



LEE COUNTY BOARD OF COMMISSIONERS  
MCSWAIN EXTENSION EDUCATION AND AGRICULTURE CENTER  
2420 TRAMWAY ROAD  
SANFORD, NC 27330

May 6, 2024

MINUTES

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**Roll Call**

Present: Dr. Andre Knecht, Robert Reives, Cameron Sharpe, Kirk Smith, Bill Carver, Mark Lovick, Taylor Vorbeck

**CALL TO ORDER**

*Chairman Kirk Smith called the meeting to order at 6:00 p.m.*

**INVOCATION**

*Chairman Smith provided an invocation and led the Board and meeting attendees in the Pledge of Allegiance.*

**PLEDGE OF ALLEGIANCE**

**I. ADDITIONAL AGENDA**

*Chairman Smith asked to add item VI.C Manager's Report to the Agenda. Commissioner Robert Reives asked to move items V.A Lee County Schools Request to Award the Jonesboro Elementary School Asbestos Abatement and Demolition Bid to DH Griffin Wrecking Company, Inc. and V.B Bid Award for Project 6120-10-24-Asphalt Paving at O.T. Sloan Park and authorize Board Chair to sign the agreement to the Consent Agenda.*

**Motion: Motion to approve the Agenda as amended.**

Mover: Taylor Vorbeck

For: 7 - Dr. Andre Knecht, Robert Reives, Cameron Sharpe, Kirk Smith, Bill Carver, Mark Lovick, Taylor Vorbeck

Motion Result: Passed

**II. APPROVAL OF CONSENT AGENDA**

**Motion: Motion to approve the Consent Agenda as amended.**

Mover: Taylor Vorbeck

For: 7 - Dr. Andre Knecht, Robert Reives, Cameron Sharpe, Kirk Smith, Bill Carver, Mark Lovick, Taylor Vorbeck

Motion Result: Passed

**II.A Minutes from the April 15, 2024 Regular Meeting**

BOC Regular Meeting Minutes\_4-15-24\_final.pdf

**II.B Budget Amendment #05/06/24/14**

Budget Amendment Packet 5-6-24-14.pdf

**II.C Audit Contract**

Lee County - 2024 Contract and Engagement Letter.pdf

**II.D Animal Adoption and Rescue Trailer**

Jackson Creek Mfg Inc. Bid-Quote.pdf

HSGP Subaward Notification Sept 2023.pdf

**II.E Request to apply for the North Carolina Veterinary Medical Association (NCVMA)**

Public and Private Animal Shelter Fund

NCVMA - Animal Welfare Grant.pdf

Department Grant Information Form-Animal Shelter Grant.pdf

**II.F MOU with San-Lee Chapter of AACA to Host a Car Show**

Car Show MOU 2024 (002).pdf

**II.G Amendment to OMI Agreement**

Doc 12-14-2022 - Lee County Contract -OMI.pdf

OMI Amendment for Extension May 2024.pdf

**II.H Acceptance of 2024 North Carolina Tier Two Grant**

BOC Grant Application Approval - 01.08.24.pdf

FY2024 Tier II competitive award letter 2471010 Lee County.docx.pdf

**II.I Request to Purchase a 2023 Chevrolet Silverado Z71**

Spare\_2023\_CK10543\_Silverado\_Crew\_Cab\_9C1\_2510A.pdf

**II.J Resolution Supporting a State Funding Allocation for Required Devices to Conduct State Testing on Behalf of Lee County Schools**

LCBOE Resolution Supporting a State Funding Allocation for Required Devices to Conduct State Testing.pdf

Resolution Supporting a State Funding Allocation for Required Devices to Conduct State Testing for LCS.pdf

**II.K Grace Christian School Request for Fireworks Display at Baseball State Playoff Games**

Grace\_Fireworks\_Permit.pdf

Grace Christian Prox show app for Playoffs04252024.pdf  
Grace Christian School Baseball Playoffs- Shell Summary.pdf  
Daniel McNeill lic.pdf  
Certificate of Ins-GL-Grace Christian Baseball Playoffs 2024.pdf  
Grace Christian School Baseball Playoffs- Site Diagram.pdf  
ATF License(s) EXP. 11012024 - PSEC.pdf

#### II.L Amendment to Lee County Athletic Park Electric Utility Site Easement

Original Electric Utility Easement Approved 4-15-24  
2024-04-26 Lee County - DUKE Revised Easement Exhibit A.pdf

#### II.M Davenport Financial Advisory Services

Lee County NC Davenport Fee Arrangement Letter  
3.14.24.pdf Lee\_County\_NC\_2015.11.18.pdf

#### II.N Bond Counsel Agreement

Engagement letter - Lee County, North Carolina 2024 Library LOBs.pdf

### III. PUBLIC COMMENTS

*No public comments were received.*

### IV. OLD BUSINESS

#### IV.A Lower Moncure Road/Benevides Property Rezoning Request-Planning

##### Board Recommendation

*Chairman Smith asked the Board if there were any conflicts of interest regarding this property. No conflicts were identified. Senior Planner Amy McNeill presented the Planning Board's recommendation regarding a rezoning request submitted by Wetherill Engineering, Inc. to rezone an 18.43-acre portion of a 30.12-acre tract of land with frontage on Lower Moncure Road from Residential Agricultural (RA) to Light Industrial (LI) to allow the development of a mini-warehouse/self-storage facility and a new separate industrial lot. This property is owned by Marc D. Benevides. The Planning Board unanimously approved this request. The Raleigh Executive Jetport Airport Authority, which neighbors this parcel, did not have any issues with this request.*

001-REZ@(V)Lower Moncure Rd-BINDER.pdf

**Motion: Motion that the proposed zoning map amendment is consistent with the Plan SanLee land use plan designation of Industrial Center because this place type is supportive of Light Industrial (LI) as a current & proposed zoning district and the proposed self-storage facility could be considered a smaller scale commercial use that supports the employees and businesses in a larger district.**

Mover: Taylor Vorbeck

For: 7 - Dr. Andre Knecht, Robert Reives, Cameron Sharpe, Kirk Smith, Bill Carver, Mark Lovick, Taylor Vorbeck

Motion Result: Passed

**Motion: Motion to approve the Planning Board's recommendation of the proposed zoning map amendment from Residential Agricultural (RA) to Light Industrial (LI), because it is reasonable and in the public interest since it would allow for light industrial land uses such as a self-storage facility.**

Mover: Taylor Vorbeck

For: 7 - Dr. Andre Knecht, Robert Reives, Cameron Sharpe, Kirk Smith, Bill Carver, Mark Lovick, Taylor Vorbeck

Motion Result: Passed

IV.B Cumnock Road/Smith Property Rezoning Request- Planning Board Recommendation  
*Chairman Smith asked the Board if there were any conflicts of interest regarding this property. No conflicts were identified. Senior Planner Amy McNeill presented the Planning Board's recommendation regarding a rezoning request submitted by Fred Thomas Smith III to rezone 9.60 acres off of Cumnock Road from Residential Restricted (RR) and Multi-family (MF-12) to Light Industrial (LI) to allow the conversion of an existing residential accessory building/site into a commercial building/site for light industrial uses. The Planning Board voted in favor of this application by a 6-1 vote. The member who voted against the rezoning was concerned with future development and the allowable uses after the rezoning changes to LI. If this request is approved and the developers meet with the Planning Department, staff will let the developers know to inform nearby property owners of groundwork and to document their property in case of any damage.*

002-REZ@274 Cumnock Rd-BINDER.pdf

**Motion: Motion that the proposed zoning map amendment is not consistent with the Plan SanLee land use designation of Village Neighborhood because it does not include industrial zoning or land uses.**

Mover: Bill Carver

For: 7 - Dr. Andre Knecht, Robert Reives, Cameron Sharpe, Kirk Smith, Bill Carver, Mark Lovick, Taylor Vorbeck

Motion Result: Passed

**Motion: Motion to approve the Planning Board's recommendation for the proposed zoning map amendment from Residential Restricted (RR) and Multi-family (MF- 12) to Light Industrial (LI), because it is reasonable given the location of the site on Cumnock Road between the US Hwy 421 Bypass intersection and the Cumnock community.**

Mover: Mark Lovick

For: 7 - Dr. Andre Knecht, Robert Reives, Cameron Sharpe, Kirk Smith, Bill Carver, Mark Lovick, Taylor Vorbeck

Motion Result: Passed

IV.C Shelter/Restroom and Playground-Kiwanis Children Park Phase II

*Parks and Recreation Director Joseph Keel presented the shelter/restroom renovation and playground request for Phase II of Kiwanis Children's Park. Phase II includes the addition of a nature-themed playground geared towards children ages 2-5 and a new shelter with an updated restroom. The budget impact should have been adjusted to include some of the \$34,836 contingency funds within the Architect and Engineering fee line; however, this does not impact the overall budget of \$549,896. Churchich will update the restroom/shelter and playground for smaller children. To bring the project*

*under budget, staff updated the scope of work to renovate the shelter/restroom instead of constructing a new one. Commissioner Taylor Vorbeck requested a map of the park site with the proposed NCDOT roundabouts. The renovated restrooms will be open year-round.*

Shelter.Restroom Quote.pdf

Playground Quote.pdf

2-5 Nature Playground.jpg

**Motion: Motion to approve the purchase of Shelter/Restroom combination and playground for Kiwanis Children Park from Churchich Recreation & Design in the amount of \$120,565.**

Mover: Taylor Vorbeck

For: 7 - Dr. Andre Knecht, Robert Reives, Cameron Sharpe, Kirk Smith, Bill Carver, Mark Lovick, Taylor Vorbeck

Motion Result: Passed

#### IV.D Award General Construction Bid for Project 4844-Kiwanis Children Park Phase II and authorize the Board Chair to sign the agreement

*Parks and Recreation Director Joseph Keel presented the request to award Marks Construction the general construction bid for Phase II of Kiwanis Children's Park (KCP). This project will include earthmoving, sidewalks, grading, and preparing to connect to the existing greenway being constructed by the City of Sanford. This bid comes from a second round of bidding, as only two bids were received in the first round. Marks Construction was the lowest responsive bidder. Marks Construction completed Phase 1 and Phase 2 of the gymnastics building at the former Magneti Marelli site and has been approved to do the paving at O.T. Sloan Park. Due to a roundabout project from NCDOT, a land swap will need to occur near KCP for the roundabouts to be constructed. The County will lose .0163 acres at KCP and could receive 4.6 acres at Horton Park from the City, with the current shelter at KCP to be demolished in NCDOT's land swap proposal. NCDOT offered the County \$73,000 for this swap and to construct a new shelter at Horton. Staff determined that the County will not be able to provide everything needed at Horton with that amount, based on the scope of work submitted by NCDOT to the State Parks and Recreation Department. The Horton Park plans were previously approved by the State with a project amount over \$180,000. Staff is working with the State to determine if the County can solely construct a new shelter or will the State require the plans as submitted to be completed by the County.*

Kiwanis Children's Park Phase II - Bid Tab.pdf

**Motion: Motion to approve the bid from Marks Construction for Project 4844-Kiwanis Children Park Phase II in the amount of \$357,095 and authorize the Board Chair to sign the agreement.**

Mover: Taylor Vorbeck

For: 7 - Dr. Andre Knecht, Robert Reives, Cameron Sharpe, Kirk Smith, Bill Carver, Mark Lovick, Taylor Vorbeck

Motion Result: Passed

## V. NEW BUSINESS

V.A Lee County Schools Request to Award the Jonesboro Elementary School Asbestos Abatement and Demolition Bid to DH Griffin Wrecking Company, Inc.

*This item was moved to the Consent Agenda as item II.O.*  
Scan\_2024-04-10-09-24-53.pdf

V.B Bid Award for Project 6120-10-24-Asphalt Paving at OT Sloan Park and authorize Board Chair to sign the agreement

*This item was moved to the Consent Agenda as item II.P.*

Marks Construction OT Sloan Paving.pdf

bid tabulation 6120-10-24 Asphalt Paving OT Sloan Tennis Center.pdf

## **VI. MANAGERS' REPORTS**

VI.A March 2024 Monthly Financial Report

*Finance Director Candace Iceman provided the March 2024 monthly financial report. Ad valorem tax collections are at 103.26% of the adopted budget. The target for expenditures at this point in the fiscal year is 75%.*

March 2024.pdf

VI.B Upcoming Boards, Committees, and Commissions Vacancies

*Clerk to the Board/Communications Specialist Hailey Hall provided the Board with an update on the County's upcoming boards, committees, and commissions vacancies, including a memo regarding the recruitment process and timeline for board appointments. Commissioner Robert Reives requested a list of the individuals with expiring terms this year.*

BD Apt Memo to BoC\_5-6-24.pdf

Upcoming Vacancies\_updated 4-30-24.pdf

APPLICATION TO SERVE - REV. 5-2022.pdf

VI.C Manager's Report

*County Manager Lisa Minter asked to provide a brief Manager's Report regarding the upcoming Budget Work Session. Ms. Minter noted that the firm conducting the Jail Feasibility Study, Mosely, will present the study to the Commissioners on May 31. A copy of the study was given to the Commissioners before the Budget Work Session, and questions and feedback may be submitted to Assistant County Manager of Operational Services Jennifer Gamble by May 20 which will be shared with Mosely. Chief Deputy William Sturkie will be in attendance, as Sheriff Brian Estes is not able to attend. The study is for informational purposes only at this time and will be incorporated into the Capital Improvement Plan, based on the will of the Board.*

## **VII. COMMISSIONERS' COMMENTS**

## **VIII. CLOSED SESSION**

VIII.A Attorney Client Privilege

**Motion: Motion to go into closed session per N.C. General Statutes Section 143-318.11(a)(3) to preserve attorney client privilege.**

*The Board called for a five-minute break at 6:45 p.m. before going into closed session.*

Mover: Dr. Andre Knecht

For: 7 - Dr. Andre Knecht, Robert Reives, Cameron Sharpe, Kirk Smith, Bill Carver, Mark Lovick, Taylor Vorbeck  
Motion Result: Passed

VIII.B Personnel

**Motion: Motion to go into closed session per N.C. General Statutes Section 143-318.11(a)(3) to give instructions to an attorney concerning the handling or settlement of a claim or judicial action in Eric Rodman v. Lee County Emergency Services, Lee County, and John Crumpton in his individual and official capacity.**

Mover: Dr. Andre Knecht

For: 7 - Dr. Andre Knecht, Robert Reives, Cameron Sharpe, Kirk Smith, Bill Carver, Mark Lovick, Taylor Vorbeck  
Motion Result: Passed

**Motion: Motion to go back into open session.**

*The Board resumed open session at 7:22 p.m.*

Mover: Robert Reives

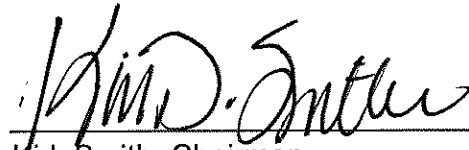
For: 7 - Dr. Andre Knecht, Robert Reives, Cameron Sharpe, Kirk Smith, Bill Carver, Mark Lovick, Taylor Vorbeck  
Motion Result: Passed

**ADJOURN**

**Motion: Motion to adjourn. The Board adjourned at 7:22 p.m.**

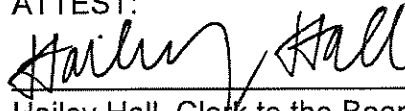
Mover: Robert Reives

For: 7 - Dr. Andre Knecht, Robert Reives, Cameron Sharpe, Kirk Smith, Bill Carver, Mark Lovick, Taylor Vorbeck  
Motion Result: Passed



Kirk Smith, Chairman  
Lee County Board of Commissioners

ATTEST:



