carolina, DOES HEREBY CERTIFY that the foregoing has been carefully copied from the
actually recorded minutes of said Board of Commissioners at a meeting held on August 2, 2021,
and is a true copy of so much of said minutes as relates in any way to the adoption of the
resolution set forth above. A quorum was present and acting throughout such meeting.

I further certify that due notice of such meeting was provided as required by North
Carolina General Statutes Section 143-318.12.

WITNESS my signature and the seal of Caswell County, North Carolina, this 2nd day of
August, 2021.

[SEAL]



Carla R. Smith
Clerk to the Board of Commissioners
Caswell County, North Carolina