

ASHEBORO CITY BOARD OF EDUCATION

July 19, 2018

7:30 p.m.

Asheboro High School

Professional Development Center

5:00 p.m. - Dinner

5:30 p.m. - Board Retreat

7:15 p.m. - Finance Committee

I. Opening

- A. Call to Order
- B. Moment of Silence
- C. Pledge of Allegiance – Chairman Lamb
- *D. Approval of Agenda

II. Public Comments

- A. Citizens who signed up to address the Board will be called on to make comments. Each individual speaker will be allowed three to five minutes for remarks. Issues or concerns involving personnel matters are not appropriate for the public comment setting.

III. *Consent Agenda

- A. Approval of Minutes – June 14, 2018
- B. School Treasurers 2018-2019
- C. Payroll Calendar 2018-2019
- D. Sodexo Contract Amendment for Meal Services 7-1-18 to 6-30-19
- E. Policies Recommended for Approval – Dr. Drew Maerz
 - Policy 3565/8307 – Title I Program Comparability of Services
 - Policy 4700 – Student Records
 - Policy 5010 – Parent Organizations
 - Policy 5070/7350 – Public Records – Retention, Release, and Disposition
 - Policy 5220 – Collections and Solicitations
 - Policy 6520 – Use of Equipment, Materials, and Supplies
- F. North Asheboro Middle School Overnight Field Trip Request, Washington, DC, April 3-5, 2019
- G. Personnel Items

IV. Information, Reports and Recommendations

- A. Middle School Beginning and Ending Time Adjustments – Dr. Sean McWherter
- B. 2018-2019 Alternative Calendar Review – Dr. Sean McWherter
- C. 2019-2020 Alternative Calendar Review – Dr. Sean McWherter
- D. Policies Recommended for 30-Day Review – Dr. Drew Maerz
 - Policy 3200 – Selection of Instructional Materials
 - Policy 4400 – Attendance
 - Policy 5030 – Community Use of Facilities
 - Policy 6220 – Operation of School Nutrition Services
 - Policy 6442 – Vendor Lists
 - Policy 7100 – Recruitment and Selection of Personnel

- Policy 7240 – Drug-Free and Alcohol-Free Workplace
- Policy 7620 – Payroll Deductions
- Policy 8305 – Federal Grant Administration

V. Superintendent’s Report/Calendar of Events

- A. Calendar of Events – Carla Freemyer
- B. 2017-2018 Preliminary Data – Dr. Terry Worrell
- C. Credit by Demonstrated Mastery – Dr. Terry Worrell
- D. 2017-2018 Strategic Plan Goals End of Year Report – Dr. Terry Worrell

VI. Board Operations

- A. Important Dates to Remember – Chairman Lamb

VII. Closed Session (NC General Statute 143-318.11.A1) – Discuss the Superintendent’s Annual Evaluation

VIII. Adjournment

Asheboro City Schools' Board of Education meetings are paperless. All information for the board meetings may be viewed at <http://www.asheboro.k12.nc.us> under Board of Education the Friday following the board meeting.

*Item(s) requires action/approval by the Board of Education

ASHEBORO CITY BOARD OF EDUCATION

July 19, 2018

7:30 p.m.

Asheboro High School

Professional Development Center

Agenda Addendum

5:00 p.m. – Retreat Dinner – Snyder Farms

5:30 p.m. – Retreat - The Colors of Leadership – Dr. Julie Pack

7:15 p.m. – Finance Committee

7:30 p.m. – Board of Education

- I. Opening**
- II. Public Comments**
- III. Consent Agenda**
 - G. Personnel Addendum**
- IV. Information, Reports, and Recommendations**
- V. *Action Items – Added**
 - A. Asheboro High School Project – Scott Eggleston, Attorney**
 - Resolution
 - Administrative Agreement
 - Lease Agreement
- VI. Superintendent’s Report / Calendar of Events**
 - A. Calendar of Events - Updated**
- VII. Board Operations**
- VIII. Closed Session**
- IX. Adjournment**

*Item(s) requires Board approval

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**Board of Education Meeting
June 14, 2018**

Policy Committee

Staff members present:

Dr. Terry Worrell
Carla Freemyer

Dr. Aaron Woody
Dr. Drew Maerz

Dr. Sean McWherter

Board members present:

Gidget Kidd
Dr. Beth Knott

Kyle Lamb
Michael Smith

Linda Cranford

Mrs. Cranford called the meeting to order at 6:00 p.m. and referred to Dr. Maerz who began review of the agenda.

- Policy 3200 – Selection of Instructional Materials
 - Updates Section A’s definition of “textbook” per State Board of Education changes
- Policy 4400 - Attendance
 - Added language pertaining to absences of McKinney Vento students
 - Updated legal references and cross references
- Policy 5030 – Community Use of Facilities
 - Updated legal references
- Policy 6220 – Operation of School Nutrition Services
 - Language updates and legal reference updates
- Policy 6442 – Vendor Lists
 - Minor language updates including updates to cross references
- Policy 7100 – Recruitment and Selection of Personnel
 - Added circumstances under which the superintendent or designee may forgo publicizing a vacancy before filling it.
- Policy 7240 – Drug-Free and Alcohol-Free Workplace
 - Updated policy references
- Policy 7620/8515
 - Renumbering policy – removing “8515”
 - Updated list of authorized salary deductions
- Policy 8305 – Federal Grant Administration
 - New policy

All policies will go to the Board for 30-day review in July.

With no further business, the meeting was adjourned at 6:12 p.m.

Finance Committee

The Finance Committee convened at 6:45 p.m. in the Professional Development Center conference room.

The following board members were present:

Kyle Lamb	Archie Priest	Baxter Hammer
Gustavo Agudelo	Gwen Williams	

Staff members present were:

Dr. Terry Worrell	Harold Blair	Kristen Wright
Sandra Spivey		

Others present:

Scott Eggleston, Attorney

Board Attorney, Scott Eggleston reviewed the Board of Education's current General Liability insurance policy with the North Carolina School Boards Trust. Ms. Spivey discussed the School Nutrition items in the consent agenda for the June 14th board meeting. The Sodexo contract is being amended to include the dates of the Summer Feeding program. The School Nutrition Procurement Plan is being updated to reflect the new Uniform Guidance rules for purchasing in federal programs.

Mr. Blair discussed the two Budget Amendments under the consent agenda and the Interim Budget for the 2018-2019 school year.

There being no further business, the meeting adjourned at 7:25 p.m.

Board of Education

The Asheboro City Board of Education met in open session at 7:31 p.m. in the Professional Development Center with the following members present:

Kyle Lamb, Chair	Gustavo Agudelo	Linda Cranford
Baxter Hammer	Gidget Kidd	Dr. Beth Knott
Archie Priest, Jr.	Michael Smith	Gwen Williams
Scott Eggleston, Attorney		

Staff members present:

Superintendent Terry Worrell	Dr. Aaron Woody	Anthony Woodyard
Dr. Drew Maerz	Carla Freemyer	Dr. Julie Pack
Dr. Sean McWherter	Michael Mize	Dr. Cayce Favasuli

Chairman Lamb called the meeting to order and welcomed all in attendance.

Following a moment of silence, students from Lindley Park Elementary School and Guy B. Teachey Elementary School led the Pledge of Allegiance.

Upon motion made by Mr. Smith, seconded by Mr. Hammer, the Board unanimously approved the meeting agenda.

Special Recognition and Presentations

Community Partner Spotlight: Ms. Carla Freemyer recognized Randolph Community College for their long-standing partnership to provide exceptional learning opportunities for Asheboro City Schools students and staff as the Community Partner for the month of June. Ms. Freemyer welcomed Dr. Bob Shackelford, Randolph Community College President, thanking him for the college's partnership.

Board Spotlight: Mr. Ross Holt, from the Asheboro/Randolph Public Library, presented information on the 1839 Asheboro Female Academy. The historic building has been recently restored and will be available to students and others for tours and potentially provide meeting space for small groups in the community. On June 27, 2018, the Randolph County Historic Landmark Preservation Commission will be recommending that the Academy structure be designated as a historic landmark.

Ms. Carla Freemyer recognized Ms. Amy Duckworth, Asheboro City Schools central office accountant, as the 2018 Classified Employee of the Year.

Dr. Aaron Woody recognized Ms. Kim Hoffman, South Asheboro Middle School media assistant, as the 2018 Instructional Assistant of the Year.

Dr. Julie Pack recognized Ms. Suzanne Benhart, Asheboro High School Band Director, who recently received the Central District Bandmasters Award of Excellence.

Dr. Julie Pack recognized Miss Rebecca Leveille, South Asheboro Middle School eighth grader, who received special recognition through the Duke University Talent Identification Program for her outstanding achievement on the SAT/ACT which was taken during her seventh-grade year.

Dr. Julie Pack recognized Mr. Tommy Huynh, Asheboro High School senior, one of 20 students in North Carolina selected to represent Asheboro City Schools and the state in the national U.S. Presidential Scholars Program. Nomination criteria included high academic success while overcoming obstacles.

Dr. Terry Worrell recognized Ms. Amy Day, Principal of Guy B. Teachey Elementary School, on her upcoming retirement following five years of service in Asheboro City Schools.

Public Comments

Chairman Lamb opened the floor to public comments. There were no requests to address the Board.

Consent Agenda

Upon motion by Mr. Agudelo, seconded by Ms. Williams, the following items under the Consent Agenda were approved:

- A. Minutes – April 12, 2018 Board of Education Meeting
- B. Amended Minutes of Budget Work Session on 4-12-18
- *C. Policies Recommended for Approval:
 - Policy 2670 – Business Advisory Council
 - Policy 3110 – Innovation in Curriculum and Instruction
 - Policy 4124 – Transfer of Students to Other School Districts
 - Policy 6110 – Organization of the Student Health Services
 - Policy 6430 – Purchasing, Requirements for Equipment, Materials, and Supplies
 - Policy 6440 – Local Purchasing Requirements for Equipment, Materials, and Supplies (Policy number being removed due to consolidation with Policy 6430.)

- Policy 9205 – Pest Management

- *D. Application for Career and Technical Education (CTE) State/Federal Funding for 2018-2019
 - *E. North Carolina Association for Supervision and Curriculum Development Whole Child Resolution
 - *F. Summer Food Service Contract – Sodexo
 - *G. School Nutrition Procurement Plan
 - *H. Budget Amendment S-03
 - *I. Budget Amendment F-02
 - *J. Interim Budget for 2018-2019
 - *K. Overnight Field Trip Request, Asheboro High School Yearbook Staff, July 23-25, 2018, Wrightsville Beach, NC
 - *L. Overnight Field Trip Request, Asheboro High School Women’s Basketball Team, June 21-24, 2018, University of North Carolina – Chapel Hill
 - *M. Overnight Field Trip Request, Asheboro High School FFA Chapter, October 24-27, 2018, Indianapolis, IN
- N. Personnel:

I. RESIGNATIONS/RETIREMENTS/SEPARATIONS

LAST	FIRST	SCHOOL	SUBJECT	EFFECTIVE
Almond	Rita	NAMS	Math/Science	6/13/2018
Davis	Hollyn	AHS	English	6/13/2018
Hayes	Robin	BAL	Instructional Assistant	6/30/2018
Kinney	Nathan	SAMS	Social Studies	6/13/2018
McElroy	David	SAMS	Mathematics	6/13/2018
McElroy	Rachel	SAMS	Mathematics	6/13/2018
Park	Linda	ECDC	Instructional Assistant	6/30/2018
Spector	Mirelle	LP	Instructional Assistant/EC (part-time)	6/8/2018
Szabo	Emily	AHS	Exceptional Children	6/13/2018
Trollinger	Sarah	SAMS	Mathematics	6/30/2018
Davidson	Amanda	AHS	Spanish	6/13/2018
Delk	Rebecca	DLL	5th grade	6/13/2018
Eggleston	Lori	CO	Secretary	7/17/2018
Falkowski	Wendy	GBT	Speech Language	6/13/2018
Moorman	Meredith	AHS	Chorus	6/13/2018
Myers	Tamara	SAMS	Exceptional Children	6/8/2018
Smith	Ashley	DLL	3rd grade	6/13/2018

II. APPOINTMENTS

LAST	FIRST	SCHOOL	SUBJECT	EFFECTIVE
Luther	Paulette	CO	Substitute Bus Driver	5/15/2018
Moore	Alina	AHS	Exceptional Children	8/15/2018
Woodle	Shea	AHS	Non-Faculty Coach (Volleyball)	6/17/2018
Duraski	Hannah R.	AHS	Band	8/1/2018
Lawson	Rebecca	NAMS	ISS/Instructional Assistant	8/15/2018
Longerbeam	Janet	NAMS	Band	8/15/2018
Rouse	Ra'Tasha	NAMS	Science	8/15/2018
Swails	Elizabeth	DLL	3rd grade	8/9/2018

	"Katie"			
Williams	Joseph	AHS	Mathematics	8/15/2018

III. Transfers

LAST	FIRST	SCHOOL	SUBJECT	EFFECTIVE
Hall	Donna	LP to SAMS	4th Grade to English Language Arts	8/15/2018
Hutton	Ashley	CWM to LP	5th Grade	8/15/2018
McKinnon	Leslie	GBT to NAMS	Exceptional Children	8/15/2018
O'Neal	Andrea	BAL to LP	Speech Pathologist	8/15/2018
Sula	Teresa	BAL to CO	EC Teacher to EC Program Facilitator	8/15/2018
Tufts	Elizabeth	NAMS to SAMS	Exceptional Children	8/15/2018
	Charles			
Hinson	"Chuck"	SAMS to AHS	Spanish	8/15/2018
Stewart	Claudia	DLL to CWM	Exceptional Children	8/15/2018
Stookey	Greta	CWM to AHS	Exceptional Children	8/15/2018
Vamospercsi	Stephen	NAMS to SAMS	Science to Mathematics	8/15/2018

IV. ADMINISTRATOR CONTRACTS

Burian	Christopher	DLL	Assistant Principal	8/1/2018 - 6/30/2020
Groseclose	Graham	CWM/LP	Assistant Principal	8/1/2018 - 6/30/2020

*O. Overnight Field Trip Request, South Asheboro Middle School 8th Grade, March 6-8, 2019, Washington, D.C.

*A copy is made a part of these minutes.

Information, Reports and Recommendations

A. Policies Recommended for 30-Day Review – Dr. Drew Maerz

- Policy 3565/8307 – Title I Program Comparability of Services
- Policy 4700 – Student Records
- Policy 5010 – Parent Organizations
- Policy 5070/7350 – Public Records – Retention, Release, and Disposition
- Policy 5220 – Collections and Solicitations
- Policy 6520 – Use of Equipment, Materials, and Supplies

*B. Dr. Aaron Woody provided an update on Summer Programs and Reading and Math Standards.

*C. Dr. Julie Pack provided an overview of the Advanced Manufacturing Pathways Camp (AMP) offered to students and teachers in conjunction with Randolph Community College.

*D. Dr. Sean McWherter reviewed the Sanford Harmony curriculum which has been selected to assist in serving the social/emotional needs of our students.

*E. Mr. Anthony Woodyard presented an overview of the new systemwide VoIP telephone system which is currently in the testing stage. A district-wide implementation plan will be put in place following the successful completion of trial testing.

F. Dr. Terry Worrell provided an update on the 2017-2018 Teacher Leadership Academy noting that it will conclude following a summer retreat focused on leadership. The 2018-2019 Teacher Leadership Cohort 9 has been selected and training plans are underway.

*G. Dr. Sean McWherter presented alternative calendars for consideration for the 2018-2019 and 2019-2020 school years at the request of the Calendar Committee. The alternative calendars allow for the first semester completion and exams prior to the Christmas holiday. Dr. McWherter also presented

for consideration a change in the beginning and end times of the instructional day for middle schools from the current 8:30 a.m. to 3:30 p.m. day to 8:20 a.m. to 3:20 p.m. In addition to receiving two additional school buses, this change would eliminate the need for double bus routes, reduces the number of buses needed at Asheboro High School, which may reduce traffic congestion at Asheboro High School and South Asheboro Middle School. Upon motion by Mr. Hammer, and seconded by Dr. Knott, the Board unanimously approved for the alternative calendars and change of middle school hours to be placed on the district's website for 30-day review and the collection of public comments. Parents are to be notified of this review time through social media and Connect Ed calls. Public comments are to be presented for review at the July 19, 2018, Board of Education meeting.

- *H. Dr. Julie Pack presented information regarding the Articulation Agreement between Asheboro City Schools and Randolph Community College. Upon motion by Ms. Cranford, seconded by Ms. Kidd, the agreement was unanimously approved for the 2018-2019 school year.

Action Items:

- A. Mr. Reynolds Lisk was presented as a candidate for the Randolph Community College Board of Trustees for a four-year term. On motion by Mr. Smith, seconded by Ms. Kidd, the Board unanimously approved the reappointment of Mr. Lisk to the Randolph Community College Board of Trustees for a four-year term beginning July 1, 2018.
- *B. Superintendent Worrell presented the 2018 Graduation Guarantee. The guarantee states that if an employer is not satisfied with a graduate's basic skills, the graduate will be offered free additional coursework. Upon a motion made by Ms. Kidd, seconded by Mr. Agudelo, the Board unanimously approved the Graduation Guarantee.

*A copy is made a part of these minutes.

Superintendent's Report/Calendar of Events

- A. Ms. Carla Freemyer shared the *Points of Pride* and *Calendar of Events* noting the next Board of Education meeting will be on July 19, 2018. The meeting will be preceded by the annual Board Retreat beginning at 5:30 p.m. in the Professional Development Center.
- B. Superintendent Worrell presented an update on the 2017-2018 Board Goals including the following:
 - Congratulated the Class of 2018 on earning over \$7,000,000 in scholarships and grants to further their education.
 - 100% of the Nursing Fundamental Students passed the Certified Nursing Assistant Exam in June 2018.
 - All elementary schools attended Aimsweb data coaching sessions. Additional support is planned to continue partnering with instructional facilitators to support on-going problem-solving with data during CASA meetings.
 - In the spring, 25 eighth graders became Cohort 2 of the Early College Academy and most of those students will take an online class through Asheboro High School this summer.
 - Each middle school received 25 iPads for use in learning coding and mobile application development this spring as a result of the Coding and Mobile App grant from the North Carolina Department of Public Instruction.
 - On May 22, 2018, Asheboro High School held a Community Engagement Night to showcase integrated works of students through community service and learning projects.
 - The Asheboro City Schools Educational Foundation awarded 27 college scholarships.
 - On June 8, 2018, 322 students graduated from Asheboro High School.
 - Out of 1,743 fourth through eighth grade students, 559 received the Young Scholar Award for having no grade below a B for the entire 2017-2018 school year.
 - All schools met or exceeded the Superintendent's Reading Challenge goal.

- Forty-nine students will test for Credit by Demonstrated Mastery during the summer of 2018.
- The Curriculum Department has formed a K-12 writing team to focus on writing across the district and develop a writing plan for all grade levels.

Board Operations

- A. Chairman Lamb reviewed important upcoming events.
- *B. Chairman Lamb shared the dates of the Board of Education meetings for 2018-2019.
*A copy is made a part of these minutes.

Closed Session

Upon motion by Mr. Smith, seconded by Mr. Agudelo, and unanimously carried, the Board approved to move to closed session under NC General Statute 143-318.11.A1, to prevent disclosure of information that is privileged or confidential pursuant to the law of this State or of the United States, or not considered a public record within the Meaning of Chapter 132 of the General Statutes to discuss the Superintendent’s annual evaluation at 10:14 p.m.

Upon motion by Ms. Cranford, seconded by Ms. Kidd, and unanimously carried at 10:25 p.m., the Board opened closed session to discuss the Superintendent’s annual evaluation.

Upon motion by Mr. Hammer, seconded by Mr. Smith, and unanimously carried, the Board moved to end closed session at 11:30 p.m. and return to open session.

Adjournment

There being no further business and upon motion by Mr. Priest, seconded by Ms. Agudelo, and unanimously approved, the Board approved to adjourn at 11:31 p.m.

Chairman

Secretary

**School Treasurers
2018-2019**

Jamie H. Baker
Asheboro High School

Lisa M. Rhodes
South Asheboro Middle School

Donna B. Hill
Balfour Elementary School

Tammy R. Davidson
Early Childhood Development Center

Renee B. Brewer
Charles W. McCrary Elementary School

Carrie A. Dorrity
Donna Lee Loflin Elementary School

Tina E. Poole
Guy B. Teachey

Nicole L. Cox
Lindley Park Elementary School

Faye C. McLeod
North Asheboro Middle School

ASHEBORO CITY SCHOOLS

2018-2019

SCHEDULED PAY DATES

MID-MONTH PAYROLL (10 Month hourly employees)		END OF MONTH PAYROLL (All employees except 10 month hourly)	
July	13	July	31
August	15	August	31
September	14	September	28
October	12	October	31
November	14	November	30
December	14	December	31
January	14	January	31
February	14	February	28
March	14	March	29
April	12	April	30
May	14	May	31
June	14	June	26

AMENDMENT

ASHEBORO CITY SCHOOL DISTRICT

AND

SODEXO MANAGEMENT, INC.

THIS AMENDMENT, dated July 19, 2018, is between ASHEBORO CITY SCHOOL DISTRICT ("SFA" or "District") and SODEXO MANAGEMENT, INC. ("FSMC" or "Sodexo").

W I T N E S S E T H:

WHEREAS, FSMC submitted a proposal on May 5, 2014 ("Proposal") in response to SFA's Request for Proposal ("RFP") dated March 17, 2014; and

WHEREAS, SFA and FSMC entered into a certain Management Agreement, dated July 1, 2014 as amended ("Agreement"), whereby FSMC manages and operates SFA's Food Services operation in Asheboro, North Carolina;

WHEREAS, the parties now desire to further amend the aforesaid Agreement;

NOW, THEREFORE, in consideration of the promises herein contained and for other good and valuable consideration, the parties hereto agree as follows:

1. As per Section P.1 of the Request for Proposal and Contract, the Term of the Agreement is hereby extended to cover the period July 1, 2018 to June 30, 2019.

2. Attachment B is to reflect the following:

Maximum Allowable Charge per Meal	\$1.550
Management Fee per Meal	<u>\$0.050</u>
Total Firm, Fixed Price Cost	\$1.600

4. Break-even Guarantee: If Food Service program result in a Deficit during the 2018-2019 school year, the following shall apply:

(i) Sodexo shall reimburse District for the Food Service program Deficit in any amount.

Amounts pursuant to this Section, shall be paid within thirty (30) days after the final audited Surplus/Deficit is released.

For purposes of calculating the Surplus/Deficit as it relates to the Break-even Guarantee the following definition shall apply:

Surplus/Deficit. The Surplus/Deficit shall be defined in accordance with the Audited financial Statements as Income/(Loss) before transfers plus transfers in from the State Public School Fund.

5. Assumptions. Financial terms of the Agreement are based upon existing conditions and the following assumptions. If there is a change in conditions, including, without limitation, changes to the following assumptions, the financial terms of the Agreement, including the Guarantee, shall be adjusted to compensate for such change at the District's discretion.

A) Prices to be charged for meals during the 2018-2019 academic year shall be as follows:

	Elementary	Middle	High
Breakfast:			
Paid:	\$.80	\$.80	\$.80
Reduced:	\$.30	\$.30	\$.30
Lunch:			
Paid:	\$2.00	\$2.10	\$2.10
Reduced:	\$.40	\$.40	\$.40

B) The projected number of full feeding days shall remain at
Elementary 179
Middle 179
High School 178

C) There shall be no competitive sales during all service hours.

D) A la Carte sales shall be permitted at all locations for the term of the contract.

E) The District shall not inhibit Sodexo from being able to serve hot breakfasts.

7. Sodexo agrees to comply with the final rule, "Nutrition Standards in the National School Lunch and School Breakfast Programs" issued by the US Department of Agriculture on January 26, 2012.

8. Sodexo will comply with all requirements pertaining to the meal pattern and dietary standards for reimbursable meals served in the NSLP as prescribed in 7 CFR 210 and the SBP as prescribed in 7 CFR 220.

9. Sodexo will comply with the nutrient content of a la carte and snack items under its purview as indicated in the Smart Snacks Interim Final Rule issued June 25, 2013.

10. This Amendment is effective July 1, 2018, and thereafter, unless

amended. All other terms and conditions contained in the Agreement shall remain unchanged and in full force and effect, except by necessary implication.

IN WITNESS WHEREOF, the duly authorized officers of the parties have executed this Amendment, as of the date indicated in the first paragraph of this Amendment.

ASHEBORO CITY SCHOOL DISTRICT

By: _____

Name (printed): B. Harold Blair Jr.

Title: Assistant Superintendent of Business and Finance

SODEXO MANAGEMENT, INC.

By: _____

Name (printed): _____

Title: _____

Policies
For
Approval

TITLE I PROGRAM COMPARABILITY OF SERVICES

Policy Code: **3565/8307**

To improve the academic achievement of educationally and economically disadvantaged children, the board will participate in the federal Title I program.

A. TITLE I MAINTENANCE OF EFFORT

The school system will maintain fiscal effort with state and local funds as required to be eligible for the receipt of funds through Title I, Part A of the Elementary and Secondary Education Act, as amended.

B. USE AND ALLOCATION OF TITLE I FUNDS

Title I funds will be used to supplement, and not to supplant, non-federal funds that would otherwise be used for the education of students participating in the Title I program. Accordingly, state and local funds will be allocated to each school receiving Title I funds in a manner that ensures that each such school receives all of the state and local funds it would otherwise receive in the absence of Title I funding.

C. COMPARABILITY OF SERVICES

State and local funds will be used in schools receiving Title I funds to provide services that, taken as a whole, are at least comparable to services in schools that are not receiving Title I funds, or, if all schools receive Title I funds, to provide services that are substantially comparable in each school. The board will ensure equivalence among schools in the allocation of state and local resources for (1) teachers, administrators, and other staff, and (2) curriculum materials and instructional supplies. In addition, the board will establish and implement system-wide salary scales that are applicable to all staff whether assigned to Title I or non-Title I schools.

D. COMPARABILITY TESTING

The superintendent shall direct the Title I director, in conjunction with the finance officer, to conduct comparability testing before November 1 of each school year to assess the equivalent distribution of state and local resources among schools.; The Title I director will determine annually whether to compare student enrollment to instructional staff or to instructional staff salary and also whether schools will be examined on a grade-span basis or on a school-by-school basis. The following will be excluded when determining comparability: (1) any resources paid with federal or private funds; (2) supplemental state or local funds expended for programs that meet the intent and purpose of Title I; (3) staff salary differentials for years of employment; (4) unpredictable changes in student enrollment or personnel assignments that occur after the beginning of a school year; (5) state and local funds expended for language instruction programs; and (6) excess costs of providing services to students with disabilities. Comparability testing will be completed

using the forms and following the guidance created by the North Carolina Department of Public Instruction (NCDPI) for the calculation of comparability. The superintendent or designee shall submit the comparability testing report annually to NCDPI by the deadline established by that agency.

E. CORRECTION OF NONCOMPLIANCE

If comparability testing identifies any instances of variance greater than 10%, the Title I director shall notify the superintendent or designee without delay. The superintendent or designee shall promptly make adjustments as needed to ensure comparability. These adjustments may include, but need not be limited to, reallocation of materials or supplies, or reassignment of personnel.

F. DOCUMENTATION OF COMPLIANCE WITH TITLE I FISCAL REQUIREMENTS

The superintendent or designee shall provide in a timely manner all any assurances, additional documentation, or other information required by the State Board of Education/NCDPI to demonstrate the school system's compliance with Title I fiscal requirements.

G. RECORDS MAINTENANCE

The superintendent or designee shall maintain reports and other documentation demonstrating compliance with the requirements of this policy, including documentation to demonstrate that any needed adjustments to staff assignments were made annually, for review by the North Carolina Department of Public Instruction or auditors upon request.

The superintendent shall ensure that all other requirements for receiving Title I funds are fulfilled in an accurate and timely manner and shall develop, or cause to be developed, any additional procedures necessary to implement this policy.

Legal References: Elementary and Secondary Education Act, 20 U.S.C. 6301 *et seq.*, 34 C.F.R. pt. 200

Other Resources: *Non-Regulatory Guidance, Title I Fiscal Issues*, U.S. Department of Education (February 2008), available at <http://www2.ed.gov/programs/titleiparta/fiscalguid.pdf>

Adopted: March 9, 2017

All student records must be current and maintained with appropriate measures of security and confidentiality. The principal is responsible for complying with all legal requirements pertaining to the maintenance, review, and release of records retained at the school.

A. ANNUAL NOTIFICATION OF RIGHTS

The superintendent or designee shall provide eligible students and parents with annual notification of their rights under the Family Educational Rights and Privacy Act (FERPA). The notice must contain all information required by federal law and regulations, including the following:

1. the right to inspect and review the student's educational records and the procedure for exercising this right;
2. the right to request amendment of the student's educational records that the parent or eligible student believes to be inaccurate, misleading, or in violation of the student's privacy rights; and the procedure for exercising this right;
3. the right to consent to disclosures of personally identifiable information contained in the student's education records, except to the extent that FERPA authorizes disclosure without consent;
4. the type of information designated as directory information and the right to opt out of release of directory information;
5. that the school system releases records to other institutions that have requested the information and in which the student seeks or intends to enroll;
6. the right to opt out of releasing the student's name, address, and phone number to military recruiters or institutions of higher education that request such information;
7. a specification of the criteria for determining who constitutes a school official and what constitutes a legitimate educational interest if a school official discloses or intends to disclose personally identifiable information to school officials without consent;
8. notification if the school system uses contractors, consultants, volunteers, or similar persons as school officials to perform certain school system services and functions that it would otherwise perform itself; and
9. the right to file complaints with the Family Policy Compliance Office in the U.S. Department of Education.

School officials are not required to individually notify parents or eligible students of their rights but must provide the notice in a manner reasonably likely to inform the parents and eligible students of their rights. Effective notice must be provided to parents or eligible students with disabilities or those whose primary or home language is not English.

B. DEFINITION OF PARENT AND ELIGIBLE STUDENT

1. Parent

For purposes of this policy, the term “parent” includes a natural parent, a guardian, or an individual acting as a parent in the absence of a parent or guardian. If the parents of a student are separated or divorced, both parents have the right to access the student’s records as provided in this policy, unless the school system has been provided with evidence that there is a court order, state statute, or other legally binding document that specifically revokes these rights.

2. Eligible Student

For purposes of this policy, an eligible student is a student who has reached 18 years of age or is attending an institution of postsecondary education. The rights afforded to parents under this policy transfer to an eligible student. However, parents may still have access to the records as long as the student is claimed as a dependent by the parent for federal income tax purposes. An eligible student who desires to prevent access to records by his or her parents must furnish to the principal information verifying that the student is not a dependent of his or her parents. If a parent of a student who is at least 18 and no longer attending a school within the system wishes to inspect and review the student’s records, he or she must provide information verifying that the student is a dependent for federal income tax purposes.

A student under age 18 may have access to student records only upon the consent of his or her parents.

C. CLASSIFICATION AND MAINTENANCE OF RECORDS

Information about students that is collected and stored by school personnel may be separated into several categories, including, but not limited to, the following records.

1. Cumulative Records

The cumulative record is the official record for each student. The cumulative record includes student identification information, such as the student’s name, address (or a homeless student’s living situation), sex, race, birthplace, and birth date; family data including the parents’ names, addresses, work and home telephone numbers, and places of employment; academic work completed; grades;

standardized test scores; health screenings and immunization documentation; attendance records; withdrawal and reentry records; discipline records; honors and activities; class rank; date of graduation; and follow-up records.

2. Discipline Records

Student discipline records are part of the student's official record and must be maintained and reviewed pursuant to policy 4345, Student Discipline Records. Discipline records must be expunged and forwarded pursuant to the requirements of law and the procedures of policy 4345.

3. Records of Students with Disabilities

Students with recognized disabilities must be accorded all rights in regard to their records as provided by state and federal law, including the Individuals with Disabilities Education Act and policy 3520, Special Education Programs/Rights of Students with Disabilities. Records for a student identified as a student with a disability are considered part of the student's official records and must be maintained in accordance with all appropriate federal and state regulations. Access to these records will be restricted to personnel having specific responsibility in this area. A list of all approved personnel having access to these restricted files will be updated as needed, and a current, dated list will be posted in the student records location.

4. Records Received from the Department of Social Services

The Department of Social Services may disclose confidential information to the school system in order to protect a juvenile from abuse or neglect. Any confidential information disclosed under these circumstances must remain confidential and may only be redisclosed for purposes directly connected with carrying out the school system's mandated educational responsibilities.

5. Juvenile Records

Juvenile records include documentation or information regarding students who are under the jurisdiction of the juvenile court. These records may be received from local law enforcement and/or other local agencies authorized to share information concerning juveniles in accordance with G.S. 7B-3100. These records also may include notice from the sheriff to the board that a student has been required to register with the sheriff because the student has been found to be a danger to the community under G.S. Chapter 14, Part 4. Such documents must not be a part of a student's official records but must be maintained by the principal in a safe, locked storage area that is separate from the student's other records. The principal shall not make a copy of such documents under any circumstances.

Juvenile records will be used only to protect the safety of or to improve the educational opportunities for the student or others. The principal may share juvenile records with individuals who have (a) direct guidance, teaching, or supervisory responsibility for the student and (b) a specific need to know in order to protect the safety of the student and others. Persons provided access to juvenile records must indicate in writing that they have read the document(s) and agree to maintain confidentiality of the records.

The principal or designee must destroy juvenile documents if he or she receives notification that a court no longer has jurisdiction over the student or if the court grants the student's petition for expunction of the records. The principal or designee shall destroy all other information received from an examination of juvenile records when he or she finds that the information is no longer needed to protect the safety of or to improve the educational opportunities for the student or others. If the student graduates, withdraws from school, transfers to another school, is suspended for the remainder of the school year, or is expelled, the principal shall return all documents not destroyed to the juvenile court counselor. If the student is transferring, the principal shall provide the juvenile court counselor with the name and address of the school to which the student is transferring.

6. Other Student Records

School system personnel may also keep other student records but must review such records annually and destroy them when their usefulness is no longer apparent or when the student leaves the school system.

7. Sole Possession, Employment, and Law Enforcement Records

Student records do not include, and release of information under this policy does not apply to:

- a. records made by teachers, counselors, and administrators that are in the sole possession of the maker thereof and that are not accessible or revealed to any other person except a substitute;
- b. employment records of student employees if those records relate exclusively to the student in his or her capacity as an employee and are not made available for any other use; and
- c. records created by a law enforcement unit of the school system if created for a law enforcement purpose and maintained solely by the law enforcement unit of the school system. This does not include information obtained from the student's confidential file or other educational records that is contained in a law enforcement record.

D. RECORDS OF STUDENTS PARTICIPATING IN THE NORTH CAROLINA ADDRESS CONFIDENTIALITY PROGRAM

Students or parents enrolled in the North Carolina Address Confidentiality Program (NCACP) must provide a valid NCACP authorization card to the school principal if they wish to keep their home address confidential. The school system will maintain a confidential record of the actual home address for admission and assignment purposes only and will not release that address except as provided by law. With the exception of such specially-maintained records, student records will include only the substitute address provided by the NCACP and not the actual home address of any students or parents for whom a valid NCACP authorization card is on file.

When transferring the record of a student participating in the North Carolina Address Confidentiality Program to a school outside of the system, the transferring school may send the files to the Address Confidentiality Program participant (parent or guardian) via the substitute address provided by the Address Confidentiality Program.

E. RECORDS OF MISSING CHILDREN

Upon notification by a law enforcement agency or the North Carolina Center for Missing Persons of the disappearance of a child who is currently or was previously enrolled in the school, school officials shall flag the record of that child. If the missing child's record is requested by another school system, the principal shall provide notice of the request to the superintendent and the agency that notified the school that the child was missing. The principal shall provide the agency with a copy of any written request for information concerning the missing child's record.

Any information received indicating that a student transferring into the system is a missing child must be reported promptly to the superintendent and the North Carolina Center for Missing Persons.

F. RECORDS OF MILITARY CHILDREN

School administrators shall comply with any regulations pertaining to the records of military children developed by the Interstate Commission on Educational Opportunity for Military Children.

In addition, children of military families, as defined by policy 4050, Children of Military Families, are entitled to the following.

1. For Students Leaving the School System

In the event that official education records cannot be released to the parents of military children who are transferring away from the school system, the custodian of records shall prepare and furnish to the parent a complete set of unofficial

education records containing uniform information as determined by the Interstate Commission.

When a request for a student's official record is received from the student's new school, school officials shall process and furnish the official records to the student's new school within 10 days or within such time as is reasonably determined by the Interstate Commission.

2. For Students Enrolling in the School System

Upon receiving an unofficial education record from the student's previous school, school administrators shall enroll the student and place him or her in classes as quickly as possible based on the information in the unofficial records, pending validation by the official records.

Simultaneous with the enrollment and conditional placement of the student, school administrators shall request the student's official record from his or her previous school.

G. REVIEW, RELEASE OF RECORDS TO PARENT OR ELIGIBLE STUDENT

A parent or eligible student may access the student's records upon proper request. The principal or guidance office personnel of the student's school shall schedule an appointment as soon as possible but no later than 45 days after the request by the parent or eligible student. The parent or eligible student may formally review the student's complete records only in the presence of the principal or a designee competent to explain the records. School personnel shall not destroy any educational records if there is an outstanding request to inspect or review the records.

A parent or eligible student has the right to challenge an item in the student record believed to be inaccurate, misleading, or otherwise in violation of the student's privacy rights. The principal shall examine a request to amend a student record item and respond in writing to the person who challenges the item. Subsequent steps, if necessary, will follow the student grievance procedures as provided in policy 1740/4010, Student and Parent Grievance Procedure. If the final decision is that the information in the record is not inaccurate, misleading, or otherwise in violation of the privacy rights of the student, the principal shall inform the parent or eligible student of the right to place a statement in the record commenting on the contested information in the record or stating why he or she disagrees with the decision of the school system.

H. RELEASE OR DISCLOSURE OF RECORDS TO OTHERS

Before releasing or disclosing records as permitted by law, school officials shall use reasonable methods to identify and authenticate the identity of the party to whom the records are disclosed.

1. Release/Disclosure with Parental Consent

School officials shall obtain written permission from a parent or eligible student before releasing or disclosing student records that contain personally identifiable information, except in circumstances where the school system is authorized by law to release the records without such permission. The written permission must specify the records to be released, the purpose of the release, and the party(ies) to whom they are to be released.

2. Release/Disclosure without Parental Consent

School system officials shall promptly release student records when a student transfers to another school. The records custodian may release or disclose records with personally identifiable information without parental permission to the extent permitted by law, including to other school officials who have a legitimate educational interest in the records.

Personally identifiable information from a student's record may be released or disclosed to someone other than a parent or eligible student without prior written consent of the parent or eligible student only as specifically provided by federal law. Except as otherwise permitted by federal law, when personally identifiable information from a student's record is released or disclosed to someone other than a parent or eligible student without their written consent, the party to whom the information is released must agree not to disclose the information to any other party without the prior written consent of the parent or eligible student.

The superintendent shall employ reasonable methods to ensure that teachers and other school officials obtain access only to those educational records in which they have legitimate educational interests.

3. Release of Directory Information

Permission of the parent or eligible student is not required for the release of information that is designated as directory information by the board, provided that the parent or eligible student has been given proper notice and an opportunity to opt out. (See policy 1310/4002, Parental Involvement.)

a. The board designates the following student record information as directory information:

(1) name;

(2) address;

- (3) telephone listing;
 - (4) electronic mail address;
 - (5) photograph;
 - (6) date and place of birth;
 - (7) participation in officially recognized activities and sports;
 - (8) weight and height of members of athletic teams;
 - (9) dates of attendance;
 - (10) grade level;
 - (11) diplomas (including endorsements earned), industry credentials/certifications, and awards received; and
 - (12) most recent previous school or education institution attended by the student.
- b. The telephone number and actual address of a student who is or whose parent is a participant in the North Carolina Address Confidentiality Program is not considered directory information and will not be released, except as required by law.
 - c. Information about a homeless student's living situation is not considered directory information and will not be released.
 - d. As required by law, the names, addresses, and telephone numbers of secondary school students shall be released, upon request, to military recruiters or institutions of higher learning, whether or not such information is designated directory information by the school system. Students or their parents, however, may request that the student's name, address, and telephone number not be released without prior written parental consent. School officials shall notify parents of the option to make a request and shall comply with any requests made.
 - e. All requests for directory information must be submitted to the superintendent or designee for approval. The superintendent is directed to establish regulations regarding the release of directory information. At a minimum, the regulations must:

- (1) specify the types of organizations that are eligible to receive directory information and for what purposes;
 - (2) provide for equal disclosure to organizations that are similar in purpose; and
 - (3) authorize access to directory information to recruiters of military forces of the state or United States for the purpose of informing students of educational and career opportunities available in the military to the same extent that such information is made available to persons or organizations that inform students of occupational or educational options.
4. Records of Students with Disabilities

Students with recognized disabilities must be accorded all rights in regard to their records as provided by state and federal law, including the Individuals with Disabilities Education Act.

5. Disclosure of De-Identified Information

Education records may be released without consent of the parent or eligible student if all personally identifiable information has been removed. Personally identifiable information includes both direct and indirect identifiers that, alone or in combination, would allow a reasonable person in the school community, who does not have personal knowledge of the relevant circumstances, to identify the student with reasonable certainty.

Unless specifically permitted by law, records that have been de-identified must not be released without the consent of the parent or eligible student if school officials reasonably believe that the person requesting the information knows the identity of the student to whom the education record relates.

I. WITHHOLDING RECORDS

School system administrators shall not withhold records upon a valid request by a parent, eligible student, or school to which the student is transferring for any reason, including in order to collect fines assessed to the parent or student.

J. RECORD OF ACCESS AND DISCLOSURE

The principal or designee shall maintain a record in each student's file indicating all persons who have requested or received personally identifiable information from a student's record and the legitimate reason(s) for requesting or obtaining the information.

This requirement does not apply to requests by or disclosure to parents, eligible students, school officials, parties seeking directory information, a party seeking or receiving the records under a court order or subpoena that prohibits disclosure, or those individuals with written parental consent.

K. DESTRUCTION OF STUDENT RECORDS

School officials shall only destroy student records in accordance with state and federal law and the *Records Retention and Disposition Schedule for Local Education Agencies*. After notifying parents, school officials may destroy student records when the records are no longer needed to provide educational services to the student or to protect the safety of the student or others. School officials must destroy student records if the parent or eligible student requests their destruction and if such records are no longer needed to provide educational services to the student or to protect the safety of the student or others. School officials shall not destroy student records if there is an outstanding request to inspect the particular records.

L. LONGITUDINAL DATA SYSTEM

School system administrators will comply with the data requirements and implementation schedule for the North Carolina Longitudinal Data System (NCLDS) and will transfer designated student record data to the system in accordance with the NCLDS data security and safeguarding plan and all other requirements of state law, provided that doing so does not conflict with the requirements of FERPA.

Legal References: Family Educational Rights and Privacy Act, 20 U.S.C. 1232g, h, 34 C.F.R. pt. 99; Individuals with Disabilities Education Act, 20 U.S.C. 1411 *et seq.*; Elementary and Secondary Education Act, 20 U.S.C. 7908; McKinney-Vento Homeless Assistance Act 42 U.S.C. 11431 *et seq.*; G.S. 7B-302, -3100; 14-208.29; 115C-47(26), -109.3, -402, -403, -407.5; 116E-6; Records Retention and Disposition Schedule for Local Education Agencies, N.C. Department of Natural and Cultural Resources (1999), available at <https://archives.ncdcr.gov/government/retention-schedules/local-government-schedules#localschedules>

Cross References: Parental Involvement (policy 1310/4002), Student and Parent Grievance Procedure (policy 1740/4010), Special Education Programs/Rights of Students with Disabilities (policy 3520), Children of Military Families (policy 4050), Homeless Students (policy 4125), North Carolina Address Confidentiality Program (policy 4250/5075/7316), Disciplinary Action for Exceptional Children/Students with Disabilities (policy 4307), Student Discipline Records (policy 4345), Confidentiality of Personal Identifying Information (policy 4705/7825), Surveys of Students (policy 4720), Public Records – Retention, Release, and Disposition (policy 5070/7350)

Adopted: January 9, 2014

Revised: May 12, 2016, March 9, 2017, August 10, 2017

A. PRINCIPLES

The board encourages the development and participation of parent organizations that support the goals of the board and the schools. The board recognizes that parent organizations are an effective means of involving parents and families in their children's schools. The superintendent and school administrators shall inform parent organizations of specific goals for each school and shall help these organizations identify opportunities to assist the school in achieving these goals.

Participation in parent organizations is always voluntary. No student or parent will be required to participate in a parent organization as a condition of participation in a curricular or extracurricular school activity or program.

B. CONDITIONS FOR ESTABLISHING PARENT ORGANIZATIONS

Parent organizations, including PTAs, PTOs and booster clubs, are not considered a part of the school system and may not represent themselves to students, parents, or others as official representatives of a school or the school system. However, because these organizations and their activities reflect upon the school district, all parent organizations must comply with the following conditions in order to operate in conjunction with the schools.

1. All parent organizations must provide the superintendent with a document describing the purpose of the organization and the general rules and procedures by which it will operate. Any later modifications to the organization's purpose or general rules and procedures also must be provided in writing to the superintendent.
2. Parent organizations must obtain prior approval from the principal for (a) any fund-raising event, (b) any purchase for the school, (c) any function involving the participation of students, or (d) any event which is likely to reflect upon the school or school district.
3. Fliers and other literature displayed or distributed by parent organizations must comply with policy 5210, Distribution and Display of Non-School Material.
4. Parent organizations are responsible for maintaining their own financial records in accordance with the requirements of Section C. Employees of the school district are not permitted to manage the affairs of parent organizations during the workday.

5. Parent organizations are expected to consider the cultural diversity and economic differences of students and parents in planning school-related functions.

The superintendent shall grant or deny parent organizations approval to operate at each school. Parent organizations that do not comply with board policies may have approval to operate within the school revoked by the superintendent.

C. FUNDS MANAGEMENT

Parent organization funds may be used only for purposes consistent with the goals, rules, and procedures of the organization. Adequate financial records, including sales slips, receipts, invoices, and any other documentation of expenditures, must be maintained and be accessible to parents and school officials on request.

Parent organization funds may be deposited only in an account maintained by the organization. All checks must be signed by the organization treasurer and either the organization president or vice-president. The organization president should periodically review the organization bank records, which must be reconciled by the organization treasurer at least monthly.

All financial documents and accounts of the parent organization must be in the name of the parent organization and not in the name of the school, the school system, or a specific school team or program. Bank accounts should reflect the official name of the parent organization and carry the parent organization's tax identification number. The school system's tax identification number may not be used on a parent organization's bank account or financial documents. The school system does not have any financial responsibility for the payment of obligations incurred by a parent organization.

D. DONATIONS TO SCHOOL DISTRICT

Any donation to the school system from a parent organization must be made in accordance with the process and requirements of policy 8220, Gifts and Bequests.

Legal References: G.S. 115C-36, -47

Cross References: Parental Involvement (policy 1310/4002)

Adopted: April 9, 1998 to become effective July 1, 1998

Updated: December 10, 2015

PUBLIC RECORDS – RETENTION, RELEASE, AND DISPOSITION

Policy Code: **5070/7350**

The board is committed to providing access to public records and public information. All employees shall comply with the public records law and this policy.

A. PUBLIC RECORD DEFINED

Any record, in any form, that is made or received by the board or its employees in connection with the transaction of public business is a public record that must be made available to the public, unless such record is protected from disclosure by federal or state law or is otherwise exempted from the public records law, G.S. 132-1 through 132-9. (See policy 5071/7351, Electronically Stored Information Retention, for specific information regarding public records in electronic form.)

Though the school improvement plan is a public record, the school safety components of the plan are not public records subject to public records law. Schematic diagrams, as described in G.S. 115C-105.53 and -105.54, and emergency response information, as described in G.S. 115C-47(40) and -105.54, are also not considered public records subject to public records law.

The official records of students are not public records subject to inspection and examination. (For additional information regarding the release of information about students, see policy 4700, Student Records.) Further, any written material containing the identifiable scores of individual students on any test taken pursuant to the state testing program described in Chapter 115C, Article 10A of the North Carolina General Statutes is not a public record. Any test that is developed, adopted, or provided as part of the state testing program is not a public record until the State Board of Education designates that the test is released.

