



**TOWN OF GRANITE QUARRY
TOWN COUNCIL
REGULAR MEETING MINUTES
Thursday, August 8, 2024 6:00 p.m.**

Present: Mayor Brittany Barnhardt, Mayor Pro Tem Doug Shelton, Council Member John Linker, Council Member Laurie Mack, Council Member Rich Luhrs

Staff: Interim Town Manager/Fire Chief/Public Works Director Jason Hord; Town Clerk Aubrey Smith; Town Attorney Zachary Moretz; Planning, Zoning, and Subdivision Administrator Richard Flowe; Finance Director Shelly Shockley; Interim Police Chief Todd Taylor; Police Sergeant Richard Tester

Call to Order: Mayor Barnhardt called the meeting to order at 6:01 p.m.

Moment of Silence: Mayor Barnhardt led a moment of silence.

Pledge of Allegiance: The Pledge of Allegiance was led by Mayor Barnhardt.

1. Approval of the Agenda

Agenda amendments recommended by staff:

- Addition of item 15B to consider amending the regular meeting schedule
- Addition of item 12B to consider the Fire Truck Financing agreement
- Amendment of item 16 to add discussion of business expansion in addition to attorney-client privilege as the reason for entering closed session

ACTION: Council Member Linker made a motion to approve the agenda with the suggested amendments (*items above*). Mayor Pro Tem Shelton seconded the motion. The motion passed 4-0.

2. Approval of the Consent Agenda

A. Approval of the Minutes

- 1) Regular Meeting July 11, 2024
- 2) Closed Session Meeting July 11, 2024
- 3) Special Meeting July 22, 2024
- 4) Closed Session July 22, 2024

B. Departmental Reports

C. Financial Reports

D. Rules of Procedure Updates – Board of Adjustment

E. Fiddlers Convention Sponsorship Request - \$100

F. Resolution for ABC Designated Official - updated

Mayor Pro Tem Shelton asked that there be an additional \$100 donation to the Civitans for a Granite Fest ad in the Fiddlers Convention program.

ACTION: Council Member Luhrs made a motion to approve the consent agenda with the amendment of the amount of the donation to the Civitans from \$100 to \$200. Council Member Mack seconded the motion. The motion passed 4-0.

3. Public Comments – There were no public comments.

4. Town Manager's Update

Manager Hord shared highlights from the Town Manager's Update in the agenda packet including that Public Works had obtained a new dump truck that came in under the budgeted amount. Both the Police Department and Fire Department participated in the Faith 4th events. Police Officer Shuffler is continuing his training. Three new full-time firefighters have been extended job offers to begin working August 19th. The Planning Department has stayed busy; Ashley Lattin is filling in for Susan while she is out. Manager Hord gave kudos to Event Coordinator Debbie Loflin-Benge and the Police Department on the National Night Out event. The event had an excellent turnout.

Manager Hord shared that Assistant Public Works Director Colton Fries had been working to get estimates for street improvements. A handout showing street scoring was shared with the Council. The handout showed estimates for six full streets and several patches spread around different areas of the Town. Manager Hord stated if there were no Council objections, the repairs would be put out for bid.

Manager Hord shared that Duke Energy representatives stated the feasibility study would be ready in 3-5 weeks. Today beginning at 4:00 a.m. power outages were reported due to storm damage. More than 1500 were without power; repairs are underway. A tree in the Lake Park is down over a fence and currently marked off. Manager Hord recognized Rowan County Communications for handling everything during the storm. He gave special thanks to Chief Taylor for his emergency coordination efforts.

Manager Hord invited Chief Taylor and Sergeant Tester forward for a special presentation. Sergeant Tester read a statement recognizing Murphy Corl for his actions on December 2, 2022 while employed as a Granite Quarry Patrol Officer. Officer Corl responded to a call where firefighters were actively being engaged with gunfire while attempting to extinguish a house fire. A firefighter was struck by gunfire and pinned down, unable to escape. Officers, including Officer Corl, were struck by gunfire while attempting to extract the firefighter. Although he sustained two gunshot wounds, Officer Corl engaged the gunman which allowed for the firefighter to be extracted for treatment. Sergeant Tester presented Officer Corl with the Medal of Valor for his actions. The full statement is included in the minute book.

Chief Taylor thanked Officer Corl for his service, bravery, and commitment on behalf of the community. Sergeant Tester and Chief Taylor also presented Officer Corl with a plaque honoring his service. Mayor Barnhardt thanked Officer Corl for sacrificing his safety to make sure all first-responders made it home that night. Officer Corl recognized others who were involved in the incident including Bob Clement, Randal Addison, and Nick Plumley. He stated it was a joint effort.

ACTION: Council Member Linker made a motion for a five-minute recess. Mayor Pro Tem Shelton seconded the motion. The motion passed 4-0.

The Council recessed at 6:23 p.m.

Mayor Barnhardt called the meeting back to order at 6:26 p.m.

5. Guest Presentation In God We Trust

Rick Lanier of the US Motto Action Committee made a presentation requesting that “In God We Trust” be placed both in the town hall meeting room and on the exterior of the building. The phrase would be placed at no cost to the Town. He requested a yes or no vote from the Council.

ACTION: Council Member Linker made a motion to approve (*addition of “In God We Trust” motto to town hall*) based on review by the Town’s legal counsel. Council Member Luhrs seconded the motion. The motion passed 4-0.

Mr. Lanier will be in touch with staff.

6. Public Hearing Comprehensive Land Use Plan & FLUM Update

A. Staff Summary

Mr. Flowe presented and summarized the drafted amendments to the Comprehensive Land Use Plan and associated Future Land Use Map. The amendments were drafted after the recent non-annexation boundary agreement with Salisbury which defined the areas of growth for the Town and increased the Town’s scope of influence. The Planning Board has recommended the proposed amendments. The Council was presented with the changes for review at the July meeting.

B. Public Hearing

- 1) Opened: Mayor Barnhardt opened the public hearing at 6:41 p.m.
 - There were no comments from the public.
- 2) Closed: Mayor Barnhardt closed the public hearing at 6:41 p.m.

C. Council Discussion and Decision

Council Member Linker stated he believed the updates addressed a lot of the lingering issues and the priorities of community members brought up on the community survey.

ACTION: Mayor Pro Tem Shelton made a motion to adopt Ordinance 2024-04 to update the Town 2040 Comprehensive Land Use Plan and Future Land Use Map. Council Member Luhrs seconded the motion. The motion passed 4-0.

7. Public Hearing Annexation/ZMA 3000 Old Concord Road

A. Staff Summary

Mr. Flowe presented the petition for voluntary annexation of a non-contiguous property in the Town’s area of influence and a recommended initial zoning designation of “Industrial”.

Clerk Smith attested that notice of the hearing had been made.

B. Public Hearing

- 1) Opened: Mayor Barnhardt opened the public hearing at 6:47 p.m.
 - Dennis Stiller, 2913 Old Concord Road- shared that he lives directly across from the property and stated his concern on whether his side of the road would need to be widened to add a turning lane. Mr. Stiller also asked what the allowable uses would be for the property.
 - Mayor Barnhardt shared that the purchaser of the property was planning to open an office to serve as headquarters for a construction company that would be working for the Toyota center. Essentially it would be offices for employment and storage.
 - The petitioner shared that DOT would like to see a turn lane on the northbound side of the road, opposite Mr. Stiller’s property.
- 2) Closed: Mayor Barnhardt closed the public hearing at 6:51 p.m.

C. Council Discussion and Decision

ACTION: Council Member Luhrs made a motion to adopt Ordinance ANNEX 2024-08-08-1 to annex 3000 Old Concord Road as a non-contiguous property. Council Member Linker seconded the motion. The motion passed 4-0.

ACTION: Mayor Pro Tem Shelton made a motion to adopt Ordinance ZMA 2024-08-08-1 to amend the Granite Quarry Development Ordinance. Council Member Mack seconded the motion. The motion passed 4-0.

Old Business
New Business

None

8. Annexation **Farmside Way**

A. Resolution Directing Clerk to Investigate

Mr. Flowe presented the petition for a voluntary contiguous annexation in the Town's ETJ. The subdivision will require new streets and infrastructure.

ACTION: Council Member Linker made a motion to adopt Resolution 2024-08-08-1 directing the clerk to investigate a petition for annexation. Council Member Mack seconded the motion. The motion passed 4-0.

B. Certificate of Sufficiency

The certificate of sufficiency was entered into the record.

C. Resolution Setting Date for Public Hearing

ACTION: Council Member Linker made a motion to adopt Resolution 2024-08-08-2 setting the date for a public hearing regarding an ordinance for annexation for Monday, September 9, 2024. Council Member Mack seconded the motion. The motion passed 4-0.

9. Annexation **Texas Roadhouse**

A. Resolution Directing Clerk to Investigate

B. Certificate of Sufficiency

C. Resolution Setting Date for Public Hearing

Mr. Flowe stated that the materials had not been received in time and requested no action at tonight's meeting.

10. Annexation **Circle K**

A. Resolution Directing Clerk to Investigate

Mr. Flowe presented the petition for voluntary annexation in the Town's area of influence.

ACTION: Council Member Linker made a motion to adopt Resolution 2024-08-08-3 directing the clerk to investigate a petition for annexation. Council Member Luhrs seconded the motion. The motion passed 4-0.

B. Certificate of Sufficiency

The certificate of sufficiency was entered into the record.

C. Resolution Setting Date for Public Hearing

ACTION: Council Member Linker made a motion to adopt Resolution 2024-08-08-4 setting the date for a public hearing regarding an ordinance for annexation. Council Member Mack seconded the motion. The motion passed 4-0.

11. Bid Award

Civic Park Parking Lot

Manager Hord stated that bids were received and scored for the Civic Park Parking Lot project. Staff recommended awarding the project to Carolina Siteworks, Inc. for the base bid of \$199,750.00. The project would be covered by funds in the Transformational Capital Project. It was confirmed that the project should begin and be completed by Granite Fest.

ACTION: Council Member Linker made a motion to award the contract for Civic Park Improvement - Parking Areas to Carolina Siteworks, Inc. for the base bid of \$199,750.00. Council Member Luhrs seconded the motion. The motion passed 4-0.

12. Contract

H-GAC Interlocal Contract for Cooperative Purchase

Manager Hord shared the H-GAC contract allows bidding to be done on behalf of the Town.

ACTION: Council Member Luhrs made a motion to approve the H-GAC contract to proceed with financing options and agreement. Council Member Mack seconded the motion. The motion passed 4-0.

12. B. Contract

Fire Truck Financing Agreement

ACTION: Council Member Luhrs made a motion to approve the Atlantic Emergency Solutions financing contract for the Pierce Fire Engine. Council Member Mack seconded the motion. The motion passed 4-0.

13. Proclamation

National Day of Service Remembrance

Mayor Barnhardt acknowledged the proclamation in the agenda packet for the National Day of Service Remembrance.

14. Council Comments

- Council Member Linker shared he was impressed with the level of detail on the code enforcement report. Mayor Pro Tem Shelton concurred and stated he would like to see the specific violations.

15. Announcements and Date Reminders

A. Monday	August 12	5:00 p.m.	Chamber Business After Hours
B. Wednesday	August 14	5:00 p.m.	Centralina Board of Delegates
C. Wednesday	August 14	5:30 p.m.	Community Appearance Commission
D. Thursday	August 15	6:00 p.m.	Rowan Municipal Association
E. Saturday	August 17	9:00 a.m.	Shred-It Event – Town Hall
F. Wednesday	August 28	5:30 p.m.	CRMPO TAC Meeting
G. Monday	September 2		Labor Day – Town Offices Closed
H. Tuesday	September 3	5:30 p.m.	Events Committee
I. Tuesday	September 3	6:00 p.m.	Planning Board
J. Tuesday	September 3	6:15 p.m.	Board of Adjustment
K. Wednesday	September 11	5:00 p.m.	Centralina Executive Board
L. Wednesday	September 11	5:30 p.m.	Community Appearance Commission

15. B. Discussion and Possible Action

Regular Meeting Schedule Amendment

ACTION: Mayor Pro Tem Shelton made a motion to amend the regular meeting schedule by changing all regular meetings back to the second Monday of each month, with the exception of November 11th, when the meeting would be held on Tuesday, November 12th. Council Member Luhrs seconded the motion. The motion passed 4-0.

16. Closed Session

ACTION: Council Member Luhrs made a motion to go into closed session pursuant to N.C. General Statutes Section 143-318.11(a)(3) and (a)(4) to consult with an attorney retained by the public body in order to preserve the attorney-client privilege and to discuss business expansion. Council Member Linker seconded the motion. The motion passed 4-0.

The Council went into closed session at 7:14 p.m.

ACTION: Mayor Pro Tem Shelton made a motion to return to open session. Council Member Luhrs seconded the motion. The motion passed 4-0.

The Council returned to open session at 8:05 p.m.

ACTION: Council Member Linker made a motion to match what was specifically agreed upon by the County (*in the incentive agreement with Amrep*). Council Member Luhrs seconded the motion. The motion passed 4-0.

The planned occupancy date is May 2025.

Adjournment

ACTION: Council Member Linker made a motion to adjourn. Council Member Luhrs seconded the motion. The motion passed with all in favor. The meeting ended at 8:08 p.m.

Respectfully Submitted,

Aubrey Smith

Town Clerk

NORTH CAROLINA
ALCOHOLIC BEVERAGE CONTROL COMMISSION
(919) 779-0700

Location: 400 E. Tryon Road
Raleigh, NC 27610

Mail: 4307 Mail Service Center
Raleigh, NC 27699-4307

RESOLUTION OF THE TOWN OF GRANITE QUARRY, COUNTY OF ROWAN,
REGARDING THE DESIGNATION OF AN OFFICIAL TO MAKE RECOMMENDATIONS TO
THE NORTH CAROLINA ALCOHOLIC BEVERAGE CONTROL COMMISSION ON ABC
PERMIT APPLICATIONS.

WHEREAS G.S.18B-904(f) authorizes a governing body to designate an official, by name or by
position, to make recommendations concerning the suitability of persons or locations for ABC permits;
and

WHEREAS the Town of Granite Quarry, County of
Rowan, wishes to notify the NC ABC Commission of its designation as required by G.S.18B-
904(f);

BE IT THEREFORE RESOLVED that Todd Taylor, Interim Police Chief,
(Name of Official) (Title or Position)

is hereby designated to notify the North Carolina Alcoholic Beverage Control Commission of the
recommendations of the Town of Granite Quarry, County of
Rowan, regarding the suitability of persons and locations for ABC permits within its jurisdiction.

BE IT FURTHER RESOLVED THAT notices to the Town of Granite Quarry, County of Rowan,
should be mailed or delivered to the official designated above at the following address:

Mailing address: PO Box 351, Granite Quarry, NC 28072

Office location: 143 N. Salisbury Ave

City: Salisbury, NC

Zip Code: 28146 Phone #: 704-279-5596

This the 8th day of August, 2024.

Brittany H. Barnhardt
Mayor Brittany H. Barnhardt



Sworn to and subscribed before me this the 8th day of August, 2024.

