

PERSON COUNTY BOARD OF COMMISSIONERS
MEMBERS PRESENT

June 3, 2024
OTHERS PRESENT

Gordon Powell
C. Derrick Sims
Kyle W. Puryear
Charlie Palmer
Jason Thomas

Katherine M. Cathey, County Manager
Michele Solomon, Clerk to the Board
T.C. Morphis, Jr., County Attorney

The Board of Commissioners for the County of Person, North Carolina, met in regular session on Monday, June 3, 2024, at 6:00 p.m. in the Commissioners' Boardroom 215 in the Person County Office Building located at 304 S. Morgan Street, Roxboro, NC.

Chairman Powell called the meeting to order. Chairman Powell offered an invocation, and Commissioner Palmer led the group in the Pledge of Allegiance.

DISCUSSION/ADJUSTMENT/APPROVAL OF AGENDA:

A **motion** was made by Commissioner Puryear and **carried 5-0** to approve the agenda with the addition of Closed Session # 2 related to property acquisition.

PUBLIC HEARING:

CONSIDERATION OF APPROVAL OF PRIVATE ROADWAY SIMPSON FARM DRIVE TO BE ADDED TO THE DATATBASE FOR E-911 DISPATCHING

A **motion** was made by Commissioner Palmer and **carried 5-0** to open the duly advertised public hearing for Consideration of Approval of Private Roadway Simpson Farm Drive to be added to the Database for E-911 Dispatching.

GIS Director Sallie Vaughn presented. She stated that the owners of six parcels of land along an access easement are adding additional dwellings. She stated that the road will serve at least three homes, which invokes the ordinance regulating addresses and road naming in Person County and requires that the road be named. She stated that the name of Simpson Farm Drive was chosen by several of the occupants who will be living in those homes and was approved by all the people who responded to the certified mailing. She stated that the road name is compliant with all naming regulations in the ordinance and that the GIS department advertised in the paper and placed a sign out.

There were no individuals appearing before the Board to speak in favor of or in opposition to the Consideration of Approval of Private Roadway Simpson Farm Drive to be added to the Database for E-911 Dispatching.

June 3, 2024

A **motion** was made by Vice Chairman Sims and **carried 5-0** to close the public hearing for Consideration of Approval of Private Roadway Simpson Farm Drive to be added to the Database for E-911 Dispatching.

CONSIDERATION TO GRANT OR DENY CONSIDERATION OF APPROVAL OF PRIVATE ROADWAY SIMPSON FARM DRIVE TO BE ADDED TO THE DATABASE FOR E-911 DISPATCHING

A **motion** was made by Commissioner Puryear and **carried 5-0** to approve Private Roadway Simpson Farm Drive to be added to the Database for E-911 Dispatching.

**PUBLIC HEARING:
COUNTY MANAGER'S FY2024-2025 RECOMMENDED BUDGET**

A **motion** was made by Vice Chairman Sims and **carried 5-0** to open the duly advertised public hearing for comments relating to the County Manager's FY 2024-2025 Recommended Budget.

There were no individuals appearing before the Board to speak in favor of or in opposition to the County Manager's FY 2024-2025 Recommended Budget.

A **motion** was made by Commissioner Puryear and **carried 5-0** to close the public hearing for comments relating to the County Manager's FY 2024-2025 Recommended Budget.

INFORMAL COMMENTS:

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

Joseph DiBiasi of 53 Dorothy Brooks Lane, Roxboro stated that he lives adjacent to the Woodsdale property also known as Project Log. He stated that he would like to address an issue brought up at the last Commissioners' meeting. He stated that in response to one of the Commissioners stating, "that they are not a part of the cover up in regard to Woodsdale". Dibiase read the definition of a cover up. He stated that the residents of Woodsdale believe that the direction and leadership of Project Log committed several serious mistakes, and the residents are asking for the truth. He stated that he has been interviewed by the local paper and no word of the mishandling or mistakes were mentioned. He stated that several people have submitted requests for the conveyance of the project, which is public knowledge, and have not received acknowledgement of such requests. He stated from residents' perspective, the County and the Board are guilty of a cover up, and hopes that the issues are resolved, and the truth is known, not through the residents' investigation, but from County representatives.

Vonda Frantz of 98 Elderberry Lane, Rougemont stated that it is heartbreaking to see what is happening to our County, all because of a polluting source of energy, which is worse in some ways than coal. She stated that a storage facility is being built for this polluting source of energy, methane, with no respect for water quality, rare and protected species, or for the human neighbors who spoke against it. She stated that she does not want streams and water quality ruined in any part of the County, as well as protected and valuable natural areas. She stated that it is everyone's job to protect and benefit our County. She stated that it is unfortunate that the State has approved natural gas as a part of a clean energy plan. She stated that natural gas is simply another fossil fuel. She stated that these new plants are going to cost residents billions of dollars over time on their utility bills, and will be obsolete before they are finished. She stated that these fossil fuel companies are not thinking of the future, only of their profits. She stated that she was one of the 35 people who spoke against this methane storage facility, and she was not paid to be at the meeting. She stated that the Board never identified anyone who was paid; therefore, she thinks the Board owes the residents an apology for this accusation.

Andrea Childers of 270 Blackberry Lane, Rougemont stated that as a member of Down Home, she asked the Board "Why have they chosen to leave millions of dollars from the Inflation Reduction Act unclaimed?" She stated that North Carolina (NC) has received \$20B. She stated that the Board stated the reason they are allowing Dominion to poison the residents is to help the residents of this County who suffer financially. She stated that the Board has not applied for any of these grants. She stated that is hypocrisy at its finest. She stated that she was disappointed that she did not see any of the Board members on May 23, 2024, at Dominion Energy's open house. She stated while at the open house, she spoke to several representatives from Dominion. She stated that when she asked Rusty how Dominion plans to notify neighbors who had no cell phone service, he replied, "There will not be any emergencies". She stated that when she asked Brian what their plan to clean up ground water, if it was contaminated, would be, and he replied that "It would not happen". She stated that accidents happen; that is why they are called accidents and not on purpose. She stated that last week in Ohio, a methane gas explosion caused a bank to blow up, seven people were injured, and one died. She stated that at the last meeting, she shared pictures of her neighboring creek. She stated that the sediment pollution is not about the rainfall we have been receiving; it is about the pollution that occurs several days after the storm. She stated that when Dominion is skimming water off the top of the sediment ponds and releasing it, she knows that they are following their best management practices. She stated that even when they do their best, their best is not good enough. She stated that our creeks are still polluted, not a little, but a lot. She stated that the creeks and the critters that live in the creeks are being harmed. She asked, "What will be harmed next by Dominion's best actions"?

Jeff Hammer of 548 Potluck Farm Road, Rougemont asked for a moment of silence for the 480 acres of the forest that has been destroyed with all the explosions and construction trucks beeping constantly. He stated that he is here on behalf of Down Home NC, as well as No MEC. He stated that he is a farmer who lives in the sacrifice zone with his 12-year-old and all their animals. He stated that Joe Biden signed the Inflation Reduction Act, to ensure that rural places in this country that are experiencing extreme energy price hikes on a routine basis are protected, which includes NC. He urged the Board to look into this, to improve the lives in this County, and not to bow down to giant conglomerations that have absolutely no interest in protecting the environment.

Chester Downey of 1330 Chub Lake Road, Roxboro stated that he is a supervisor at Polywood. He stated that he got off work at 3:00 p.m. today and was at the Parks and Rec Department until 5:00 p.m. trying to rent a basketball gym. He stated that he was able to rent a gym for two hours of practice for one week and was charged \$270.00. He stated that we want our kids off the streets, but what else is it for them to do. He stated that he has an eleven-year-old son, who would do anything for basketball. He stated that we have got to give our kids an outlet. He stated that he was one of the protestors that was locked up from holding a gun. He stated that after that, he tried to find a better way, and the better way was through the kids. He stated he is coming before the Board to see if he can get something opened up for the kids, as it should not be that hard for him to get a gym for two hours. He stated that for the past three years, he has been trying to get a gym, and finally rented it today, and was told he could only get it for this week. He stated that he wants to do something for the kids, and he sees what it does for his son and his son's friends. He stated that his basketball team is named "I Am". He stated that when he says "I Am", he means, "We can be anything. I am Person County, I am Roxboro".

DISCUSSION/ADJUSTMENT/APPROVAL OF CONSENT AGENDA:

A **motion** was made by Chairman Powell and **carried 5-0** to approve the Consent Agenda with the following items:

- A. Approval of Minutes of May 6, 2024,**
- B. Approval of Minutes May 20, 2024.**
- C. Budget Amendment #24,**
- D. Person County JCPC Funding Recommendations for FY25,**
- ~~E. Resolution Authorizing the Person County Sheriff to Enter into Training Agreements, and~~**
- F. Resolution to Ratify the Purchase and Sale Agreement for the Human Services Building**

June 3, 2024

NEW BUSINESS:

2025 REAPPRAISAL UPDATE

Tax Administrator Russell Jones presented the following update for the 2025 reappraisal.