Information in school system employee personnel files is protected from disclosure in accordance with G.S. 115C-319, except that the following employee information is public record.

1. Name.
2. Age.
3. The date of original employment or appointment.
4. The terms of any past or current contract by which the employee is employed, whether written or oral, to the extent that the board has the written contract or a record of the oral contract in its possession.
5. Current position.

6. Title.
7. Current salary (includes pay, benefits, incentives, bonuses, deferred compensation, and all other forms of compensation paid to the employee).
8. The date and amount of each increase or decrease in salary with the board.
9. The date and type of each promotion, demotion, transfer, suspension, separation, or other change in position classification with the board.
10. The date and general description of the reasons for each promotion with the board.
11. The date and type of each dismissal, suspension, or demotion for disciplinary reasons taken by the board. If the disciplinary action was a dismissal, a copy of the written notice of the final decision of the board setting forth the specific acts or omissions that are the basis of the dismissal.
12. The office or station to which the employee is currently assigned.

The name of a participant in the North Carolina Address Confidentiality Program is not a public record and must be redacted from any records released. As necessary, school personnel may combine public and confidential records to meet the business needs of the system. However, if a record contains confidential information as well as public information, school officials must provide the requested public record with the confidential information removed or redacted.

B. DESIGNATION OF RECORDS OFFICER

The superintendent shall designate a records officer or otherwise ensure that the duties of a records officer are met.

1. Duties of the Records Officer

The duties of the records officer include the following:

- a. determining whether records are public or confidential by law, with assistance from the local board attorney as necessary;
- b. determining the most cost-effective means of storing and retrieving public records that include confidential information;
- c. providing training, consultation, and guidelines to school officials who respond to or are otherwise involved in public records requests;
- d. determining the actual cost of providing copies of public records in various forms, such as paper or electronic media, in which the school system is capable of providing the records;

- e. determining the cost of a request for copies of public records when a special service charge is applicable or when the school system is voluntarily creating or compiling a record as a service to the requester; and
- f. reviewing appeals of any denial of a request for public records.

2. Other Duties

A designated electronic records officer, or other employees as determined by the superintendent shall review all electronic data-processing systems created by the school system or being considered for acquisition through lease, purchase, or other means, to ensure they are designed and maintained in a manner that:

- a. will not impede the school system's ability to permit public inspection and examination of public records; and
- b. provides a means of obtaining copies of such records.

C. REQUESTS FOR PUBLIC RECORDS

All requests for examining or obtaining copies of public records should be in writing or recorded by school system personnel. This policy, administrative guidelines, information on the actual cost of producing public records, information on how to reach the records officer, information about how to appeal a denial of a public records request, and information regarding any computer database indexes must be made available to individuals requesting public records.

Public records must be released in accordance with the law. Any denial of a public records request must be made in writing and must include the basis for the denial. The superintendent or designee may issue additional guidelines consistent with this policy to further clarify the process for requesting public records.

D. FEES FOR COPIES OF PUBLIC RECORDS

Persons requesting copies of public records will be charged any applicable fees as determined by the records officer (see subsections B.1.d and B.1.e above). The school system shall not charge any fees for separating confidential information that is commingled with public records.

E. ELECTRONIC MAIL LISTS

A school employee may be authorized by the superintendent or designee to maintain an electronic mail list of individual subscribers. Such a list may be used only: (1) for the purpose for which the subscribers subscribed to it; (2) to notify subscribers of an emergency to public health or public safety; or (3) in the event of deletion of the list, to

notify subscribers of the existence of any similar lists. Although such electronic mail lists of individual subscribers shall be available for public inspection in either printed or electronic format to the extent permitted by law, school officials shall not provide anyone with copies of such lists. Release for public inspection of any subscriber list must be consistent with the Family Education Rights and Privacy Act (FERPA) if the list contains personally identifiable information from student education records. See policy 4700, Student Records.

F. DESTRUCTION OF PUBLIC RECORDS

School personnel shall comply with the *Records Retention and Disposition Schedule for Local Education Agencies* adopted by the N.C. Department of Cultural Resources, Division of Archives and History, unless otherwise required by statute, regulation, or other legal authority. The superintendent may establish regulations for the destruction of records in accordance with the approved schedule.

Legal References: Family Educational Rights and Privacy Act, 20 U.S.C. 1232g; G.S. 14-113.8(6); 115C-47(40),-105.27(a2); -105.53, -105.54, -109.3, -174.13, -319 to -321, -402; 132-1 to -9; *Records Retention and Disposition Schedule for Local Education Agencies*, N.C. Department of Natural and Cultural Resources (1999), available at <https://archives.ncdcr.gov/government/retention-schedules/local-government-schedules#localschedules>

Cross References: North Carolina Address Confidentiality Program (policy 4250/5075/7316), Student Records (policy 4700), Confidentiality of Personal Identifying Information (policy 4705/7825), News Media Relations (policy 5040), Electronically Stored Information Retention (policy 5071/7351), Personnel Files (policy 7820)

Adopted: April 9, 1998 to become effective July 1, 1998

Revised: October 11, 2007, January 9, 2014, August 13, 2015, May 12, 2016

The board is committed to minimizing disruptions to instructional time and the educational environment. Collections and solicitations are discouraged and shall not disrupt instructional time. Employees and students shall not be required to contribute or respond to any collection or solicitation.

The superintendent or designee shall develop regulations governing collections and solicitations. The regulations shall specify the type and number of collections and solicitations permitted and an approval process for collections and solicitations subject to the following guidelines.

1. Outside organizations and/or sales representatives shall not solicit individual employees or students during working hours or the school day unless prior written approval is granted by the superintendent.
2. As a general rule, students, school organizations, teachers and/or other school employees may not sell commercial products during the instructional school day.
3. Individuals and organizations must secure approval from the superintendent or designee prior to conducting collections or solicitations on school grounds.
4. Fliers and other materials that are to be distributed or displayed in conjunction with an approved collection or solicitation must be approved by the superintendent or designee based upon the criteria in Section C of policy 5210, Distribution and Display of Non-School Material, and/or policy 5240, Advertising in the Schools.

The board of education prohibits, for grades K-6, door-to-door fund raising by students in activities sponsored by the school, or by a school-related organization in which students would be selling items or soliciting contributions, pledges, orders, etc.

Excluded from this policy are board-approved student fees, PTA or booster organizations' approved projects, cafeteria operations and faculty and staff projects that do not involve students and are initiated by and for the members.

Legal References: G.S. 14-238, G.S. 115C-36, -47

Adopted: April 9, 1998 to become effective July 1, 1998

Revised: September 10, 2015

USE OF EQUIPMENT, MATERIALS AND SUPPLIES

Policy Code:

6520

Equipment, materials and supplies are intended to further the board's goals as provided in board policy 6500, Goals of Equipment, Materials and Supplies Services. Any use that is inconsistent with these goals is not permitted. Equipment, materials and supplies are made available for use in schools, on school district property or at school-related events. The superintendent or building level supervisor shall establish procedures or rules for allowing individuals or organizations to take such items, especially those of significant value, off school premises.

Legal References: G.S. 115C-523, -524

Cross References: Technology in the Educational Program (policy 3220), Technology Responsible Use (policy 3225/4312/7320), Copyright Compliance (policy 3230/7330), Goals of Equipment, Materials and Supplies Services (policy 6500), Personal Use of Equipment, Materials and Supplies (policy 6521), Use of Equipment, Materials and Supplies by Non-School Groups (6522), Network Security (policy 6524)

Adopted: May 14, 1998 to become effective July 1, 1998

Updated: November 12, 2015

ASHEBORO CITY SCHOOLS
FIELD TRIP / TRANSPORTATION REQUEST
SEND TO TRANSPORTATION SUPERVISOR – CENTRAL OFFICE

Overnight Trip

Group Making Request: 8th grade team School: NAMS

Destination: Washington DC Date of Trip: 4/3-5/2019

Number of Students Involved: 138 Percent of Total Group: 100%

Reasons for Students Not Attending: Parent discretion

Transportation Method: Activity Bus Charter Bus Private Automobile Other:

Charter Bus Service, state name of vendor here: Holiday Tours - North Carolina

If using Travel Company, state name of Vendor here: Group Travel - North Carolina

**The Travel Company must use an approved ACS Charter Bus Company

Number of Vehicles Needed (to be secured by the Central Office): none

Number of Drivers Needed (to be secured by the Central Office): none

Departure Time: 9:00 am Return Time: 8:00 p.m. Round Trip Miles (estimated) 1000

Estimated Cost to the Student: \$500.00

Purpose(s) of the Field Trip: Educational trip to historical landmarks, museums, etc. itinerary is attached

List below the names of adult chaperones who will be accompanying this group on the field trip. Place an "*" by individuals who are licensed to drive school vehicles and who will be serving in that capacity for you.

all 8th grade teachers and one administrator

If approved, the following procedures must be followed; (1) Written parental permission is required for all field trips. This permission should be acquired using the Asheboro City Schools Parental Field Trip Permission Form; (2) No students can serve as drivers; private vehicles are used as a last resort; and (3) All students in a class or group shall have an opportunity to attend—means will provided for students to participate when necessary.

I certify that all those requirements, in addition to the general guidelines on the back of this form, will be fully met.

CJL Ward _____ 7-10-18 _____
Sponsor (Group Responsible for Paying for the Trip) Date

Wanda Collier _____ 7-10-18 _____
Approved: Principal Date

Approved: _____ Date
Superintendent or Designee

Transportation Scheduled: _____ Date
Transportation Supervisor

Special Comments/Response: _____

POLICY: FIELD TRIPS

When properly planned, supervised and evaluated, field trips can provide a valuable education experience. Indeed, it is often those events that are extraordinary, unique, or a departure from routine, which create the setting for significant retained learning.

All field trips require the prior approval of a school's principal. That Principal should know the reasons for the experience, the pre-trip work that has been done with the students and the specific objectives the sponsor hopes to accomplish and follow-up plans. It is the responsibility of the trip sponsor to review those matters with the school's principal. Because of the process we use for approval and because of the difficulty in scheduling of activity buses, sponsors need to seek approval as much in advance as possible.

Once trips are approved by the principal, requests will be sent to the central office where the superintendent or his designee will review them. Instructional merits of the trip will be considered and the transportation supervisor will determine whether vehicles/drivers are available on the desired date(s). Schools are encouraged to build a staff of building-level drivers, rather than rely on what might be available

Also keep the following regulations governing field trips in mind:

1. All overnight field trips must have prior written approval of the Superintendent.
2. All overnight and out-of-state field trips must have prior written approval of the Board of Education.
3. Field trips must have a legitimate educational value and request to take such trips should be made **at least 10 working days in advance**.
4. Out-of-state requests must be submitted in time to be reviewed for approval by the Board of Education at a regular scheduled board meeting prior to the date of the proposed field trip.
5. The cafeteria manager should be informed as much in advance as possible (two weeks or more) if a group will miss lunch.
6. The principal should assure that adequate adult supervision is provided for all field trips.
7. Field trip costs are assumed by the sponsoring group. That organization or the school must make provisions for students who are financially unable to attend.
8. A list of students participating in the trip must be compiled and maintained in the office during the course of the trip; teachers whose schedules might be altered by the trip must be informed of which students will miss their classes several days in advance of the departure date.
9. Parental permission forms should be filed in the principal's office and maintained for 3 months after the date of the field trip.
10. Under no circumstance will students be allowed to drive their personal automobiles on school sponsored field trips.

**Asheboro City Schools
Personnel Transactions
July 19, 2018**

***A. RESIGNATIONS/RETIREMENTS/SEPARATIONS**

LAST	FIRST	SCHOOL	SUBJECT	EFFECTIVE
Brumley	Shelia	GBT	Exceptional Children	8/10/2018
Cockman	Joan	CWM	Instructional Assistant	6/13/2018
Frazier	De-Anne	CWM	School Nurse	7/28/2018
Gallimore	Sarah	GBT	2nd grade	6/13/2018
Hill	Denise	GBT	Head Custodian	9/14/2018
Ortiz	Claudia	LP	1st grade Dual Language	6/30/2018
Robbins	Christin	CWM	Globetrotters/2nd grade	6/13/2018
Schauble	Kimberly	CWM	Instructional Assistant/EC	6/30/2018

***B. APPOINTMENTS**

LAST	FIRST	SCHOOL	SUBJECT	EFFECTIVE
Alvarado	Al	CO	Summer Maintenance (temporary)	6/19 - 8/17/2018
Banner	LeBrandon	AHS	Non-Faculty Coach - Football	7/9/2018
Favasuli	James	CO	Psychologist (part-time)	8/15/2018
Fisher	Mary	AHS	Exceptional Children	8/15/2018
Gallagher	Lindsey	AHS	Chorus	8/15/2018
Hughes	Caleb	GBT	Therapeutic Classroom	8/9/2018
Hunt	Ashley	DLL	2nd grade	8/9/2018
Keller	Emily	NAMS	Science	8/9/2018
Quintero	Ivan	LP	1st grade Dual Language	8/15/2018
Smith	Kristen	CWM	Kindergarten	8/15/2018
Wodecki	Cassandra	BAL	5th grade	8/9/2018
Wilson	Stefanie	NAMS	8th grade Math/Science	8/15/2018
Wood	Kasey	NAMS	Instructional Facilitator	8/15/2018

C. TRANSFERS

LAST	FIRST	SCHOOL	SUBJECT	EFFECTIVE
Luther	Paulette	CO	Sub Bus Driver to Bus Driver	8/1/2018
Pugh	Elizabeth	CWM to DLL	Exceptional Children (part-time)	8/15/2018
Wyatt	Kathleen	CO	Sub Bus Driver to Bus Driver	8/1/2018

**Asheboro City Schools
Personnel Transactions - ADDENDUM
July 19, 2018**

***A. RESIGNATIONS/RETIREMENTS/SEPARATIONS**

LAST	FIRST	SCHOOL	SUBJECT	EFFECTIVE
Hayes	Amy	GBT	1st Grade	7/16/2018
Hinch	Thomas	LP	2nd Grade	7/12/2018
Scotton	Rebecca	LP	5th Grade	7/16/2018
Williams	Marie	CO	Bus Driver	8/9/2018

***B. APPOINTMENTS**

LAST	FIRST	SCHOOL	SUBJECT	EFFECTIVE
Callahan	Mattison	NAMS	6th Grade Math/Social Studies	8/9/2018
Cook	Kathryn	LP	5th Grade	8/9/2018
Levesque	Robert	CO	Bus Driver	8/1/2018
Lyons-Lehman	Megan	BAL	Media Specialist	8/15/2018
Mosby	Candace	SAMS	7th Grade Science	8/15/2018
Rivera	Spencer	CO	Summer Maintenance (temporary)	7/16 - 8/31/2018
Scoggins	Mary	GBT	Speech Language Pathologist	8/15/2018

**ASHEBORO CITY SCHOOLS
CERTIFIED APPOINTMENTS
July 13, 2018**

<u>NAME</u>	<u>COLLEGE/DEGREE</u>	<u>LICENSURE</u>
Hughes, Caleb	UNC Wilmington B: Health and Physical Education	Exceptional Children

Mr. Caleb Hughes is recommended as a classroom teacher for the therapeutic setting at Guy B. Teachey Elementary School for the 2018-2019 school year. Mr. Hughes has been employed with Asheboro City Schools as an assistant in the therapeutic classroom for the past two years and is anxious to transition into his new role. Mr. Hughes has been praised by colleagues for having a strong commitment to his students and strong collaboration skills and flexibility in the classroom. Mr. Hughes enjoys teaching children new things and seeing the difference made in their lives. We look forward to seeing the positive impact Mr. Hughes makes on his students at Guy B. Teachey!

<u>NAME</u>	<u>COLLEGE/DEGREE</u>	<u>LICENSURE</u>
Hunt, Ashley	Gardner-Webb University B: Social Sciences Pfeiffer University Elementary Education certification	K-6

Ms. Ashley Hunt is recommended as a second grade teacher at Donna Lee Loflin Elementary School for the 2018-2019 school year. Ms. Hunt has been in our district since 2007 and has been consistently praised by her administrators and colleagues. They describe her as being organized, has a great relationship with the students and parents, and is a valuable asset to the classroom. This should be an easy transition for Ms. Hunt and we are thrilled that Ms. Hunt is taking the next step in her career of teaching. We feel fortunate that she is remaining with our district and we are delighted to have her move into this position. Please join me in congratulating Ms. Hunt in her new role. Congratulations Ms. Hunt!

<u>NAME</u>	<u>COLLEGE/DEGREE</u>	<u>LICENSURE</u>
Fisher, Mary	Pfeiffer University B: Social Studies	9-12 Social Studies Exceptional Children

Ms. Mary Fisher is recommended as an exceptional children teacher at Asheboro High School for the 2018-2019 school year. Ms. Fisher comes to us from East Rowan High School where she taught social studies. Ms. Fisher desires to work for Asheboro City Schools because she wants to give back to the community that “helped guide and encourage” her while she was in school. She has had the opportunity through work and college to work with a diverse group of students which she believes will aid her in being an asset to Asheboro City Schools. Ms. Fisher is eager to join our district and begin making a difference in her students’ lives. Her goal is to instill the desire to be life-long learners in her students. She also wants to motivate her students and help them reach their full potential so they can be an integral part of their community. Please join me in welcoming Ms. Fisher to Asheboro City Schools. Welcome Ms. Fisher!

<u>NAME</u>	<u>COLLEGE/DEGREE</u>	<u>LICENSURE</u>
Gallagher, Lindsey	UNC Greensboro B: Music Education B: Vocal Performance	Music Ed. Vocal

Ms. Lindsey Gallagher is recommended as the chorus teacher at Asheboro High School for the 2018-2019 school year. Ms. Gallagher is an experienced chorus teacher who comes to us from Eastern Randolph High School. Additionally, she is experienced in coordinating/directing theater productions, including fundraising, programs and advertising. She believes in being involved in all aspects of all productions, not just the musical aspect. Ms. Gallagher is very passionate about music and teaching her students in a way that they learn to love music. In her previous schools, she has been instrumental in raising student interest and enrollment for chorus/theater. Ms. Gallagher is eager to join the Asheboro High School team and we are excited for her to join our district. Please join me in welcoming Ms. Lindsey Gallagher to Asheboro City Schools. Welcome Ms. Gallagher!

<u>NAME</u>	<u>COLLEGE/DEGREE</u>	<u>LICENSURE</u>
Keller, Emily	North Carolina State University B: Zoology	6-9 Science

Ms. Emily Keller is recommended as a science teacher at North Asheboro Middle School for the 2018-2019 school year. As an undergraduate, Ms. Keller worked as a research assistant with the Department of Entomology and Plant Pathology at NC State University. She has also worked at the Greensboro Science Center. Ms. Keller has a strong desire to teach and she is eager to join our District and prove herself as a strong, innovative teacher. She is described as highly intelligent, motivated, with strong communication skills and loves children. Her kindness, empathy, and compassion in her interactions with others will benefit Ms. Keller as she develops into a great teacher. Please help me welcome Ms. Emily Keller to Asheboro City Schools. Welcome Ms. Keller!

<u>NAME</u>	<u>COLLEGE/DEGREE</u>	<u>LICENSURE</u>
Quintero, Ivan	Universidad del Quindio B: Modern Languages	K-6

Mr. Ivan Quintero is recommended as a first grade dual language teacher at Lindley Park Elementary School for the 2018-2019 school year. Mr. Quintero is coming to us through the Educational Partners International program. Mr. Quintero has five years experience teaching English as a foreign language. He has previously taught in Armenia and in the United States. Mr. Quintero has impeccable references from previous colleagues. He is described as having great communication skills, funny, has a great rapport with students and colleagues, very enthusiastic, knowledgeable, a hard worker, and committed to teaching. Mr. Quintero is excited to join Asheboro City Schools and bring his invaluable skill set to Lindley Park Elementary School. Please help me welcome Mr. Ivan Quintero to Asheboro City Schools. Welcome Mr. Quintero!

<u>NAME</u>	<u>COLLEGE/DEGREE</u>	<u>LICENSURE</u>
Smith, Kristen	Western Carolina University B: Elementary Education Concentration in English	K-6

Ms. Kristen Smith is recommended as a kindergarten teacher at Charles W. McCrary Elementary School for the 2018-2019 school year. Ms. Smith is relocating to Asheboro from Isenberg Elementary School in Salisbury, where she has served as a first grade teacher since 2013. Ms. Smith has experience teaching diverse students with different backgrounds and she believes in incorporating Blended Learning in her every day instruction. She also believes in focusing on meeting the educational needs of the individual student and therefore regularly integrates new teaching strategies, including technology, in her instruction to keep her students engaged. She has been praised by her previous colleagues as having a great rapport with her students and parents, being a great leader, committed to her profession, and an excellent overall teacher/leader. Please help me welcome Ms. Kristen Smith to Asheboro City Schools as the newest member of Charles W. McCrary Elementary School team! Welcome Ms. Smith!

<u>NAME</u>	<u>COLLEGE/DEGREE</u>	<u>LICENSURE</u>
Wilson, Stefanie	High Point University B: Elementary Education M: Elementary Education	K-6 6-9 Math 6-9 Science

Ms. Stefanie Wilson is recommended as an 8th grade math and science teacher at North Asheboro Middle School for the 2018-2019 school year. Ms. Wilson comes to us from Southwestern Randolph Middle School where she has taught math/science since 2012. Ms. Wilson enjoys teaching middle school because that age group is inquisitive and she is able to prepare her students for high school. Ms. Wilson is passionate about teaching and believes every child can be a life-long learner. She uses different concepts to teach, including technology, to help her reach each student. Ms. Wilson is eager to continue her career with Asheboro City Schools and become a valuable team member at North Asheboro Middle School. Please help me welcome Stefanie Wilson to our district. Welcome Ms. Wilson!

<u>NAME</u>	<u>COLLEGE/DEGREE</u>	<u>LICENSURE</u>
Wodecki, Cassandra	Furman University B: Sociology High Point University M: Teaching, Elementary Education	K-6

Ms. Cassandra Wodecki is recommended as a fifth grade teacher for Balfour Elementary School for the 2018-2019 school year. Ms. Wodecki completed her student teaching at Friendship Elementary School in Winston-Salem this past school year. She received glowing references from her supervisors. She is described as enthusiastic, has a great rapport with students, professional, and a team player. Ms. Wodecki is passionate about teaching and she is eager to join Asheboro City Schools and prove to be an asset to Balfour Elementary School. We are glad to have Ms. Wodecki join our district. Welcome to Asheboro City Schools Ms. Wodecki!

NAME

Wood, Kasey

COLLEGE/DEGREEAppalachian State University
B: English, Secondary Education
Gardner-Webb University
M: Executive Leadership**LICENSURE**English
Principal

Ms. Kasey Wood is recommended as an Instructional Facilitator for North Asheboro Middle School for the 2018-2019 school year. Ms. Wood comes to us from Randolph County Schools where she has served as an Assistant Principal at Southwestern Randolph Middle School since 2015. Prior to that, she taught English for 13 years. She also has her National Board Certification. Ms. Wood's experience serving as both teacher and administrator makes her highly qualified for this position. In both roles she consistently held high expectations for her students and believes in the importance of maintaining relationships with students and parents. Ms. Wood believes firmly that all students should have the opportunity to become life-long learners through the right balance of education for each individual. She says that education is not "one size fits all". Ms. Wood is eager to continue her career with Asheboro City Schools and prove herself to be a valuable and trusted team-member. Please help me welcome Ms. Kasey Wood to Asheboro City Schools! Welcome Ms. Wood.

**ASHEBORO CITY SCHOOLS
CERTIFIED APPOINTMENTS - ADDENDUM
July 19, 2018**

<u>NAME</u>	<u>COLLEGE/DEGREE</u>	<u>LICENSURE</u>
Callahan, Mattison	Western Carolina University B: Elementary Education	K-6

Ms. Mattison Callahan is recommended as a sixth grade math and social studies teacher at North Asheboro Middle School for the 2018-2019 school year. Ms. Callahan completed her student teaching at Jonathan Valley Elementary School in Maggie Valley, North Carolina. Ms. Callahan is a former Asheboro High School graduate and she is excited to begin her professional career with Asheboro City Schools so she can give back to the system that gave her a great educational foundation. She is described as having strong character and a hard worker who will make a great teacher. Welcome back to Asheboro City Schools Ms. Callahan!

<u>NAME</u>	<u>COLLEGE/DEGREE</u>	<u>LICENSURE</u>
Cook, Kathryn	High Point University B: Elementary Education	K-6

Ms. Kathryn Cook is recommended as a fifth grade teacher at Lindley Park Elementary School for the 2018-2019 school year. Ms. Cook completed her student teaching at Hasty Elementary School in Thomasville and Immaculate Heart of Mary in High Point this spring. Ms. Cook is currently pursuing her Master's degree at High Point University in STEM education. She has been described by supervisors as being creative and having strong behavior management skills in the classroom. She is committed to ensuring a safe and welcoming learning environment in her classroom and she is eager to begin her career at Lindley Park Elementary School. Welcome Ms. Cook!

<u>NAME</u>	<u>COLLEGE/DEGREE</u>	<u>LICENSURE</u>
Lyons-Lehman, Megan	Concord University, WV B: Elementary Education	K-6

Ms. Megan Lyons-Lehman is recommended as a Media Specialist at Balfour Elementary School for the 2018-2019 school year. Ms. Lyons-Lehman comes to us from Sumner Elementary School in Greensboro where she has taught first and fifth grades since 2014. Ms. Lyons-Lehman has positive references describing her as creative, organized, enthusiastic, self-disciplined and has great communications skills. She is eager to begin the next phase of her career as a Media Specialist and continue to grow as an educator. As a teacher she enjoyed integrating technology into her lesson plans and she believes that experience will benefit her in her new role as a Media Specialist. Welcome Ms. Lyons-Lehman!

NAME

Mosby, Candace

COLLEGE/DEGREE

UNC at Chapel Hill

B: Applied Sciences

American Intercontinental University

M: Education: Curriculum & Instruction

LICENSURE

6-9 Science

Ms. Candace Mosby is recommended as a seventh grade science teacher at South Asheboro Middle School for the 2018-2019 school year. Ms. Mosby comes to us from Triad Math and Science Academy in Greensboro where she has taught since 2012. Ms. Mosby is a veteran educator who is described as a highly motivated educator, organized, technology savvy and has strong communication skills. She is eager to join South Asheboro Middle School and to support our district's vision for education. Welcome to Asheboro City Schools Ms. Mosby!

NAME

Scoggins, Mary

COLLEGE/DEGREE

Appalachian State University

B: Communication Disorders

M: Speech Language Pathology

LICENSURE

Speech Language Pathologist

Ms. Mary Scoggins is recommended as a Speech Language Pathologist at Guy B. Teachey School for the 2018-2019 school year. Ms. Scoggins began her career at Alamance-Burlington Schools and from there she began working in a skilled nursing facility. Ms. Scoggins comes to us from Universal Healthcare in Ramseur where she has worked since 2016. Ms. Scoggins is described as having strong clinical and communication skills with patients and families, has strong organizational skills, and is a hard worker. Ms. Scoggins is eager and excited to transition her career back to education. Welcome Ms. Scoggins!

Policies
For
30-Day Review

In order to help fulfill the educational goals and objectives of the school system, the board strives to provide instructional materials that will enrich and support the curriculum and enhance student learning. Instructional materials should be representative of the rich diversity of our nation and appropriate for the maturity levels and abilities of the students.

Instructional materials constitute all materials, whether print, non-print, digital or any combination thereof, used in the instructional program. For purposes of this policy, instructional materials will be divided into two categories: textbooks and supplementary materials.

A. SELECTION OF TEXTBOOKS

Textbooks are systematically organized materials comprehensive enough to cover the primary objectives outlined in the current statewide instructional standards for a grade or course. Formats for textbooks may be print, non-print or digital media, including hardbound books, softbound books, activity-oriented programs, classroom kits and technology-based programs or materials that require the use of electronic equipment in order to be used in the learning process. Technology-based programs may include subscription or web-based materials.

State-approved textbooks will be used as a means to help students meet the goals and objectives of the current statewide instructional standards, unless the superintendent, or designee, approves alternative materials recommended by the appropriate textbook selection committee. Textbooks will be recommended for selection for district-wide use by a committee chaired by the superintendent, or designee, with input from all affected personnel. The committee should include teachers and other professional staff representing various grade levels. Textbook committee members will ensure that textbooks are aligned with the current statewide instructional standards, support articulation from grade to grade, and meet the educational goals of the board of education.

B. SELECTION OF SUPPLEMENTARY MATERIALS

Supplementary materials are instructional and learning resources, which are selected to complement, enrich or extend the curriculum.

1. Objectives for Selection of Supplementary Materials

The procurement of materials must be accomplished in accordance with law. The objectives for the selection of supplementary materials are as follows:

- a. to provide a wide range of materials that will enrich and support the curriculum, taking into consideration the individual needs and varied interests, abilities, socio-economic backgrounds, learning styles and developmental levels of the students served;

- b. to provide materials that will stimulate growth in factual knowledge, literary appreciation, aesthetic values and ethical standards;
 - c. to provide a background of information that will enable students to become successful lifelong learners, prepared for 21st century global citizenship and to make intelligent judgments in their daily lives;
 - d. to provide resources representing various points of view on controversial issues so that students as young citizens may develop, under guidance, the skills of critical thinking and critical analysis; and
 - e. to provide resources representative of the many religious, ethnic and cultural groups in our nation and the contributions of these groups to our American heritage.
2. Process and Criteria for Selecting Supplementary Materials

The selection of supplemental instructional materials for school use will be made primarily at the school level with the involvement of an advisory committee. The committee should include media specialists, teachers and instructional support personnel representing various subject areas and grade levels, as well as parents. Principals will be responsible for establishing rules concerning what materials may be brought in by teachers without review. Principals are encouraged to involve teachers in establishing these rules.

C. REMOVAL OF OUTDATED SUPPLEMENTARY

To ensure that the supplementary media collection remains relevant, the media and technology professionals, assisted by the media and technology advisory committee, shall review materials routinely to determine if any material is obsolete, outdated or irrelevant. The school media and technology advisory committee should remove materials no longer appropriate and replace lost, damaged and worn materials still of educational value.

D. ACCEPTANCE OF GIFT MATERIALS

Supplementary materials offered as a gift will be reviewed pursuant to the criteria outlined in this policy; policy 8220, Gifts and Bequests; and any regulations established by the superintendent. Gift material may be accepted or rejected by the board based upon such criteria.

E. CHALLENGES TO TEXTBOOKS AND OTHER INSTRUCTIONAL MATERIALS

Challenges to materials will be addressed pursuant to policy 3210, Parental Inspection of and Objection to Instructional Materials.

Legal References: U.S. Const. amend. I; N.C. Const. art. I, § 14; G.S. 115C-45, -47, -81, -98, -101; *Board of Education v. Pico*, 457 U.S. 853 (1982), *Board of Education v. Pico*, 457 U.S. 853 (1982); State Board of Education Policy TEXT-000; *Impact: Guidelines for North Carolina Media and Technology Programs*, North Carolina Department of Public Instruction (2005); *The Library Bill of Rights*, The American Library Association (1996)

Cross References: Goals and Objectives of the Educational Program (policy 3000), Parental Inspection of and Objection to Instruction Materials (policy 3210), School Improvement Plan (policy 3430), Gifts and Bequests (policy 8220)

Adopted: January 10, 2013, August 8, 2013

Attendance in school and participation in class are an integral part of academic achievement and the teaching-learning process. Regular attendance develops patterns of behavior essential to professional and personal success in life. Regular attendance by every student is mandatory: the State of North Carolina requires that every child in the State between the ages of seven (or younger if enrolled) and 16 years attend school. Parents or legal guardians have the responsibility for ensuring that students attend and remain at school daily.

A. ATTENDANCE RECORDS

School officials will keep an accurate record of attendance, including accurate attendance records in each class. Attendance records will be used to enforce the Compulsory Attendance Law of North Carolina.

B. EXCUSED ABSENCES

When a student must miss school, a written excuse signed by a parent or guardian must be presented to the teacher or principal designee within 2 days after returning from an absence. Absences due to extended illness may also require a statement from a physician. An absence may be excused for any of the following reasons:

1. personal illness or injury that makes the student physically unable to attend school;
2. isolation ordered by the local health officer or by the State Board of Health;
3. death in the immediate family;
4. medical or dental appointment;
5. participation under subpoena as a witness in a court proceeding;
6. observance of an event required or suggested by the religion of the students or the student's parent(s);
7. participation in a valid educational opportunity, such as travel or service as a legislative or Governor's page, with prior approval from the principal;
8. pregnancy and related conditions or parenting, when medically necessary;
9. visitation with the student's parent or legal guardian, at the discretion of the superintendent or designee, if the parent or legal guardian (a) is an active duty member of the uniformed services as defined by policy 4050, Children of Military

Families, and (b) has been called to duty for, is on leave from, or has immediately returned from deployment to a combat zone or combat support posting.

Extended illnesses generally require a statement from a physician. Once a student has accumulated more than 15 absences in a school year (or more than five consecutive absences), a doctor's note, or other documentation approved by the principal, will be needed to excuse further absences. This standard does not apply to medically fragile students as defined in the North Carolina School Attendance and Student Accounting Manual and approved by the principal.

In the case of excused or unexcused absences, short-term out-of-school suspensions, and absences under G.S. 130A-440 (for failure to submit a school health assessment form within 30 days of entering school), the student will be permitted to make up his or her school work. (See also policies 4110, Immunization and Health Requirements for School Admission, and 4351, Short-Term Suspension.) The teacher will determine when work is to be made up. The student is responsible for finding out what assignments are due and completing them within the specified time period.

C. SCHOOL-RELATED ACTIVITIES

All classroom activities are important and difficult, if not impossible, to replace if missed. It is the intention of the board of education that classes missed be kept to an absolute minimum through close scrutiny and a monitoring system on the part of the principal. The following school-related activities will not be counted as absences from either class or school:

1. field trips sponsored by the school;
2. job shadows and other work-based learning opportunities, as described in G.S.115C-47(34a);
3. school-initiated and scheduled activities;
4. athletic events requiring early dismissal from school;
5. Career and Technical Education student organization activities approved in advance by the principal; and
6. in-school suspension.

Assignments missed for these reasons will be completed by students. The teacher will determine when work is to be made up. The student is responsible for finding out what assignments are due and completing them within the specified time period.

D. EXCESSIVE ABSENCES

Class attendance and participation are critical elements of the educational process and may be taken into account in assessing academic achievement. Students are expected to be at school on time and to be present at the scheduled starting time for each class.

The principal will notify parents and take all other steps required by G.S. 115C-378 for excessive absences.

If a student is absent from school for five or more days in a semester, the principal or a committee established by the principal shall consider whether the student's grades should be reduced because of the absences. The principal or committee shall review other measures of academic achievement, the circumstances of the absences, the number of absences, and the extent to which the student completed missed work. A committee may recommend to the principal and the principal may make any of the following determinations:

1. the student will not receive a passing grade for the semester;
2. the student's grade will be reduced;
3. the student will receive the grade otherwise earned; or
4. the student will be given additional time to complete the missed work before a determination of the appropriate grade is made.

Students with excused absences due to documented chronic health problems are exempt from this policy. In addition, for students experiencing homelessness (see board policy 4125, Homeless Students), school officials must consider issues related to the student's homelessness, such as a change of caregivers or nighttime residence, before taking disciplinary action or imposing other barriers to school attendance based on excessive absences or tardies.

Excessive absences may impact eligibility for participation in interscholastic athletics. See policy 3620, Extracurricular Activities and Student Organizations.

E. TARDIES

The principal is responsible for handling tardies and for establishing relevant school procedures that are in compliance with the NC School Attendance and Student Accounting Manual. Students are expected to be at school on time and to be present at the scheduled starting time for each class and be present for the entire school day.

Legal References: McKinney-Vento Homeless Assistance Act, 42 U.S.C. 11431, et seq.; G.S. 115C-47, -84.2, -288(a), -378 to -383, -390.2(d), -390.2(l), -390.5, -407.5; 130A-440; 16 N.C.A.C. 6E.0102-.0103; State Board of Education Policies ATND-000, -003, NCAC-6E.0104

Cross References: Extracurricular Activities and Student Organizations (policy 3620), Education for Pregnant and Parenting Students (policy 4023), Children of Military Families (policy 4050), Immunization and Health Requirements for School Admission (policy 4110), Homeless Students (policy 4125), Short-Term Suspension (policy 4351)

Adopted: April 9, 1998 to become effective July 1, 1998

Updated: April 10, 2008, May 14, 2009, September 10, 2009, November 10, 2011, June 13, 2013, July 9, 2015, July 14, 2016, September 14, 2017

The board endorses the goals of the Community Schools Act. The board will make specified indoor and outdoor school facilities available for use by eligible community groups under agreements developed in accordance with this policy. The board also will make some outdoor school facilities available for limited recreational use by the general public when not inconsistent with the board's use of the facilities. Public use is subject to Section H of this policy.

A. GENERAL PRINCIPLES

The use of school facilities by community groups should be consistent with the goals and objectives of the board and school district and must not conflict with the educational program.

Community use of school facilities is encouraged, but should not interfere with their use for the educational program and should not be so extensive as to prevent the need to adequately maintain them, in order to protect the taxpayers' investment.

Use of school facilities will not be approved for activities that do any of the following:

1. violate federal, state or local laws;
2. violate board of education policies or regulations;
3. advocate imminent violence;
4. damage or have the potential to damage school buildings, grounds or equipment;
or
5. are in conflict with scheduled school activities

B. PRIORITY IN USE/FEE STRUCTURE

School-sponsored groups and activities, (such as school athletic events, school drama and choral productions), and meetings of student organizations, including organizations permitted to meet under the Equal Access Act, shall have first priority in the use of school facilities.

Priority for community use of facilities will then be given to non-profit community groups whose mission is similar or complementary to that of the school district. The district may sponsor non-profit community groups that serve the essential mission of the school district and help it meet its goals. Sponsorship decisions will be made on a case-by-case basis. The district shall not sponsor community groups that discriminate on the basis of the proscribed criteria in Policy 1710, Prohibition against Discrimination and Harassment,

including Bullying and Hazing. A decision to sponsor a community group is in the sole discretion of the superintendent.

For-profit groups are not permitted to use school facilities, unless the superintendent or designee determines that a particular use is non-commercial in nature. Nor are school facilities generally to be used for private purposes (such as weddings or family reunions), or for commercial activities of non-profit groups. School-sponsored fund raising activities may be permitted regardless of the sharing of event revenue with an outside entity, provided the superintendent or designee determines that the primary purpose of the event is to benefit education and approves a fund raiser request in accordance with Policy 8411, School Fund Raising Activities.

Although for-profit groups are generally not permitted to use school facilities, local dance-instruction studios have historically utilized our facilities for the purpose of staging dance recitals. Recognizing the board's long-standing relationship with these studios and their reliance on the availability of our facilities for the presentation of their artistic performances, the board deems it appropriate to exempt them from the prohibition against for-profit group use of our facilities. The mission of dance-instruction studios is similar and complementary to that of the school district, each has used our facilities for many years, without incident, and the board feels it is in the best interest of the community to allow their continued utilization of our facilities for dance recital purposes, upon payment of rental, utility, custodial and supervisory fees, as applicable.

Priority in the use of school facilities and the fee structure for such groups will be in accordance with the following user categories. Priority in use among groups within the same user category will not be based upon the viewpoints of the groups. (see Policy 1710/4021/7230, Prohibition Against Discrimination, Harassment and Bullying). All groups within the same user category will be charged for facility use according to the uniform fee structure. Upon approval of the facility use, all users will be required to submit the fees in advance.

1. School-sponsored groups and activities, such as athletic events, school drama and choral productions, and meetings of student organizations.

Application: Not required. The school shall provide advance notice to the Director of Facilities of all such activities that will take place outside normal school hours.

Insurance: Not Required

Fees: None.

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2. School related groups (organizations formed to support the school in some manner, such as the PTA, PTO, teachers' and principals' organizations and booster clubs)

Application: Required

Insurance: Not Required

Fees: Fees for providing use of kitchens will be charged to cover costs. Custodial or other supervisory services may be charged.
 3. Non-profit community groups sponsored by the district, approved fund raisers involving use of school facilities by outside groups, and one-time meetings for local governmental agencies supported by tax funds of the community (Asheboro City Council, Randolph Board of County Commissioners), including as a polling place on election days, in accordance with G.S. 163A-1046

Application: Required.

Insurance: Required

Fees: None
 4. Local government and youth organizations, including but not limited to any youth group listed in Title 36 of the United States Code as a patriotic society such as the Boy Scouts and Girl Scouts, and, political parties for the express purpose of annual or biennial precinct meetings and county and district conventions in accordance with G.S. 155C-527

Application: Required.

Insurance: Required

Fees: Rental fees for the use of facilities may be charged. Custodial, kitchen, and supervisory fees will be charged.
 5. All groups not included in the other categories

Application: Required.

Insurance: Required

Fees: Rental, custodial, kitchen and supervisory fees will be charged.

Prior to the beginning of each school year, the superintendent shall submit for board approval a fee structure that lists the amount or method of calculating rent and fees to be charged for facility use.

C. REQUESTS FOR USE OF FACILITIES

Any eligible individual or group in categories 2, 3, 4 and 5 above that wishes to use a school facility must submit a request to the principal of the school that contains the desired facility. The request must be submitted using a written application, which will be available in the principal's office. An application for use of a school facility shall be filed at least two (2) weeks prior to the date of intended use. An application must be approved by the principal and the Director of Facilities and Maintenance.

D. FACILITIES AVAILABLE FOR USE

The board permits eligible individuals or groups to use certain facilities in schools.

The following types of facilities are available for use at schools: auditoriums, theaters, and multi-purpose rooms; dining areas and kitchens; designated classrooms; designated gymnasiums; media centers; and playgrounds. Costs for using designated facilities will be calculated in accordance with the fee structure adopted by the board.

Other school facilities may be used only in exceptional circumstances based on a justified need and as approved by the superintendent or his/her designee. The superintendent is authorized to determine the fees for the use of facilities in such circumstances.

E. RULES GOVERNING USE OF SCHOOL FACILITIES

The superintendent shall develop regulations consistent with this policy. The regulations will include an application process, and provisions regarding the supervision of groups using facilities, the care of facilities, prohibited conduct and other issues deemed appropriate by the superintendent. A copy of such regulations will be furnished to all applicants at the time they receive the facilities use application form. In addition to the regulations established by the superintendent, users of school facilities must comply with the following rules:

1. Users must comply with all federal, state and local laws and all rules required by the board, superintendent or his/her designee, or the principal.

2. Users must comply with the requirements of the Americans with Disabilities Act (ADA) (particularly Subchapter III pertaining to Public Accommodations and Services Operated by Private Entities) and the federal regulations that have been adopted for the implementation of the ADA.
3. Users must comply with board policy and legal requirements forbidding the use of tobacco products in school facilities and on school grounds (see policy 5026/7250, Smoking and Tobacco Products).
4. Users must not consume or possess alcohol or drugs on school grounds (see policy 5025, Prohibition of Alcoholic Beverages).
5. Users must not possess weapons or explosives while on school grounds, except in the limited circumstances permitted by state law and policy 5027/7275, Weapons and Explosives Prohibited.
6. Users are responsible for supervising their activity and the people present at their activity. Users are responsible for maintaining order and safety during their activity.
7. Users shall not publicize or advertise events in school facilities prior to obtaining all required approvals.

A user's violation of the provisions of this policy or any applicable regulations is grounds for suspending the user's privilege to use school facilities for such period of time deemed appropriate by the principal, subject to the review of the superintendent and board of education.

F. DAMAGES AND LIABILITY INSURANCE

Users of school facilities are responsible for all damages to school facilities, property or equipment that occurs while the facility is being used by the group, regardless of who causes the damage. Users also are responsible for the conduct of all persons involved in the users' activities while on school property.

All users groups, except categories 1 and 2 above, must furnish a certificate of insurance for general liability coverage with a total limit coverage of \$1,000,000 for each claim made.

G. TERM AND ACCEPTANCE OF LEASE

The superintendent is authorized to enter into agreements with community groups for the lease of school property for terms of one year or less. All such leases must be reviewed and approved in advance by the board attorney. The superintendent will inform the board

of the execution of any lease at its next regularly scheduled meeting. Leases may be renewed following the same process.

Absent unusual circumstances, leases will not be granted for a term longer than one year. A lease for more than one year must be approved in advance by the board.

H. USE OF OUTDOOR SCHOOL FACILITIES BY THE GENERAL PUBLIC

Outdoor property and facilities of the school system will be open to limited use by members of the general public in accordance with rules to be established by the superintendent or designee. Public use will be permitted only to the extent that it 1) is not inconsistent with the proper preservation and care of the outdoor school property; 2) does not interfere with the safe and efficient operation of the schools and school activities; and 3) does not conflict with use by any community group operating under a facility use agreement described in this policy. The superintendent is authorized to establish all terms, conditions, and rules necessary to regulate the use of outdoor facilities by members of the general public consistent with these requirements.

I. REVIEW OF DECISIONS CONCERNING USE OF SCHOOL FACILITIES

Any person or organization may request a review of any decision made by staff pursuant to this policy in accordance with policy.

Legal References: Americans with Disabilities Act, 42 U.S.C. 12101 *et seq.*, 28 C.F.R. pt. 35; Equal Access Act, 20 U.S.C. 4071-4074, 28 C.F.R. pt. 36; Boy Scouts of America Equal Access Act, 20 U.S.C. 7905, 34 C.F.R. pt. 108; 36 I.S.C. 20101 *et seq.*; G.S. 14-269.2 Community Schools Act, G.S. 115C-203 to -209.1; 115-524, -527; 160A-274; 163A-1046

Cross References: Prohibition Against Discrimination and Harassment including Bullying and Hazing (1710/4021/7230), Parent and Student Grievance Procedure (1740/4010), Prohibition of Alcoholic Beverages (5025), Smoking and Tobacco Products (policy 5026/7250), Weapons and Explosives Prohibited (5027/7275), School Fund Raising Activities (policy 8411), Sale, Disposal and Lease of Board-Owned Real Property (9400)

Adopted: April 9, 1998 to become effective July 1, 1998

Revised: February 12, 2009, June 14, 2012, January 21, 2016, August 11, 2016, July 13, 2017

All schools will participate in federal National Child Nutrition Programs and will receive commodities donated by the United States Department of Agriculture. All federal and state revenues will be accepted and applied to maximize the use of such funds for the purposes of providing nutritional meals to students at the lowest possible price. The superintendent or designee shall develop procedures as necessary to implement the operational standards established in this policy.

A. OPERATIONAL STANDARDS

The school nutrition services program will be operated in a manner consistent with board goals and board policy. The program also will be operated in compliance with all applicable state and federal law, including requirements of the National School Lunch Program and all federal guidelines established by the Child Nutrition Division of the United States Department of Agriculture. Specific legal requirements that must be met include, but are not limited to, the following.

1. School officials may not discriminate based on race, sex, color, national origin, disability, age, or eligibility status for free and reduced price meals. School officials are also prohibited from retaliating against an individual for prior civil rights activity.
2. The school nutrition services program will meet safety and sanitation requirements established in local, state, and federal rules and guidelines for school nutrition services programs.
3. The school nutrition services program will have a written food safety program that includes a hazard analysis critical control point plan for each school.
4. Menu preparation, purchasing, and related record keeping will be consistent with applicable state and federal rules and guidelines.
5. Banking, financial record keeping, budgeting, and accounting will be conducted in accordance with generally accepted practices and procedures, as dictated by the School Budget and Fiscal Control Act and in accordance with state and federal guidelines.
6. Commodity foods donated by the United States Department of Agriculture will be used and accounted for in accordance with federal regulations.
7. Preference will be given in purchasing contracts to high-calcium foods and beverages, as defined in G.S. 115C-264.1 and to foods grown or raised within North Carolina.

8. Child Nutrition Program (CNP) funds will be used only for the purposes authorized by law. Indirect costs, as defined by law, will not be assessed to the CNP unless the program has a minimum of one month's operating balance.
9. The price for meals will be determined in accordance with federal law.
10. Nonprogram foods will be priced to generate sufficient revenues to cover the cost of those items. A nonprogram food is defined as a food or beverage, other than a reimbursable meal or snack, that is sold at the school and is purchased using funds from the child nutrition account.
11. All school nutrition services will be operated on a non-profit basis for the benefit of the CNP. School nutrition services are those that are operated from 12:01 a.m. until the end of the last lunch period.
12. All income from the sale of food and beverages that is required by law or regulation to be retained by the CNP will be deposited to the CNP account and will be used only for the purposes of the school's non-profit lunch and breakfast programs. All funds from food and beverage sales not otherwise required by law to be deposited to the CNP account will be deposited into the proper school account in accordance with guidelines developed by the superintendent or designee.
13. All competitive foods sold on school campuses will meet federal and state standards for nutrient content.