Aubrey Smith
Clerk Aubrey Smith

An Ordinance to Amend
the
Town Plan 2040 - Comprehensive Land Use & Master Plan

Ordinance # 2024-04

WHEREAS, the Town Council of Granite Quarry has called for the development of a comprehensive land use plan in accordance with G.S. 160D-501; *and*

WHEREAS, the Town Council of Granite Quarry procured a consultant and directed the Planning Board to undertake such a planning process; *and*

WHEREAS, on June 5, 2023 the Town of Granite Quarry Planning Board, by unanimous vote, recommended the adoption of *Town Plan 2040 Comprehensive Land Use & Master Plan* in accordance with the procedures of G.S. 160D-501(c) and Article 6 of G.S. 160D; *and*

WHEREAS, a public legislative hearing was held on the 19th day of June, 2023; *and*

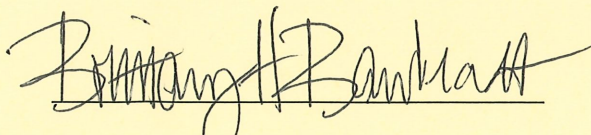
WHEREAS, the Town Council of Granite Quarry continues in its commitment to the future of Granite Quarry, *and*

WHEREAS, the Town Council of Granite Quarry adopted the Comprehensive Land Use & Master Plan on the 19th day of June, 2023, *and*

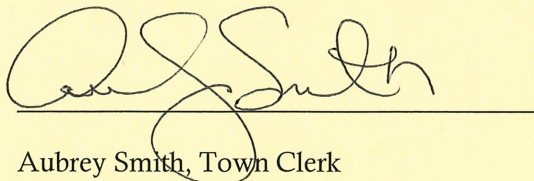
WHEREAS, the Town Council of Granite Quarry is committed to increase economic development in the Northwest corner of Granite Quarry.

NOW, THEREFORE, BE IT ORDAINED, by the Town Council of Granite Quarry to amend the *Town Plan 2040 Comprehensive Land Use & Master Plan* as the requisite plan for the Town and to implement the foundational principles of the plan through strategic initiatives as deemed responsible and fiscally sound by this and future Councils.

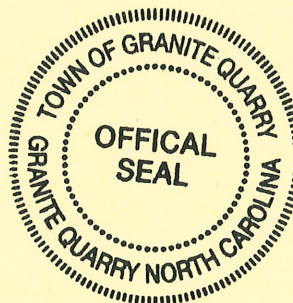
Adopted this the 8th **day of** August, 2024.



Brittany H. Barnhardt, Mayor



Aubrey Smith, Town Clerk



SEAL

**AN ORDINANCE EXTENDING THE CORPORATE LIMITS OF THE TOWN OF GRANITE QUARRY
and INCORPORATE BY ANNEXATION A NON-CONTIGUOUS AREA INTO THE
TOWN OF GRANITE QUARRY, NORTH CAROLINA**

Ordinance #ANNEX 2024-08-08-1

WHEREAS, a Petition signed by the owner, Rachel Shinn Stone, of property located at 3000 Old Concord Road (Rowan County Parcel ID 402 073, 402 078, and 402 018) submitted a petition for voluntary non-contiguous annexation into the town limits of the Town of Granite Quarry. The petition received for the properties when taken together consist of approximately 20.92 acres, as shown on the map exhibit and description(s) appearing in Attachment "A" and Attachment "B" attached hereto, was received by the Town of Granite Quarry on June 13, 2024; and,

WHEREAS, the owner Petitioned that said area be annexed into the corporate limits of the Town of Granite Quarry, North Carolina, as authorized by Part 4, Article 4A, Chapter 160A of the General Statutes of North Carolina; and,

WHEREAS, the Petition was presented to the Mayor and Town Council during the regular meeting of July 11, 2024; and,

WHEREAS, on July 11, 2024 the Mayor and Town Council directed, by Resolution duly adopted, the Town Clerk of the Town of Granite Quarry, North Carolina, to investigate the sufficiency of said Petition and to certify the results to the Mayor and Town Council; and,

WHEREAS, at the regular meeting of the Mayor and Town Council held on July 11, 2024, a Certificate of Sufficiency from the Town Clerk of the Town of Granite Quarry was presented to the Mayor and Town Council wherein the Town Clerk certified that upon due investigation found the above individual(s) who signed the aforementioned Petition constitute the owner(s) of the land within the boundaries described in said Petition and, as hereinafter described, that said boundaries are not contiguous to the present Town limit primary boundaries, and are eligible to be annexed pursuant to G.S. 160A-58.1, et seq. of the General Statutes of North Carolina; and,

WHEREAS, following the receipt by the Mayor and Town Council of the Town of Granite Quarry, North Carolina, of a Certificate of Sufficiency from the Town Clerk of the Town of Granite Quarry, said information and due consideration thereof by the Mayor and Town Council, passed a motion to adopt a Resolution whereby a public

hearing upon the question of such annexation was called to be had before the Mayor and Town Council of the Town of Granite Quarry at 6:00 p.m. on the 8th day of August 2024; and,

WHEREAS, the Town Clerk was duly authorized and did so cause notice of such public hearing to be published in the Salisbury Post, a newspaper having general circulation in the Town of Granite Quarry, North Carolina, at least ten (10) days prior to the date of such public hearing, such notice contained Rowan County property identification numbers of the areas proposed to be annexed as set forth in the Petition; and,

WHEREAS, it appears to the Mayor and Town Council from the publisher's Affidavit with clipping attached thereto, duly filed with the Town Clerk, that a notice of such public hearing as directed by the Mayor and Town Council was duly published in the Salisbury Post in its issue of the 28th of July and the 4th day of August, 2024, which date of publication was at least ten (10) days prior to the date set for such public hearing; and,

WHEREAS, a public hearing was held by the Mayor and Town Council of the Town of Granite Quarry on the 8th day of August 2024 at the stated time and place where the petitioners and any other residents of the Town of Granite Quarry were given an opportunity to appear and be heard on the question of the sufficiency of the Petition and the desirability of the annexation; and,

WHEREAS, the Mayor and Town Council, after due deliberation and consideration during the regular Mayor and Town Council meeting held on August 8, 2024, now finds that the Petition meets the requirements of G.S. 160A-58.1, et seq. of the General Statutes of North Carolina, that the Petition contained the signatures of the owners of the real property within the area proposed for annexation, that the Petitions are otherwise valid and that the public health, safety and welfare of the inhabitants of the Town and of the area proposed for annexation will be best served by the annexation through the expansion, now or in the future, of essential public services provided by the Town.

NOW, THEREFORE, BE IT AND IT IS HEREBY ORDAINED by the Mayor and Town Council of the Town of Granite Quarry, North Carolina, in regular meeting assembled the 8th day of August 2024, hereby adopts this ordinance as follows:

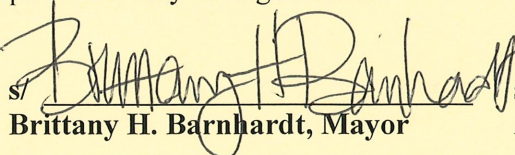
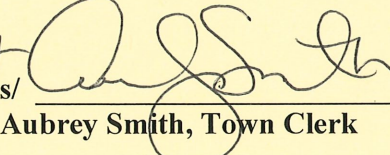
SECTION 1: That the area described in the Petition for non-contiguous annexation be and the same is hereby annexed to and is made a part of the corporate limits of the Town of Granite Quarry, North Carolina, the areas being described in Attachment "A" and Attachment "B" hereto.

SECTION 2: From and after the effective date of this Ordinance, the territory so annexed and the property therein located shall be subject to all debts, laws, ordinances and regulations in force in the Town of Granite Quarry, North Carolina, and shall be entitled to the privileges and benefits available to other parts of the municipality. The newly annexed territory shall be subject to municipal taxes levied as provided in Section 160A-58.10 of the General Statutes of North Carolina.

SECTION 3: It shall be the duty of the Mayor of the Town of Granite Quarry to cause an accurate map of such annexed territory, together with a copy of this Ordinance duly certified, to be recorded in the office of the Register of Deeds of Rowan County, North Carolina, and in the office of the Secretary of State of North Carolina.

SECTION 4: This Annexation shall become effective upon adoption.

Adopted this 8th day of August 2024.

 s/ 
Brittany H. Barnhardt, Mayor Aubrey Smith, Town Clerk

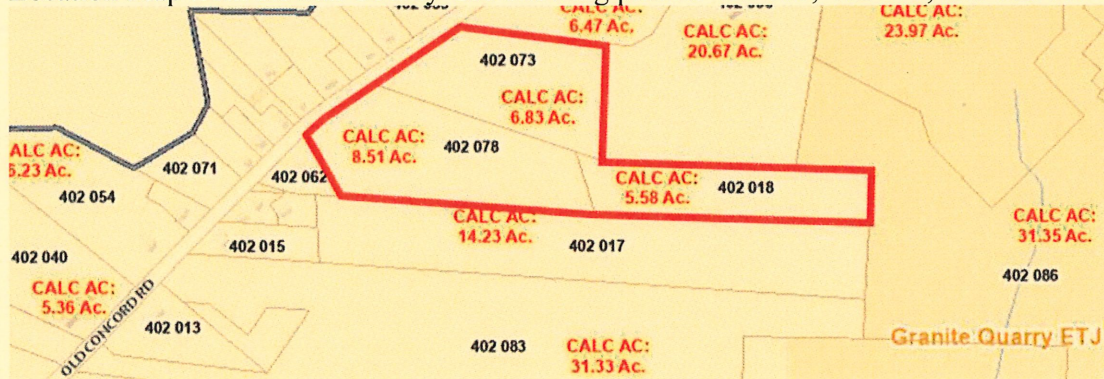


Attachment "A"

Aerial image sourced from Google Earth by petitioner's agent illustrating the properties subject to this annexation:



Location Map from Rowan County GIS showing parcels 402 018, 402 073, and 402 78:



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Attachment "B"

Description(s):

Parcel 402 073

BEGINNING at a railroad spike set, said railroad spike set being a common corner with the Rowan County Health Department and further being in the center line of Old Concord Road (SR 1002) and thence with the line of the Rowan County Health Department, South 82 degrees 48 minutes 00 seconds East 653.30 feet to an existing iron rod being a common corner with the Rowan County Board of Education; thence with the Board of Education South 03 degrees 40 minutes 40 seconds West 462.78 feet to an existing stone; thence North 71 degrees 28 minutes 05 seconds West 1000.68 feet to an existing iron rod being in the center line of Old Concord Road; thence North 55 degrees 44 minutes 45 seconds East 355.36 feet to the point and place of BEGINNING and being 7.130 acres as shown on a survey and map entitled "Boundary And Division Survey Plat For Blanche M. Julian", prepared by Hilderbran Surveying Company, dated October 25, 1999.

Parcel 402 078

BEGINNING at an existing iron, said existing iron being a common corner with the 7.130 acre tract, thence with the 7.130 acre tract South 71 degrees 28 minutes 05 seconds East 900.68 feet to a new iron rod set being a common corner with a 5.583 acre tract; thence with the 5.583 acre tract South 17 degrees 20 minutes 10 seconds East 252.93 feet to a new iron rod set being the point of Beginning of the 5.583 acre tract and further being in the line of Max P. Webb and Glenn T. Webb (690-375); thence with Webb North 86 degrees 23 minutes 55 seconds West 1008.06 feet to an existing iron rod being a common corner with Deanna L. Graham (773-431); thence with Graham North 33 degrees 59 minutes 40 seconds West 322.76 feet to an existing iron rod being in the center line of Old Concord Road; thence with the center line of Old Concord Road four (4) lines as follows: (1) North 48 degrees 56 minutes 30 seconds East 73.71 feet to a rod, (2) North 52 degrees 04 minutes 50 seconds East 70.00 feet to a rod, (3) North 53 degrees 36 minutes 30 seconds East 70.00 feet to a rod, and (4) North 54 degrees 40 minutes 15 seconds East 110.36 feet to the point and place of BEGINNING and being 8.760 acres as shown on a survey and map entitled "Boundary and Division Survey Plat For Blanche M. Julian", prepared by Hilderbran Surveying Company, dated October 25, 1999.

Parcel 402 018

BEGINNING at a new iron rod set, said new iron rod set being in the line of Max P. Webb and Glenn T. Webb (690-375) and further being the easterly most rear point of an 8.760 acre tract, thence a line with Webb South 86 degrees 23 minutes 55 seconds East 210.00 feet to an existing stone monument; thence again with Webb South 87 degrees 48 minutes 20 seconds East 892.00 feet to an existing axle; thence two (2) lines with Rowan County as follows: (1) North 03 degrees 12 minutes 20 seconds West 210.25 feet to an iron, and (2) North 87 degrees 36 minutes 50 seconds West 307.06 feet to an existing iron rod being in the line of the Rowan County Board of Education (623-343); thence with the Board of Education North 87 degrees 30 minutes 10 seconds West 787.19 feet to an existing iron being a common corner with the 7.130 acre tract; thence North 71 degrees 28 minutes 05 seconds West 100.00 feet to a new iron rod set; thence South 17 degrees 20 minutes 10 seconds East 252.93 feet to the point and place of BEGINNING and being 5.583 acres as shown on a survey and map entitled "Boundary and Division Survey Plat For Blanche M. Julian", prepared by Hilderbran Surveying Company, dated October 25, 1999.

**AN ORDINANCE AMENDING THE
GRANITE QUARRY DEVELOPMENT ORDINANCE
OF THE TOWN OF GRANITE QUARRY, NORTH CAROLINA**

Ordinance #ZMA-2024-08-08-1

BE IT ORDAINED by the Mayor and Town Council of the Town of Granite Quarry, North Carolina that the Official Zoning Map (OZM) of the Granite Quarry Development Ordinance (GQDO) be amended in accordance with both GQDO Article 5 and Article 6 of G.S. Chapter 160D. The owner, Rachel Shinn Stone, of property located at 3000 Old Concord Road (Rowan County Parcel ID 402 073, 402 078, and 402 018) submitted a petition for voluntary non-contiguous annexation into the town limits of the Town of Granite Quarry. The properties when taken together consist of approximately 20.92 acres.

Part 1. Consistency with Adopted Comprehensive Plan.

The Town Council finds that a zoning map amendment applicable to the subject properties, from Rowan County MFR (multi-family) and CBI (commercial/business/industry) Zoning Districts establishing a new zoning designation in accordance with G.S. 160D-604(a) of “Industrial (IND)” is consistent with the Town’s 2040 Comprehensive Land Use & Master Plan (the Plan) and the “Employment/Manufacturing” designation upon the subject property as appearing on the Plan’s “Future Land Use Map” therein as amended, as required by G.S. 160D-605(a).

Part 2. Statement of Reasonableness.

This amendment is reasonable because the subject property allows for the growth and expansion of employment opportunities supporting the local economic base of the Town while improving the quality of life for Granite Quarry residents by enabling both job opportunities and diversification of the tax base by adding non-residential properties developed in accordance with the GQDO.

Part 3. Establishment of New Zoning Designation.

That Rowan County Parcels 402 073, 402 078, and 402 018 as shown in Attachments “A” and “B”, attached hereto shall be designated “Industrial (IND)” on the Official Zoning Map. Said parcels consisting of approximately 20.92 acres in total.

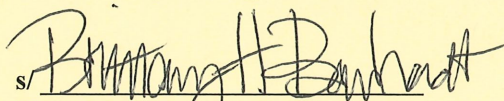
Part 4. Amendment of Future Land Use Map.


That Rowan County Parcels 402 073, 402 078, and 402 018, as shown in Attachments “A” and “B”, attached hereto, shall be designated “Employment/Manufacturing” on the Future Land Use Map.