2025 Reappraisal

- State law requires that counties conduct a reappraisal at least every eight years. NCGS105-286.a(1)
- More frequent reappraisals keeps all property types closer to 100% of market value to ensure each property is taxed fairly.
- Personal property, such as vehicles, mobile homes and boats, is valued at 100% of market value every year.
- Public utility companies are valued at 100% of market value every year.
- But, real estate is valued at 100% of market value only in a reappraisal year.
 - *(Four year reappraisals equalize and distribute the tax burden fairly across all three types of property more frequently.)*

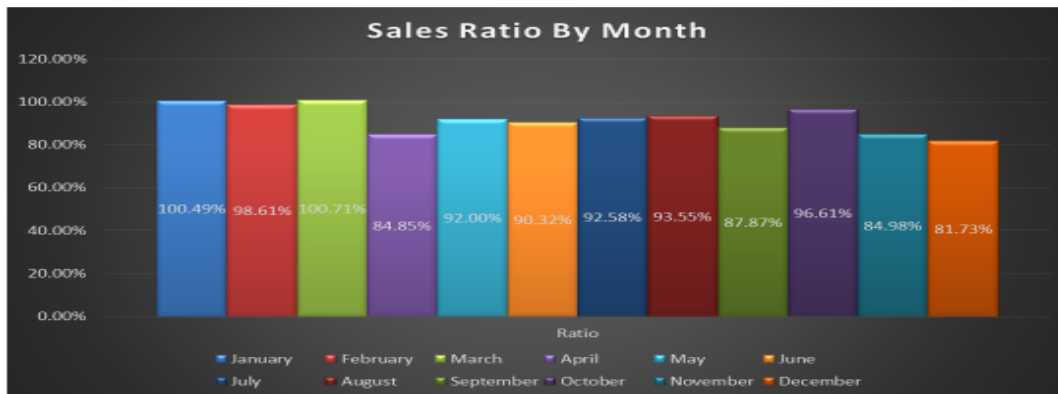
June 3, 2024

2025 Reappraisal

- State law allows counties to conduct a reappraisal more frequently than every eight years. NCGS 105-286.a(3)
- Person County has been on a more frequent cycle, except for 2013 and 2021.

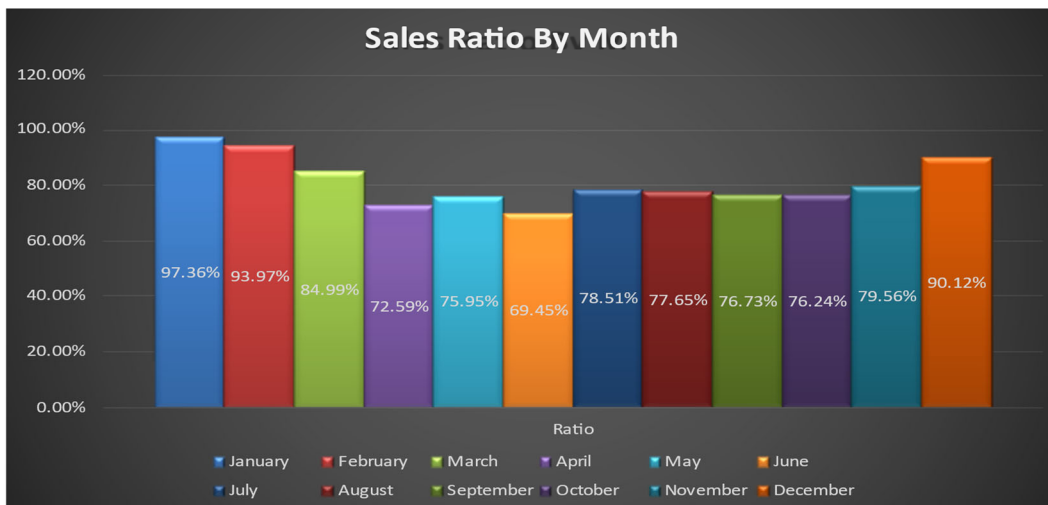
1989	1993	1997	2001
2005	2013	2021	2025

Reappraisal for 2025 Sales from Jan-Dec 2021



Russell stated for 2021, the annual sales ratio ended up at 92.71% and that January 2022 was at 81%.

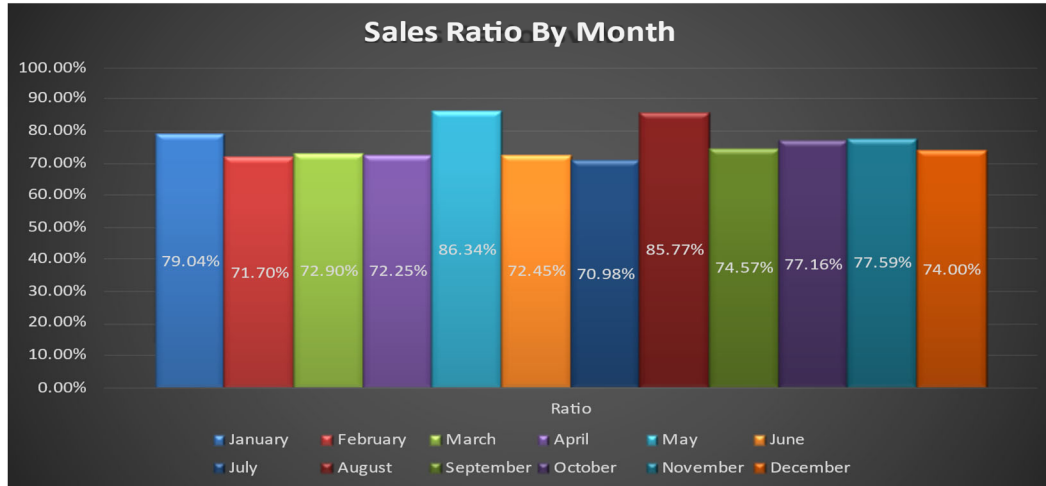
Reappraisal for 2025 Sales from Jan-Dec 2022



Russell stated that for 2022, the annual sales ratio ended up at 79.71% and that January 2023 was at 85%.

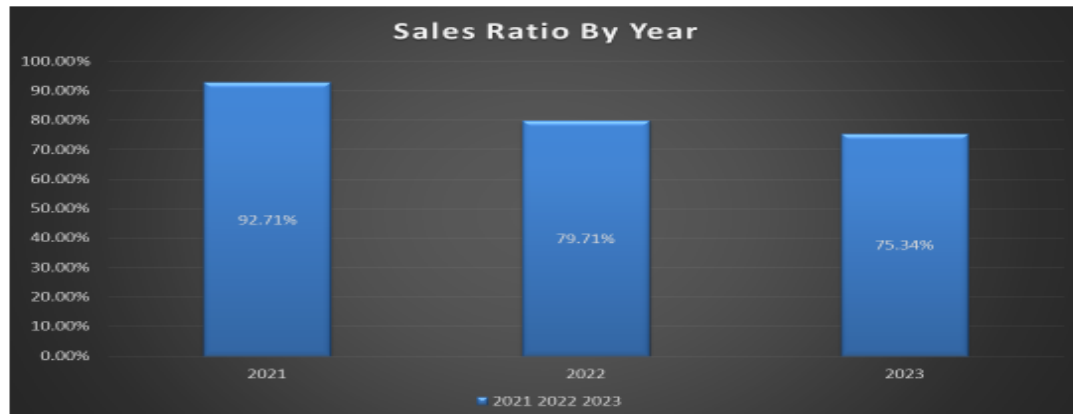
June 3, 2024

Reappraisal for 2025 Sales from Jan-Dec 2023



Russell stated that for 2023, the annual sales ratio ended up at 75.34%.

Reappraisal for 2025 Sales by year 2021-2023



June 3, 2024
8

2025 Reappraisal-why 4 years?

- It eliminates potential revenue loss from public utility companies, which are allowed to appeal their values in the 1st, 4th and 7th years following a revaluation. NCGS 105-284.
- **Without a 2025 reappraisal, the estimated revenue loss for 2025 would be \$1,990,038. (\$6,633,463 less 30%).**
- This loss would continue until a reappraisal was completed, or revisited on the 7th year (2028).
- This would amount to a tax increase of \$.036 (\$1,990,038/\$552,650).

Reappraisal-What determines value?

- When a revaluation occurs, state law requires that the County appraise all real property, “at market value”. NCGS 105-283
- Market value is the most probable price at which a property would change hands between a willing and financially able buyer and a willing seller, with neither being forced to buy or sell.
- **(Individuals who buy and sell real estate in the open market establish the market value. Market value is not set by the Person County Tax Office).**

Reappraisal-How we determine value?

- Reappraisal is performed by our selected reappraisal firm, Pearson's Appraisal Service, selected on July 17, 2023.
- Reappraisal is a two-year long process, in which a large amount of objective data is collected to determine the market value of the property.
- Staff used Pictometry photography to verify changes to improvements from aerial images, resulting in 1,600 parcel changes.
- Pearson's Appraisal Service is currently visiting all improved properties to gather photos and verify property improvement further.

Developing Schedule of Values

- Pearson's Appraisal staff analyzes all data and sales to develop a proposed Schedule of Values to be considered by Person County Board of Commissioners.
- *What is a **Schedule of Values**?*
- A set of standards and rules specifically prepared by the reappraisal staff to be considered by the Board of Commissioners for the appraising of property. These standards and rules are really a large "appraisal manual" which assures that all property will be appraised in an accurate and consistent manner.
- The Schedule of Values is created following the study of the County's current real estate market. This schedule, once approved by the County Board of Commissioners, will be used to set the new property values.

What next in the Reappraisal Process?

- August 1, 2024
Estimated completion of gathering street level photography.
- August 1-October 31, 2024
Completion of market analysis and development of Schedule of Values (SOV).
- November 6, 2024
Presentation of 2025 Schedule of Values (SOV) and call for Public Hearing.
- December 2, 2024
Public Hearing for Schedule of Values and adoption of SOV (must be adopted before December 31, 2024).