Hailey Hall, Clerk to the Board



MEMO TO: LEE COUNTY BOARD OF COMMISSIONERS  
 FROM: LISA MINTER, LEE COUNTY MANAGER  
 SUBJECT: BUDGET AMENDMENT:# 5/06/24/14  
 DATE: May 06, 2024

SECTION I. THE FOLLOWING GENERAL FUND (1100) REVENUE INCREASES ARE HEREBY APPROVED:

DEPARTMENT	ACCOUNT #	DESCRIPTION	CURRENT BUDGET	CHANGE	NEW BUDGET
SHERIFF	1100-3431-38700	CONTRIBUTIONS	-	12,000	12,000
FUND BALANCE	1100-3990-39900	FUND BALANCE APPROPRIATED	6,174,546	233,946	6,408,492
OTHER REVENUE	1100-3930-38330	INSURANCE REFUNDS	156,870	97,563	254,433
		TOTAL CHANGES		343,509	

SECTION II. THE FOLLOWING GENERAL FUND (1100) EXPENSE INCREASES ARE HEREBY APPROVED:

DEPARTMENT	ACCOUNT #	DESCRIPTION	CURRENT BUDGET	CHANGE	NEW BUDGET
SHERIFF OFFICE	1100-4310-43310	MAINTENANCE-VEHICLES	163,000	5,500	168,500
SHERIFF OFFICE	1100-4310-44100	OFFICE SUPPLIES	15,525	6,500	22,025
DEBT SERVICE	1100-9100-45120	INTEREST-GO-BONDS 2023	-	554,862	554,862
DEBT SERVICE	1100-9100-45130	INTEREST-LOBS SERIES 2023B	-	317,470	317,470
SHERIFF OFFICE	1100-4310-46411	CAPITAL OUTLAY \$5000 AND ABOVE	721,985	94,764	816,749
SHERIFF OFFICE	1100-4310-43310	MAINTENANCE TO VEHICLE	163,000	2,799	165,799
		TOTAL CHANGES		981,895	

SECTION III. THE FOLLOWING GENERAL FUND (1100) EXPENSE DECREASES ARE HEREBY APPROVED:

DEPARTMENT	ACCOUNT #	DESCRIPTION	CURRENT BUDGET	CHANGE	NEW BUDGET
MISC EXPENSE	1100-9800-49580	TRANSFER TO CAPITAL RESERVE	2,922,105	638,386	2,283,719
		TOTAL CHANGES		638,386	

SECTION IV. THE FOLLOWING COURTHOUSE RENOVATION FUND (4836) REVENUE INCREASES ARE HEREBY APPROVED:

DEPARTMENT	ACCOUNT #	DESCRIPTION	CURRENT BUDGET	CHANGE	NEW BUDGET
COURTHOUSE RENOVATION	4836-3920-38100	INVESTMENT EARNINGS	288,049	11,275	299,324
		TOTAL CHANGES		11,275	

SECTION V. THE FOLLOWING COURTHOUSE RENOVATION FUND (4836) EXPENSE INCREASES ARE HEREBY APPROVED:

DEPARTMENT	ACCOUNT #	DESCRIPTION	CURRENT BUDGET	CHANGE	NEW BUDGET
COURTHOUSE RENOVATION	4836-8100-46180	OTHER EXPENSES	915,986	11,275	927,261
		TOTAL CHANGES		11,275	

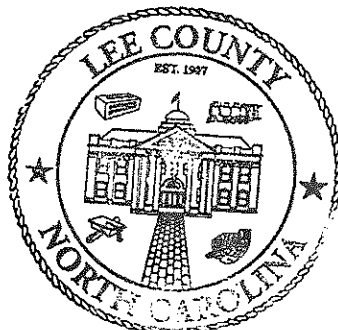
SECTION VI. THE FOLLOWING MULTISPORT COMPLEX PROJECT FUND (4839) EXPENSE INCREASES ARE HEREBY APPROVED:

DEPARTMENT	ACCOUNT #	DESCRIPTION	CURRENT BUDGET	CHANGE	NEW BUDGET
MULTISPORTS COMPLEX	4839-8100-46300	GENERAL CONSTRUCTION	30,562,493	350,971.00	30,913,464
		TOTAL CHANGES		350,971.00	

SECTION VII. THE FOLLOWING MULTISPORTS COMPLEX PROJECT FUND (4839) EXPENSE DECREASES ARE HEREBY APPROVED:

DEPARTMENT	ACCOUNT #	DESCRIPTION	CURRENT BUDGET	CHANGE	NEW BUDGET
MULTISPORTS COMPLEX	4839-8100-46100	ISSUANCE COST	745,000	167,245	577,755
MULTISPORTS COMPLEX	4839-8100-46900	CONTINGENCY	1,649,370	183,726	1,465,644
		TOTAL CHANGES		350,971	

*Mark Smith*  
 MARK SMITH, CHAIR



*Hayley Hall*  
 HAYLEY HALL, CLERK TO THE BOARD



The	Governing Board <b>BOARD OF COMMISSIONERS</b>
of	Primary Government Unit <b>LEE COUNTY</b>
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 <b>THOMPSON, PRICE, SCOTT, ADAMS &amp; CO, P.A.</b>
	Auditor Address <b>1626 S MADISON STREET, WHITEVILLE, NC 28472</b>

*Hereinafter referred to as Auditor*

for	Fiscal Year Ending 06/30/24	Date Audit Will Be Submitted to LGC 10/31/24
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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). The basic financial statements shall include budgetary comparison information in a budgetary comparison statement, rather than as RSI, for the General Fund and any annually budgeted Special Revenue funds.

2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards (GAGAS)* if the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period. The auditor shall perform a Single Audit if required by Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F (Uniform Guidance)* or the State Single Audit Implementation Act. 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 in accordance with 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).

Effective for audits of fiscal years beginning on or after June 30, 2023, the LGC will allow auditors to consider whether a unit qualifies as a State low-risk auditee based upon federal criteria in the Uniform Guidance §200.520(a), and (b) through (e) as it applies to State awards. In addition to the federal criteria in the Uniform Guidance, audits must have been submitted timely to the LGC. If in the reporting year, or in either of the two previous years, the unit reported a Financial Performance Indicator of Concern that the audit was late, then

the report was not submitted timely for State low-risk auditee status. Please refer to "Discussion of Single Audits in North Carolina" on the LGC's website for more information.

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 Auditing 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 the audit fee or the date that the audit report will be submitted to the LGC, an amended contract along with a written explanation of the change 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.

For GAAS or *Government Auditing Standards* audits, if an auditor issues an AU-C §260 report, commonly referred to as "Governance Letter," LGC staff does not require the report to be submitted unless the auditor cites significant findings or issues from the audit, as defined in AU-C §260.12 - .14. This would include issues such as difficulties encountered during the audit, significant or unusual transactions, uncorrected misstatements, matters that are difficult or contentious reviewed with those charged with governance, and other significant matters. If matters identified during the audit were required to be reported as described in AU-C §260.12-.14 and were communicated in a method other than an AU-C §260 letter, the written documentation must be submitted.

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 records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is also required for the Alternative Compliance Examination Engagement for auditing the Coronavirus State and Local Fiscal Recovery Funds expenditures as allowed by US Treasury. Approval is not required on audit 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. 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 and/or the compliance section, 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 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.

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 30 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 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 *Government 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. See 20 NCAC 03 .0502(c)(6).

30. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 17 for clarification).

31. 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>

32. 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.

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

**FEEES 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 *Government 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:

<b>Name:</b>	<b>Title and Unit / Company:</b>	<b>Email Address:</b>
CANDACE ICEMAN	Finance Director / Lee County	caiceman@leecountync.gov

OR Not Applicable  (Identification of SKE Individual on the LGC-205 Contract is not applicable for GAAS-only audits 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. The audit fee information included in the table below for both the Primary Government Fees and the DPCU Fees (if applicable) should be reported as a specific dollar amount of audit fees for the year under this contract. If any language other than an amount is included here, the contract will be returned to the audit form for correction.

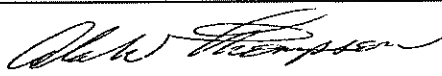
4. Prior to the submission of the completed audited financial report and applicable compliance reports subject to this contract, or to an amendment to this contract (if required) the Auditor may submit interim invoices for approval for services rendered under this contract to the Secretary of the LGC, not to exceed 75% of the billings for the unit's last annual audit that was submitted to the Secretary of the LGC. 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).

<b>Primary Government Unit</b>	LEE COUNTY
Audit Fee (financial and compliance if applicable)	\$ 47,750
Fee per Major Program (if not included above)	\$
<b>Additional Fees Not Included Above (if applicable):</b>	
Financial Statement Preparation (incl. notes and RSI)	\$ 3,750
All Other Non-Attest Services	\$
<b>TOTAL AMOUNT NOT TO EXCEED</b>	<b>\$ 51,500</b>


<b>Discretely Presented Component Unit</b>	N/A
Audit Fee (financial and compliance if applicable)	\$
Fee per Major Program (if not included above)	\$
<b>Additional Fees Not Included Above (if applicable):</b>	
Financial Statement Preparation (incl. notes and RSI)	\$ 0
All Other Non-Attest Services	\$
<b>TOTAL AMOUNT NOT TO EXCEED</b>	<b>\$ 0</b>

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* THOMPSON, PRICE, SCOTT, ADAMS & CO, P.A.	
Authorized Firm Representative (typed or printed)* ALAN W. THOMPSON	Signature* 
Date* 04/17/24	Email Address* alanthompson@tpsacpas.com

GOVERNMENTAL UNIT

Governmental Unit* LEE COUNTY	
Date Governing Board Approved Audit Contract* (Enter date in box to right)	
Mayor/Chairperson (typed or printed)*	Signature* 
Date	Email Address*


**SIGN HERE** ←

Chair of Audit Committee (typed or printed, or "NA")	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.*

Sum Obligated by This Transaction:	\$ 51,500
Primary Governmental Unit Finance Officer* (typed or printed) CANDACE ICEMAN	Signature* 
Date of Pre-Audit Certificate*	Email Address* caiceman@leecountync.gov

**SIGN HERE** ←





*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

April 17, 2024

Lee County  
PO Box 1968  
Sanford, NC 27331-1968

To Management and Those Charged With Governance:

We are pleased to confirm our understanding of the services we are to provide Lee County for the year ended June 30, 2024.

#### **Audit Scope and Objectives**

We will audit the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information, including the disclosures, which collectively comprise the basic financial statements, of Lee County as of and for the year ended June 30, 2024. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Lee 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 Lee County's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 GAAP 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
3. Schedule of Changes in the Total OPEB Liability and Related Ratios
4. Schedule of the Proportionate Share of the Net Pension Asset and Schedule of Contributions – LGERS
5. Schedule of the Proportionate Share of the Net Pension Asset and Schedule of Contributions – ROD

We have also been engaged to report on supplementary information other than RSI that accompanies Lee 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 GAAS, and we 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's Private Companies Practice Section

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.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditors' report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and 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. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually, or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objective also includes reporting on-

- Internal control over financial reporting and compliance with the provisions of laws, regulations, contracts, and award 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).

#### **Auditors' Responsibilities for the Audit of the Financial Statements and Single Audit**

We will conduct our audit in accordance with GAAS; 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. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable 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, there is an unavoidable risk 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 GAAS 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.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

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.

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.

Our audit of financial statements does not relieve you of your responsibilities.

### **Audit Procedures-Internal Controls**

We will obtain an understanding of the entity and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. 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 Lee County's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. 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 Lee County's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an

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

### **Responsibilities of Management for the Financial Statements and Single Audit**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility 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), rules, 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.

You are also responsible for making drafts of the schedule of expenditures of federal awards, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). 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, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (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. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal and State awards; federal or State award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

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 of each opinion unit 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. You are 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 May 1, 2024.

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, and COVID-19-related concepts, such as lost revenues, if applicable) 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 (GAAP). 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 Scope and 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 publishing the financial statements on your website, you understand that websites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information on the website with the original document.

### **Other Services**

We will also assist in preparing the financial statements, schedule of expenditures of federal and State awards, and related notes of Lee County in conformity with accounting principles generally accepted in the United States of America and the Uniform Guidance based on information provided by you. We may also assist in preparing year end cash to accrual entries. 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.

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 and that you have reviewed and approved the financial statements, the schedule of expenditures of federal 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, (Candace Iceman), 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**

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

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.

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 calendar days after receipt of the auditors' report or nine months after the end of the audit period.

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 Accounting 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.

Alan Thompson is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit by approximately May 15, 2024, and to issue our reports no later than October 31, 2024. Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

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 \$51,500. 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 that our contract as it is will be sufficient to cover but we do want to reserve the right to discuss this issue.

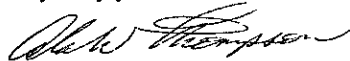
## Reporting

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Board of Commissioners and management of Lee County. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditors' report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement. 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.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) 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) 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.

We appreciate the opportunity to be of service to Lee 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,



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

RESPONSE:

This letter correctly sets forth the understanding of Lee County.

Management signature: *Jose D. Munt* 

Title: County Manager ✓

Date: 5/8/2024 ✓

Governance signature: *William D. Entler* 

Title: \_\_\_\_\_ ✓

Date: \_\_\_\_\_ ✓

CC: Board of Commissioners



Memorandum of Understanding  
Between the Lee County Government  
and San-Lee Chapter of AACA

This Memorandum of Understanding, made and entered into this the 1<sup>st</sup> day of May, 2024 by and between the Lee County Government and the San-Lee Chapter of AACA, governs the classic car show hosted by the San-Lee Chapter of AACA.

WHEREAS, the San-Lee Chapter of AACA will host a classic car show on June 1, 2024 which is a free event to the public involving displays of antique cars, modern classics and hot rod cars, among other categories;

WHEREAS, the San-Lee Chapter of AACA has requested the use of a portion of the first floor of the Buggy Factory and the side parking lot adjacent to the Buggy Factory which are owned by the County on June 1, 2024;

THEREFORE, the parties agree that they have the authority to sign on behalf of their organization and to bind the organization to the following terms for June 1, 2024:

Lee County Government agrees to:

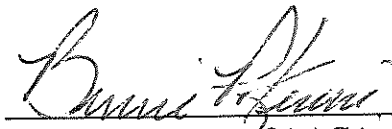
- Coordinate with a representative of the San-Lee Chapter of AACA for the morning of the car show, to open the building and allow access inside the building at 7 am.
- Coordinate with a representative of the San-Lee Chapter of AACA at the end of the event at 5 pm to inspect the property and to safely secure and lock the property.
- During the inspection at the end of the event, a Lee County employee will immediately notify Mr. Anthony Bright or Mr. Bennie Pokemire of any damage that has occurred and how it will need to be addressed.
- Assist with the removal of any trespasser from the building if it becomes necessary.
- Have an on-call representative available to the San-Lee Chapter of AACA should any problem or issue arise during the show.
- Not charge a usage fee to the San-Lee Chapter of AACA.

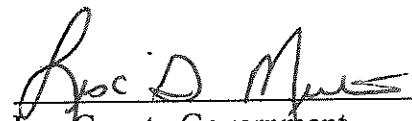
The San-Lee Chapter of AACA agrees to:

- Only access and use the common/open areas of the first floor of the Buggy Factory to set up registration for its classic car show event and only allow use of the public bathrooms on the first floor.
- Ensure its registrants and attendees do not enter any other area of the building.