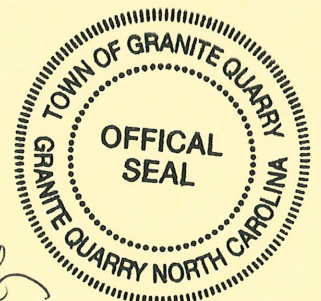
Part 5. Effective Date.

This Ordinance shall be effective at 12:01 AM on the 9th day of August 2024.

Adopted this 8th day of August 2024.

s/ 
Brittany H. Barnhardt, Mayor

s/ 
Aubrey Smith, Town Clerk

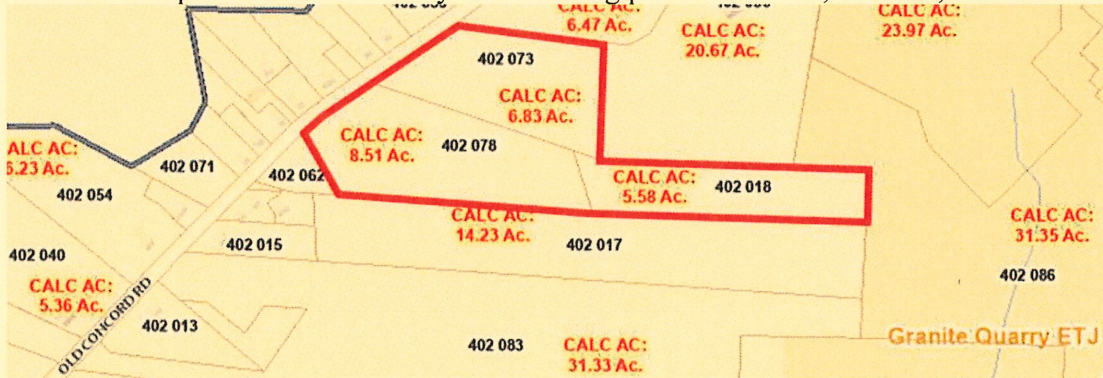


Attachment "A"

Aerial image sourced from Google Earth by petitioner's agent illustrating the properties subject to this annexation:



Location Map from Rowan County GIS showing parcels 402 018, 402 073, and 402 78:



Attachment "B"

Description(s):

Parcel 402 073

BEGINNING at a railroad spike set, said railroad spike set being a common corner with the Rowan County Health Department and further being in the center line of Old Concord Road (SR 1002) and thence with the line of the Rowan County Health Department, South 82 degrees 48 minutes 00 seconds East 653.30 feet to an existing iron rod being a common corner with the Rowan County Board of Education; thence with the Board of Education South 03 degrees 40 minutes 40 seconds West 462.78 feet to an existing stone; thence North 71 degrees 28 minutes 05 seconds West 1000.68 feet to an existing iron rod being in the center line of Old Concord Road; thence North 55 degrees 44 minutes 45 seconds East 355.36 feet to the point and place of BEGINNING and being 7.130 acres as shown on a survey and map entitled "Boundary And Division Survey Plat For Blanche M. Julian", prepared by Hilderbran Surveying Company, dated October 25, 1999.

Parcel 402 078

BEGINNING at an existing iron, said existing iron being a common corner with the 7.130 acre tract, thence with the 7.130 acre tract South 71 degrees 28 minutes 05 seconds East 900.68 feet to a new iron rod set being a common corner with a 5.583 acre tract; thence with the 5.583 acre tract South 17 degrees 20 minutes 10 seconds East 252.93 feet to a new iron rod set being the point of Beginning of the 5.583 acre tract and further being in the line of Max P. Webb and Glenn T. Webb (690-375); thence with Webb North 86 degrees 23 minutes 55 seconds West 1008.06 feet to an existing iron rod being a common corner with Deanna L. Graham (773-431); thence with Graham North 33 degrees 59 minutes 40 seconds West 322.76 feet to an existing iron rod being in the center line of Old Concord Road; thence with the center line of Old Concord Road four (4) lines as follows: (1) North 48 degrees 56 minutes 30 seconds East 73.71 feet to a rod, (2) North 52 degrees 04 minutes 50 seconds East 70.00 feet to a rod, (3) North 53 degrees 36 minutes 30 seconds East 70.00 feet to a rod, and (4) North 54 degrees 40 minutes 15 seconds East 110.36 feet to the point and place of BEGINNING and being 8.760 acres as shown on a survey and map entitled "Boundary and Division Survey Plat For Blanche M. Julian", prepared by Hilderbran Surveying Company, dated October 25, 1999.

Parcel 402 018

BEGINNING at a new iron rod set, said new iron rod set being in the line of Max P. Webb and Glenn T. Webb (690-375) and further being the easterly most rear point of an 8.760 acre tract, thence a line with Webb South 86 degrees 23 minutes 55 seconds East 210.00 feet to an existing stone monument; thence again with Webb South 87 degrees 48 minutes 20 seconds East 892.00 feet to an existing axle; thence two (2) lines with Rowan County as follows: (1) North 03 degrees 12 minutes 20 seconds West 210.25 feet to an iron, and (2) North 87 degrees 36 minutes 50 seconds West 307.06 feet to an existing iron rod being in the line of the Rowan County Board of Education (623-343); thence with the Board of Education North 87 degrees 30 minutes 10 seconds West 787.19 feet to an existing iron being a common corner with the 7.130 acre tract; thence North 71 degrees 28 minutes 05 seconds West 100.00 feet to a new iron rod set; thence South 17 degrees 20 minutes 10 seconds East 252.93 feet to the point and place of BEGINNING and being 5.583 acres as shown on a survey and map entitled "Boundary and Division Survey Plat For Blanche M. Julian", prepared by Hilderbran Surveying Company, dated October 25, 1999.

**Resolution Directing the Clerk to Investigate an
Annexation Petition Pursuant to
Article 4A of G.S. 160A Governing Contiguous Annexations**

Resolution #RES-2024-08-08-1

WHEREAS, a petition requesting annexation of an area described in said petition was received on the 19th day of June, 2024 by the Town of Granite Quarry; and

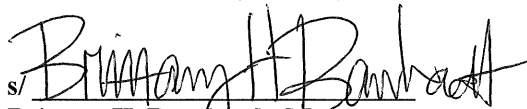
WHEREAS, N.C.G.S. Chapter 160A, Article 4A, Part 1 provides that the sufficiency of the petition shall be investigated by the Town Clerk of the Town of Granite Quarry, North Carolina before further annexation proceedings regarding the petition can take place; and


WHEREAS, the Mayor and Town Council of the Town of Granite Quarry, North Carolina deems it advisable to direct the Town Clerk to investigate the sufficiency of the petition in accordance with N.C.G.S. 160A-31;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Town Council of the Town of Granite Quarry, North Carolina that:

The Town Clerk is hereby directed to investigate the sufficiency of the above-described petition under N.C.G.S. Chapter 160A, Article 4A, Part 1 and to certify as soon as possible to the Mayor and Town Council of the Town of Granite Quarry the result of the investigation.

ADOPTED this the 8th day of August 2024

s/ 
Brittany H. Barnhardt, Mayor

s/ 
Aubrey Smith, Town Clerk



TOWN OF GRANITE QUARRY, NORTH CAROLINA

Certification of Sufficiency of Petition of Contiguous Annexation

Date: August 8, 2024

To the Mayor and Town Council of the Town of Granite Quarry, North Carolina:

I, Aubrey Smith, Town Clerk of the Town of Granite Quarry, North Carolina, do hereby certify that the request for voluntary annexation by the owners of real property located at:

1711 St. Paul's Church Road, (Rowan County Parcel ID 404 104 and 404 152) has been investigated for sufficiency for voluntary annexation.

The result of the investigation of this petition has been found to be sufficient under North Carolina General Statute 160A-31.



Aubrey Smith, Town Clerk



**Resolution Fixing the Date of Public Hearing on Question of
Annexation Petition Pursuant to
Article 4A of G.S. 160A Governing Contiguous Annexations**

Resolution #2024-08-08-2

WHEREAS, a petition pursuant to N.C.G.S. Chapter 160A, Article 4A, Part 1 requesting annexation of the area described herein has been received; and

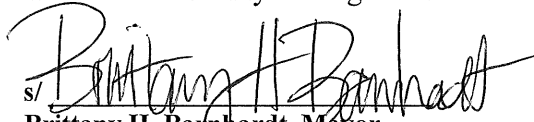
WHEREAS, the Mayor and Town Council has by resolution directed the Town Clerk to investigate the sufficiency of the petition; and


WHEREAS, certification by the Town Clerk as to the sufficiency of the petition has been made;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Town Council of the Town of Granite Quarry, North Carolina that:

- Section 1. A public hearing on the question of annexation of the area described herein will be held at the Granite Quarry Town Hall, Monday, September 9, 2024, at 6:00 PM or as early thereafter as the agenda progression allows, at the Granite Quarry Town Hall, 143 N. Salisbury Avenue, Granite Quarry, NC 28146.
- Section 2. The area proposed for annexation is described as follows:
See Attached Map(s) showing the parcels lying outside of the Town Limits (Attachment A) and a description of said parcel(s) (Attachment B).
- Section 3. Notice of the public hearing shall be published in both the Salisbury Post newspaper as required by law.

ADOPTED this the 8th day of August 2024


s/ Brittany H. Barnhardt
Brittany H. Barnhardt, Mayor

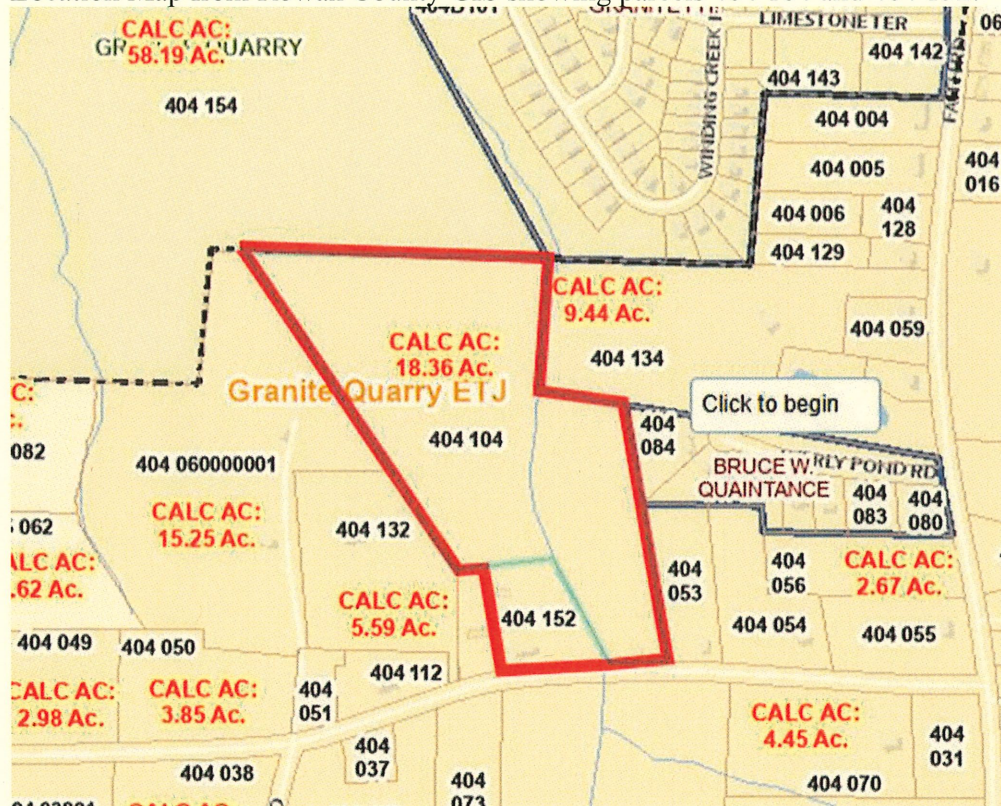

s/ Aubrey Smith
Aubrey Smith, Town Clerk

Resolution #2024-08-08-2



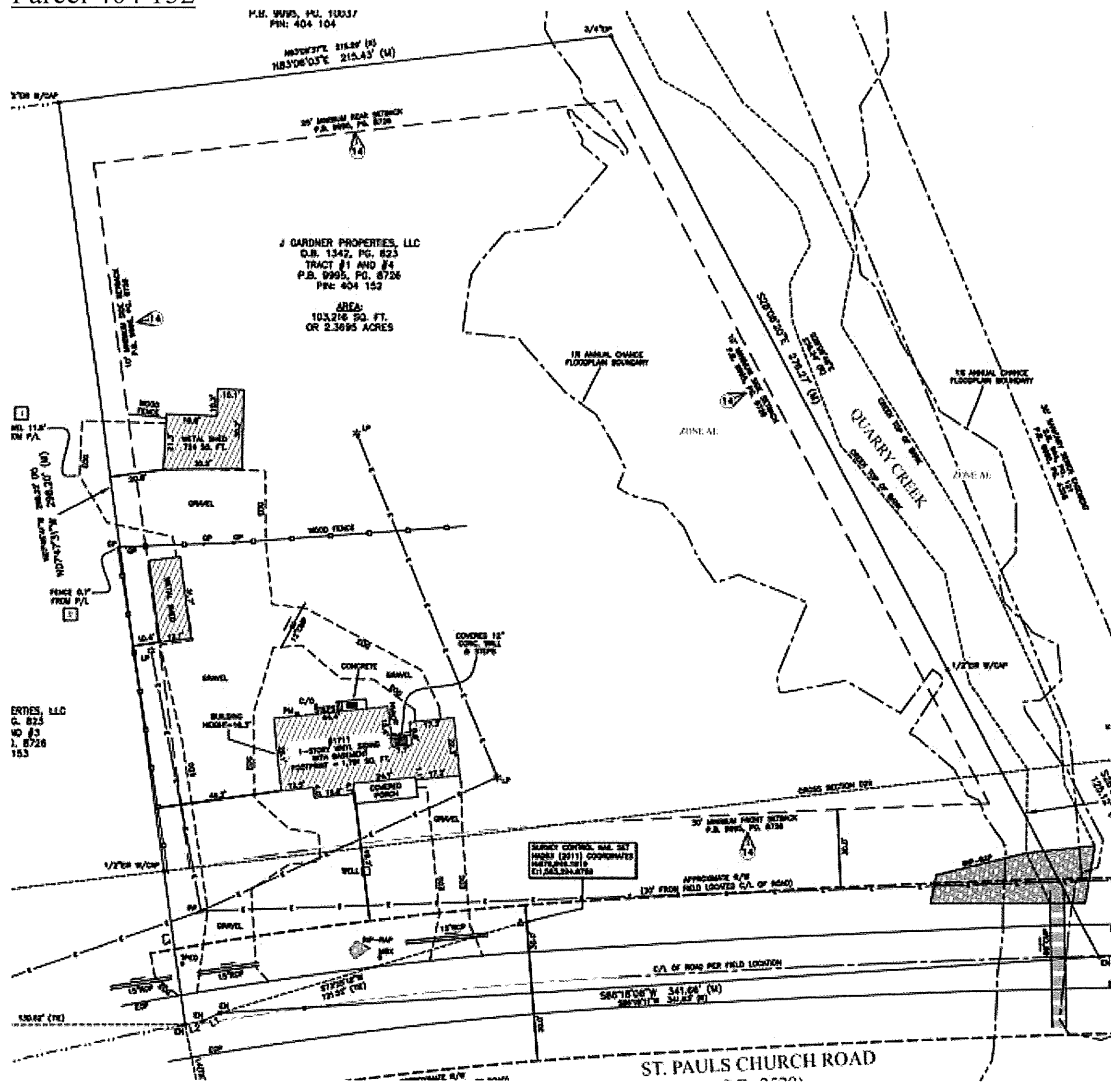
Attachment "A"

Location Map from Rowan County GIS showing parcels 404 104 and 404 152:



(This space left blank intentionally)

Parcel 404 152



**Resolution Directing the Clerk to Investigate an
Annexation Petition Pursuant to
Article 4A of G.S. 160A Governing Non-Contiguous Annexations**

Resolution #RES-2024-08-08-3

WHEREAS, a petition requesting annexation of an area described in said petition was received on the 24th day of July, 2024 by the Town of Granite Quarry; and

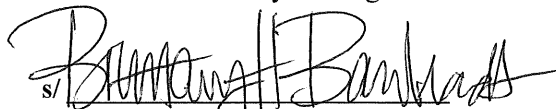
WHEREAS, N.C.G.S. Chapter 160A, Article 4A, Part 4 provides that the sufficiency of the petition shall be investigated by the Town Clerk of the Town of Granite Quarry, North Carolina before further annexation proceedings regarding the petition can take place; and


WHEREAS, the Mayor and Town Council of the Town of Granite Quarry, North Carolina deems it advisable to direct the Town Clerk to investigate the sufficiency of the petition in accordance with N.C.G.S. 160A-58.2;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Town Council of the Town of Granite Quarry, North Carolina that:

The Town Clerk is hereby directed to investigate the sufficiency of the above-described petition under N.C.G.S. Chapter 160A, Article 4A, Part 4 and to certify as soon as possible to the Mayor and Town Council of the Town of Granite Quarry the result of the investigation.