What next in the Reappraisal Process?

- January 15, 2025
Target date for mailing of new valuation notices to property owners. (Notices will give instructions on how to appeal values.)
- February 1-April 1, 2025
Informal hearings before appraisers by property owners.
- April, May and June 2025
Board of Equalization and Review hearings.
- **Property owners have 30 days from the date the Board of Equalization and Review issues its decision to appeal to the North Carolina Property Tax Commission. If still not resolved, appeals may be made to the North Carolina Court of Appeals.**

Chairman Powell asked if the reval was being done by a third party, to which Jones responded, yes. Commissioner Palmer asked Jones how many contractors are in the field, to which Jones replied, three. Commissioner Puryear asked that Jones be present for the budget work session on June 5, 2024.

No action was taken by the Board, as this was an update for the 2025 reappraisal.

June 3, 2024

HYCO LAKE AQUATIC VEGETATION GRANT TECHNICAL CORRECTION REQUEST

Presented by Assistant County Manager Brian Hart. He stated that in House Bill 259, Person County was awarded a special appropriation of \$250K in nonrecurring funds for the primary purpose of treating and removing native and noxious aquatic weeds in Hyco Lake. He stated that there have been many conversations and meetings between County staff, the Person-Caswell Lake Authority and other entities, and it has been determined that the most appropriate course of action would be to submit a legislative technical correction to have the Person-Caswell Lake Authority designated as the recipient of the funds. He stated that Person-Caswell Lake Authority has provided a letter of support indicating that they are willing to accept financial and reporting responsibilities associated with the grant.

A **motion** was made by Commissioner Puryear and **carried 5-0** to authorize the County Manager to request a Legislative Technical Correction to reallocate funding and designate Person-Caswell Lake Authority as the recipient of the \$250K grant.

MEMORANDUM OF UNDERSTANDING BETWEEN NCDHHS AND PERSON COUNTY FOR FY25-FY26

Assistant County Manager Brian Hart and DSS Director Carlton Paylor presented the following:

June 3, 2024

PERSON COUNTY SOCIAL SERVICES MOU OVERVIEW



Person County MOU

June 3, 2024

1

2017 GENERAL ASSEMBLY REQUIRES ANNUAL MOU



Person County MOU

- Enacted Ryan's law (H 630) to address child welfare inadequacies as identified in federal and state child welfare system reviews
- Requires annual written agreement to specify performance and administrative responsibilities (N.C. Gen. Stat. § 108A-74)
 - Failure to perform to MOU specifications can result in withholding of federal and state funds
 - Performance requirements set forth were to be based upon standardized metrics using reliable data
- Sets process for corrective action plans and state assumption of programs
 - Medicaid performance and county penalties set in other statutory provisions
- Requires NC-DHHS to establish seven regional offices to provide direct oversight and support of county offices
- Enables counties to create and join regional departments of social services similar in structure to regional health departments

June 3, 2024 2

MOU TEMPLATE DEVELOPMENT AND EVOLUTION

Original Design:

- NC-DHHS designed first Memorandum of Understanding (MOU) in 2018-2019
- DHHS collaborated with NC Association of County Commissioners, NC Association of County Directors of Social Services, and each county DSS director to develop template agreement

Changes that are to be happening over time:

- Movement away from county "corrective action" to county "capacity - building"
- Increases focus on encouraging county-level "development plans" that analyze and solve problems through deliberate use of evidence

Person County MOU

June 3, 2024



PROGRAMS IDENTIFIED IN THE MOU

- Energy Programs
- Work First
- Food and Nutrition Services
- Child Welfare - Foster Care
- Adult Protective Services
- Special Assistance
- Child Support Services

Person County MOU

June 3, 2024

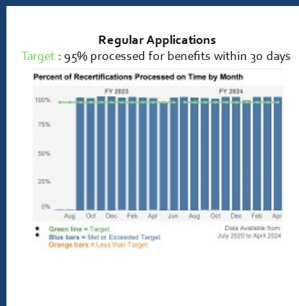
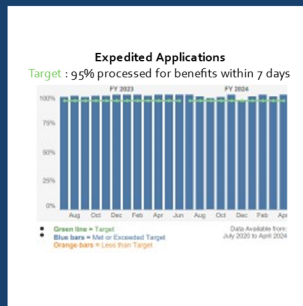


MOU REQUIREMENTS: PERFORMANCE MEASURES



- Establishes performance measures by program area
- Based largely on adherence to timeliness measures for processing, e.g., 95% of Work First applications processed within 45 days
- Sets some measures on procedures and processes, e.g. 95% of children experiencing foster care have face to face contact with social worker each month
- Sets some measures individually to county performance in prior year, e.g. CPS reports screened in for assessment/investigation
- Generally, requires monthly reporting of each performance measure

June 3, 2024 5



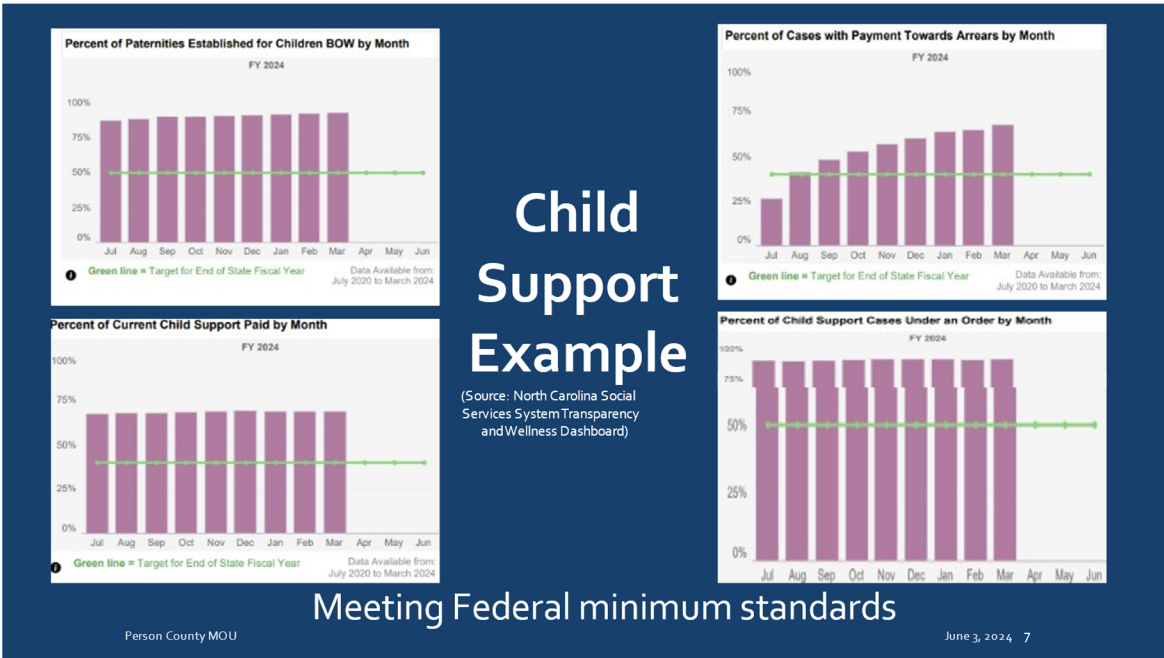
FOOD & NUTRITION EXAMPLE

(SOURCE: NORTH CAROLINA SOCIAL SERVICES SYSTEM TRANSPARENCY AND

WELLNESS DASHBOARD)

Person County MOU

June 3, 2024 6



MOU REQUIREMENTS: ADMINISTRATIVE RESPONSIBILITIES

Staff Requirements and Workforce Development:

- New and existing staff complete required and necessary training

Compliance:

- Perform activities in compliance with applicable federal and State laws, rules, regulations and policies
- Develop and implement internal controls over financial resources to ensure resources used comply with applicable federal and state laws
- Provide and adhere to corrective action plans as required based on monitoring findings and Single Audit

Person County MOU

June 3, 2024



MOU REQUIREMENTS: ADMINISTRATIVE RESPONSIBILITIES

Communication:

- Respond and provide related action in timely manner to NC-DHHS
- Provide timely information on potentially negative impacts including litigation risks, network and computer issues, or data breaches
- Provide timely information regarding changes to Social Services Governing Board, or County Social Services Director, including retirements, separations, or any leaves of absence > 2 weeks

Person County MOU

June 3, 2024



MOU REQUIREMENTS: ADMINISTRATIVE RESPONSIBILITIES

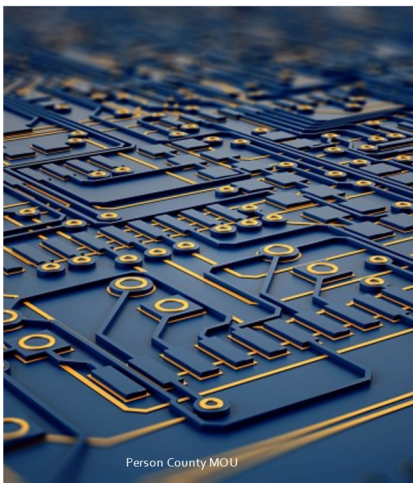


Inter-agency Cooperation:

- Ensure personnel complete required training and are prepared to engage in Disaster Management, mass shelter, BCP and COOP operations
- Ensure that all plans and systems are in place to meet potential disaster (natural, technical, otherwise) response requirements
- Engage with DHHS, state Emergency Management and local leadership in associated efforts
- Assist or operate mass shelter operations or other required disaster management responsibilities

June 3, 2024 11

MOU REQUIREMENTS: ADMINISTRATIVE RESPONSIBILITIES



Data Submission:

- Maintain accurate, thorough records particularly those to report on performance requirements
- Ensure reliable data entry into state systems
- Provide data for purposes of monitoring, case file reviews, error analysis and quality control
- Use data to understand county performance and to conduct analysis and implement changes where needed if performance measures not met

June 3, 2024 12

COUNTY MEDICAID PERFORMANCE?