- Keep an attendant present in the building during the entire time of use.
- Set up and tear down the registration tables prior to the event and after the event and supply all tables, chairs, and other necessary supplies.
- Leave the building and parking lot in as good a condition or better than when the event began.
- Make sure no trash or debris is found in any of the areas its attendees and registrants have access to during the event.
- Not allow any registrant or attendee to drink, eat, smoke or vape or conduct illegal activity inside the building.
- Immediately contact the Lee County representative should any problem or issue arise during the car show and report any damage or issue to the Lee County representative.
- Provide a representative to walk through the areas used with the Lee County representative at the conclusion of the show to inspect the premises.
- Be fully responsible for any damage caused to the premises that occurs during the time of the show.

The undersigned acknowledges they have authority to act on behalf of their organization.  
Agreed to on this 1<sup>st</sup> day of May 2024.

  
\_\_\_\_\_  
San-Lee Chapter of AACA  
Bennie Pokemire, President

  
\_\_\_\_\_  
Lee County Government  
Lisa Minter, County Manager

Memorandum of Understanding  
Between the Lee County Government  
and San-Lee Chapter of AACA

This Memorandum of Understanding, made and entered into this the 1<sup>st</sup> day of May, 2024 by and between the Lee County Government and the San-Lee Chapter of AACA, governs the classic car show hosted by the San-Lee Chapter of AACA.

WHEREAS, the San-Lee Chapter of AACA will host a classic car show on June 1, 2024 which is a free event to the public involving displays of antique cars, modern classics and hot rod cars, among other categories;

WHEREAS, the San-Lee Chapter of AACA has requested the use of a portion of the first floor of the Buggy Factory and the side parking lot adjacent to the Buggy Factory which are owned by the County on June 1, 2024;

THEREFORE, the parties agree that they have the authority to sign on behalf of their organization and to bind the organization to the following terms for June 1, 2024:

Lee County Government agrees to:


- Coordinate with a representative of the San-Lee Chapter of AACA for the morning of the car show, to open the building and allow access inside the building at 7 am.
- Coordinate with a representative of the San-Lee Chapter of AACA at the end of the event at 5 pm to inspect the property and to safely secure and lock the property.
- During the inspection at the end of the event, a Lee County employee will immediately notify Mr. Anthony Bright or Mr. Bennie Pokemire of any damage that has occurred and how it will need to be addressed.
- Assist with the removal of any trespasser from the building if it becomes necessary.
- Have an on-call representative available to the San-Lee Chapter of AACA should any problem or issue arise during the show.
- Not charge a usage fee to the San-Lee Chapter of AACA.

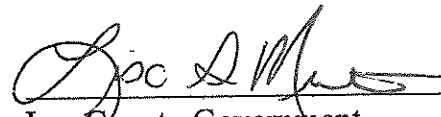
The San-Lee Chapter of AACA agrees to:

- Only access and use the common/open areas of the first floor of the Buggy Factory to set up registration for its classic car show event and only allow use of the public bathrooms on the first floor.
- Ensure its registrants and attendees do not enter any other area of the building.

- Keep an attendant present in the building during the entire time of use.
- Set up and tear down the registration tables prior to the event and after the event and supply all tables, chairs, and other necessary supplies.
- Leave the building and parking lot in as good a condition or better than when the event began.
- Make sure no trash or debris is found in any of the areas its attendees and registrants have access to during the event.
- Not allow any registrant or attendee to drink, eat, smoke or vape or conduct illegal activity inside the building.
- Immediately contact the Lee County representative should any problem or issue arise during the car show and report any damage or issue to the Lee County representative.
- Provide a representative to walk through the areas used with the Lee County representative at the conclusion of the show to inspect the premises.
- Be fully responsible for any damage caused to the premises that occurs during the time of the show.

The undersigned acknowledges they have authority to act on behalf of their organization.  
Agreed to on this 1<sup>st</sup> day of May 2024.

  
\_\_\_\_\_  
San-Lee Chapter of AACA  
Bennie Pokemire, President

  
\_\_\_\_\_  
Lee County Government  
Lisa Minter, County Manager



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

Candace Iceman

Candace Iceman, Finance Director

5/9/24

Date

FY2024  
MOU - Lee Co. Government & San-lee Chapter of AACCA

NORTH CAROLINA

AMENDMENT TO NON-PROFIT CONTRACT

LEE COUNTY

This AGREEMENT made and entered into this 10<sup>th</sup> day of May, 2024, by and between Lee County, a political subdivision of the State of North Carolina, hereinafter referred to as the "COUNTY", and Outreach Mission, Incorporated, a North Carolina Non-profit Corporation, hereinafter referred to as the "AGENCY".

WITNESSETH:

WHEREAS, on March 7, 2022 the Lee County Board of Commissioners approved appropriating funding for the AGENCY in the amount of \$315,000.00 to carry out its services, programs, and activities for the purpose of providing temporary housing to persons of low and moderate income and to aid in the welfare of low and moderate income persons during periods of homelessness, and

WHEREAS, on November 14, 2022, Lee County Board of Commissioners approved a contract appropriating the sum of up to \$315,000.00 for the specific period of January 1, 2023 through June 30, 2024 to support this purpose; said sum being derived from COUNTY funds, pass through grant funds, or both; and

WHEREAS, the parties executed a contract on November 14, 2022 which is still in full force and effect; and

WHEREAS, the AGENCY has not and will not expend the total amount of allocated funds by June 30, 2024 as required by the Contract and the AGENCY has requested an Amendment to its contract; and

WHEREAS, both parties agree that it will be in the best interest of the citizens of Lee County to amend the contract to extend the time needed by the AGENCY to expend the funds for their required use and both parties consent to such an extension;

NOW THEREFORE, in consideration of the following, the parties hereto do mutually agree as follows:

1. All prior terms and conditions of the contract signed November 14, 2022 shall remain in full force and effect.

2. The grant period for funding shall be extended until December 31, 2024. Payment of funds shall continue in the manner required by the contract signed November 14, 2022 and shall be used in accordance with the terms of that contract. Any funds not fully expended by the AGENCY by December 31, 2024 shall be revert to the COUNTY and shall be used by the COUNTY in any manner and AGENCY shall have no legal claim or right to those unexpended funds after December 31, 2024.


IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in their names by their duly authorized officers, their seals to be hereto affixed the day and year first above written.

ATTEST:

  
Hailey Hall, Clerk



COUNTY OF LEE

  
Kirk D. Smith, Chair  
Lee County Board of Commissioners

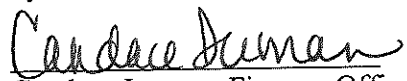
ATTEST:

Outreach Mission, Incorporated

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Chairman of Board

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

  
Candace Icceman, Finance Officer



**RESOLUTION IN SUPPORT OF A STATE FUNDING ALLOCATION FOR REQUIRED DEVICES TO CONDUCT STATE TESTING ON BEHALF OF LEE COUNTY SCHOOLS**

**WHEREAS**, the North Carolina Department of Public Instruction requires K-12 state testing (EOC and EOG) to be administered online with exceptions only given for approved technology hardship or for students with disabilities who have documented accommodations that dictate a paper test format is necessary for accessibility; and LEAs must provide devices for students to complete testing according to NCDPI guidelines; and,

**WHEREAS**, the state of North Carolina does not provide specific funding to LEAs to purchase or maintain devices with which to administer state-mandated tests; PRC 015 for School Technology provides ~\$100K annually to Lee County Schools to cover all technology costs while the Lee County Schools Technology Refresh Plan requires ~\$450K annually for maintenance of laptop computers used for state-mandated tests; and,

**WHEREAS**, a typical Chromebook laptop computer can remain in service for ~5 years, which breaks down to an annual cost of ~\$50 per ADM; and,

**NOW, THEREFORE, BE IT RESOLVED** that the Lee County Board of Commissioners urges the NC General Assembly to include funding to LEAs earmarked specifically to provide and maintain devices for students to complete state-mandated testing online as required in the amount of \$50 per ADM to PR 015.

**BE IT FURTHER RESOLVED** that:

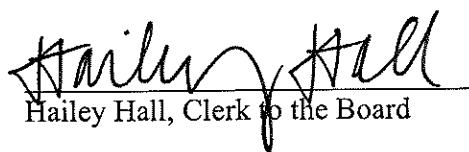
1. The Chairman and County Manager are authorized to disseminate this Resolution to members of the North Carolina Legislature.
2. The Board encourages parents, students, and other community members to contact their North Carolina Legislators to advocate for a funding allotment to pay for required devices to complete state-mandated testing in public schools.
3. The Board requests other local governments within Lee County to adopt a resolution advocating for a state funding allotment to pay for required devices to complete state-mandated testing in public schools.

Adopted this 6<sup>th</sup> day of May, 2024.

  
Kirk D. Smith, Chair

Lee County Board of Commissioners

ATTEST:

  
Hailey Hall, Clerk to the Board





STATE OF NORTH CAROLINA )  
 )  
COUNTY OF LEE )

**PERMIT**


---

PERMIT FOR USE OF PYROTECHNICS  
IN CONNECTION WITH THE CONDUCT OF  
A PUBLIC EXHIBITION IN  
LEE COUNTY, NORTH CAROLINA

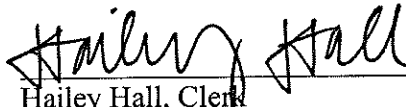
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Pursuant to the authority contained in North Carolina General Statute §14-413, and after satisfactory evidence has been produced to the effect that said pyrotechnics will be used in connection with the public exhibition described in the attached application and none other, the Board of Commissioners for Lee County, North Carolina, issues this permit to Pyro Shows East Coast, to use pyrotechnics for an aerial pyrotechnic display at Grace Christian School, 2605 Jefferson Davis Highway, Sanford, North Carolina, on TBA, 2024, in accordance with the attached application.

This the 6<sup>th</sup> day of May, 2024.

  
\_\_\_\_\_  
Kirk D. Smith, Chairman  
Board of Commissioners  
Lee County, North Carolina

ATTEST:

  
\_\_\_\_\_  
Hailey Hall, Clerk



Prepared by: Duke Energy Progress, LLC  
Return to: Duke Energy Progress, LLC  
Attn: Ashley Walker  
331 Birch Ave  
Spring Lake, NC 28390

Parcel # 9662-31-2077-00

### EASEMENT

State of North Carolina  
County of Lee

THIS EASEMENT ("Easement") is made this 1<sup>st</sup> day of MAY 2018, from LEE COUNTY, a North Carolina body politic and corporate ("Grantor", whether one or more), to DUKE ENERGY PROGRESS, LLC, a North Carolina limited liability company ("Grantee").

Grantor, for and in consideration of the sum of One and 00/100 Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby grant unto Grantee a perpetual and non-exclusive easement, to construct, reconstruct, operate, patrol, maintain, repair, replace, relocate, add to, modify, and remove electric and communication lines including, but not limited to, all necessary supporting structures, and all other appurtenant apparatus and equipment for the transmission and distribution of electrical energy, and for technological purposes related to the operation of the electric facilities and for the communication purposes of Incumbent Local Exchange Carriers (collectively, "Facilities").

Grantor is the owner of that certain property described in that instrument recorded in Deed Book 1655, Page 609, and Deed Book 1655, Page 613, and Deed Book 1655, Page 616, also shown as New Lot 1, as recorded in Plat Book 2021, Page 177, Lee County Register of Deeds ("Property").

The Facilities shall be underground, except as needed on or above the ground to support the underground Facilities, and located in, upon, along, under, through, and across a portion of the Property within an easement area described as follows:

A strip of land twenty feet (20') in uniform width, lying equidistant on both sides of a centerline, which centerline shall be established by the center of the Facilities as installed, along with an area ten feet (10') wide on all sides of the foundation of any Grantee enclosure/transformer, vault and/or manhole, (hereinafter referred to as the "Easement Area").

The rights granted herein include, but are not limited to, the following:

1. Grantee shall have the right of ingress and egress over the Easement Area, Property, and any adjoining lands now owned or hereinafter acquired by Grantor (using lanes, driveways, and adjoining public roads where practical as determined by Grantee).
2. Grantee shall have the right to trim, cut down, and remove from the Easement Area, at any time or times and using safe and generally accepted arboricultural practices, trees, limbs, undergrowth, other vegetation, and obstructions.
3. Grantee shall have the right to trim, cut down, and remove from the Property, at any time or times and using safe and generally accepted arboricultural practices, dead, diseased, weak, dying, or leaning trees or limbs, which, in the opinion of Grantee, might fall upon the Easement Area or interfere with the safe and reliable operation of the Facilities.
4. Grantee shall have the right to relocate the Facilities and Easement Area on the Property to conform to any future highway or street relocation, widening, or alterations.
5. Grantor shall not place, or permit the placement of, any structures, improvements, facilities, or obstructions, within or adjacent to the Easement Area, which may interfere with the exercise of the rights granted herein to Grantee. Grantee shall have the right to remove any such structure, improvement, facility, or obstruction at the expense of Grantor and, excluding an emergency, Grantee shall provide notice to Grantor prior to the removal of any such structure or obstruction.
6. Excluding the removal of vegetation, structures, improvements, facilities, and obstructions as provided herein, Grantee shall promptly repair or cause to be repaired any physical damage to the surface area of the Easement Area and Property resulting from the exercise of the rights granted herein to Grantee. Such repair shall be to a condition which is reasonably close to the condition prior to the damage, and shall only be to the extent such damage was caused by Grantee or its contractors or employees.
7. Notwithstanding anything to the contrary above, the general location of the Facilities is shown on the sketch attached hereto as Exhibit A and incorporated herein by reference. The final and definitive location of the Easement Area shall become established by and upon the final installation and erection of the Facilities by Grantee in substantial compliance with Exhibit A.
8. All other rights and privileges reasonably necessary, in Grantee's reasonable discretion, for the safe, reliable, and efficient installation, operation, and maintenance of the Facilities.

The terms Grantor and Grantee shall include the respective heirs, successors, and assigns of Grantor and Grantee. The failure of Grantee to exercise or continue to exercise or enforce any of the rights herein granted shall not be construed as a waiver or abandonment of the right thereafter at any time, or from time to time, to exercise any and all such rights.

TO HAVE AND TO HOLD said rights, privilege, and easement unto Grantee, its successors, licensees, and assigns, forever. Grantor warrants and covenants that Grantor has the full right and authority to convey to Grantee this perpetual Easement, and that Grantee shall have quiet and peaceful possession, use and enjoyment of the same.

IN WITNESS WHEREOF, Grantor has signed this Easement under seal effective this 1<sup>st</sup> day of

May, 20 24.



LEE COUNTY

a North Carolina body politic and corporate

Kirk D. Smith (SEAL)

Chair, Lee County Board of Commissioners

Attest:

Hailey Hall  
Hailey Hall  
Clerk to the Board

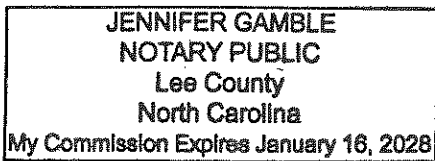
STATE OF North Carolina

COUNTY OF Lee

I, Jennifer Gamble, a Notary Public of Lee County, State of North Carolina, certify that Kirk D. Smith personally appeared before me this day and acknowledged that he/she is Chairman, Lee County Board of Commissioners of LEE COUNTY, a North Carolina body politic and corporate, and that by authority duly given and as the act of said body politic and corporate, the foregoing EASEMENT was signed in its name by its

Hailey Hall, sealed with its official seal, and attested by herself/himself as its Clerk to the Board.