ADOPTED this the 8th day of August 2024

s/ 
Brittany H. Barnhardt, Mayor

s/ 
Aubrey Smith, Town Clerk



TOWN OF GRANITE QUARRY, NORTH CAROLINA

Certification of Sufficiency of Petition of Non-Contiguous Annexation


Date: August 8, 2024

To the Mayor and Town Council of the Town of Granite Quarry, North Carolina:

I, Aubrey Smith, Town Clerk of the Town of Granite Quarry, North Carolina, do hereby certify that the request for voluntary annexation by the owners of real property located at:

115 Rowan Summit Drive, Salisbury NC 28146 (Rowan County Parcel ID 402C008) has been investigated for sufficiency for voluntary annexation.

The result of the investigation of this petition has been found to be sufficient under North Carolina General Statute 160A-58.2.


Aubrey Smith, Town Clerk



**Resolution Fixing the Date of Public Hearing on Question of
Annexation Pursuant to
Article 4A of G.S. 160A Governing Non-Contiguous Annexations**

Resolution #2024-08-08-4

WHEREAS, a petition pursuant to N.C.G.S. Chapter 160A, Article 4A, Part 4 requesting annexation of the area described herein has been received; and

WHEREAS, the Mayor and Town Council has by resolution directed the Town Clerk to investigate the sufficiency of the petition; and

WHEREAS, certification by the Town Clerk as to the sufficiency of the petition has been made;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Town Council of the Town of Granite Quarry, North Carolina that:

- Section 1. A public hearing on the question of annexation of the area described herein will be held at the Granite Quarry Town Hall, Monday, September 9, 2024, at 6:00 PM or as early thereafter as the agenda progression allows, at the Granite Quarry Town Hall, 143 N. Salisbury Avenue, Granite Quarry, NC 28146.
- Section 2. The area proposed for annexation is described as follows:
See Attached Map(s) showing the parcels lying outside of the Town Limits (Attachment A) and a description of said parcel(s) (Attachment B).
- Section 3. Notice of the public hearing shall be published in both the Salisbury Post newspaper as required by law.

ADOPTED this the 8th day of August 2024

[Signature of Brittany H. Barnhardt]
s/ Brittany H. Barnhardt, Mayor

[Signature of Aubrey Smith]
s/ Aubrey Smith, Town Clerk

Resolution #2024-08-08-4



ATTACHMENT A

115 Rowan Summit Drive, Salisbury NC 28146 (Rowan County Parcel ID 402C008)



ATTACHMENT B

Description(s):

BEING all of Lot 1 containing 1.972 acres more or less, as shown on that plat entitled "Property of Rowan Summit, LLC" and recorded in Book 9995, page 7951 Rowan County Registry and as further illustrated on that plat recorded in Book 9995, page 8891 Rowan County Registry.

Resolution #2024-08-08-4



INTERLOCAL CONTRACT FOR
COOPERATIVE PURCHASING

ILC No.:
ILC24-14843
Permanent Number assigned
by H-GAC

THIS INTERLOCAL CONTRACT ("Contract"), made and entered into pursuant to the Texas Interlocal Cooperation Act, Chapter 791, Texas Government Code (the "Act"), by and between the Houston-Galveston Area Council, hereinafter referred to as "H-GAC," having its principal place of business at 3555 Timmons Lane, Suite 120, Houston, Texas 77027, and **Town of Granite Quarry**, a local government, a state agency, or a non-profit corporation created and operated to provide one or more governmental functions and services, hereinafter referred to as "End User," having its principal place of business at **143 N Salisbury Ave Granite Quarry, NC 28072**.

WITNESSETH

WHEREAS, H-GAC is a regional planning commission and political subdivision of the State of Texas operating under Chapter 391, Texas Local Government Code; and

WHEREAS, pursuant to the Act, H-GAC is authorized to contract with eligible entities to perform governmental functions and services, including the purchase of goods and services; and

WHEREAS, in reliance on such authority, H-GAC has instituted a cooperative purchasing program under which it contracts with eligible entities under the Act; and

WHEREAS, End User has represented that it is an eligible entity under the Act, that its governing body has authorized this Contract on **07/01/2024** (Date), and that it desires to contract with H-GAC on the terms set forth below;

NOW, THEREFORE, H-GAC and the End User do hereby agree as follows:

ARTICLE 1: LEGAL AUTHORITY

The End User represents and warrants to H-GAC that (1) it is eligible to contract with H-GAC under the Act because it is one of the following: a local government, as defined in the Act (a county, a municipality, a special district, or other political subdivision of the State of Texas or any other state), or a combination of two or more of those entities, a state agency (an agency of the State of Texas as defined in Section 771.002 of the Texas Government Code, or a similar agency of another state), or a non-profit corporation created and operated to provide one or more governmental functions and services, and (2) it possesses adequate legal authority to enter into this Contract.

ARTICLE 2: APPLICABLE LAWS

H-GAC and the End User agree to conduct all activities under this Contract in accordance with all applicable rules, regulations, and ordinances and laws in effect or promulgated during the term of this Contract.

ARTICLE 3: WHOLE AGREEMENT

This Contract and any attachments, as provided herein, constitute the complete contract between the parties hereto, and supersede any and all oral and written agreements between the parties relating to matters herein.

ARTICLE 4: PERFORMANCE PERIOD

The period of this Contract shall be for the balance of the fiscal year of the End User, which began **07/01/2024** and ends **06/30/2025**. This Contract shall thereafter automatically be renewed annually for each succeeding fiscal year, provided that such renewal shall not have the effect of extending the period in which the End User may make any payment due an H-GAC contractor beyond the fiscal year in which such obligation was incurred under this Contract.

ARTICLE 5: SCOPE OF SERVICES

The End User appoints H-GAC its true and lawful purchasing agent for the purchase of certain products and services through the H-GAC Cooperative Purchasing Program. End User will access the Program through HGACBuy.com and by submission of any duly executed purchase order, in the form prescribed by H-GAC to a contractor having a valid contract with H-GAC. All purchases hereunder shall be in accordance with specifications and contract terms and pricing established by H-GAC. Ownership (title) to products purchased through H-GAC shall transfer directly from the contractor to the End User.

ARTICLE 6: PAYMENTS

H-GAC will confirm each order and issue notice to contractor to proceed. Upon delivery of goods or services purchased, and presentation of a properly documented invoice, the End User shall promptly, and in any case within thirty (30) days, pay H-GAC's contractor the full amount of the invoice. All payments for goods or services will be made from current revenues available to the paying party. In no event shall H-GAC have any financial liability to the End User for any goods or services End User procures from an H- GAC contractor.

ARTICLE 7: CHANGES AND AMENDMENTS

This Contract may be amended only by a written amendment executed by both parties, except that any alterations, additions, or deletions to the terms of this Contract which are required by changes in Federal and State law or regulations are automatically incorporated into this Contract without written amendment hereto and shall become effective on the date designated by such law or regulation.

H-GAC reserves the right to make changes in the scope of products and services offered through the H-GAC Cooperative Purchasing Program to be performed hereunder.

ARTICLE 8: TERMINATION PROCEDURES

H-GAC or the End User may cancel this Contract at any time upon thirty (30) days written notice by certified mail to the other party to this Contract. The obligations of the End User, including its obligation to pay H-GAC's contractor for all costs incurred under this Contract prior to such notice shall survive such cancellation, as well as any other obligation incurred under this Contract, until performed or discharged by the End User.

ARTICLE 9: SEVERABILITY

All parties agree that should any provision of this Contract be determined to be invalid or unenforceable, such determination shall not affect any other term of this Contract, which shall continue in full force and effect.

ARTICLE 10: FORCE MAJEURE

To the extent that either party to this Contract shall be wholly or partially prevented from the performance within the term specified of any obligation or duty placed on such party by reason of or through strikes, stoppage of labor, riot, fire, flood, acts of war, insurrection, accident, order of any court, act of God, or specific cause reasonably beyond the party's control and not attributable to its neglect or nonfeasance, in such event, the time for the performance of such obligation or duty shall be suspended until such disability to perform is removed; provided, however, force majeure shall not excuse an obligation solely to pay funds. Determination of force majeure shall rest solely with H-GAC.

ARTICLE 11: VENUE

Disputes between procuring party and Vendor are to be resolved in accord with the law and venue rules of the State of purchase.

THIS INSTRUMENT HAS BEEN EXECUTED BY THE PARTIES HERETO AS FOLLOWS:

Town of Granite Quarry

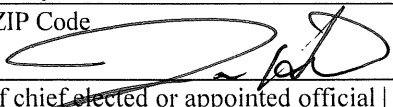
Name of End User (local government, agency, or non-profit corporation)

143 N Salisbury Ave

Mailing Address

Granite Quarry, NC 28072

City, State ZIP Code

 8/9/24
Signature of chief elected or appointed official | Date

Jason Hord, Granite Quarry

Typed Name & Title of Signatory

Houston-Galveston Area Council

3555 Timmons Lane, Suite 120, Houston, TX
77027

By: _____

Executive Director

Date: _____



END USER DATA

Please sign and return the Interlocal Contract, along with this completed form, to H-GAC by emailing it to cpcontractfax@h-gac.com or by faxing it to 713-993-2424. The contract may also be mailed to:

H-GAC Cooperative Purchasing Program

P.O. Box 22777, Houston, TX 77227-2777

Name of End User Agency: Town of Granite Quarry County Name: NC

Mailing Address: PO Box 351 Granite Quarry, NC 28072

Main Telephone Number: 704-279-5596 **FAX Number:** 704-279-6648

Physical Address: 143 N Salisbury Ave Granite Quarry, NC >28072

Web Site Address: GraniteQuarrync.gov

Official Contact: Jason Hord

Mailing Address: PO Box 351

Granite Quarry, NC 28072

Title: Interim Town Manager

Ph No.: 704-279-5596

FX No.: 704-279-6648

E-Mail Address: jhord@granitequarrync.gov

Authorized Official: Jason Hord

Mailing Address: PO Box 351

Granite Quarry, NC 28072

Title: Granite Quarry

Ph No.: 704-279-5596

FX No.: 704-279-6648

E-Mail Address: jhord@granitequarrync.gov

Authorized Official: Shelly Shockley

Mailing Address: PO Box 351

Granite Quarry, NC 28072

Title: Finance Director

Ph No.: 704-279-5596

FX No.: 704-279-6648

E-Mail Address: finance@granitequarrync.gov

COMPLETING AND EXECUTING THE ILC PROCESS

Step 1 (complete)

Thank you for completing this step. A PDF copy of the ILC document will be delivered to the email address entered.

Step 2

Secure a signature by the individual identified as the Authorized Official to contractually bind your entity.

Step 3

Scan and email a copy of the contract to H-GAC at cpcontractfax@h-gac.com, or fax it to 713-993-2424.

The contract may also be mailed to:

H-GAC Cooperative Purchasing Program

PO Box 22777

Houston, TX 77227-2777

If you require an original signed contract, please print, sign, and mail two (2) sets of the ILC documents.

Step 4

H-GAC will execute the contract and return a copy to you electronically.

MASTER EQUIPMENT LEASE PURCHASE AGREEMENT

LESSEE: Town of Granite Quarry

This Master Equipment Lease Purchase Agreement, including all exhibits and schedules hereto whether currently in existence or hereafter executed (the "Agreement"), dated as of 8/1/2024, and entered into between Community First National Bank 215 S. Seth Child Rd, Manhattan, KS 66502 ("Lessor"), and Town of Granite Quarry, PO Box 351, Granite Quarry, NC 28072 a body corporate and politic duly organized and existing under the laws of the State of North Carolina ("Lessee");

RECITALS

WHEREAS, Lessee desires to lease from Lessor certain equipment described in the schedules to this Agreement, substantially in the form of Exhibit A hereto, that are executed from time to time by the parties hereto (such schedules are hereby incorporated herein and are hereinafter collectively referred to as the "Schedules", and the items of equipment leased to Lessee hereunder, together with all substitutions, proceeds, replacement parts, repairs, additions, attachments, accessories and replacements thereto, thereof or therefore, are hereinafter collectively referred to as the "Equipment") subject to the terms and conditions of and for the purposes set forth in this Agreement.

WHEREAS, the relationship between the parties shall be a continuing one and items of equipment may be added to or deleted from the Equipment from time to time by execution of additional Schedules by the parties hereto and as otherwise provided herein.

WHEREAS, Lessee is authorized under the constitution and laws of the State to enter into this Agreement for the purposes set forth herein.