B. MEAL CHARGES

Students who are required to pay for meals are expected to provide payment in a timely manner. The board recognizes, however, that students occasionally may forget or lose their meal money. To safeguard the dignity and confidentiality of students in the serving line, reasonable efforts must be used whenever possible to avoid calling attention to a student's inability to pay.

The child nutrition director and principal shall work jointly to prevent meal charges from accumulating and shall make every effort to collect all funds due to the child nutrition program on a regular basis and before the end of the school term. Notices of low or negative balances in a child's meal account will be sent to parents and the principal at regular intervals during the school year. If a parent regularly fails to provide meal money and does not qualify for free meal benefits, the child nutrition director shall inform the principal, who shall determine the next course of action, which may include notifying the department of social services of suspected child neglect and/or taking legal steps to recover the unpaid meal charges. Parents are expected to pay all meal charges in full by the last day of each school year. Negative balances on student accounts will be carried forward to the following

school year. However, the superintendent shall ensure that federal child nutrition funds are not used to offset the cost of unpaid meals and that the CNP is reimbursed for bad debt resulting from uncollected student meal charges prior to September 30 each year.

This policy and any applicable procedures regarding meal charges must be communicated to school administrators, school food service professional, parents, and students. A copy of the meal charges policy and any applicable procedures will be available to parents at the start of each school year and at any time their child transfers into a new school during the school year.

Legal References: Child Nutrition Act of 1966, 42 U.S.C. 1771 *et seq.*; National School Lunch Act, 42 U.S.C. 1751 *et seq.*, 2 C.F.R. pt. 200; 7 C.F.R. pt. 210; 7 C.F.R. pt. 215; 7 C.F.R. pt. 220; United States Department of Agriculture Policy Memos SP 46-2016 and 47-2016, available at <http://childnutrition.ncpublicschools.gov/regulations-policies/usda-policy-memos/2016/2016usda-policymemos>; G.S. 115C-47(7), 47(22), -263, -264, -264.1, -426, -450, -522; 16 N.C.A.C. 6H .0104; State Board of Education Policy NCAC-6H.0004

Cross References: Parental Involvement (policy 1310/4002), Goals of School Nutrition Services (policy 6200), School Meal and Competitive Foods Standards (policy 6230), Goals of the Purchasing Function (policy 6400)

Adopted: January 9, 2014

Revised: June 11, 2015

The board desires to provide opportunities to responsible suppliers to do business with the school system. To this end, the superintendent or designee is directed to develop and maintain lists of potential vendors for the various types of materials, equipment and supplies. Such lists will be used in the development of a mailing list for distribution of specifications, invitations to bid, and notice of other competitive purchasing processes.

The superintendent or designee has the discretion to determine which vendors are included on the list and may establish standards for being placed on the list or for remaining on the list. The standards shall take into account the requirements of G.S. 143C, art. 6E and art. 6G. The superintendent or designee is encouraged to include vendors listed as historically underutilized businesses with the Division of Purchase and Contracts at the State Department of Administration.

Legal References: G.S. 115C-522; 143C, art. 6A

Cross References: Purchasing Requirements for Equipment, Materials and Supplies (policy 6430), Participation by Minority Businesses (policy 9125)

Adopted: May 14, 1998 to become effective July 1, 1998

Updated: October 13, 2016

A. GENERAL PRINCIPLES

It is the policy of the board to provide all applicants for employment with equal employment opportunities and to provide current employees with training, compensation, promotion, and other benefits of employment without regard to race, color, religion, national origin, military affiliation, genetic information, sex, age, or disability, except when sex, age, or physical requirements are essential occupational qualifications. All candidates will be evaluated on their merits and qualifications for positions. All employment decisions will be consistent with the board's objective of providing students with the opportunity to receive a sound basic education, as required by state law.

The board also is committed to diversity throughout the programs and practices of the school system. To further this goal, the recruitment and employment program should be designed to encourage a diverse pool of qualified applicants.

B. RECRUITMENT

Recruitment for a specific vacancy will be undertaken only after the need and qualifications for the position are established and proper authorization is obtained.

All vacancies must be adequately publicized within the school system so that employees will be informed of opportunities for promotion or transfer to new jobs; however, the superintendent or designee may forgo publicizing a vacancy if the position will be filled through a lateral assignment, reassignment, or promotion of a current employee or if exigent circumstances necessitate that the position be filled immediately. Vacancies also may be publicized externally to attract qualified applicants.

C. CRIMINAL HISTORY

Applicants must notify the human resources department immediately if they are arrested, charged with, or convicted of a criminal offense (including entering a plea of guilty or *nolo contendere*) other than a minor traffic violation (i.e., speeding, parking, or a lesser violation). Notice must be in writing, must include all pertinent facts, and must be delivered to the human resources department no later than the next scheduled business day following the arrest, charge, or conviction, unless the applicant is hospitalized or incarcerated, in which case the applicant must report the alleged violation within 24 hours after his or her release. Upon judicial action in the matter, the applicant must report the disposition and pertinent facts in writing to human resources no later than the next business day following adjudication.

A criminal history check and a check of sex offender registries must be conducted on all final candidates for employment with the school system. Criminal history checks must be

conducted in accordance with state law and any procedures established by the superintendent. School officials shall not require candidates to disclose expunged arrests, charges, or convictions and shall not ask candidates to voluntarily disclose such information without first advising that disclosure is not required. The superintendent or designee shall report to the State Board of Education any licensed individual who is found to have a criminal history, as required by State Board policy.

A final candidate for employment or for hiring as an independent contractor will be excluded from hiring on the basis of criminal conduct only when doing so is job-related and consistent with business necessity. If a final candidate is found to have been convicted of a criminal offense, other than a minor traffic violation, the superintendent shall determine whether the individual is qualified for employment despite the criminal history by considering, among other things, whether the individual poses a threat to the safety of students or personnel or has demonstrated that he or she does not have the integrity or honesty to fulfill the duties of the position. The following factors will be considered in making this determination: (1) the nature and gravity of the offense or conduct; (2) the time that has passed since the offense or conduct and/or completion of the sentence; and (3) the nature of the job sought. Before the superintendent may exclude a final candidate based on his or her past criminal convictions, the superintendent must give the candidate the opportunity to demonstrate that the exclusion does not properly apply to him or her.

The board has determined that every position with the school system, regardless of whether the position is located in a school or elsewhere, potentially entails contact with students, either on a regular, occasional, or emergency basis. For that reason, no individual who is a registered sex offender subject to the provisions of policy 5022, Registered Sex Offenders, will be hired for any position with the school system.

In addition, each contract executed by the board with an independent contractor or for services of independent contractors must require the contractor to check sex offender registries as specified in policy 5022, Registered Sex Offenders.

D. SELECTION

1. Qualifications

Candidates for employment must be selected based upon their likely ability to fulfill duties identified in the job description as well as performance standards established by the board. In making the determination, the following information must be considered:

- a. application;
- b. education and training;
- c. licensure and certification (when applicable);

- d. relevant experience;
- e. personal interviews; and
- f. references and/or background checks.

When several applicants for the same position are equally qualified and suitable for the position, employees within the school system will be given priority.

2. Nepotism

- a. For purposes of this subsection, the following definitions apply.
 - i. “Immediate family” means spouse, parent, child, brother, sister, grandparent, or grandchild. The term includes the step, half, and in-law relationships.
 - ii. “Central office staff administrator” includes principals, directors, supervisors, specialists, assistant superintendents, and superintendent.
- b. Before any immediate family of any board of education member or central office staff administrator is employed by the board or engaged in any capacity as an employee, independent contractor, or otherwise, (1) the board member or central office staff administrator must disclose the familial relationship to the board and (2) the prospective employment or engagement must be approved by the board in a duly called open session meeting.
 - i. An employee who knowingly fails to disclose a familial relationship to the board as required will be subject to disciplinary action up to and including dismissal.
 - ii. Notification by the employee to human resources will be deemed disclosure to the board. The human resources department is responsible for conveying the disclosure to the board before the board takes action on the prospective employment or engagement.
- c. When making recommendations for the selection and assignment of personnel, the superintendent shall attempt to avoid situations in which one employee occupies a position in which he or she has influence over the employment status, including hiring, salary, and promotion, of another employee who is a member of the first employee’s immediate family.
- d. No administrative or supervisory personnel may directly supervise a member of his or her immediate family.

3. Employment Procedures

All applicants selected for employment must be recommended by the superintendent and approved by the board. In situations in which the employee must be hired between board meetings, the superintendent is authorized to approve hiring such personnel, contingent upon approval by the board at its next scheduled board meeting.

State guidelines must be followed in selection and employment procedures. The superintendent shall develop any other procedures necessary to implement this policy.

The superintendent shall develop procedures for verifying new employees' legal status or authorization to work in the United States as required by law.

Legal References: Age Discrimination in Employment Act of 1967, 29 U.S.C. 621 *et seq.*; Americans with Disabilities Act of 1990, 42 U.S.C. 12101 *et seq.*; Equal Educational Opportunities Act of 1974, 20 U.S.C. 1703; Equal Pay Act of 1963, 29 U.S.C. 206; Fair Credit Reporting Act, 15 U.S.C. 1681 *et seq.*; Genetic Information Nondiscrimination Act of 2008, 42 U.S.C. 2000ff *et seq.*; Military Selective Service Act, 50 U.S.C. Appx. 453; Rehabilitation Act of 1973, 29 U.S.C. 794; Title VII of the Civil Rights Acts of 1964, 42 U.S.C. 2000e *et seq.*; Title IX of the Education Amendments of 1972, 20 U.S.C. 1681 *et seq.*; Uniformed Services Employment and Reemployment Rights Act of 1994, 38 U.S.C. 4301 *et seq.*; 8 U.S.C. 1101 *et seq.*; *Green v. Missouri Pacific Railroad* (8th Cir. 1975); *Enforcement Guidance on the Consideration of Arrest and Conviction Records in Employment Decisions Under Title VII of the Civil Rights Act of 1964*, U.S. Equal Employment Opportunity Commission (April 25, 2012), available at http://www.eeoc.gov/laws/guidance/arrest_conviction.cfm; G.S. 14-208.18; 15A-153; 114-19.2; 115C-36, -47, -276(j), -332; 126-7.1(i), -16; 127A-202.1; 127B-10, -12, -14; 143B-421.1; 16 N.C.A.C. 6C .0313; State Board of Education Policies BENF-009 and NCAC-6C.0313

Cross References: Board Authority and Duties (policy 1010), Registered Sex Offenders (policy 5022)

Adopted: May 14, 1998 to become effective July 1, 1998

Administrative Procedure: Yes

Revised: April 8, 1998, August 14, 2008, June 14, 2012, February 13, 2015, March 11, 2016, October 5, 2017

The board of education recognizes that reducing drug and alcohol abuse in the workplace improves the safety, health and productivity of employees. It is the policy of the board that a drug-free and alcohol-free workplace must be maintained.

A. PROHIBITED ACTIVITIES

The board prohibits employees from engaging in the unlawful manufacture, sale, distribution, dispensing, possession, or use of any narcotic drug, hallucinogenic drug, amphetamine, barbiturate, marijuana, anabolic steroid, alcohol, stimulants, synthetic cannabinoids, counterfeit substance, or any other controlled substance as defined in (1) schedules I through VI of the North Carolina Controlled Substances Act or in (2) schedules I through V of section 202 of the Controlled Substances Act (21 U.S.C. 812) and further defined by regulation at 21 C.F.R. 1300.01 through 1300.04 , and 21 C.F.R. 1308.11 through 1308.15. Employees must not be under the influence of alcohol or be impaired by the excessive use of prescription or nonprescription drugs at any time this policy is applicable. This policy is not violated by an individual's proper use of a drug lawfully prescribed for that individual by a licensed health-care provider.

B. APPLICABILITY

This policy governs each employee before, during, and after school hours while the employee is on any property owned or leased by the board of education; at any time during which the employee is acting in the course and scope of his or her employment with the board; and at any time that the employee's violation of this policy has a direct and adverse effect upon his or her job performance. This policy does not apply to an employee's consumption of alcoholic beverages that are served at a reception or other similar function that occurs outside the regular workday and that the employee is authorized or required to attend as a part of his or her employment duties.

Independent contractors, volunteers, and visitors are subject to all requirements of this policy while on school property or at a school-sponsored event.

C. REASONABLE SUSPICION TO SEARCH

An employee may be subjected to a search of his or her person or belongings or school property under the employee's control if there is reasonable suspicion that the employee has violated this policy. An employee also may be required to submit to a drug or alcohol test when there is reasonable suspicion of drug or alcohol use by the employee in violation of this policy. Reasonable suspicion shall be based on specific, contemporaneous observations concerning the physical, behavioral, speech, and/or performance indicators of drug or alcohol use. The observations must be made by a supervisor or other school system official with training or experience in such indicators.

All drug and alcohol testing will be done with procedures that ensure the confidentiality and privacy interests of the employee and in accordance with law. Employees who refuse to submit to a search or a test to detect alcohol or drug use after reasonable suspicion is established may be suspended immediately pending consideration of a decision to terminate employment.

In addition, any employee, volunteer, or independent contractor who operates a commercial motor vehicle or performs other safety-sensitive functions in the course of duties for the board may be subject to drug and alcohol testing in accordance with policy 7241, Drug and Alcohol Testing of Commercial Motor Vehicle Operators.

The board will cover the cost of any required employee testing.

D. DUTY TO REPORT

In accordance with policy 7300, Staff Responsibilities, an employee must notify his or her supervisor and the executive director of human resources in writing of any conviction under any criminal drug statute for a violation occurring within the scope of Section B of this policy. Notification must be given no later than the next scheduled business day after such a charge or conviction and before reporting to work. Within 10 days of receiving a notice of conviction by an employee whose position is funded in any part by a federal grant, the executive director of human resources or designee shall notify the funding agency of the conviction. "Conviction" as used in this policy includes the entry in a court of law or military tribunal of: (1) a plea of guilty, *nolo contendere*, no contest or the equivalent; (2) a verdict or finding of guilty; or (3) a prayer for judgment continued ("PJC") or a deferred prosecution.

E. CONSEQUENCES

Violation of this policy will subject an individual to disciplinary action by the board that could result in non-renewal or termination of employment with the school system or the requirement that the employee participate satisfactorily in a drug or alcohol abuse assistance or rehabilitation program approved by the board or federal, state or local health, law enforcement, or other appropriate agency. Information concerning available counseling, rehabilitation, and re-entry programs will be provided to employees. Any illegal drug activity will be reported to law enforcement authorities.

All employees shall receive a copy of this policy.

Legal References: 21 U.S.C. 812; 41 U.S.C. 8101 et seq.; 21 C.F.R. 1300.01-.04 and 1308.11 - 15; G.S. 20-138.2B; 90-89 to -94; 115C-36; O'Connor v. Ortega, 480 U.S. 709 (1987)

Cross References: Drug and Alcohol Testing of Commercial Motor Vehicle Operators (policy 7241), Staff Responsibilities (policy 7300)

Adopted: May 14, 1998 to become effective July 1, 1998

Revised: May 11, 2000, September 11, 2008, January 12, 2012, February 12, 2015, February 8, 2018

To assist employees in managing their financial affairs and meet state and federal legal requirements, the finance officer is authorized to make the following salary deductions:

1. federal income taxes;
2. state income taxes;
3. federal social security taxes;
4. North Carolina State Retirement contributions (required by G.S. 135-8);
5. court-ordered child support payments;
6. garnishments required by law;
7. health insurance premiums authorized by state law (authorized by G.S. 115C-340);
8. tax sheltered (deferred) annuities, 403(b) (authorized by G.S. 115C-341);
9. Supplemental Retirement Income Plan of North Carolina, NC 401(k), NC 457 (authorized by G.S. 135-93);
10. flexible benefits plan (authorized by G.S. 115C-341.1);
11. North Carolina State Employees Credit Union deductions (authorized by 115C-342);
12. group life insurance premiums (authorized by 115C-340, -342);
13. group dental insurance premiums (authorized by G.S. 115C-340, -342);
14. professional dues;
15. charitable deductions;
16. other deductions as may be approved by the board.

The Human Resources office shall make information available to all employees regarding possible payroll deductions and any procedures or requirements for particular types of deductions. Any employee who would like the board to consider additional salary deductions should contact the finance officer, who will review such requests and make recommendations to the board.

Legal References: G.S. 115C-339 to -343; 135-8; -93; 143B-426.40A(g), (i).

Adopted: May 14, 1998 to become effective July 1, 1998

Administrative Procedure: None

Updated: March 12, 2009

The board intends to administer federal grant awards efficiently, effectively, and in compliance with all requirements imposed by law, the awarding agency, and the North Carolina Department of Public Instruction or other applicable pass-through entity.

A. FINANCIAL MANAGEMENT SYSTEMS AND INTERNAL CONTROLS

The finance officer and program manager shall be responsible to the superintendent to develop, monitor, and enforce effective financial management systems and other internal controls over federal awards that provide reasonable assurance that the school system is managing the awards in compliance with all requirements for federal grants and awards. Systems and controls must meet all requirements of federal law and regulation, including the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) issued by the U.S. Office of Budget and Management and any applicable state requirements, and shall be based on best practices.

The financial management and internal controls must provide for (1) identification of all federal funds received and expended and their program source; (2) accurate, current, and complete disclosure of financial data in accordance with federal requirements; (3) records sufficient to track the receipt and use of funds; (4) effective control and accountability over assets to assure they are used only for authorized purposes; and (5) comparison of expenditures against budget. In addition, written procedures must be established for cash management and for determining the allowability of costs, as required by the Uniform Guidance.

At a minimum, the systems and controls shall address the following areas.

1. Allowability

Costs charged by the school system to a federal grant must be allowed under the individual program and be in accordance with the cost principles established in the Uniform Guidance, including how charges made to the grant for personnel are to be determined. Costs will be charged to a federal grant only when the cost is (1) reasonable and necessary for the program; (2) in compliance with applicable laws, regulations, and grant terms; (3) allocable to the grant; (4) adequately documented; and (5) consistent with school system policies and administrative regulations that apply to both federally-funded and non-federally funded activities. Internal controls shall be sufficient to provide reasonable assurance that charges to federal awards for personnel expenses are accurate, allowable, and properly allocated and documented. Prior written approval for certain cost charges must be obtained as required by the awarding agency in order to avoid subsequent disallowances.

2. Cash Management and Fund Control

Payment methods must be established in writing that minimize the time elapsed between the draw of federal funds and the disbursement of those funds. Standards for funds control and accountability must be met as required by the Uniform Guidance for advance payments.

3. Procurement

All purchases for property and services made using federal funds must be conducted in accordance with all applicable federal, state and local laws and regulations, the Uniform Guidance, and the school system's written policies and procedures. The district shall avoid situations that unnecessarily restrict competition, as defined in 2 C.F.R. 200.319, and shall avoid acquisition of unnecessary or duplicative items. Noncompetitive procurement will be used only in the circumstances allowed by 2 C.F.R. 200.320. Individuals or organizations that develop or draft specifications, requirements, statements of work, and/or invitations for bids, requests for proposals, or invitations to negotiate, must be excluded from competing for such purchases.

Contracts are to be awarded only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. No contract shall be awarded to a contractor who is suspended or debarred from eligibility for participation in federal assistance programs or activities.

Purchasing records must be sufficiently maintained to detail the history of all procurements and must include at least the rationale for the method of procurement, selection of contract type, and contractor selection or rejection; the basis for the contract price; and verification that the contractor is not suspended or debarred.

The requirements for conflicts of interest established below in subsection A.4 are applicable to all procurements.

4. Conflict of Interest

Each employee, board member, or agent of the school system who is engaged in the selection, award, or administration of a contract supported by a federal grant or award ("covered individual") and who has a potential conflict of interest shall disclose that conflict in writing to the superintendent. The superintendent shall disclose in writing any potential conflict of interest to the federal awarding agency in accordance with 2 C.F.R. 200.112.

For purposes of this paragraph, a conflict of interest would arise when (1) the covered individual, (2) any member of his or her immediate family, (3) his or her partner, or (4) an organization which employs or is about to employ any of those parties has a financial or other interest in or receives a tangible personal benefit

from a firm considered for a contract. A covered individual who is required to disclose a conflict in accordance with this paragraph shall not participate in the selection, award, or administration of a contract supported by a federal grant or award.

Covered individuals shall not solicit or accept any gratuities, favors, or items from a contractor or a party to a subcontract for a federal grant or award; however, covered individuals may accept (1) a single unsolicited item with a value of \$50 or less or (2) multiple unsolicited items from a single contractor or subcontractor having an aggregate monetary value of \$100 or less in a 12-month period. Violations of this rule are subject to disciplinary action.

5. Mandatory Disclosures

The superintendent shall disclose in writing to the federal awarding agency in a timely manner all violations of federal criminal law involving fraud, bribery, or gratuities potentially affecting any federal award. The superintendent shall fully address any such violations promptly and shall notify the board accordingly. The board may request the superintendent to develop a plan of correction for board approval in appropriate situations as determined by the board.

6. Equipment and Supplies Purchased with Federal Funds

Equipment and supplies acquired with federal funds will be used, managed, and disposed of in accordance with applicable state and federal requirements. Property records and inventory systems shall be sufficiently maintained to account for and track equipment that has been acquired with federal funds.

7. Accountability and Certifications

All fiscal transactions must be approved by the finance officer and by the program manager or other person who can attest that the expenditure is allowable and approved under the federal program.

The superintendent or finance officer are authorized to sign all required certifications on behalf of the board and they shall be submitted by the finance officer, program manager, or designee.

8. Monitoring and Reporting Performance

The superintendent shall establish sufficient oversight of the operations of federally supported activities to assure compliance with applicable federal requirements and to ensure that program objectives established by the awarding agency are being achieved. Performance reports, including reports of significant developments that arise between scheduled performance reporting dates, must be submitted as required by federal or state authorities.

B. AUDITS AND CORRECTIVE ACTION

1. An annual independent audit will be conducted as provided in policy 8310, Annual Independent Audit. The finance officer or designee will prepare all financial statements, schedules of expenditures, and other documents required for the audit.
2. At the completion of the audit, the superintendent or designee shall prepare a corrective action plan to address any audit findings. The plan must identify the responsible party and the anticipated completion date for each corrective action to be taken. The superintendent shall present the plan to the board for approval.
3. Compliance deficiencies discovered internally through administrative supervision must be addressed promptly with the goal of improving processes to encourage future compliance and reduce audit findings.

C. TRAINING

All individuals responsible for the administration of a federal grant or award shall be provided sufficient training to carry out their duties in accordance with all applicable requirements for the federal grant or award.

D. OTHER APPLICABLE BOARD POLICIES

Other board policies provide additional controls over the administration of federal grants. These include, but are not necessarily limited to:

1. Educational programs policies (policies in the 3000 series)
2. School nutrition services policies (policies in the 6200 series)
3. Purchasing policies (policies in the 6400 series)
4. Equipment, materials, and supplies policies (policies in the 6500 series)
5. Personnel policies (policies in the 7000 series)
6. Fiscal management policies (policies in the 8000 series)

The board intends to comply with all requirements applicable to the use of federal funds. To the extent that any provision of a board policy is contrary to a federal law, regulation, term, or condition applicable to a federal award, employees must follow the applicable federal requirement.

E. REPORTING MISMANAGEMENT OF FEDERAL FUNDS

Any employee who reasonably believes that federal funds have been misused or that the school system is otherwise in violation of any requirement applicable to the receipt and use of federal funds should report the matter as provided in policy 1760/7280, Prohibition Against Retaliation.

Legal References: 2. C.F.R. Part 200

Cross References: Prohibition Against Retaliation (Policy 1760/7280), Fiscal Management Standards (policy 8300)

Other References: *Standards for Internal Control in the Federal Government* (“The Green Book”) (GAO), available at <http://www.gao.gov/greenbook/overview>; *Internal Control Framework* (Committee of Sponsoring Organizations of the Treadway Commission (COSO)), executive summary, available at <http://www.coso.org/ic.htm>; *Compliance Supplement, Part 6, Internal Control* (Office of Management and Budget), available at https://www.whitehouse.gov/omb/financial_fin_single_audit

Adopted:

EXTRACTS FROM MINUTES OF BOARD OF EDUCATION

A meeting of the Asheboro City Board of Education was held in the Professional Development Center on the campus of Asheboro City High School located at 1221 S. Park Street, Asheboro, North Carolina at 7:30 P.M. on July 19, 2018.

Present: _____

Absent: _____

Also present: _____

* * *

_____ introduced the following resolution, a copy of which had been provided to each Board Member and which was read by its title:

RESOLUTION APPROVING AN AGREEMENT CONCERNING ASHEBORO CITY HIGH SCHOOL, APPROVING CERTAIN OTHER DOCUMENTS AND ACTIONS RELATING THERETO AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Asheboro City Board of Education, which has general control and supervision of matters pertaining to the public schools in the City of Asheboro, North Carolina (the "Board of Education"), and the County of Randolph, North Carolina (the "County"), have determined to cooperate in a plan to finance a portion of the cost of renovating, expanding, equipping and improving Asheboro High School, including but not limited to the addition of classrooms, a multi-purpose area, science labs, band classrooms and storage, and flex classrooms (the "Project");

WHEREAS, the Board of Education and the County are authorized to enter into agreements in order to execute such plan and both want to enter into an Administrative Agreement (as hereinafter defined) and a Lease (as hereinafter defined) with respect to the Project;

WHEREAS, in connection with this matter, it is necessary for the Board of Education to approve the Administrative Agreement, the Lease and certain other documents and actions relating thereto and to authorize certain actions in connection therewith;

WHEREAS, there have been presented at this meeting, forms of the following:

(a) Administrative Agreement (the “Administrative Agreement”) between the Board of Education and the County, under which the Board of Education would convey to the County the site of Asheboro City High School and the improvements thereon by a general warranty deed and undertake certain responsibilities with respect to the Project as described therein;

(b) Installment Financing Agreement (the “Installment Financing Agreement”), between the County and Randolph County Public Facilities Corporation (the “Corporation”), under which the Corporation will make available to the County funds to be derived from the sale the Bonds (as hereinafter defined) for the purpose of financing the Project;

(c) Trust Agreement (the “Trust Agreement”), between U.S. Bank National Association, as trustee (the “Trustee”), and the Corporation, under which the Corporation would assign its right to receive the Installment Payments, any Prepayments (as defined in the Installment Financing Agreement), certain additional payments and certain other rights to the Trustee and the Trustee would make available to the County a portion of the proceeds of Randolph County Public Facilities Corporation Limited Obligation Bonds (Randolph County, North Carolina), Series 2018 (the “Bonds”) evidencing proportionate undivided interests in the Installment Payments to be made by the County with respect thereto under the Installment Financing Agreement to pay, among other things, a portion of the cost of the Project;

(d) Deed of Trust and Security Agreement (the “Deed of Trust”) from the County to a deed of trust trustee for the benefit of the Corporation, by which the County would encumber the site of the Project and the improvements thereon and certain related property, subject to certain exceptions, to secure its obligations to the Corporation under the Installment Financing Agreement; and

(e) Lease (the “Lease”) between the County, as lessor, and the Board of Education, as lessee, which provides for the lease by the County to the Board of Education of the site of the Project and the improvements thereon.

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

Section 1. Pursuant to Section 153A-158.1 of the North Carolina General Statutes as amended, the Board of Education hereby requests that the County acquire the real and personal property constituting the Project.

Section 2. The Board of Education hereby finds and determines that it is in the best interest of the Board of Education to enter into the Administrative Agreement, the Lease and a general warranty deed transferring the site of Asheboro City High School and the improvements thereon to the County in order to effectuate the plan to finance a portion of the cost of the Project as described above.

Section 3. The terms and provisions of the Administrative Agreement and the Lease are hereby approved in all respects and, insofar as they are applicable to the Board of Education, the terms and provisions of the Installment Financing Agreement, the Deed of Trust and the Trust

Agreement are hereby approved in all respects. The Chairman or Vice Chairman and the Secretary or Assistant Secretary of the Board of Education are hereby authorized and directed to execute and deliver the Administrative Agreement and the Lease, in substantially the forms presented to the Board of Education, together with such additions, changes, modifications and deletions as they, with the advice of counsel, may deem necessary or appropriate, and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Board of Education. The Chairman and the Secretary or Assistant Secretary of the Board of Education are hereby authorized and directed to execute and deliver a general warranty deed (the "Deed"), the final form of which is to be approved by the Chairman, transferring the site of Asheboro City High School and the improvements thereon to the County, and such execution by the Chairman shall be conclusive evidence of the approval and authorization thereof by the Board of Education.

Section 4. The Board of Education hereby approves, ratifies and confirms the actions of the officers and employees of the Board of Education and the Asheboro City Schools in connection with this matter.

Section 5. The officers and employees of the Board of Education, as designated by the Superintendent, are authorized and directed (without limitation except as may be expressly set forth herein) to take such other actions and to execute and deliver such other documents, certificates, undertakings, agreements and other instruments as they, with the advice of counsel, may deem necessary or appropriate to effectuate the transactions contemplated by the Administrative Agreement, the Deed and the Lease.

Section 6. All motions, orders, resolutions and ordinances of the Board of Education or parts thereof in conflict with this resolution are hereby superseded.

Section 7. This resolution shall take effect immediately upon its passage.

The motion was adopted by the following vote:

AYES: _____

NAYS: _____

* * * * *

I, _____, Secretary the Asheboro City Board of Education, DO HEREBY CERTIFY that the foregoing is a true copy of so much of the recorded proceedings of a regular meeting of said Board held on July 19, 2018 as relates to the passage of the resolution

hereinabove set forth and that such proceedings have been recorded in Minute Book No. ____ of said Board, beginning at page ____ and ending at page ____.

I DO HEREBY FURTHER CERTIFY that notice of said meeting was duly given in accordance with the provisions of G.S. §143-318.12.

WITNESS my hand and the official seal of said Board, this ____ day of July, 2018.

(SEAL)

Secretary

ADMINISTRATIVE AGREEMENT

by and between

THE ASHEBORO CITY SCHOOLS BOARD OF EDUCATION

and

COUNTY OF RANDOLPH, NORTH CAROLINA

Dated as of September 1, 2018

ADMINISTRATIVE AGREEMENT

THIS ADMINISTRATIVE AGREEMENT, dated as of September 1, 2018 (this “Agreement”), and entered into by and between The Asheboro City Schools Board of Education, a body corporate which has general control and supervision of all matters pertaining to the public schools in Asheboro City Schools, its respective school administrative unit, and is duly organized and existing under the laws of the State of North Carolina (the “Board of Education”), and the County of Randolph, North Carolina, a body corporate and politic and a political subdivision of the State of North Carolina (the “County”),

WITNESSETH:

WHEREAS, the County and the Board of Education have determined to cooperate in a plan to finance a portion of the cost of a project which each has found to be necessary and desirable to provide for improved public school facilities and improved public education in such school administrative unit;

WHEREAS, such project consists of renovating, expanding, equipping and improving Asheboro High School, including but not limited to the addition of classrooms, a multi-purpose area, science labs, band classrooms and storage, and flex classrooms (the “School Project”); and

WHEREAS, as a part of such plan, the Board of Education is to convey the site of the School Project and the improvements thereon (the “Property”) to the County and the County is to lease the Property to the Board of Education;

WHEREAS, the Board of Education is authorized (a) to sell the Property to the County for any price negotiated between them in connection with the School Project, (b) to lease the Property from the County and (c) to enter into contracts for the construction and other accomplishment of the School Project;

WHEREAS, the County is authorized (a) acquire the Property from the Board of Education, (b) to lease the Property to the Board of Education and (c) to construct, improve or otherwise make available property for use by the Asheboro City Schools;

WHEREAS, the County is also authorized to finance a portion of the cost of the School Project by contracts that create security interests in the Property and the improvements thereon and certain related property to secure repayment of moneys made available for such purpose;

WHEREAS, the Board of Education and the County are authorized to enter into agreements in order to execute such plan, and this agreement (this “Agreement”) constitutes such an agreement; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Agreement;

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

Section 1. Sale of Property to County. The Board of Education will sell the Property to the County for a price of \$100 and will convey the Property to the County by means of a general warranty deed.

Section 2. Lease of Property to Board of Education. Upon the conveyance of the Property to the County by the Board of Education, the County will lease the Property to the Board of Education for use by the Asheboro City Schools pursuant to a Lease to be entered into by the County and the Board of Education dated as of September 1, 2018 (the "Lease").

Section 3. Construction and other Accomplishment of School Project. The County (a) will acquire the Property from the Board of Education in accordance with Section 1 above, (b) will lease the Property to the Board of Education in accordance with Section 2 above and (c) together with the Board of Education will provide for the construction and other accomplishment of the School Project as hereinafter provided.

The County will also finance a part of the cost of the School Project pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended, by entering into an Installment Financing Agreement, dated as of September 1, 2018 (the "Installment Financing Agreement"), with County of Randolph Public Facilities Corporation (the "Corporation"). In addition, the County will execute and deliver to a trustee for the benefit of the Corporation a Deed of Trust and Security Agreement, dated as of September 1, 2018 (the "Deed of Trust"), which will encumber the Property and the improvements thereon and certain related property to secure the County's obligation to repay the amount advanced to it pursuant to the Installment Financing Agreement. The Corporation will obtain the funds to be advanced to the County pursuant to the Installment Financing Agreement from the proceeds of its Limited Obligation Bonds (County of Randolph, North Carolina), Series 2018 (the "2018 Bonds") to be delivered pursuant to a Trust Agreement, dated as of September 1, 2018 (the "Trust Agreement"), between the Corporation and U.S. Bank National Association, as Trustee.

The Board of Education will be responsible for and enter into contracts for the work constituting the School Project. In order to enable the Board of Education to carry out the County's obligations under the Installment Financing Agreement with respect to the work for which the Board of Education will be responsible under this Agreement, the County hereby transfers its rights under the Installment Financing Agreement regarding such obligations to the Board of Education. The Board of Education will cause the School Project to be completed on or before the date set forth in the construction documents and otherwise in accordance with the construction documents and the Installment Financing Agreement and any applicable requirements of governmental authorities and law. The County and the Board of Education agree that all amounts received by either of them as refunds of State of North Carolina sales tax with respect to expenditures made in connection with the School Project and paid or reimbursed from moneys in the Project Fund (as defined in the Trust Agreement) will be deposited in the Project Fund in accordance with Section 3.4 of the Installment Financing Agreement.

Section 4. Indemnification. To the extent permitted by law, the Board of Education shall indemnify and save the County harmless against and from all claims by or on behalf of any person, firm, corporation or other legal entity arising from the construction and other accomplishment of the School Project; provided, however, that the Board of Education shall not be obligated to pay the installment payments to be paid by the County to repay the amount advanced to it pursuant to the Installment Financing Agreement (the “Installment Payments”) or to indemnify any party to the Installment Financing Agreement for any third-party claims asserted against any such party relating to the payment of the Installment Payments and that the right to indemnification shall not apply to losses arising from any action taken by the County. The Board of Education shall be notified promptly by the County of any action or proceeding brought in connection with any such claims arising from the construction and other accomplishment of the School Project.

Section 5. Description of School Project. The Board of Education shall have the right to make any changes in the description of the School Project or of any component or components thereof with the consent of the County; provided, however, that any increase in the cost of the School Project resulting from such a change shall, to the extent the increased cost exceeds the funds in the Project Fund available therefor, be payable solely from other funds of the Board of Education or, with the County’s consent, other funds allocated by the County to the Board of Education, which funds shall be transferred to the Trustee for deposit to the credit of the Project Fund prior to the approval of any such change in the Project. In addition, any such change must be in accordance with Section 3.5(a) of the Installment Financing Agreement.

Section 6. Construction Conferences. The Board of Education hereby agrees that it will, upon the request of the County Manager, provide to the County Manager or his designee timely notice of all conferences with representatives of the architects, contractors and vendors with respect to the School Project and that the County Manager or his designee shall have the right to attend all such conferences.

Section 7. Compliance with Installment Financing Agreement and Trust Agreement. The Board of Education agrees that, except as otherwise provided in this Agreement or in the Lease, it will, and the County specifically authorizes it to, faithfully discharge all duties imposed on the County by the Installment Financing Agreement and the Trust Agreement with respect to the construction and other accomplishment of the School Project and the operation, maintenance and insuring of the Property.

Section 8. Compliance with Requisition Procedure. The County agrees that it will comply with the requisition procedure for the payment of Project Costs and Delivery Costs (both as defined in the Trust Agreement) attributable to the School Project as provided in the Trust Agreement.

Section 9. Disclaimers of the County. The Board of Education acknowledges and agrees that the design of the School Project has not been made by the County, that the County has not supplied any plans or specifications with respect thereto and that the County (a) is not a manufacturer of, or a dealer in, any of the component parts of the School Project or similar projects, (b) has not made any recommendation, given any advice or taken any other action with respect to (i) the choice of any supplier, vendor or designer of, or any other contractor with

respect to, the School Project or any component part thereof or any property or rights relating thereto, or (ii) any action taken or to be taken with respect to the School Project or any component part thereof or any property or rights relating thereto at any stage of the construction thereof, (c) has not at any time had physical possession of the School Project or any component part thereof or made any inspection thereof or any property or rights relating thereto, and (d) has not made any warranty or other representation, express or implied, that the School Project or any component part thereof or any property or rights relating thereto (i) will not result in or cause injury or damage to persons or property, (ii) has been or will be properly designed or constructed or will accomplish the results which the Board of Education intends therefor, or (iii) is safe in any manner or respect.

The County makes no express or implied warranty or representation of any kind whatsoever with respect to the School Project or any component part thereof to the Board of Education or any other circumstance whatsoever with respect thereto, including but not limited to any warranty or representation with respect to the merchantability or the fitness or suitability thereof for any purpose; the design or condition thereof; the safety, workmanship, quality or capacity thereof; compliance thereof with the requirements of any law, rule, specification or contract pertaining thereto; any latent defect; the ability thereof to perform any function; that the funds advanced by the Corporation pursuant to the Installment Financing Agreement will be sufficient (together with any other available funds of the County or the Board of Education) to pay the cost of the School Project; or any other characteristic of the School Project; it being agreed that all risks relating to the School Project, the completion thereof or the transactions contemplated hereby or by the Installment Financing Agreement are to be borne by the Board of Education, and the benefits of any and all implied warranties and representations of the County are hereby waived by the Board of Education.

Section 10. Acknowledgment of Authority of Board of Education. The parties acknowledge that this Agreement is not intended in any way to diminish the Board of Education's authority to select school sites, choose the building design, construct school buildings and establish the school program for the Asheboro City Schools.

Section 11. E-Verify Covenant. The Board of Education understands that (1) "E-Verify" is a federal program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law and (2) Article 2 of Chapter 64 of the General Statutes of North Carolina, as amended (the "E-Verify Statute"), requires employers (as defined in the E-Verify Statute) to verify the work authorization of an employee (as defined in the E-Verify Statute) hired to work in the United States through E-Verify. The Board of Education and the Board of Education's subcontractors under this Agreement shall comply with the requirements of the E-Verify Statute.

Section 12. Companies that Boycott Israel Act Certification. The Board of Education hereby certifies that it is not on any list created and maintained by the North Carolina Department of State Treasurer pursuant to the Divestment from Companies that Boycott Israel Act, Article 6G, as amended, of Chapter 147 of the General Statutes of North Carolina.

Section 13. Reconveyance. The County will reconvey its interest in the Property to the Board of Education as provided in the Lease.

Section 14. Amendments and Further Instruments. The County and the Board of Education may, from time to time, with the written consent of the Corporation, execute and deliver such amendments to this Agreement and such further instruments as may be required or desired for carrying out the expressed intention of this Agreement.

Section 15. Agreement to Survive Termination of Installment Financing Agreement. Notwithstanding anything to the contrary contained herein, the obligations undertaken by the Board of Education hereunder shall survive the termination of the Installment Financing Agreement.

IN WITNESS WHEREOF, the parties hereto have executed and attested this Agreement by their officers thereunto duly authorized as of the day and year first written above.

THE ASHEBORO CITY SCHOOLS BOARD OF
EDUCATION

By: _____
Chairman of the Board of Education

[SEAL]

Attest:

Secretary of the Board of Education

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

Chief Financial Officer

[Counterpart Signature Page to the Administrative Agreement, dated September 1, 2018,
between The Asheboro City Schools Board of Education and
the County of Randolph, North Carolina]

COUNTY OF RANDOLPH, NORTH CAROLINA

By: _____
Chairman of the Board of Commissioners

[SEAL]

Attest:

Clerk to the Board of
Commissioners for the County

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

Assistant County Manager/Finance Director

LEASE

by and between

COUNTY OF RANDOLPH, NORTH CAROLINA

AS LESSOR

and

THE ASHEBORO CITY SCHOOLS BOARD OF EDUCATION

AS LESSEE

Dated as of September 1, 2018

After recording, please return to:

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

This document was prepared by:

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

LEASE

THIS LEASE, dated as of September 1, 2018, and entered into by and between the **COUNTY OF RANDOLPH, NORTH CAROLINA**, a political subdivision of the State of North Carolina, as lessor (the “County”), and **THE ASHEBORO CITY SCHOOLS BOARD OF EDUCATION**, a body corporate which has general control and supervision of all matters pertaining to the public schools in the Asheboro City Schools, its respective school administrative unit, and is duly organized and existing under the laws of the State of North Carolina (the “Board of Education”),

WITNESSETH:

WHEREAS, the County and the Board of Education have determined to cooperate in a plan to finance a portion of the cost of a project which each has found to be necessary and desirable to provide for improved public school facilities and improved public education in the County; and

WHEREAS, such project consists of renovating, expanding, equipping and improving Asheboro High School, including but not limited to the addition of classrooms, a multi-purpose area, science labs, band classrooms and storage, and flex classrooms (the “School Project”); and

WHEREAS, as a part of such plan, the County and the Board of Education have entered into an Administrative Agreement, dated as of September 1, 2018 (the “Administrative Agreement”), providing, among other matters, for the purchase of the site of the School Project as more particularly described in Exhibit A hereto (the “Site”) and the improvements thereon by the County for lease to the Board of Education and the construction and other accomplishment of the School Project; and

WHEREAS, as a part of such plan, the County has entered into an Installment Financing Agreement, dated as of September 1, 2018 (the “Installment Financing Agreement”), between the County and Randolph County Public Facilities Corporation providing for the financing of a portion of the cost of the School Project; and

WHEREAS, as a part of such plan, the Board of Education has executed a General Warranty Deed conveying the Site and the improvements thereon to the County; and

WHEREAS, as a part of such plan, the County proposes to lease the Site and the improvements thereon (collectively the “Leased Property”) to the Board of Education and the Board of Education has determined to lease the Leased Property from the County;

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

ARTICLE I

DEFINITIONS; RULE OF CONSTRUCTION

All capitalized terms used in this Lease and not otherwise defined herein shall have the meanings assigned to them in the Installment Financing Agreement, unless the context clearly requires otherwise. In addition, the following terms will have the meanings specified below, unless the context clearly requires otherwise:

“Board of Education Representative” means any person at the time designated, by a written certificate furnished to the County and signed on the Board of Education’s behalf by its Chairman, to act on the Board of Education’s behalf for the purpose of performing any act under this Lease.

“Closing Date” means the date on which the Installment Financing Agreement takes effect.

“County Representative” means any person at the time designated, by a written certificate furnished to the Board of Education and signed on the County’s behalf by the Chairman of its Board of Commissioners, to act on the County’s behalf for the purpose of performing any act under this Lease.

“Event of Default” means one or more events of default as defined in **Section 12.1** hereof.

“Lease” means this Lease, as it may be duly amended.

“Lease Term” means the term of this Lease as determined pursuant to Article IV.

“Lease Year” means, initially, from the Closing Date through December 31, 2018, and, thereafter, means the twelve-month period of each year commencing on January 1 and ending on the next December 31.

“Leased Property” means the Site and the improvements thereon.

All references to articles or sections are references to articles or sections of this Lease, unless the context clearly indicates otherwise.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

The County and the Board of Education each represent, covenant and warrant for the other’s benefit as follows:

(1) Neither the execution and delivery of this Lease, nor the fulfillment of or compliance with its terms and conditions, nor the consummation of the transactions contemplated hereby, results or will result in a breach of the terms, conditions and provisions of

any agreement or instrument to which either is now a party or by which either is bound, or constitutes a default under any of the foregoing.

(2) To the knowledge of each party, there is no litigation or proceeding pending or threatened against such party (or against any other person) affecting the rights of such party to execute or deliver this Lease or to comply with its obligations under this Lease. Neither the execution and delivery of this Lease by such party, nor compliance by such party with its obligations under this Lease, requires the approval of any regulatory body or any other entity the approval of which has not been obtained.

ARTICLE III

DEMISING CLAUSE

The County hereby leases the Leased Property to the Board of Education and the Board of Education hereby leases the Leased Property from the County, in accordance with the provisions of this Lease, to have and to hold for the Lease Term.

ARTICLE IV

LEASE TERM

4.1 Commencement. The Lease Term shall commence on the Closing Date.

4.2 Termination. The Lease Term shall terminate upon the earlier of either of the following events:

- (a) the termination of the Installment Financing Agreement or
- (b) an Event of Default and termination by the County pursuant to Article XII.

Termination of the Lease Term shall terminate the County's obligations under this Lease and the Board of Education's rights of possession under this Lease.

ARTICLE V

QUIET ENJOYMENT; PURCHASE OPTION

5.1 Quiet Enjoyment. The County hereby covenants that the Board of Education shall, during the Lease Term, peaceably and quietly have and hold and enjoy the Leased Property without suit, trouble or hindrance from the County, except as expressly required or permitted by this Lease. The County shall not interfere with the quiet use and enjoyment of the Leased Property during the Lease Term. The County shall, at the Board of Education's request and the County's cost, join and cooperate fully in any legal action in which the Board of Education asserts its right to such possession and enjoyment, or which involves the imposition of any taxes or other governmental charges on or in connection with the Leased Property. In addition, the Board of Education may at its own expense join in any legal action affecting its possession and

enjoyment of the Leased Property, and shall be joined (to the extent legally possible, and at the Board of Education's expense) in any action affecting its liabilities hereunder.

The provisions of this Article shall be subject to rights to inspect the Leased Property granted to parties under the Installment Financing Agreement or the Trust Agreement and to the right hereby reserved to the County to inspect the Leased Property at any reasonable time.

5.2 Purchase Option. The Board of Education shall have the option (a) to purchase the Leased Property, in part, from time to time, to the extent that it constitutes Mortgaged Property released from the lien and security interest of the Deed of Trust pursuant to paragraph 5.2 of the Deed of Trust, upon payment to the County of a purchase option price of \$100 and (b) to purchase the remainder or all of the Leased Property at the end of the Lease Term upon payment by the County of all of the Installment Payments and the Additional Payments and upon payment to the County of a purchase option price of \$100. The Board of Education shall notify the County in writing of its exercising of this option after any such partial release of the Mortgaged Property or after the end of the Lease Term, as may be applicable, and within forty-five (45) days after such notification the County shall execute and deliver to the Board of Education a quit-claim deed with a covenant against grantor's acts, if applicable, together with such other documents as are necessary to convey to the Board of Education good and marketable title to the respective Leased Property, subject only to (a) Permitted Encumbrances and (b) any encumbrance or imperfection caused by or attributable to the Board of Education.

ARTICLE VI

CONSIDERATION FOR LEASE

6.1 Use of Leased Property; Assumption of Obligations. In partial consideration for its acquisition of rights to use the Leased Property during the Lease Term and its option to purchase the Leased Property, the Board of Education hereby agrees to use the Leased Property for public school or other public education purposes in fulfillment of its obligation, shared by the County, to provide for improved public education in the County. In addition, in consideration of its rights under this Lease, the Board of Education undertakes the obligations imposed on it hereunder, including those imposed by **Section 8.1** hereof.

6.2 Payments. In partial consideration for its acquisition of rights to use the Leased Property during the Lease Term and its option to purchase the Leased Property, the Board of Education hereby agrees to pay to the County annual rent in the amount of \$1 payable in advance on the Closing Date (receipt of which is hereby acknowledged) and on the first day of each Lease Year thereafter.