Witness my hand and notarial seal, this 6<sup>th</sup> day of May, 20 24  
Notary Public: Jennifer Gamble  
Commission expires: 1/16/2028



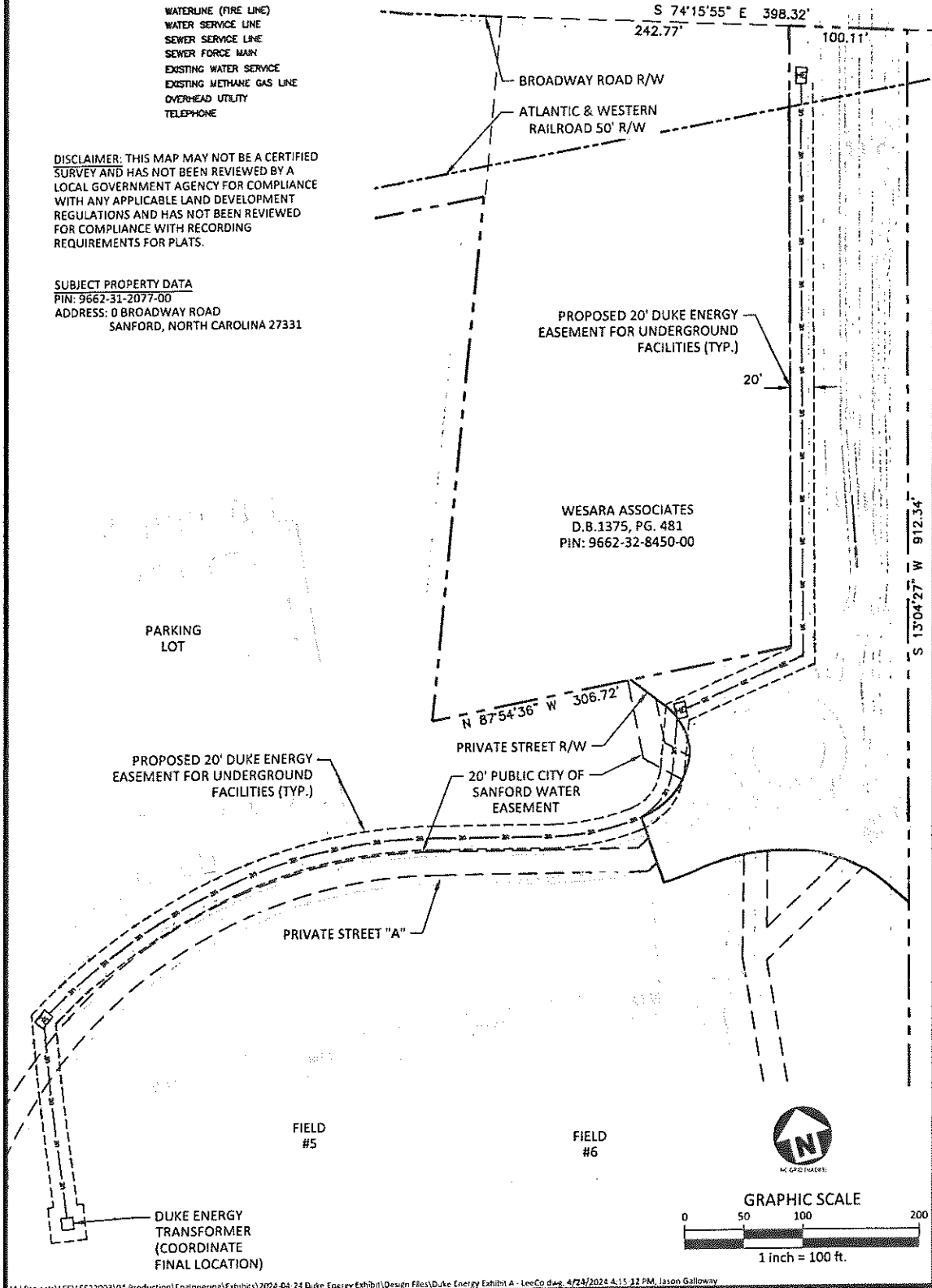
# EXHIBIT A

## LEGEND

- UNDERGROUND ELECTRIC
- - - - - PROPOSED DUKE ENERGY R/W
- YARD LIGHTS
- PROPERTY LINE
- WATERLINE (FIRE LINE)
- WATER SERVICE LINE
- SEWER SERVICE LINE
- SEWER FORCE MAIN
- EXISTING WATER SERVICE
- EXISTING METHANE GAS LINE
- OVERHEAD UTILITY
- TELEPHONE

DISCLAIMER: THIS MAP MAY NOT BE A CERTIFIED SURVEY AND HAS NOT BEEN REVIEWED BY A LOCAL GOVERNMENT AGENCY FOR COMPLIANCE WITH ANY APPLICABLE LAND DEVELOPMENT REGULATIONS AND HAS NOT BEEN REVIEWED FOR COMPLIANCE WITH RECORDING REQUIREMENTS FOR PLATS.

SUBJECT PROPERTY DATA  
 PIN: 9662-31-2077-00  
 ADDRESS: 0 BROADWAY ROAD  
 SANFORD, NORTH CAROLINA 27331



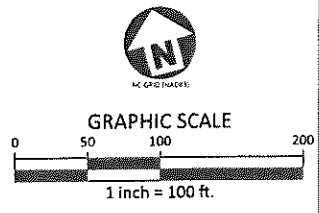
M:\Projects\LEE\LEE22003\04-Production\Engineering\Exhibits\2024-04-24 Duke Energy Exhibit\Design Files\Duke Energy Exhibit A - LecCo.dwg, 4/23/2024 4:15:12 PM, Jason Galloway



The John R. McAdams Company, Inc.  
 621 Hillsborough Street  
 Suite 500  
 Raleigh, NC 27603  
 phone 919. 961. 5000  
 fax 919. 361. 2269  
 license number: C-0293, C-187  
 www.mcadamsc.com

**LEE COUNTY MULTI-SPORTS COMPLEX**  
 APPROXIMATE LOCATION OF DISTRIBUTION  
 R/W ACROSS THE PROPERTY OF: CITY OF  
 SANFORD  
 0 BROADWAY ROAD  
 SANFORD, NORTH CAROLINA 27331

**PLAN INFORMATION**  
 PROJECT NO. LEE22003  
 FILENAME D.E. EXHIBIT A  
 CHECKED BY JBG  
 DRAWN BY GLJ  
 SCALE 1"=100'  
 DATE 04. 24. 2024



March 14, 2024

Ms. Candace Iceman  
Finance Director  
Lee County, NC  
115 Chatham Street, Suite 301  
Sanford, NC 27330

Dear Ms. Iceman:

Pursuant to our Financial Advisory Agreement dated November 18, 2015, please find attached Davenport's Scope of Work outlining some or all of the services Davenport will provide related to the capital planning / non-transaction services and issuance of the County's proposed Limited Obligation Bonds for the County Library and Viper Radio System Upgrade, as requested by the County.

For financial advisory services related to the Limited Obligation Bonds, Davenport would propose the following schedule of fees:

- Direct Bank Loan Financing: NTE \$55,000
- Public Sale Financing: NTE \$85,000


Capital Planning and Non-Transaction work completed since January 2024 will be based on the schedule of Hourly Rates shown below:


<u>Professional</u>	<u>Hourly Rate</u>
Senior Vice President	\$300
First Vice President	\$275
Vice President	\$250
Associate Vice President / Analyst	\$225

Davenport will charge an additional fee equal to four percent (4%) of the advisory fee. Customary direct out-of-pocket expenses (meals, lodging, and mileage) will be billed at cost. Please let us know if you have any questions or would like to discuss.

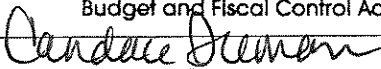
Sincerely,

  
Ted Cole  
Senior Vice President  
Davenport Public Finance

  
Mitch Brigulio  
Senior Vice President  
Davenport Public Finance

Accepted By:  
  
Candace Iceman Kirk Smith  
Lee County, North Carolina Chairman,  
Board of Commissioners

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



Finance Officer, Lee County

### Scope of Work: Non-Transaction / Capital Planning

1. Provide pertinent advice and counsel concerning developments in the financial community in general and municipal finance in particular.
2. Develop financial analysis programs, computer models and presentations to be used in conjunction with the capital planning and financing program(s).
3. Review and advise on special projects as requested by Staff.
4. Provide such other financial advisory services deemed appropriate by the Client.
5. Present Reports to the Governing Body on the status of the Client's debt, capital planning, and credit profile as requested.
6. Meet with Staff and the Governing Body on an as-needed basis to discuss, review, revise any Capital Plans.

### Scope of Work: Direct Bank Loan

1. Prepare a detailed financing calendar which will include all required notices, governing board actions and other financing milestones.
2. Coordinate the due diligence and issuance process with working group participants and assist in obtaining any necessary approvals.
3. In cooperation with staff, local attorney, bond counsel and/or other professionals, assist in reviewing/preparing the necessary documentation.
4. Conduct an RFP process to obtain financing proposals from local, regional and national financial institutions:
  - a. Establish terms and conditions for the Request for Proposal.
  - b. Prepare the Request for Proposals and distribute to the active local, regional and national banks.
  - c. Contact all potential bidders to discuss the RFP requirements and assist potential bidders with the due diligence process, as applicable, to maximize the number of bidders.
  - d. Prepare a summary analysis of each proposal such that issuance costs, interest rates and terms and conditions of each proposal can be easily compared to support staff / elected officials in making their selection of the winning proposal.
  - e. Negotiate terms and conditions of the proposals, including call provisions, closing requirements and other terms and conditions, as applicable.
5. Coordinate interactions with the Local Government Commission (the "LGC") Staff to facilitate approval of the Direct Bank Loan, if necessary.
  - a. Develop a strategy for addressing LGC requirements (statutory and traditional practices) while also meeting the locality's goals and objectives.
  - b. Conduct pre-application and due diligence meetings/calls with the LGC and prepare discussion materials to serve as a guide for the conversation including construction timing, proposed financing schedule, financing structure, repayment plan and method of sale.
  - c. Assist in the preparation of the LGC application.
  - d. Coordinate with LGC staff to ensure all necessary information is available in a timely fashion and assist in preparing the LGC Agenda item.
  - e. Attend LGC Meeting (if necessary).
6. Present the Summary of Results to local officials and/or the LGC as needed/requested.
7. Model the proposed financing and produce schedules outlining sources and uses of funds, debt service, bond statistics, and other schedules necessary for bond counsel.
8. Prepare a detailed closing memorandum to facilitate the efficient closing of the financing and memorialize the key aspects of the financing.
9. Review closing documents with specific focus on final financing numbers and details.
10. Coordinate the closing process.
11. Attend and present at all conference calls and meetings as requested by Staff.



### Scope of Work: Negotiated Public Sale

1. Prepare a detailed financing calendar which will include all required notices, governing board actions and other financing milestones.
2. Coordinate the due diligence and issuance process with working group participants and assist in obtaining any necessary approvals.
3. Coordinate interactions with the Local Government Commission (the "LGC") Staff to facilitate approval of the Negotiated Public Sale, if necessary.
  - a. Develop a strategy for addressing LGC requirements (statutory and traditional practices) while also meeting the locality's goals and objectives.
  - b. Conduct pre-application and due diligence meetings/calls with the LGC and prepare discussion materials to serve as a guide for the conversation including construction timing, proposed financing schedule, financing structure, repayment plan and method of sale.
  - c. Assist in the preparation of the LGC application.
  - d. Coordinate with LGC staff to ensure all necessary information is available in a timely fashion and assist in preparing the LGC Agenda item.
  - e. Attend LGC Meeting (if necessary).
4. Assist in developing and providing information required for disclosure in the Official Statement, as requested.
5. Assist in examining past compliance with continuing disclosure requirements.
6. Coordinate all aspects of the rating agency interactions, including:
  - a. Schedule the rating agency meetings / calls.
  - b. Provide each rating agency with the required background information on the proposed bond issuance, finances and other items of interest in preparation for the rating agency interactions.
  - c. Prepare a comprehensive rating agency presentation to be used as the basis for discussion with the rating agencies. This presentation will incorporate financial, economic, demographic and economic development-related information.
  - d. Assist with the preparation for the rating agency meetings / calls, including working to prepare those individuals directly and indirectly involved with the ratings process to help ensure a positive interaction that maximizes the opportunity to benefit from the rating agency interaction.
  - e. Coordinate any required follow-up correspondence with the rating agencies to help ensure a complete ratings process.
  - f. Interface with the rating agencies on the drafting and publication of the official rating reports.
7. In cooperation with staff and bond counsel, assist in reviewing/preparing the necessary documentation.
8. Assist in the engagement of other professionals as needed, including bond trustee and underwriting team. Specific to the underwriting team, tasks may include:
  - a. Structure the underwriting syndicate.
  - b. Analyze/review proposed underwriter takedowns and expenses.
9. Manage the Bond Pricing Process and assist with the preparation, review and negotiations with the Underwriter(s).

- a. Coordinate on proposed pricing schedule and review marketing plan for the bonds.
  - b. Monitor pricing progressions provided by Underwriter(s) during the weeks leading up to the actual pricing.
  - c. Develop a Pre-Pricing Book that includes key market trends, preliminary pricing indications, and comparative pricings to assist in pricing discussions.
  - d. Analyze the proposed pricing structure and discuss with the Underwriter.
  - e. Monitor orders received on the day of pricing and assist with negotiating pricing adjustments with Underwriter.
10. Model the proposed financing and produce schedules outlining sources and uses of funds, debt service, bond statistics, and other schedules necessary for bond counsel.
11. Coordinate the closing process.
12. Attend and/or present at all conference calls and meetings as requested by Staff.

### Scope of Work: Competitive Public Sale

1. Prepare a detailed financing calendar which will include all required notices, governing board actions and other financing milestones.
2. Coordinate the due diligence and issuance process with working group participants and assist in obtaining any necessary approvals.
3. Assist in developing and providing information required for disclosure in the Official Statement, as requested.
4. Assist in examining past compliance with continuing disclosure requirements.
5. Assist in developing information to be presented to bond rating agencies in order to achieve the highest bond rating realistically achievable. Accompany staff on all presentations to the rating agencies.
6. In cooperation with staff, local attorney, bond counsel and/or other professionals, assist in reviewing/preparing the necessary documentation.
7. Coordinate with the Davenport Fixed Income Sales and Trading Desk to structure the bid parameters in the Notice of Sale.
8. Run sensitivity analyses on all bid parameters to ensure the client's goals and objectives are met.
9. Monitor bidder registration and reach out to potential bidders to maximize bidder participation.
10. Analyze bids received to ensure accuracy and compliance with bid parameters.
11. Coordinate with winning bidder to ensure timely receipt of bid details, good faith wire, and confirmation of final amortization amounts. Model the proposed financing and produce schedules outlining sources and uses of funds, debt service, bond statistics, and other schedules necessary for bond counsel.
12. Review final offering and closing documents with specific focus on final financing numbers and details.
13. Coordinate the closing process.
14. Attend and or present at all conference calls and meetings as requested by Staff.



Womble Bond Dickinson (US) LLP

555 Fayetteville Street  
Suite 1100  
Raleigh, NC 27601

t: 919.755.2100  
f: 919.755.2150

Paul H. Billow  
Partner  
Direct Dial: 919-755-2156  
Direct Fax: 919-755-6098  
E-mail: [paul.billow@wbd-us.com](mailto:paul.billow@wbd-us.com)

March 11, 2024

VIA EMAIL

Candace Iceman  
Finance Director  
Lee County, North Carolina  
408 Summit Drive  
Sanford, North Carolina 27330

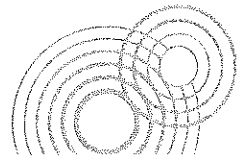
Re: County of Lee, North Carolina Limited Obligation Bonds (Library Project)

Dear Candace:

We are pleased to serve as bond counsel to the County of Lee, North Carolina (the "County") in connection with the proposed issuance by the County of the above-referenced bonds (the "Bonds") to finance the acquisition, construction and equipping of a new library. We wish to set forth in this letter our understanding of the terms of this engagement.