NOW, THEREFORE, for and in consideration of the premises hereinafter contained, the parties hereby agree as follows:

ARTICLE I. REPRESENTATIONS, WARRANTIES AND COVENANTS OF LESSEE

Section 1.01. Lessee represents, covenants and warrants, for the benefit of Lessor and its assignees, as follows:

- (a) Lessee is a public body, corporate and politic, duly organized and existing under the Constitution and laws of the State.
- (b) Lessee will do or cause to be done all things necessary to preserve and keep in full force and affect its existence as a body corporate and politic.
- (c) Lessee is a political subdivision of the State within the meaning of Section 103(a) of the Code or a constituted authority authorized to issue obligations on behalf of a state or local governmental unit within the meaning of the regulations promulgated pursuant to said Section of the Code.
- (d) Lessee has full power and authority under the Constitution and laws of the State to enter into this Agreement and the transactions contemplated hereby, and to perform all of its obligations hereunder.
- (e) Lessee has duly authorized the execution and delivery of this Agreement by proper action by its governing body at a meeting duly called, regularly convened and attended throughout by the requisite majority of the members thereof, or by other appropriate official approval, and all requirements have been met and procedures have occurred in order to ensure the enforceability of this Agreement.
- (f) Lessee has complied or will comply with such public bidding requirements as may be applicable to this Agreement and the acquisition by Lessee of the Equipment.
- (g) During the Lease Term, the Equipment will be used by Lessee only for the purpose of performing one or more essential governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority and will not be used in a trade or business of any person or entity other than Lessee.
- (h) During the Lease Term, Lessee will annually provide Lessor with current financial statements, budgets, proof of appropriation for the ensuing fiscal year and such other financial information relating to the ability of Lessee to continue this Agreement as may be reasonably requested by Lessor.
- (i) The Equipment will have a useful life in the hands of Lessee that is substantially in excess of the Original Term and all Renewal Terms.
- (j) The Equipment is, and during the Lease Term will remain personal property and when subjected to use by the Lessee, will not be or become fixtures.
- (k) The Equipment is essential to the function of the Lessee and the services provided to its citizens, and will be used throughout the period that this Agreement is in force for the purpose of performing one or more governmental or proprietary functions consistent with the permissible scope of its authority.
- (l) During the term of this Agreement, Lessee will not dispose of or sell any part of the Equipment.
- (m) Lessee has not terminated a lease, rental agreement, installment purchase contract, or any other such agreement in the past five (5) years as a result of insufficient funds being appropriated for payments due under such an agreement.
- (n) This Agreement constitutes the legal, valid and binding obligation of Lessee enforceable in accordance with its terms, except to the extent limited by applicable bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally.
- (o) No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default exists at the date hereof.
- (p) Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current fiscal year to make the Rental Payments scheduled to come due during the current fiscal year and to meet its other obligations under this Agreement for the current fiscal year, and such funds have not been expended for other purposes.
- (q) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or threatened against or affecting Lessee, nor to the best knowledge of Lessee is there any basis therefore, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Agreement or any other document, agreement or certificate which is used or contemplated for use in the consummation of the transactions contemplated by this Agreement or materially adversely affect the financial condition or properties of Lessee.
- (r) All authorizations, consents and approvals of governmental bodies or agencies required in connection with the execution and delivery by Lessee of this Agreement or in connection with the carrying out by Lessee of its obligations hereunder have been obtained.
- (s) The entering into and performance of this Agreement or any other document or agreement contemplated hereby to which Lessee is or is to be a party will not violate any judgment, order, law or regulation applicable to Lessee or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance on any assets of Lessee or the Equipment pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument to which Lessee is a party or by which it or its assets may be bound, except as herein provided.

ARTICLE II. DEFINITIONS

Section 2.01. The following terms will have the meanings indicated below unless the context clearly requires otherwise:

"Agreement" means this Master Equipment Lease Purchase Agreement, including the Schedules and any other schedule, exhibit or escrow agreement made a part hereof by the parties hereto, whether currently in existence or hereafter executed, as the same may be supplemented or amended from time to time in accordance with the terms hereof.

"Code" means the Internal Revenue Code of 1986, as amended, and the United States Treasury Regulations in effect thereunder.

"Commencement Date" means, with respect to any Schedule, the date when the Lease Term of this Agreement with respect to that Schedule and Lessee's

obligation to pay rent under that Schedule commence, which date will be the earlier of (i) the date of the Agreement, or (ii) the date on which sufficient moneys to purchase the Equipment are deposited for that purpose with an Escrow Agent.

"Equipment" means the property described in the Schedules and all replacements, substitutions, repairs, restorations, modifications, attachments, accessions, additions and improvements thereof or thereto. Whenever reference is made in this Agreement to Equipment listed in a Schedule, that reference shall be deemed to include all replacements, repairs, restorations, modifications and improvements of or to that Equipment.

"Event of Default" means, with respect to any Lease, an Event of Default described in Section 10.01.

"Escrow Agreement" means, with respect to a given Schedule, an escrow agreement in form and substance satisfactory to Lessor, between Lessee, Lessor and an escrow agent relating to the acquisition fund created thereunder.

"Lease" means, at any time, (i) if none of Lessor's interest in, to and under any Schedule has been assigned pursuant to Section 9.01, or if all of Lessor's interest in, to and under this Agreement and all Schedules have been assigned to the same assignee without any reassignment, this Agreement, or (ii) if Lessor's interest in, to and under any Schedule or Schedules has been assigned or reassigned pursuant to Section 9.01, all Schedules that have the same Lessor and this Agreement as it relates to those Schedules and the Equipment listed therein, which shall constitute a separate single lease relating to that Equipment.

"Lease Term" means, with respect to any Lease, the Original Term and all Renewal Terms of that Lease.

"Lessee" means the entity which is described in the first paragraph of this Agreement, its successors and assigns.

"Lessor" means, with respect to each Schedule and the Lease of which that Schedule is a part, (i) if Lessor's interest in, to and under that Schedule has not been assigned pursuant to Section 9.01, the entity described as such in the first paragraph of this Agreement or its successor, or (ii) if Lessor's interest in, to and under that Schedule has been assigned pursuant to Section 9.01, the assignee thereof or its successor.

"Net Proceeds" means the amount remaining from the gross proceeds of any insurance claim or condemnation award after deducting all expenses (including attorneys' fees) incurred in the collection of such claim or award.

"Original Term" means, with respect to any Lease, the period from the first Commencement Date for any Schedule under that Lease until the end of the fiscal year of Lessee in effect at that Commencement Date.

"Purchase Option Price" means, with respect to the Equipment listed on any Schedule, the amount set forth in that Schedule as the Purchase Option Price for that Equipment.

"Renewal Terms" means, with respect to any Lease, the automatic renewal terms of that Lease, as provided for in Article III of this Agreement, each having a duration of one year and a term co-extensive with the Lessee's fiscal year except the last of such automatic renewal terms which shall end on the due date of the last Rental Payment set forth in the Schedule.

"Rental Payments" means the basic rental payments payable by Lessee pursuant to Section 4.02.

"State" means the state in which Lessee is located.

"Vendor" means the manufacturer of the Equipment as well as the agents or dealers of the manufacturer from whom Lessee purchased or is purchasing the Equipment.

ARTICLE III. LEASE TERM

Section 3.01. Lease of Equipment. Lessor hereby demises, leases and lets to Lessee, and Lessee rents, leases and hires from Lessor, the Equipment listed in each Schedule in accordance with this Agreement and that Schedule for the Lease Term for the Lease of which that Schedule is a part. The Lease Term for each Lease may be continued at the end of the Original Term or any Renewal Term for an additional Renewal Term; provided, however, that at the end of the Original Term and at the end of each Renewal Term, Lessee shall be deemed to have continued that Lease for the next Renewal Term unless Lessee shall have terminated that Lease pursuant to **Section 4.05** or **Section 5.04**. The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Original Term, except that the Rental Payments shall be as provided in the Schedules. Lessor hereby covenants to provide Lessee during the Lease Term with quiet use and enjoyment of the Equipment, and Lessee shall during the Lease Term peaceably and quietly have and hold and enjoy the Equipment, without suit, trouble or hindrance from Lessor, except as expressly set forth in this Agreement.

Section 3.02. Continuation of Lease Term. Lessee currently intends, subject to **Section 4.05**, to continue the Lease Term for each Lease through the Original Term and all of the Renewal Terms and to pay the Rental Payments hereunder. Lessee reasonably believes that legally available funds in an amount sufficient to make all Rental Payments during the Lease Term for each Lease can be obtained. The responsible financial officer of Lessee shall do all things lawfully within his or her power to obtain and maintain funds from which the Rental Payments may be made, including making provision for the Rental Payments to the extent necessary in each proposed annual budget submitted for approval in accordance with applicable procedures of Lessee and to exhaust all available reviews and appeals in the event such portion of the budget is not approved. Notwithstanding the foregoing, the decision whether or not to budget or appropriate funds or to extend a Lease for any Renewal Term is solely within the discretion of the then current governing body of Lessee.

Section 3.03. Return of Equipment on Termination. Upon expiration or earlier termination of any Schedule under any provision of this Agreement at a time when Lessee does not exercise its option to purchase the Equipment described in that Schedule under the provisions of this Agreement, Lessee shall deliver, at Lessee's expense, the Equipment described in that Schedule to Lessor in the same condition as existed at the Commencement Date, ordinary wear and tear expected, packaged or otherwise prepared in a manner suitable by shipment by truck or rail common carrier at a location specified by Lessor.

Section 3.04. Conditions to Lessor's Performance under Schedules. As a prerequisite to the performance by Lessor of any of its obligations pursuant to the execution and delivery of any Schedule, Lessee shall deliver to Lessor the following:

- (a) A Lessee Resolution executed by the Clerk or Secretary or other comparable officer of Lessee, in substantially the form attached hereto as Exhibit B, completed to the satisfaction of Lessor;
- (b) An Opinion of Counsel to Lessee in substantially the form attached hereto as Exhibit C respecting such Schedule and otherwise satisfactory to Lessor;
- (c) All documents, including financing statements, affidavits, notices and similar instruments, in form satisfactory to Lessor, which Lessor deems necessary or appropriate at that time;
- (d) Such other items, if any, as are set forth in such Schedule or are reasonably required by Lessor.

This Agreement is not a commitment by Lessor to enter into any Schedule not currently in existence, and nothing in this Agreement shall be construed to impose any obligation upon Lessor to enter into any proposed Schedule, it being understood that whether Lessor enters into any proposed Schedule shall be a decision solely within Lessor's discretion.

Lessee will cooperate with Lessor in Lessor's review of any proposed Schedule. Without limiting the foregoing, Lessee will provide Lessor with any documentation or information Lessor may request in connection with Lessor's review of any proposed Schedule. Such documentation may include, without limitation, documentation concerning the Equipment and its contemplated use and location and documentation or information concerning the financial status of Lessee and other matters related to Lessee.

ARTICLE IV. RENTAL PAYMENTS

Section 4.01. Rental Payments to Constitute a Current Expense of Lessee. Lessor and Lessee understand and intend that the obligation of Lessee to pay Rental Payments hereunder shall constitute a current expense of Lessee and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by Lessee, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or monies of Lessee.

Section 4.02. Payment of Rental Payments. Lessee shall pay Rental Payments, from any and all legally available funds, in lawful money of the United States of America, exclusively to Lessor or, in the event of assignment by Lessor, to its assignee, in the amounts and on the dates set forth in each Schedule. Rental Payments shall be in consideration for Lessee's use of the Equipment during the applicable year in which such payments are due. The Rental Payments will be payable without notice or demand at the office of Lessor (or such other place as Lessor may from time to time designate in writing). If any Rental Payment or other sum payable under any Schedule is not paid when due, Lessee shall pay to Lessor accrued interest on such delinquent amount from the date due thereof until paid at the lesser of 18% or the maximum rate allowed by law. In the event that it is determined that any of the interest

components of Rental Payments may not be excluded from gross income for purposes of federal income taxation, Lessee agrees to pay to Lessor promptly after any such determination and on the date of each Rental Payment thereafter an additional amount determined by Lessor to compensate Lessor for the loss of such excludability (including without limitation, compensation relating to interest expense, penalties or additions to tax), which determination shall be conclusive absent manifest error.

Section 4.03. Interest and Principal Components. A portion of each Rental Payment is paid as, and represents payment of, interest, and the balance of each Rental Payment is paid as, and represents payment of, principal. Each Schedule will set forth the interest component and the principal component of each Rental Payment during the Lease Term.

Section 4.04. Rental Payments to be Unconditional. The obligations of Lessee to make payment of the Rental Payments required under this Article IV and other sections hereof, and to perform and observe the covenants and agreements contained herein, shall be absolute and unconditional in all events, except as expressly provided under this Agreement. Notwithstanding any dispute between Lessee and Lessor, any Vendor or any other dispute between Lessee and Lessor, any Vendor or any other person, Lessee shall make all payments of Rental Payments when due and shall not withhold any Rental Payments pending final resolution of such dispute, nor shall Lessee assert any right of set-off or counterclaim against its obligation to make such payments required under this Agreement. Lessee's obligation to make Rental Payments during the Original Term or the then-current Renewal Term for each Schedule shall not be abated through accident or unforeseen circumstances.

Section 4.05. Non appropriation. Lessee is obligated only to pay such Rental Payments under this Agreement (and any additional amounts due hereunder, if applicable) as may lawfully be made from funds budgeted and appropriated for that purpose during Lessee's then current fiscal year. Should Lessee fail to budget, appropriate or otherwise make available funds to pay Rental Payments under a Lease following the then current Original Term or Renewal Term, that Lease shall be deemed terminated at the end of the then current Original Term or Renewal Term. Lessee agrees to deliver written notice to Lessor of such termination at least 60 days prior to the end of the then current Original Term or Renewal Term, but failure to give such written notice shall not extend the term beyond such Original Term or Renewal Term.

ARTICLE V. TITLE TO EQUIPMENT; SECURITY INTEREST; OPTION TO PURCHASE

Section 5.01. Title to the Equipment. Upon acceptance of the Equipment by Lessee, title to the Equipment and any and all additions, repairs, replacements or modifications shall vest in Lessee, subject to the rights of Lessor under this Agreement; provided that title to the Equipment that is subject to any Lease shall thereafter immediately and without any action by Lessee vest in Lessor, and Lessee shall immediately surrender possession of that Equipment to Lessor, upon (a) any termination of that Lease other than termination pursuant to Section 5.04, or (b) the occurrence of an Event of Default with respect to that Lease. It is the intent of the parties hereto that any transfer of title to Lessor pursuant to this Section shall occur automatically without the necessity of any bill of sale, certificate of title or other instrument of conveyance. Lessee shall, nevertheless, execute and deliver any such instruments as Lessor may request to evidence such transfer.

Section 5.02. Security Interest. To secure the payment of all Lessee's obligations under this Agreement, Lessee grants to Lessor a security interest constituting a first lien on (i) the Equipment and on all additions, attachments, accessions, that are considered to be an integral part of the equipment, and substitutions thereto, and on any proceeds there from, and (ii) the acquisition fund established under any Escrow Agreement entered into in connection therewith. Lessee agrees to execute such additional documents, in form satisfactory to Lessor, which Lessor deems necessary or appropriate to establish and maintain its security interest in the Equipment. Lessee hereby authorizes the filing of financing statements under the Uniform Commercial Code in connection with the security interest granted hereunder.

Section 5.03. Personal Property. Lessor and Lessee agree that the Equipment is and will remain personal property and will not be deemed to be affixed to or a part of the real estate on which it may be situated, notwithstanding that the Equipment or any part thereof may be or hereafter become in any manner physically affixed or attached to real estate or any building thereon. Upon the request of Lessor, Lessee will, at Lessee's expense, furnish a waiver of any interest in the Equipment from any party having an interest in any such real estate or building.

Section 5.04. Option to Purchase. Lessee shall have the option to purchase Lessor's interest in all (but not less than all) of the Equipment described in any Schedule, upon giving written notice to Lessor at least 60 (but not more than 180) days before the date of purchase, at the following times and upon the following terms:

- (a) On the date of the last Rental Payment set forth in that Schedule (assuming this Agreement is renewed at the end of the Original Term and each Renewal Term), if the Agreement is still in effect on such day, upon payment in full to Lessor of the Rental Payments and all other amounts then due under that Schedule plus One Dollar;
- (b) On the last day of the Original Term or any Renewal Term then in effect, upon payment in full to Lessor of the Rental Payments and all other amounts then due under that Schedule plus the then applicable Purchase Option Price set forth in that Schedule; or
- (c) In the event of substantial damage to or destruction or condemnation of substantially all of the Equipment listed in that Schedule on the day specified in Lessee's written notice to Lessor of its exercise of the purchase option upon payment in full to Lessor of the Rental Payments and all other amounts then due under that Schedule, including, without limitation, interest accrued to the date of payment, plus the then applicable Purchase Option Price set forth in that Schedule.