ARTICLE VII

CONSTRUCTION AND OTHER ACCOMPLISHMENT OF SCHOOL PROJECT AND CERTAIN RELATED COVENANTS

7.1 Construction and Other Accomplishment of School Project. The County has provided in the Administrative Agreement for the construction and other accomplishment of the School Project by the Board of Education. The Board of Education represents that it has

reviewed all provisions concerning the construction and other accomplishment of the School Project in the Installment Financing Agreement and hereby approves such provisions. The Board of Education shall take possession of the School Project upon completion thereof.

Title to the Leased Property shall be held by the County, subject only to Permitted Encumbrances.

7.2 Maintenance, Repair, Taxes and Assessments.

(a) Maintenance; Repair. The Board of Education shall use, or cause to be used, the Leased Property in a careful and proper manner, in compliance with all applicable laws and regulations, and, at its sole expense, shall service, repair, maintain and insure, or cause to be serviced, repaired, maintained and insured, the Leased Property so as to keep the Leased Property in good condition, repair, appearance and working order for the purposes intended, ordinary wear and tear excepted.

(b) Taxes and Assessments. The Board of Education shall also pay, or cause to be paid, all taxes and assessments, including, but not limited to, utility charges, of any type or nature levied, assessed or charged against any portion of the Leased Property, provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Board of Education shall be obligated to pay only such installments as are required to be paid as and when the same become due.

(c) Contests. The Board of Education may, at its sole expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom; provided that prior to such nonpayment it shall furnish the County with the opinion of an Independent Counsel, to the effect that, by nonpayment of any such items, the interest of the County in the Leased Property will not be materially endangered and that the Leased Property will not be subject to loss or forfeiture. The County will cooperate fully in such contest upon the request and at the expense of the Board of Education.

7.3 Modification of Leased Property, Liens.

(a) Additions, Modifications and Improvements. The Board of Education shall, at its own expense, have the right to make, or cause to be made, additions, modifications and improvements to any portion of the Leased Property if such additions, modifications or improvements are necessary or beneficial for the use of such portion of the Leased Property. All such additions, modifications and improvements shall thereafter comprise part of the Leased Property and be subject to the provisions of this Lease. Such additions, modifications and improvements shall not in any way damage any portion of the Leased Property or cause it to be used for purposes other than those authorized under the provisions of State and federal law or in any way which would cause the interest components of the Installment Payments to be includable in gross income for purposes of federal income taxation under Section 103 of the Internal Revenue Code of 1986, as amended; and the Leased Property, upon completion of any such additions, modifications and improvements, shall be of a value which is not substantially

less than the value of the Leased Property immediately prior to the making of such additions, modifications and improvements.

(b) Liens. The Board of Education will not permit any mechanic's or other lien to be established or remain against the Leased Property for labor or materials furnished in connection with any additions, modifications or improvements made by the Board of Education to the Leased Property; provided that, if any such lien is filed or established and the Board of Education shall first notify, or cause to be notified, the County of the Board of Education's intention to do so, the Board of Education may in good faith contest any lien filed or established against the Leased Property and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom and shall provide the County with full security against any loss or forfeiture which might arise from the nonpayment of any such item, in form satisfactory to the County. The County will cooperate fully in any such contest upon the request and at the expense of the Board of Education.

Except as provided in this Article and except as the County may consent thereto, which consent shall not be unreasonably withheld, the Board of Education shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property, other than the respective rights of the Board of Education and the County as herein provided. Except as provided in this Article, the Board of Education shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim for which it is responsible, if the same shall arise at any time; provided that the Board of Education may contest such liens, charges, encumbrances, or claims if it desires to do so. The Board of Education shall reimburse the County for any expense incurred by the County in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

ARTICLE VIII

BOARD OF EDUCATION'S ASSUMPTION OF COUNTY'S OBLIGATIONS

8.1 Assumption of Obligations. The Board of Education hereby assumes all the County's obligations under the Installment Financing Agreement regarding the use, care, operation, maintenance, repair, replacement and insurance of the Leased Property and the payment of taxes, assessments, utility charges and other charges and the prevention of liens with respect to the Leased Property. It is expressly understood that the Board of Education shall not assume the County's obligation under the Installment Financing Agreement to pay the Installment Payments and that the Board of Education shall not indemnify the County or any other party to the Installment Financing Agreement for third-party claims asserted against any party to the Installment Financing Agreement relating to the payment of the Installment Payments.

8.2 Transfer of Rights. In order to allow the Board of Education to carry out the County's obligations under the Installment Financing Agreement to be assumed by the Board of Education, the County hereby transfers its rights under the Installment Financing Agreement regarding such obligations to the Board of Education. Nothing in this Section, however, shall be construed as in any way delegating to the Board of Education any of the County's rights or

responsibilities to make decisions regarding the Board of Education's capital and operating budgets or otherwise covenanting that funds for such purposes will be appropriated or available.

8.3 Board of Education's General Covenant. The Board of Education further undertakes not to take or omit to take any action the taking or omission of which would cause the County to be in default in any manner under the Installment Financing Agreement. In particular, the Board of Education covenants not to make any use of the Leased Property that would cause the County's obligations to make Installment Payments under the Installment Financing Agreement to be "private activity bonds" within the meaning of the Internal Revenue Code of 1986, as amended. If the Board of Education shall take or omit to take any such action, then the Board of Education shall proceed with all due diligence to take such action as may be necessary to cure such default.

8.4 County's Cooperation. The County shall cooperate fully with the Board of Education in filing any proof of loss or taking any other action under this Lease. In no event shall the County or the Board of Education voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim with respect to the Leased Property without the other's written consent.

8.5 Advances; Performance of Obligations. If the Board of Education shall fail to pay any amount required to be paid by it under this Lease, or fails to take any other action required of it under this Lease, then the County may (but shall be under no obligation to) pay such amount or perform such other obligation. The Board of Education agrees to reimburse the County for any such payment or for its costs incurred in connection with performing such other obligation.

ARTICLE IX

DISCLAIMER OF WARRANTIES; OTHER COVENANTS

9.1 Disclaimer of Warranties. THE COUNTY MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR A PARTICULAR USE OF THE LEASED PROPERTY OR ANY PART THEREOF OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE LEASED PROPERTY OR ANY PART THEREOF. In no event shall the County be liable for any direct or indirect, incidental, special or consequential damage in connection with or arising out of this Lease or the existence, furnishing, functioning or use by anyone of any item, product or service provided for herein.

9.2 Further Assurances; Corrective Instruments. The Board of Education and the County agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Leased Property hereby leased or intended so to be, or for otherwise carrying out the intention hereof.

9.3 Board of Education and County Representatives. Whenever under the provisions hereof the approval of the Board of Education or the County is required to take some action at the request of the other, unless otherwise provided, such approval or such request shall be given

for the Board of Education by the Board of Education Representative and for the County by the County Representative, and the Board of Education and the County shall be authorized to act on any such approval or request of such representative of the other.

9.4 Compliance with Requirements. During the Lease Term, the Board of Education and the County shall observe and comply promptly with all current and future orders of all courts having jurisdiction over the Leased Property or any portion thereof (or be diligently and in good faith contesting such orders), and all current and future requirements of all insurance companies' written policies covering the Leased Property or any portion thereof.

ARTICLE X

TITLE TO LEASED PROPERTY; LIMITATIONS ON ENCUMBRANCES

10.1 Title to Leased Property. Except for personal property purchased by the Board of Education at its own expense, title to the Leased Property and any and all additions and modifications to or replacements of any portion of the Leased Property shall be held in the County's name, subject only to Permitted Encumbrances, until foreclosed upon as provided in the Deed of Trust or conveyed as provided in this Lease, notwithstanding (a) the occurrence of one or more events of default as defined in Section 9.1 of the Installment Financing Agreement; (b) the occurrence of any event of damage, destruction, condemnation or construction or title defect; or (c) the violation by the County of any provision of this Lease.

The Board of Education shall have no right, title or interest in the Leased Property or any additions and modifications to or replacements of any portion of the Leased Property, except as expressly set forth in this Lease.

ARTICLE XI

SUBLEASING AND INDEMNIFICATION

11.1 Board of Education's Subleasing. The Board of Education may not sublease the Leased Property, in whole or in part, except as provided in Section 8.1 of the Installment Financing Agreement.

11.2 Indemnification. Except as provided in **Section 8.1** hereof, to the extent permitted by law, the Board of Education shall and hereby agrees to indemnify and save the County harmless against and from all claims by or on behalf of any person, firm, corporation or other legal entity arising from the operation or management of the Leased Property by the Board of Education during the Lease Term, including any claims arising from: (a) any condition of the Leased Property, (b) any act of negligence of the Board of Education or of any of its agents, contractors or employees or any violation of law by the Board of Education or breach of any covenant or warranty by the Board of Education hereunder or (c) the incurrence of any cost or expense in connection with the construction and other accomplishment of the School Project in excess of the moneys available therefor in the Project Fund. The Board of Education shall be notified promptly by the County of any action or proceeding brought in connection with any claims arising out of circumstances described in (a), (b) or (c) above.

ARTICLE XII

EVENTS OF DEFAULT

12.1 Events of Default. Each of the following shall be an “Event of Default” under this Lease and the term “Default” shall mean, whenever it is used in this Lease, any one or more of the following events:

(a) The Board of Education’s failure to make any payments hereunder when due.

(b) The Board of Education’s failure to observe and perform any covenant, condition or agreement on its part to be observed or performed for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied shall have been given to the Board of Education by the County, unless the County shall agree in writing to an extension of such time prior to its expiration; provided, however, that if the failure stated in such notice cannot be corrected within the applicable period, the County shall not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Board of Education within the applicable period and diligently pursued until such failure is corrected and, further, that if by reason of any event or occurrence constituting force majeure the Board of Education is unable in whole or in part to carry out any of its agreements contained herein (other than its obligations contained in **Section 6.2** or **8.1** hereof), the Board of Education shall not be deemed in default during the continuance of such event or occurrence.

(c) The dissolution or liquidation of the Board of Education or the voluntary initiation by the Board of Education of any proceeding under any federal or state law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief, or the initiation against the Board of Education of any such proceeding which shall remain undismissed for sixty (60) days, or the entry by the Board of Education into an agreement of composition with creditors or the Board of Education’s failure generally to pay its debts as they become due.

12.2 Remedies on Default. Whenever any Event of Default shall have happened and be continuing, the County may take one or any combination of the following remedial steps:

(a) Terminate this Lease, evict the Board of Education from the Leased Property or any portion thereof and re-lease the Leased Property or any portion thereof.

(b) Have reasonable access to and inspect, examine and make copies of the Board of Education’s books and records and accounts during the Board of Education’s regular business hours, if reasonably necessary in the County’s opinion.

(c) Take whatever action at law or in equity may appear necessary or desirable, including the appointment of a receiver, to collect the amounts then due, or to enforce performance and observance of any obligation, agreement or covenant of the Board of Education under this Lease.

Any amount collected pursuant to action taken under this Section shall be applied as the County may determine.

12.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to the County is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder and every remedy now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power, and any such right and power may be exercised from time to time as may be deemed expedient. In order to entitle the County to exercise any remedy reserved in this Article XII, it shall not be necessary to give any notice, other than such notice as may be required in this Article XII.

12.4 Waivers. If any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

12.5 Waiver of Appraisal, Valuation, Stay, Extension and Redemption Laws. The Board of Education and County agree, to the extent permitted by law, that in the case of a termination of the Lease Term by reason of an Event of Default, neither the Board of Education nor the County nor any one claiming through or under either of them shall or will set up, claim or seek to take advantage of any appraisal, valuation, stay, extension or redemption laws now or hereafter in force in order to prevent or hinder the enforcement of any remedy provided hereunder; and the Board of Education and the County, for themselves and all who may at any time claim through or under either of them, each hereby waives, to the full extent that it may lawfully do so, the benefit of such laws.

12.6 Subordination. This Lease shall be subordinate to the Deed of Trust.

ARTICLE XIII

MISCELLANEOUS

13.1 Notices. All notices, certificates or other communications hereunder shall be sufficiently given if given by United States mail in certified form, postage prepaid, and shall be deemed to have been received five Business Days after deposit in the United States mail in certified form, postage prepaid, as follows:

- (a) If intended for the County, addressed to it at the following address:

County of Randolph, North Carolina
725 McDowell Road
Asheboro, North Carolina 27205
Attention: Finance Officer

- (b) If intended for the Board of Education, addressed to it at the following address:

The Asheboro City Schools Board of Education
1126 South Park Street
Asheboro, North Carolina 27203
Attention: Superintendent

13.2 Binding Effect. This Lease shall be binding upon and inure to the benefit of the Board of Education and the County, subject, however, to the limitations contained in Article XI.

13.3 Net Lease. This Lease shall be deemed and construed to be a “net lease,” and the Board of Education shall pay absolutely net during the Lease Term all other payments required hereunder, free of any deductions, and without abatement or setoff.

13.4 Payments Due on Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Lease, shall not be a Business Day, such payment may be made or act performed or right exercised on the next preceding day that is a Business Day with the same force and effect as if done on the nominal date provided in this Lease.

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

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

13.7 Severability. In the event that any provision of this Lease, other than the requirement of the County to provide quiet enjoyment of the Leased Property, shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

13.8 Execution in Counterparts. This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

13.9 Applicable Law. This Lease shall be governed by and construed in accordance with the laws of the State. Jurisdiction for the resolution of any conflict arising from this Lease shall lie with the General Court of Justice of the State with venue in County of Randolph, North Carolina.

13.10 Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Lease.

13.11 Memorandum of Lease. At the request of either party, the County and the Board of Education shall, on or before the Closing Date, execute a memorandum of this Lease legally sufficient to comply with the laws of the State.

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

**COUNTY OF RANDOLPH, NORTH
CAROLINA**

By: _____
Chairman of the Board of Commissioners

[SEAL]
Attest:

Clerk to the Board of
Commissioners for the County

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

Assistant County Manager/Finance Officer

**THE ASHEBORO CITY SCHOOLS BOARD
OF EDUCATION**

[SEAL]

By: _____
Chairman of the Board of Education

Attest:

Secretary of the Board of Education

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

Chief Financial Officer

EXHIBIT A
LEGAL DESCRIPTION OF THE SITE

The site of the School Project is described as follows:

[to be inserted]

COUNTY OF RANDOLPH, NORTH CAROLINA, Grantor
to
[DT Trustee], Trustee
for the benefit of
RANDOLPH COUNTY PUBLIC FACILITIES CORPORATION, Beneficiary

DEED OF TRUST AND
SECURITY AGREEMENT
Dated as of August 1, 2018

Relating to
\$[Amount]
Randolph County Public Facilities Corporation
Limited Obligation Bonds
(Randolph County, North Carolina)
Series 2018

COLLATERAL IS OR INCLUDES FIXTURES AND THIS
DEED OF TRUST SECURES PRESENT AND FUTURE ADVANCES

After filing, please return to:
[DT Trustee]
U.S. Bank National Association
214 North Tryon Street
Charlotte, North Carolina, 28202
Attention: Corporate Trust Department

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

STATE OF NORTH CAROLINA
COUNTY OF RANDOLPH

DEED OF TRUST
(COLLATERAL INCLUDES FIXTURES)

THIS DEED OF TRUST AND SECURITY AGREEMENT, made and entered into as of August 1, 2018, from the County of Randolph, North Carolina, a body corporate and politic and a political subdivision of the State of North Carolina, whose address is 725 McDowell Road Asheboro, North Carolina 27205 Attention: Finance Officer and whose organization number is 56-6001526, as grantor (the “Grantor”), to [DT Trustee], whose address is _____, as trustee (the “Deed of Trust Trustee”) for the benefit of Randolph County Public Facilities Corporation, a nonprofit corporation organized and existing under the laws of the State of North Carolina, whose address is c/o the County of Randolph, 725 McDowell Road Asheboro, North Carolina 27205 Attention: Finance Officer (together with successors and assigns, the “Beneficiary”);

W I T N E S S E T H :

ARTICLE I

RECITALS AND CONVEYANCE

1.1 The Grantor has entered into an Installment Financing Agreement, dated as of August 1, 2018 (the “Installment Financing Agreement”), with the Beneficiary to provide the Grantor with funds with which to finance a portion of the cost of the Project (as defined in the Installment Financing Agreement). A portion of the Project will be located on real property owned by the Grantor and described in Exhibit A attached hereto. That real property and the buildings, structures, improvements and fixtures thereon and all appurtenances thereto of any nature whatsoever are hereinafter referred to collectively as the “Mortgaged Property”.

1.2 The Beneficiary is obtaining funds for the financing of a portion of the cost of the Project through the execution and delivery of \$[Amount] Randolph County Public Facilities Corporation Limited Obligation Bonds (Randolph County, North Carolina), Series 2018 (the “2018 Bonds”), evidencing proportionate undivided interests in certain payments to be made by the Grantor as Installment Payments (as defined in the Installment Financing Agreement) under the Installment Financing Agreement. The 2018 Bonds are executed and delivered under and secured by a Trust Agreement, dated as of August 1, 2018, between the Beneficiary and U.S. Bank National Association, as trustee (the “Trustee”), and relating to the execution and delivery thereof (the “Trust Agreement”).

1.3 As security for the Bonds (as hereinafter defined), the Beneficiary has assigned to the Trustee its interest in all Installment Payments and substantially all of its other rights under the Installment Financing Agreement, except for certain rights specifically reserved, and its rights under this deed of trust (this “Deed of Trust”), except its right to payments of costs, fees and expenses under **Section 2.7** hereof and its right to receive notices hereunder.

1.4 The Grantor desires to secure its obligations hereunder and under the Installment Financing Agreement by this Deed of Trust on the Mortgaged Property as more fully described herein.

1.5 This Deed of Trust is executed to secure all present and future obligations of the Grantor to the Beneficiary arising under the Installment Financing Agreement and this Deed of Trust. The period in which future obligations may be incurred is the period between the date hereof and thirty (30) years from the date hereof. The making of future advances, which advances shall be evidenced by additional bonds (“Additional Bonds” and, together with the 2018 Bonds, “Bonds”), is subject to the terms and conditions of the Trust Agreement and the Installment Financing Agreement. The amount of the present obligations secured by this Deed of Trust is _____ Dollars (\$[Amount]), and the maximum amount, including present and future obligations, that may be secured by this Deed of Trust at any one time is One Hundred Million Dollars (\$100,000,000). Notwithstanding the foregoing, if the Beneficiary wants to modify or amend the Deed of Trust for the incurrence of future obligations, it may do so by a supplemental agreement approved by the Beneficiary, without the consent of the Bond owners.

1.6 Unless the context otherwise requires, the capitalized terms used herein shall, for all purposes of this Deed of Trust, have the meanings specified in the Trust Agreement or the Installment Financing Agreement, either as originally executed or as amended and supplemented from time to time.

NOW, THEREFORE, in consideration of the premises and the indebtedness herein recited and for the sum of Ten Dollars (\$10.00) paid to the Grantor by the Beneficiary, the receipt of which is hereby acknowledged, the Grantor has given, granted, bargained, sold, and conveyed, and by these presents does give, grant, bargain, sell and convey to the Deed of Trust Trustee, his heirs, successors and assigns, in trust, with power of sale, all rights, title and interest of the Grantor now owned or hereinafter acquired in and to the Mortgaged Property, including the property described as follows:

1. The real property described in Exhibit A attached hereto.
2. The buildings, structures and improvements of every kind and description now located or hereafter erected or placed thereon (collectively the “Improvements”).
3. All fixtures now acquired and owned by the Grantor thereon, including but not limited to any articles of personal property attached or affixed to the Improvements, including but not limited to all apparatus, machinery, motors, elevators, fittings and all plumbing, heating, lighting, electrical, laundry, ventilating, refrigerating, incinerating, air-conditioning, fire and theft protection and sprinkler equipment, including all renewals and replacements thereof and all additions thereto, and all articles in substitution thereof, and all proceeds of all the foregoing in whatever form (collectively the “Fixtures”).
4. All proceeds of and any unearned premiums on any insurance policies covering the foregoing, including without limitation, the right to receive and apply the

proceeds of any insurance, judgment or settlements made in lieu thereof, for damage thereto.

5. All easements, rights-of-way, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, air rights and development rights, liberties, tenements, hereditaments and appurtenances of any nature whatsoever, in any way belonging, relating or pertaining to the foregoing and the reversion and reversions, remainder and remainders, and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the foregoing to the center line thereof and all the estates, rights, titles, interests, property, possession, claim and demand whatsoever, both in law and in equity, of the Grantor of, in and to the foregoing and every part and parcel thereof, with the appurtenances thereto.

SUBJECT, HOWEVER, to such of the Permitted Encumbrances (as defined in the Installment Financing Agreement and as are set forth in Exhibit B hereto) as are superior to this security interest.

TO HAVE AND TO HOLD the Mortgaged Property, together with all rents, issues and profits thereof, to the Deed of Trust Trustee, his heirs, successors or assigns upon the trust and for the uses and purposes hereinafter set forth, subject to such exceptions and limitations to title as qualify as Permitted Encumbrances.

THIS CONVEYANCE IS MADE UPON THIS SPECIAL TRUST, that if the Grantor shall pay, or cause to be paid, to the Trustee an amount sufficient to provide for the payment of the Bonds in accordance with their terms and the terms of the Trust Agreement, together with interest and prepayment premiums, if any, with respect thereto, at the times and places thereto specified for the payment of the same, shall comply with all the covenants, terms and conditions of this Deed of Trust and the Trust Agreement and shall deliver to the Deed of Trust Trustee a release of the Trust Agreement, executed by the Trustee pursuant to the Trust Agreement, and all other amounts payable by the Grantor under the Installment Financing Agreement and this Deed of Trust have been paid to the parties entitled thereto, then this conveyance shall be null and void and shall be cancelled or released of record at the request and at the cost of the Grantor.

BUT IF AN EVENT OF DEFAULT should occur under the Trust Agreement and the maturities of the Bonds are accelerated as provided in the Trust Agreement, it shall be lawful for, and upon the request of the Beneficiary it shall become the duty of, the Deed of Trust Trustee, to advertise and sell under this Deed of Trust the Mortgaged Property in the manner hereinafter set forth.

ARTICLE II

GRANTOR'S REPRESENTATIONS AND AGREEMENTS

2.1 Title to Mortgaged Property. The Grantor warrants that it has good and marketable title to the Mortgaged Property and is lawfully seized and possessed of the Mortgaged Property and every part thereof in fee simple and has the right to convey the same; that the Mortgaged Property is unencumbered, except for such encumbrances and matters of title as are set forth in Exhibit B hereto; and that the Grantor will forever warrant and defend the title

to the Mortgaged Property and the Deed of Trust Trustee against the claims of all persons whomsoever.

2.2 Payment and Performance of Bonds, Installment Financing Agreement, Trust Agreement and Deed of Trust. The Grantor shall pay, or cause to be paid, when due, the principal, prepayment premiums, if any, and interest with respect to the Bonds, as provided in the Bonds, and all other sums required to be paid under this Deed of Trust, the Installment Financing Agreement and the Trust Agreement from funds available to the Grantor pursuant to such documents. The Grantor shall observe and perform all the covenants, provisions, terms and conditions of the Bonds, the Installment Financing Agreement and this Deed of Trust, to be observed and performed by the Grantor. All of the covenants, terms, provisions, and conditions of the Bonds and the Trust Agreement are incorporated by reference in this Deed of Trust and are made a part of the same as if fully set forth herein.

2.3 Performance of Grantor's Obligations. If at any time the Grantor should neglect, refuse or fail to perform any of its obligations set forth in this Deed of Trust and the Beneficiary performs or causes to be performed such obligations, all expenditures incurred by the Beneficiary shall be part of the obligations secured by this Deed of Trust. All such payments made by the Beneficiary shall constitute payments for the protection and preservation of the Beneficiary's security.

2.4 Further Instruments. Upon demand, the Grantor shall execute and deliver to the Beneficiary and to any subsequent Beneficiary any further instrument or instruments, including, but not limited to, deeds of trust, security agreements, financing statements, assignments, notices of extension, or renewal or substitution obligations necessary to reaffirm, correct or perfect the evidence of the obligations hereby secured and the legal security title and lien of the Deed of Trust Trustee and the Beneficiary to all or any part of the Mortgaged Property intended to be given or conveyed under the Installment Financing Agreement or this Deed of Trust, whether now given or conveyed or acquired and conveyed subsequent to the date of this Deed of Trust.

2.5 Security Interest in Fixtures. This Deed of Trust is intended to be a security agreement pursuant to the North Carolina Uniform Commercial Code for the Fixtures. The Grantor hereby grants to the Beneficiary and the Deed of Trust Trustee a security interest in the Fixtures. The Grantor agrees that the security interest in the Fixtures granted in this paragraph 2.5 shall be in addition to, and not in lieu of, any lien upon and security title in the Fixtures acquired by real property law. The Grantor agrees to execute, deliver and file, or cause to be filed, in such place or places as may be required by law, financing statements (including any continuation statements required by the North Carolina Uniform Commercial Code) in such form as the Beneficiary may require to perfect the security interest hereunder. Upon the occurrence of an Event of Default under this Deed of Trust, the Beneficiary or Deed of Trust Trustee shall be entitled to exercise all rights and remedies of a secured party under the North Carolina Uniform Commercial Code and may proceed as to the Fixtures in the same manner as provided herein for the real property.

2.6 Grantor and Lien Not Released. The Grantor agrees that its obligations to the Beneficiary will not be diminished, and the responsibility and liability of the Grantor (or any successor thereto) to the Beneficiary for the complete performance of each of the Grantor's

obligations hereunder or under the Bonds, the Installment Financing Agreement, the Trust Agreement, or any other documents submitted by the Grantor to the Beneficiary in connection with the obligations secured hereby shall not be released, regardless of any (a) release by the Beneficiary of any of the Grantor's successors in title to all or any part of the Mortgaged Property from liability on the Bonds or any other liability of the Grantor to the Beneficiary, (b) extension of time for payment of all or any part of the obligations hereby secured, (c) release by the Beneficiary of any portion of the Mortgaged Property from the lien and security title hereof, (d) subordination of lien, (e) forbearance on the part of the Beneficiary to collect on the Bonds or other liability of the Grantor to the Beneficiary or any part thereof, (f) waiver of any right granted or remedy available to the Beneficiary or (g) action or omission by the Beneficiary.

2.7 Payment of Costs, Attorneys' Fees and Expenses. To the extent permitted by law, the Grantor shall pay, or cause to be paid, from funds available to the Grantor pursuant to this Deed of Trust, the Installment Financing Agreement and the Trust Agreement, any and all costs, reasonable attorneys' fees and other expenses of whatever kind incurred by the Beneficiary or Deed of Trust Trustee in connection with (a) obtaining possession of the Mortgaged Property, (b) the protection and preservation of the Mortgaged Property, (c) the collection of any sum or sums secured hereby, (d) any litigation involving the Mortgaged Property, this Deed of Trust, any benefit accruing by virtue of the provisions hereof, or the rights of the Beneficiary or Deed of Trust Trustee, (e) the presentation of any claim to be filed under any administrative law, (f) any additional examination of the title to the Mortgaged Property that may reasonably be required by the Beneficiary or Deed of Trust Trustee, or (g) taking any steps whatsoever in enforcing this Deed of Trust, claiming any benefit accruing by virtue of the provisions hereof, or exercising the rights of the Beneficiary or Deed of Trust Trustee hereunder. Nothing contained in this **Section 2.7** shall be construed to limit the Grantor's obligation to pay costs, attorneys' fees, and expenses as provided in the Installment Financing Agreement.

2.8 Grantor's Obligations Limited. Notwithstanding anything herein to the contrary, pursuant to Section 160A-20 of the General Statutes of North Carolina, no deficiency judgment shall be rendered against the Grantor in any action for breach by the Grantor of its obligations under the Installment Financing Agreement, or following the exercise by the Grantor of its right in its discretion not to appropriate funds to make Installment Payments or Additional Payments under the Installment Financing Agreement, the remedies provided under this Deed of Trust, including foreclosure under this Deed of Trust, being the sole remedy granted hereby. The taxing power of the Grantor is not and may not be pledged in any way, directly or indirectly, to secure the payment of any moneys due under the Installment Financing Agreement, including the Installment Payments or Additional Payments under the Installment Financing Agreement, or any other instrument contemplated hereby or thereby.

ARTICLE III

FORECLOSURE

3.1 Power of Sale. Upon the occurrence of any one or more of the Events of Default under the Trust Agreement ("Events of Default") and if the maturities of the Bonds shall have been accelerated as provided in the Trust Agreement, all of the obligations hereby secured shall immediately become due and payable, at the option of the Beneficiary, and, upon the direction of

the Beneficiary and the Deed of Trust Trustee being indemnified as provided herein, the Deed of Trust Trustee shall sell, and is hereby authorized pursuant to the power of sale hereby granted to sell, all or any part or parts of the Mortgaged Property at public auction for cash after first having given such notice as to commencement of foreclosure proceedings and having obtained such findings and leave of court as may then be required by law and upon such sale and any resale to convey title to the purchaser in fee simple.

3.2 Application of Proceeds. The Deed of Trust Trustee, having retained one-half of one percent (0.5%) of the gross proceeds of such sale as a commission for its services and having retained also all advertising and other expenses incurred by him, including a reasonable attorneys' fee for legal services actually performed, shall apply the net proceeds first to the payment of any taxes or assessments that may be a lien against the Mortgaged Property superior to this Deed of Trust, unless the Deed of Trust Trustee advertised and sold the same subject to taxes or assessments; then to the sums secured by this Deed of Trust in accordance with the Trust Agreement; then the balance, if any, to the persons entitled thereto under the Trust Agreement unless otherwise provided by law.

3.3 Foreclosure Sale. At such sale, the Beneficiary may bid for and acquire all or any part or parts of the Mortgaged Property and in lieu of paying cash therefor may make settlement for the purchase price by crediting upon the sums due and payable under and secured by this Deed of Trust, the net sales price, which shall be the proceeds of sale after deducting therefrom the expenses, taxes and assessments referred to above. The Grantor may bid for all or any part or parts of the Mortgaged Property at any foreclosure sale; provided, however, that the price bid by the Grantor may not be less than an amount sufficient to provide for the payment in full of the Bonds unless the registered owners of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds then outstanding consent in writing thereto. At any sale, the Deed of Trust Trustee shall require the successful bidder, if other than the Beneficiary, immediately to deposit with the Deed of Trust Trustee cash or a certified check in the amount equal to ten percent (10%) of the first One Thousand Dollars (\$1,000.00) of the successful bid and five percent (5%) of any amount in excess thereof, and notice of such requirement shall be included in the advertisement of the notice of such sale.

ARTICLE IV

ADDITIONAL RIGHTS AND REMEDIES OF BENEFICIARY AND DEED OF TRUST TRUSTEE

4.1 Rights Upon Default. Upon the occurrence of an Event of Default, the Beneficiary and the Deed of Trust Trustee shall be entitled (but not required) to exercise all the rights and remedies provided in this Deed of Trust or as otherwise provided by law or in equity, including, without limiting the generality of the foregoing, the right to have judicially appointed a receiver of the Mortgaged Property, the right to judicial foreclosure or mortgage foreclosure under Chapter 45 of the General Statutes of North Carolina and the right to enter the Mortgaged Property and to operate, maintain, control and lease the same. No remedy of the Beneficiary with respect to the Mortgaged Property under this Deed of Trust is intended to be exclusive of any remedy now or hereafter existing at law or in equity, by statute, or under this Deed of Trust or the Trust Agreement. No delay or omission of the Deed of Trust Trustee or the Beneficiary to

exercise any right or power accruing upon any Event of Default shall impair such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein. Every power or remedy given by this Deed of Trust to the Deed of Trust Trustee or the Beneficiary may be exercised from time to time as often as may be deemed expedient by the Deed of Trust Trustee or the Beneficiary. The Grantor hereby waives any and all rights to require marshalling of assets in connection with the exercise of any remedies provided herein or as permitted by law.

4.2 Additional Rights upon Default. Upon the occurrence of an Event of Default, the Grantor agrees that the Beneficiary shall have all of the rights and remedies set forth in the Trust Agreement entitled “Additional Rights in connection with Environmental Concerns” and shall have the right to inspect the Mortgaged Property for the purpose of determining whether the property either is contaminated by any Hazardous Materials, as defined in the Installment Financing Agreement, or is being used or has been used for any activity directly or indirectly involving any Hazardous Materials which could result in liability to the trust created by this Deed of Trust or the Beneficiary. The Grantor agrees that in the event of the presence of any Hazardous Materials at the Mortgaged Property in violation of any applicable Environmental Laws, whether or not the same originates or emanates from the Mortgaged Property, the Grantor shall comply with all of the requirements of all Environmental Laws relating to the remediation thereof. If the Grantor fails to do so, then the Beneficiary may at its election, but without an obligation to do so, (i) give notices, (ii) cause such work to be performed at the Mortgaged Property or (iii) take any and all other actions as the Beneficiary or the Deed of Trust Trustee shall deem necessary or advisable in order to abate, remove and clean up the Hazardous Materials or otherwise cure the Grantor’s non-compliance.

Any amounts disbursed by the Beneficiary pursuant to provisions of this **Section 4.2**, including but not limited to fees of legal counsel, environmental consultants and remedial contractors incurred either before or after the initiation of enforcement action by any governmental body, shall be payable by the Grantor on demand.

ARTICLE V

RELEASE OF MORTGAGED PROPERTY

5.1 Notwithstanding any other provisions of this Deed of Trust, with the consent of the Beneficiary and at any time so long as there is no Event of Default, the Deed of Trust Trustee shall release the Mortgaged Property or any part thereof from the lien and security interest of this Deed of Trust in accordance with **Section 5.2** of this Deed of Trust.

5.2 So long as any Bonds remain Outstanding or sufficient funds for their payment in full are not held in trust by the Trustee under the Trust Agreement, a release of all or a part of the Mortgaged Property shall be permitted only when and if the following requirements have been fulfilled:

(a) In connection with any release of the Mortgaged Property or any part thereof, there shall be filed with the Beneficiary a certified copy of the resolution of the Board of Commissioners for the Grantor stating the purpose for which the Grantor desires such release of the Mortgaged Property, giving an adequate legal description of the part of the Mortgaged

Property to be released, requesting such release and providing for the payment by the Grantor of all expenses in connection with such release.

(b) In connection with the release of any part of the Mortgaged Property constituting less than all of the Mortgaged Property, such release does not inhibit in any material way ingress or egress to the remaining portion of the Mortgaged Property or materially interfere with the intended use of the remaining portion of the Mortgaged Property (such determination to be made by a certificate of a County Representative filed with the Beneficiary to such effect).

(c) In connection with the release of any part of the Mortgaged Property constituting less than all of the Mortgaged Property, the appraised, tax or insured value of the Mortgaged Property remaining after the proposed release is not less than fifty percent (50%) of the aggregate principal components of the Installment Payments relating to the Bonds then Outstanding.

(d) In connection with the release of all property constituting the Mortgaged Property, there shall have been paid to the Trustee an amount sufficient to provide for the payment in full of all Outstanding Bonds in accordance with the Trust Agreement.

ARTICLE VI

THE DEED OF TRUST TRUSTEE

6.1 The Deed of Trust Trustee shall be under no duty to take any action hereunder except as expressly required, or to perform any act that would involve him in expense or liability or to institute or defend any suit in respect hereof, unless properly indemnified to his satisfaction. All reasonable expenses, charges, counsel fees and other disbursements incurred by the Deed of Trust Trustee in and about the administration and execution of the trusts hereby created and the performance of his duties and powers hereunder shall be paid, or caused to be paid, by the Grantor on demand, shall be secured by this Deed of Trust, and shall bear interest at the rate of eight percent (8%) per annum. The Beneficiary shall have the irrevocable right to remove the Deed of Trust Trustee herein named at any time without notice or cause and to appoint his successor by an instrument in writing, by duly recording such written instrument in the Office of the Register of Deeds of Randolph County, North Carolina, and in the event of the death or resignation of the Deed of Trust Trustee herein named, the Beneficiary shall have the right to appoint his successor by recordation of such written instrument, and any trustee so appointed shall be vested with the title to the Mortgaged Property and shall possess all the powers, duties and obligations herein conferred on the Deed of Trust Trustee in the same manner and to the same extent as though he were named herein as Deed of Trust Trustee.

ARTICLE VII

MISCELLANEOUS

7.1 Limitation of Liability of Officers of Grantor. No covenant, condition or agreement contained herein shall be deemed to be a covenant, agreement or obligation of a present or future director, officer, employee or agent of the Grantor in his or her individual capacity, and no director, officer, employee or agent thereof shall be liable personally on the

Bonds or be subject to any personal liability or accountability by reason of the delivery thereof or by virtue of the execution and delivery of this Deed of Trust. No director, officer, employee or agent of the Grantor shall incur any personal liability with respect to any other action or failure to act pursuant to this Deed of Trust, provided such director, officer, employee or agent acts in good faith.

7.2 Notices. All notices, approvals, consents, requests and other communications hereunder shall be in writing and, unless otherwise provided herein, shall be deemed to have been sufficiently given if given by United States mail in certified form, postage prepaid, and shall be deemed to have been received five (5) Business days after deposit in the United States mail in certified form, postage prepaid, addressed (i) if to the Grantor, to the County of Randolph, North Carolina, 725 McDowell Road Asheboro, North Carolina 27205 Attention: Finance Officer, (ii) if to the Deed of Trust Trustee, to, [DT Trustee], _____ and (iii) if to the Beneficiary, to Randolph County Public Facilities Corporation, c/o the County of Randolph, 725 McDowell Road Asheboro, North Carolina 27205 Attention: Finance Officer. A copy of any notice required to be given to the Beneficiary shall be sent in the same manner to the Trustee at the following address: U.S. Bank National Association, 214 North Tryon Street, Charlotte, North Carolina 28202, Attention: Corporate Trust Department, and a copy of any notice required to be given to the Grantor shall be sent in a similar manner to the Asheboro City Schools Board of Education, 1126 South Park Street, Asheboro, North Carolina 27203 Attention: Superintendent. Each party may by notice given hereunder designate any further or different addresses to which subsequent notices, approvals, consents, requests or other communications shall be sent or persons to whose attention the same shall be directed.

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

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

7.5 Amendments. This Deed of Trust may not be amended in any respect except in compliance with the provisions of the Trust Agreement.

7.6 Successors and Assigns. This Deed of Trust shall be binding upon, inure to the benefit of, and be enforceable by the Grantor, the Deed of Trust Trustee and the Beneficiary and their respective successors and assigns.

7.7 Applicable Law. This Deed of Trust shall be governed by and construed in accordance with the laws of the State of North Carolina. Jurisdiction for the resolution of any conflict arising from this Deed of Trust shall lie with the General Court of Justice of the State of North Carolina with venue in the County of Randolph, North Carolina.

[SIGNATURES TO FOLLOW]

IN WITNESS WHEREOF, the Grantor has caused this Deed of Trust to be executed in its name and its seal to be affixed hereto by its duly authorized officers at the order of its Board of Commissioners and as the act of the Grantor.

COUNTY OF RANDOLPH, NORTH CAROLINA

By _____
Chairman of the Board of Commissioners

[SEAL]

ATTEST:

Clerk to the Board of Commissioners

[Signature Page-Deed of Trust and Security Agreement, dated as of August 1, 2018, from the County of Randolph, North Carolina to [DT Trustee], as Deed of Trust Trustee]

EXHIBIT A
LEGAL DESCRIPTION

All of that real property described as follows:

[to be added].

EXHIBIT B

PERMITTED ENCUMBRANCES

“Permitted Encumbrances” means, as of any particular time: (a) this Deed of Trust; (b) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the Grantor may, pursuant to provisions of the Installment Financing Agreement, permit to remain unpaid; (c) the Installment Financing Agreement, as it may be amended from time to time; (d) easements, rights of way, mineral rights, drilling rights and other similar rights, reservations, covenants, conditions or restrictions which the Grantor certifies in writing will not materially impair the use of the Mortgaged Property for its intended purposes by the Grantor; (e) the Trust Agreement; (f) any lease by the County in conformity with the provisions of the Installment Financing Agreement; and (g) any other exceptions or other encumbrances described in the policy evidencing the title insurance required pursuant to the Installment Financing Agreement.

TRUST AGREEMENT

Dated as of August 1, 2018

by and between

RANDOLPH COUNTY PUBLIC FACILITIES CORPORATION

and

U.S. BANK NATIONAL ASSOCIATION
as Trustee

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TRUST AGREEMENT

THIS TRUST AGREEMENT, dated as of August 1, 2018 (this “Trust Agreement”), by and between **RANDOLPH COUNTY PUBLIC FACILITIES CORPORATION**, a nonprofit corporation duly organized and existing under the laws of the State of North Carolina, including, without limitation, Chapter 55A of the General Statutes of North Carolina, (the “Corporation”), and **U.S. BANK NATIONAL ASSOCIATION**, as trustee (the “Trustee”);

WITNESSETH:

WHEREAS, the Corporation and the County of Randolph, North Carolina (the “County”) have entered into an Installment Financing Agreement, dated as of the date hereof (the “Installment Financing Agreement”), whereby the Corporation has agreed to provide the County with funds with which to finance a portion of the cost of the Project (as defined in the Installment Financing Agreement), and the County has agreed to make Installment Payments and Additional Payments (each as defined herein) to the Corporation; and

WHEREAS, the Corporation wishes to execute and deliver the 2018 Bonds (as defined herein) in order to accomplish such purpose; and

WHEREAS, proceeds of the sale of the 2018 Bonds will be deposited with the Trustee under this Trust Agreement and used, together with other available funds, to construct and otherwise accomplish the Project; and

WHEREAS, the County will pay Installment Payments in amounts sufficient to pay the components of principal and interest represented by the 2018 Bonds and any Additional Bonds (as defined herein) and the County will pay Additional Payments in amounts sufficient to pay certain administrative costs; and

WHEREAS, the Corporation has agreed to execute, and the Trustee has agreed to authenticate and deliver, the 2018 Bonds evidencing proportionate undivided interests in the Installment Payments made by the County under the Installment Financing Agreement; and

WHEREAS, as security for the 2018 Bonds and any Additional Bonds, the Corporation will assign its rights to receive the Installment Payments and certain of its other rights under the Installment Financing Agreement, grant a security interest in all moneys and securities held by the Trustee hereunder for the benefit of the Owners (as defined herein) of such Bonds and assign to the Trustee certain of its rights as beneficiary under the Deed of Trust (as defined herein);

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

ARTICLE I

DEFINITIONS

Section 1.01 Definitions and Rules of Construction. Unless the context otherwise requires, the terms defined in this Section and in the Installment Financing Agreement shall, for

all purposes of this Trust Agreement, have the meanings herein or therein specified. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa. The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this Trust Agreement, refer to this Trust Agreement as a whole.

“Additional Bonds” means any Bonds issued pursuant to **Section 2.08** hereof.

“Additional Payments” means Additional Payments as defined in the Installment Financing Agreement.

“Authorized Denomination” means \$5,000 or any integral multiple thereof.

“Board of Education” means Board of Education as defined in the Installment Financing Agreement.

“Bond Counsel” means an attorney or firm of attorneys of nationally recognized standing in matters pertaining to obligations issued by states and their political subdivisions.

“Bond Payment Dates” means April 1 and October 1 of each year, commencing April 1, 2019 with respect to the interest payments evidenced by the 2018 Bonds, and October 1 of each year, commencing October 1, 2020 with respect to the principal payments evidenced by the 2018 Bonds, and, with respect to any Additional Bonds, the dates stated in the resolution of the Corporation authorizing their delivery or in a supplement to this Trust Agreement with respect thereto.

“Bond Prepayment Date” means any date on which Bonds are prepaid, in whole or in part, pursuant to **ARTICLE IV** hereof.

“Bonds” means the 2018 Bonds and all Additional Bonds.

“Business Day” means any day of the year on which banks in New York, New York or in the city in which the Principal Office of the Trustee is located are not authorized or obligated by law or executive order to remain closed and on which the New York Stock Exchange is not closed.

“Closing Date” means the respective day when the 2018 Bonds or any Additional Bonds, duly authenticated by the Trustee, are delivered to the purchasers thereof.

“Code” means the Internal Revenue Code of 1986, as amended, where all citations herein shall be deemed to refer to corresponding sections in such Code, and all regulations promulgated, from time to time, thereunder.

“Corporation” means Randolph County Public Facilities Corporation, a nonprofit corporation organized and existing under the laws of the State, and the legal successor or successors thereof.

“County” means the County of Randolph, North Carolina, a political subdivision of the State and the legal successor or successors thereof.

“County Representative” means the County Manager or Finance Director of the County or any person authorized by the County Manager to act on behalf of the County with respect to any matter under or with respect to the Installment Financing Agreement or this Trust Agreement.

“Credit Facility” means a line of credit, letter of credit, standby bond purchase agreement, financial guaranty insurance policy or similar liquidity or credit facility permitted by the General Statutes of North Carolina and established or obtained in connection with the execution and delivery of any Additional Bonds.

“Credit Provider” means a Person providing a Credit Facility, as designated in any resolution of the Board of Directors of the Corporation authorizing the execution and delivery of Additional Bonds. If and to the extent permitted by the General Statutes of North Carolina, the County may be a Credit Provider with the approval of the Local Government Commission of North Carolina.

“Deed of Trust” means the Deed of Trust and Security Agreement, dated as of the date hereof and executed by the County to the Deed of Trust Trustee as security for its obligations under the Installment Financing Agreement, as amended from time to time pursuant to the provisions of **ARTICLE IX** hereof.

“Deed of Trust Trustee” means the person at the time serving as trustee under the Deed of Trust.

“Defeasance Obligations” means (i) Government Obligations, (ii) evidences of ownership of a proportionate interest in specified Government Obligations, which Government Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian, (iii) Defeased Municipal Obligations, (iv) evidences of ownership of a proportionate interest in specified Defeased Municipal Obligations, which Defeased Municipal Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian, and (v) full faith and credit obligations of state or local government municipal bond issuers which are rated in the highest rating category by S&P and Moody’s.

“Defeased Municipal Obligations” means obligations of state or local government municipal bond issuers which are rated in the highest rating category by S&P and by Moody’s, provision for the payment of the principal of and interest on which shall have been made by deposit with a trustee or escrow agent of (i) Government Obligations or (ii) evidences of ownership of a proportionate interest in specified Government Obligations, which Government Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian, and the maturing principal of and interest on such Government Obligations or evidences of ownership, when due and payable, shall provide sufficient money to pay the principal of, premium, if any, and interest on such obligations of state or local government municipal bond issuers.

“Delivery Costs” means all items of expense directly or indirectly payable by or reimbursable to the County or the Corporation relating to the financing of a portion of the cost of

the Project from the proceeds of the 2018 Bonds or the financing of the cost of any Improvements or the refunding of any Bonds or any other financing under Section 160A-20 of the North Carolina General Statutes, as amended, from the proceeds of any Additional Bonds, as may be applicable, including, but not limited to, costs provided in the related Bond purchase contracts with the purchasers thereof, filing and recording costs, settlement costs, printing costs, word processing costs, reproduction and binding costs, initial fees and charges of the Trustee and any escrow agent, the premium for any Credit Facility, legal fees and charges, financing and other professional consultant fees, costs of rating agencies or credit ratings, fees for execution, transportation and safekeeping of the related Bonds and charges and fees in connection with the foregoing.

“Event of Default” means each of those events set forth in **Section 12.01(a)** hereof.

“Fiscal Year” means the fiscal year of the County beginning on July 1 of any year and ending on June 30 of the following year, or such other period of 12 consecutive months as may be adopted by the County.

“Government Obligations” means direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the United States Treasury) or obligations the timely payment of principal of and interest on which are fully and unconditionally guaranteed by the United States of America.

“Improvements” means the Improvements as defined in the Installment Financing Agreement.

“Independent Counsel” means an attorney duly admitted to the practice of law before the highest court of the state in which such attorney maintains an office and who is not an employee of the County, the Trustee or the Corporation.

“Installment Financing Agreement” means the Installment Financing Agreement relating to the 2018 Bonds, dated as of the date hereof, by and between the Corporation and the County, and any duly authorized and executed amendments thereto.

“Installment Payment” means any payment required to be paid by the County to the Corporation pursuant to Section 4.3 of the Installment Financing Agreement.