2017 State Budget special provisions impact county Medicaid administration (S 257)

- Reassigns Medicaid eligibility administration to NC -DHHS
 - Can be delegated (and is) to counties
- Enacts *Part 11. Medicaid Eligibility Determinations Accuracy and Quality Assurance (NCGS 108A 70.36 – 70.51)*
 - Requires state to establish eligibility accuracy standards & audit compliance
 - State to assume county admin functions, directing county dollars & county staff if county fails to perform
- Requires counties to be financially responsible for county worker eligibility errors (NCGS 108A -25.1A)
 - Repays state & federal dollars

Person County MOU

June 3, 2024



REPORTING BACK TO GENERAL ASSEMBLY ON COUNTY MOU COMPLIANCE



Person County MOU

Ryan's Law requires annual MOU compliance reporting to legislature

- NC-DHHS to submit annual report to Joint Legislative Oversight Committee on Health and Human Services by August 1 of each year
- Report must include
 - Copy of template for written agreement
 - Evaluation of implementing written agreement
 - Summary of any NC-DHHS oversight action, including any federal or state funds withheld

June 3, 2024 14

PERSON COUNTY MOU

Person County CHS&B MOU

June 3, 2024 15

MOU COVER LETTER



NO COOPER, Governor
KOTIA HALEY, Secretary
CARLA WEST, Division Director, Human Services

April 22, 2024

Dear County Manager and County Director of Social Services:

Session Law 2017-41 requires all counties to enter into an annual written agreement, referred to as a Memorandum of Understanding (MOU), with the North Carolina Department of Health and Human Services (NCDHHS) for all social services programs including medical assistance (Medicaid). **Since Fiscal Year (SFY) 2019-2020 was the first year of these agreements.**

Since March 2020 COVID-19 has had an impact on our daily business. In 2020 the leadership in NCDHHS made the decision to not issue formal corrective actions relating to MOU performance for SFY 2019-2020. We know that the focus of all work was to provide services to the families of North Carolina, and you continued to commit to meeting the needs in your communities, because of that NCDHHS chose to not issue a new MOU for SFY 2020-2021 but continued to work with counties to improve performance and meet or exceed the standards that were outlined. A MOU was issued with an effective date of January 1, 2021, through June 30, 2022, and June 30, 2022 through June 30, 2024. In an effort to allow each county to remain focused on providing the best possible services to the families in North Carolina, NCDHHS again chose not to issue formal corrective actions relating to MOU performance for the period of January 1, 2021, through June 30, 2024. The MOU effective January 1, 2021, also formalized the ongoing process for implementing a plan in issuing Corrective or Development Plans that NCDHHS would follow.

This letter provides an overview of the MOU process for SFY 2024-2025 and SFY 2025-2026.

The Department worked jointly with the NC Association of County Directors of Social Services to set all measures prior to the initiation for the upcoming MOU, which remains the same as the most recent MOU, which you will find the MOU with an effective date of July 1, 2024, through June 30, 2026. The measures for the SFY 2024-2025 and SFY 2025-2026 MOU can be found in Attachment 1 entitled Mandated Performance Requirements. These are the only measures that will be evaluated as part of the MOU for SFY 2024-2025 and SFY 2025-2026 and are subject to performance improvement actions.

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF SOCIAL SERVICES
10000 BEECH STREET, SUITE 200, RALEIGH, NC 27601
WWW.NCDHHS.GOV | 1-800-368-5848 | FAX 919-733-2400
MOU@NCDHHS.GOV | 919-733-2400

Person County MOU

June 3, 2024 16

MOU INTRODUCTION

MEMORANDUM OF UNDERSTANDING
(FISCAL YEAR 2024-25 and 2025-26)

THE NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES
AND
PERSON COUNTY

A Written Agreement Pursuant to N.C. Gen. Stat. § 18A-74,
an Act of the North Carolina General Assembly

This Memorandum of Understanding ("MOU") is made by and between the North Carolina Department of Health and Human Services, hereinafter referred to as the "Department," and Person County, a political subdivision of the State of North Carolina, hereinafter referred to as the "County," to comply with the requirements of N.C. Gen. Stat. § 18A-74. The Department and the County may be referred to herein individually as a "Party" and collectively as the "Parties."

ADDENDUM A: DATA SHARING

ADDENDUM A: DATA SHARING MEMORANDUM OF AGREEMENT

Between

North Carolina Department of Health and Human Services

And

Person County Department of Social Services

This Data Sharing Memorandum of Agreement (MOA) between the North Carolina Department of Health and Human Services (NC DHHS or Agency) and Person County (County) collectively with Agency referred to as the Parties establishes the agreement between the Parties regarding the County's access to, and use and disclosure of, all confidential data and information provided by the Agency to the County, for purposes of administering North Carolina's public assistance and public service programs.

SIGNATURE PAGE

Effective Date: This MOU shall become effective July 1, 2024 and shall continue in effect until June 30, 2026.

Signature Warranty: Each individual signing below warrants that he or she is duly authorized by the party to sign this MOU and to bind the party to the terms and conditions of this MOU.

Person County:

BY: _____ Name _____ BY: _____ Name _____

TITLE: County Manager **TITLE:** Director, Person County DSS

DATE: _____ **DATE:** _____

North Carolina Department of Health and Human Services

BY: _____
Secretary, Department of Health and Human Services

DATE: _____

Person County MOU

June 3, 2024 17

June 3, 2024
22

A **motion** was made by Commissioner Puryear and **carried 5-0** to authorize the County Manager and the DSS Director to sign and return FY25-FY26 Memorandum of Understanding to NC Department of Health and Human Services.

**MEMORANDUM OF UNDERSTANDING
(FISCAL YEAR 2024-25 and 2025-26)**

BETWEEN

**THE NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES
AND
PERSON COUNTY**

**A Written Agreement Pursuant to N.C. Gen. Stat. § 108A-74,
an Act of the North Carolina General Assembly**

This Memorandum of Understanding ("MOU") is made by and between the North Carolina Department of Health and Human Services, (hereinafter referred to as the "Department") and Person County a political subdivision of the State of North Carolina (hereinafter referred to as the "County") to comply with the requirements of law, N.C. Gen. Stat. § 108A-74. The Department and the County may be referred to herein individually as a "Party" and collectively as the "Parties."

TERMS OF UNDERSTANDING

In consideration of the mutual promises and agreements contained herein, as well as other good and valuable consideration, the sufficiency of which is hereby acknowledged by the Parties, the Parties agree to this MOU, effective July 1, 2024, in compliance with the mandates of law enacted by the North Carolina General Assembly and in recognition of possible amendments by the General Assembly, the Parties further agree to conform to changes made to the law, notwithstanding a contractual term previously agreed upon.

1.0 Parties to the MOU

The only Parties to this MOU are the North Carolina Department of Health and Human Services and Person County, a political subdivision of the State of North Carolina.

1.1 Relationships of the Parties

Nothing contained herein shall in any way alter or change the relationship of the parties Parties as defined under the laws of North Carolina. It is expressly understood and agreed that the enforcement of the terms and conditions of this MOU, and all rights of action relating to such enforcement, shall be strictly reserved to the Department and the County. Nothing contained in this document shall give or allow any claim or right of action whatsoever by any other third person. It is the express intention of the Department and County that any such person or entity, other than the Department or the County, receiving services or benefits under this MOU shall be deemed an incidental beneficiary only.

Subcontracting: The County shall be responsible for the performance of all of its subcontractors. The County shall disclose the names of its subcontractors to the Department within thirty (30) days of the execution thereof. The County shall also provide additional information concerning its subcontractors as may be requested by the Department within thirty (30) days of the request. The County additionally agrees not to enter into any confidentiality agreement or provision with a subcontractor or other agent to provide services related to this MOU that would prevent or frustrate

Page 1 of 21

June 3, 2024

the disclosure of information to the Department. Subcontractors shall be defined under this MOU to mean any party the County enters into a contractual relationship with for the complete administration of one or more social services programs covered by this MOU. Temporary employees hired by the County shall not be considered subcontractors under this MOU.

Assignment: No assignment of the County's obligations or the County's right to receive any funding made in any way concerning the matters covered by this MOU hereunder shall be permitted.

2.0 Terms of the MOU

The term of this MOU shall be for a period of two years beginning July 1, 2024 and ending June 30, 2026.

2.1 Default and Modification

Default: In the event the County fails to satisfy the mandated performance requirements as set forth in **Attachment I** or fails to otherwise comply with the terms of this MOU, the Department may withhold State and/or federal funding. Any such withholding shall be in compliance with, and as allowed by, state and/or federal law.

Performance Improvement: Prior to the Department exercising its authority to withhold State and/or federal funding for a failure to satisfy the mandated performance requirements set forth in **Attachment I** or failure to meet the terms of this MOU, the process for performance improvement set forth in N.C. Gen. Stat. § 108A-74 will govern. Nothing contained in this MOU shall supersede or limit the Secretary's authority to take any action otherwise set forth in N.C. Gen. Stat. § 108A-74.