ROLE OF BOND COUNSEL

Bond counsel is engaged as a recognized independent legal expert whose primary responsibility is to render an objective legal opinion with respect to the due authorization, issuance, validity and tax-exempt status of bonds and similar obligations. We will provide all services customarily rendered by bond counsel in connection with the authorization, sale and issuance of the Bonds, including (a) preparation of the Master Trust Agreement, First Supplemental Trust Agreement, Deed of Trust and any other financing documents relating to the issuance of the Bonds, (b) preparation of the various proceedings, notices and certificates of the Board of Commissioners for the County and the Local Government Commission relating to the financing, (c) review and assist in preparation of the Preliminary Official Statement and the final Official Statement relating to the offering and sale of the Bonds, (d) review and comment on the Bond Purchase Agreement between the County and the underwriter relating to the sale of the



Bonds to the underwriter, and (e) rendering legal advice to the County as to the tax consequences of the proposed financing and the requirements for compliance with the applicable federal tax laws.

The scope of our work does not include any real estate work relating to the financing (i.e., title searches, procurement of title insurance policy and recording of security instruments). We understand that this work will be handled by local counsel engaged by the County. However, we will assist the County and such local counsel with the coordination of such work.

### LEGAL OPINION

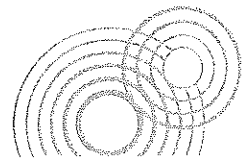
Subject to our satisfactory review of all proceedings relating to the issuance of the Bonds, at closing, we will render our approving legal opinion with respect to the validity and tax-exempt status of the Bonds. In rendering our legal opinion, we will rely upon the certified proceedings and other certification of public officials and other persons furnished to us without undertaking to verify the same by independent investigations.

Upon delivery of our opinion with respect to the Bonds, our responsibilities as bond counsel will be concluded with respect to this particular financing. Specifically, we do not undertake (unless separately engaged) to provide continuing advice to the County or any other party concerning any actions necessary to assure that interest on the Bonds will continue to be excluded from gross income for federal income tax purposes.

In performing our services as bond counsel, our client will be the County, and we will represent the County's interests. We assume that other parties to the transactions will retain such counsel as they deem necessary and appropriate to represent their interests in this transaction. Our representation of the County does not alter our responsibility to render an objective legal opinion as bond counsel.

### OFFICIAL STATEMENT

We will assist the County, the underwriter and underwriter's counsel in preparing various material for inclusion in the Official Statement. However, we will not be responsible for verifying or investigating the accuracy of any factual statement made therein, except as described in the next sentence. Our responsibility with respect to the Official Statement will include preparation and/or review of any description in the Official Statement relating to (a) federal and North Carolina tax law applicable to the Bonds, (b) the terms and provisions of the Bonds and the legal documents relating thereto and (c) our approving legal opinion.



### COMPLETION OF SERVICES

At the conclusion of our work for you on this matter, we will return to you, upon request, any materials it has furnished us in connection with this representation. Thereupon, we will store files respecting this matter for a minimum of six (6) years following the conclusion of our representation of you in this matter, and we will provide you with access to those files upon request. After six years from the conclusion for our representation in this matter, we will review the stored files with respect to whether they should be retained or destroyed. We disclaim any obligation to provide further notice to you before destroying the files concerning this matter at any time after six years from the conclusion of our representation of you in this matter.

### COMPENSATION

For this financing, absent unusual circumstances that may hereafter arise, we propose a fixed fee of \$75,000 payable to our firm for services rendered as bond counsel. We will also charge separately for out-of-pocket expenses incurred in connection with this financing. These fees and expenses will be due upon receipt of our invoice following closing. In the event that such closing does not occur, we will work with the County to determine a mutually agreeable fee to cover work already performed by our firm on this matter.

### CONFLICTS OF INTEREST

We understand that Wells Fargo Securities ("Wells Fargo") has been selected to as the underwriter for the Bonds. Our firm represents Wells Fargo and its various affiliates from time to time in matters unrelated to our representation of the County in connection with this matter. In carrying out the engagement described in this letter, our client will be the County, and Wells Fargo will be represented by other counsel.

In connection with our engagement as bond counsel, we hereby request that the County waive any conflict of interest that might arise on account of our representation of the County as bond counsel in connection with the issuance of the Bonds and the simultaneous representation of Wells Fargo in other unrelated transactions. We agree that your consent to conflicting representation contained in the preceding sentence shall not apply in any instance where, as a result of our representation of you, we have obtained proprietary or other confidential information of a non-public nature, that, if known to such other client, could be used in any such other matter by such client to your material disadvantage. By execution of this letter where indicated below, you hereby agree to waive any such conflicts as described above.

### INTERNAL ADVICE AND PRIVILEGE

Womble Bond Dickinson (US) LLP is a multi-jurisdictional law firm representing many clients and handling a large number of complex matters each year. As a result, conflict of interest issues may arise and, from time to time, may even include disputes between the firm and



March 11, 2024  
Page 4

our own clients over the handling of a matter. Under such circumstances, we need the ability to seek analysis of our obligations from our General Counsel's office or outside counsel without waiving our firm's own attorney-client privilege. We believe that seeking advice is in our clients' interest, as well as our own. Accordingly, by signing this letter, you consent to our seeking advice from our General Counsel's office or outside counsel of our choosing on legal ethics or related issues that may arise during our representation of the County and that our representation of the County shall not, thereby, waive any attorney-client privilege that we may have to protect the confidentiality of our communications with counsel.

#### LEGAL SUPPORT SERVICE PROVIDERS

In an effort to continue delivering cost effective services, our firm uses legal support service providers located both inside and outside the United States to assist with help desk and technology issues, word processing, time entry, photocopying and other administrative tasks. In order for these service providers to complete these tasks, we must share certain client information. We have made reasonable efforts to ensure that these services are performed in a manner that is consistent with our firm's obligations under the relevant Rules of Professional Conduct with regards to maintaining client confidentiality and supervision of non-lawyer assistants, and the firm bears responsibility for the resulting work product. As part of the engagement with the firm, you agree and consent to the use of the services of these providers in the manner stated above. If you have any concerns with this, please feel free to contact me to discuss.

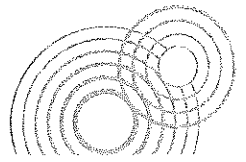
We wish to express our sincere appreciation to the County for entrusting this matter to our firm. If you have any questions or concerns regarding the terms of our engagements, please do not hesitate to give me a call. Otherwise, we would appreciate it if you would execute this letter where indicated below and return a signed copy to us for our files (an emailed copy is fine for our purposes). Please note that if you do not sign and return this letter, your continuation to work with our firm in connection with this matter will constitute your full acceptance of the terms and conditions set forth herein.

We look forward to working with you on this financing.

Very truly yours,

WOMBLE BOND DICKINSON (US) LLP

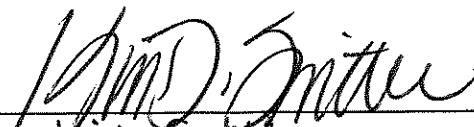
Paul H. Billow



March 11, 2024  
Page 5

Accepted and approved:

COUNTY OF LEE, NORTH CAROLINA

By: 

Name: Kirk Smith

Title: Chairman, Board of Commissioners

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



Finance Officer, Lee County



**AN ORDINANCE AMENDING THE OFFICIAL ZONING MAP  
OF THE LEE COUNTY, NORTH CAROLINA**

**WHEREAS**, a request to amend the Official Zoning Map has been received from Fred Thomas Smith III to rezone 9.60 acres +/- off of Cumnock Road, identified as Lee County Tax Parcel 9625-82-9992-00 and a 9.0 acre portion of 9625-82-9694-00 addressed as 274 Cumnock Road, as depicted on Tax Map 9625.04, from Residential Restricted (RR) and Multi-family (MF-12) to Light Industrial (LI); and,

**WHEREAS**, said request has been presented to the Planning Board of Lee County; and

**WHEREAS**, the Lee County Board of Commissioners conducted a public hearing on April 15, 2024 to receive citizen input on the requested zoning map amendment; and

**WHEREAS**, the Lee County Board of Commissioners approves the request to amend the Official Zoning Map of Lee County;

**NOW, THEREFORE, BE IT ORDAINED BY THE LEE COUNTY BOARD OF COMMISSIONERS:**

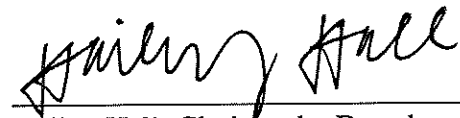
The Official Zoning Map is hereby amended to rezone 9.60 acres +/- off of Cumnock Road (SR 1400) identified as Lee County Tax Parcel 9625-82-9992-00 and a 9.0 acre portion of 9625-82-9694-00 addressed as 274 Cumnock Road, as depicted on Tax Map 9625.04, from Residential Restricted (RR) and Multi-family (MF-12) to Light Industrial (LI). See Exhibits A and B included for reference.

In making this decision, the Lee County Board of Commissioners hereby determined that the request is not consistent with the Plan SanLee land use designation of Village Neighborhood because it does not include industrial zoning or land uses. However, the request appears to be reasonable given the location of the site on Cumnock Road between the US Hwy 421 Bypass intersection and the Cumnock community.

**ADOPTED this the 6th day of May 2024**


  
\_\_\_\_\_  
Kirk D. Smith, Chairman  
Lee County Board of Commissioners

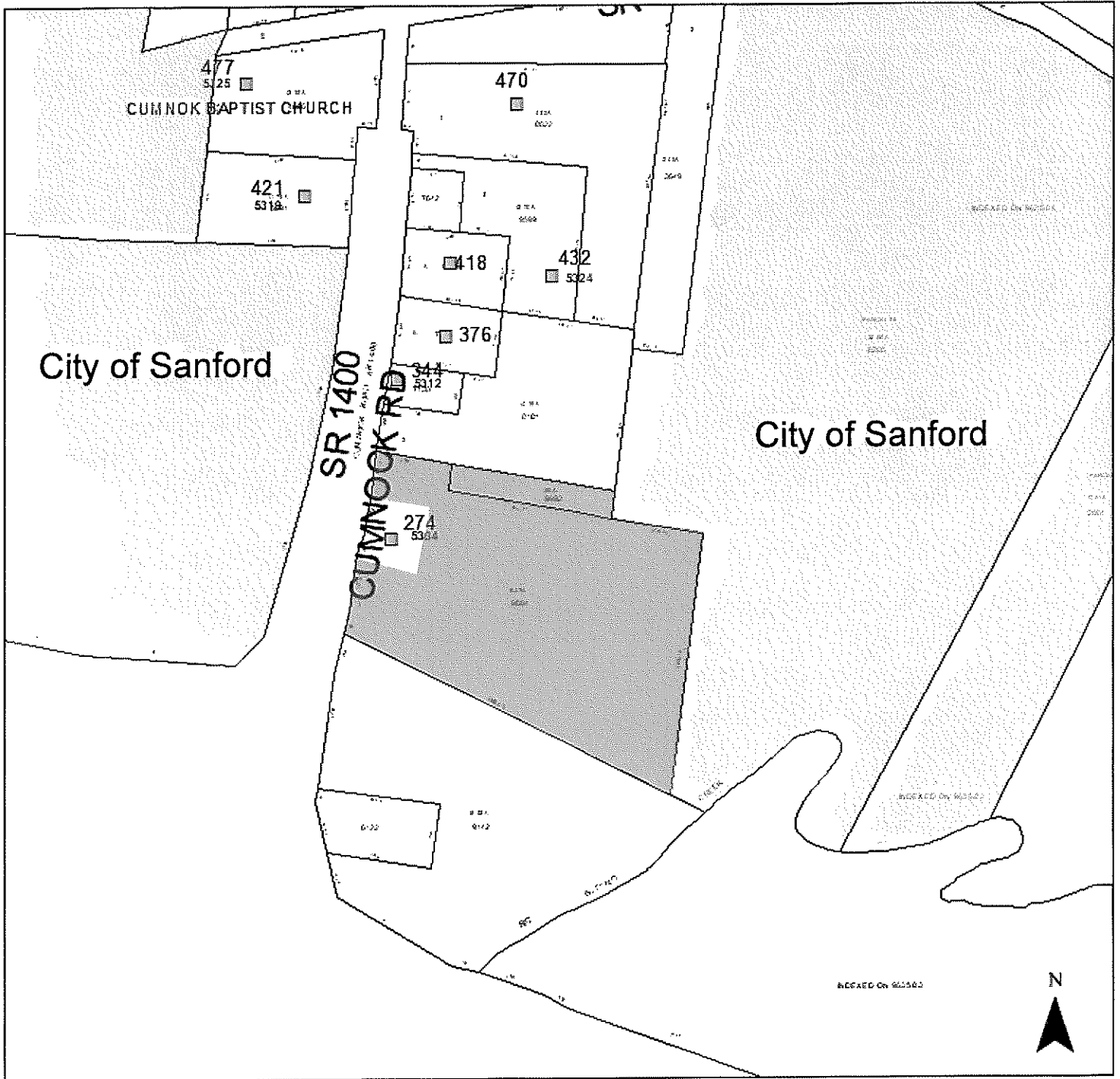
**ATTEST:**

  
\_\_\_\_\_  
Hailey Hall, Clerk to the Board



**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Whitney Parrish, Lee County Attorney



**REZONING APPLICATION**  
Rezone 9.6+/- acres  
off of Cumnock Road  
from RR and MF-12 to LI  
PINs: 9625-82-9992-00 and a portion of 9652-82-9694-00.

This is a graphic illustration and not a legal document.  
All information is comprised of layers of data that may or may not align correctly.