“Installment Payment Dates” means the Installment Payment Dates as defined in the Installment Financing Agreement.

“Installment Payment Fund” means the fund by that name established and held by the Trustee pursuant to **Section 5.02** hereof.

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the County.

“Mortgaged Property” means Mortgaged Property as defined in the Installment Financing Agreement.

“Net Proceeds” means any proceeds of casualty insurance and any other available funds from any alternative risk management program required or permitted by Sections 5.3 and 5.5 of the Installment Financing Agreement, any proceeds of title insurance required by Section 5.4 of the Installment Financing Agreement and any proceeds of any taking by eminent domain or condemnation paid with respect to the Mortgaged Property remaining after payment therefrom of any expenses (including attorneys’ fees) incurred in the collection thereof.

“Net Proceeds Fund” means the fund by that name established and held by the Trustee pursuant to **Section 6.01** hereof.

“Original Purchaser” means Robert W. Baird & Co. or any successor or assign thereof, as original purchaser of the 2018 Bonds.

“Outstanding,” when used as of any particular time with respect to Bonds, means (subject to the provisions of **Section 9.03** hereof) all Bonds theretofore authenticated and delivered by the Trustee under this Trust Agreement except –

(a) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;

(b) Bonds for the payment or prepayment of which moneys or Defeasance Obligations, together with interest earned thereon, in the necessary amount shall have theretofore been deposited with the Trustee (whether upon or prior to the maturity or prepayment date of such Bonds), provided that, if such Bonds are to be prepaid prior to maturity, notice of such prepayment shall have been given as provided in **Section 4.06** hereof or provision satisfactory to the Trustee shall have been made for the giving of such notice, and in the event of an advance refunding, the County shall cause to be delivered to the Trustee a verification report of a firm of experts in the field as to the sufficiency of any escrow fund created in connection therewith; and

(c) Bonds in lieu of or in exchange for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to **Sections 2.09** and **2.10** hereof.

The term “Outstanding” specifically includes any Bond with respect to which the principal or interest has been paid by a Credit Provider.

“Owner” or “Bond Owner” or “Owner of a Bond,” or any similar term, when used with respect to a Bond, means the person in whose name such Bond is registered on the registration books maintained by the Trustee.

“Permitted Investments” means any obligations as are now and may at any time hereafter be authorized by applicable law, including but not limited to Section 159-30 of the North Carolina General Statutes, as amended.

“Person” includes corporations, firms, associations, partnerships, joint ventures, joint stock companies, trusts, unincorporated organizations, and public bodies, as well as natural persons.

“Prepayment” means any payment made by the County pursuant to Article X of the Installment Financing Agreement as a prepayment of the Installment Payments.

“Prepayment Fund” means the fund by that name established and held by the Trustee pursuant to **Section 4.01** hereof.

“Principal Office” means, initially, the corporate trust office of the Trustee in Charlotte, North Carolina and, thereafter, the corporate trust office designated by the Trustee to the Corporation and the County in writing.

“Project” means the Project as defined in the Installment Financing Agreement.

“Project Costs” means, with respect to any item or portion of the Project, the contract price paid or to be paid therefor in connection with the construction or other accomplishment thereof, in accordance with a purchase order or contract therefor. Project Costs include the administrative, engineering, legal, financial and other costs incurred in connection with the construction and other accomplishment of the Project and all applicable charges resulting therefrom. Project Costs do not include sales tax.

“Project Fund” means the fund by that name established and held by the Trustee pursuant to **Section 3.01** hereof.

“Record Date” means the close of business on the fifteenth (15th) day of the month preceding each Bond Payment Date, whether or not such fifteenth (15th) day is a Business Day.

“Requisition” means the form of written requisition substantially in the form attached hereto as Exhibit B.

“S&P” means S&P Global Ratings, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the County.

“Securities Depository” means The Depository Trust Company, New York, New York, or other recognized securities depository selected by the Corporation, with the approval of the County, which maintains a book-entry system in respect of the Bonds, and shall include any substitute for or successor to the securities depository initially acting as Securities Depository.

“Securities Depository Nominee” means, as to any Securities Depository, such Securities Depository or the nominee of such Securities Depository in whose name there shall be registered on the registration books maintained by the Trustee the Bonds to be delivered to and immobilized at such Securities Depository during the continuation with such Securities Depository of participation in its book-entry system.

“State” means the State of North Carolina.

“Term” means the time during which the Installment Financing Agreement is in effect, as provided in Section 4.2 of the Installment Financing Agreement.

“Trust Agreement” means this Trust Agreement, together with any amendments hereof or supplements hereto permitted to be made hereunder.

“Trustee” means the bank or trust company from time to time serving as trustee hereunder, whether the original or a successor Trustee.

“2018 Bonds” means the \$[Amount] Randolph County Public Facilities Corporation Limited Obligation Bonds (Randolph County, North Carolina), Series 2018 executed and delivered pursuant to **Section 2.01** hereof and evidencing the proportionate undivided interests of the Owners thereof in Installment Payments to be made by the County with respect to the 2018 Bonds.

Section 1.02 Authorization. Each of the parties hereby represents and warrants that it has full legal authority and is duly empowered to enter into this Trust Agreement, and has taken all actions necessary to authorize the execution of this Trust Agreement by the officers and persons signing it.

ARTICLE II

THE BONDS

Section 2.01 Authorization of 2018 Bonds. The Corporation shall prepare and execute and the Trustee shall authenticate and deliver to the Original Purchaser the 2018 Bonds in an aggregate principal amount of \$[Amount], evidencing proportionate undivided interests in the Installment Payments.

Simultaneously with the delivery of the 2018 Bonds, the County and the Corporation shall execute and deliver the Installment Financing Agreement and the Corporation and the Trustee shall execute and deliver this Trust Agreement.

Section 2.02 Date of 2018 Bonds. Each 2018 Bond shall be dated the date of its delivery and interest with respect thereto shall be payable from the Bond Payment Date next preceding the date of authentication thereof, unless:

(a) it is authenticated on a Bond Payment Date, in which event interest with respect thereto shall be payable from such Bond Payment Date; or

(b) it is authenticated after a Record Date and before the following Bond Payment Date, in which event interest with respect thereto shall be payable from such following Bond Payment Date; or

(c) it is authenticated on or before the Record Date preceding the first Bond Payment Date, in which event interest with respect thereto shall be payable from its dated date;

provided, however, that if, as of the date of authentication of any 2018 Bond, interest has not been paid when due with respect to any Outstanding 2018 Bond, interest with respect to such 2018 Bond shall be payable from the Bond Payment Date to which interest has previously been paid or made available for payment with respect to the Outstanding 2018 Bonds.

Section 2.03 Maturities; Interest Rates of 2018 Bonds. The 2018 Bonds shall mature (subject to prepayment) on October 1 of the following years in the following amounts and interest with respect to the 2018 Bonds shall be payable at the following rates:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2020			2029		
2021			2030		
2022			2031		
2023			2032		
2024			2033		
2024			2034		
2025			2035		
2026			2036		
2027			2037		
2028			2038		

Section 2.04 Registration; Interest. The Bonds shall be delivered in the form of fully registered Bonds in Authorized Denominations.

Interest with respect to the 2018 Bonds shall be payable semiannually on each Bond Payment Date, commencing April 1, 2019, to and including the date of maturity or prepayment, whichever is earlier. Said interest shall represent the portion of each Installment Payment designated as interest and coming due on the Installment Payment Date next preceding each Bond Payment Date computed on the basis of a 360-day year consisting of twelve 30-day months.

Section 2.05 Form of 2018 Bonds; Book-Entry System.

(a) The 2018 Bonds and the assignment to appear thereon shall be substantially in the form set forth in Exhibit A attached hereto and by this reference incorporated herein. Pending the preparation of definitive 2018 Bonds, at the request of the purchasers thereof, the 2018 Bonds may be delivered in temporary form exchangeable for definitive 2018 Bonds when ready for delivery. If temporary 2018 Bonds are delivered, the Corporation shall execute and the Trustee shall authenticate and deliver definitive 2018 Bonds in an equal aggregate principal amount, when available, without additional charge, and thereupon the temporary 2018 Bonds shall be surrendered to the Trustee at its Principal Office. Until so exchanged, the temporary 2018 Bonds shall be entitled to the same benefits under this Trust Agreement as definitive 2018 Bonds.

(b) The 2018 Bonds will be delivered by means of a book-entry system with no physical distribution of definitive 2018 Bonds made to the public. One definitive 2018 Bond with respect to each date on which the 2018 Bonds are stated to mature, in the aggregate principal amount of the 2018 Bonds stated to mature on such date and registered in the name of Cede & Co., a nominee of The Depository Trust Company, New York, New York (“DTC”), will be delivered to DTC and immobilized in its custody. The book-entry system will evidence ownership of the 2018 Bonds in denominations of \$5,000 or any integral multiple thereof, with transfers of beneficial ownership effected on the records of DTC and its participants (the “DTC Participants”) pursuant to rules and procedures established by DTC and DTC Participants.

Each DTC Participant will be credited in the records of DTC with the amount of such DTC Participant’s interest in the 2018 Bonds. Beneficial ownership interests in the 2018 Bonds may be purchased by or through DTC Participants. The owners of these beneficial ownership interests are hereinafter referred to as the “Beneficial Owners.” The Beneficial Owners will not receive definitive 2018 Bonds. The ownership interests of each Beneficial Owner will be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its 2018 Bonds. Transfers of ownership interests in the 2018 Bonds will be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. **SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE 2018 BONDS, THE TRUSTEE SHALL TREAT CEDE & CO. AS THE ONLY OWNER OF THE 2018 BONDS FOR ALL PURPOSES UNDER THIS TRUST AGREEMENT, INCLUDING RECEIPT OF ALL PRINCIPAL, PREMIUM, IF ANY, AND INTEREST WITH RESPECT TO THE 2018 BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE TRUSTEE TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS TRUST AGREEMENT.**

Payments of principal, interest and prepayment premium, if any, with respect to the 2018 Bonds, so long as DTC is the only Owner of the 2018 Bonds, will be paid by the Trustee directly to DTC or its nominee, Cede & Co. DTC will remit such payments to DTC Participants, and such payments thereafter will be paid by DTC Participants to the Beneficial Owners. The Corporation, the Trustee and the County are not and will not be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

DTC may discontinue providing its services as Securities Depository with respect to the 2018 Bonds at any time by giving reasonable notice to the Corporation or the Trustee. Under such circumstances, in the event that a successor Securities Depository is not obtained to replace DTC, the Corporation will deliver fully registered definitive 2018 Bonds in accordance with DTC’s rules and procedures.

The Trustee or the Corporation may decide to discontinue use of book-entry system of evidence and transfer of ownership of the 2018 Bonds through DTC in accordance with DTC’s rules. In that event, if a successor Securities Depository is not obtained to replace DTC, the Corporation will deliver fully registered definitive 2018 Bonds in accordance with DTC’s rules and procedures.

THE CORPORATION, THE COUNTY AND THE TRUSTEE HAVE NO RESPONSIBILITY OR OBLIGATION WITH RESPECT TO (a) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (b) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL, PREMIUM, IF ANY, AND INTEREST WITH RESPECT TO THE 2018 BONDS; (c) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS TRUST AGREEMENT TO BE GIVEN TO OWNERS; (d) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL PREPAYMENT OF THE 2018 BONDS; OR (e) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR ITS NOMINEE, CEDE & CO., AS OWNER.

Section 2.06 Execution. The Bonds shall be executed by and in the name of the Corporation by the manual or facsimile signatures of the President or any Vice President and the Secretary or any Assistant Secretary of the Corporation, and the corporate seal or a facsimile of the corporate seal of the Corporation shall be impressed or imprinted thereon.

In case any officer whose signature or a facsimile of whose signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes as if he had remained in office until such delivery, and any Bonds may bear the facsimile signatures of, or may be signed by, such persons as at the actual time of the execution of such Bonds shall be the proper officers to sign such Bonds although at the date of such Bonds such persons may not have been such officers.

Section 2.07 Application of Proceeds of 2018 Bonds. When all conditions precedent to the issuance of the 2018 Bonds set forth in the purchase contract therefor have been complied with and when the 2018 Bonds shall have been executed and authenticated as required by this Trust Agreement, the Trustee shall deliver the 2018 Bonds at one time to or upon the order of the Original Purchaser, but only upon payment to the Trustee of the purchase price of the 2018 Bonds of \$_____ (representing the \$[Amount] par amount of the 2018 Bonds [plus][less] net original issue [premium][discount] of \$_____ and less \$_____ of Original Purchaser's discount).

Simultaneously with the delivery of the 2018 Bonds, such proceeds of the 2018 Bonds shall be deposited by the Trustee to the credit of the Project Fund.

Section 2.08 Additional Bonds. Additional Bonds may be executed and delivered hereunder for the purposes of providing funds, with any other available funds, for (i) paying the cost of any Improvements and applicable Delivery Costs, or (ii) refunding all or any portion of the 2018 Bonds, any Additional Bonds or any other financing under Section 160A-20 of the North Carolina General Statutes, as amended, and paying applicable Delivery Costs. A supplement to this Trust Agreement shall fix the provisions with respect thereto. Prior to the delivery of any Additional Bonds, there shall be filed with the Trustee the following:

(a) a copy of a resolution, certified by the Secretary or any Assistant Secretary of the Corporation to be a true and correct copy, of a resolution of the Board of Directors of the Corporation authorizing the execution and delivery of such Additional Bonds, fixing the form, dates of maturity, interest payment dates, interest rates and prepayment provisions thereof, providing for any Credit Facility to enhance the security or value of the Additional Bonds, providing any other terms with respect to the Additional Bonds, awarding the Additional Bonds to the purchasers specified therein, authorizing the execution of a supplement to the Installment Financing Agreement providing for increased Installment Payments and Additional Payments required by the delivery of the Additional Bonds and providing for the addition to the Mortgaged Property of any real property that is to become a part of the Mortgaged Property in connection with the delivery of the Additional Bonds and approving the execution by the County of a supplement or an amendment to the Deed of Trust increasing the amount of the obligations secured thereby and adding such additional property to the security therefor under the Deed of Trust accordingly and authorizing the execution of a supplement to this Trust Agreement with respect to the Additional Bonds;

(b) a copy, certified by the Clerk to the Board of Commissioners for the County to be a true and correct copy, of a resolution adopted by the County approving the terms and conditions under which the Additional Bonds are to be delivered, authorizing the execution of a supplement to the Installment Financing Agreement providing for increased Installment Payments and Additional Payments required by the delivery of the Additional Bonds and providing for the addition to the Mortgaged Property of any real property that is to become a part of the Mortgaged Property in connection with the delivery of the Additional Bonds and authorizing the execution of a supplement or an amendment to the Deed of Trust increasing the amount of the obligations secured thereby and adding such additional property to the security therefor under the Deed of Trust accordingly and approving the execution by the Corporation of a supplement to this Trust Agreement with respect to the Additional Bonds;

(c) an executed copy of such supplement to the Installment Financing Agreement, such supplement or amendment to the Deed of Trust and such supplement to this Trust Agreement;

(d) if required, a copy, certified by the Secretary or any Deputy Secretary of the Local Government Commission of North Carolina to be a true and correct copy, of a resolution of the Local Government Commission of North Carolina approving the Installment Financing Agreement, as so supplemented; and

(e) an opinion of Bond Counsel to the effect that the delivery of such Additional Bonds has been duly authorized under this Trust Agreement and will not adversely affect the tax treatment of interest with respect to any Outstanding Bonds for federal income tax purposes.

Simultaneously with the delivery of the Additional Bonds, the proceeds (including accrued interest) of the Additional Bonds shall be applied as follows:

(1) The Trustee shall deposit in the Installment Payment Fund the accrued interest, if any, received with respect to the Additional Bonds and such additional amount as shall be provided as funded interest with respect to the Additional Bonds.

(2) The Trustee shall deposit the balance of such proceeds to the credit of a special construction account appropriately designated and held in trust for the purpose of paying the cost of the Improvements if the Additional Bonds are being delivered for such purpose. All of the provisions of **ARTICLE III** of this Trust Agreement which relate to the Project and the Project Fund shall apply to any such special construction account insofar as such provisions may be applicable. If the Additional Bonds are being delivered for the purpose of refunding any Bonds or installment financing, then the Trustee shall deposit the balance of such proceeds as required to accomplish such purpose.

Section 2.09 Transfer and Exchange.

The transfer of any Bond may, in accordance with its terms, be registered upon the books required to be kept pursuant to the provisions of **Section 2.14** hereof by the person in whose name it is registered, in person or by such person's duly authorized attorney, upon surrender of such Bond for cancellation at the Principal Office accompanied by delivery of a written instrument of transfer in a form approved by the Trustee, duly executed. Whenever any Bond or Bonds shall be surrendered for registration of transfer, the Corporation shall execute, and the Trustee shall authenticate and deliver, a new Bond or Bonds of the same aggregate unrepaid principal amount, series, maturity and interest rate and in any Authorized Denominations.

Bonds may be exchanged at the Principal Office for a like aggregate unrepaid principal amount of Bonds of other Authorized Denominations of the same series, maturity and interest rate.

The Trustee may require the payment by the Bond Owner requesting any such registration of transfer or exchange of any shipping and out-of-pocket costs sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such registration or exchange. All Bonds surrendered pursuant to the provisions of this Section shall be cancelled by the Trustee.

The Trustee shall not be obligated to register the transfer of or exchange any Bond during the period established by the Trustee for selection of Bonds for prepayment, or any Bond for which notice of prepayment has been given as provided in **Section 4.06** hereof.

Section 2.10 Authentication of Bonds. Only such Bonds as shall have endorsed thereon a certificate of authentication substantially in the form set forth in Exhibit A hereto, duly executed by the Trustee, shall be entitled to any benefit or security under this Trust Agreement. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication on the Bond shall have been duly executed by the Trustee, and such certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Trust Agreement. The Trustee's certificate of authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all the Bonds that may be issued hereunder at any one time.

Section 2.11 Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Corporation, at the expense of the Owner of said Bond, shall execute, and the Trustee shall authenticate and deliver, a new Bond of like tenor and numbered as appropriate in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be cancelled by it and destroyed, with a certificate of destruction delivered to, or upon the order of, the County. If any Bond shall be lost, destroyed or stolen, the Owner shall submit to the Trustee (a) evidence of such loss, destruction or theft, and (b) an indemnity indemnifying the Trustee and the Corporation. If such evidence and indemnity are satisfactory to the Corporation and the Trustee, the Corporation, at the expense of the Bond Owner, shall execute, and the Trustee shall authenticate and deliver, a new Bond of like tenor and maturity and numbered as the Trustee shall determine in lieu of and in substitution for the Bond so lost, destroyed or stolen. The Trustee may require payment of an appropriate fee for each new Bond delivered under this Section and of the expenses which may be incurred by the Trustee in carrying out the duties under this Section. Any Bond executed under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of this Trust Agreement with all other Bonds secured by this Trust Agreement. Notwithstanding any other provision of this Section, in lieu of delivering a new Bond for a matured Bond that has been mutilated, lost, destroyed or stolen, the Trustee may make payment with respect to such Bond upon receipt of the above-mentioned indemnity.

Section 2.12 Payment. Payment of interest with respect to any Bond on any Bond Payment Date or Bond Prepayment Date shall be made to the person appearing on the registration books of the Trustee as the Owner thereof as of the Record Date immediately preceding such Bond Payment Date or Bond Prepayment Date, as the case may be, such interest to be paid by check mailed by first class mail to such Owner, if he is not a Securities Depository Nominee or any other Owner who is to be paid by wire transfer pursuant to an agreement between the Trustee and such Owner, at his address as it appears on such registration books, or by wire transfer to such Owner if he is a Securities Depository or any other Owner who is to be paid by wire transfer pursuant to an agreement between the Trustee and such Owner. The principal payable upon maturity or prepayment and any prepayment premium with respect to the Bonds shall be payable to the persons appearing on the registration books as the Owners thereof upon surrender of the Bonds at the Principal Office as the same shall become due and payable. Said amounts shall be payable in lawful money of the United States of America. The Trustee is hereby authorized to pay or prepay the Bonds when duly presented for payment at maturity or on prepayment, or on purchase by the Trustee prior to maturity, and to cancel all Bonds upon payment thereof. The Trustee may also make other arrangements as necessary with any Securities Depository or any other Owner for the payment to the respective Securities Depository Nominee or such Owner of interest, principal and any prepayment premium with respect to any Bonds of which it is the Owner, including the arrangements described in **Section 5.04** hereof.

Section 2.13 Execution of Documents and Proof of Ownership. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by Bond Owners may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Owners in person or by their attorneys or agents appointed by an instrument in writing for that purpose, or by any bank, trust company or other depository for such Bonds. Proof of the execution of any such instrument, or

of any instrument appointing any such attorney or agent, and of the ownership of Bonds shall be sufficient for any purpose of this Trust Agreement (except as otherwise herein provided), if made in the following manner:

(a) The fact and date of the execution by any Owner or his or her attorney or agent of any such instrument, and of any instrument appointing any such attorney or agent, may be proved by a certificate, which need not be acknowledged or verified, of an officer of any bank or trust company located within the United States of America, or of any notary public or of any other officer authorized to take acknowledgments of deeds to be recorded in such jurisdictions, that the persons signing such instruments acknowledged before him or her the execution thereof. Where any such instrument is executed by an officer of a corporation or association, or a member of a partnership on behalf of such corporation, association or partnership, such certificate shall also constitute sufficient proof of his or her authority.

(b) The fact of the ownership of Bonds by any person, the amount and numbers of such Bonds and the date of execution shall be proved by the registration books maintained pursuant to **Section 2.14** hereof.

Nothing contained in this **ARTICLE II** shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which the Trustee may deem sufficient. Any request or consent of the Owner of any Bond shall bind every future Owner of the same Bond in respect of anything done or to be done by the Trustee in pursuance of such request or consent.

Section 2.14 Bond Register. The Trustee will keep or cause to be kept at its Principal Office sufficient books for the registration of transfer and exchange of the Bonds which shall, during normal working hours, be open to inspection by the County and the Corporation with reasonable prior notice; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register the transfer and exchange or cause to be registered the transfer and exchange on said books of Bonds as hereinbefore provided. The Corporation and the Trustee shall be entitled to treat the registered owner of a Bond, including, without limitation, any Securities Depository Nominee, as the absolute owner thereof for all purposes, whether or not a Bond shall be overdue, and the Corporation and the Trustee shall not be affected by any notice to the contrary.

Section 2.15 Destruction of Cancelled Bonds. Whenever in this Trust Agreement provision is made for the surrender or cancellation by the Trustee and the delivery to the County of any Bonds, the Trustee may, upon the request of a County Representative, in lieu of such cancellation and delivery, destroy such Bonds and deliver a certificate of such destruction to the Corporation and the County.

ARTICLE III

PROJECT FUND

Section 3.01 Establishment of Project Fund. The Trustee shall establish a special fund designated as the “Randolph County Public Facilities Corporation Limited Obligation Bonds (Randolph County, North Carolina), Series 2018 Project Fund”; shall keep the Project Fund

separate and apart from all other funds and moneys held by it; and shall administer the Project Fund as herein provided.

Section 3.02 Purpose. Moneys in the Project Fund shall be held in trust for the benefit of the Owners, subject to their application for the payment of Project Costs and Delivery Costs or otherwise as provided in **Section 3.04** hereof. The Trustee shall not be required to apply moneys in the Project Fund for the payment of Project Costs or Delivery Costs or otherwise as provided in **Section 3.04** hereof during the continuance of an Event of Default.

Section 3.03 Deposit of Moneys; Payment of Project Costs and Delivery Costs. There shall be credited to the Project Fund the proceeds of sale of the 2018 Bonds required to be deposited therein pursuant to **Section 2.07** hereof and any amounts received as refunds of State sales tax with respect to expenditures made in connection with the Project and paid or reimbursed from moneys in the Project Fund. There shall also be credited to the Project Fund any other funds from time to time deposited with the Trustee for the purpose of paying Delivery Costs or Project Costs. The Trustee shall disburse moneys in the Project Fund from time to time, either to pay Delivery Costs or Project Costs directly or to reimburse the County or other proper parties for payment of Delivery Costs or Project Costs upon receipt by the Trustee of a Requisition signed by a County Representative. The Trustee may rely conclusively on such Requisitions as authorization for such payments and shall have no duty or responsibility to verify any matters therein.

All investment earnings on moneys held for the credit of the Project Fund shall be transferred or deposited to the credit of the Project Fund.

Section 3.04 Transfers of Unexpended Proceeds. Upon the filing with the Trustee of the certificate of completion pursuant to Section 3.5(b) of the Installment Financing Agreement, the Trustee shall withdraw all remaining moneys in the Project Fund (other than any moneys retained therein to pay Project Costs and Delivery Costs not then due and payable as certified by the County Representative) and deposit such moneys in the Installment Payment Fund to be applied to the payment of the principal or interest components of Installment Payments or as the County may otherwise direct for the payment of the costs of additional public facilities pursuant to such Section 3.5(b), except as otherwise provided pursuant to such Section 3.5(b).

ARTICLE IV

PREPAYMENT OF BONDS

Section 4.01 Establishment of Prepayment Fund. The Trustee shall establish a special fund designated as the “Randolph County Public Facilities Corporation Limited Obligation Bonds (Randolph County, North Carolina), Series 2018 Prepayment Fund”; shall keep the Prepayment Fund separate and apart from all other funds and moneys held by it; and shall administer the Prepayment Fund as herein provided. Moneys to be used for prepayment of the 2018 Bonds pursuant to **Section 4.03** hereof shall be deposited into the Prepayment Fund and used solely for the purpose of prepaying the 2018 Bonds in advance of their maturities on the date or dates designated for prepayment and upon presentation and surrender of the 2018 Bonds to be prepaid.

Section 4.02 [Reserved].

Section 4.03 Optional Prepayment. The 2018 Bonds maturing on or after October 1, 20__ are subject to prepayment from any available moneys in whole or in part on any date on or after October 1, 20__ at the option of the County, in the event the County exercises its option under Section 10.2 of the Installment Financing Agreement to prepay in whole or in part the principal components of the Installment Payments in order to cause prepayment in whole or in part of such 2018 Bonds, at a prepayment price equal to the principal with respect to such 2018 Bonds to be prepaid, together with accrued interest to the date fixed for prepayment.

The County shall notify the Trustee in writing, not less than forty-five (45) days prior to any optional prepayment date, of the principal with respect to such 2018 Bonds that the County has chosen to prepay. The County may rescind, by written notice delivered to the Trustee, such notice of optional prepayment on any day prior to and including the optional prepayment date, provided that such right of rescission is included in the notice to Owners under Section 4.06 hereof.

Section 4.04 [Reserved].

Section 4.05 Selection of Bonds for Prepayment. Whenever provision is made in this Trust Agreement for the prepayment of Bonds and fewer than all Outstanding Bonds are called for prepayment, the Trustee shall select Bonds for prepayment, from the Outstanding Bonds not previously called for prepayment, in Authorized Denominations, in the case of prepayment of 2018 Bonds pursuant to **Section 4.03** hereof, as directed by the County, and by lot within any maturity. The Trustee shall promptly notify the County and the Corporation in writing of the Bonds so selected for prepayment.

Notwithstanding the foregoing, so long as a book-entry system is used for determining beneficial ownership of the 2018 Bonds, if less than all of the 2018 Bonds within a maturity are to be prepaid, the Securities Depository shall determine, pursuant to its rules and procedures, the interests of its participants in the 2018 Bonds to be prepaid.

Section 4.06 Notice of Prepayment. When prepayment is authorized or required pursuant to this **ARTICLE IV**, the Trustee shall give notice to the Owners of the prepayment of the Bonds. Such notice shall specify, as may be applicable, (a) that the Bonds of a specified series or a designated portion thereof are to be prepaid, (b) the numbers of such Bonds to be prepaid, unless all Bonds (or all Bonds of a given maturity) are being prepaid, (c) the date of notice and the date of prepayment, (d) the place or places where the prepayment will be made, and (e) descriptive information regarding such Bonds, including the dated date, interest rates, CUSIP numbers, and stated maturity dates. Such notice shall further state that on the specified date there shall become due and payable upon each such Bond to be prepaid, the portion of the principal amount of each such Bond to be prepaid, together with interest accrued to said date, and that from and after such date, provided that moneys therefor have been deposited with the Trustee, interest with respect thereto shall cease to accrue and be payable. When Bonds are to be prepaid pursuant to **Section 4.03** hereof, the notice may state that it is conditioned upon the deposit of moneys with the Trustee in an amount sufficient to effect the prepayment or that said notice is otherwise subject to rescission upon the written direction of the County.

At least thirty (30) days but not more than sixty (60) days before the prepayment of any Bonds, the Trustee shall cause the notice of such prepayment referred to in the preceding paragraph to be mailed, postage prepaid, to the Owners of the Bonds whose Bonds or a portion thereof are to be prepaid, provided that notice to any Securities Depository shall be sent by registered or certified mail or confirmed facsimile transmission or, in the case of The Depository Trust Company, by electronic transmission to RedemptionNotification@dtcc.com or to such other address provided in writing by The Depository Trust Company, and provided further that failure to give any such notice to any Owner or any defect in such notice shall not affect the validity of the proceedings for such prepayment as to the Bonds of any other Owner to whom such notice has been properly given. The Trustee shall also use its reasonable efforts to give such notice of prepayment by appropriate means to the Municipal Securities Rulemaking Board and to notify the County and the Corporation in the event it is unable to give such notice, but failure to provide such notice or any defect therein shall not affect the validity of any proceedings for the prepayment of any Bonds.

Section 4.07 Partial Prepayment of Bonds. Upon surrender by the Owner of a Bond for partial prepayment at the Principal Office, payment of such partial prepayment of the principal amount with respect to a Bond will be made by the Trustee to the Owner in lawful money of the United States of America. Upon surrender of any Bond prepaid in part only, the Corporation shall execute, and the Trustee shall authenticate and deliver to the registered Owner thereof, at the expense of the County, a new Bond or Bonds which shall be of Authorized Denominations equal in aggregate principal amount to the unprepaid portion of the Bond surrendered and of the same interest rate and the same maturity; provided, however, that if the Owner is a Securities Depository Nominee, the Securities Depository, in its discretion, (a) may surrender such Bond to the Trustee and request that the Corporation and the Trustee issue and authenticate a new Bond for the unprepaid portion of the principal amount of the Bond so surrendered or (b) shall make an appropriate notation on the Bond indicating the dates and amounts of such reduction in principal. Such partial prepayment shall be valid upon payment of the amount thereby required to be paid to such Owner, and the County, the Corporation and the Trustee shall be released and discharged from all liability to the extent of such payment.

Section 4.08 Effect of Notice of Prepayment. Notice having been given as aforesaid, and moneys or Defeasance Obligations in an amount sufficient for the prepayment (including the interest to the applicable Bond Prepayment Date) having been set aside in the Prepayment Fund, the Bonds to be prepaid shall become due and payable on the Bond Prepayment Date, and, upon presentation and surrender thereof at the Principal Office, said Bonds shall be paid at the prepayment price with respect thereto, plus interest accrued and unpaid to said Bond Prepayment Date.

If, on said Bond Prepayment Date, moneys or Defeasance Obligations in an amount for the prepayment of all of the Bonds to be prepaid, together with interest to said Bond Prepayment Date, shall be held by the Trustee so as to be available therefor on such Bond Prepayment Date, and, if notice of prepayment thereof shall have been given as aforesaid, then, from and after said Bond Prepayment Date, interest with respect to such Bonds shall cease to accrue and become payable, and the Owners of such Bonds shall have no rights in respect of such Bonds or portions thereof so called for prepayment except to receive payment of the prepayment price and accrued interest from the funds held by the Trustee for such purpose. All moneys or Defeasance

Obligations held by or on behalf of the Trustee for the prepayment of Bonds shall be held in trust for the account of the Owners of the Bonds to be prepaid without liability for interest thereon.

If the notice of optional prepayment provided that such prepayment was conditioned upon the deposit of moneys with the Trustee in an amount sufficient to effect the prepayment and sufficient funds have not been deposited with the Trustee on or before the date fixed for prepayment, then the Bonds subject to such optional prepayment will remain Outstanding and the failure of the County to deposit such funds with the Trustee shall not constitute an Event of Default hereunder. The Trustee shall send notice to the Owners of the affected Bonds promptly upon being notified or determining that the Bonds will not be prepaid. That notice shall indicate that the Bonds will not be prepaid and include relevant information from the notice of prepayment and shall be sent as provided in **Section 4.06** hereof.

All Bonds paid at maturity or prepaid prior to maturity pursuant to the provisions of this Article shall be cancelled upon surrender thereof and delivered to or upon the order of the County.

Section 4.09 Surplus Funds. Any funds remaining in the Prepayment Fund after prepayment and payment of all Bonds Outstanding, including accrued interest and payment of any applicable fees and expenses to the Trustee, or provision made therefor satisfactory to the Trustee, shall be withdrawn by the Trustee and remitted to the County.

ARTICLE V

SECURITY PROVISIONS; INSTALLMENT PAYMENTS; INSTALLMENT PAYMENT FUND

Section 5.01 Security Provisions.

(a) **Assignment of Rights in Installment Financing Agreement and Deed of Trust.** The Corporation hereby transfers, assigns and sets over to the Trustee, for the benefit of the Owners of Bonds, all of the Corporation's rights under the Installment Financing Agreement (excepting only the Corporation's rights under Sections 2.1(e) and 9.4 of the Installment Financing Agreement, the Corporation's rights under Section 4.7 of the Installment Financing Agreement to certain Additional Payments which the Corporation is entitled to retain and the Corporation's rights to receive certain notices), including, without limitation, (a) the right to receive and collect all of the Installment Payments and Prepayments from the County under the Installment Financing Agreement, (b) the right to receive and collect any proceeds of any insurance maintained thereunder, of any condemnation award rendered with respect to the Mortgaged Property, or of any sale of the Mortgaged Property in the event of a default by the County under the Installment Financing Agreement, (c) the right to take all actions and give all consents under the Installment Financing Agreement, including without limitation, Section 7.6(b) (regarding liens), Section 8.3 (regarding amendments) and Section 9.2 (regarding defaults) of the Installment Financing Agreement, and (d) the right to exercise such rights and remedies conferred on the Corporation pursuant to the Installment Financing Agreement as may be necessary or convenient (i) to enforce payment of the Installment Payments, Prepayments and any other amounts required to be deposited in the Installment Payment Fund, the Prepayment

Fund, or the Net Proceeds Fund established under this Trust Agreement, or (ii) otherwise to protect the interests of the Corporation in the event of a default by the County under the Installment Financing Agreement. All Installment Payments, Prepayments and such other amounts to which the Corporation may at any time be entitled (except such amounts as the Corporation is entitled to retain pursuant to its rights under Sections 2.1(e), 4.7 and 9.4 of the Installment Financing Agreement) shall be paid directly to the Trustee, and all of the Installment Payments, Prepayments and such other amounts as are collected or received by the Corporation (except as provided above in this sentence) shall be deemed to be held and to have been collected or received by the Corporation as the agent of the Trustee, and if received by the Corporation at any time shall be deposited by the Corporation with the Trustee within one (1) Business Day after the receipt thereof, and all such Installment Payments, Prepayments and such other amounts shall be forthwith deposited by the Trustee upon the receipt thereof in the Installment Payment Fund, the Prepayment Fund or the Net Proceeds Fund, as the case may be.

The Corporation hereby also transfers, assigns and sets over to the Trustee, for the benefit of the Owners of Bonds, all of the Corporation's rights as beneficiary under the Deed of Trust (except the Corporation's right to receive certain notices and the Corporation's right to indemnification under paragraph 2.7 of Section 2 thereof).

The Trustee hereby accepts the foregoing assignments for the benefit of the Owners of the Bonds.

(b) Security Interest in Moneys and Funds. The Corporation hereby grants to the Trustee for the benefit of the Owners of the Bonds a lien on and a security interest in all moneys and securities in the funds held by the Trustee under this Trust Agreement, including without limitation, the Installment Payment Fund, the Prepayment Fund, the Project Fund, the Net Proceeds Fund or any separate account therein to the extent that a series of Bonds is secured thereby, and all such moneys and securities shall be held by the Trustee in trust and applied to the purposes specified herein and in the Installment Financing Agreement. The Trustee hereby accepts the foregoing assignment for the benefit of the Owners of the Bonds.

Section 5.02 Establishment of Installment Payment Fund. The Trustee shall establish a special fund designated as the "Randolph County Public Facilities Corporation Limited Obligation Bonds (Randolph County, North Carolina), Series 2018 Installment Payment Fund." All moneys at any time deposited by the Trustee in the Installment Payment Fund shall be held by the Trustee in trust for the benefit of the Owners of the Bonds. So long as any Bonds are Outstanding, neither the County nor the Corporation shall have any beneficial right or interest in the Installment Payment Fund or the moneys deposited therein, except only as provided in this Trust Agreement, and such moneys shall be used and applied by the Trustee as hereinafter set forth.

Section 5.03 Deposits. There shall be deposited in the Installment Payment Fund all Installment Payments received by the Trustee, including any moneys received by the Trustee for deposit therein pursuant to Section 4.3 of the Installment Financing Agreement (regarding Installment Payments), and **Section 3.04** hereof (regarding unexpended Bond proceeds) and any other moneys required to be deposited therein pursuant to the Installment Financing Agreement or pursuant to this Trust Agreement. By the tenth (10th) day of the month prior to each Installment Payment Date, the Trustee shall notify the County as to what amounts are on deposit

in the Installment Payment Fund to be credited toward the Installment Payment due on such Installment Payment Date.

To the extent that amounts are credited to the Installment Payment Fund as a result of the application of Bond proceeds, future deposits to such Fund shall be reduced by the amount so credited, and the Installment Payments due from the County following the date upon which such amounts are credited shall be reduced by the amounts so credited.

Section 5.04 Application of Moneys. Except as provided in **Sections 5.05, 5.06, and 8.06**, hereof, all amounts in the Installment Payment Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal and interest with respect to the Bonds as the same shall become due and payable, in accordance with the provisions of this **Section 5.04** and **ARTICLE II, Section 3.04** and **Section 12.02** hereof.

On each Bond Payment Date or Bond Prepayment Date, the Trustee shall first set aside an amount sufficient to pay the interest evidenced by the Bonds becoming due and payable on such Bond Payment Date or Bond Prepayment Date and then an amount sufficient to pay the principal evidenced by the Bonds becoming due and payable on such Bond Payment Date or Bond Prepayment Date, and, on such Bond Payment Date or Bond Prepayment Date, the Trustee shall mail checks representing the amount due as interest and principal, if applicable, to the Owners who are not Securities Depository Nominees unless such payment is to be made by wire transfer as provided in the next succeeding paragraph.

At such time as to enable the Trustee to make payments of interest on the Bonds in accordance with any existing agreement between the Trustee and any Securities Depository or any other Owner, the Trustee shall withdraw from the Installment Payment Fund and remit by wire transfer to the Securities Depository or such Owner, in Federal Reserve or other immediately available funds, the amount required to pay interest and principal, if applicable, on the Bonds on each Bond Payment Date or Bond Prepayment Date; provided, however, that in no event shall the Trustee be required to make such wire transfer prior to the Business Day next preceding each Bond Payment Date or Bond Prepayment Date.

Section 5.05 Investment Earnings. The Trustee shall credit investment earnings on the Installment Payment Fund as provided in **Section 7.03** hereof.

Section 5.06 Surplus Funds. Any funds remaining in the Installment Payment Fund after payment of all Bonds Outstanding, including accrued interest and payment of any applicable fees and expenses to the Trustee, shall be withdrawn by the Trustee and remitted to the County.

ARTICLE VI

NET PROCEEDS FUND

Section 6.01 Establishment of Net Proceeds Fund; Deposits. The Trustee hereby establishes a special fund designated as the “Randolph County Public Facilities Corporation Limited Obligation Bonds (Randolph County, North Carolina), Series 2018 Net Proceeds Fund” to be maintained and held in trust for the benefit of the Owners, subject to disbursement

therefrom as provided herein. The Trustee shall deposit Net Proceeds in the Net Proceeds Fund as provided in Section 6.1(a) of the Installment Financing Agreement.

Section 6.02 Disbursements. The Trustee shall disburse Net Proceeds for replacement or repair of the Mortgaged Property as provided in Section 6.1(b) of the Installment Financing Agreement. The Trustee shall, to the extent there are no other available funds held hereunder, use the remaining funds in the Net Proceeds Fund to pay principal and interest with respect to the Bonds in the event of a default under **Section 12.01(a)(1) or (2)** hereof. After the entire amount of principal and interest with respect to the Bonds has been paid in full, and all the fees and expenses of the Trustee have been paid, or provision has been made for the payment thereof satisfactory to the Trustee, the Trustee shall pay any remaining moneys in the Net Proceeds Fund to the County.

Section 6.03 Cooperation. The Corporation and the Trustee shall cooperate fully with the County at the expense of the County in filing any proof of loss with respect to any insurance policy maintained pursuant to Article V of the Installment Financing Agreement and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Mortgaged Property or any portion thereof, provided that the Trustee or Corporation may decline to so act if it has not been indemnified to its satisfaction from any expense or liability.

ARTICLE VII

MONEYS IN FUNDS; INVESTMENT

Section 7.01 Held in Trust. Except as provided in **Section 8.06** hereof, the moneys and investments held by the Trustee upon the direction of the County under this Trust Agreement are irrevocably held in trust for the benefit of the Owners of the Bonds, and such moneys, and any income or interest earned thereon, shall be expended only as provided in this Trust Agreement, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of the County, the Board of Education, the Corporation, any related entity or the Trustee, or any of them.

Section 7.02 Investments Authorized.

(a) By Trustee. Subject to the further provisions of this **ARTICLE VII**, moneys held by the Trustee hereunder shall be invested and reinvested on maturity by the Trustee, upon the written direction of the County, in Permitted Investments. Such direction shall be given by the County upon full consideration for the time at which funds are required to be available.

(b) Upon Direction of County. The County Representative shall by written order filed with the Trustee direct such investment in specific Permitted Investments identified in such written order. The Trustee may conclusively rely upon such written order as to both the suitability and the legality of the Permitted Investments identified therein. In the absence of such written order, however, the Trustee shall invest moneys held hereunder in the North Carolina Cash Management Trust.

(c) Registration. Such investments, if registrable, shall be registered in the name of the Trustee or its assignee for the benefit of the Owners and held by the Trustee.

(d) Trustee as Purchaser or Agent. The Trustee may purchase or sell to itself or to any affiliate, as principal or agent, investments authorized by this Section. The Trustee may act as purchaser or agent in the making or disposing of any investment, and may make any investment through its bond or investment department.

(e) Trustee Standard of Care. Except as otherwise provided in **Section 8.05** hereof, the Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with this Section.

Section 7.03 Disposition of Investments. Any income, profit or loss on the investment of moneys held by the Trustee hereunder shall be credited to or charged against the respective fund in which they are held.

Section 7.04 Accounting. The Trustee shall furnish to the County, not less than monthly, an accounting of all investments made by the Trustee in all funds and accounts held by the Trustee. Such accounting shall be supplied in the form of the Trustee's customary statements. The Trustee shall keep accurate records of all funds administered by it and of all Bonds paid and discharged.

Section 7.05 Valuation and Disposition of Investments.

(a) Valuation. For the purpose of determining the amount in any fund, the Trustee shall value all Permitted Investments credited to such fund at the market value of such Permitted Investments, exclusive of accrued interest.

(b) Disposition. The Trustee shall sell or present for prepayment any Permitted Investment purchased by the Trustee when and as necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investment is credited.

Section 7.06 Commingling of Moneys in Funds. The Trustee may commingle any of the funds held by it pursuant to this Trust Agreement with any separate fund or funds held under this Trust Agreement for investment purposes only; provided, however, that all funds or accounts held by the Trustee hereunder shall be accounted for separately notwithstanding such commingling by the Trustee.

Section 7.07 Information Concerning Investments. The Trustee shall supply information regarding investments made under this **ARTICLE VII**, at the request of the County, in writing, but not more frequently than monthly, including: (a) purchase date; (b) purchase price; (c) any accrued interest paid; (d) face amount; (e) coupon rate; (f) disposition price and (g) disposition date.

ARTICLE VIII

THE TRUSTEE

Section 8.01 Appointment of Trustee.

(a) Appointment. U.S. Bank National Association is hereby appointed Trustee by the Corporation and, by its execution of this Trust Agreement, acknowledges its acceptance of the duties of the Trustee under this Trust Agreement and the Installment Financing Agreement.

(b) Qualifications. The Corporation agrees that it will maintain a Trustee having a Principal Office in the State or at such other place as permitted by State law and having a combined capital and surplus of at least One Hundred Million Dollars (\$100,000,000), and subject to supervision or examination by federal or state authority, so long as any Bonds are Outstanding. If such bank or trust company publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority referred to above, then, for the purpose of this Section, the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent published report of condition.

(c) Removal. The Trustee may be removed at any time by an instrument or concurrent instruments in writing, executed by (i) the Owners of not less than a majority in aggregate principal amount of Bonds then Outstanding or (ii) if no Event of Default shall have occurred and be continuing, by the County Representative and filed with the Corporation not less than sixty (60) days before such removal is to take effect as stated in said instrument or instruments.

The Trustee may also be removed at any time for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provisions of this Trust Agreement with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the County or the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding.

(d) Resignation. The Trustee may resign by giving not less than 30 days' written notice to the County and the Corporation. Upon receiving such notice of resignation, the County shall promptly appoint a successor Trustee. In the event the County does not name a successor Trustee within 15 days of receipt of notice of the Trustee's resignation, the Trustee may petition a court of competent jurisdiction at the expense of the County to seek the immediate appointment of a successor Trustee.

(e) Resignation or Removal Effective upon Appointment of Successor. No resignation or removal of the Trustee under **paragraphs (c) or (d)** of this Section shall become effective until a qualified successor has been appointed and has accepted the duties of Trustee hereunder.

(f) Successor. The County shall have the right to appoint any successor Trustee. Any successor Trustee shall be a bank or trust company meeting the qualifications set forth in paragraph **(b)** above which shall have been approved by the Local Government Commission of

North Carolina as qualified to serve as a trustee prior to such appointment or obtains such approval in connection with such appointment. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. Upon such acceptance, the successor Trustee shall mail notice thereof to the Bond Owners at their respective addresses set forth on the Bond registration books maintained pursuant to **Section 2.14** hereof.

Section 8.02 Merger or Consolidation. Any company or national banking association into which the Trustee may be merged or converted, or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which the Trustee shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, shall be the successor to the Trustee without the execution or filing of any paper or further act, provided that such company shall be qualified under **Section 8.01(b)** hereof, anything herein to the contrary notwithstanding.

Section 8.03 Protection of the Trustee.

(a) Reliance upon Papers or Documents. The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any resolution, notice, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, bond, requisition, opinion or other paper or document that it shall in good faith believe to be genuine and to have been passed or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Trust Agreement, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may, in the absence of bad faith on its part, accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements or matters.

(b) Reliance upon Opinions of Counsel. The Trustee may consult with counsel, who may be counsel to the Corporation or the County, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith hereunder in accordance with such opinion. Before being required to take any action, the Trustee may require an opinion of Independent Counsel, who may be counsel to either the Corporation or the County, acceptable to the Trustee, which opinion shall be made available to either the Corporation or the County upon request, or the Trustee may require a verified certificate of any party hereto in lieu of or in addition to such opinion, concerning the proposed action. The Trustee shall be absolutely protected for its good faith reliance on such opinion or such verified certificate.

(c) Reliance upon Requested Bonds. Whenever in the administration of its duties under this Trust Agreement the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed), in the absence of bad faith on the Trustee's part, shall be deemed to be conclusively proved and established by the certificate of the County Representative, and such certificate shall be full warranty to the Trustee, in the absence of bad faith on its part, for any action taken or suffered under the provisions of this Trust Agreement upon the reliance thereof, but in its discretion the Trustee may, in lieu of such

certificate, accept other evidence of such matter or may require such additional evidence as the Trustee may deem reasonable.