ARTICLE VI. DELIVERY, MAINTENANCE; MODIFICATION; TAXES; INSURANCE AND OTHER CHARGES

Section 6.01. Delivery, Installation and Acceptance of Equipment. Lessee shall order the Equipment, cause the Equipment to be delivered and installed at the locations specified in the Schedules and pay any and all delivery and installation costs in connection therewith. When the Equipment listed in any Schedule has been delivered and installed, Lessee shall immediately accept such Equipment and evidence said acceptance by executing and delivering to Lessor an Acceptance Certificate in the form attached hereto as Exhibit D.

Section 6.02. Location; Inspection. Once installed, no item of the Equipment will be moved from the location specified for it in the Schedule on which that item is listed without Lessor's consent, which consent shall not be unreasonably withheld. Lessor shall have the right at all reasonable times during regular business hours to enter into and upon the property of Lessee for the purpose of inspecting the Equipment.

Section 6.03. Maintenance of Equipment by Lessee. Lessee agrees that at all times during the Lease Term Lessee will, at Lessee's own cost and expense, maintain, preserve and keep the Equipment in good repair, working order and condition, and that Lessee will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals. Lessor shall have no responsibility in any of these matters, or for the making of improvements or additions to the Equipment. Lessee shall not make material modifications to the Equipment without the prior consent of Lessor.

Section 6.04. Liens, Taxes, Other Governmental Charges and Utility Charges. Lessee shall keep the Equipment free of all liens, charges and encumbrances except those created by this Agreement. The parties to this Agreement contemplate that the Equipment will be used for a governmental or proprietary purpose of Lessee and, therefore, that the Equipment will be exempt from all taxes presently assessed and levied with respect to personal property. In the event that the use, possession or acquisition of the Equipment is found to be subject to taxation in any form (except for income taxes of Lessor), Lessee will pay, as the same respectively come due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Equipment and any equipment or other property acquired by Lessee in substitution for, as a renewal or replacement of, or a modification, improvement or addition to the Equipment, as well as all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Equipment; provided that, with respect to any governmental charges that may lawfully be paid in installments over a period of years, Lessee shall be obligated to pay only such installments as have accrued during the Lease Term. Lessee will take no action that will cause the interest portion of any Rental payment to become includable in gross income of the recipient for purposes of federal income taxation under the Code, and Lessee will take, and will cause its officers, employees and agents to take, all affirmative action legally within its power to prevent such interest from being includable in gross income for purposes of federal income taxation under the Code. Lessee acknowledges that Lessor's yield with respect to this Agreement is dependent upon the interest component of each Rental Payment being excluded from Lessor's income pursuant to the Code.

Section 6.05. Provisions Regarding Insurance. At its own expense, Lessee shall maintain (a) casualty insurance insuring the Equipment against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State, and any other risks reasonably required

by Lessor, in an amount at least equal to the replacement cost of the Equipment, (b) liability insurance that protects Lessor from liability in all events in form and amount satisfactory to Lessor and (c) workers' compensation coverage as required by the laws of the State; provided that, with Lessor's prior written consent, Lessee may self-insure against the risks described in clauses (a) and (b); provided further that, if Lessor provides such consent Lessee shall provide to Lessor information with respect to such self-insurance program as Lessor may request from time to time. All insurance proceeds from casualty losses shall be payable as hereinafter provided. Lessee shall furnish to Lessor certificates evidencing such coverage throughout the Lease Term. All such casualty and liability insurance shall be with insurers that are acceptable to Lessor, shall name Lessor as a loss payee and an additional insured, respectively, and shall contain a provision to the effect that such insurance shall not be canceled or modified materially without first giving written notice thereof to Lessor at least 30 days in advance of such cancellation or modification. All such casualty insurance shall contain a provision making any losses payable to Lessee and Lessor as their respective interests may appear.

Section 6.06. Advances. In the event Lessee shall fail to maintain the full insurance coverage required by this Agreement or shall fail to keep the Equipment in good repair and operating condition, Lessor may (but shall be under no obligation to) purchase the required insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefore by Lessor shall constitute additional rent for the then-current Original Term or Renewal Term, and Lessee covenants and agrees to pay such amounts so advanced by Lessor with interest thereon from the date advanced until paid at the rate of 18% per annum or the maximum interest rate permitted by law, whichever is less.

ARTICLE VII. DAMAGE, DESTRUCTION AND CONDEMNATION: USE OF NET PROCEEDS

Section 7.01. Risk of Loss. Lessee is responsible for the entire risk of loss of or damage or destruction to the Equipment. No such loss, damage or destruction shall relieve Lessee of any obligation under this Agreement or any Lease.

Section 7.02. Damage, Destruction and Condemnation. If (a) the Equipment listed on any Schedule or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty or (b) title to, or the temporary use of, the Equipment or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, Lessee and Lessor will cause the Net Proceeds of any insurance claim or condemnation award to be applied to the prompt replacement, repair, restoration, modification or improvement of that Equipment, unless Lessee shall have exercised its option to purchase that Equipment pursuant to Section 5.04. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to Lessee.

Section 7.03. Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any replacement, repair, restoration, modification or improvement referred to in Section 7.02, Lessee shall either complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds, unless Lessee, pursuant to Section 5.04, purchases Lessor's interest in the Equipment destroyed, damaged or taken and any other Equipment listed in the same Schedule. The amount of the Net Proceeds, if any, remaining after completing such repair, restoration, modification or improvement or after purchasing Lessor's interest in the Equipment shall be retained by Lessee. If Lessee shall make any payments pursuant to this Section, Lessee shall not be entitled to any reimbursement therefore from Lessor nor shall Lessee be entitled to any diminution of the amounts payable under Article IV.

ARTICLE VIII. DISCLAIMER OF WARRANTIES; VENDOR'S WARRANTIES; USE OF THE EQUIPMENT

Section 8.01. Disclaimer of Warranties. LESSEE HAS SELECTED THE EQUIPMENT AND THE VENDORS. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE EQUIPMENT, OR WARRANTY OR REPRESENTATION WITH RESPECT THERETO. In no event shall Lessor be liable for an incidental, indirect, special or consequential damage in connection with or arising out of this Agreement or the existence, furnishing, functioning or Lessee's use of any item or products or service provided for in this Agreement.

Section 8.02. Vendor's Warranties. Lessor hereby irrevocably appoints Lessee its agent and attorney-in-fact during the Lease Term, so long as Lessee shall not be in default hereunder, to assert from time to time whatever claims and rights, including warranties of the Equipment, which Lessor may have against the Vendor of the Equipment. Lessee's sole remedy for the breach of such warranty, indemnification or representation shall be against the Vendor of the Equipment, and not against Lessor, nor shall such matter have any effect, whatsoever on the rights and obligations of Lessor with respect to this Agreement, including the right to receive full and timely payments hereunder. Lessee expressly acknowledges that Lessor makes, and has made no representation or warranties whatsoever as to the existence or availability of such warranties of the Vendor of the Equipment.

Section 8.03. Use of the Equipment. Lessee will not install, use, operate or maintain the Equipment improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Agreement. Lessee shall provide all permits and licenses, if any, necessary for the installation and operation of the Equipment. In addition, Lessee agrees to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each item of the Equipment) with all laws of the jurisdictions in which its operations involving any item of Equipment may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the items of the Equipment; provided, however, that Lessee may contest in good faith the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of Lessor, adversely affect the title of Lessor in and to any of the items of the Equipment or its interest or rights under this Agreement.

Section 8.04. Essential Nature of the Equipment. Lessee confirms and affirms that the Equipment is essential to the function of Lessee and the services provided to its citizens, that there is an immediate need for the Equipment which is not temporary or expected to diminish in the foreseeable future, and that Lessee will use substantially all the Equipment for the purpose of performing one or more governmental or proprietary functions consistent with the permissible scope of its authority.

ARTICLE IX. ASSIGNMENT, SUBLEASING, INDEMNIFICATION, MORTGAGING AND SELLING

Section 9.01. Assignment by Lessor. Lessor's interest in, to, and under this Agreement; any Lease and the Equipment may be assigned and reassigned in whole or in part to one or more assignees by Lessor at any time subsequent to its execution. Lessee hereby agrees to maintain a written record of each such assignment in form necessary to comply with Section 149(a) of the Code. No such assignment shall be binding on Lessee until it has received written notice from Lessor of the assignment disclosing the name and address of the assignee. Lessee agrees to execute all documents, including chattel mortgages or financing statements that may be reasonably requested by Lessor or any assignee to protect its interests in the Equipment and in this Agreement. Lessee shall not have the right to and shall not assert against any assignee any claim, counterclaim, defense, set-off or other right Lessee may from time to time have against Lessor.

Section 9.02. Assignment and Subleasing by Lessee. None of Lessee's interest in, to and under this Agreement and in the Equipment may be sold, assigned, subleased, pledged or otherwise encumbered by Lessee without the prior written consent of Lessor.

Section 9.03. Release and Indemnification Covenants. To the extent permitted by law, Lessee shall indemnify, protect, hold harmless, save and keep harmless Lessor from and against any and all liabilities, obligations, losses, claims and damages whatsoever, regardless of cause thereof, and all expenses in connection therewith (including, without limitation, counsel fees and expenses, penalties connected therewith imposed on interest received) arising out of or as (a) result of the entering into of this Agreement, (b) the ownership of any item of the Equipment, (c) the manufacture, ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any item of the Equipment, (d) or any accident in connection with the operation, use, condition, possession, storage or return of any item of the Equipment resulting in damage to property or injury to or death to any person, and/or (e) the breach of any covenant herein or any material misrepresentation contained herein. The indemnification arising under this paragraph shall continue in full force and effect notwithstanding the full payment of all obligations under this Agreement or the termination of the Lease Term for any reason.

ARTICLE X. EVENTS OF DEFAULT AND REMEDIES

Section 10.01. Events of Default Defined. Subject to the provisions of **Section 4.05**, any of the following events shall constitute an "Event of Default" under any Lease:

- (a) Failure by Lessee to pay any Rental Payment or other payment required to be paid under that Lease at the time specified in that Lease;
- (b) Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed under that Lease, other than as referred to in subparagraph (a) above, for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; provided that, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected;
- (c) Any statement, representation or warranty made by Lessee in or pursuant to that Lease or its execution, delivery or performance shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made;
- (d) Any provision of that Lease shall at any time for any reason cease to be valid and binding on Lessee, or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by Lessee or any governmental agency or authority if the loss of such provision would materially adversely affect the rights or security of Lessor, or Lessee shall deny that it has any further liability or obligation under that Lease.
- (e) Lessee shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of Lessee, or of all or a substantial part of the assets of Lessee, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) have an order for relief entered against it under applicable federal bankruptcy law, or (v) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against Lessee in any bankruptcy, reorganization or insolvency proceeding; or
- (f) An order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator of Lessee or of all or a substantial part of the assets of Lessee, in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of 30 consecutive days.

Section 10.02. Remedies on Default. Whenever any Event of Default under any Lease exists, Lessor shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps:

- (a) By written notice to Lessee, declare all Rental Payments and other amounts payable by Lessee under that Lease to the end of the then current Original Term or Renewal Term to be due;
- (b) With or without terminating that Lease, Lessor may, upon 5 days written notice to Lessee, enter the premises where any Equipment that is subject to that Lease is located and retake possession of that Equipment or require Lessee at Lessee's expense to promptly return any or all of the Equipment to the possession of Lessor at such place within the United States as Lessor shall specify, and sell or lease the Equipment or, for the account of Lessee, sublease the Equipment, continuing to hold Lessee liable for the difference between (i) the Rental Payments and other amounts payable by Lessee under that Lease plus the then-applicable Purchase Option Price for that Equipment and (ii) the net proceeds of any such sale, leasing or subleasing (after deducting all expenses of Lessor in exercising its remedies under this Agreement, including without limitation all expenses of taking possession, storing, reconditioning and selling or leasing the Equipment and all brokerage, auctioneers' and attorneys' fees) provided that the amount of Lessee's liability under this subparagraph (b) shall not exceed the Rental Payments and other amounts otherwise due under that Lease plus the remaining Rental Payments and other amounts payable by Lessee under that Lease to the end of the then current Original Term or Renewal Term; and
- (c) Lessor may take whatever action at law or in equity may appear necessary or desirable to enforce its rights under that Lease or as the owner of any or all of the Equipment that is subject to that Lease.

In addition, whenever an Event of Default exists with respect to any Rental Payment required by a particular Schedule or with respect to any other payment, covenant, condition, agreement, statement, representation or warranty set forth in that Schedule or applicable to that Schedule or the Equipment listed therein, Lessor shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps:

- (d) By written notice to Lessee, Lessor may declare all Rental Payments payable by Lessee pursuant to that Schedule and other amounts payable by Lessee under this Agreement to the end of the then current Original Term or Renewal Term to be due;
- (e) With or without terminating that Schedule, Lessor may, upon 5 days written notice to Lessee, enter the premises where the Equipment listed in that Schedule is located and retake possession of that Equipment or require Lessee at Lessee's expense to promptly return any or all of that Equipment to the possession of Lessor at such place within the United States as Lessor shall specify, and sell or lease that Equipment or, for the account of Lessee, sublease that Equipment, continuing to hold Lessee liable for the difference between (i) the Rental Payments payable by Lessee pursuant to that Schedule and other amounts related to that Schedule or the Equipment listed therein that are payable by Lessee hereunder plus the then applicable Purchase Option Price for that Equipment, and (ii) the net proceeds of any such sale, leasing or subleasing (after deducting all expenses of Lessor in exercising its remedies under this Agreement, including without limitation all expenses of taking possession, storing, reconditioning and selling or leasing such Equipment and all brokerage, auctioneers' and attorneys' fees) provided that the amount of Lessee's liability under this subparagraph (e) shall not exceed the Rental Payments and other amounts otherwise due under that Schedule plus the remaining Rental Payments and other amounts payable by Lessee under that Schedule to the end of the then current Original Term or Renewal Term; and
- (f) Lessor may take whatever action at law or in equity may appear necessary or desirable to enforce its rights under that Schedule, this Agreement with respect to that Schedule and the Equipment listed therein.

In addition to the remedies specified above, Lessor may charge interest on all amounts due to it at the rate of 10% per annum or the maximum amount permitted by law, whichever is less. The exercise of any such remedies respecting any such Event of Default shall not relieve Lessee of any other liabilities under any other Schedules, this Agreement related to any other Schedule or the Equipment listed therein.

Section 10.03. No Remedy Exclusive. No remedy conferred upon or reserved to Lessor by this Article is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this lease. 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 by Lessor or its assignee.

Section 10.04. Agreement to Pay Attorneys' Fees and Expenses. If Lessee should default under any of the provisions hereof and Lessor should employ attorneys or incur other expenses for the collection of moneys or for the enforcement of performance or observance of any obligation or agreement on the part of Lessee contained in this Agreement, Lessee agrees, to the extent it is permitted by law to do so, that it will, if assessed by a court of competent jurisdiction, pay to Lessor the reasonable fees of those attorneys and other reasonable expenses so incurred by Lessor.