Waiver of Default: Waiver by the Department of any default or breach in compliance with the terms of this MOU by the County shall not be deemed a waiver of any subsequent default or breach and shall not be construed to be modification of the terms of this MOU unless stated to be such in writing, signed by an authorized representative of the Department and the County and attached to the MOU.

Force Majeure: Neither Party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations by any act of war, hostile foreign action, nuclear explosion, riot, strikes, civil insurrection, earthquake, hurricane, tornado, public health emergency or other catastrophic natural event or act of God.

Modification: The terms and conditions of this MOU may only be modified by written agreement of the Parties, signed by an authorized representative of the Parties.

3.0 MOU Documents

The Recitals and the following attachments are incorporated herein by reference and are part of this MOU:

- (1) The portions hereof preceding the Terms of Understanding, including but not limited to the introductory paragraph and the Recitals, which are contractual as well as explanatory.
- (2) The Terms of Understanding
- (3) Addendum A – Data Sharing Memorandum of Agreement
- (4) Attachment I – Mandated Performance Requirements:
 - a. I-A: Energy Programs
 - b. I-B: Work First
 - c. I-C: Food and Nutrition Services
 - d. I-D: Child Welfare – Foster Care
 - e. I-E: Adult Protective Services
 - f. I-F: Special Assistance
 - g. I-G: Child Support Services
- (5) Attachment II - Child Welfare - CFSR

4.0 Entire MOU

This MOU and any documents incorporated specifically by reference represent the entire agreement between the Parties and supersede all prior oral or written statements or agreements between the Parties.

5.0 Definitions

While "County" is used as an abbreviation above, the following definitions, some of which are contained in N.C. Gen. Stat. § 108A-74(a), also apply to this MOU:

- (1) "County department of social services" also means the consolidated human services agency, whichever applies.
- (2) "County director of social services" also means the human services director, whichever applies.
- (3) "County board of social services" also means the consolidated human services board, whichever applies.
- (4) "Child welfare services or program" means protective, foster care, and adoption services related to juveniles alleged to be abused, neglected, or dependent as required by Chapter 7B of the General Statutes.
- (5) "Social services programs" or "Social services programs other than medical assistance" means social services and public assistance programs established in Chapter 108A other than the medical assistance program (Part 6 of Article 2 of Chapter 108A). This includes, but is not limited to, child welfare programs, adult protective services, guardianship services for adults, and programs of public assistance established in Chapter 108A. It also includes the child support enforcement program, as established in Article 9 of Chapter 110 of the General Statutes, and the North Carolina Subsidized Child Care Program.

To the extent that any term used herein is defined by a statute or rule applicable to the subject matter of this MOU, the statutory or rule definition shall control. For all remaining terms, which

are not defined by statute or rule, those terms shall have their ordinary meaning. Should any further definition be needed, the Parties agree that the meanings shall be those contained in the current version (as of the time the dispute or question arises) of Black's Law Dictionary, and if not defined therein, then of a published unabridged modern American English Language Dictionary published since the year 2000.

6.0 Audit Requirements

The County shall furnish to the State Auditor, upon his/her request, all books, records, and other information that the State Auditor needs to fully account for the use and expenditure of state funds in accordance with N.C.G.S. § 147-64.7. Additionally, as the State funding authority, the Department of Health and Human Services shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions.

7.0 Record Retention

The County shall retain records at its own expense in accordance with applicable State and Federal laws, rules, and regulations. The County shall facilitate and monitor the compliance of its subcontractors with all applicable requirements of record retention and disposition.

In order to protect documents and public records that may be the subject of Department litigation, the Department shall notify the County of the need to place a litigation hold on those documents. The Department will also notify the County of the release of the litigation hold. If there is no litigation hold in place, the documents may be destroyed, disposed of, or otherwise purged through the biannual Records Retention and Disposition Memorandum from the Department's Controller's Office.

8.0 Liabilities and Legal Obligations

Each party hereto agrees to be responsible for its own liabilities and that of its officers, employees, agents or representatives arising out of this MOU. Nothing contained herein is intended to alter or change the relationship of the Parties as defined under the laws of the State of North Carolina.

9.0 Confidentiality

Any medical records, personnel information or other items exempt from the NC Public Records Act or otherwise protected by law from disclosure given to the Department or to the County under this MOU shall be kept confidential and not divulged or made available to any individual or organization except as otherwise provided by law. The Parties shall comply with all applicable confidentiality laws and regulations, including but not limited to the Health Insurance Portability and Accountability Act of 1996 (HIPAA), the administrative simplification rules codified at 45 Parts 160, 162, and 164, alcohol and drug abuse patient records laws codified at 42 U.S.C. §290dd-2 and 42 CFR Part 2, and the Health Information Technology for Economics and Clinical Health Act (HITECH Act) adopted as part of the American Recovery and Reinvestment Act of 2009 (Public Law 111-5).

10.0 Secretary's Authority Undiminished

Certain functions delegated to the County pursuant to this MOU are the duty and responsibility of the Department as the grantee of federal grant funds. The Parties understand and agree that nothing in this MOU shall be construed to diminish, lessen, limit, share, or divide the authority of the Secretary of the Department to perform any of the duties assigned to the Department or its Secretary by the North Carolina General Statutes, the terms and conditions of the federal funds and their applicable laws and regulations or other federal laws and regulations regarding any federal funding which is used by the Department to reimburse the County for any of its duties under this MOU.

11.0 MOU does not Diminish Other Legal Obligations

Notwithstanding anything to the contrary contained herein and to facilitate the mandated performance requirements of N.C. Gen. Stat. § 108A-74, the Parties acknowledge and agree that this MOU is not intended to supersede or limit, and shall not supersede or limit, the County's obligations to comply with all applicable: 1) federal and state laws; 2) federal and state rules; and 3) policies, standards, and directions of the Department, as all such currently exist and may be amended, enacted, or established hereafter.

12.0 Notice

The persons named below shall be the persons to whom notices provided for in this MOU shall be given. Either Party may change the person to whom notice shall be given upon written notice to the other Party. Any notice required under this MOU will only be effective if actually delivered to the Parties named below. Delivery by hand, by first class mail, or by email are authorized methods to send notices.

For the Department of Health and Human Services, Division of Social Services

IF DELIVERED BY US POSTAL SERVICE	IF DELIVERED BY ANY OTHER MEANS
Carla West, Division Director, Human Services NCDHHS 2417 Mail Services Center Raleigh, NC 27699-2001	Carla West NCDHHS Dorethea Dix Campus, McBryde Building Phone: 919-855-4755 E-mail: carla.west@dhhs.nc.gov

For Person County:

IF DELIVERED BY US POSTAL SERVICE	IF DELIVERED BY ANY OTHER MEANS
Carlton Paylor Social Services Director 355B South Madison Boulevard PO Box 770 Roxboro, NC 27573	Carlton Paylor Social Services Director Phone Number: 336-503-1131 Fax Number: 336-599-3974 Email: cpaylor@personcountync.gov

13.0 Responsibilities of the Department

The Department hereby agrees that its responsibilities under this MOU are as follows:

- (1) The Department shall develop performance requirements for each social services program based upon standardized metrics utilizing reliable data. The performance requirements are identified in Attachments I and II.
- (2) The Department shall provide supervision, program monitoring and technical assistance to the counties in the administration of social services programs.
- (3) The Department shall provide leadership and coordination for developing strategies that address system-level barriers to the effective delivery of social services programs, including but not limited to: the Administrative Office of Courts, the LME/MCO, Department of Public Instruction, and the Department of Public Safety.
- (4) The Department shall have the following administrative responsibilities:
 - a. Staff Training and Workforce Development:
 - i. Develop training requirements for county personnel and provide guidance for adequate staffing patterns related to the provision of social services programs. The Department will publish annually, a list of required and recommended trainings for county personnel directly involved in the administration of social services programs covered under this MOU.
 - ii. Develop training curricula and provide, timely, adequate access to statewide training opportunities for county personnel related to the provision of social services programs. Training opportunities may include in-person, self-guided, web-based and remotely facilitated programs.
 - iii. The Department will publish a training calendar, at least quarterly, notifying the counties of training opportunities.
 - iv. Provide timely written guidance related to new federal or state statutes or regulations. The Department will provide information thirty days in advance of the effective date of new policy to the extent feasible or practicable, including interpretations and clarifications of existing policy.
 - v. Provide technical assistance and training in areas where quality control, monitoring or data indicates a lack of correct application of law, rule or policy.
 - b. Performance Monitoring:

- i. Monitor and evaluate county compliance with applicable federal and state laws, rules and policies.
 - ii. Provide feedback to counties with recommended changes when necessary.
 - iii. Monitor that all financial resources related to the provision of social services programs covered by this MOU are utilized by the county in compliance with applicable federal and state laws.
- c. Data Submission:
 - i. Maintain and review data submitted by counties pursuant to the mandatory performance requirements.
 - ii. Provide counties with reliable data related to their performance requirements as well as accuracy and timeliness of programs in accordance with state and federal program guidelines. This includes but is not limited to processing applications and recertification, quality control standards, program statistics and fiscal information.
 - iii. The Department shall be responsible for the maintenance and functionality of its information systems utilized in the statewide administration of social services programs covered by this MOU.
- d. Communication:
 - i. Provide counties with clarification or explanation of law, rule or policy governing social services programs when necessary or as requested.
 - ii. Disseminate policy on social services programs and provide counties with timely information on any updates to policy.
 - iii. Provide timely information to counties on any changes to federal law or policy made known to the Department.
 - iv. Provide counties with a timely response to requests for technical assistance or guidance.
 - v. Maintain all policies covering social services programs in a central, accessible location. Policies will be updated, to the extent possible, in advance of the effective date of any new policies or policy changes.
 - vi. Provide counties with an opportunity to submit questions, concerns and feedback related to the administration of social services programs to the Department and provide County a timely response to such communication.
 - vii. Communicate proactively with the County Director of Social Services on matters that affect social services programs covered under this MOU. Communication shall be timely, and alerts sent to counties to let them know of the upcoming changes.
 - viii. Communicate directly with the County Manager, Governing Boards, and the County Director of Social Services on matters including but not limited to, corrective action, and significant changes to law, rule and policy that impact the administration of social services programs covered by this MOU.
- e. Inter-agency Coordination:
 - i. Provide guidance to counties in the event they are unable to reach a resolution on a conflict of interest that arises related to the provision of social services programs covered by this MOU.
 - ii. Provide guidance for county DSS personnel on federal and state Emergency Management, mass shelter, Business Continuity Plan (BCP) and Continuity of Operations Plan (COOP) requirements.