(d) Indemnity Requirement. No provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or in its judgment otherwise incur any actual or potential financial or other liability (including liability under any Environmental Law, as defined in Section 2.1(f) of the Installment Financing Agreement) in the performance of any of its duties hereunder or in the exercise or any of its rights or powers (including its power to foreclose on all or any portion of the Mortgaged Property under the Deed of Trust) unless it shall have reasonable assurance of payment of such expense and adequate indemnity acceptable to it against such risks and liability. For purposes of the preceding sentence it is agreed that (1) the Corporation's covenants of indemnity in **Section 8.08** hereof, and the County's agreement to indemnify the Trustee in Section 2.1(e) of the Installment Financing Agreement, are not, by themselves, adequate indemnity if any Event of Default of the Installment Financing Agreement has occurred and is continuing, and (2) the Trustee's right under **Section 12.02** hereof or this Section to use any money received hereunder to pay or provide a reserve for its expenses and liabilities is not, by itself, adequate indemnity unless the Trustee shall determine, in its own discretion, that the amount of such money so held or expected to be held is equal to or greater than the amount of such expenses and liabilities.

(e) The Trustee is under no obligation to exercise any of the rights or powers vested in it by this Trust Agreement at the request or direction of any of the Owners unless such Owners have offered to the Trustee security or indemnity satisfactory to the Trustee as to its terms, coverage, duration, amount and otherwise with respect to the costs, expenses and liabilities which may be incurred by it in compliance with such request or direction, and the provision of such indemnity shall be mandatory for any remedy taken upon direction of the Owners of at least twenty-five percent (25%) in aggregate principal amount of the Bonds then outstanding.

Section 8.04 Rights of the Trustee.

(a) Ownership of Bonds. The Trustee may become an Owner of Bonds with the same rights it would have if it were not Trustee; may acquire and dispose of bonds or other evidence of indebtedness of the Corporation or the County with the same rights it would have if it were not the Trustee; and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of Bonds, whether or not such committee shall represent the Owners of the majority in principal amount of the Bonds then Outstanding.

(b) Examination of Books and Records. The Trustee may, during normal business hours and upon reasonable notice, examine the books and records of the County, the Board of Education and any related entity pertaining to the Project and the financing thereof, the Mortgaged Property and any addition or improvements to the Mortgaged Property and the financing thereof.

(c) Attorneys, Agents, Receivers. The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or

receivers, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder.

Section 8.05 Standard of Care. So long as there is no Event of Default, the Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. If an Event of Default shall occur and shall not have been waived or cured, the Trustee shall exercise such care in performing its duties hereunder as a prudent man would exercise in the conduct of its affairs unless a more stringent standard shall be imposed by statute in which case it shall adhere to such standard.

Section 8.06 Compensation of the Trustee. As Additional Payments under Section 4.7 of the Installment Financing Agreement, the Corporation shall, subject to the provisions of any agreement between the County and the Trustee concerning such matters, pay to the Trustee, solely from funds provided by the County, reasonable compensation for its services and shall reimburse the Trustee for all its advances and reasonable expenditures, including but not limited to advances to and fees and expenses of independent appraisers, accountants, consultants, counsel, agents and attorneys-at-law or other experts employed by the Trustee in the exercise and performance of its powers and duties hereunder, and the Trustee shall have a lien therefor on any and all funds at any time held by it under this Trust Agreement, which lien shall be prior and superior to the lien of the Owners. The Corporation's obligation hereunder shall remain valid and binding notwithstanding maturity and payment of the Bonds. In the event the Trustee incurs expenses or renders services in any proceedings which result from an Event of Default under Section 9.1(d) of the Installment Financing Agreement in connection with a bankruptcy or other creditors' action, the expenses so incurred and compensation for services so rendered are intended to constitute expenses of administration under the United States Bankruptcy Code or equivalent law. The Trustee's rights to receive compensation, reimbursement and indemnification of money due and owing hereunder shall survive the Trustee's resignation or removal, the payment of the Bonds and the defeasance of this Trust Agreement.

Section 8.07 Liability of the Trustee and the Corporation. The Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Trust Agreement and no implied duties or obligations shall be read into this Trust Agreement against the Trustee. Permissive rights afforded to the Trustee under this Trust Agreement shall not be construed as duties. Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Bonds.

The Trustee shall not be accountable for the use or application by the County or the Corporation or any other party of any funds which the Trustee has released in accordance with the terms of this Trust Agreement.

The Trustee and the Corporation make no representation or warranty, express or implied, as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the County, the Board of Education or any related entity of the Mortgaged Property. In no event shall the Trustee or the Corporation be liable for incidental, indirect, special or consequential damages in connection with or arising from the Installment Financing Agreement or this Trust Agreement.

Section 8.08 Indemnification of Trustee. The Corporation shall, to the extent permitted by law, but solely from funds provided by the County, indemnify and save the Trustee and its officers, directors, agents and employees harmless from and against all claims, losses, costs, expenses, liability and damages, including legal fees and expenses, arising out of: (a) any failure of the Trustee to require title insurance for or Phase I environmental site surveys of any part of the Mortgaged Property; (b) the use, maintenance, condition or management of, or from any work or thing done on, the Mortgaged Property by the County, the Board of Education, the Corporation or any related entity; (c) any breach or default on the part of the County in the performance of any of its obligations under the Installment Financing Agreement and any other agreement made and entered into for purposes of the Mortgaged Property; (d) any act of negligence of the County, the Board of Education, the Corporation or any related entity or of any of their agents, contractors, servants, employees or licensees with respect to the Mortgaged Property; (e) any act of negligence of any assignee of, or purchaser from, the County, the Board of Education, the Corporation or any related entity or of any of their agents, contractors, servants, employees or licensees with respect to the Mortgaged Property; (f) the construction or other accomplishment of the Project or Project Costs; (g) the presence, escape, seepage, leakage, discharge, emission, release or threatened release, or disposal of any Hazardous Materials (as defined in Section 2.1(f) of the Installment Financing Agreement); (h) the actions of any other party, including but not limited to the ownership, operation or use of the Mortgaged Property by the County, the Board of Education or any related entity; or (i) the Trustee's exercise and performance of its powers and duties hereunder. No indemnification will be made under this Section or elsewhere in this Trust Agreement for liabilities and damages incurred solely as a result of the willful misconduct or negligence of the Trustee.

Section 8.09 Additional Rights in Connection with Environmental Concerns. To the extent permitted by law, the Trustee and its agents and attorneys shall have the power (but shall not be obligated) to:

(a) Have the Mortgaged Property inspected (including, if deemed appropriate by Trustee, by subsurface core drilling and groundwater sampling) at any time for the purpose of determining compliance with any Environmental Law (as defined in Section 2.1(f) of the Installment Financing Agreement) affecting the Mortgaged Property.

(b) Take any action reasonably necessary or advisable, in the sole opinion of the Trustee, to prevent, abate, cleanup, remediate, encapsulate, remove, resolve, minimize the impact of, or otherwise remedy any actual or threatened contamination of the Mortgaged Property or violation of any Environmental Law affecting the Mortgaged Property, including but not limited to engaging legal counsel, environmental consultants and remedial contractors either before or after the initiation of an enforcement action by any governmental body.

(c) Refuse to accept property in trust if the Trustee determines, based upon a report of an environmental science engineering firm acceptable to the Trustee, that such property either is contaminated by any Hazardous Material or is being used or has been used for any activity directly or indirectly involving a Hazardous Material which could result in liability to the trust created by this Trust Agreement or to the Trustee or otherwise impair the value of the Mortgaged Property, or the moneys held in trust hereunder.

(d) Settle or compromise at any time any and all claims against the trust created by this Trust Agreement or the Trustee (either in its corporate capacity or in the personal capacity of the individuals serving as trust officers on behalf of the Trustee), which may be asserted by any governmental body or private party involving the alleged violation of any environmental law affecting the Mortgaged Property or any other property held in trust with respect to or in connection with the Project or the Mortgaged Property.

(e) Refuse to exercise or disclaim any power granted by this Trust Agreement, the Installment Financing Agreement, the Deed of Trust or any document, statute, or rule of law which, in the sole discretion of the Trustee as advised by its counsel, may cause the Trustee to incur corporate or personal liability under any Environmental Law. The Trustee shall exercise the rights granted under this paragraph in accordance with the standard of care set forth in **Section 8.05** hereof; provided its considerations of prudence may include whether the Trustee is adequately indemnified in certain situations, including foreclosure upon the Mortgaged Property, if there is potential liability under any Environmental Law.

(f) Resign as Trustee, if the Trustee reasonably believes that there is or may be a conflict of interest between the Trustee in its capacity as Trustee and in its corporate or individual capacity because of potential claims or liabilities which may be asserted against the Trustee on behalf of the trust created by this Trust Agreement because of the type or condition of the Mortgaged Property or other property held in trust with respect to or in connection with the Mortgaged Property.

The cost of any inspection, environmental audit, review, abatement, response, cleanup, remedial action or settlement or compromise of claims (including reasonable attorney's fees and expenses of environmental consultants and remediation contractors) authorized in this Section shall be an Additional Payment under Section 4.7 of the Installment Financing Agreement and **Section 8.06** hereof. The Trustee shall not be personally liable to the County or the Owners of the Bonds or any other persons for any decrease in value of the Mortgaged Property or the Project Fund by reason of the Trustee's action or inaction referable to any Environmental Law, specifically including any reporting requirement under such law. Neither the acceptance by the Trustee of property or a failure by the Trustee to inspect property shall be deemed to create any inference as to whether or not there is or may be any liability under any Environmental Law with respect to such property.

If the Trustee, in its sole discretion, determines that it may become subject to liability under any Environmental Law, the Trustee shall not be required to take legal or record title to the Mortgaged Property in connection with any foreclosure proceeding. Without limitation of the foregoing, the Trustee in its sole discretion may elect to have title in the Mortgaged Property transferred to another entity, including, but not limited to, a special asset affiliate of the Trustee, for the purpose of holding title; provided, however, that upon the sale or disposition of the Mortgaged Property, all proceeds from such sale or disposition shall be promptly delivered to the Trustee to be distributed pursuant to **Section 12.02** of this Trust Agreement. The Trustee shall be authorized to, among other things, assign its rights to bid at any foreclosure sale to such other entity described in the preceding sentence to effectuate the provisions of this Section.

Section 8.10 Notice to Trustee. All orders, directions, notices or other communications sent to the Trustee pursuant to this Trust Agreement shall be sent in writing to the Trustee in accordance with **Section 13.05** hereof.

ARTICLE IX

MODIFICATION OR AMENDMENT OF TRUST AGREEMENT, THE INSTALLMENT FINANCING AGREEMENT AND THE DEED OF TRUST

Section 9.01 Amendments Permitted.

(a) With Consent. This Trust Agreement and the rights and obligations of the Owners, the Installment Financing Agreement and the rights and obligations of the parties thereto and the Deed of Trust may be modified or amended, subject to receiving the approval of the Local Government Commission of North Carolina, at any time by a supplemental agreement which shall become effective as provided in **Section 9.02** hereof. No such modification or amendment shall:

(1) extend or have the effect of extending the fixed maturity of any Bond or the time of payment of interest, or reduce or have the effect of reducing the interest rate with respect to any Bond, the amount of principal with respect thereto, or the amount of premium payable upon the prepayment thereof, without the written consent of the Owner of such Bond;

(2) reduce or have the effect of reducing the percentage of Bonds required for the affirmative vote or written consent to an amendment or modification of the Installment Financing Agreement, this Trust Agreement or the Deed of Trust without the written consent of the Owners of all Outstanding Bonds;

(3) modify any of the rights or obligations of the Trustee or the County without its written assent thereto; or

(4) modify adversely the security provided by any Credit Provider in accordance with **Section 10.03** hereof without the written consent of the Owners of all Outstanding Bonds affected thereby.

(b) Without Consent. This Trust Agreement and the rights and obligations of the Owners, the Installment Financing Agreement and the rights and obligations of the parties thereto and the Deed of Trust may be modified or amended, subject to receiving the approval of the Local Government Commission of North Carolina, at any time by a supplemental agreement, without the consent of any of the Owners, to the extent permitted by law and only:

(1) to cure, correct or supplement any ambiguous or defective provision contained herein or therein;

(2) in regard to matters arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and that shall not adversely affect the interest of the Owners;

(3) in connection with the delivery of Additional Bonds pursuant to **Section 2.08** hereof; or

(4) to make any changes that may be required by any Credit Provider pursuant to **Section 10.03** hereof.

Any such supplemental agreement shall become effective upon execution and delivery by the parties hereto or thereto as the case may be. The Trustee shall be entitled to receive and rely upon an opinion of counsel that the supplemental agreement is permitted hereunder and enforceable against the parties therein prior to executing the same.

Section 9.02 Procedure for Amendment with Written Consent of the Owners. This Trust Agreement, the Installment Financing Agreement or the Deed of Trust may be modified or amended by supplemental agreement as provided in **Section 9.01(a)** hereof if the consent of each Credit Provider of a Credit Facility then in effect and the Owners is obtained as provided in this Section. A copy of such supplemental agreement, together with a request to such persons for their consent thereto, shall be mailed by the Trustee to each Credit Provider of a Credit Facility then in effect and to each Owner of a Bond at his or her address as set forth in the Bond registration books maintained pursuant to **Section 2.14** hereof, but failure by any Owner to receive copies of such supplemental agreement and request so mailed shall not affect the validity of the supplemental agreement when assented to as provided in this Section.

Such supplemental agreement shall not become effective unless there shall be filed with the Trustee the written consent of each Credit Provider of a Credit Facility then in effect and the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (exclusive of Bonds disqualified as provided in **Section 9.03** hereof). Each such consent of the Owners shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by **Section 2.13** hereof. Any such consent of the Owners shall be irrevocable and shall be binding upon the Owner of the Bond giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof).

After each Credit Provider of a Credit Facility then in effect and the Owners of the required percentage of Bonds shall have filed their consents to such supplemental agreement, the Trustee shall mail a notice to each Credit Provider of a Credit Facility then in effect and the Owners of the Bonds in the manner hereinbefore provided in this Section for the mailing of such supplemental agreement, stating in substance that such supplemental agreement has been consented to by each Credit Provider of a Credit Facility then in effect and the Owners of the required percentage of Bonds and will be effective as provided in this Section; provided, however, that failure to mail copies of said notice shall not affect the validity of such supplemental agreement or consents thereto. A record, consisting of the papers required by this Section to be filed with the Trustee, shall be proof of the matters therein stated until the contrary is proved.

The Trustee shall provide to each Credit Provider of a Credit Facility then in effect a full transcript of all proceedings relating to the execution of any modification or amendment to this Trust Agreement, the Installment Financing Agreement or the Deed of Trust. The Trustee shall

provide any rating agency rating the 2018 Bonds a notice of each modification or amendment and a copy thereof at least fifteen (15) days in advance of its execution.

Section 9.03 Disqualified Bonds. Bonds owned or held by or for the account of the County or the Corporation or by any person directly or indirectly controlled by, or under direct or indirect common control with the County or the Corporation (except any Bonds held in any pension or retirement fund) shall not be deemed Outstanding for the purpose of any vote, consent, waiver or other action or any calculation of Outstanding Bonds provided for in this Trust Agreement, and shall not be entitled to vote upon, consent to, or take any other action provided for in this Trust Agreement.

The Corporation and the County shall, upon request of the Trustee, certify to the Trustee as to any Bonds of which they or either of them have knowledge that are disqualified under this Section. The Trustee may adopt appropriate regulations to require each Owner, before his or her consent provided for in this **ARTICLE IX** shall be deemed effective, to reveal if the Bonds as to which such consent is given are disqualified.

Notwithstanding the foregoing provisions of this Section, it is the intent of the Corporation, the County and the Trustee that the ownership or holding of Bonds by the Corporation or the County shall not, by itself, give rise to an extinguishment of the Bonds or any obligation arising under this Trust Agreement or the Installment Financing Agreement.

Section 9.04 Effect of Supplemental Agreement. From and after the time any supplemental agreement becomes effective pursuant to this **ARTICLE IX**, this Trust Agreement or the Installment Financing Agreement or the Deed of Trust, as the case may be, shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations of the parties hereto or thereto and of all Owners of Bonds Outstanding, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all of the terms and conditions of any supplemental agreement shall be deemed to be part of the terms and conditions of this Trust Agreement or of the Installment Financing Agreement or the Deed of Trust, as the case may be, for any and all purposes.

Section 9.05 Endorsement or Replacement of Bonds Delivered after Amendments. The Trustee may determine that Bonds delivered after the effective date of any action taken as provided in this **ARTICLE IX** shall bear a notation, by endorsement, in form approved by the Trustee, as to such action. In that case, upon demand of the Owner of any Outstanding Bond at such effective date and presentation of his or her Bond for the purpose at the Principal Office, a suitable notation shall be made on such Bond. The Trustee may determine that new Bonds, so modified as in the opinion of the Trustee is necessary to conform to such Owners' action, shall be prepared, executed and delivered. In that case, upon demand of the Owner of any Bond then Outstanding, such new Bond shall be exchanged at the Principal Office without cost to such Owner for a Bond of the same character then Outstanding, upon surrender of such Bond.

Section 9.06 Amendatory Endorsement of Bonds. Subject to **Section 9.01** hereof, the provisions of this **ARTICLE IX** shall not prevent any Bond Owner from accepting any

modification or amendment as to the particular Bonds held by such Bond Owner, provided that due notification thereof is made on such Bonds.

Section 9.07 Consent of Original Purchaser, Underwriter or Remarketing Agent. Notwithstanding anything in this Trust Agreement to the contrary, (a) any original purchaser, underwriter or remarketing agent holding any Bonds may, regardless of its intent to sell or distribute such Bonds in the future, consent as the Owner of such Bonds to any supplemental agreement pursuant to this **ARTICLE IX**, including any supplemental agreement that adversely affects the interests of other Owners and (b) any such Owner providing its consent under this **Section 9.07** shall not be entitled to receive, nor shall the Trustee be required to provide, to such Owner, any prior notice or other documentation regarding such supplemental agreement.

ARTICLE X

PARTICULAR COVENANTS

Section 10.01 Compliance with the Installment Financing Agreement. The Corporation covenants and agrees to perform all obligations and duties imposed on it under the Installment Financing Agreement. However, the Corporation is not required to expend any moneys of the Corporation for the payment of any expenses, fees or similar costs incurred by it as a result of its performance of the obligations and duties imposed on it under the Installment Financing Agreement and this Trust Agreement.

Section 10.02 Further Assurances. The Corporation will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Trust Agreement and for better assuring and confirming unto the Owners the rights and benefits provided herein.

Section 10.03 Covenants with Providers of Additional Security. If the Corporation shall have obtained the prior written consent of the Local Government Commission of North Carolina or its designee thereto, the Corporation may make such covenants as it may determine to be appropriate with any Credit Provider that shall agree to provide a Credit Facility with respect to any Bonds. Such covenants may be set forth in the applicable supplemental trust agreement or resolution of the Board of Directors of the Corporation authorizing the execution and delivery of the Bonds to be secured by such Credit Facility and shall be binding on the Corporation, the Trustee and all Owners of such Bonds so secured by such Credit Facility the same as if such covenants were set forth in full in this Trust Agreement, provided that no such covenants shall increase the duties or the liabilities of the Trustee without its consent or adversely affect the security or value of any other Bonds without the consent of the Owners thereof as are so affected thereby.

ARTICLE XI

LIMITATION OF LIABILITY

Section 11.01 Limited Liability of the County and the Corporation. Except for the payment of Installment Payments, Additional Payments and Prepayments when due in accordance with the Installment Financing Agreement and the performance of the other

covenants and agreements of the County contained in the Installment Financing Agreement, the County has no obligation or liability to the Corporation, the Trustee or the Owners with respect to this Trust Agreement or the terms, execution, delivery or transfer of the Bonds, or the distribution of Installment Payments to the Owners by the Trustee. The provisions of this Section shall not affect any duty or obligation of the County arising under the Installment Financing Agreement. In the case of any conflict between this Section and any other section of this Trust Agreement, this Section shall control.

The Bonds shall not constitute a debt or general obligation of the Corporation and shall not give the Owners any recourse to the assets of the Corporation but shall be payable solely from amounts payable by the County under the Installment Financing Agreement and, as provided in this Trust Agreement, certain other moneys, including certain interest earnings, certain Net Proceeds, if any, and certain amounts realized from any sale or lease of the Mortgaged Property.

The Corporation shall not be liable for payment of any costs, charges or expenses in any amount of any description required or requested of it under any section of this Trust Agreement unless it shall first have been indemnified in full therefor pursuant to Section 2.1 of the Installment Financing Agreement.

Section 11.02 No Liability of the County or Corporation for Trustee Performance. Except as expressly provided herein, neither the County nor the Corporation shall have any obligation or liability to each other, to the Trustee or to the Owners with respect to the performance by the Trustee of any duty imposed upon it under this Trust Agreement.

Section 11.03 Limited Liability of Trustee.

(a) No Investment Advice. The Trustee shall have no obligation or responsibility for providing information to the Owners concerning the investment character of the Bonds.

(b) Sufficiency of this Trust Agreement or Installment Payments. The Trustee makes no representations as to the validity or sufficiency of the Bonds and shall incur no responsibility in respect thereof, other than in connection with the duties or obligations imposed or assigned herein or in the Bonds. The Trustee shall not be responsible for the sufficiency of the Installment Financing Agreement or the Deed of Trust. The Trustee shall not be liable for the sufficiency or collection of any Installment Payments or other moneys required to be paid to it under the Installment Financing Agreement (except as provided in this Trust Agreement), its right to receive moneys pursuant to the Installment Financing Agreement, or the value of or title to the Mortgaged Property.

(c) Actions of Corporation and County. The Trustee shall have no obligation or liability to any of the other parties or the Owners with respect to this Trust Agreement, the Installment Financing Agreement or the Deed of Trust, or the failure or refusal of any other party to perform any covenant or agreement made by any of them under this Trust Agreement, the Installment Financing Agreement or the Deed of Trust, but shall be responsible solely for the performance of the duties and obligations expressly imposed upon the Trustee under this Trust Agreement.

(d) Recitals and Agreements of Corporation and County. The recitals of facts, covenants and agreements herein, in the Installment Financing Agreement and in the Bonds contained shall be taken as statements, covenants and agreements of the Corporation or the County, as the case may be, and the Trustee assumes no responsibility for the correctness of the same.

Section 11.04 Limitation of Rights to Parties and Bond Owners. Nothing in this Trust Agreement or in the Bonds expressed or implied is intended or shall be construed to give any person other than the Corporation, the County, the Trustee and the Owners, any legal or equitable right, remedy or claim under or in respect of this Trust Agreement or any covenant, condition or provision hereof; and all such covenants, conditions and provisions are and shall be for the sole and exclusive benefit of the Corporation, the County, the Trustee and the Owners.

ARTICLE XII

EVENTS OF DEFAULT AND REMEDIES OF BOND OWNERS

Section 12.01 Events of Default.

(a) Events of Default. Each of the following is hereby declared to be an Event of Default:

(1) Default in the payment of the principal with respect to any Bond when the same shall become due and payable, whether at the stated maturity thereof or upon proceedings for prepayment; provided, however, that in determining whether a default in payment has occurred, no effect shall be given to payments made under any Credit Facility.

(2) Default in the payment of any installment of interest with respect to any Bond when the same shall become due and payable; provided, however, that in determining whether a default in payment has occurred, no effect shall be given to payments made under any Credit Facility.

(3) The occurrence of an event of default as provided in the Installment Financing Agreement.

(b) Acceleration of Maturities. Upon the happening and continuance of any Event of Default specified in **Section 12.01(a)** hereof, the Trustee may, and upon the written request of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of Bonds then Outstanding shall, by notice in writing to the Corporation and the County, declare the principal with respect to all Bonds then Outstanding (if not then due and payable) to be due and payable immediately, and upon such declaration the same shall become and be immediately due and payable, anything contained in the Bonds or in this Trust Agreement to the contrary notwithstanding; provided, however, that with respect to any Additional Bonds for which a Credit Facility is in effect and as to which the Credit Provider has not failed to comply with its payment obligations thereunder, upon the happening and continuance of any Event of Default specified under **Section 12.01(a)** hereof, the Trustee shall declare the principal with respect to such Additional Bonds to be immediately due and payable if the Credit Provider for such

Additional Bonds shall so direct and shall not declare the principal with respect to such Additional Bonds to be immediately due and payable unless the Credit Provider for such Additional Bonds shall have consented to such declaration; provided further, however, that if at any time after the principal with respect to Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Trust Agreement, money shall have accumulated in the Installment Payment Fund sufficient to pay the principal with respect to all matured Bonds and all arrears of interest, if any, with respect to all Bonds then Outstanding (except the principal with respect to any Bonds not then due and payable by their terms and the interest accrued with respect to such Bonds since the last Bond Payment Date), and the charges, compensations, expenses, disbursements, advances and liabilities of the Trustee and all other amounts then payable by the Corporation or the County hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee, and every other default known to the Trustee in the observance or performance of any covenant, condition or agreement contained in the Bonds or in this Trust Agreement (other than a default in the payment of the principal with respect to such Bonds then due only because of a declaration under this Section) shall have been remedied to the satisfaction of the Trustee, then and in every such case the Trustee, with the consent of each such Credit Provider, may, and upon the written request of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of Bonds not then due and payable by their terms (Bonds then due and payable only because of a declaration under this Section shall not be deemed to be due and payable by their terms) and then Outstanding shall, by written notice to the Corporation, the County and each such Credit Provider, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

(c) Remedies. If an Event of Default shall happen, then, and in each and every such case during the continuance of such Event of Default, the Trustee may, with the written consent of the Credit Provider so long as a Credit Facility is in effect and such Credit Provider has not failed to comply with its payment obligations thereunder, or shall, at the direction of each Credit Provider exercise any and all remedies available pursuant to law or granted pursuant to the Installment Financing Agreement or the Deed of Trust.

(d) Notice of Default. Except for the Events of Default specified in **paragraphs (1) and (2) of paragraph (a)** of this Section, the Trustee shall not be deemed to have knowledge of any Event of Default hereunder unless and until it shall have received written notice thereof at its Principal Office from the County or the Owners of not less than twenty-five percent (25%) in principal amount of the Bonds then Outstanding.

Section 12.02 Application of Funds. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this **ARTICLE XII** or of Article IX of the Installment Financing Agreement shall be deposited into the Installment Payment Fund and shall be applied by the Trustee after payment of all amounts due and payable to the Trustee under **Section 8.06** or any other provision of this Trust Agreement and costs of the Owners in declaring such Event of Default, including reasonable compensation of their agents, attorneys and counsel, in the following order upon presentation of the several Bonds, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

(a) If the principal with respect to all Bonds shall not have become or shall not have been declared due and payable, all such moneys in the Installment Payment Fund shall be applied:

First, Interest: to the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second, Principal: to the payment to the persons entitled thereto of the unpaid principal with respect to any Bonds which shall have become due, whether at maturity or by call for prepayment, in the order of their due dates, with interest on the overdue principal at a rate equal to the rate paid with respect to the Bonds, and, if the amount available shall not be sufficient to pay in full all of the amounts due with respect to the Bonds on any date, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference.

(b) If the principal with respect to all Bonds shall have become or shall have been declared due and payable, all such money shall be applied to the payment of principal and interest then due with respect to the Bonds, without preference or priority of principal or interest, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege.

(c) If the principal with respect to all Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled under the provisions of **Section 12.01(b)** hereof, then, subject to the provisions of **paragraph (b)** of this **Section 12.02** in the event that the principal with respect to all Bonds shall later become due and payable or be declared due and payable, the money then remaining in and thereafter accruing to the Installment Payment Fund shall be applied in accordance with the provisions of **paragraph (a)** of this Section.

Section 12.03 Institution of Legal Proceedings. If one or more Events of Default shall happen and be continuing, the Trustee in its discretion, with the written consent of each Credit Provider so long as a Credit Facility is in effect and such Credit Provider has not failed to comply with its payment obligations thereunder, may, and upon the written request of the Owners of not less than twenty-five percent (25%) in principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, shall proceed to protect or enforce its rights or the rights of the Owners by a suit in equity or action at law (subject in all cases to the provisions of Section 160A-20 of the General Statutes of North Carolina), either for the specific performance of any covenant or agreement contained herein or in the Installment Financing Agreement, or in aid of the execution of any power herein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effectual in support of any of its rights or duties hereunder.

Section 12.04 Non-waiver. No delay or omission of the Trustee or of any Owner to exercise any right or power arising upon the occurrence of any Event of Default shall impair any such right or power, or shall be construed to be a waiver of any such Event of Default or an acquiescence therein, and every power and remedy given by this **ARTICLE XII** to the Trustee or to the Owners may be exercised from time to time and as often as shall be deemed expedient by the Trustee or the Owners.

Section 12.05 Remedies Not Exclusive. No remedy conferred herein upon or reserved to the Corporation or the Trustee is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Corporation or the Trustee to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be required by this Article or by law.

Section 12.06 Power of Trustee to Control Proceedings. In the event that the Trustee, upon the occurrence of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of not less than twenty-five percent (25%) in principal amount of the Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interest of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless the Event of Default no longer continues, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time a written request signed by the Owners of at least a majority in principal amount of the Outstanding Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation has been filed with the Trustee.

Section 12.07 Limitation on Bond Owners' Right to Sue. No Owner of any Bond executed hereunder shall have the right to institute any suit, action or proceeding at law or in equity for any remedy under or upon this Trust Agreement, unless: (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of not less than twenty-five percent (25%) in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity satisfactory to it against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or failed to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or failure are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy hereunder; it being understood and intended that no one or more Owners shall have any right in any manner

whatever by his, her or their action to enforce any right under this Trust Agreement, except in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds.

The right of any Owner to receive payment of said Owner's proportionate interest in the Installment Payments as the same become due, or to institute suit for the enforcement of such payment, shall not be impaired or affected without the consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Trust Agreement.

Section 12.08 Notice of Default.

(a) The Trustee shall give prompt notice to the Corporation, the County, the Local Government Commission of North Carolina and each Credit Provider which then has a Credit Facility in effect of any Event of Default specified in **paragraphs (a)(1) and (a)(2) of Section 12.01** hereof and notice to the Corporation, the County, the Local Government Commission of North Carolina and each Credit Provider which then has a Credit Facility in effect of any other Event of Default of which it has received notice or has actual knowledge within thirty (30) days of the Trustee's knowledge thereof. Except as set forth in subsection (b) below, notice of any Event of Default shall be mailed to all Owners within thirty (30) days after the Trustee receives notice of the same. The Trustee shall not be subject to any liability to any Owners by reason of its failure to send any such notice.

(b) Except upon the happening of an Event of Default with respect to the payment of the principal and interest or prepayment premium with respect to the 2018 Bonds or Additional Bonds when due, the Trustee may withhold notice of any Event of Default to Owners if in its opinion such withholding is in the interest of the Owners.

Section 12.09 Credit Provider as Sole Owner of Bonds. For all purposes of this Article, except the giving of notice of default to Owners of Bonds, a Credit Provider providing a Credit Facility with respect to any Bonds shall be deemed to be the sole Owner of such Bonds for so long as it has not failed to comply with its payment obligations under such Credit Facility.

ARTICLE XIII

MISCELLANEOUS

Section 13.01 Defeasance. If and when any Outstanding Bonds shall be paid and discharged in any one or more of the following ways:

(a) Payment or Prepayment: by paying or causing to be paid the principal, interest and prepayment premiums (if any) with respect to such Bonds, as and when the same become due and payable;

(b) Cash: if prior to maturity and having given notice of prepayment, by irrevocably depositing with the Trustee, in trust, at or before maturity, an amount of cash which (together with cash then on deposit in the Installment Payment Fund, in the event of payment or provision for payment of all Outstanding Bonds) is sufficient to pay such Bonds, including all principal and interest represented thereby and prepayment premiums, if any; or

(c) Defeasance Obligations: by irrevocably depositing with the Trustee, in trust, (i) Defeasance Obligations together with cash, if required, in such amount as will, in the opinion of experts in the field acceptable to the Trustee, together with interest to accrue thereon (and, in the event of payment or provision for payment of all Outstanding Bonds moneys then on deposit in the Installment Payment Fund together with the interest to accrue thereon), be fully sufficient to pay and discharge all such Bonds including all principal and interest represented thereby and prepayment premiums, if any, at or before their maturity date and (ii) an opinion of Bond Counsel to that effect that all conditions set forth in this **ARTICLE XIII** have been satisfied;

then, notwithstanding that any Bonds shall not have been surrendered for payment, all obligations of the Corporation, the Trustee and the County with respect to such Bonds shall cease and terminate, except only the obligation of the Trustee to pay or cause to be paid, from Installment Payments paid by or on behalf of the County from funds deposited pursuant to **paragraphs (b) and (c)** of this Section, to the Owners of the Bonds not so surrendered and paid all sums due with respect thereto, and in the event of deposits pursuant to **paragraphs (b) and (c)** of this Section, the Bonds shall continue to represent direct and proportionate interests of the Owners thereof in Installment Payments under the Installment Financing Agreement and the Trustee shall execute and deliver to the Corporation and the County a written release of this Trust Agreement.

In the event of an advance refunding, the County shall cause to be delivered a verification report of a firm of experts in the field as to the sufficiency of any escrow fund created therefor.

Any funds held by the Trustee at the time of one of the events described in **paragraphs (b) and (c)** of this Section which are not required for the payment to be made to Owners and the fees and expenses of the Trustee shall be paid to the County.

Section 13.02 Non-Presentment of Bonds. In the event that a Bond shall not be presented for payment when the principal with respect thereof becomes due, either at maturity or at the date fixed for prepayment thereof, if moneys sufficient to pay such Bond shall have been deposited in the Installment Payment Fund, all liability of the County to the Owner thereof for payment of such Bond shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such moneys, without liability for interest thereon, for the benefit of the Owner of such Bond, who shall thereafter be restricted exclusively to such moneys for any claim of whatever nature on his or her part under this Trust Agreement or on, or with respect to, such Bond.

Any money that is so set aside or transferred and that remains unclaimed by the Owners for a period of five (5) years after the date on which such Bonds have become payable shall be treated as abandoned property pursuant to the provisions of Section 116B-53 of the General Statutes of North Carolina and the Trustee shall report and remit this property to the Escheat Fund according to the requirements of Article 4 of Chapter 116B of the General Statutes of North Carolina and thereafter the Owners shall look only to the Escheat Fund for payment and then only to the extent of the amounts so received, without any interest thereon, and the Trustee, the Corporation and the County shall have no responsibility with respect to such money.

Section 13.03 Records. The Trustee shall keep complete and accurate records of all moneys received and disbursed by it under this Trust Agreement, which shall be available for inspection by the County, the Corporation and any Owner, or the agent of any of them, at any time during regular business hours upon reasonable prior notice.

Section 13.04 Holidays.

(a) Subject to **paragraph (b)** of this Section, when any action is provided herein to be done on a day or within a time period named, and the day or the last day of the period falls on a day which is not a Business Day, the action may be done on the next ensuing Business Day with effect as though done on the day or within the time period named.

(b) When the date on which principal, interest or prepayment premium with respect to any Bond is due and payable is a day which is not a Business Day, payment may be made on the next ensuing Business Day with the same effect as though payment were made on the due date, and, if such payment is made, no interest shall accrue from and after such due date.

Section 13.05 Notices. All notices, certificates or other communications hereunder to the County, the Corporation and the Trustee shall be sufficiently given if given by United States mail in certified form, postage prepaid, and shall be deemed to have been received five (5) Business Days after deposit in the United States mail in certified form, postage prepaid, to the County, the Corporation and the Trustee, as the case may be, at the following addresses:

If to the County: County of Randolph, North Carolina
725 McDowell Road
Asheboro, North Carolina 27205
Attention: Finance Officer

If to the Corporation: Randolph County Public Facilities Corporation
c/o Randolph County
725 McDowell Road
Asheboro, North Carolina 27205
Attention: Finance Officer

If to the Trustee: U.S. Bank National Association
214 North Tryon Street
Charlotte, North Carolina, 28202
Attention: Corporate Trust Department

Any such notice, demand or request may also be transmitted to the appropriate above-mentioned parties by electronic mail ("email") to the email address specified by such parties, provided such email includes a document in portable document format (pdf) signed by a County Representative (in the case of the County) or other authorized representative of the transmitting party and further that any party delivering any such notice, demand or request by email shall promptly deliver a written copy of such notice, demand or request to the party/parties receiving such notice, demand or request by email at the appropriate above-mentioned address. Such email

shall be deemed to be received once an email acknowledging receipt of such email is sent by the receiving party.

Section 13.06 Limitation of Liability of Officers of Corporation. No covenant, condition or agreement contained herein shall be deemed to be a covenant, agreement or obligation of a present or future director, officer, employee or agent of the Corporation in his or her individual capacity, and no director, officer, employee or agent thereof shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the delivery thereof or by virtue of the execution and delivery of this Trust Agreement. No director, officer, employee or agent of the Corporation shall incur any personal liability with respect to any other action or failure to act pursuant to this Trust Agreement, provided such director, officer, employee or agent does not act, or fail to act, in bad faith.

Section 13.07 Governing Law. This Trust Agreement shall be construed and governed in accordance with the laws of the State. Jurisdiction for the resolution of any conflict arising from this Trust Agreement shall lie with the General Court of Justice of the State of North Carolina with venue in Randolph County, North Carolina.

Section 13.08 Binding Effect; Successors. This Trust Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Whenever in this Trust Agreement the Corporation, the County or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof and all of the covenants and agreements in this Trust Agreement contained by or on behalf of the Corporation, the County or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 13.09 Execution in Counterparts. This Trust Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

Section 13.10 Headings. The headings or titles of the several articles and sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Trust Agreement. All references herein to "Article," "Section" and other subdivisions are to the corresponding Article, Section or subdivisions of this Trust Agreement; and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Trust Agreement as a whole and not to any particular Article, Section or subdivision hereof.

Section 13.11 Waiver of Notice. Whenever in this Trust Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 13.12 Severability of Invalid Provisions. In case any one or more of the provisions contained in this Trust Agreement or in the Bonds shall be held to be invalid, illegal or unenforceable in any respect and for any reason, then such invalidity, illegality or unenforceability shall not affect any other provision of this Trust Agreement, and this Trust

Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Trust Agreement as of the date and year first above written.

[SEAL]

**RANDOLPH COUNTY PUBLIC FACILITIES
CORPORATION**

ATTEST:

By: _____
President

Secretary

[SIGNATURE PAGE TO TRUST AGREEMENT, DATED AS OF AUGUST 1, 2018,
BY AND BETWEEN RANDOLPH COUNTY PUBLIC FACILITIES CORPORATION AND
U.S. BANK NATIONAL ASSOCIATION]

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: _____
Vice President

[ADDITIONAL SIGNATURE PAGE TO TRUST AGREEMENT, DATED AS OF AUGUST 1, 2018,
BY AND BETWEEN RANDOLPH COUNTY PUBLIC FACILITIES CORPORATION AND
U.S. BANK NATIONAL ASSOCIATION]

EXHIBIT A

FORM OF 2018 BOND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to issuer or its agent for registration of transfer, exchange, or payment and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-____ \$_____

RANDOLPH COUNTY PUBLIC FACILITIES CORPORATION
LIMITED OBLIGATION BOND (RANDOLPH COUNTY, NORTH CAROLINA),
SERIES 2018

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
____%	October 1, ____	_____, 2018	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

THIS IS TO CERTIFY THAT the registered owner named above, or registered assigns, as the Registered Owner of this Limited Obligation Bond (this "2018 Bond"), is the owner of a proportionate undivided interest in the rights to receive Installment Payments under and as defined in that certain Installment Financing Agreement (the "Installment Financing Agreement"), dated as of August 1, 2018, by and between RANDOLPH COUNTY PUBLIC FACILITIES CORPORATION, a nonprofit corporation duly organized and existing under Chapter 55A of the General Statutes of North Carolina, as amended (the "Corporation"), and the COUNTY OF RANDOLPH, NORTH CAROLINA, a political subdivision duly created and existing under and by virtue of the Constitution and the laws of the State of North Carolina (the "County"), which Installment Payments and certain other rights and interests of the Corporation under the Installment Financing Agreement have been assigned to U.S. Bank National Association, as trustee (the "Trustee"), having a corporate trust office at which it conducts corporate trust business in Raleigh, North Carolina (said office being herein referred to as the "Principal Office").

The Registered Owner of this 2018 Bond is entitled to receive, subject to the terms of the Installment Financing Agreement and, subject to prepayment as hereinafter described, on the maturity date specified above, the principal amount specified above, representing a portion of the Installment Payments designated as principal coming due on such date, and to receive on April 1,

2019 and each April 1 and October 1 thereafter until payment in full of said portion of principal, the Registered Owner's portion of each Installment Payment designated as interest coming due on each April 1 and October 1 (the "Bond Payment Dates"); provided that interest with respect hereto shall be payable from the Bond Payment Date next preceding the date of authentication of this 2018 Bond (unless (i) this 2018 Bond is authenticated on a Bond Payment Date, in which event interest shall be payable from such Bond Payment Date, or (ii) this 2018 Bond is authenticated after the close of business on the fifteenth (15th) day of the month prior to the following Bond Payment Date (the "Record Date"), in which event interest shall be payable from such Bond Payment Date, or (iii) unless this 2018 Bond is authenticated on or before the Record Date preceding April 1, 2019 in which event interest shall be payable from its dated date. The portion of the Installment Payments designated as interest is computed on the basis of a 360-day year consisting of twelve 30-day months. Said amounts are payable in lawful money of the United States of America. The amount representing principal payable at maturity or upon prepayment in whole or in part is payable to the Registered Owner hereof upon presentation and surrender of this 2018 Bond at the Principal Office. The amounts representing interest are payable by wire transfer by the Trustee to the Registered Owner hereof as of the Record Date preceding the Bond Payment Date in accordance with arrangements with the Securities Depository (as defined in the Trust Agreement described below) for the payment thereof. [2018 Bonds not issued by means of a book-entry system shall contain the following statement: The amounts representing interest are payable by check mailed by the Trustee to the Registered Owner hereof as of the Record Date preceding the Bond Payment Date at his address as it appears on the registration books of the Trustee unless they are to be paid by wire transfer pursuant to an agreement between the Trustee and the Registered Owner hereof.]

[Printed 2018 Bonds shall contain the following statement: REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS 2018 Bond ON THE REVERSE HEREOF WHICH SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH HEREIN.]

IN WITNESS WHEREOF, Randolph County Public Facilities Corporation has caused this 2018 Bond to be executed by the [facsimile] signatures of its President and its Secretary and [a facsimile of] its corporate seal to be [printed] [impressed] hereon all as of the Dated Date set forth above.

RANDOLPH COUNTY PUBLIC FACILITIES
CORPORATION

[SEAL]

By: _____
President

Secretary

[REVERSE SIDE OF 2018 BOND]

LIMITED OBLIGATION BOND, SERIES 2018

This 2018 Bond is one of a series of bonds designated “Limited Obligation Bonds (Randolph County, North Carolina), Series 2018” (the “2018 Bonds”) and authenticated by the Trustee pursuant to the terms of a Trust Agreement by and between the Corporation and the Trustee, dated as of August 1, 2018 (the “Trust Agreement”). The Trustee is authorized under the Trust Agreement to deliver Additional Bonds (as defined in the Trust Agreement) under certain conditions (the 2018 Bonds and such Additional Bonds being collectively called the “Bonds”). The County is authorized to enter into the Installment Financing Agreement under the Constitution and the laws of the State of North Carolina. Reference is hereby made to the Installment Financing Agreement and the Trust Agreement (copies of which are on file at the Principal Office) for a description of the terms on which the Bonds are or may be delivered, the rights thereunder of the Owners (as defined in the Trust Agreement) of the Bonds, the rights, duties and immunities of the Trustee and the rights and obligations of the County under the Installment Financing Agreement, to all of the provisions of which Installment Financing Agreement and Trust Agreement the Registered Owner of this 2018 Bond, by acceptance hereof, assents and agrees.

[2018 Bonds issued pursuant to a book-entry system shall contain the following paragraph: The 2018 Bonds are being issued by means of a book-entry system with no physical distribution of 2018 Bonds to be made except as provided in the Trust Agreement. One 2018 Bond with respect to each date on which the 2018 Bonds are stated to mature, registered in the name of the Securities Depository Nominee (as defined in the Trust Agreement), is being issued and required to be deposited with the Securities Depository and immobilized in its custody. The book-entry system will evidence positions held in the 2018 Bonds by the Securities Depository’s participants, beneficial ownership of the 2018 Bonds in the principal amount of \$5,000 or any multiple thereof being evidenced in the records of such participants. Transfers of ownership shall be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants. The Corporation and the Trustee will recognize the Securities Depository Nominee, while the Registered Owner of this 2018 Bond, as the owner of this 2018 Bond for all purposes, including (i) payments of principal, prepayment premium, if any, and interest with respect to this 2018 Bond, (ii) notices and (iii) voting. Transfer of principal, interest and any prepayment premium payments to participants of the Securities Depository, and transfer of principal, interest and any prepayment premium payments to beneficial owners of the 2018 Bonds by the Securities Depository and such participants of the Securities Depository will be the responsibility of the Securities Depository and such participants and other nominees of such beneficial owners. The Corporation will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository Nominee, its participants or persons acting through such participants. While the Securities Depository Nominee is the owner of this 2018 Bond, notwithstanding the provision hereinabove contained, payments of principal, prepayment premium, if any, and interest with respect to this 2018 Bond shall be made in accordance with existing arrangements between the Trustee or its successors under the Trust Agreement and the Securities Depository.]

In certain events, the Trustee will be authorized to deliver replacement 2018 Bonds in the form of fully-registered 2018 Bonds in the denomination of \$5,000 or any multiple thereof in exchange for Outstanding 2018 Bonds as provided in the Trust Agreement.

THE INSTALLMENT FINANCING AGREEMENT DOES NOT CREATE A PLEDGE OF THE FAITH AND CREDIT OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL DEBT LIMITATION, AND THE INSTALLMENT FINANCING AGREEMENT DOES NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE COUNTY TO MAKE ANY PAYMENTS BEYOND THOSE APPROPRIATED IN THE SOLE DISCRETION OF THE COUNTY FOR ANY FISCAL YEAR IN WHICH THE INSTALLMENT FINANCING AGREEMENT IS IN EFFECT. NO DEFICIENCY JUDGMENT MAY BE RENDERED AGAINST THE COUNTY IN ANY ACTION FOR BREACH OF A CONTRACTUAL OBLIGATION UNDER THE INSTALLMENT FINANCING AGREEMENT AND THE TAXING POWER OF THE COUNTY IS NOT AND MAY NOT BE PLEDGED DIRECTLY OR INDIRECTLY TO SECURE ANY MONEYS DUE UNDER THE INSTALLMENT FINANCING AGREEMENT.

As security for the performance of its obligations under the Installment Financing Agreement, the County has, pursuant to a Deed of Trust and Security Agreement, dated as of August 1, 2018, among the County, the Corporation and the deed of trust trustee named therein (the "Deed of Trust"), granted to said trustee a lien of record on the Mortgaged Property (as defined in the Installment Financing Agreement), subject to Permitted Encumbrances (as defined in the Installment Financing Agreement). Pursuant to the Trust Agreement, the Corporation has assigned to the Trustee for the benefit of the Owners of the Bonds substantially all of its rights under the Installment Financing Agreement and as beneficiary under the Deed of Trust.

This 2018 Bond shall not constitute a debt or general obligation of the Corporation and shall not give the Owner of this 2018 Bond any recourse to the assets of the Corporation but shall be payable solely from amounts payable by the County under the Installment Financing Agreement and from certain other moneys, including certain interest earnings, certain Net Proceeds, if any, and certain amounts realized from any sale or lease of the Mortgaged Property.

To the extent and in the manner permitted by the terms of the Trust Agreement, the provisions of the Trust Agreement may be amended by the parties thereto with the written consents of each Credit Provider of a Credit Facility then in effect (as each such term is defined in the Trust Agreement) and the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (as defined in the Trust Agreement), and may be amended under certain circumstances without the consent of any Credit Provider or the Owners. No such modification or amendment shall (1) extend or have the effect of extending the fixed maturity of any Bond or reducing the interest rate with respect thereto or extending the time of payment of interest, or reducing the amount of principal thereof or reducing any premium payable upon the prepayment thereof, without the written consent of the Owner of such Bond, or (2) reduce or have the effect of reducing the percentage of Bonds required for the affirmative vote or written consent to an amendment or modification of the Installment Financing Agreement, the Trust Agreement or the Deed of Trust, without the written consent of the Owners of all Outstanding Bonds or (3) modify any of the rights or obligations of the Trustee or the County without its written assent thereto or (4) modify adversely the security provided by any Credit Provider in

accordance with the Trust Agreement without the written consent of the Owners of all Outstanding Bonds affected thereby.