Section 10.05. Application of Moneys. Any net proceeds from the exercise of any remedy hereunder (after deducting all expenses of Lessor in exercising such remedies including without limitation all expenses of taking possession, storing, reconditioning and selling or leasing Equipment and all brokerage, auctioneer's or attorney's fees) shall be applied as follows:

- (a) If such remedy is exercised solely with respect to a single Schedule, Equipment listed in that Schedule or rights under the Agreement related to that Schedule, then to amounts due pursuant to that Schedule and other amounts related to that Schedule or that Equipment.
- (b) If such remedy is exercised with respect to more than one Schedule, Equipment listed in more than one Schedule or rights under the Agreement related to more than one Schedule, then to amounts due pursuant to those Schedules pro rata.

ARTICLE XI. MISCELLANEOUS

Section 11.01. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties at their respective places of business.

Section 11.02. Binding Effect; Entire Agreement; Amendments and Modifications. This Agreement shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns. The terms of this Agreement shall not be waived, altered, modified, supplemented or amended in any manner whatsoever except by written instrument signed by the Lessor and the Lessee; nor shall any such amendment that affects the rights of Lessor's assignee be effective without such assignee's consent. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.03. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

Section 11.04. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.05. Amendments, Changes and Modifications. This Agreement may be amended, added to, changed or modified by written agreement duly executed by Lessor and Lessee.

Section 11.06. Execution in Counterparts; Chattel Paper. This Agreement, including in writing each Schedule, may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument; except (1) to the extent that various Schedules and this Agreement as it relates thereto constitutes separate Leases as provided in this Agreement and (2) that Lessor's interest in, to and under any Schedule and the Agreement as it relates to that Schedule, and the Equipment listed in that Schedule may be sold or pledged only by delivering possession of the original counterpart of that Schedule marked "Counterpart No. 1," which Counterpart No. 1 shall constitute chattel paper for purposes of the Uniform Commercial Code.

Section 11.07. Usury. The parties hereto agree that the charges in this Agreement and any Lease shall not be a violation of usury or other law. Any such excess charge shall be applied in such order as to conform this Agreement and such Lease to such applicable law.

Section 11.08. Jury Trial Waiver. To the extent permitted by law, lessee agrees to waive its right to a trial by jury.

Section 11.09. Facsimile Documentation. Lessee agrees that a facsimile copy of this Agreement or any Lease with facsimile signatures may be treated as an original and will be admissible as evidence of this Agreement or such Lease.

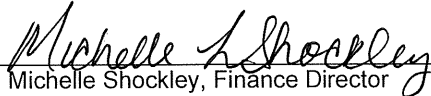
Section 11.10. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

Lessor and Lessee have caused this Agreement to be executed in their names by their duly authorized representatives listed below.

Lease No. GRANC2024-08PB

LESSEE:

Town of Granite Quarry


Michelle Shockley, Finance Director

LESSOR:

Community First National Bank

Blake Kaus, VP

EXHIBIT A

SCHEDULE OF EQUIPMENT NO. 01, Dated 8/1/2024

Counterpart No. 1,

LESSOR'S INTEREST IN, TO AND UNDER THIS SCHEDULE AND THE AGREEMENT AS IT RELATES TO THIS SCHEDULE MAY BE SOLD OR PLEDGED ONLY BY DELIVERING POSSESSION OF COUNTERPART NO. 1 OF THIS SCHEDULE, WHICH COUNTERPART NO. 1 SHALL CONSTITUTE CHATTEL PAPER FOR PURPOSES OF THE UNIFORM COMMERCIAL CODE.

Re: Master Equipment Lease Purchase Agreement, dated as of 8/1/2024, between Community First National Bank, as Lessor, and Town of Granite Quarry, as Lessee.

1. **Defined Terms.** All terms used herein have the meanings ascribed to them in the above referenced Master Equipment Lease Purchase Agreement (the "Master Equipment Lease").
2. **Equipment.** The Equipment included under this Schedule of Equipment is comprised of the items described in the Equipment Description attached hereto as **Attachment 1**, together with all replacements, substitutions, repairs, restorations, modifications, attachments, accessions, additions and improvements thereof or thereto.
3. **Payment Schedule.** The Rental Payments and Purchase Option Prices under this Schedule of Equipment are set forth in the Payment Schedule attached as **Attachment 2** hereto.
4. **Representations, Warranties and Covenants.** Lessee hereby represents, warrants, and covenants that its representations, warranties and covenants set forth in the Agreement are true and correct as though made on the date of commencement of Rental Payments on this Schedule.
5. **The Master Equipment Lease.** This Schedule is hereby made as part of the Master Equipment Lease and Lessor and Lessee hereby ratify and confirm the Master Equipment Lease. The terms and provisions of the Master Equipment Lease (other than to the extent that they relate solely to other Schedules or Equipment listed on other Schedules) are hereby incorporated by reference and made a part hereof.

Lease Number: GRANC2024-08PB

LESSEE:

Town of Granite Quarry


Michelle Shockley, Finance Director

LESSOR:

Community First National Bank

Blake Kaus, VP

ATTACHMENT 1
EQUIPMENT DESCRIPTION

RE: Schedule of Equipment No. 01, dated 8/1/2024, to Master Equipment Lease Purchase Agreement, dated as of 8/1/2024, between Community First National Bank, as Lessor, and Town of Granite Quarry, as Lessee.

Lease Number: GRANC2024-08PB

One (1) New Pierce Enforcer Pumper Truck

With a total acquisition cost of \$1,232,098.00; together with all additions, accessions and replacements thereto. Lessee hereby certifies the description of the personal property set forth above constitutes an accurate description of the "Equipment", as defined in the attached Master Equipment Lease Purchase Agreement and the Equipment is located on the premise of the Lessee unless otherwise noted by the Lessee.

Physical location where equipment will be stored after delivery: 143 N. Salisbury Ave. Granite Quarry, NC
28146

LESSEE:

Town of Granite Quarry

Michelle L Shockley
Michelle Shockley, Finance Director

ATTACHMENT 2 PAYMENT SCHEDULE

RE: Schedule of Equipment No. 01, dated 8/1/2024, to Master Equipment Lease Purchase Agreement, dated as of 8/1/2024, between Community First National Bank, as Lessor, and Town of Granite Quarry, as Lessee.

Lease Number: GRANC2024-08PB

Amount Financed: \$932,098.00

AMORTIZATION SCHEDULE

Payment Number	Payment Date	Payment Amount	Interest Portion	Principal Portion	Purchase Option Price
1	8/1/2025	\$123,093.21	\$50,374.72	\$72,718.49	Not Available
2	8/1/2026	\$123,093.21	\$46,444.69	\$76,648.52	Not Available
3	8/1/2027	\$123,093.21	\$42,302.26	\$80,790.95	\$719,137.57
4	8/1/2028	\$123,093.21	\$37,935.96	\$85,157.25	\$631,893.97
5	8/1/2029	\$123,093.21	\$33,333.68	\$89,759.53	\$539,935.33
6	8/1/2030	\$123,093.21	\$28,482.68	\$94,610.53	\$443,006.84
7	8/1/2031	\$123,093.21	\$23,369.51	\$99,723.70	\$340,839.91
8	8/1/2032	\$123,093.21	\$17,979.99	\$105,113.22	\$233,151.42
9	8/1/2033	\$123,093.21	\$12,299.21	\$110,794.00	\$119,642.96
10	8/1/2034	\$123,093.21	\$6,311.40	\$116,781.81	\$0.00
Grand Totals		\$1,230,932.10	\$298,834.10	\$932,098.00	

LESSEE:

Town of Granite Quarry



Michelle Shockley, Finance Director

EXHIBIT B

LESSEE RESOLUTION

Re: Schedule of Equipment No. 01, dated 8/1/2024, to Master Equipment Lease Purchase Agreement, dated as of 8/1/2024, between Community First National Bank, as Lessor, and Town of Granite Quarry, as Lessee.

I, the undersigned, the duly appointed, qualified and acting **Town Clerk** of the above captioned Lessee do hereby certify this date August 8, 2024, as follows:

- (1) Lessee did, at a meeting of the governing body of the Lessee held on 8/8/2024, by motion duly made, seconded and carried, in accordance with all requirements of law, approve and authorize the execution and delivery of the above referenced Schedule of Equipment No. 01 (the "Schedule") on its behalf by the following named representative of the Lessee, to witness:

Michelle Shockley
Authorized Signer: Michelle Shockley, Finance Director

- (2) The above named representative of the Lessee held at the time of such authorization and holds at the present time the office set forth above.
- (3) The meeting of the governing body of the Lessee at which the Schedule was approved and authorized to be executed was duly called, regularly convened and attended throughout by the requisite majority of the members thereof or by other appropriate official approval and that the action approving the Schedule and authorizing the execution thereof has not been altered or rescinded.
- (4) No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default (as such term is defined in the above referenced Master Equipment Lease Purchase Agreement) exists at the date hereof.
- (5) All insurance required in accordance with the above referenced Master Equipment Lease Purchase Agreement is currently maintained by the Lessee.
- (6) Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current budget year to make the Rental Payments scheduled to come due during the Original Term and to meet its other obligations for the Original Term (as such terms are defined in the above referenced Master Equipment Lease Purchase Agreement) and such funds have not been expended for other purposes.
- (7) The fiscal year of Lessee is from July 1 to June 30.

The signatures below from the designated individuals from the Governing Body of the Lessee evidence the adoption by the Governing Body of this resolution.

Town of Granite Quarry

Attested By: Brittany H. Barnhardt
Brittany H. Barnhardt, Mayor

Certified By: Aubrey Smith
Aubrey Smith, Town Clerk



MORETZ LAW GROUP

BUSINESS LAW | COMMERCIAL REAL ESTATE
COMMUNITY ASSOCIATION LAW

Sender's email address: zac@moretzlaw.com

August 8, 2024

Community First National Bank
215 S. Seth Child Road
Manhattan, KS 66502

Re: Town of Granite Quarry, Lessee

Ladies and Gentlemen:

As legal counsel to Town of Granite Quarry (the "Lessee"), I have examined (a) an executed counterpart of a certain Master Equipment Lease Purchase Agreement, dated as of 8/1/2024, and Exhibits thereto by and between Community First National Bank (the "Lessor") and Lessee, Schedule of Equipment No. 01, dated 8/1/2024, (collectively, the "Agreement") by and between Lessor and Lessee, which, among other things, provides for the lease with option to purchase by the Lessee of certain property listed in the Schedule (the "Equipment"); (b) an executed counterpart of the ordinances or resolutions of Lessee which, among other things, authorizes Lessee to execute the Agreement and (c) such other opinions, documents and matters of law as I have deemed necessary in connection with the following opinions.

Based on the foregoing, I am of the following opinions:

- (1) Lessee's true and correct name is Town of Granite Quarry.
- (2) Lessee is a public body corporate and politic, duly organized and existing under the laws of the State, and has a substantial amount of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, and (c) police power;
- (3) Lessee has the requisite power and authority to lease the Equipment with an option to purchase and to execute and deliver the Agreement and to perform its obligations under the Agreement;
- (4) The Agreement and the other documents either attached thereto or required therein have been duly authorized, approved and executed by and on behalf of Lessee and the Agreement and other documents either attached thereto or required therein are the valid and binding obligations of Lessee enforceable in accordance with their terms;
- (5) The authorization, approval and execution of the Agreement and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all open meeting laws, public bidding laws and all other applicable state or federal laws; and
- (6) There is no proceeding pending or threatened in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would adversely affect the transactions contemplated by the Agreement or the security interest of Lessor or its assigns, as the case may be, in the Equipment.
- (7) The signatures of the officers which appear on the Agreement are true and genuine; I know said officers and know them to hold the offices set forth below their names.



Zachary M. Moretz has been a Board-Certified Specialist in
Commercial Real Estate Law by the North Carolina State Bar since 2005

Post Office Box 446
Concord, North Carolina 28026
704.721.3500
704.721.3555 fax
WWW.MORETZLAW.COM

- (8) No further approval, consent or withholding of objection is required from any federal, state or local governmental authority with respect to the entering into or performance by the Lessee of the Lease and the transaction contemplated thereby.
- (9) The Equipment leased pursuant to the Agreement constitutes personal property and when subjected to use by Lessee will not be or become fixtures under applicable law.
- (10) The Lessee is a political subdivision within the meaning of Section 103 of the Internal Revenue Code of 1986 as amended and the related regulations and rulings.
- (11) The leasing of the Equipment pursuant to the Agreement is exempt from all sales and use taxes against either the Lessor or the Lessee during the term of the Lease pursuant to the Agreement and the Equipment will be exempt from all state and local personal property or other ad valorem taxes.

All capitalized terms herein shall have the same meanings as in the foregoing Agreement unless otherwise provided herein. Lessor, its successors and assigns, and any counsel rendering an opinion on the tax-exempt status of the interest components of the Rental Payments are entitled to rely on this opinion.

The opinions set forth herein are limited to matters expressly stated herein, and no opinion may be inferred or implied beyond the matters expressly stated. The opinions set forth herein are rendered as of the date set forth above, and we have no obligation to update or supplement such opinions to reflect any facts which may hereafter come to our attention or any changes in law which may hereafter occur. The opinions set forth herein do not represent a guarantee of any particular facts, circumstances or results.

Thank you for the opportunity to assist with this transaction.

Yours,

MORETZ LAW GROUP, PA



Zachary M. Moretz

EXHIBIT D

ACCEPTANCE CERTIFICATE

Community First National Bank
215 S. Seth Child Road
Manhattan, KS 66502

Ladies and Gentlemen,

RE: Schedule of Equipment No. 01, dated 8/1/2024, to Master Equipment Lease Purchase Agreement, dated as of 8/1/2024, between Community First National Bank, as Lessor, and Town of Granite Quarry, as Lessee.

In accordance with the Master Equipment Lease Purchase Agreement (the "Agreement"), the undersigned Lessee hereby certifies and represents to, and agrees with Lessor as follows:

- (1) All of the Equipment (as such term is defined in the Agreement) listed in the above referenced Schedule of Equipment (the "Schedule") has been delivered, installed and accepted on the date hereof.
- (2) Lessee has conducted such inspection and/or testing of the Equipment listed in the Schedule as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.
- (3) Lessee is currently maintaining the insurance coverage required by **Section 6.05** of the Agreement.
- (4) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default (as defined in the Agreement) exists at the date hereof.
- (5) Lessee has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay all Rental Payments required to be paid under the Agreement during the current Budget Year of Lessee, and such moneys will be applied in payment of all Rental Payments due and payable during such current Budget Year.
- (6) The governing body of Lessee has approved the authorization, execution and delivery of this Agreement on its behalf by the authorized representative of Lessee who signed the Agreement.
- (7) The Lessee will in a timely fashion submit the appropriate paperwork to the State to have a title to the Equipment issued in their name as owner and Lessor listed as first lienholder. Such verification of perfected ownership and security interest will be provided to Lessor no later than 90 days from delivery of the Equipment.

LESSEE:

Town of Granite Quarry

Michelle Shockley, Finance Director

Date

** Delivery will not be immediate*

**If delivery is not immediate, keep until final delivery.*

TITLE REGISTRATION & SECURITY INTEREST CERTIFICATION

RE: Schedule of Equipment No. 01, dated 8/1/2024, to Master Equipment Lease Purchase Agreement, dated as of 8/1/2024, between Community First National Bank, as Lessor, and Town of Granite Quarry, as Lessee.