- iii. Coordinate with and communicate to county DSS agencies regarding available and required training opportunities associated with DSS Mass Shelter, BCP and COOP responsibilities.
 - iv. Assist and support counties as needed in implementation of operational functions of mass shelter operations and as needed during other emergencies as they arise.
- (5) The Department shall timely meet all of its responsibilities contained in this MOU. "Timely" shall be defined consistent with timeliness requirements set forth in relevant statute, regulation, and policy. Where timeliness is not otherwise defined, "timely" shall mean within a reasonable time under the circumstances.

14.0 Responsibilities of the County

The County hereby agrees that its responsibilities under this MOU are as follows:

- (1) The County shall adhere to the mandated performance requirements for each social services program as identified in Attachment I. The County will ultimately work toward achievement of the Standard Measure for all performance requirements set forth in Attachments I and II.
- (2) The County shall comply with the following administrative responsibilities:
 - a. Staff Requirements and Workforce Development:
 - i. The personnel, including new hires and existing staff, involved in the County's provision of social services programs covered by this MOU shall complete all required and necessary training, which is documented as required by federal and state law and policy.
 - b. Compliance:
 - i. Perform activities related to its social services programs in compliance with all applicable federal and State laws, rules, regulations and policies. Nothing contained herein is intended to, nor has the effect of superseding or replacing state law, rules or policy related to social services programs.
 - ii. Develop and implement internal controls over financial resources related to the County's social services programs to ensure that all financial resources are used in compliance with applicable federal and state laws.
 - iii. Provide and adhere to corrective action plans as required based on monitoring findings and the Single Audit.
 - c. Data Submission:
 - i. Maintain accurate, thorough records of all social services programs covered by this MOU, in particular, records related to the mandated performance requirements that can be accessed for the purpose of data collection, service provision, monitoring or consultation.
 - ii. Ensure reliable data entry into state systems utilized for the administration of social services programs covered under this MOU.
 - iii. Provide, upon request, data to the state for the purpose of, but not limited to, conducting monitoring, case file reviews, error analysis and quality control.
 - iv. Utilize data to understand the performance of their county and to conduct analysis and implement changes where needed if performance measures are not being met.
 - d. Communication:

- i. Respond and provide related action in a timely manner to all communications received from the Department.
 - ii. Provide timely information on all matters that have a potential negative impact on the social services programs they administer, including but not limited to, litigation risks (not including child welfare cases governed by Chapter 7B or adult services cases governed by Chapter 35A or 108A), network and computer issues, or data breaches.
 - iii. Provide timely information regarding temporary or permanent changes to the Social Services Governing Board, or the County Social Services Director, including retirements, separations, or any leaves of absence greater than two calendar weeks.
- e. Inter-agency Cooperation:
 - i. Ensure that county social services personnel complete required training and are prepared to engage in Disaster Management, mass shelter, BCP and COOP operations.
 - ii. Ensure that all plans and systems are in place to meet potential disaster (natural, technical, otherwise) response requirements.
 - iii. Engage with DHHS, state Emergency Management and local leadership in associated efforts.
 - iv. Assist or operate mass shelter operations or other required disaster management responsibilities.
- (3) The County shall timely meet all its responsibilities contained in this MOU. "Timely" shall be defined consistent with timeliness requirements set forth in relevant statute, regulation, policy or as otherwise required by the Department. If timeliness is not otherwise defined, "timely" shall mean within a reasonable time under the circumstances.

15.0 Data Security and Reporting

Data Security: The County shall adopt and apply data privacy and security requirements to comply with all applicable federal, state, department and local laws, regulations, and rules. The Parties hereby adopt and incorporate the terms of the Data Sharing Agreement attached as Addendum A as if fully set forth herein.

Duty to Report: The County shall report all privacy and security incidents related to the provision of social services programs covered by the MOU to the Department and the Privacy and Security Office within twenty-four (24) hours after the privacy and security incident is first discovered, provided that the County shall report a breach involving Social Security Administration data or Internal Revenue Service data within one (1) hour after the incident is first discovered. During the performance of this MOU, the County is to notify the Department of any contact by the federal Office for Civil Rights (OCR) received by the County related to the provision of social services programs covered by the MOU. In case of a privacy and security incident, the County, including any subcontractors or agents it retains, shall fully cooperate with the Department.

16.0 Miscellaneous

Choice of Law: The validity of this MOU and any of its terms or provisions, as well as the rights and duties of the Parties to this MOU, are governed by the laws of North Carolina. The Parties, by signing this MOU, agree and submit, solely for matters concerning this MOU, to the exclusive

June 3, 2024

jurisdiction of the courts of North Carolina and agrees, solely for such purpose, that the exclusive venue for any legal proceedings shall be Wake County, North Carolina. The place of this MOU and all transactions and agreements relating to it, and their situs and forum, shall be Wake County, North Carolina, where all matters, whether sounding in contract or tort, relating to the validity, construction, interpretation, and enforcement shall be determined.

Amendment: This MOU may not be amended orally or by performance. Any amendment must be made in written form and executed by duly authorized representatives of the Department and the County. The Parties agree to obtain any necessary approvals, if any, for any amendment prior to such amendment becoming effective. Also, the Parties agree that legislative changes to state law shall amend this MOU by operation of law to the extent affected thereby.

Effective Date: This MOU shall become effective July 1, 2024 and shall continue in effect until June 30, 2026.

Signature Warranty: Each individual signing below warrants that he or she is duly authorized by the party to sign this MOU and to bind the party to the terms and conditions of this MOU.

Person County

BY: Katherine M. Cathey
Name

TITLE: County Manager

DATE: 6/6/24

BY: Carter B. Bickman
Name

TITLE: Director, Person County DSS

DATE: 6-5-2024

North Carolina Department of Health and Human Services

BY: _____
Secretary, Department of Health and Human Services

DATE: _____

ADDENDUM A: DATA SHARING MEMORANDUM OF AGREEMENT

Between

North Carolina Department of Health and Human Services

And

Person County

This Data Sharing Memorandum of Agreement (MOA) between the North Carolina Department of Health and Human Services (NC DHHS or Agency) and Person County (County) (and collectively with Agency referred to as the Parties) establishes the agreement between the Parties regarding the County's access to, and use and disclosure of, all confidential data and information provided by the Agency to the County, for purposes of administering North Carolina's public assistance and public service programs.

1. PURPOSE AND SCOPE

The purpose of this MOA is to identify certain roles and responsibilities of each party as it relates to the sharing and use of all confidential data and information provided by the Agency to the County in connection with the administration of North Carolina's public assistance programs as well as the County's administration and performance of other public services delegated to it by law (collectively referred to as NCDHHS Data). For purposes of this MOA, NCDHHS Data, includes, but is not limited to:

- a. Social Security Administration (SSA) data;
- b. Federal Tax Information (FTI) as defined in the current IRS Publication 1075, Tax Information Security Guidelines for Federal, State and Local Agencies (IRS Publication 1075);
- c. protected health information as defined by 45 CFR 160.103;
- d. personal information, as defined by the North Carolina Identity Theft Protect Act, N.C.G.S. § 75-61(10);
- e. identifying information, as defined by N.C.G.S. § 14-113.20(b); and
- f. names or other information concerning persons applying for or receiving public assistance or social services which are confidential pursuant to N.C.G.S. §108A- 80.

More specifically, the objectives of this MOA are to:

- Manage the information technology process and systems pertaining to the NCDHHS Data provided by the Agency to the County, and received by the County from the Agency, to ensure compliance with all applicable federal and state laws, regulations, standards and policies regarding the confidentiality, privacy and security of this NCDHHS Data.

- Enhance the County's secure receipt, access to, and use of NCDHHS Data provided by the Agency to the County.
- Allow the County to access and utilize NCDHHS Data provided by the Agency for purposes of administering North Carolina's public assistance and public service programs.

2. BACKGROUND

The Agency administers and oversees a variety of public assistance and public service programs for the State of North Carolina (collectively, Public Assistance Programs), including, but not limited to, the following:

- NC Medicaid Program
- NC Health Choice for Children (North Carolina's CHIP Program)
- Temporary Assistance for Needy Families
- Supplemental Nutrition Assistance Program
- NC Food and Nutrition Services (North Carolina's SNAP Program)
- Work First (North Carolina's Temporary Assistance for Needy Families program)
- Women, Infants and Children (WIC)
- Adult and Family Services
- Child Support Services
- Child Welfare Services

As part of its role pertaining to these Public Assistance Programs, the Agency receives, maintains, and stores certain data pertaining to applicants for, and recipients participating in, the Public Assistance Programs, which includes NCDHHS Data.