The transfer of this 2018 Bond is registrable by the Registered Owner hereof, in person or by his or her duly authorized attorney, at the Principal Office, but only in the manner, subject to the limitations and upon payment of the charges provided in the Trust Agreement and upon surrender and cancellation of this 2018 Bond. Upon such registration of transfer a new 2018 Bond or Bonds, of Authorized Denomination or Authorized Denominations, for the same aggregate unprepaid principal amount, maturity and interest rate, will be delivered to the transferee. This 2018 Bond also may be exchanged for a like aggregate unprepaid principal amount of 2018 Bonds of other Authorized Denominations as prescribed in the Trust Agreement. The Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, whether or not this 2018 Bond shall be overdue, and the Trustee shall not be affected by any notice to the contrary. The Trustee shall not be obligated to register the transfer or exchange of any 2018 Bond during the period established by the Trustee for selection of 2018 Bonds for prepayment, or any 2018 Bond for which notice of prepayment has been given as provided in the Trust Agreement.

The 2018 Bonds maturing on or after October 1, 20__ are subject to prepayment as provided in the Trust Agreement, in whole or in part, on any date on or after October 1, 20__, at the option of the County, in the event the County exercises its option under the Installment Financing Agreement to prepay in whole or in part the principal components of the Installment Payments in order to cause prepayment in whole or in part of such 2018 Bonds, at a prepayment price equal to the principal with respect to such 2018 Bonds to be prepaid, together with accrued interest to the prepayment date.

The Trustee shall select 2018 Bonds for prepayment in an integral multiple of \$5,000 and by lot within any maturity. Notwithstanding the foregoing, so long as a book-entry system is used for determining beneficial ownership of 2018 Bonds, if less than all of the 2018 Bonds within a maturity are to be prepaid, the Securities Depository shall determine, pursuant to its rules and procedures, the interests of its participants in the 2018 Bonds to be prepaid.

As provided in the Trust Agreement, notice of prepayment shall be sent by mail, postage prepaid, not less than 30 nor more than 60 days before the prepayment date, to the Registered Owner of this 2018 Bond, provided that notice to any Securities Depository shall be sent by registered or certified mail or confirmed facsimile transmission or, in the case of The Depository Trust Company, by electronic transmission to such address as is provided in writing by The Depository Trust Company.

If this 2018 Bond is called for prepayment and payment is duly provided therefor as specified in the Trust Agreement, this 2018 Bond shall become due and payable on the date fixed for prepayment, interest shall cease to accrue with respect hereto from and after the date fixed for prepayment and the Registered Owner hereof shall have no rights in respect of the portion hereof so called for prepayment except to receive payment of the prepayment price and accrued interest from the funds held by the Trustee for such purpose. If a portion of the principal with respect to this 2018 Bond shall be called for prepayment, a new 2018 Bond or Bonds in principal amount

equal to the portion hereof not prepaid will be delivered to the Registered Owner upon the surrender hereof.

IT IS HEREBY CERTIFIED that all acts, conditions and things required by the Constitution and statutes of the State of North Carolina and the Trust Agreement to exist, to have happened and to have been performed precedent to and in connection with the delivery of this 2018 Bond do exist, have happened and have been performed in regular and due time, form and manner as so required, and that the Corporation is duly authorized to execute and the Trustee is duly authorized to authenticate and deliver this 2018 Bond, and that the amount of this 2018 Bond, together with all other Bonds executed and delivered under the Trust Agreement, is not in excess of the amount of Bonds authorized to be executed and delivered thereunder.

This 2018 Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Trust Agreement until this 2018 Bond shall have been authenticated by the execution by the Trustee of the certificate of authentication endorsed hereon.

[To be endorsed on all 2018 Bonds]

CERTIFICATE OF AUTHENTICATION

Date of authentication:

This bond is a Bond of the series designated therein and delivered under the provisions of the within-mentioned Trust Agreement.

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: _____
Vice President

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(Please print or type name, address and social security or other identifying number of transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever

In the presence of:

NOTICE: Signature must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

EXHIBIT B
FORM OF REQUISITION

_____, 20__

U.S. Bank National Association
Charlotte, North Carolina

RE: Disbursement from the Project Fund pursuant to Section 3.03 of the Trust Agreement, dated as of August 1, 2018 (the "Agreement"), by and between U.S. Bank National Association, as trustee, and Randolph County Public Facilities Corporation

REQUISITION NO. _____

I hereby certify that I am the _____ and am an appropriate County Representative for the purpose of this requisition.

You are hereby instructed to pay to the County of Randolph, North Carolina (the "County"), \$_____ as a [Project Cost] [Delivery Cost] from the Project Fund as provided in Section 3.03 of the Agreement. This Project Cost or Delivery Cost has been properly incurred, is a proper charge against the Project Fund and has not been the basis of any previous disbursements from the Project Fund. There are no encumbrances on the Project Facilities other than as permitted under the Agreement. The amount remaining in the Project Fund will, after payment of the amount set forth in this requisition, be sufficient to pay all remaining Project Costs as presently estimated which are not to be paid from other funds available for the payment of Project Costs.

Attached hereto is a contract payment certificate of the County or an invoice relating to the requested disbursement. Terms not defined herein shall have the meanings set forth in the Agreement.

Very truly yours,

By: _____
County Representative

RECEIPT ACKNOWLEDGED

U.S. Bank National Association, Trustee

By: _____
Authorized Signatory

INSTALLMENT FINANCING AGREEMENT

Dated as of August 1, 2018

between

RANDOLPH COUNTY PUBLIC FACILITIES CORPORATION

and

THE COUNTY OF RANDOLPH, NORTH CAROLINA

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INSTALLMENT FINANCING AGREEMENT

THIS INSTALLMENT FINANCING AGREEMENT, dated as of August 1, 2018 (this "Installment Financing Agreement"), by and between **RANDOLPH COUNTY PUBLIC FACILITIES CORPORATION**, a nonprofit corporation duly organized and existing under Chapter 55A of the General Statutes of North Carolina, as amended (the "Corporation"), and the **COUNTY OF RANDOLPH, NORTH CAROLINA**, a political subdivision duly created and existing under the Constitution and laws of the State of North Carolina (the "County"),

W I T N E S S E T H :

WHEREAS, the County is a political subdivision duly created and existing under and by virtue of the Constitution and laws of the State of North Carolina; and

WHEREAS, the County has the power, pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended, to enter into installment financing agreements in order to finance and refinance the purchase of real or personal property and the construction or repair of fixtures or improvements on real property used or to be used for public purposes; and

WHEREAS, the Corporation is a nonprofit corporation, duly organized, existing and in good standing under the laws of the State of North Carolina, and is duly qualified to do business in the State of North Carolina; and under its articles and bylaws, the Corporation is authorized to own and hold real and personal property, to dispose of the same and to act in the manner contemplated herein for the purpose of promoting the general welfare of the citizens of the County, by assisting the County in carrying out its governmental functions through the financing, acquisition, construction, operation, sale or lease of real estate and improvements, facilities and equipment for the use and benefit of the general public; and

WHEREAS, the County has determined to finance a portion of the cost of constructing and otherwise accomplishing certain facilities and improvements that are described in Exhibit A hereto (the "Project"); and

WHEREAS, the County and the Board of Education (as defined herein) are entering into an Administrative Agreement and a Lease (both as defined herein) in connection with the county financing the cost of the Project; and

WHEREAS, the County has determined that it is in the best interests of the County that the County and the Corporation enter into this Installment Financing Agreement to make available to the County the funds with which to finance a portion of the cost of the Project; and

WHEREAS, the obligation of the County to pay Installment Payments and Additional Payments (both defined herein) hereunder shall not constitute a pledge of the faith and credit of the County within the meaning of any constitutional limitation or requirement concerning the creation of debt; and

WHEREAS, the taxing power of the County is not, and shall not be, pledged directly or indirectly to secure any moneys due under this Installment Financing Agreement to the

Corporation or any other party, including the Trustee (as defined herein) or the owners of the Bonds (as defined herein); and

WHEREAS, this Installment Financing Agreement shall not directly or indirectly obligate the County to make any payments beyond those appropriated in the sole discretion of the County for any fiscal year during which this Installment Financing Agreement shall be in effect; and

WHEREAS, in order to further secure the obligations of the County hereunder, the County will execute the Deed of Trust on the Mortgaged Property (both as defined herein) to a deed of trust trustee, for the benefit of the Corporation; and

WHEREAS, no deficiency judgment may be rendered against the County in any action for breach of a contractual obligation under this Installment Financing Agreement; and

WHEREAS, the Corporation and the County have each duly authorized the execution and delivery of this Installment Financing Agreement;

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND EXHIBITS

Section 1.1 Definitions and Rules of Construction. Unless the context otherwise requires, the capitalized terms used herein shall, for all purposes of this Installment Financing Agreement, have the meanings specified in the Trust Agreement (as defined herein), together with any amendments thereof or supplements thereto permitted to be made thereunder; and the additional terms defined in this Section and in the recitals hereto shall, for all purposes of this Installment Financing Agreement, have the meanings herein specified. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa. The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms, as used in this Installment Financing Agreement, refer to this Installment Financing Agreement as a whole.

“Additional Payments” means all payments required to be made by the County pursuant to **Section 4.8** hereof.

“Administrative Agreement” means the Administrative Agreement dated as of the date hereof between the County and the Board of Education.

“Board of Education” means the Asheboro City Schools Board of Education.

“Bonds” means the 2018 Bonds and all Additional Bonds executed and delivered under the Trust Agreement.

“Contractors” means, along with Vendors, the persons with whom contracts are entered for the construction and other accomplishment of the Project.

“Deed of Trust” means the Deed of Trust and Security Agreement, dated as of the date hereof and executed by the County to a trustee, as security for its obligations under this Installment Financing Agreement, as amended from time to time pursuant to the provisions of Article IX of the Trust Agreement.

“Event of Nonappropriation” means (a) the County’s failure, for any reason, to budget and appropriate, specifically with respect to this Installment Financing Agreement, moneys sufficient to pay all Installment Payments and reasonably estimated Additional Payments coming due in any Fiscal Year or (b) the County’s deletion from its duly adopted budget of any appropriation for the purposes specified in clause (a) above.

“Fiscal Year” means the fiscal year of the County beginning on July 1 of any year and ending on June 30 of the following year, or such other period of 12 consecutive months as may be adopted by the County.

“Improvements” means any additions, modifications or improvements to the Project Facilities or to other real or personal property or any acquisition or construction of real or personal property other than the Project Facilities which the County determines to make, or cause to be made, or acquire, from time to time.

“Installment Payment Dates” means the dates on which the Installment Payments are payable by the County to the Trustee, as such dates are set forth in Exhibit B hereto, and the dates specified for the payment of Installment Payments by the County in connection with the delivery of Additional Bonds pursuant to Section 2.08 of the Trust Agreement. Exhibit B hereto may be supplemented at any time to reflect the Installment Payment Dates with respect to Additional Bonds.

“Installment Payments” means all payments required to be paid by the County to the Trustee pursuant to **Section 4.3** hereof.

“Lease” means the Lease, dated as of the date hereof, between the County, as Lessor and the Board of Education, as Lessee.

“Mortgaged Property” means the land and the real estate improvements thereon and appurtenances thereto, as more particularly described in the Deed of Trust, and any real property added to the Mortgaged Property in connection with the delivery of Additional Bonds.

“Permitted Encumbrances” means, as of any particular time: (a) the Deed of Trust; (b) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the County may, pursuant to **Section 7.5(c)** hereof, permit to remain unpaid; (c) this Installment Financing Agreement, as it may be amended from time to time; (d) easements, rights of way, mineral rights, drilling rights and other similar rights, reservations, covenants, conditions or restrictions which the County certifies in writing will not materially impair the use of the Mortgaged Property for its intended purposes by the County; (e) the Trust Agreement; (f) the Lease and any lease by the County and any sublease by the Board of Education in conformity

with **Section 8.1** hereof; and (g) any other exceptions or other encumbrances described in the policy evidencing the title insurance required pursuant to **Section 5.4** hereof.

“Project” means the Project described in Exhibit A hereto.

“Project Facilities” means the facilities and improvements resulting from the Project.

“State” means the State of North Carolina.

“Trust Agreement” means the Trust Agreement, dated as of the date hereof, by and between the Corporation and the Trustee.

“Trustee” means U.S. Bank National Association, or the successor thereto pursuant to the Trust Agreement.

“Vendors” means, along with Contractors, the persons with whom contracts are entered for the construction and other accomplishment of the Project.

“2018 Bonds” means the \$[Amount] Randolph County Public Facilities Corporation Limited Obligation Bonds (Randolph County, North Carolina), Series 2018, dated the date of their delivery, executed and delivered by the Corporation, evidencing the proportionate undivided interests of the Owners thereof in Installment Payments to be made by the County with respect to the 2018 Bonds pursuant to this Installment Financing Agreement.

Section 1.2 Exhibits. The following exhibits are attached to, and by reference made a part of, this Installment Financing Agreement:

Exhibit A: General Description of the Project;

Exhibit B: Schedule of Installment Payments to be paid by the County to the Trustee, showing the Installment Payment Dates and amount of each Installment Payment.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1 Representations, Covenants and Warranties of the County. The County represents, covenants and warrants to the Corporation as follows:

(a) Due Organization and Existence. The County is a political subdivision, duly created and existing under the Constitution and laws of the State.

(b) Authorization. The Constitution and laws of the State authorize the County to enter into this Installment Financing Agreement, the Deed of Trust, the Administrative Agreement and the Lease and to enter into the transactions contemplated by and to carry out its obligations under all of the aforesaid agreements, and the County has duly authorized and executed all of the aforesaid agreements. This Installment Financing Agreement, the Deed of Trust, the Administrative Agreement and the Lease constitute legal, valid and binding

obligations of the County enforceable in accordance with their respective terms, except to the extent limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the rights of creditors generally.

(c) No Conflicts or Default; No Liens or Encumbrances. Neither the execution and delivery of this Installment Financing Agreement, the Administrative Agreement, the Lease or the Deed of Trust nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the County is now a party or by which the County is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the County or upon the Mortgaged Property, except for Permitted Encumbrances.

(d) No Litigation Against County. To the best of the County's knowledge, there is no action, suit or proceeding, at law or in equity, pending nor has the County received service of process in any action, suit, proceeding, inquiry or investigation, at law or in equity, by or before any court, public board or body, nor, to the best of the knowledge of the County, is there any such action, suit, proceeding, inquiry or investigation pending or threatened against or affecting the County or the Board of Education challenging the validity of this Installment Financing Agreement or the Deed of Trust, the Administrative Agreement, the Lease or the transactions contemplated hereby or thereby or affecting the County's ability to make Installment Payments or Additional Payments.

(e) Indemnification of Corporation, Trustee, Local Government Commission of North Carolina, and Deed of Trust Trustee. Subject to **Section 4.4** hereof and to the extent permitted by law, the County covenants to defend, indemnify and hold harmless the Corporation, the Trustee, the Local Government Commission of North Carolina, and the Deed of Trust Trustee and their directors, officers, and employees (collectively the "Indemnified Party") against any and all losses, claims, damages or liabilities, joint or several, including fees and expenses incurred in connection therewith, to which the Indemnified Party may become subject under any statute or at law or in equity or otherwise in connection with the transactions contemplated by this Installment Financing Agreement and shall reimburse the Indemnified Party for any legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims, damages, liabilities or actions arise out of the transactions contemplated by this Installment Financing Agreement. In particular, without limitation, the County shall and hereby agrees, to the extent permitted by law, to indemnify and save the Indemnified Party harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of (1) the use, maintenance, condition or management of, or any work or thing done on the Project Facilities, (2) any breach or default on the part of the County in the performance of any of its obligations under this Installment Financing Agreement, (3) any act or negligence of the County or of any of its elected officials, agents, contractors, servants, employees or licensees with respect to the Project Facilities so long as such act or negligence is within the scope of employment or agency of such elected officials, agents, contractors, servants, employees or licensees, (4) any act or negligence of any assignee or lessee of the County with respect to the Project Facilities, (5) construction and other accomplishment of the Project or the authorization of payment of the Project Costs by the

County, or (6) the presence, escape, seepage, leakage, discharge, emission, release or threatened release, or disposal of any Hazardous Materials (as defined in **subsection (f)** of this Section) or the breach of any covenant, representation or warranty, or any breach or default by the County in connection with any covenant, representation or warranty, of the County with respect to Hazardous Materials in **subsection (f)** of this Section. No indemnification will be made under this **subsection (e)** or any other provision of this Installment Financing Agreement for the willful misconduct or negligence hereunder by the Indemnified Party or its officers, agents, employees, successors or assigns. The obligations of the County under this **subsection (e)** shall survive any event of default by the County under this Installment Financing Agreement, the payment in full of the obligation of the County under this Installment Financing Agreement, any sale or other disposition of the Project Facilities, or any portion thereof, any foreclosure of the Deed of Trust, the taking of a deed in lieu of foreclosure, the exercise of any other right or remedy under the Deed of Trust, any subsequent sale or transfer of Project Facilities, or any portion thereof, and all similar or related events or occurrences.

The County reserves the right to assert all defenses to claims for indemnity asserted under this Installment Financing Agreement, including defenses which raise and seek court determination of the County's power to contract and indemnify under this Installment Financing Agreement in excess of insurance coverage. The County or its insurance carrier shall have the right to raise defenses on the merits of any claim for indemnification under this Installment Financing Agreement.

(f) Hazardous Materials. The County represents and warrants that the County has not violated any Environmental Laws (as defined below) applicable to the Mortgaged Property and has not given or received any written notice indicating that the Mortgaged Property or the past or present use thereof or any practice, procedure or policy employed by it in the conduct of its business violates any applicable Environmental Laws. Without limiting the generality of the foregoing, neither the County nor, to the best of its knowledge, after due inquiry, any other prior or present owner, tenant or subtenant of any part of the Mortgaged Property has, other than as may have been remedied in accordance with applicable Environmental Laws (i) used, treated, stored, transported or disposed of flammable explosives, polychlorinated biphenyl compounds, heavy metals, chlorinated solvents, cyanide, radon petroleum products, asbestos or any asbestos containing materials, methane, urea formaldehyde, radioactive materials, pollutants, hazardous wastes, hazardous, toxic or regulated substances or related materials, or other Hazardous Materials (as defined below) on, from or beneath the Mortgaged Property, (ii) pumped, spilled, leaked, disposed of, emptied, discharged or released (hereinafter collectively referred to as "Release") any amount of Hazardous Materials on, from or beneath the Mortgaged Property that would give rise to liability under any applicable Environmental Laws, or (iii) without limitation of the foregoing, stored any amount of petroleum products at the Mortgaged Property in underground storage tanks. To the best of its knowledge after due inquiry, all of the Mortgaged Property has complied with and currently complies in all respects with all applicable Environmental Laws and, so long as the County owns the Mortgaged Property, the Mortgaged Property will comply in all respects with all applicable Environmental Laws. The County shall not use or permit the Mortgaged Property or any part thereof to be used to generate, manufacture, refine, treat, store, handle, transport or dispose of, transfer, produce or process Hazardous Materials, except as a necessary incident to the normal operation and maintenance of the Mortgaged Property by the County or the Board of Education and then only in compliance with

all Environmental Laws, nor shall it permit, as a result of any intentional or unintentional act or omission on its part or by any tenant, subtenant, licensee, guest, invitee, contractor, employee or agent, the storage, transportation, disposal or use of Hazardous Materials on, from or beneath the Mortgaged Property or onto any other property except as a necessary incident to the normal operation and maintenance of the Mortgaged Property by the County or the Board of Education and then only in compliance with all applicable Environmental Laws. In particular, the County shall not use the Mortgaged Property or permit the Mortgaged Property or any part thereof to be used for a landfill or any other waste disposal site even if incident to the County's current operations. Upon the occurrence of any Release or threat of Release of Hazardous Materials, the County shall promptly commence and perform, or cause to be commenced and performed, promptly and without cost to the Trustee or the Corporation, all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials so released, on, from or beneath the Mortgaged Property or other property, in compliance with all applicable Environmental Laws. Notwithstanding anything to the contrary contained herein, underground storage tanks shall only be permitted for use in connection with the storage of petroleum products and subject to compliance with all applicable Environmental Laws and only to the extent necessary to maintain the normal operation and maintenance of the Mortgaged Property by the County or the Board of Education. There are no pending claims or threats by private or governmental or administrative authorities relating to environmental impairment, conditions, or regulatory requirements with respect to the Mortgaged Property. The County shall comply with, and shall cause its tenants, subtenants, licensees, guests, invitees, contractors, employees and agents to comply with, all applicable Environmental Laws, and shall keep the Mortgaged Property free and clear of any liens imposed pursuant thereto (provided, however, that any such liens, if not discharged, may be bonded if such bonding prevents such lien being foreclosed and removes or would remove the lien as an exception under any policy of title insurance insuring the Mortgaged Property). The County shall cause each tenant under any lease, and use its best efforts, to cause all of such tenants, subtenants, agents, licensees, employees, contractors, guests and invitees and the guests and invitees of all of the foregoing to comply with all applicable Environmental Laws with respect to the Mortgaged Property; provided, however, that notwithstanding that a portion of this covenant is limited to such use of its best efforts, the County shall remain solely responsible for ensuring such compliance as to the Mortgaged Property and such limitation shall not diminish or affect in any way such obligations contained in **subsection (e)** hereof. The County shall provide or cause to be provided written notice within three (3) days to the Corporation, the Deed of Trust Trustee and the Trustee of its receipt of any notice, citation, summons, complaint, or other written communication alleging a violation or potential violation of any applicable Environmental Law, or of any notice of other claim relating to the environmental condition of the Mortgaged Property, or of its discovery of any matter which would make the representations, warranties, or covenants herein to be inaccurate or misleading in any respect. The County shall conduct and complete or cause to be conducted and completed all investigations, studies, sampling and testing and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials, on, from or affecting the Mortgaged Property in accordance with all applicable Environmental Laws. For purposes of this **subsection (f)**, "Hazardous Materials" shall include, without limitation, any substance defined as hazardous or toxic or otherwise regulated or limited by any Environmental Law. For purposes of this **subsection (f)**, "Environmental Law" means any federal, State or local law, rule, regulation, ordinance or court

or administrative order relating to the protection of the environment or human health or safety now or hereafter in effect, with respect to Hazardous Materials, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. Section 9601, et seq.) together with the regulations promulgated thereunder, the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901, et seq.) together with the regulations promulgated thereunder, the Oil Pollution Act of 1990 (33 U.S.C. Section 2701, et seq.) together with the regulations promulgated thereunder, the Emergency Planning and Community Right-to-Know Act, as amended (42 U.S.C. Section 11001, et seq.) together with the regulations promulgated thereunder, the Clean Water Act, as amended (33 U.S.C. Section 1321, et seq.) together with the regulations promulgated thereunder, the Clean Air Act, as amended (42 U.S.C. Section 7401, et seq.) together with the regulations promulgated thereunder, the Toxic Substances Control Act, as amended (15 U.S.C. Section 2601, et seq.) together with the regulations promulgated thereunder, the Federal Insecticide, Fungicide and Rodenticide Act, as amended (7 U.S.C. Section 136, et seq.) together with the regulations promulgated thereunder, the Occupational Safety and Health Act, as amended (29 U.S.C. Section 651, et seq.) together with the regulations promulgated thereunder, and the Hazardous Material Transportation Act, as amended (49 U.S.C. Section 5101, et seq.) together with the regulations promulgated thereunder, all similar applicable State or local laws and regulations and all applicable so-called local, State or federal “superfund” or “superlien” law.

(g) General Tax Covenants. The County covenants that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the excludability from gross income of the portion of each Installment Payment designated as and comprising interest with respect to the 2018 Bonds under Section 103 of the Code. The County will not directly or indirectly use or permit the use of any moneys in any fund created under the Trust Agreement or any funds of the County, or take or omit to take any other action, that would cause the obligations to make Installment Payments relating to the 2018 Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Code. To that end, the County has executed a certificate as to arbitrage and will comply with all requirements of Section 148 of the Code to the extent applicable to the Installment Payments relating to the 2018 Bonds. The County further covenants that the 2018 Bonds are not “private activity bonds” as defined in Section 141 of the Code.

Without limiting the generality of the foregoing, the County agrees that it will pay from time to time all amounts required to be rebated to the United States of America pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Installment Payments relating to the 2018 Bonds from time to time. This covenant shall survive the payment in full of all obligations under this Installment Financing Agreement.

Notwithstanding any provision of this Section, if the County shall provide to the Trustee an opinion of Bond Counsel to the effect that any action required under this Section is no longer required, or to the effect that some further action is required, to maintain the excludability from gross income of the portion of each Installment Payment designated as and comprising interest with respect to the 2018 Bonds under Section 103 of the Code, the County and the Trustee may rely conclusively on such opinion in complying with the provisions hereof.

(h) Compliance with Laws and Regulations and Securing of Regulatory Approvals. The County will comply, or cause there to be compliance, with all applicable laws, regulations and requirements of any governmental authority having jurisdiction over the Project Facilities and will secure, or cause to be secured, in a timely manner all regulatory approvals necessary for the construction or other accomplishment of the Project and the operation of the Project Facilities.

Section 2.2 Representations, Covenants and Warranties of the Corporation. The Corporation represents, covenants and warrants to the County as follows:

(a) Due Organization and Existence, Authorization. The Corporation is a nonprofit corporation duly organized, existing and in good standing under and by virtue of the laws of the State; has the power to enter into this Installment Financing Agreement and the Trust Agreement; is possessed of full power to own and hold real and personal property and to lease and sell the same; and has duly authorized the execution and delivery of all of the aforesaid documents. This Installment Financing Agreement and the Trust Agreement constitute legal, valid and binding agreements of the Corporation enforceable in accordance with their respective terms, except to the extent limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the rights of creditors generally.

(b) No Conflicts or Defaults. Neither the execution and delivery of this Installment Financing Agreement or the Trust Agreement, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of the articles of incorporation or bylaws of the Corporation or any restriction or any agreement or instrument to which the Corporation is now a party or by which the Corporation is bound, or constitutes a default under any of the foregoing.

(c) No Litigation Against Corporation. To the best of the Corporation's knowledge, there is no action, suit or proceeding, at law or in equity, pending nor has the Corporation received service of process in any action, suit, proceeding, inquiry or investigation, at law or in equity, by or before any court, public board or body, nor, to the best of the knowledge of the Corporation, is there any such action, suit, proceeding, inquiry or investigation pending or threatened against or affecting the Corporation, challenging the validity of this Installment Financing Agreement, the Deed of Trust or the transactions contemplated hereby or thereby.

ARTICLE III

CONSTRUCTION AND OTHER ACCOMPLISHMENT OF PROJECT

Section 3.1 Deposit of 2018 Bond Proceeds. On the Closing Date the Corporation agrees to deposit with the Trustee moneys as provided in Section 2.07 of the Trust Agreement.

Section 3.2 Construction and Other Accomplishment of Project. The County will arrange for, supervise and provide for, or cause to be supervised and provided for, the construction and other accomplishment of the Project. The County represents that the estimated Project Costs are within the funds estimated to be available therefor or already expended for the payment of Project Costs.

Section 3.3 Compliance with Public Bidding Law. The County shall comply with, or cause there to be compliance with, all applicable provisions for bids and contracts prescribed by law, including, without limitation, Article 8 of Chapter 143 of the General Statutes of North Carolina.

Section 3.4 Payment of Project Costs. Payment of the Project Costs shall be made from the moneys deposited with the Trustee in the Project Fund as provided in **Section 3.1** hereof and Section 2.07 of the Trust Agreement, which shall be disbursed from the Project Fund in accordance and upon compliance with Article III of the Trust Agreement. The County agrees that it will deposit or cause to be deposited in the Project Fund all amounts received by it or the Board of Education as refunds of State sales tax with respect to expenditures made in connection with the Project and paid or reimbursed from moneys in the Project Fund.

Section 3.5 Project Description and Completion.

(a) Changes in Project Description. The County agrees to use its best efforts to complete promptly, or cause the prompt completion of, the Project. The County may make, or cause to be made, such changes in the Project as it deems necessary or appropriate to cause the Project to be completed for a cost within the funds available therefor; provided, however, that no change may be made in the Project which would result in its use for purposes other than as described in Exhibit A. In addition, no change may be made in the Project as described in Exhibit A unless (i) the County has first notified in writing the Local Government Commission of North Carolina of such change if such change constitutes a change of purpose, and (ii) the related costs are capital costs under applicable federal income tax principles. In the event of a change in the Project which would render materially inaccurate the description in Exhibit A hereto, the County shall provide, or cause to be provided, to the Corporation and the Trustee a revised Exhibit A for attachment hereto which reflects accurately the Project as changed.

(b) Certificate of Completion. Upon the completion of the Project, the County shall deliver, or cause to be delivered, promptly to the Trustee a certificate of completion with respect thereto signed by a County Representative. The certificate of completion shall state that the Project has been completed and that there are no mechanic's or other liens against the Project for labor or materials furnished in connection with the Project. On the date of filing of the certificate of completion, all excess moneys remaining in the Project Fund, after reserving sufficient funds for the payment of all amounts due, or estimated to become due, with respect to the Project and not yet paid, shall be transferred by the Trustee (i) to the Installment Payment Fund as provided in Section 3.04 of the Trust Agreement for payment of principal with respect to the 2018 Bonds as provided in Section 5.04 of the Trust Agreement or, if in the opinion of Bond Counsel it would not adversely affect the excludability from gross income of interest with respect to the 2018 Bonds for purposes of federal income taxation, for payment of such interest as provided in Section 5.04 of the Trust Agreement or (ii) as the County may otherwise direct for the payment of the costs of additional public facilities, provided that the County has first notified the Local Government Commission of North Carolina of its decision to exercise such option and that the related costs are capital costs under applicable federal income tax principles.

Section 3.6 Further Assurances and Corrective Instruments. The County and the Corporation agree that they will, from time to time, execute, acknowledge and deliver, or cause

to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Mortgaged Property or the Project for carrying out the expressed intention of this Installment Financing Agreement.

ARTICLE IV

FINANCING OF PROJECT; TERM; INSTALLMENT PAYMENTS; ADDITIONAL PAYMENTS; LIMITED OBLIGATION OF COUNTY

Section 4.1 Financing of Project. Simultaneously with the delivery of this Installment Financing Agreement, the Corporation shall prepare and execute and cause the Trustee to authenticate and deliver the 2018 Bonds to provide the County with funds with which to finance a portion of the Project Costs and the Delivery Costs. The 2018 Bonds shall be executed and delivered in accordance with the Trust Agreement. The approval of the terms of the 2018 Bonds and the Trust Agreement by the County shall be conclusively established by its execution and delivery of this Installment Financing Agreement.

Section 4.2 Term. The term (the “Term”) of this Installment Financing Agreement shall commence on the Closing Date and shall terminate upon the earlier of the following:

(a) such date as all Installment Payments and Additional Payments required hereunder shall be paid; and

(b) such date as all proceeds derived from (i) a foreclosure sale of the last remaining parcel of real property constituting a part of the Mortgaged Property or the exercise of any other right or remedy under the Deed of Trust and (ii) the exercise by the Trustee of its remedies as the assignee of a secured party under the Uniform Commercial Code have been applied by the Trustee to the payment, in whole or in part, of the Bonds.

Termination of this Installment Financing Agreement shall terminate all duties, obligations, liabilities and responsibilities of the County under this Installment Financing Agreement (other than the obligation to indemnify any Indemnified Party pursuant to **Section 2.1(e)** hereof, and the obligation to rebate money to the United States of America pursuant to **Section 2.1(g)** hereof).

Section 4.3 Installment Payments.

(a) Inclusion in Budget Proposal. The County Manager of the County (or any other officer at any time charged with the responsibility for formulating budget proposals) shall include in his budget proposals for review and consideration by the Board of Commissioners for the County, in any Fiscal Year in which this Installment Financing Agreement shall be in effect, items for all Installment Payments and the reasonably estimated Additional Payments required for such Fiscal Year under this Installment Financing Agreement. Any budget item referred to in this paragraph shall be deleted from the applicable budget by the Board of Commissioners for the County only by the adoption of a resolution to such effect containing a statement of its reasons therefor, which resolution shall be adopted by roll-call vote and shall be spread upon the minutes of the Board of Commissioners for the County. The County shall, upon request, furnish

the Corporation, the Trustee and the Original Purchasers with copies of its annual budget promptly after its adoption and copies of any amended budget affecting appropriations for Installment Payments and Additional Payments. Moneys appropriated by the Board of Commissioners for the County to make Installment Payments and Additional Payments in any Fiscal Year shall be used for no other purpose except to the extent appropriated amounts exceed the amounts actually required in that Fiscal Year for Installment Payments and Additional Payments. If the amount appropriated in that Fiscal Year for Installment Payments and Additional Payments is insufficient, then the County Manager of the County (or any other officer at any time charged with the responsibility for formulating budget proposals) will promptly seek an additional appropriation from such Board of Commissioners to make Installment Payments and Additional Payments.

(b) Amounts and Times. Subject to **Section 4.2** hereof (regarding termination) and **ARTICLE X** hereof (regarding prepayment of Installment Payments), the County agrees to pay to the Trustee for the account of the Corporation the Installment Payments (denominated into components of principal and interest with the principal components being payable annually and the interest components being payable semiannually) in the amounts and on the Installment Payment Dates specified in Exhibit A hereto, as such amounts and Installment Payment Dates may be supplemented in connection with the delivery of Additional Bonds pursuant to Section 2.08 of the Trust Agreement. The Installment Payments shall be sufficient as to amounts and times to pay when due the principal and interest represented by the 2018 Bonds and any Additional Bonds on each Bond Payment Date.

(c) Credits. Any amount held in the Installment Payment Fund on any Installment Payment Date (other than amounts resulting from the prepayment of the principal components of the Installment Payments in part but not in whole pursuant to **Section 10.2** hereof, amounts provided as funded interest with respect to any Bonds and to be credited toward Installment Payments not then due and payable and other amounts required for payment of past due principal or interest with respect to any Bonds not presented for payment) shall be credited toward the Installment Payment then due and payable. No Installment Payment need be made on any Installment Payment Date if the amounts then held in the Installment Payment Fund are at least equal to the Installment Payment then required to be paid.

Section 4.4 Limited Obligation of County and Corporation. NO PROVISION OF THIS INSTALLMENT FINANCING AGREEMENT SHALL BE CONSTRUED OR INTERPRETED AS CREATING A PLEDGE OF THE FAITH AND CREDIT OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL DEBT LIMITATION. NO PROVISION OF THIS INSTALLMENT FINANCING AGREEMENT SHALL BE CONSTRUED OR INTERPRETED AS CREATING A DELEGATION OF GOVERNMENTAL POWERS OR AS A DONATION BY OR A LENDING OF THE CREDIT OF THE COUNTY WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE. THIS INSTALLMENT FINANCING AGREEMENT SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE COUNTY TO MAKE ANY PAYMENTS BEYOND THOSE APPROPRIATED IN THE SOLE DISCRETION OF THE COUNTY FOR ANY FISCAL YEAR IN WHICH THIS INSTALLMENT FINANCING AGREEMENT IS IN EFFECT; PROVIDED, HOWEVER, THAT ANY FAILURE OR REFUSAL BY THE COUNTY TO APPROPRIATE FUNDS, WHICH RESULTS IN THE

FAILURE BY THE COUNTY TO MAKE ANY PAYMENT COMING DUE HEREUNDER, WILL IN NO WAY OBVIATE THE OCCURRENCE OF THE EVENT OF DEFAULT RESULTING FROM SUCH NONPAYMENT. NO DEFICIENCY JUDGMENT MAY BE RENDERED AGAINST THE COUNTY IN ANY ACTION FOR BREACH OF A CONTRACTUAL OBLIGATION UNDER THIS INSTALLMENT FINANCING AGREEMENT AND THE TAXING POWER OF THE COUNTY IS NOT AND MAY NOT BE PLEDGED DIRECTLY OR INDIRECTLY OR CONTINGENTLY TO SECURE ANY MONEYS DUE UNDER THIS INSTALLMENT FINANCING AGREEMENT. No provision of this Installment Financing Agreement shall be construed to pledge or to create a lien on any class or source of the County's moneys, nor shall any provision of this Installment Financing Agreement restrict the future issuance of any of the County's bonds or other obligations payable from any class or source of its moneys. To the extent of any conflict between this Section and any other provision of this Installment Financing Agreement, this Section shall take priority.

The Corporation's obligations hereunder and with respect to the Bonds shall be payable solely from amounts received from the County hereunder.

Section 4.5 No Abatement of Installment Payments. There will be no abatement or reduction of the Installment Payments by the County for any reason, including, but not limited to, any defense, recoupment, setoff, counterclaim, or any claim (real or imaginary) arising out of or related to the Project. The County assumes and shall bear the entire risk of loss and damage to the Project Facilities from any cause whatsoever, it being the intention of the parties that the Installment Payments shall be made in all events unless the County's obligation to make Installment Payments is terminated as provided herein.

Section 4.6 Expression of County's Need for Project. The County hereby declares that the Project is essential for the County and for the welfare of its citizens.

Section 4.7 Assignment of Installment Payments or Prepayments. Certain of the Corporation's rights under this Installment Financing Agreement, including the right to receive and enforce payment of the Installment Payments to be made by the County hereunder, have been assigned to the Trustee, subject to certain exceptions, pursuant to the Trust Agreement, to which assignment the County hereby consents. The Corporation hereby directs the County, and the County hereby agrees, to pay to the Trustee at the Trustee's Principal Office, or to the Trustee at such other place as the Trustee shall direct in writing, all Installment Payments or Prepayments payable by the County hereunder. The Corporation will not assign or pledge the Installment Payments, Prepayments or any other amounts derived by it under this Installment Financing Agreement, or its duties and obligations, except as provided under this Installment Financing Agreement or under the Trust Agreement.

Section 4.8 Additional Payments. In addition to the Installment Payments, the County shall also pay or cause to be paid to such persons as are entitled thereto, to the extent permitted by law, such amounts as shall be required for the payment of all administrative costs relating to the Project Facilities or the Bonds, including, without limitation, (i) all expenses, compensation and indemnification of the Trustee payable by the Corporation under the Trust Agreement and by the County under this Installment Financing Agreement, (ii) taxes of any sort whatsoever payable by the Corporation as a result of its undertaking of the transactions contemplated herein

or in the Trust Agreement, (iii) any payments of prepayment premiums in the event of prepayment of the Installment Payments pursuant to **Section 10.2** hereof, (iv) fees of auditors, accountants, attorneys or engineers for services rendered relating hereto, and (v) all other necessary administrative costs of the Corporation or charges required to be paid by it in order to maintain its existence or to comply with the terms of the Bonds or of the Trust Agreement, including any expenses or attorneys' fees incurred with respect to the amendment or modification of this Installment Financing Agreement or the Trust Agreement or in connection with the replacement, resignation or removal of the Trustee or any other circumstance where action is required or requested of the Corporation, or to indemnify any Indemnified Party pursuant to **Section 2.1(e)** hereof.

ARTICLE V

INSURANCE

Section 5.1 Liability Insurance.

(a) Coverage. Subject to **Section 5.6** hereof, the County shall maintain, or cause to be maintained, throughout the Term hereof, general liability insurance coverage with respect to the Project Facilities in protection of the County, the Board of Education, the Corporation and the Trustee and their respective elected officials, directors, officers, agents and employees; provided that, to the extent that any Contractor or Vendor shall provide an insurance policy or certificate of insurance demonstrating that the same coverage as is herein required is being carried by such Contractor or Vendor with respect to the Project or a part thereof and adequately protects the interests of the County, the Board of Education, the Corporation and the Trustee, the insurance provided for by this paragraph (a) shall not be required with respect to the Project or such part thereof during the construction period while the Project or such part thereof is so covered by such other insurance. To the extent available, any such insurance shall provide for indemnification of said parties against direct or contingent liability for damages for bodily and personal injury, death or property damage occasioned by reason of the use or operation of the Project Facilities.

(b) Limits. Such insurance shall provide coverage in the minimum liability limit of \$1,000,000 for bodily injury liability and property damage liability, combined single limit, and shall include personal injury coverage (libel, slander and false arrest), except that such insurance may be subject to deductible clauses not to exceed \$100,000 for any one loss.

(c) Payment of Net Proceeds. The net proceeds of such liability insurance or other available funds from any applicable alternative risk management program pursuant to **Section 5.6** hereof shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds or funds shall have been made available.

Section 5.2 Workers' Compensation. Subject to **Section 5.6** hereof, the County shall also maintain, or cause to be maintained, workers' compensation insurance issued by a responsible carrier authorized under the laws of the State to insure its employees and those of the Board of Education against liability for compensation under the laws now in force in the State, or any act hereafter enacted as an amendment or supplement thereto or in lieu thereof.

Section 5.3 Casualty Insurance.

(a) Coverage. Subject to **Section 5.6** hereof, the County shall procure and maintain, or cause to be procured and maintained, throughout the Term hereof, insurance against loss or damage to any item or portion of the Mortgaged Property by fire and lightning, with extended coverage and vandalism and malicious mischief insurance; provided, however, that, to the extent that any Contractor or Vendor shall provide an insurance policy or certificate of insurance demonstrating that the same coverage as is herein required is being carried by such Contractor or Vendor with respect to the Project or a part thereof and adequately protects the interest of the County and the Trustee, the insurance provided for by this paragraph (a) shall not be required with respect to the Mortgaged Property or such part thereof during the construction period while the Mortgaged Property or such part thereof is so covered by such other insurance. Such extended coverage insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance.

(b) Amount. Such insurance shall be in an amount not less than the lesser of (i) the full replacement cost of the Mortgaged Property or (ii) the outstanding principal components of the Installment Payments, except that such insurance may be subject to deductible clauses of not to exceed \$100,000 for any one loss.

(c) Payment of Net Proceeds. The Net Proceeds of such insurance or other available funds from any applicable alternative risk management program pursuant to **Section 5.6** hereof shall be paid to the Trustee and deposited in the Net Proceeds Fund and applied as provided in **Section 6.1** hereof.

Section 5.4 Title Insurance. The County shall obtain, or cause there to be obtained, and, throughout the term of this Installment Financing Agreement, maintain, or cause there to be maintained, title insurance on the Mortgaged Property, issued by a company of recognized standing duly authorized to issue the same, payable to the trustee under the Deed of Trust for the benefit of the Corporation insuring fee title of the County to the Mortgaged Property and the lien of the Deed of Trust. The Net Proceeds of such insurance shall be applied as provided in **Section 6.1** hereof.

Section 5.5 Performance and Labor and Materials Payment Bonds.

(a) Coverage. The County shall cause each Contractor to provide performance and labor and materials payment bonds as required by law.

(b) Payment of Net Proceeds. The net proceeds received by the County from any bond or bonds required pursuant to paragraph (a) of this Section shall be paid to the Trustee for deposit to the credit of the Project Fund.

Section 5.6 General Insurance Provisions.

(a) Form of Policies, Changes of Coverage and Alternative Risk Management Programs. All policies of insurance required to be procured and maintained pursuant to this Installment Financing Agreement shall be provided by a commercial insurer rated "A" by A.M.

Best & Company or in the two highest rating categories of S&P and Moody's, shall be in form to comply with the provisions hereof and, to the extent available, shall name the County, the Board of Education, the Corporation and the Trustee as additional insureds as their interests may appear. Notwithstanding anything in **Section 5.1**, **Section 5.2** or **Section 5.3** hereof or in this Section to the contrary, the County or the Board of Education, as may be applicable, shall have the right, without giving rise to an event of default hereunder solely on such account, to adopt alternative risk management programs including, without limitation, to self-insure in whole or in part, individually or in connection with other units of local government or other institutions, to participate in programs of captive insurance companies, to participate with other units of local government or other institutions in mutual or other cooperative insurance or other risk management programs, to participate in State or federal insurance programs, to take advantage of State or federal laws now or hereafter in existence limiting liability, or to establish or participate in other alternative risk management programs. The County shall not self-insure with respect to the requirement for title insurance in **Section 5.4** hereof.

(b) Payment of Premiums. The County shall pay, or cause to be paid, when due, the premiums for all insurance policies or under any alternative risk management programs required or permitted by this Installment Financing Agreement and shall promptly furnish or cause to be furnished to the Trustee a certificate to such effect accompanied by evidence of such payments.

(c) Responsibility for Deductibles and Self-Insured Retentions. The County acknowledges its responsibility for the payment of all deductible amounts and self-insured retentions in respect of the insurance required by the provisions of this Article and covenants to maintain at all times a sufficient amount of available funds for such purpose.

(d) Protection of the Trustee. The Trustee shall not be responsible for the sufficiency or adequacy of any insurance herein required and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the Trustee.

(e) Blanket Policies. The insurance coverages required under **Section 5.1**, **Section 5.2** and **Section 5.3** hereof may be maintained under blanket policies covering other properties and risks.

(f) Evidence of Insurance. Upon written request, the County shall cause to be delivered to the Trustee annually, on or about July 1 of each year, a certificate stating that the insurance policies or alternative risk management programs required or permitted by this Installment Financing Agreement are in full force and effect.

Section 5.7 Cooperation. The Corporation shall cooperate fully with the County at the County's expense in filing any proof of loss with respect to any insurance policy maintained pursuant to this Article and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Mortgaged Property or any portion thereof.

ARTICLE VI

DAMAGE, DESTRUCTION AND EMINENT DOMAIN; USE OF NET PROCEEDS

Section 6.1 Application of Net Proceeds.

(a) Deposit in Net Proceeds Fund. Pursuant to Section 6.01 of the Trust Agreement, the Trustee shall deposit Net Proceeds in the Net Proceeds Fund promptly upon receipt thereof, as provided in **Section 5.3** hereof (regarding casualty insurance) and **Section 5.4** hereof (regarding title insurance). The County and the Corporation shall transfer to the Trustee any other Net Proceeds received by the County or the Corporation in the event of any accident, destruction, theft, failure of title or taking by eminent domain or condemnation with respect to the Mortgaged Property, for deposit in the Net Proceeds Fund.

(b) Disbursement for Replacement or Repair of the Mortgaged Property. Upon receipt of a requisition described below, the Trustee shall disburse moneys in the Net Proceeds Fund for the replacement or repair of the Mortgaged Property, in whole or in part, to the person, firm or corporation named in the requisition as provided in Section 6.02 of the Trust Agreement. A County Representative must state with respect to each payment to be made (i) the requisition number, (ii) the name and address of the person, firm or corporation to whom payment is due, (iii) the amount to be paid, and (iv) that each obligation mentioned therein has been properly incurred, is a proper charge against the Net Proceeds Fund, has not been the basis of any previous withdrawal, and specifying in reasonable detail the nature of the obligation, accompanied by a bill or a statement of account for such obligation.

ARTICLE VII

COVENANTS WITH RESPECT TO PROJECT FACILITIES AND MORTGAGED PROPERTY

Section 7.1 Use of the Project Facilities. The County represents that there is an immediate need for, and that the County expects there to be immediate use of, all of the Project Facilities upon the completion thereof, which need is not temporary or expected to diminish in the foreseeable future, but this representation shall not be construed as contractually obligating or otherwise binding the County.

Section 7.2 Title to the Mortgaged Property. Title to the Mortgaged Property shall be in the County from and after the date of execution and delivery of this Installment Financing Agreement subject to Permitted Encumbrances and except for any part of the Mortgaged Property purchased by the Board of Education from the County pursuant to Section 5.2 of the Lease, and, upon the payment of all Installment Payments by the County, shall be owned free and clear of any lien or security interest of the Corporation, the Trustee or Deed of Trust Trustee therein. In the event the Deed of Trust Trustee has exercised its rights under Section 3 or Section 4 of the Deed of Trust, title to the Mortgaged Property shall not be vested in the County and the County shall not have the right to make payment and obtain the Mortgaged Property except as provided in Section 3.3 of the Deed of Trust. Prior to or simultaneously with the execution and delivery of this Installment Financing Agreement, the County shall either record the Deed of Trust or deliver to the Deed of Trust Trustee for the benefit of the Corporation the Deed of Trust

in form suitable for recordation. Upon payment in full of all of the County's obligations hereunder, including all Installment Payments and all other payments due hereunder, and when the Outstanding Bonds shall be paid and discharged in accordance with Section 13.01 of the Trust Agreement, the Deed of Trust Trustee, at the County's expense and request, shall cancel of record the Deed of Trust.