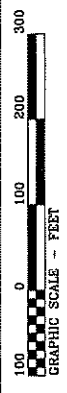
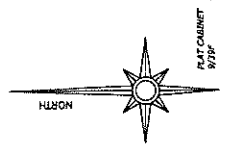
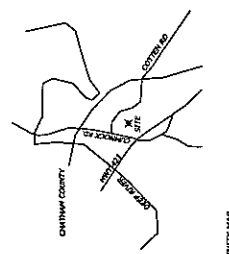
EXHIBIT B

ZONING CHANGE MAP FOR OWNER:  
**FRED THOMAS SMITH III**

MAILING ADDRESS  
FRED THOMAS SMITH  
274 CUMNOCK RD.  
SAWFORD, NC 27330

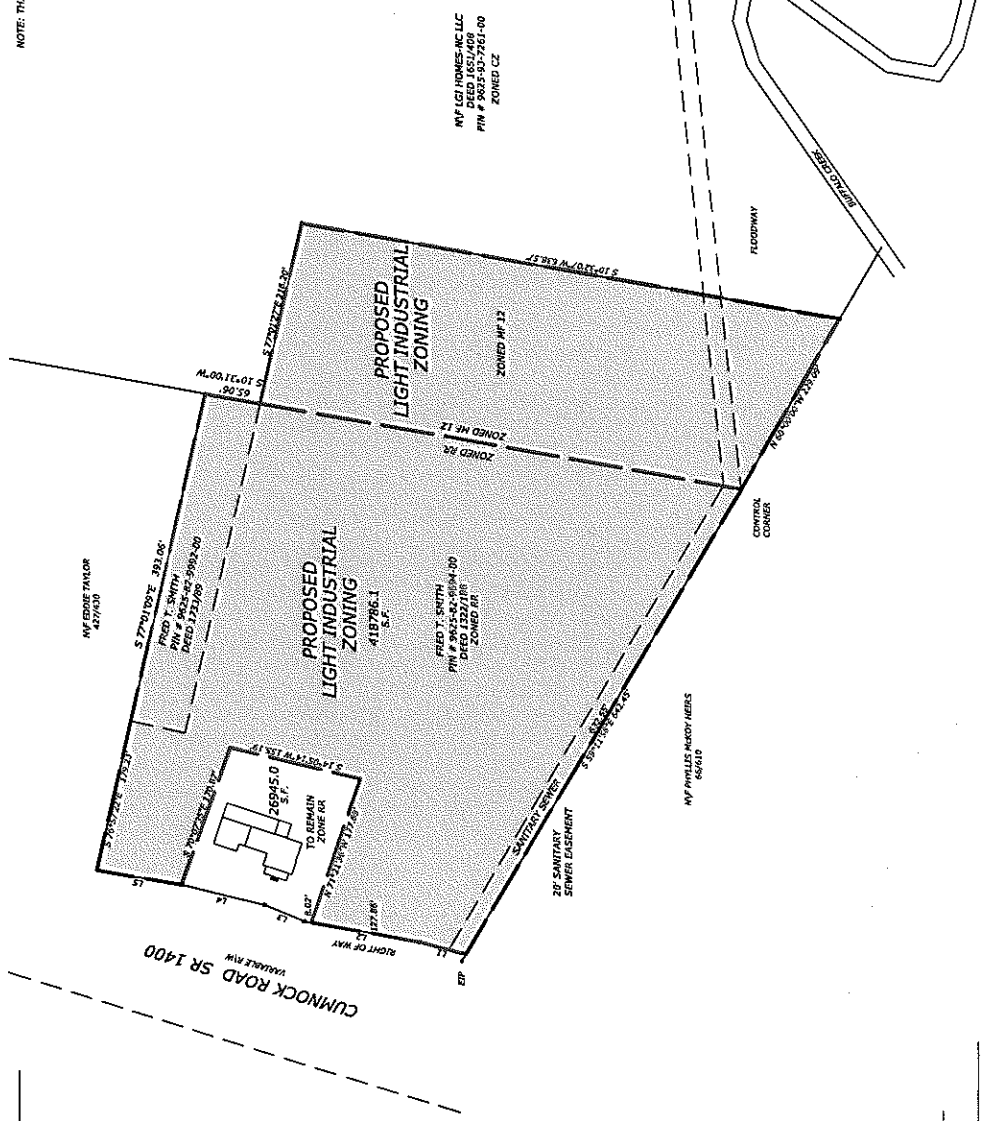
DEED REFERENCES: 720/380; 1062/738  
PLAT CABINETS 7/16, 9/99\*, 2010/94  
WEST SAWFORD TOWNSHIP  
DATE: 2-27-24  
SCALE: 1" = 100'

MIKE CAIN SURVEYING  
2509 PIEDMONT DRIVE  
SAWFORD, N.C. 27330  
919-774-6684



NOTE: THIS MAP WAS DRAWN FROM PREVIOUS SURVEYS DONE BY MYSELF.

NOTE: THIS MAP MAY NOT BE A CERTIFIED SURVEY AND HAS NOT BEEN REVIEWED BY THE LOCAL GOVERNMENT AGENCY FOR COMPLIANCE WITH THE LAND DEVELOPMENT REGULATIONS AND HAS NOT BEEN REVIEWED FOR COMPLIANCE WITH RECORDING REQUIREMENTS FOR PLATS.



Course	Bearing	Distance
L1	S 13°12'52\"/>	

- LEGEND
- EIP EXISTING IRON PIPE
  - IPS IRON PIPE SET
  - ESI EXISTING SOLID IRON
  - SIS SOLID IRON SET
  - ECM EXISTING CONCRETE MONUMENT
  - PP POWER POLE
  - RRS RAILROAD SHIKE
  - RVC ROW OR CORNERLY
  - RLC RIGHT OF WAY LINE
  - OWL OVERHEAD LINE
  - EPK EXISTING PK MAIL

STATE OF NORTH CAROLINA  
COUNTY OF LEE

REVIEW OFFICER OF LEE COUNTY  
CERTIFY THAT THE MAP OR PLAT TO WHICH THIS  
OFFICIAL SEAL IS AFFIXED COMPLIES WITH THE  
STATUTORY REQUIREMENTS FOR RECORDING.

REVIEW OFFICER \_\_\_\_\_  
DATE \_\_\_\_\_

NORTH CAROLINA, LEE COUNTY  
PRESENTED FOR REGISTRATION ON THE \_\_\_\_\_ DAY  
OF \_\_\_\_\_ 19\_\_\_\_ AT \_\_\_\_\_ M  
RECORDED IN PLAT CABINET \_\_\_\_\_ SLIDE \_\_\_\_\_

HOLLIE A. MCINNES, REGISTER OF DEEDS

LEE COUNTY, NORTH CAROLINA

I, MICHAEL A. CAIN, CERTIFY THAT THIS PLAT WAS DRAWN  
AND CHECKED BY ME OR UNDER MY CLOSE PERSONAL  
SUPERVISION AND THAT THE INFORMATION CONTAINED  
HEREIN IS TRUE AND CORRECT TO THE BEST OF MY  
KNOWLEDGE AND BELIEF. I AM A LICENSED PROFESSIONAL  
LAND SURVEYOR IN THE STATE OF NORTH CAROLINA, NO. 3403,  
AS AUTHORIZED BY MY LICENSE AND SEAL THIS 27<sup>th</sup>  
DAY OF FEBRUARY, 2024.

*Michael A. Cain*

MICHAEL A. CAIN, PROFESSIONAL LAND SURVEYOR

Contract Agreement Between Marks Construction Company, LLC and Lee County Government

THIS AGREEMENT, made the 10<sup>th</sup> day of MAY month 2024 by and between Marks Construction Company LLC (hereinafter referred to as the "Contractor") and Lee County Government (hereinafter referred to as the "Owner") agree as follows:

1. Scope of Work: The Contractor shall furnish and deliver all of the materials, and perform all of the work in the manner and form as provided by the enumerated plans, specifications and documents, which are attached hereto and made a part thereof as if fully contained herein: advertisement, Instructions to Bidders, General Conditions, Supplementary General Conditions, specifications, accepted proposals, contract, performance bond, payment bond, power of attorney, worker's compensation, public liability, Exhibit A – Lee County Dispute Resolution Policy, any and all addendums, and all drawings.
2. The Contractor shall commence work to be performed under this agreement on a date to be specified in a written order of the Owner and shall fully complete all work hereunder within 90 consecutive calendar days from said date. For each day in excess thereof, liquidated damages shall be as stated in as \$1,000.00 per day. The Contractor, as one of the considerations for the awarding of this contract, shall furnish to the Owner a construction schedule setting forth the project broken down by various divisions of the work and by the calendar days, as described in the General Conditions.
3. The Owner agrees to pay to the Contractor for the faithful performance of this agreement, subject to additions and deductions as provided in the specifications or proposal, in lawful money in the amount of \$ ~~-\$357,095~~ \$ 349,095<sup>00</sup>

CHANGE IN PRICE REFLECT  
NOT DEMING EXISTING  
BATHROOM FACILITY.  
E.W.M. 5/22/24

4. Alternates. Alternates, if any, included in the Contract Sum are as follows:
 

Item	Price
Alt. #1	
a. _____	\$ _____
b. _____	
Alt. #2	\$ _____
a. _____	
b. _____	

5. Allowances. Allowances, if any, included in the Contract Sum are as follows:
 

Item	Price
Owner's Contingency	\$7,000
Testing	\$5,000

6. Unit Prices. Unit prices, if any, are as follows:

Item	Units and limitations	Price per Unit
Removal of Unsatisfactory Soil	Cubic Yard	\$40.00
Replacement of Unsuitable soil w/ ABC	Cubic Yard	\$50.00
Concrete Sidewalk, per details	Square Yard	\$66.66

7. Liquidated Damages. Liquidated damages will be \$1,000.00 per day, after the date specified for substantial completion.

8. Binding Dispute Resolution. For any claim subject to, but not resolved by mediation, the method of binding dispute resolution shall be litigation in a court of competent jurisdiction.

9. The Owner's Representative is:

Lisa Minter, County Manager  
408 Summit Drive  
Sanford, NC 27330  
[lminter@leecountync.gov](mailto:lminter@leecountync.gov)

The Contractor's Representative is:

WADE HARE  
2415 LEMON SPRINGS RD SANFORD NC  
harebuilder@windstream.net

10. It is further mutually agreed between the Parties that if at any time after the execution of this agreement and the surety bonds hereto attached for its faithful performance, the Owner shall deem the surety or sureties upon such bonds to be unsatisfactory, or if, for any reason, such bonds cease to be adequate to cover the performance of the Work, the Contractor, at its own expense, within five (5) days after the receipt of notice from the Owner so to do, furnish an additional bond or bonds in such form and amount, and with such surety or sureties as shall be satisfactory to the Owner. In such event, no further payment to the Contractor shall be deemed to be due under this agreement, until such new or additional security for the faithful performance of the Work shall be furnished in a manner and form satisfactory to the Owner.

11. Compliance with E-Verify requirements: The Contractor and any of its subcontractors must comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes, if applicable, which requires certain employers to verify the work authorization of each newly hired employee through the federal E-Verify program operated by the United States Department of Homeland Security and other federal agencies.

12. Divestment from companies that boycott Israel: Contractor certifies that (a) it is not identified on the Israel Boycott List or any other list created by the NC State Treasurer pursuant to N.C.G.S. 147—86.80 et al and (b) it will not take any action causing it to appear on any such list during the term of the contract agreement.
13. Iran Divestment Act Certification. The Contractor certifies that the Contractor is not listed on the Final Divestment List created by the State Treasurer pursuant to N.C.G.S. 147-86.58 (the Final Divestment List) and the Contractor will not utilize any subcontractors performing work under this Contract which is listed on the Final Divestment List. The Final Divestment List can be found on the State Treasurer's website at the address and should be updated every 180 days.
14. Non-Discrimination in Employment. The Contractor will not discriminate again any employee or applicant for employment because of age, sex, race, creed, national origin or disability. In the event Contractor is determined by the final order of an appropriate agency or court to be in violation of this provision or any non-discrimination provision of federal, state or local law, this Contract may be suspended or terminated, in whole or in part by the County. In addition, the Contractor may be declared ineligible for further contracts with the County.
15. Drug-Free Workplace. During the performance of this agreement, the Contractor agrees to (i) provide a drug-free workplace for its employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees of the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in its workplace and specifying the actions that will be taken against employees for violations of such prohibitions, (iii) state in all solicitations or advertisements for employees placed by or on its behalf that it maintains a drug-free workplace; (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000.00 so that the provisions will be binding upon each subcontractor or vendor.
16. Non-Appropriation Clause. Contractor acknowledges that Lee County is a governmental entity, and the contract validity is based upon the availability of public funding under the authority of its statutory mandate. In the event that public funds are unavailable and not appropriated for the performance of Lee County's obligations under this contract, then this contract shall automatically expire without penalty to Lee County thirty (30) days after written notice to Contractor of the unavailability and non-appropriation of public funds. It is expressly agreed that Lee County shall not activate this non-appropriation provision for its convenience or to circumvent the requirements of this contract, but only as an emergency fiscal measure during a substantial fiscal crisis, which affects generally its governmental operations. In the event of a change in the Lee County's statutory authority, mandate and mandated functions, by state and federal legislative or regulatory action, which adversely affects Lee County's authority to continue its obligations under this contract, then this contract shall automatically

terminate without penalty to Lee County upon written notice to Contractor of such limitation or change in Lee County's legal authority.

17. No Pledge of Taxing Authority. No deficiency judgment may be rendered against Lee County or any agency of Lee County in any action for breach of a contractual obligation under this contract. The taxing power of the Lee County is not pledged directly or indirectly to secure any monies due under this contract.
18. Gov Ops. Contractor acknowledges that by contracting with Lee County and receiving public funds, they may be subject to potential examination, evaluation and investigation, including access to buildings and documents and compelled testimony, by the Joint Legislative Commission on Governmental Operations under Section 27.10(b) of North Carolina S.L. 2023-134. Contractor acknowledges that Lee County has no control over the Commission and its activities.
19. This agreement becomes effective upon the last signature of both parties.



IN WITNESS WHEREOF, the Parties hereto have executed this agreement on this the \_\_\_\_\_ day of \_\_\_\_\_.

**CONTRACTOR / FIRM**

By: *Eric Mabe*

Witness: \_\_\_\_\_

Title: OWNER

Date: 5/20/2024

**LEE COUNTY GOVERNMENT**

By: *Kim Smith*

Witness: *Aimey Hall*

Title: LEE COUNTY BOARD CHAIR

Date: 5/24/2024



STATE OF NORTH CAROLINA  
COUNTY OF LEE

AGREEMENT

1. AGREEMENT. This agreement ("Agreement") is entered into on the 16<sup>th</sup> day of May, 20 24, by and between Lee County, a political subdivision of the State of North Carolina ("County") and Churchich Recreation, ("Contractor"), whose business address is 20 Town Drive PMB 186 Bluffton, SC 29910.

2. INDEPENDENT CONTRACTOR. Contractor shall be an independent contractor in all its activities pursuant to this Agreement. Neither Contractor nor any of its employees are to be considered County's employee or agent for any purpose including, but not limited to, the accrual of any employee benefits. Contractor is not authorized to represent County or otherwise bind County in any dealings between Contractor and third parties. Any employees furnished by Contractor under this Agreement shall be deemed to be Contractor's employees exclusively.

3. SCOPE OF THE WORK. Contractor shall furnish all labor, equipment, tools, materials, supplies, transportation, tests and supervision required to complete in a workmanlike manner the work described in the Engineered Stamped Drawings ("Drawings"), which were submitted with Contractor's bid.

4. PERIOD OF PERFORMANCE. This Agreement shall commence as of the date first written above and shall continue until terminated by either party in accordance with the terms of this Agreement. Contractor shall promptly commence Work and shall complete Work as required in the Project within 120 days.

5. PAYMENT FOR WORK. Payment for work satisfactorily completed shall be made within thirty (30) days of receipt of invoice by County's finance office. Payment will be made in a lump sum to Contractor after County is satisfied with the project. The County will pay the Contractor an amount not to exceed \$128,969.55 for the scope of work for this project. Contractor shall submit documentation supporting its entitlement to payment as required by County, and County shall have no obligation to pay Contractor unless and until County has received such documentation. The County will not pay for late charges or finance charges assessed for any reason.

6. LICENSING REQUIREMENTS. Contractor represents and warrants that it holds a valid North Carolina General Contractor's License at all times in the performance of Work and that license meets the level of requirements for this project and shall submit to County a copy of said license. Any subcontractors retained by Contractor must also hold current, appropriate licenses.

7. PERMITS AND LICENSES. Unless otherwise agreed in writing in advance by County, Contractor shall obtain and pay for all licenses and permits that are required for it to perform Work.

8. COMPLIANCE WITH LAWS/COMPLIANCE WITH RULES AND POLICIES OF COUNTY. In performing the services pursuant to this Agreement, Contractor shall comply with all laws, rules, regulations, ordinances, codes, standards, and orders of any and all governmental bodies, agencies, authorities, and courts having jurisdiction. Contractor also shall comply with all rules and policies of County. Contractor will also perform background checks of his employees and require background checks of subcontractors.

9. INSURANCE. Contractor shall comply with the insurance requirements set forth in Exhibit B, attached and incorporated herein by reference.

No workers' compensation insurance shall be obtained by County concerning Contractor or the employees of Contractor. Contractor shall comply with the workers' compensation law concerning Contractor and the employees of Contractor.

10. TAXES. Contractor shall be responsible for paying all taxes, fees, assessments and premiums of any kind payable on its employees and operations. Contractor shall substantiate, on demand by County, that all taxes and other charges are being properly paid.