The County administers the daily operations of many of the Public Assistance Programs at the local level, in accordance with State and Federal law, and policies and rules adopted by the Agency. As part of its role pertaining to these Public Assistance Programs, the County accesses and utilizes certain data pertaining to applicants for, or recipients participating in, the Public Assistance Programs, which includes NCDHHS Data.

The Agency and the County agree to work cooperatively to ensure that NCDHHS Data is available to the County for purposes of administering North Carolina's Public Assistance Programs, and that the County accesses and utilizes NCDHHS Data in accordance with applicable federal and state laws, regulations, standards and policies governing confidentiality, privacy and security of the NCDHHS Data and the terms of this MOA. The parties acknowledge and agree that this MOA is intended to continue and renew and prior similar memorandum of agreement in place between the Parties which was effective on or about October 14, 2016.

3. AUTHORITY OF PARTIES

Each Party is an agency of the State of North Carolina and operating pursuant to its respective statutory authority and obligations. This MOA is authorized under the provisions of N.C.G.S. §§ 108A-25, 108A-54, and 153A-11 and Article 13 of Chapter 153A of the North Carolina General Statutes, and the implementing recommendations or regulations of these laws, if any. For the convenience of the Parties and avoidance of doubt, the Parties acknowledge and agree that NC DHHS is the "Agency" as such term is used in IRS Publication 1075, and that the County is a statutory agent but not a "contractor" or "agent" as such term is used in North Carolina statutory or common law. The Agency acknowledges it is authorized to receive and use FTI pursuant to 26 U.S.C. § 6103.

4. PARTIES' ROLES AND RESPONSIBILITIES

Pursuant and subject to this MOA, the Agency shall provide to the County NCDHHS Data pertaining to the Public Assistance Programs, through access to the Agency's information technology systems utilized in conjunction with the Public Assistance Programs. These information technology systems include, but are not limited to, the Agency's current NC FAST case management system (NC FAST), and the legacy information systems which preceded NC FAST (collectively, NCDHHS Information Systems). The NCDHHS Information Systems are secured via Agency access control mechanisms and related procedures, including, but not limited to, Resource Access Control Facility (RACF), North Carolina Identification (NCID), and Web Identity Role Management Portal (WIRM) (collectively, NCDHHS Access Controls).

All NCDHHS Data that the Agency provides to the County shall remain confidential and secure at all times. Confidentiality and security of this NCDHHS Data will be maintained by the County in accordance with all applicable federal and state laws, regulations, standards and policies governing this NCDHHS Data and in accordance with the terms of this MOA. Only appropriately authorized County employees and contractors whose job responsibilities require access to the NCDHHS Data will be granted access to the NCDHHS Data, through the NCDHHS Information Systems and NCDHHS Access Controls. Any data, records or other information shared through this MOA are protected from unauthorized use and disclosure and shall be accessed and used by the County solely for purposes of administering and operating the Public Assistance Programs.

NCDHHS agrees:

- a. To provide NCDHHS Data to the County through access to the NCDHHS Information Systems in strict accordance with the NCDHHS Access Controls and in accordance with the terms of this MOA.
- b. To allow the County to access and utilize the NCDHHS Data to administer and operate the Public Assistance Programs.

- c. To allow appropriately authorized County employees and contractors whose job responsibilities require access to the NCDHHS Data to access and utilize the NCDHHS Data through access to the NCDHHS Information Systems, to the extent needed to perform their job responsibilities.
- d. To work cooperatively with the County regarding County employee and contractor access to NCDHHS Data and NCDHHS Information Systems, and compliance with this MOA and applicable law.
- e. To be responsible for supervision of its own employees and contractors.

The County agrees:

- a. To grant access to NCDHHS Data through access to the NCDHHS Information Systems only to County employees and contractors authorized in strict accordance with the NCDHHS Access Controls and in accordance with the terms of this MOA. The County shall conduct background checks for individual employees prior to authorizing their access to FTL.
- b. To ensure the NCDHHS Data and NCDHHS Information Systems are accessed and utilized only for the purposes authorized by law and under this MOA in conjunction with the administration and operation of the Public Assistance Programs.
- c. To grant access to the NCDHHS Data only to appropriately authorized County employees and contractors whose job responsibilities require access to the NCDHHS Data, and only for purposes of administering and operating the Public Assistance Programs.
- d. To ensure NCDHHS data is available only to persons authorized by law and this MOA to access and use the NCDHHS Data.
- e. To ensure NCDHHS Information Systems are accessed only by persons authorized by law and this MOA to access the NCDHHS Information Systems.
- f. To obtain prior written permission from NCDHHS for the disclosure of any NCDHHS Data to any contractor. If NCDHHS approves disclosure of any NCDHHS Data to a County contractor, the County shall ensure the contractor is provided a copy of this MOA and signs a written agreement with the County acknowledging receipt of a copy of this MOA and agreeing to comply with the terms of this MOA as it relates to the contractor's access to NCDHHS Data.
- g. To obtain prior written permission from NCDHHS for granting access to any of the NCDHHS Information Systems to any contractor. If NCDHHS approves access of a contractor to any NCDHHS Information System, the County shall ensure the contractor is provided a copy of this MOA and signs a written agreement with the

County acknowledging receipt of a copy of this MOA and agreeing to comply with the terms of this MOA as it relates to the contractor's access to NCDHHS Information Systems.

- h. To ensure that all information technology systems receiving, storing, processing, or transmitting FTI meet the requirements in IRS Publication 1075, including the requirements set forth in Exhibit 7 to IRS Publication 1075, a copy of which is available at: <https://www.irs.gov/pub/irs-pdf/p1075.pdf>.
- i. To maintain a current list of employees and contractors authorized to access and utilize the NCDHHS Data provided by the Agency pursuant to this MOA, and to provide the Agency a copy of that list upon written request by the Agency.
- j. To submit, when requested by the Agency, a written certification that continuous security monitoring has been performed in accordance with applicable requirements. Additionally, the County will submit a written certification that all mainframe and network device configurations supporting the County environment is compliant with all applicable requirements. This certification will be provided to the Agency with supporting evidence, such as a recent vulnerability scan.
- k. At the Agency's request, the County will work with the IRS, Social Security Administration, or other federal agencies or their agents with respect to periodic safeguard and security reviews. The County will support the resolution of the Agency's finding based on a written plan satisfactory to both Parties.
- l. Upon notification from the IRS, Social Security Administration, other federal agencies, or the Agency of changes to functional and security specifications, the County will collaborate with the Agency to develop and implement plans to meet specified requirements in accordance with guidance and direction provided by the IRS and/or the Agency. The County will be responsible for costs arising from such modifications.
- m. To provide annual access and disclosure awareness and incident reporting training to its employees and any approved contractors that may have access to SSA data and/or FTI data (only certain functions in support of Child Support Enforcement may allow contractor access to FTI).
- n. To work cooperatively with the Agency regarding County employee or contractor access to NCDHHS Data and NCDHHS Information Systems, and compliance with this MOA and applicable law.
- o. To be responsible for supervision of its own employees and contractors.

5. ACCESS CONTROL

The County shall be responsible for reviewing, approving, delegating and monitoring access by County employees and any approved contractors to NCDHHS Data, in strict accordance with the NCDHHS Access Controls applicable to the NCDHHS Information Systems involved and in accordance with the terms of the MOA. In addition, the County will adhere to any written standard or guidelines provided by the Agency regarding management and implementation of the NCDHHS Access Controls, and access to the NCDHHS Information Systems, including, but not limited to, the information systems access control policy in the current version of the North Carolina Statewide Information Security Manual.

6. CONFIDENTIALITY AND SECURITY

The Agency and the County acknowledge and agree that the NCDHHS Data which the Agency provides to the County shall be classified as, and shall remain, "NCDHHS Data" or "State Data". At no time will the NCDHHS Data provided by the Agency ever be classified as County data.

The County acknowledges and agrees that in accessing, receiving, utilizing or otherwise dealing with the NCDHHS Data, it will safeguard and not use or disclose such NCDHHS Data except as provided in this MOA. The County shall protect the confidentiality of the NCDHHS Data in accordance with applicable federal and North Carolina laws, regulations, standards and guidelines, including, but not limited to the following:

- Privacy Act of 1974 (5 USC § 552a), as amended by the Computer Matching and Privacy Protection Act of 1988;
- IRS Publication 1075;
- Medicaid, 42 U.S.C. § 1396(a)(7), 42 CFR Part 431.300-307;
- Temporary Assistance to Needy Families, 42 U.S.C. § 602 (a)(1)(A)(iv);
- Supplemental Nutrition Assistance Program, 7 U.S.C. § 2020 (e)(8); 7 CFR Part 272.1(c);
- Social Security Act, 42 U.S.C. § 1396(a)(7);
- Social Security Administration Disclosure, 20 CFR Part 401;
- Child Support, 42 U.S.C. § 654(26);
- Public Assistance Programs (Public Welfare), 45 CFR Part 205.50; and U.S. Department of Labor Employment and Training Administration, 20 CFR Part 603;
- Health Information Portability and Accountability Act and HIPAA Privacy Rule, 45 CFR Part 160 and Subparts A and E of Part 164;
- North Carolina law governing confidentiality of, and access to, public assistance program data and records, including N.C. Gen. Stat. 108A-80 and implementing regulations; and
- North Carolina Identify Theft Protection Act, N.C. Gen. Stat. 75-60 et seq. and 132-1.10 and any implementing regulations.