Section 7.3 Installation of Personal Property on Mortgaged Property. The County may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed items of equipment or other personal property other than equipment or personal property constituting a portion of the Project in or upon any portion of the Mortgaged Property. All such items that constitute Fixtures (as defined in the Deed of Trust) shall become a part of the Mortgaged Property. All such items that are not deemed to be Fixtures shall remain the sole personal property of the County or the Board of Education, as may be applicable, in which neither the Corporation nor the Trustee shall have any interest, and may be modified or removed by the County or the Board of Education, as may be applicable, at any time, provided that the County or the Board of Education, as may be applicable, shall repair and restore, or cause to be repaired and restored, any and all damage to the Mortgaged Property resulting from the installation, modification or removal of any such items.

Section 7.4 Access to the Mortgaged Property. The County agrees that the Trustee shall have the right at all reasonable times and upon reasonable notice to enter upon the Mortgaged Property or any portion thereof to examine and inspect the Mortgaged Property. The County further agrees that the Trustee shall have such rights of access to the Mortgaged Property as may be reasonably necessary to cause the proper maintenance of the Mortgaged Property in the event of failure by the County to perform its obligations hereunder.

Section 7.5 Maintenance, Utilities, Taxes and Assessments Relating to Mortgaged Property.

(a) Maintenance; Repair and Replacement. The County shall use, or cause to be used, the Mortgaged Property in a careful and proper manner, in compliance with all applicable laws and regulations, and, at its sole expense, shall service, repair and maintain, or cause to be serviced, repaired and maintained, the Mortgaged Property so as to keep the Mortgaged Property in good condition, repair, appearance and working order for the purposes intended, ordinary wear and tear excepted, and shall replace, or cause to be replaced, any part of the Mortgaged Property as may from time to time become worn out, unfit for use, lost, stolen, destroyed or damaged. Any and all additions to or replacements of the Mortgaged Property shall constitute accessions to the Mortgaged Property and shall be subject to all the terms of this Installment Financing Agreement and included in the term "Mortgaged Property" as used in this Installment Financing Agreement.

(b) Taxes and Assessments; Utility Charges. The County shall also pay, or cause to be paid, as Additional Payments, all taxes and assessments, including, but not limited to, utility charges, of any type or nature levied, assessed or charged against any portion of the Mortgaged Property; provided, however, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the County shall be

obligated to pay only such installments as are required to be paid as and when the same become due.

(c) Contests. The County may, at its sole expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments, utility or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom; provided that prior to such nonpayment it shall furnish the Trustee with the opinion of an Independent Counsel, to the effect that, by nonpayment of any such items, the interest of the Corporation and the Trustee in the Mortgaged Property will not be materially endangered and that the Mortgaged Property will not be subject to loss or forfeiture. The Corporation and the Trustee will cooperate fully in such contest upon the request and at the expense of the County.

Section 7.6 Modification of and Improvements to the Mortgaged Property: Mechanic's Liens.

(a) Additions, Modifications and Improvements. The County shall, at its own expense, have the right to make, or cause to be made, additions, modifications and improvements to any portion of the Mortgaged Property if such additions, modifications or improvements are necessary or beneficial for the use of such portion of the Mortgaged Property. All such additions, modifications and improvements shall thereafter comprise part of the Mortgaged Property and be subject to the provisions of this Installment Financing Agreement. Such additions, modifications and improvements shall not in any way damage any portion of the Mortgaged Property or cause it to be used for purposes other than those authorized under the provisions of State and federal law or in any way which would cause the portion of each Installment Payment designated as and comprising interest with respect to the 2018 Bonds to be includable in gross income for purposes of federal income taxation under Section 103 of the Code; and the Mortgaged Property, upon completion of any additions, modifications and improvements made pursuant to this Section, shall be of a value which is not substantially less than the value of the Mortgaged Property immediately prior to the making of such additions, modifications and improvements.

The County shall, at its own expense, have the right to make, or cause to be made, additions, modifications or improvements to the Project Facilities or other property or to acquire or construct property other than the Project Facilities, the cost of which is to be paid, in whole or in part, from the proceeds of Additional Bonds delivered pursuant to Section 2.08 of the Trust Agreement and to make all or any portion of such property which constitutes real property a part of the Mortgaged Property as the County may determine in its discretion to be appropriate. Any such additions, modifications or improvements to, or acquisitions of, property shall be Improvements hereunder and the County shall comply with the provisions hereof with respect to Improvements which apply to such Improvements. To the extent that any real property constituting a part of such Improvements is made a part of the Mortgaged Property, the related site shall be described in a supplement to Exhibit A hereto, the Deed of Trust shall be supplemented and amended accordingly, such site and real property shall be a part of the Mortgaged Property, and the County shall comply with the provisions hereof with respect to the Mortgaged Property which apply to such real property.

(b) No Mechanic's Liens. The County will not permit any mechanic's or other lien to be established or remain against the Mortgaged Property for labor or materials furnished in connection with any additions, modifications or improvements made by the County pursuant to this Section; provided that, if any such lien is filed or established and the County shall first notify, or cause to be notified, the Trustee of the County's intention to do so, the County may in good faith contest any lien filed or established against the Mortgaged Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom and shall provide the Trustee with full security against any loss or forfeiture which might arise from the nonpayment of any such item, in form satisfactory to the Trustee as assignee of the Corporation. The Corporation and the Trustee will cooperate fully in any such contest upon the request and at the expense of the County.

Section 7.7 Liens. The County shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim, as applicable, on or with respect to the Mortgaged Property, other than the respective rights of the Corporation and the County as herein provided and except as to Permitted Encumbrances. Except as expressly provided in this Article, the County shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim for which it is responsible, if the same shall arise at any time; provided that the County may contest such liens, charges, encumbrances, or claims if it desires to do so. The County shall reimburse the Corporation and the Trustee for any expense incurred by either of them in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

Section 7.8 Required Filings. The County shall, on an ongoing basis, execute and deliver all documents and make or cause to be made all filings and records necessary or desirable in order to perfect, preserve and protect the interests of the Trustee in the Mortgaged Property to the extent possible under applicable law.

ARTICLE VIII

LEASE, DISPOSITION AND AMENDMENT

Section 8.1 Leasing. The County is entering into the Lease with the Board of Education. In addition, the County may lease any portion of the Mortgaged Property that is not subject to the Lease, and the Board of Education, with the written consent of the County, may sublease any portion of the Mortgaged Property leased to it pursuant to the Lease, subject, in either case, to all of the following conditions:

(a) this Installment Financing Agreement and the obligation of the County to make Installment Payments and Additional Payments hereunder shall remain obligations of the County;

(b) the County or the Board of Education, as the case may be, shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to the Trustee a true and complete copy of such lease or sublease;

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

(d) such lease or sublease shall be subject to the provisions of this Installment Financing Agreement and the Deed of Trust.

Notwithstanding the foregoing provisions of this Section, the consent of the County shall not be required with respect to the Board of Education making the property leased by it pursuant to the Lease available for community use in accordance with the laws of the State.

Section 8.2 Restrictions on Disposition of Mortgaged Property. Except for (a) the Corporation's assignment of certain of its rights under this Installment Financing Agreement to the Trustee pursuant to the Trust Agreement, (b) the County's granting of security interests and mortgaging of the Mortgaged Property pursuant to the Deed of Trust, (c) any exercise by the County or the Board of Education of its right to remove personal property from the Mortgaged Property pursuant to **Section 7.3** hereof, (d) any exercise by the Trustee or the Owners of the remedies afforded pursuant to **ARTICLE IX** hereof, (e) any lease of the Mortgaged Property by the County or sublease of the Mortgaged Property by the Board of Education pursuant to **Section 8.1** hereof, or (f) any release of the Mortgaged Property pursuant to Section 5.2 of the Deed of Trust, the County, the Corporation and the Trustee will not assign, mortgage, lease, convey, transfer or otherwise dispose of the Mortgaged Property or any portion thereof during the Term hereof.

Section 8.3 Amendments and Modifications. This Installment Financing Agreement may be amended or modified by the County and the Corporation in writing in accordance with Article IX of the Trust Agreement.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

Section 9.1 Events of Default Defined. The following shall be "events of default" under this Installment Financing Agreement and the terms "events of default" and "default" shall mean, whenever they are used in this Installment Financing Agreement, any one or more of the following events:

(a) Payment Default. Failure by the County to pay, when due, any Installment Payment.

(b) Event of Nonappropriation. The occurrence of an Event of Nonappropriation.

(c) Covenant Default. Failure by the County to observe and perform any warranty, covenant, condition or agreement on its part to be observed or performed herein or in the Deed of Trust or otherwise with respect hereto, other than as referred to in **clause (a)** of this Section, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the County by the Trustee or the Owners of not less than twenty-five percent (25%) in aggregate principal amount of Bonds then Outstanding; provided, however, if

the failure stated in the notice cannot be corrected within the applicable period, the Trustee or such Owners, as the case may be, shall not unreasonably withhold its or their consent, as the case may be, to an extension of such time if corrective action is instituted by the County within the applicable period and diligently pursued until the default is corrected.

(d) Bankruptcy or Insolvency. The filing by the County of a case in bankruptcy, or the subjection of any right or interest of the County under this Installment Financing Agreement to any execution, garnishment or attachment, or adjudication of the County as a bankrupt, or assignment by the County for the benefit of creditors, or the entry by the County into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the County in any proceedings instituted under the provisions of the federal bankruptcy code, as amended, or under any similar act which may hereafter be enacted.

(e) Default on General Obligation Bonds. Failure by the County to pay the principal of or the interest or any redemption premium on any general obligation bonds of the County as required by such bonds or the documents providing for the issuance thereof.

Upon the happening of an event of default described in **clause (b), (c)** with respect to any event of default of which notice is given by Owners, **(d)** or **(e)** of this Section, the County shall promptly deliver to the Trustee at its Principal Office a certificate describing such event of default and signed by a County Representative.

Section 9.2 Remedies on Default. Upon the happening and continuance of any event of default referred to in **Section 9.1** hereof, the Trustee, may, or at the request of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding shall, without any further demand or notice, exercise any one or more of the following remedies:

(a) Declare the principal component of all unpaid Installment Payments and the interest component of the Installment Payments accrued to the date of such declaration to be immediately due and payable without notice to or demand on the County.

(b) Proceed by appropriate court action to enforce performance by the County of the applicable covenants of this Installment Financing Agreement or to recover for the breach thereof.

(c) Direct the Deed of Trust Trustee to institute foreclosure proceedings under the Deed of Trust or to exercise any other right or remedy available under the Deed of Trust.

NOTWITHSTANDING ANY OTHER PROVISION HEREIN, THIS INSTALLMENT FINANCING AGREEMENT IS SUBJECT TO SECTION 160A-20 OF THE GENERAL STATUTES OF NORTH CAROLINA. NO DEFICIENCY JUDGMENT REQUIRING THE PAYMENT OF MONEY MAY BE ENTERED AGAINST THE COUNTY IN FAVOR OF THE TRUSTEE OR ANY OTHER PERSON IN VIOLATION OF SECTION 160A-20 INCLUDING, WITHOUT LIMITATION, ANY DEFICIENCY JUDGMENT FOR AMOUNTS THAT MAY BE OWED HEREUNDER WHEN THE SALE OF ALL OR ANY PORTION OF THE MORTGAGED PROPERTY IS INSUFFICIENT TO PRODUCE ENOUGH MONEYS TO PAY IN FULL ALL REMAINING OBLIGATIONS HEREUNDER.

It is the express intent of the parties that the obligations of the Corporation and the County hereunder and with respect to the Bonds are limited as described hereunder and that the remedies hereunder are limited as provided in this Installment Financing Agreement.

Section 9.3 No Remedy Exclusive. No remedy conferred herein upon or reserved to the Corporation or the Trustee is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Corporation or the Trustee to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be required in this Article or by law.

Section 9.4 Agreement to Pay Attorneys' Fees and Expenses. In the event either party hereto should default under any of the provisions hereof and the nondefaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party contained herein, the defaulting party agrees that it will pay on demand to the nondefaulting party or its assignees the reasonable fees of such attorneys and such other expenses so incurred by the nondefaulting party or its assignees; provided, however, that any payments hereunder by the Corporation are expressly limited to moneys derived from Additional Payments by the County.

Section 9.5 No Additional Waiver Implied by One Waiver. In the event any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed a waiver of any other breach hereunder.

Section 9.6 Trustee and Bond Owners to Exercise Rights. Such rights and remedies as are given to the Corporation under this **ARTICLE IX** have been assigned by the Corporation to the Trustee under the Trust Agreement, to which assignment the County hereby consents. Such rights and remedies shall be exercised by the Trustee and the Owners as provided in the Trust Agreement.

ARTICLE X

PREPAYMENT OF INSTALLMENT PAYMENTS

Section 10.1 [Reserved].

Section 10.2 Optional Prepayment. The County may prepay, in whole or in part, the principal components of Installment Payments relating to the 2018 Bonds maturing in the years specified in Section 4.03 of the Trust Agreement, on the dates and at the prepayment prices and as otherwise provided therein. The County shall execute said option by giving written notice to the Trustee thereof at least forty-five (45) days prior to the date of prepayment and depositing with the Trustee, not later than the date of prepayment, cash or Defeasance Obligations which are, together with the interest to accrue thereon, in an amount sufficient to provide for such

A copy of any notice to the County shall also be given in the same manner to the Board of Education at the following address:

The Asheboro City Schools Board of Education
1126 South Park Street
Asheboro, North Carolina 27203
Attention: Superintendent

Section 11.2 Holidays. When any action is provided herein to be done on a day or within a time period named, and the day or the last day of the period falls on a day which is not a Business Day, the action may be done on the next ensuing Business Day with effect as though done on the day or within the time period named.

Section 11.3 Limitation of Liability of Officers of County, Board of Education and Corporation. No covenant, condition or agreement contained herein shall be deemed to be a covenant, agreement or obligation of a present or future commissioner, director, officer, employee or agent of the County, the Board of Education or the Corporation in his or her individual capacity, and no commissioner, director, officer, employee or agent thereof shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the execution and delivery thereof or by virtue of the execution and delivery of this Installment Financing Agreement. No commissioner, director, officer, employee or agent of the County, the Board of Education or the Corporation shall incur any personal liability with respect to any other action or failure to act pursuant to this Installment Financing Agreement, provided such commissioner, director, officer, employee or agent acts in good faith.

Section 11.4 Continuing Disclosure. The County hereby undertakes, for the benefit of the beneficial owners of the Bonds, to provide to the Municipal Securities Rulemaking Board (“MSRB”):

(a) by not later than seven months from the end of each Fiscal Year, commencing with the Fiscal Year ended June 30, 2018, audited financial statements of the County for such Fiscal Year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or, if such audited financial statements of the County are not available by seven months from the end of such Fiscal Year, unaudited financial statements of the County for such Fiscal Year to be replaced subsequently by audited financial statements of the County to be delivered within fifteen (15) days after such audited financial statements become available for distribution;

(b) by not later than seven months from the end of each Fiscal Year, commencing with the Fiscal Year ended June 30, 2018, (i) the financial and statistical data as of a date not earlier than the end of the preceding Fiscal Year for the type of information included under captions “Debt Information” and “Tax Information” in Appendix A of the Official Statement relating to the 2018 Bonds (excluding any information on overlapping or underlying units) and (ii) the combined budget of the County for the current Fiscal Year, to the extent such items are not included in the financial statements referred to in (a) above;

(c) in a timely manner, not in excess of ten business days after the occurrence of the event, notice of any of the following events with respect to the 2018 Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on any debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2018 Bonds, or other material events affecting the tax status of the 2018 Bonds;
- (7) modification to the rights of the beneficial owners of the 2018 Bonds, if material;
- (8) call of any of the 2018 Bonds for prepayment (other than mandatory sinking fund prepayment), if material, and tender offers;
- (9) defeasance of any of the 2018 Bonds;
- (10) release, substitution or sale of property securing repayment of the 2018 Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event the County, which shall be considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer of the County in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County;

(13) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(14) appointment of a successor or additional Trustee or the change of name of a Trustee, if material; and

(d) in a timely manner, notice of a failure of the County to provide required annual financial information described in (a) or (b) above on or before the date specified.

The County shall provide the documents referred to above to the MSRB in an electronic format as prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

The County may discharge its undertaking described above by transmitting the documents referred to above to any entity and by any method authorized by the U.S. Securities and Exchange Commission.

If the County fails to comply with the undertaking described above, any beneficial owner of the 2018 Bonds then Outstanding may take action to protect and enforce the rights of all beneficial owners with respect to such undertaking, including an action for specific performance; provided, however, that failure by the County to comply with such undertaking shall not be an event of default and shall not result in any acceleration of payment of the Installment Payments. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all beneficial owners of the 2018 Bonds.

The County reserves the right to modify from time to time the information to be provided to the extent necessary or appropriate in the judgment of the County, provided that:

(a) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the County;

(b) the information to be provided, as modified, would have complied with the requirements of Rule 15c2-12 issued under the Securities Exchange Act of 1934 (“Rule 15c2-12”) as of the date of the Official Statement relating to the 2018 Bonds, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any changes in circumstances; and

(c) any such modification does not materially impair the interests of the beneficial owners, as determined either by parties unaffiliated with the County (such as the Trustee or nationally recognized bond counsel) or by approving vote of the Owners of a majority in principal amount of the 2018 Bonds then Outstanding pursuant to the terms of the Trust Agreement, as it may be amended from time to time, at the time of the amendment.

The County agrees that the annual financial information containing modified operating data or financial information will explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

The provisions of this Section shall terminate upon payment, or provision having been made for payment in a manner consistent with Rule 15c2-12, in full of the Installment Payments with respect to all the 2018 Bonds.

Section 11.5 E-Verify Covenant. The Corporation understands that (1) “E-Verify” is a federal program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law and (2) Article 2 of Chapter 64 of the General Statutes of North Carolina, as amended (the “E-Verify Statute”), requires employers (as defined in the E-Verify Statute) to verify the work authorization of an employee (as defined in the E-Verify Statute) hired to work in the United States through E-Verify. The Corporation and the Corporation’s subcontractors under this Installment Financing Agreement shall comply with the requirements of the E-Verify Statute.

Section 11.6 Companies that Boycott Israel Act Certification. The Corporation hereby certifies that it is not on any list created and maintained by the North Carolina Department of State Treasurer pursuant to the Divestment from Companies that Boycott Israel Act, Article 6G, as amended, of Chapter 147 of the General Statutes of North Carolina.

Section 11.7 Binding Effect. This Installment Financing Agreement shall inure to the benefit of and shall be binding upon the Corporation and the County and their respective successors and assigns.

Section 11.8 Severability. In the event any provision of this Installment Financing Agreement shall be held invalid or unenforceable by a court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof, and this Installment Financing Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

Section 11.9 Execution in Counterparts. This Installment Financing Agreement may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.10 Applicable Law. This Installment Financing Agreement shall be governed by and be construed in accordance with the laws of the State of North Carolina. Jurisdiction for the resolution of any conflict arising from this Installment Financing Agreement shall lie with the General Court of Justice of the State of North Carolina with venue in the County of Randolph, North Carolina.

IN WITNESS WHEREOF, the Corporation has caused this Installment Financing Agreement to be executed in its name by its duly authorized officers and its corporate seal to be impressed hereon, and the County has caused this Installment Financing Agreement to be executed in its name by its duly authorized officers and its official seal to be impressed hereon, as of the date first above written.

RANDOLPH COUNTY PUBLIC FACILITIES CORPORATION

[SEAL]

By _____
President

Attest:

Secretary

[SIGNATURE PAGE --INSTALLMENT FINANCING AGREEMENT, DATED AS OF AUGUST 1, 2018, BY AND BETWEEN RANDOLPH COUNTY PUBLIC FACILITIES CORPORATION AND THE COUNTY OF RANDOLPH, NORTH CAROLINA]

**COUNTY OF RANDOLPH, NORTH
CAROLINA**

[SEAL]

Attest:

By _____
Chairman of the Board of Commissioners

Clerk to the Board of Commissioners

[SECOND SIGNATURE PAGE--INSTALLMENT FINANCING AGREEMENT, DATED AS OF
AUGUST 1, 2018, BY AND BETWEEN RANDOLPH COUNTY PUBLIC FACILITIES CORPORATION AND
THE COUNTY OF RANDOLPH, NORTH CAROLINA]

CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

This Installment Financing Agreement has been approved under the provisions of Article 8 of Chapter 159 of the General Statutes of North Carolina.

Secretary
Local Government Commission of North Carolina

[FINAL SIGNATURE PAGE--INSTALLMENT FINANCING AGREEMENT, DATED AS OF
AUGUST 1, 2018, BY AND BETWEEN RANDOLPH COUNTY PUBLIC FACILITIES CORPORATION AND
THE COUNTY OF RANDOLPH, NORTH CAROLINA]

EXHIBIT A

DESCRIPTION OF THE PROJECT

The Project consists of renovating, expanding, equipping and improving Asheboro High School, including but not limited to the addition of classrooms, a multi-purpose area, science labs, band classrooms and storage, and flex classrooms.

EXHIBIT B

**SCHEDULE OF INSTALLMENT PAYMENTS
WITH RESPECT TO 2018 BONDS**

<u>Installment Payment Date</u>	<u>Principal Component</u>	<u>Interest Component</u>	<u>Total Installment Payment</u>
-------------------------------------	--------------------------------	-------------------------------	--

Installment
Payment Date

Principal
Component

Interest
Component

Total
Installment
Payment

Calendar of Events

as of July 19, 2018

	DATE	MEETING	TIME	LOCATION
		Indicates Items Added		
Monday - Thursday	July 16-19	Read to Acheive Camp	7:45 a.m. - 12 p.m.	
Tuesday	July 17	Piedmont Place Apartment Summer Camp	10:30 a.m. - 12 p.m.	
Wednesday	July 18	Coleridge Apartment Summer Camp	10:30 a.m. - 12 p.m.	
Wednesday	July 18	myFutureNC Commission - Dr. Worrell is a panelist (4 p.m.)	2:30 p.m. - 5 p.m.	RCC - 4 p.m. in Davis Corporate Training Center
Thursday	July 19	Board of Education Meeting/Summer BOE Retreat	Retreat 5:30 / Meeting 7:30	PDC
Monday - Thursday	July 23-26	Read to Acheive Camp	7:45 a.m. - 12 p.m.	Each elementary school
Monday - Wednesday	July 23-25	AHS Marching Percussion Camp	12 - 5 p.m.	
Tuesday	July 24	Piedmont Place Apartment Summer Camp	10:30 a.m. - 12 p.m.	
Wednesday	July 25	Coleridge Apartment Summer Camp	10:30 a.m. - 12 p.m.	
Saturday	July 28	Vision of Unity Back to School Bash	2 p.m. - 4 p.m.	Bicentennial Park
Monday - Friday	July 30 - Aug. 3	AHS Band Camp	10 a.m. - 5 p.m.	AHS/SAMS
Monday - Thursday	July 30 - August 2	Read to Acheive Camp	7:45 a.m. - 12 p.m.	
Tuesday	July 31	Piedmont Place Apartment Summer Camp	10:30 a.m. - 12 p.m.	
Wednesday	August 1	Coleridge Apartment Summer Camp	10:30 a.m. - 12 p.m.	
Monday - Thursday	August 6-9	Read to Acheive Camp	7:45 a.m. - 12 p.m.	
Monday - Wednesday	August 6-8	STEAM Camp at NC Zoo	8:15 a.m. - 12:15 p.m.	
Monday	August 6	County Commissioners Public Hearing on AHS projec	6 p.m.	1909 Randolph County Historic Courthouse Mtg R
Thursday	August 9	Apprenticeship Randolph Signing Ceremony	6:30 p.m.	RCC Industrial Training Room (CEIC 148)
Saturday	August 11	Journey Church Back to School Bash	5 p.m. - 7 p.m.	Journey Church
Saturday	August 11	Shekinah Glory Fill the Bus	10 a.m. - 4 p.m.	Wal-Mart Parking Lot
Wednesday	August 15	Teacher Workday	All Day	All Sites
Thursday	August 16	Teacher Workday	All Day	All Sites
Thursday	August 16	August Board of Education Meeting	7:30 p.m.	PDC
Friday	August 17	Professional Development for Teachers	All Day	All Sites
Monday	August 20	Professional Development for Teachers	All Day	All Sites
Tuesday	August 21	Convocation - Breakfast and Program	7:30 a.m.	Performing Arts Center
Tuesday	August 21	ECDC Open House	4-6 p.m.	ECDC
Tuesday	August 21	AHS Freshman Fanfare Open House	5-7 p.m.	AHS Performing Arts Center
Tuesday	August 21	AHS Zoo School Open House	6-8 p.m.	AHS Zoo School
Tuesday - Friday	August 21-24	Mandatory Teacher Workdays	All Day	All Sites
Wednesday	August 22	AHS Open House (10-12 grades)	5-7 p.m.	AHS
Wednesday	August 22	Middle School Open Houses (7-8 grades)	6-8 p.m.	NAMS and SAMS







Thursday	August 23	Elementary School Open Houses	4-6 p.m.	Elementary Schools	
Friday	August 23	Middle School Open Houses (6 grade)	5-7 p.m.	NAMS and SAMS	
Saturday	August 25	Back to School Bash sponsored by Shekinah Glory	12 - 2 p.m.	SAMS	
Monday	August 27	First Day for Students	All Day	All sites	
Monday	September 3	Labor Day Holiday	All Day	All Sites	
Monday	September 10	AHS AFTT Night			
Thursday	September 13	Asheboro City Board of Education Meeting	7:30 p.m.	PDC	
Tuesday	September 25	SAMS Title 1/AFTT Night	5:30 p.m.	SAMS	
Tuesday	September 25	NAMS Title 1 Night	6-7:30 p.m.	NAMS	
Thursday	September 27	Elected Officials Luncheon	12 p.m.	EMS Building	
Thursday	September 27	BAL Title 1/AFTT Night	5 p.m.	BAL	
Thursday	September 27	DLL Title 1 Night	5:30 p.m.	DLL	
Thursday	September 27	GBT Title 1 Night	6 p.m.	GBT	
Monday	October 1	CWM Title 1 Night (K, 2 & 4)	5:30 p.m.	CWM	
Tuesday	October 2	Lindley Park Title 1/AFTT Night	5:30 p.m.	LP	
Tuesday	October 2	CWM Title 1 Night (1, 3, & 5)	6:00	CWM	
Tuesday	October 9	NAMS Honors Assemblies			
Wednesday	October 10	International Walk to School Day			
Thursday	October 11	Asheboro City Board of Education Meeting	7:30 p.m.	PDC	
Wednesday - Friday	October 17-19	NCSBA Law Conference			
Friday	October 19	AHS Athletics Hall of Fame Induction Ceremony	6 p.m.	AHS New Gym	
Tuesday	October 30	NAMS AFTT Night	6-7:30 p.m.	NAMS	
Tuesday	November 6	Mandatory Teacher Workday	All Day	All Sites	
Thursday	November 8	Asheboro City Board of Education Meeting	7:30 p.m.	PDC	
Monday	November 12	Veteran's Day Holiday	All Day	All Sites	
Monday - Wednesday	November 12-14	NC School Boards Association Conference	All Day	Koury Center	
Monday - Friday	November 12-16	American Education Week/Principal for a Day	All Day	All Sites	
Tuesday	November 13	AHS AFTT Night			
Tuesday	November 13	DLL AFTT Night	5:30 p.m.	DLL	
Wednesday	November 21	Teacher Annual Leave	All Day	All Sites	
Thursday	November 22	Thanksgiving Holiday	All Day	All Sites	
Friday	November 23	Thanksgiving Holiday	All Day	All Sites	
Monday	December 3	Hour of Code Event	5-7 p.m.	PDC	
Wednesday	December 12	Senior Holiday Lunch	12 - 1:30 p.m.	DLL	
Thursday	December 13	Asheboro City Board of Education Meeting	7:30 p.m.	PDC	
Tuesday	December 18	Superintendents Holiday Lunch	11:30 a.m. - 1 p.m.	PDC	
Wednesday	December 19	Advanced Placement Scholar Event	4 p.m.	AHS	
Friday	December 21	Teacher Annual Leave	All Day	All Sites	
Monday	December 24	Winter Holiday Break	All Day	All Sites	
Tuesday	December 25	Winter Holiday Break	All Day	All Sites	








Wednesday	December 26	Winter Holiday Break	All Day	All Sites	
Thursday	December 27	Teacher Annual Leave	All Day	All Sites	
Friday	December 28	Teacher Annual Leave	All Day	All Sites	
Monday	December 31	Teacher Annual Leave	All Day	All Sites	
Tuesday	January 1	Holiday	All Day	All Sites	
Thursday	January 10	Board Appreciation Reception	5:30 - 6 p.m.	PDC	
Thursday	January 10	Asheboro City Board of Education Meeting	7:30 p.m.	PDC	
Friday	January 18	Teacher Workday	All Day	All Sites	
Monday	January 21	MLK, Jr. Holiday	All Day	All Sites	
Tuesday	January 22	Professional Development for Teachers	All Day	All Sites	
Thursday	January 24	DLL AFTT Night	5:30 p.m.	DLL	
Tuesday	January 29	State of Our Schools	5 - 6:30 p.m.	PAC	
Friday	February 1	NAMS Honors Assemblies			
Tuesday	February 5	CWM AFTT Night (K, 2, & 4)	5:30 p.m.	CWM	
Thursday	February 7	CWM AFTT Night (1, 3, & 5)	5:30 p.m.	CWM	
Thursday	February 7	GBT AFTT Night	4:30 - 6:30 p.m.	GBT	
Tuesday	February 12	Lindley Park AFTT Night	5:30 p.m.	LP	
Monday	February 18	Annual Leave	All Day	All Sites	
Tuesday	February 19	District Spelling Bee	7 p.m.	PDC	
Thursday	February 21	ACS Board of Education Meeting	7:30 p.m.	PDC	
Saturday	February 23	ACS Teacher Recruitment Fair	9 a.m. - 12 p.m.	PDC	
Saturday	February 23	STEAM Competition (Kick-Off for Secondary Students)	9 a.m. - 12 p.m.	AHS Media Center	
Monday - Friday	Feb. 25-March 1	Read Across America Week	All Day	All Sites	
Tuesday	February 26	Secondary Battle of the Books	10:30 a.m.	?	
Tuesday	February 26	MAKE-UP date for District Spelling Bee	7 p.m.	PDC	
Tuesday	February 26	AHS AFTT Night			
Friday	March 1	Read Across America Day	All Day	All Sites	
Tuesday	March 5	Kindergarten Registration and Info. Sessions	4-7 p.m.	All Elementary Schools	
Wednesday	March 6	Youth Art Month Reception	4-6 p.m.	Randolph Arts Guild	
Thursday	March 14	Asheboro City Board of Education Budget Meeting	6 p.m.	PDC	
Thursday	March 14	Asheboro City Board of Education Meeting	7:30 p.m.	PDC	
Wednesday	March 27	Elementary Battle of the Books	9:30 a.m.	?	
Friday	March 29	Mandatory Teacher Workday	All Day	All Sites	
Saturday- Monday	March 30 - April 1	National School Boards Association Annual Conference	All Day	Philadelphia, PA	
Tuesday	April 2	NAMS AFTT Night	6-7:30 p.m.		
Thursday	April 4	DLL AFTT Night	5:30 p.m.	DLL	
Thursday	April 4	GBT AFTT Night	4:30 - 6:30 p.m.	GBT	
Tuesday	April 9	CWM Kindergarten Orientation	8:30 a.m. - 1 p.m., 3-6 p.m.	CWM	








Thursday	April 11	Asheboro City Board of Education Budget Meeting	6 p.m.	PDC	
Thursday	April 11	Asheboro City Board of Education Meeting	7:30 p.m.	PDC	
Friday	April 12	Greensboro Symphony for 4th-5th Graders-ACS & Rand. Co. Schools	9:30 a.m. ACS/11:30 Rand. Co.	AHS PAC	
Monday - Friday	April 15-19	ACS Spring Break (Annual Leave M-Th, Holiday - Friday)	All Day	All Sites	
Tuesday	April 23	LP Kindergarten Orientation	8:30 a.m. - 1 p.m., 3-6 p.m.	LP	
Wednesday	April 24	BAL Kindergarten Orientation	12- 6 p.m.	BAL	
Thursday	April 25	BAL Kindergarten Orientation	8:30 a.m. - 1 p.m., 3-6 p.m.	BAL	
Friday	April 26	cARTwheels Performance for 3rd Graders-ACS & Rand. Co. Schools	9:45a.m.ACS/11:30 Rand. Co.	AHS PAC	
Tuesday	April 30	Lindley Park AFTT Night	5:30 p.m.	?	
Tuesday	April 30	GBT Kindergarten Orientation	12- 6 p.m.	GBT	
Wednesday	May 1	GBT Kindergarten Orientation	8:30 a.m. - 1 p.m., 3-6 p.m.	GBT	
Thursday	May 2	DLL Kindergarten Orientation	8:30 a.m. - 1 p.m., 3-6 p.m.	GBT	
Thursday	May 9	Asheboro City Board of Education Meeting	7:30 p.m.	PDC	
Monday	May 20	CWM AFTT Night (K, 2, & 4)	5:30 p.m.	CWM	
Thursday	May 23	CWM AFTT Night (1, 3, & 5)	5:30 p.m.	CWM	
Monday	May 27	Memorial Day Holiday	All Day	All Sites	
Friday	June 7	Graduation/Last Day for Students	All Day	All Sites	
Monday	June 10	Retirement Breakfast	8 - 10 a.m.	PAC	
Monday	June 10	Mandatory Teacher Workday	All Day	All Sites	
Tuesday	June 11	Teacher Workday	All Day	All Sites	
Thursday	June 13	Asheboro City Board of Education Meeting	7:30 p.m.	PDC	










Board of Education Strategic Plan Goals
End of Year Report
2017-2018

Goals and Objectives	Annual Strategies
GOAL 1: Each student in Asheboro City Schools graduates prepared for further education, work and citizenship.	
<p>Objective 1. Align instruction with a guaranteed and viable curriculum, so that students master grade /course standards for career and college readiness.</p>	<p> Develop a plan to ensure a consistent and connected pacing guide, K -12. Pacing guides for elementary curricula are in place. Work is ongoing to align pacing for core areas in grades 6-12.</p> <p> Provide a Collaboration Around Student Achievement (CASA) toolkit for principals. CASA culture firmly in place in Asheboro City Schools.</p> <p> Create a district scorecard to reflect up -to- Scorecards for each school were created. Data is available to schools in a variety of formats. The focus for the 2018-2019 school year will be to create a monthly district report.</p> <p> Enhance monitoring of core instruction through professional development, walk-through data, and administrative leadership team meetings. Monitoring of core instruction has been enhanced through district-wide use of the ELEOT tool, vertical team meetings, and train-the-trainer and teacher professional development.</p>
<p>Objective 2. Define and implement consistent grading practices, so that students and families have a clear understanding of performance.</p>	<p> Develop a plan to reinforce consistency in grading practices across all schools. A plan is not in place for grading practices across the district. The 2018-2019 plan will address moving this strategy forward.</p>
<p>Objective 3. Enhance the integration of technology with instruction, so that students use digital resources as tools for learning.</p>	<p> Develop and present a digital framework that reflects the multiple aspects of instruction in ACS. Our district team for digital learning collaborated with staff from NCDPI and The Friday Institute to create a Digital Learning Roadmap for Asheboro City Schools. This work will continue in the development of a formal digital framework.</p>





	<p> Use technology as a tool to provide access to resources and support student achievement. ACS has added digital textbooks, expanded our use of Canvas for traditional and hybrid coursework, and provided new hardware for students and staff..</p>
<p>Objective 4. Establish transition plans for the district and individual students, so that each student makes continual progress towards graduation.</p>	<p> Develop a process to design measurable transition plans for all students. A plan and/or process is in place for Pre-K to Kindergarten and Elementary to Secondary including Exceptional Children and English Learners. Moving forward, a district plan will be developed.</p> <p> Expand opportunities for students to earn college credits. Automotive Academy and Early College Academy launched in partnership with RCC. ACS students participated in Apprenticeship Randolph opportunities. ACS utilizes a Career Coach through a NC Works grant with RCC to focus on raising dual enrollment and supporting students enrolled at the community college.</p>
<p>Objective 5. Expand opportunities for each student to utilize critical thinking, collaboration, communication, and creativity so that students develop skills necessary for further education and careers.</p>	<p> Provide literacy opportunities for primary grade students to improve reading skills and meet grade-level expectations by the end of third grade. Through the use of intervention blocks and the implementation of Letterland, early elementary students received additional literacy instruction.</p> <p> Expand summer literacy camps and after-school opportunities to provide the extra support students need to read on grade level. Read to Achieve Summer Camps are located at each elementary school and have expanded to include Kindergarten through third grade.</p> <p> Provide high-quality, evidenced students. Develop interventions based on assessment data, teacher observations, and other tools. Schools were given resources to provide research-based interventions. Moving forward standard protocols for evidence-based interventions will be developed to respond to core, supplemental, and student instructional issues.</p>
<p>Objective 6. Provide each student service learning opportunities, so that all students will further develop their citizenship and contribute to their community.</p>	<p> Integrate character education, service learning, and civic engagement into our educational / instructional standards. Character education occurs throughout the district by school counselors and is integrated into core content by teachers as appropriate. Moving forward, a standardized character education curriculum will be integrated in grades K-6 by school counselors.</p>

	<p> Promote the use of service learning as an instructional tool and structure opportunities for teachers to create and evaluate integrated units of study through community service-learning projects.</p> <p>Service learning has been encouraged through a partnership with Asheboro High School and the Superintendent's Service Learning Award. The high school has also encouraged service learning through recognitions for graduates.</p>
<p>GOAL 2. Each student has a personalized education.</p>	
<p>Objective 1. Implement a multi-tier support (MTSS), so that all students are ensured equitable access to rigorous instruction aligned to their educational needs.</p>	<p> District Multi-tier module training and identify pilot schools for cohort one. All elementary schools participated in the pilot for cohort one as the implementation cohort. The district MTSS implementation team completed module training.</p> <p> Provide Instructional Success Plan (ISP) training and support to begin implementation for all schools and grade levels, focusing on literacy. Core and small group success plans are being used to improve instruction.</p>
<p>Objective 2. Increase the number of students who graduate with postsecondary credit, portable industry credentials, and work experiences, so that students are prepared for further education and/or employment.</p>	<p> All students grades 7-8 will interact with Career Cruising to conduct an interest inventory to begin career exploration and individual career and course plans. All seventh and eighth grade students have interacted with Career Cruising and/or Virtual Job Shadow (a career exploration software) to explore careers and conduct an interest inventory to prepare for their individual course plan.</p> <p> Implement Early College Academy for ACS Students in collaboration with Randolph Community College. First cohort has been prepared to begin community college classes in the fall of 2018. Second cohort will start classes at AHS in the fall of 2018. Virtual course options were provided for these students in Summer 2017 and 2018.</p> <p> Launch third Pathways to Prosperity Process with Randolph Community College and Randolph County Schools. Conduct Asset Mapping to determine high need area. The Agriculture Pathway was developed by the Pathways partnership with Asheboro City Schools, Randolph Community College, and Randolph County Schools during the 2017-2018 school year.</p>
<p>Objective 3. Increase number of STEAM (science, technology, engineering, arts, and math) and global</p>	<p> Provide a variety of STEAM events at the district and school level.</p>


<p>education experiences for all students, so that students are globally competitive.</p>	<p>Hour of Code, STEAM Competition at school and district level, and STEAM Camp were all a success.</p> <ul style="list-style-type: none">  Provide technology training as part of parent education offerings. During Academic Family Teacher Team meetings and Heritage Language Academy, parents have been afforded opportunities to learn about various technology tools and resources. Parents also have the opportunity to access “on-demand” tutorials to engage with students at home through technology.
<p>Objective 4. Expand opportunities for personalized learning and engagement during and beyond the regular school day, so that student needs are met and personal interests are encouraged.</p>	<ul style="list-style-type: none">  Explore and implement additional after-school, summer opportunities that align with student interest and improve proficiency. Each elementary school has an after-school program. Students who need additional time to reach proficiency can participate in Summer Academy or the Read to Achieve summer program.  Provide opportunities for Asheboro City Schools’ students to participate in cultural exchange activities. ACS students travel worldwide participating in cultural exchanges including Morocco, Spain, South Africa, and Italy.  Pilot dual-language program at Balfour Elementary School. Dual-language program is established at Balfour Elementary and Lindley Park Elementary Schools. The program will continue to be expanded by grade level each year.  Create and evaluate integrated units of study that personalize student learning. Teacher teams have been working to update curriculum units to include personalization and integration of content. Moving forward, teacher teams will migrate content to virtual format for greater personalization and flexibility.
<p>Objective 5. Cultivate partnerships with families and the community so that student learning experiences are enhanced.</p>	<ul style="list-style-type: none">  Develop and implement Family Engagement initiatives that are connected to student learning and build strong relationships with parents. All schools have implemented multiple Academic Family Teacher Team meetings.
<p>Objective 6. Expand opportunities for each student to experience the cultural arts, so that all students strengthen and develop their creativity and collaboration.</p>	<ul style="list-style-type: none">  Expand opportunities for students to experience cultural/performing arts. Students continue to have access to cultural activities including musical performances.



GOAL 3. Each student has excellent educators every day.

Objective 1. Recruit, develop, and retain high quality professionals, so that students continue to learn and grow.


-  Research and evaluate the feasibility of hosting a local career fair.
Our local career fair is held the last Saturday in February. Events thus far have been very successful.
-  Implement TeacherMatch and the North Carolina new online application process.
-  Evaluate the impact of attending specific college career fairs.
-  Work with Asheboro High School administration to determine steps to re-launch a teacher cadet program.

Objective 2. Foster a culture of professional growth, so that all employees are supported in achieving high standards and increased student performance.

-  Develop a school administrator leadership program.
Asheboro City Schools is participating in the High Point University Leadership Academy: Principal Preparation Program.

Professional development for all administrators with Dr. Eury will be conducted during our Administrative Leadership Team Retreat in July (three full days) and two consultative days with principals during the 2018-2019 school year.
-  Complete a professional development needs assessment, which will result in a comprehensive professional development plan.
We have an annual comprehensive professional development plan created by the Curriculum Team through feedback collected in a needs assessment. Professional development opportunities for teachers are communicated throughout the district.
-  Evaluate and summarize Collaboration Around Student Achievement team data to determine professional development needs.
Schools develop school-based professional development customized to specific staff needs as indicated in CASA data. Moving forward, the district team will utilize core success plans to identify trends and provide district-wide support and/or resources to respond to identified needs.

Objective 3. Celebrate, recognize, and cultivate excellence in the profession, so that faculty and staff feel supported, valued, and successful in order to maximize their full potential.


-  Research employee recognition programs and recommend new ways to celebrate and recognize staff.
Administrators were surveyed for ideas/suggestions. No new recognitions/celebrations will be added at this time.

	<p>✓ Communicate regularly regarding the services provided through Asheboro City Schools Employee Assistance Program provider. All employees are provided regular communication regarding the Employee Assistance services.</p>
<p>GOAL 4. Asheboro City Schools will have up its students, families, and staff. business, technology, and communication systems to serve</p>	
<p>Objective 1: Provide access and up -to- da training on the use of technology and communication systems, so that students, families, and/or staff can effectively use these resources to support student progress.</p>	<p>○ Participate in Department of Public Instruction’s Enterprise Resource Planning Systems software study. The Finance Officer, Human Resources Director, Technology Director, and PIO continue to work with NCDPI on this comprehensive project.</p> <p>✓ Document current telecommunication capabilities and needs A site survey was completed at each district/school site and telecommunication needs were compiled. A pilot phone system deployment has been completed for Central Office.</p> <p>✓ Develop implementation plan and budget for updated communications system. Implementation of a new district-wide telecommunication system is ongoing with planned completion during the 2018-19 school year.</p> <p>✗ Conduct a needs assessment survey of students and families on home internet access. School-based and technology staff work individually with students needing internet access to complete homework and out-of-school assignments. Community access and low-cost home internet options have been communicated to families. A formal needs assessment has not yet been completed.</p> <p>✓ Communicate with city and local government to assess plans for community internet access. Randolph Public Library, the City of Asheboro, and various local businesses offer internet access in the community. Media specialists and school staff communicate these opportunities to students and families.</p>
<p>Objective 2: Communicate with city and local government to assess plans for community internet access.</p>	<p>✓ Deliver professional development for the Administrative Leadership Team and each school on the disaggregation and analysis of SchoolNet data generated through formative and benchmark assessments. Professional development for data analysis was held for administrators, instructional facilitators, and teachers.</p>

	<p>✓ Deliver professional development for administrators and each school on the effective use of EVAAS to support instruction. Professional development was provided for administrators, instructional facilitators, and teachers on the effective use of EVAAS to support instruction.</p> <p>✓ Update benchmark assessments and monitor alignment with the NC Standard Course of Study and state assessments. In addition to updated benchmarks, Asheboro City Schools participated in the NCDPI Check-Ins to measure core instruction.</p> <p>Provide additional professional development on the implementation of the Baldrige Performance Excellence Program.</p> <p>✓ Implement district Long-Range Facilities Plan and work with County Commissioners to secure funding to support the plan. A Long-Range Facilities Plan to include an addition and renovations to Asheboro High School was presented to County Commissioners in 2017-2018.</p> <p>✓ Deliver professional development on the use of Canvas to support integration into instruction. Various professional development offerings occurred throughout the school year. Our AHS Media Specialist has offered lunch and learn for teachers and ongoing support. An introductory Canvas module is available on-demand for teachers to learn the basics of Canvas. The technology department provides training and assistance as needed.</p>
<p>Objective 3: Develop and execute a comprehensive marketing plan, so that our community is informed about student outcomes, opportunities, quality educators, and the benefit of the district to the community.</p>	<p>Continue to distribute a monthly community newsletter.</p> <p>Develop a team and begin researching strategies for district marketing.</p> <p>✓ Update the district website to better communicate with all stakeholders. In January 2018, Asheboro City Schools launched a new district-wide website. The new site provides consistency across all schools and departmental sites.</p> <p>Develop materials featuring diverse programs throughout Asheboro City Schools for potential employee candidates.</p>

	<p>✓ Integrate the new Asheboro City Schools logo across all mediums and platforms. The new Asheboro City Schools logo has been fully integrated into all ACS communication mediums and platforms.</p>
<p>GOAL 5. Each student is healthy, safe and responsible.</p>	
<p>Objective 1. Design, implement, and evaluate a system connected to an adult advocate, so that each student collaborates regularly with a mentor or trusted adult.</p>	<p>○ Research evidence programs to develop an implementation plan. Throughout the district, schools have implemented programs and collaborated with partner agencies to institute mentor programs such as the AndOne program at NAMS, Village of Barnabas, Communities in Schools, Check-in/Check-Out in elementary schools, and Advisor/Advisee at SAMS.</p>
<p>Objective 2. Provide a system of support to ensure access to effective health and safety programs so that the physical, social, and emotional needs of students are met.</p>	<p>✓ Coordinate professional development related to mental health to best serve student. Three mental health first aid training opportunities were provided for teachers and administrators.</p> <p>✓ Review and update crisis response and threat assessment protocols to provide appropriate professional development. The Crisis Response Plans for each school are updated each year. The Threat and Risk Assessment documents and procedures have been revised and vetted. Threat Assessment and Crisis Trainings were completed in 2017-2018.</p>
<p>Objective 3. Design, implement, and evaluate a comprehensive continuum of behavioral supports, so that students, families, and staff have clear expectations for appropriate behavior and resources are available to meet student needs.</p>	<p>✓ Collect and summarize policy documentation and disciplinary data. District student handbooks were revised to include policy information. Disciplinary data was collected and analyzed for each school.</p> <p>✓ Present an annual summary to school and district stakeholders for review and utilization for planning. Annual PBIS recognitions reported to the school board.</p> <p>✓ Utilize school and district problem ACS district and school PBIS teams met monthly to review school discipline data.</p> <p>✓ Assess current needs and lead professional development on classroom management. Schools utilize PBIS data to conduct professional development to address school needs. In addition, district professional development offerings for beginning and EC teachers.</p>

Objective 4. Expand community partnerships that promote a healthy lifestyle, so that the wellness of our students, families, and staff is improved.

 Work with community partners and agencies to increase common health and wellness activities.
Asheboro City Schools participated in the Mayor's Fitness Challenge, the Bike Rodeo, and the National Walk to School Day (Loflin).