Pursuant to N.C.G.S. § 105-164.14, County is eligible for sales and use tax refunds on all materials which become a permanent part of the construction. Contractor agrees to provide County such documentation as may be necessary to meet the requirements of the North Carolina Department of Revenue regarding requests for refund of sales and use taxes. Such requirements include those described in the North Carolina Department of Revenue Sales and Use Tax Technical Bulletins § 18-2(F), outlined below:

To substantiate a refund claim for sales or use taxes paid on purchases of building materials, supplies, fixtures, and equipment by a contractor, County must secure from a contractor certified statements setting forth the specific required information. A "certified statement" is a statement signed by a contractor's County, a corporate officer of a contractor, or an employee of a contractor who is authorized to provide information set forth in the statement. The certified statement must include all of the following information:

- a. The date the property was purchased;
- b. The type of property purchased;
- c. The cost of property purchased and the amount of sales and use taxed paid thereon;
- d. The vendor from whom the property was purchased;
- e. The project for which the property was purchased;
- f. If the property was purchased in the State of North Carolina, the county to which it was delivered, or, if the property was not purchased in the State of North Carolina, the county in which the property was used; and

g. The invoice number of the purchase.

In the event Contractor makes several purchases from the same vendor, such certified statement must indicate the invoice numbers, the inclusive dates of the invoices, the total amount of the invoices, and the State and local sales and use taxes paid thereon. Such statement must also include the cost of any tangible personal property withdrawn from Contractor's warehouse stock and the amount of State and local sales or use tax paid thereon by Contractor. Any local sales or use taxes included in Contractor's statements must be shown separately from the State sales or use taxes. Contractor's statements must not contain sales or use taxes paid on purchases of tangible personal property purchased by Contractor for use in performing the Contract which does not annex to, affix to or in some manner become a part of the building or structure that is owned or leased by a governmental agency and is being erected, altered or repaired for use by a governmental entity as defined by N.C.G.S. § 105-164.14(c). Examples of property on which sales or use tax has been paid by Contractor and which shall not be included in Contractor's certified statement are scaffolding, forms for concrete, fuel for the operation of machinery and equipment, tools, equipment, equipment repair parts and equipment rentals. Similar certified statements by Subcontractors must be obtained by Contractor and furnished to County.

Contractor shall submit notarized sales tax certificates which meet the requirements detailed above with each Application for Payment. Payment will not be made until the sales tax certificate(s) have been submitted to County. County is the recipient of sales tax refunds and no such funds shall be provided to Contractor, or claim made by Contractor therefor.

11. **WARRANTY OF WORK.** Contractor warrants that all Work shall be new, unless otherwise agreed upon, and of good quality and performed in a good and workmanlike manner. Contractor shall, at its own expense, at the request of County, promptly replace or repair any defective or deficient Work for a period of one year after completion of Work. The express warranty contained in this section shall not diminish any of County's rights against Contractor with respect to the time within which proceedings may be commenced to establish Contractor's liability with respect to Contractor's obligations other than specifically to correct Work.

12. **SAFETY.** Contractor shall establish and enforce safe working procedures at all times during its performance of Work in accordance with all federal, state and local laws, ordinances, rules and regulations pertaining to safety. Contractor shall ensure that any hazardous chemical use or transport must conform to OSHA's Hazard Communication Standard, Department of Transportation requirements and applicable EPA requirements. Contractor must provide the County a Material Safety Data Sheet with or prior to any shipment of any hazardous chemical or material.

13. **AGE LIMITS.** No employee of Contractor under the age of 18 shall be permitted on property owned or leased by County.

14. **CLEANUP.** Contractor shall keep its work areas clean of debris and excess materials, and at the end of each day will leave its work areas in broom-clean condition. If Contractor fails to clean up as required herein, County may clean up and deduct the cost from

Contractor's payment. Contractor is also responsible for the removal of hazardous construction materials from the job site, and those will need to be disposed of in accordance with State, Federal and Local laws. Cleanup of the job site and removal of hazardous waste materials must occur within fourteen days.

15. **LIABILITY.** Contractor agrees to protect, defend, indemnify and hold County, its officers, employees and agents free and harmless from and against any and all losses, penalties, damages, settlements, costs, charges, professional fees or other expenses or liabilities of every kind and character arising out of or relating to any and all claims, liens, demands, obligations, actions, proceedings, or causes of action of every kind in connection with or arising out of this agreement and/or the performance hereof that are due, in whole or in part, to the negligence of the Contractor, its officers, employees, subcontractors or agents. Contractor further agrees to investigate, handle, respond to, provide defense for, and defend the same at its sole expense and agrees to bear all other costs and expenses related thereto. Contractor will ensure any and all Subcontractor agreements between Contractor and Subcontractor will include this same provision.

16. **DEFAULT/TERMINATION.** If Contractor fails or refuses to supply sufficient and properly skilled labor, equipment or materials, or fails in any respect to diligently prosecute Work, or otherwise is in default or breach of any term of this Agreement, County may terminate this Agreement upon 24 hours' written notice. In the event of such termination, Contractor immediately will stop work and remove its employees from County's property. County may complete the Work in whatever way it determines best, and at completion of the Work shall pay Contractor for the value of the Work performed by Contractor (excluding profit) but unpaid prior to the termination, less any costs incurred by County to correct any deficiencies or defects attributable to Contractor's work. If a bid bond has been required, the County will collect on the bid bond.

17. **TERMINATION FOR CONVENIENCE.** County may terminate this Agreement at any time upon three (3) days' written notice to Contractor. Such termination shall be effective in the manner specified in such written notice. Upon a termination for convenience, County shall pay Contractor for Work performed to the date of termination. Contractor shall accept such payment in full and final payment and shall make no claim of any kind against County, including but not limited to any claim for any additional payment.

18. **ASSIGNMENT.** Neither this Agreement, nor any payments to be earned pursuant to this Agreement, may be assigned by Contractor without the prior written consent of County.

19. **NO WAIVER.** The failure of the County to strictly enforce any of the provisions of this Agreement, or not exercise its options provided herein, shall not be construed as a waiver of its right thereafter to require such compliance or to exercise any such options.

20. **E-VERIFY.** E-Verify is the federal program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program, used to verify the work authorization of newly hired employees pursuant to federal

law. Contractor shall ensure that Contractor and any subcontractor performing work under this Agreement: (i) uses E-Verify if required to do so by North Carolina law; and (ii) otherwise complies with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes. A breach of this provision by Contractor will be considered a breach of this Agreement, which entitles County to terminate this Agreement, without penalty, upon notice to Contractor.

21. IRAN DIVESTMENT ACT. Pursuant to Article 6E of Chapter 147 of the North Carolina General Statutes, County must require most entities with which it contracts, which would include the Contractor under this Agreement, to certify that the entity is not identified on a list created by the State Treasurer pursuant to N.C.G.S. § 147-86.58 (the "Final Divestment List"). This requirement is related to ensuring that entities with which local governments contract are not involved in investment activities in Iran. The Contractor certifies that: (i) it is not listed on the Final Divestment List; and (ii) it will not utilize any subcontractor performing work under this Agreement which is listed on the Final Divestment List.

22. ENTIRE AGREEMENT. This Agreement represents the entire agreement of the parties, and may not be modified except in writing signed by both parties.

23. GOVERNING LAW. This agreement shall be construed and enforced in accordance with the laws of the State of North Carolina. The parties to this agreement confer exclusive jurisdiction of all disputes arising hereunder upon the General Courts of Justice Lee County, North Carolina.

24. NOTICE TO COUNTY. Contractor shall immediately notify the County of any problems or issues that arise during the course of the performance of this contract, including but not limited to, delays in shipping, faulty products or materials, delays in progress, unexpected circumstances or budgetary issues.

25. NON-APPROPRIATION CLAUSE. Contractor acknowledges that Lee County is a governmental entity, and the contract validity is based upon the availability of public funding under the authority of its statutory mandate. In the event that public funds are unavailable and not appropriated for the performance of Lee County's obligations under this contract, then this contract shall automatically expire without penalty to Lee County thirty (30) days after written notice to Contractor of the unavailability and non-appropriation of public funds. It is expressly agreed that Lee County shall not activate this non-appropriation provision for its convenience or to circumvent the requirements of this contract, but only as an emergency fiscal measure during a substantial fiscal crisis, which affects generally its governmental operations. In the event of a change in the Lee County's statutory authority, mandate and mandated functions, by state and federal legislative or regulatory action, which adversely affects Lee County's authority to continue its obligations under this contract, then this contract shall automatically terminate without penalty to Lee County upon written notice to Contractor of such limitation or change in Lee County's legal authority.

26. CONFLICT OF INTEREST. If this is a contract for design, engineering, contract administration or similar services, the Contractor will not enter into contracts or agreements with third parties that may present a potential for conflict of interest between Lee County and the third parties regarding the subject matter of this Contract or Agreement.

27. DIVESTMENT FROM COMPANIES THAT BOYCOTT ISRAEL. Contractor certifies that (a) it is not identified on the Israel Boycott List or any other list created by the NC State Treasurer pursuant to N.C.G.S. 147—86.80 et al and (b) it will not take any action causing it to appear on any such list during the term of the contract agreement.

28. NON DISCRIMINATION IN EMPLOYMENT. The Contractor will not discriminate again any employee or applicant for employment because of age, sex, race, creed, national origin or disability. In the event Contractor is determined by the final order of an appropriate agency or court to be in violation of this provision or any non-discrimination provision of federal, state or local law, this Contract may be suspended or terminated, in whole or in part by the County. In addition, the Contractor may be declared ineligible for further contracts with the County.

29. GOV OPPTS. Contractor acknowledges that by contracting with Lee County and receiving public funds, they may be subject to potential examination, evaluation and investigation, including access to buildings and documents and compelled testimony, by the Joint Legislative Commission on Governmental Operations under Section 27.10(b) of North Carolina S.L. 2023-134. Contractor acknowledges that Lee County has no control over the Commission and its activities.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed, this the day and year first above written.

ATTEST

LEE COUNTY

By: *Arlene Hall*  
Clerk to the Board of Commissioners

By: *Kim Smiter*  
Chair, Board of Commissioners

ATTEST

CONTRACTOR

By: *Ted Quince*  
VP

By: *Joe Churchich*  
Pres.



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

*Candace Stewart*  
Finance Officer, Lee County



**EXHIBIT B  
INSURANCE REQUIREMENTS**

At Contractor's sole expense, Contractor shall procure and maintain the following minimum insurances with insurers authorized to do business in North Carolina and rated A-VII or better by A.M. Best.

**A. WORKERS' COMPENSATION**

Statutory limits covering all employees, including Employer's Liability with limits of:

\$500,000	Each Accident
\$500,000	Disease - Each Employee
\$500,000	Disease - Policy Limit

**B. COMMERCIAL GENERAL LIABILITY**

Covering Ongoing and Completed Operations involved in this Agreement.

\$2,000,000	General Aggregate
\$2,000,000	Products/Completed Operations Aggregate
\$1,000,000	Each Occurrence
\$1,000,000	Personal and Advertising Injury Limit
\$5,000	Medical Expense Limit

**C. COMMERCIAL AUTOMOBILE LIABILITY**

\$1,000,000	Combined Single Limit - Any Auto
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**D. PROFESSIONAL LIABILITY**

\$1,000,000	Claims Made
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Contractor shall provide evidence of continuation or renewal of Professional Liability Insurance for a period of two (2) years following termination of the Agreement.

**E. POLLUTION LIABILITY INSURANCE**

\$1,000,000	Claims Made
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Contractor shall provide evidence of continuation or renewal of Pollution Liability Insurance for a period of two (2) years following termination of the Agreement.

F. NETWORK SECURITY & PRIVACY LIABILITY (CYBER)

\$1,000,000 Claims Made

Contractor shall provide evidence of continuation or renewal of Technology Errors & Omissions Insurance for a period of two (2) years following termination of the Agreement.

G. ABUSE AND MOLESTATION INSURANCE

\$300,000 Per Claim

\$300,000 Aggregate Limit

**ADDITIONAL INSURANCE REQUIREMENTS**

- A. The Contractor's General Liability policy shall be endorsed, specifically or generally, to include the following as Additional Insured:

**Lee COUNTY, ITS OFFICERS, AGENTS AND EMPLOYEES ARE INCLUDED AS ADDITIONAL INSURED WITH RESPECTS TO THE GENERAL LIABILITY INSURANCE POLICY.**

Additional Insured status for Completed Operations shall extend for a period of not less than three (3) years from the date of final payment.

- B. Before commencement of any work or event, Contractor shall provide a Certificate of Insurance in satisfactory form as evidence of the insurances required above.
- C. Contractor shall have no right of recovery or subrogation against Lee County (including its officers, agents and employees).
- D. It is the intention of the parties that the insurance policies afforded by contractor shall protect both parties and be primary and non-contributory coverage for any and all losses covered by the above-described insurance.
- E. Lee County shall have no liability with respect to Contractor's personal property whether insured or not insured. Any deductible or self-insured retention is the sole responsibility of Contractor.
- F. Notwithstanding the notification requirements of the Insurer, Contractor hereby agrees to notify County's Risk Manager at 408 Summit Avenue, Sanford NC 27330, within two (2) days of the cancellation or substantive change of any insurance policy set out herein. Lee, in its sole discretion, may deem failure to provide such notice as a breach of this Agreement.

- G. The Certificate of Insurance should note in the Description of Operations the following:

Department: Parks and Recreation  
Contract #: 4844-KCP Phase II

- H. Insurance procured by Contractor shall not reduce nor limit Contractor's contractual obligation to indemnify, save harmless and defend Lee County for claims made or suits brought which result from or are in connection with the performance of this Agreement.

- I. Certificate Holder shall be listed as follows:

Lee County  
Attention: Risk Manager  
408 Summit Avenue  
Sanford, NC 27330

- J. If Contractor is authorized to assign or subcontract any of its rights or duties hereunder and in fact does so, Contractor shall ensure that the assignee or subcontractor satisfies all requirements of this Agreement, including, but not limited to, maintenance of the required insurances coverage and provision of certificate(s) of insurance and additional insured endorsement(s), in proper form prior to commencement of services.

STATE OF NORTH CAROLINA  
COUNTY OF LEE

AGREEMENT

1. AGREEMENT. This agreement ("Agreement") is entered into on the 10<sup>th</sup> day of May, 2024, by and between Lee County, a political subdivision of the State of North Carolina ("County") and Marks Construction Company, LLC, ("Contractor"), whose business address is 3825 Deep River Road Sanford, NC 27330.

2. INDEPENDENT CONTRACTOR. Contractor shall be an independent contractor in all its activities pursuant to this Agreement. Neither Contractor nor any of its employees are to be considered County's employee or agent for any purpose including, but not limited to, the accrual of any employee benefits. Contractor is not authorized to represent County or otherwise bind County in any dealings between Contractor and third parties. Any employees furnished by Contractor under this Agreement shall be deemed to be Contractor's employees exclusively.

3. SCOPE OF THE WORK. Contractor shall furnish all labor, equipment, tools, materials, supplies, transportation, tests and supervision required to complete in a workmanlike manner the work described in the Engineered Stamped Drawings ("Drawings"), which were submitted with Contractor's bid.

4. PERIOD OF PERFORMANCE. This Agreement shall commence as of the date first written above and shall continue until terminated by either party in accordance with the terms of this Agreement. Contractor shall promptly commence Work and shall complete Work as required in the Project within 90 days. JUNE 17-21 E.A.M.

5. PAYMENT FOR WORK. Payment for work satisfactorily completed shall be made within thirty (30) days of receipt of invoice by County's finance office. Payment will be made in a lump sum to Contractor after County is satisfied with the project. The County will pay the Contractor an amount not to exceed \$95,544 for the scope of work for this project. Contractor shall submit documentation supporting its entitlement to payment as required by County, and County shall have no obligation to pay Contractor unless and until County has received such documentation. The County will not pay for late charges or finance charges assessed for any reason.