Lease Number: GRANC2024-08PB

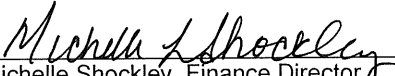
One (1) New Pierce Enforcer Pumper Truck

In accordance with the Agreement, the undersigned Lessee hereby certifies and represents to, and agrees with Lessor as follows:

1. The Agreement requires the completion of the ownership transfer and perfection of the lienholder process. This process is completed through submission of the documents to the State for a title to be issued in the name of the Lessee.
2. The Lessee will in a timely fashion submit the appropriate paperwork to the State to have a title to the Equipment issued in their name as owner and Lessor listed as first lienholder. Such verification of perfected ownership and security interest will be provided to Lessor no later than 90 days from delivery of the Equipment.

LESSEE:

Town of Granite Quarry


Michelle Shockley, Finance Director

BANK QUALIFIED CERTIFICATE

RE: Schedule of Equipment No. 01, dated 8/1/2024, to Master Equipment Lease Purchase Agreement, dated as of 8/1/2024, between Community First National Bank, as Lessor, and Town of Granite Quarry, as Lessee.

Whereas, Lessee hereby represents it is a "Bank Qualified" Issuer for the calendar year in which the above referenced Schedule is executed by making the following designations with respect to Section 265 of the Internal Revenue Code. (A "Bank Qualified Issuer" is an issuer that issues less than \$10,000,000 dollars of tax-exempt obligations during the calendar year).

Now, therefor, Lessee hereby designates the above referenced Schedule as follows:

1. **Designation as Qualified Tax-Exempt Obligation.** Pursuant to Section 265(b)(3)(B)(i) of the Internal Revenue Code of 1986 as amended (the "Code"), the Lessee hereby specifically designates the above referenced Schedule as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code. In compliance with Section 265(b)(3)(D) of the Code, the Lessee hereby represents that the Lessee will not designate more than \$10,000,000 of obligations issued by the Lessee in the calendar year during which the above referenced Schedule is executed and delivered as such "qualified tax-exempt obligations".
2. **Issuance Limitation.** In compliance with the requirements of Section 265(b)(3)(C) of the Code, the Lessee hereby represents that the Lessee (including all subordinate entities of the Lessee within the meaning of Section 265(b)(3)(E) of the Code) reasonably anticipates not to issue in the calendar year during which the above referenced Schedule is executed and delivered, obligations bearing interest exempt from federal income taxation under Section 103 of the Code (other than "private activity bonds" as defined in Section 141 of the Code) in an amount greater than \$10,000,000.

LESSEE:

Town of Granite Quarry


Michelle Shockley, Finance Director

INSURANCE COVERAGE REQUIREMENTS

Lessee: Town of Granite Quarry

Please mark one of the following:

() Pursuant to Section 6.05 of the Agreement, you have agreed to provide us evidence of insurance covering the property in the Agreement. A Certificate of Insurance naming all insured parties and coverage must be provided to us as soon as possible, but no later than the date on which delivery of equipment occurs.

() Pursuant to Section 6.05 of the Agreement, we are self-insured for all risk, physical damage, and public liability and will provide proof of such self-insurance in letter form, together with a copy of the statute authorizing this form of insurance. Coverage must be provided to us as soon as possible, but no later than the date on which delivery of equipment occurs.

Equipment to be insured: **One (1) New Pierce Enforcer Pumper Truck VIN#:**

Policy should be issued and mailed to: Community First National Bank and/or Its Assigns
215 S. Seth Child Road
Manhattan, KS 66502

INSURANCE REQUIREMENTS:

1. LIABILITY

- ✓ \$1,000,000.00 Aggregate Bodily Injury
- ✓ \$1,000,000.00 Combined Single Limit per Occurrence
- ✓ Community First National Bank and/or Its Assigns MUST be listed as **Additional Insured**.

2. PHYSICAL DAMAGE

- ✓ All risk coverage to guarantee proceeds sufficient to cover the replacement cost of the equipment.
- ✓ Community First National Bank and/or Its Assigns MUST be listed as **Loss Payee**.

3. ENDORSEMENT

- ✓ Lessor will receive at least thirty (30) days written notice from Insurer prior to alteration, cancellation or reduction of insurance coverage.

4. VERBIAGE TO INCLUDE IN DESCRIPTION

- ✓ One (1) New Pierce Enforcer Pumper Truck VIN# as outlined on Lease# GRANC2024-08PB
- ✓ Replacement Value (GRC, ACV, etc.)
- ✓ Comprehensive and Collision Deductibles

**THE CERTIFICATE SHOULD BE
EMAILED TO cindyturner@clpusa.net OR FAXED TO: 888.777.7875**

Insurance Company Name: <u>Interlocal Risk Financing Fund of North Carolina Property and Liability Fund</u>		
Agents Name: <u>North Carolina League of Municipalities</u>		
Address: <u>PO Box 751574</u>		
City: <u>Charlotte</u>	State: <u>NC</u>	Zip: <u>28275 - 1574</u>
Phone: <u>800 228 0986</u>	Email: <u>padams@NCLM.org</u>	

LESSEE:

Town of Granite Quarry


Michelle Shockley, Finance Director

INVOICE INSTRUCTIONS

RE: Schedule of Equipment No. 01, dated 8/1/2024, to Master Equipment Lease Purchase Agreement, dated as of 8/1/2024, between Community First National Bank, as Lessor, and Town of Granite Quarry, as Lessee.

Lease Number: GRANC2024-08PB

Equipment Description: One (1) New Pierce Enforcer Pumper Truck

Please provide contact information for billing and invoicing purposes.

Person/Department: Shelly Shockley - Finance Director
P.O. Box/Street: PO Box 351
City, State, Zip: Granite Quarry, NC 28072
Telephone Number: (704) 279-5596 ext. 214
Email Address: finance@granitequarrync.gov

NOTICE OF ASSIGNMENT

July 31, 2024

Town of Granite Quarry
PO Box 351
143 North Salisbury Avenue
Granite Quarry, NC 28072

RE: Schedule of Equipment No. 01, dated 8/1/2024, to Master Equipment Lease Purchase Agreement, dated as of 8/1/2024, between Community First National Bank, as Lessor, and Town of Granite Quarry, as Lessee.

Please be advised that Community First National Bank has assigned all its right, title and interest in, to and under the above referenced Master Equipment Lease Purchase Agreement (the "Agreement"), the Equipment leased thereunder and the right to receive Rental Payments thereunder to the following assignee:

Community First National Bank will be the servicing this lease and all Rental Payments and payment of the Purchase Option Price due under the Agreement will be made to:

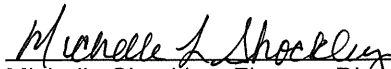
**Community First National Bank
215 S. Seth Child Road
Manhattan, KS 66502**

Community First National Bank

Blake Kaus, VP

ACKNOWLEDGED AND ACCEPTED:

Town of Granite Quarry



Michelle Shockley, Finance Director

*Lessor may at a future date desire to assign this lease agreement. At this time, a specific Assignee is undetermined. At such time Lessor determines a need to assign this lease; Lessee will be provided with a completed copy of this page for their records and be made aware of any changes in where to send the rental payments going forward. This assignment option is outlined in Article IX of the Master Equipment Lease Purchase Agreement.

Information Return for Tax-Exempt Governmental Bonds

► Under Internal Revenue Code section 149(e)

► See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

► Go to www.irs.gov/F8038G for instructions and the latest information.

OMB No. 1545-0047

Part I Reporting AuthorityCheck box if **Amended Return** ► ☐

1 Issuer's name Town of Granite Quarry		2 Issuer's employer identification number (EIN) 56-0814166
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address) PO Box 351	Room/suite	5 Report number (For IRS Use Only) 3
6 City, town, or post office, state, and ZIP code Granite Quarry, NC 28072		7 Date of issue 8/1/2024
8 Name of issue MASTER EQUIPMENT LEASE PURCHASE AGREEMENT		9 CUSIP number
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information Shelly Shockley		10b Telephone number of officer or other employee shown on 10a 704 279 5596

Part II Type of Issue (Enter the issue price.) See the instructions and attach schedule.

11 Education	11	
12 Health and hospital	12	
13 Transportation	13	
14 Public safety	14	932098.00
15 Environment (including sewage bonds)	15	
16 Housing	16	
17 Utilities	17	
18 Other. Describe ►	18	
19a If bonds are TANs or RANs, check only box 19a ► <input type="checkbox"/>		
b If bonds are BANs, check only box 19b ► <input type="checkbox"/>		
20 If bonds are in the form of a lease or installment sale, check box ► <input type="checkbox"/>		

Part III Description of Bonds. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	08/01/2034	\$ 932098	\$ N/A	10 years	5.404 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22 Proceeds used for accrued interest	22	
23 Issue price of entire issue (enter amount from line 21, column (b))	23	
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	
25 Proceeds used for credit enhancement	25	
26 Proceeds allocated to reasonably required reserve or replacement fund	26	
27 Proceeds used to refund prior tax-exempt bonds. Complete Part V	27	
28 Proceeds used to refund prior taxable bonds. Complete Part V	28	
29 Total (add lines 24 through 28)	29	
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31 Enter the remaining weighted average maturity of the tax-exempt bonds to be refunded	►	_____ years
32 Enter the remaining weighted average maturity of the taxable bonds to be refunded	►	_____ years
33 Enter the last date on which the refunded tax-exempt bonds will be called (MM/DD/YYYY)	►	_____
34 Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)		

Part VI Miscellaneous

- 35** Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) **35**
- 36a** Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC). See instructions **36a**
- b** Enter the final maturity date of the GIC ► (MM/DD/YYYY) _____
- c** Enter the name of the GIC provider ► _____
- 37** Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units **37**
- 38a** If this issue is a loan made from the proceeds of another tax-exempt issue, check box ► ☐ and enter the following information:
- b** Enter the date of the master pool bond ► (MM/DD/YYYY) _____
- c** Enter the EIN of the issuer of the master pool bond ► _____
- d** Enter the name of the issuer of the master pool bond ► _____
- 39** If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ► ☒
- 40** If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ► ☐
- 41a** If the issuer has identified a hedge, check here ► ☐ and enter the following information:
- b** Name of hedge provider ► _____
- c** Type of hedge ► _____
- d** Term of hedge ► _____
- 42** If the issuer has superintegrated the hedge, check box ► ☐
- 43** If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ► ☐
- 44** If the issuer has established written procedures to monitor the requirements of section 148, check box ► ☐
- 45a** If some portion of the proceeds was used to reimburse expenditures, check here ► ☐ and enter the amount of reimbursement ► _____
- b** Enter the date the official intent was adopted ► (MM/DD/YYYY) _____

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

► Michelle Shockley
Signature of issuer's authorized representative

8/9/24
Date

► Michelle Shockley, Finance Director
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ►	Firm's EIN ►			
Firm's address ►	Phone no.			

Documentation Instructions

◇ MASTER EQUIPMENT LEASE PURCHASE AGREEMENT

- ☐ Michelle Shockley - sign where indicated

◇ Exhibit A – SCHEDULE OF EQUIPMENT

- ☐ Michelle Shockley - sign where indicated

◇ Attachment 1 – EQUIPMENT DESCRIPTION

- ☐ Provide physical location where the equipment will be kept after delivery/installation

◇ Attachment 2 – PAYMENT SCHEDULE

- ☐ Michelle Shockley - sign where indicated

◇ Exhibit B – LESSEE RESOLUTION

- ☐ Print the date the Resolution is being signed
- ☐ Print the date of the meeting in which the financing was approved
- ☐ Michelle Shockley - sign as “Authorized Signer”
- ☐ Complete the lessee’s fiscal year start and end months
- ☐ Brittany H. Barnhardt - attest the Resolution as “Attested By”
- ☐ Aubrey Smith - certify the Resolution as “Certified By”

◇ Exhibit C - OPINION OF COUNSEL

- ☐ Request your legal counsel provide an Opinion of Counsel using the example provided; retyped on his/her letterhead with their signature (*If counsel would like changes, he/she must first contact CLP*)

◇ Exhibit D - ACCEPTANCE CERTIFICATE

- ☐ Michelle Shockley - sign and date where indicated

◇ TITLE REGISTRATION & SECURITY INTEREST CERTIFICATION

- ☐ Michelle Shockley - sign where indicated

◇ BANK QUALIFIED CERTIFICATE

- ☐ Michelle Shockley - sign where indicated

◇ INSURANCE COVERAGE REQUIREMENTS

- ☐ Provide Agent’s contact information
- ☐ Michelle Shockley - sign where indicated

◇ INVOICE INSTRUCTIONS

- ☐ Complete contact information for payment billing invoices

◇ NOTICE OF ASSIGNMENT

- ☐ Michelle Shockley - sign where indicated

◇ 8038 - IRS Form

- ☐ Verify employer identification number in Box 2, Complete Boxes 10a & 10b
- ☐ Michelle Shockley - sign and date where indicated under “Signature and Consent”

◇ ADDITIONAL DOCUMENTATION NEEDED PRIOR TO VENDOR PAYMENT (at delivery):

- ☐ Verification of down payment to vendor in the amount of \$140,000

Conditions to Funding

If, for any reason: (i) the required documentation is not returned by 8/15/2024, or has unresolved issues relating thereto, or (ii) on, or prior to the return of the documentation, there is a change of circumstances which adversely affects the expectations, rights or security of the Lessor or its assignees; then Lessor or its assignees reserves the right to adjust the quoted interest rate or withdraw/void its offer to fund this transaction in its entirety.

This contract is being issued based upon review of credit and financial materials provided by lessee that resulted in a credit approval decision. CLP is committed to working with the lessee on this transaction throughout the entire process. Failure to complete the lease in its entirety may result in a \$500 documentation fee being charged. This fee is for credit analysis, drafting of the contract, overnight services and expenses incurred in processing this agreement.

Proclamation

NATIONAL DAY OF SERVICE REMEMBRANCE

WHEREAS, on September 11, 2001, terrorists attacked the United States leading to the tragic death of thousands of innocent United States citizens and other citizens of 90 different countries and territories; and

WHEREAS, in response to the attacks in New York City, Washington D.C. and Shanksville, Pennsylvania, firefighters, police officers, emergency medical technicians, physicians, nurses, military personnel, other first responders, and passengers of Flight 93, immediately and without concern for their own well-being rose to service, in a heroic attempt to protect the lives of those still at risk, consequently saving thousands of men and women; and

WHEREAS, hundreds of thousands of brave men and women continue to serve every day, having answered the call to duty as members of our nation's armed forces with thousands having given their lives, or been injured to defend our nation's security and prevent future terrorist attacks; and

WHEREAS, North Carolina has been called the most military-friendly state in the nation, and its citizens continue to support our brave men and women in uniform and the veterans that came before them; and

WHEREAS, families of 9/11 victims, survivors, first responders, rescue and recovery workers, and volunteers called for Congress to pass legislation to formally authorize the establishment of September 11 as an annually recognized "National Day of Service Remembrance", and for the President of the United States to proclaim the day as such.

Now, Therefore, I, BRITTANY H. BARNHARDT, Mayor of the Town of Granite Quarry, North Carolina, do hereby proclaim September 11, 2024 as a "Day of Service and Remembrance" and urge all citizens to commit to community service on this day and on an ongoing basis.

ADOPTED this 8th day of August 2024.

ATTEST:


Aubrey Smith, Town Clerk




Brittany H. Barnhardt, Mayor