6. LICENSING REQUIREMENTS. Contractor represents and warrants that it holds a valid North Carolina General Contractor's License at all times in the performance of Work and that license meets the level of requirements for this project and shall submit to County a copy of said license. Any subcontractors retained by Contractor must also hold current, appropriate licenses.

7. PERMITS AND LICENSES. Unless otherwise agreed in writing in advance by County, Contractor shall obtain and pay for all licenses and permits that are required for it to perform Work.

8. COMPLIANCE WITH LAWS/COMPLIANCE WITH RULES AND POLICIES OF COUNTY. In performing the services pursuant to this Agreement, Contractor shall comply with all laws, rules, regulations, ordinances, codes, standards, and orders of any and all governmental bodies, agencies, authorities, and courts having jurisdiction. Contractor also shall comply with all rules and policies of County. Contractor will also perform background checks of his employees and require background checks of subcontractors.

9. INSURANCE. Contractor shall comply with the insurance requirements set forth in Exhibit B, attached and incorporated herein by reference.

No workers' compensation insurance shall be obtained by County concerning Contractor or the employees of Contractor. Contractor shall comply with the workers' compensation law concerning Contractor and the employees of Contractor.

10. TAXES. Contractor shall be responsible for paying all taxes, fees, assessments and premiums of any kind payable on its employees and operations. Contractor shall substantiate, on demand by County, that all taxes and other charges are being properly paid.

Pursuant to N.C.G.S. § 105-164.14, County is eligible for sales and use tax refunds on all materials which become a permanent part of the construction. Contractor agrees to provide County such documentation as may be necessary to meet the requirements of the North Carolina Department of Revenue regarding requests for refund of sales and use taxes. Such requirements include those described in the North Carolina Department of Revenue Sales and Use Tax Technical Bulletins § 18-2(F), outlined below:

To substantiate a refund claim for sales or use taxes paid on purchases of building materials, supplies, fixtures, and equipment by a contractor, County must secure from a contractor certified statements setting forth the specific required information. A "certified statement" is a statement signed by a contractor's County, a corporate officer of a contractor, or an employee of a contractor who is authorized to provide information set forth in the statement. The certified statement must include all of the following information:

- a. The date the property was purchased;
- b. The type of property purchased;
- c. The cost of property purchased and the amount of sales and use taxed paid thereon;
- d. The vendor from whom the property was purchased;
- e. The project for which the property was purchased;
- f. If the property was purchased in the State of North Carolina, the county to which it was delivered, or, if the property was not purchased in the State of North Carolina, the county in which the property was used; and
- g. The invoice number of the purchase.

In the event Contractor makes several purchases from the same vendor, such certified statement must indicate the invoice numbers, the inclusive dates of the invoices, the total amount of the invoices, and the State and local sales and use taxes paid thereon. Such statement must also include the cost of any tangible personal property withdrawn from Contractor's warehouse stock and the amount of State and local sales or use tax paid thereon by Contractor. Any local sales or use taxes included in Contractor's statements must be shown separately from the State sales or use taxes. Contractor's statements must not contain sales or use taxes paid on purchases of tangible personal property purchased by Contractor for use in performing the Contract which does not annex to, affix to or in some manner become a part of the building or structure that is owned or leased by a governmental agency and is being erected, altered or repaired for use by a governmental entity as defined by N.C.G.S. § 105-164.14(c). Examples of property on which sales or use tax has been paid by Contractor and which shall not be included in Contractor's certified statement are scaffolding, forms for concrete, fuel for the operation of machinery and equipment, tools, equipment, equipment repair parts and equipment rentals. Similar certified statements by Subcontractors must be obtained by Contractor and furnished to County.

Contractor shall submit notarized sales tax certificates which meet the requirements detailed above with each Application for Payment. Payment will not be made until the sales tax certificate(s) have been submitted to County. County is the recipient of sales tax refunds and no such funds shall be provided to Contractor, or claim made by Contractor therefor.

11. **WARRANTY OF WORK.** Contractor warrants that all Work shall be new, unless otherwise agreed upon, and of good quality and performed in a good and workmanlike manner. Contractor shall, at its own expense, at the request of County, promptly replace or repair any defective or deficient Work for a period of one year after completion of Work. The express warranty contained in this section shall not diminish any of County's rights against Contractor with respect to the time within which proceedings may be commenced to establish Contractor's liability with respect to Contractor's obligations other than specifically to correct Work.

12. **SAFETY.** Contractor shall establish and enforce safe working procedures at all times during its performance of Work in accordance with all federal, state and local laws, ordinances, rules and regulations pertaining to safety. Contractor shall ensure that any hazardous chemical use or transport must conform to OSHA's Hazard Communication Standard, Department of Transportation requirements and applicable EPA requirements. Contractor must provide the County a Material Safety Data Sheet with or prior to any shipment of any hazardous chemical or material.

13. **AGE LIMITS.** No employee of Contractor under the age of 18 shall be permitted on property owned or leased by County.

14. **CLEANUP.** Contractor shall keep its work areas clean of debris and excess materials, and at the end of each day will leave its work areas in broom-clean condition. If Contractor fails to clean up as required herein, County may clean up and deduct the cost from Contractor's payment. Contractor is also responsible for the removal of hazardous construction materials from the job site, and those will need to be disposed of in accordance with State, Federal and Local laws. Cleanup of the job site and removal of hazardous waste materials must occur within fourteen days.

15. **LIABILITY.** Contractor agrees to protect, defend, indemnify and hold County, its officers, employees and agents free and harmless from and against any and all losses, penalties, damages, settlements, costs, charges, professional fees or other expenses or liabilities of every kind and character arising out of or relating to any and all claims, liens, demands, obligations, actions, proceedings, or causes of action of every kind in connection with or arising out of this agreement and/or the performance hereof that are due, in whole or in part, to the negligence of the Contractor, its officers, employees, subcontractors or agents. Contractor further agrees to investigate, handle, respond to, provide defense for, and defend the same at its sole expense and agrees to bear all other costs and expenses related thereto. Contractor will ensure any and all Subcontractor agreements between Contractor and Subcontractor will include this same provision.

16. **DEFAULT/TERMINATION.** If Contractor fails or refuses to supply sufficient and properly skilled labor, equipment or materials, or fails in any respect to diligently prosecute Work, or otherwise is in default or breach of any term of this Agreement, County may terminate this Agreement upon 24 hours' written notice. In the event of such termination, Contractor immediately will stop work and remove its employees from County's property. County may complete the Work in whatever way it determines best, and at completion of the Work shall pay Contractor for the value of the Work performed by Contractor (excluding profit) but unpaid prior to the termination, less any costs incurred by County to correct any deficiencies or defects attributable to Contractor's work. If a bid bond has been required, the County will collect on the bid bond.

17. **TERMINATION FOR CONVENIENCE.** County may terminate this Agreement at any time upon three (3) days' written notice to Contractor. Such termination shall be effective in the manner specified in such written notice. Upon a termination for convenience, County shall pay Contractor for Work performed to the date of termination. Contractor shall accept such payment in full and final payment and shall make no claim of any kind against County, including but not limited to any claim for any additional payment.

18. **ASSIGNMENT.** Neither this Agreement, nor any payments to be earned pursuant to this Agreement, may be assigned by Contractor without the prior written consent of County.

19. **NO WAIVER.** The failure of the County to strictly enforce any of the provisions of this Agreement, or not exercise its options provided herein, shall not be construed as a waiver of its right thereafter to require such compliance or to exercise any such options.

20. **E-VERIFY.** E-Verify is the federal program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program, used to verify the work authorization of newly hired employees pursuant to federal law. Contractor shall ensure that Contractor and any subcontractor performing work under this Agreement: (i) uses E-Verify if required to do so by North Carolina law; and (ii) otherwise complies with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes. A breach of this provision by Contractor will be considered a breach of this Agreement, which entitles County to terminate this Agreement, without penalty, upon notice to

Contractor.

21. IRAN DIVESTMENT ACT. Pursuant to Article 6E of Chapter 147 of the North Carolina General Statutes, County must require most entities with which it contracts, which would include the Contractor under this Agreement, to certify that the entity is not identified on a list created by the State Treasurer pursuant to N.C.G.S. § 147-86.58 (the "Final Divestment List"). This requirement is related to ensuring that entities with which local governments contract are not involved in investment activities in Iran. The Contractor certifies that: (i) it is not listed on the Final Divestment List; and (ii) it will not utilize any subcontractor performing work under this Agreement which is listed on the Final Divestment List.

22. ENTIRE AGREEMENT. This Agreement represents the entire agreement of the parties, and may not be modified except in writing signed by both parties.

23. GOVERNING LAW. This agreement shall be construed and enforced in accordance with the laws of the State of North Carolina. The parties to this agreement confer exclusive jurisdiction of all disputes arising hereunder upon the General Courts of Justice Lee County, North Carolina.

24. NOTICE TO COUNTY. Contractor shall immediately notify the County of any problems or issues that arise during the course of the performance of this contract, including but not limited to, delays in shipping, faulty products or materials, delays in progress, unexpected circumstances or budgetary issues.

25. NON-APPROPRIATION CLAUSE. Contractor acknowledges that Lee County is a governmental entity, and the contract validity is based upon the availability of public funding under the authority of its statutory mandate. In the event that public funds are unavailable and not appropriated for the performance of Lee County's obligations under this contract, then this contract shall automatically expire without penalty to Lee County thirty (30) days after written notice to Contractor of the unavailability and non-appropriation of public funds. It is expressly agreed that Lee County shall not activate this non-appropriation provision for its convenience or to circumvent the requirements of this contract, but only as an emergency fiscal measure during a substantial fiscal crisis, which affects generally its governmental operations. In the event of a change in the Lee County's statutory authority, mandate and mandated functions, by state and federal legislative or regulatory action, which adversely affects Lee County's authority to continue its obligations under this contract, then this contract shall automatically terminate without penalty to Lee County upon written notice to Contractor of such limitation or change in Lee County's legal authority.

26. CONFLICT OF INTEREST. If this is a contract for design, engineering, contract administration or similar services, the Contractor will not enter into contracts or agreements with third parties that may present a potential for conflict of interest between Lee County and the third parties regarding the subject matter of this Contract or Agreement.



27. DIVESTMENT FROM COMPANIES THAT BOYCOTT ISRAEL. Contractor certifies that (a) it is not identified on the Israel Boycott List or any other list created by the NC State Treasurer pursuant to N.C.G.S. 147—86.80 et al and (b) it will not take any action causing it to appear on any such list during the term of the contract agreement.

28. NON DISCRIMINATION IN EMPLOYMENT. The Contractor will not discriminate again any employee or applicant for employment because of age, sex, race, creed, national origin or disability. In the event Contractor is determined by the final order of an appropriate agency or court to be in violation of this provision or any non-discrimination provision of federal, state or local law, this Contract may be suspended or terminated, in whole or in part by the County. In addition, the Contractor may be declared ineligible for further contracts with the County.

29. Gov Ops. Contractor acknowledges that by contracting with Lee County and receiving public funds, they may be subject to potential examination, evaluation and investigation, including access to buildings and documents and compelled testimony, by the Joint Legislative Commission on Governmental Operations under Section 27.10(b) of North Carolina S.L. 2023-134. Contractor acknowledges that Lee County has no control over the Commission and its activities.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed, this the day and year first above written.

ATTEST

LEE COUNTY

By: *Emily Hall*  
Clerk to the Board of Commissioners

By: *Kim Emitter*  
Chair, Board of Commissioners

ATTEST

CONTRACTOR

By: \_\_\_\_\_

By: *Est. M. h.*



EXHIBIT B  
INSURANCE REQUIREMENTS

At Contractor's sole expense, Contractor shall procure and maintain the following minimum insurances with insurers authorized to do business in North Carolina and rated A-VII or better by A.M. Best.

A. WORKERS' COMPENSATION

Statutory limits covering all employees, including Employer's Liability with limits of:

\$500,000	Each Accident
\$500,000	Disease - Each Employee
\$500,000	Disease - Policy Limit

B. COMMERCIAL GENERAL LIABILITY

Covering Ongoing and Completed Operations involved in this Agreement.

\$2,000,000	General Aggregate
\$2,000,000	Products/Completed Operations Aggregate
\$1,000,000	Each Occurrence
\$1,000,000	Personal and Advertising Injury Limit
\$5,000	Medical Expense Limit

C. COMMERCIAL AUTOMOBILE LIABILITY

\$1,000,000	Combined Single Limit - Any Auto
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D. PROFESSIONAL LIABILITY

\$1,000,000	Claims Made
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Contractor shall provide evidence of continuation or renewal of Professional Liability Insurance for a period of two (2) years following termination of the Agreement.

E. POLLUTION LIABILITY INSURANCE

\$1,000,000	Claims Made
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Contractor shall provide evidence of continuation or renewal of Pollution Liability Insurance for a period of two (2) years following termination of the Agreement.

F. NETWORK SECURITY & PRIVACY LIABILITY (CYBER)

\$1,000,000 Claims Made

Contractor shall provide evidence of continuation or renewal of Technology Errors & Omissions Insurance for a period of two (2) years following termination of the Agreement.

G. ABUSE AND MOLESTATION INSURANCE

\$300,000 Per Claim  
\$300,000 Aggregate Limit

**ADDITIONAL INSURANCE REQUIREMENTS**

- A. The Contractor's General Liability policy shall be endorsed, specifically or generally, to include the following as Additional Insured:

**LEE COUNTY, ITS OFFICERS, AGENTS AND EMPLOYEES ARE INCLUDED AS ADDITIONAL INSURED WITH RESPECTS TO THE GENERAL LIABILITY INSURANCE POLICY.**

Additional Insured status for Completed Operations shall extend for a period of not less than three (3) years from the date of final payment.

- B. Before commencement of any work or event, Contractor shall provide a Certificate of Insurance in satisfactory form as evidence of the insurances required above.
- C. Contractor shall have no right of recovery or subrogation against Lee County (including its officers, agents and employees).
- D. It is the intention of the parties that the insurance policies afforded by contractor shall protect both parties and be primary and non-contributory coverage for any and all losses covered by the above-described insurance.
- E. County shall have no liability with respect to Contractor's personal property whether insured or not insured. Any deductible or self-insured retention is the sole responsibility of Contractor.
- F. Notwithstanding the notification requirements of the Insurer, Contractor hereby agrees to notify County's Risk Manager at 408 Summit Avenue, Sanford NC 27330, within two (2) days of the cancellation or substantive change of any insurance policy set out herein. County, in its sole discretion, may deem failure to provide such notice as a breach of this Agreement.
- G. The Certificate of Insurance should note in the Description of Operations the

following:

Department: Parks and Recreation  
Contract #: Project # 4844-KCP Phase II

H. Insurance procured by Contractor shall not reduce nor limit Contractor's contractual obligation to indemnify, save harmless and defend Lee County for claims made or suits brought which result from or are in connection with the performance of this Agreement.

I. Certificate Holder shall be listed as follows:

Lee County  
Attention: Risk Manager  
408 Summit Avenue  
Sanford, NC 27330

J. If Contractor is authorized to assign or subcontract any of its rights or duties hereunder and in fact does so, Contractor shall ensure that the assignee or subcontractor satisfies all requirements of this Agreement, including, but not limited to, maintenance of the required insurances coverage and provision of certificate(s) of insurance and additional insured endorsement(s), in proper form prior to commencement of services.

**NORTH CAROLINA, LEE COUNTY**  
Presented for registration on this 10<sup>th</sup> day  
of June 20, 2024 at 1:40 AM (PM)  
recorded in Book 371 Page 660  
Pamela G. Britt, Register of Deeds