The County acknowledges and agrees that some of the data elements included within the NCDHHS Data can be classified as "identifying information" within the meaning of N.C.G.S. § 14-113.20(b). In addition, the combination of certain data elements could classify the data elements as "personal information" within the meaning of N.C.G.S. § 75-61(10). Since the Agency and the County are subject to the North Carolina Identity Theft Protect Act requirements, N.C.G.S. § 132-1.10 and 75-65, the Agency and the County acknowledge and understand that the unauthorized disclosure, misuse, or loss of these certain data elements could subject the County and/or the Agency to security breach notification requirements.

The County shall safeguard and protect the security of the NCDHHS Data from loss, theft, or inadvertent disclosure, in accordance with applicable federal and North Carolina laws, regulations, standards and guidelines, and policies including, but not limited to the following:

- Federal Information Security Management Act of 2002 (44 USC 3541 et seq.);
- SSA's "Electronic Information Exchange Security Requirements and Procedures for State and Local Agencies Exchanging Electronic Information with the Social Security Administration"
- IRS Publication 1075;
- Health Information Portability and Accountability Act and HIPAA Security Rule, 45 CFR Part 160 and Subparts A and C of Part 164; and
- National Institute of Standards and Technology guidelines.

In accordance with applicable federal and North Carolina statutes, regulations, standards, and policies, the County shall use appropriate physical and technological security safeguards to prevent re-disclosure of NCDHHS Data, and to protect NCDHHS Data in paper and/or electronic forms during transmission, storage or transport. The County shall use encryption during the data transmission process and shall protect NCDHHS Data on portable computers and devices through the use of applicable encryption and strong authentication procedures and other security controls to make NCDHHS Data unusable and inaccessible by unauthorized individuals.

The County shall monitor County employees' access to higher-risk NCDHHS Data elements such as Social Security numbers, dates of birth, and FTI. The County shall terminate access privileges to NCDHHS Data of County employees immediately when their employment has been terminated or their job responsibilities no longer require access.

The County shall dispose of paper and equipment containing NCDHHS Data in a secure manner in accordance with applicable law and information security NIST standards. At the request of the Agency, the County shall provide documentation of proper disposal of NCDHHS Data to NCDHHS.

The County shall implement procedures for detecting, investigating, reporting and responding to security incidents involving NCDHHS Data. The County shall implement an Incident Management Plan which will be the source for how to handle incident management involving NCDHHS Data, and the Incident Management Plan will be available to the Agency upon request.

The County shall evaluate and report all losses, misuse, or unauthorized disclosure of NCDHHS Data to the NCDHHS Privacy and Security Office without unreasonable delay. Any expenses incurred as a result of the loss, misuse, or unauthorized disclosure of NCDHHS Data by the County will be the responsibility of the County.

The County shall report any suspected or confirmed privacy or security breach or incident involving the NCDHHS Data to the NCDHHS Office of Privacy and Security via electronic mail and the Office's website: <http://www.ncdhhs.gov/about/administrative-divisions-offices/office-privacy-security>, within 24 hours after the suspected or confirmed breach is first discovered. The County shall report any suspected or confirmed privacy or security breach involving Social Security Administration or Federal Tax Information data to: (i) the NCDHHS Office of Privacy and Security via the online incident reporting tool at the link above, or if after normal business hours, (ii) the NCDHHS Chief Information Security Officer via the phone numbers listed at the link above, **IMMEDIATELY** and within 60 minutes after the suspected or confirmed privacy or security breach is first discovered. The County acknowledges and agrees that it must make immediate reports of any suspected or confirmed breach involving SSA or FTI data in the manner set forth above in order to enable the Agency to fulfill the Agency's obligation to report the suspected or confirmed breach to the SSA or IRS (as applicable) within one hour after it is first discovered.

The County will collaborate and cooperate with the Agency regarding investigation, actions and potential remedies pertaining to any suspected or confirmed privacy or security breach or incident involving NCDHHS Data.

If the County experiences a security breach involving NCDHHS Data, the County will be responsible for providing notification to all affected persons. The County will collaborate and cooperate with the NCDHHS Office of Privacy and Security regarding the content and timing of notification prior to providing the notification. Any and all expenses incurred as a result of any suspected or confirmed security breach involving NCDHHS Data will be the responsibility of the County.

7. CONTACTS

The Parties mutually agree that the following named individuals will be designated as points of contact for the MOA on behalf of the Agency and the County:

For NCDHHS:

Pyreddy Reddy Chief Information Security officer N.C. DHHS Privacy and Security Office 695 Palmer Drive Raleigh, NC 27605 Phone: (919) 855-3090 Fax: (919) 733-1524 Email: pyreddy.reddy@dhhs.nc.gov	
--	--

For Person County:

Carlton Paylor Social Services Director 355B South Madison Boulevard PO Box 770 Roxboro, NC 27573 Phone Number: 336-503-1131 Fax Number: 336-599-3974 Email: cpaylor@personcountync.gov

The Parties agree that if there is a change regarding the information in this section, the party making the change will notify the other party in writing of such change.

8. LIABILITY AND INDEMNIFICATION

Nothing herein shall be construed as a waiver of the sovereign immunity of the State of North Carolina or the assumption by the State of any liability contrary to the laws and statutes of North Carolina. Each Party shall be responsible for its own liabilities and neither Party shall seek indemnification from the other.

This MOA shall inure to the benefit of and be binding upon the Parties hereto and their respective successors in the event of governmental reorganization pursuant to N.C.G.S. § 143A-6 or other authority.

9. MONITORING AND AUDITING

The IRS, SSA, any other federal agency or the Agency, with advance notice, shall have the right to send its officers and employees into the offices and facilities of the County for inspection of the County's facilities to ensure that adequate safeguards and security measures have been maintained as required by this MOA. Key areas to be inspected include record keeping, secure storage, limited access, disposal, and computer security systems such as those described in IRS Publication 1075. The County and the Agency will work together to correct any deficiencies identified during any internal inspection. The Agency may opt to utilize the County representatives for compliance validation.

The State Auditor shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions in accordance with General Statute 147-64.7 and other applicable laws or regulations.

The NC DHHS Privacy and Security Office will conduct privacy and security assessments based on NIST Standards, Federal, State and DHHS Privacy and security requirements,

10. DURATION OF AGREEMENT AND MODIFICATION

This MOA is effective on July 1, 2024, and shall continue for an initial term of 24 months following the effective date, through and including June 30, 2026.

The Parties shall review this MOA as deemed necessary by the Agency, or upon the written request of either the Agency or the County to the other party, or whenever a State or Federal statute is enacted that material affects the substance of this MOA, in order to determine whether it should be revised or renewed, as applicable.

Notwithstanding all other provisions of this MOA, the Parties agree that this MOA may be amended at any time by written mutual consent of both Parties.

11. GOVERNING LAW

The validity of this MOA and any of its terms or provisions, as well as the rights and duties of the parties to this MOA, are governed by the laws of North Carolina. The place of this MOA and all transactions and agreements relating to it, and their situs and forum, shall be Wake County, North Carolina, where all matters, whether sounding in contract or tort, relating to the validity, construction, interpretation, and enforcement shall be determined.

12. OTHER PROVISIONS/SEVERABILITY

Nothing in this MOA is intended to conflict with current federal or state laws or regulations, or any governing policies of the County or the Agency. If any term of this MOA is found by any court or other legal authority or is agreed by the Parties to be in conflict with any law or

regulation governing its subject, the conflicting term shall be considered null and void. The remaining terms and conditions of this MOA shall remain in full force and effect.

13. ENTIRE AGREEMENT

This MOA and any amendments hereto and any documents incorporated specifically by reference represent the entire agreement between the Parties and supersede all prior oral and written statements or agreements.

14. TERMINATION

The Parties may terminate this MOA at any time upon mutual written agreement. In addition, either party may terminate this MOA upon 90 days' advance written notice to the other party. Such unilateral termination will be effective 90 days after the date of the notice or at a later date specified in the notice. In the event this MOA is terminated unilaterally by the County, the Agency will suspend the flow of NCDHHS Data to the County until a superseding written agreement is executed by the Parties.

The Agency may immediately and unilaterally suspend the flow of NCDHHS Data to the County under this MOA, or terminate this MOA, if the Agency, in its sole discretion, determines that the County (including its employees, contractors and agents) has: (i) made an unauthorized use or disclosure of NCDHHS Data; (ii) provided unauthorized access to NCDHHS Information Systems; or (iii) violated or failed to follow the terms and conditions of this MOA.

**LETTER OF SUPPORT FOR DUKE ENERGY'S APPLICATION TO
CONSTRUCT A COMBINED-CYCLE PLANT AT THE ROXBORO SITE**

Presented by County Manager Katherine Cathey. She stated that on February 5, 2024, the Person County Board of Commissioners adopted a Resolution of Support for Duke Energy in Person County. She stated that the resolution confirms the Board's support of Duke Energy's plans to construct two new combined-cycle plants at the Roxboro Plant and to continue exploring other innovative solutions for generating clean and reliable power in Person County, making the most of the existing energy infrastructure. She stated that Duke Energy and North Carolina Electric Membership Corporation have submitted an application for a certificate of public convenience and necessity (CPCN) to construct a 1,360 MW natural gas-fueled combined-cycle electric generating facility at the site of Duke Energy's existing Roxboro Plant.

A **motion** was made by Commissioner Palmer and **carried 5-0** to authorize the Chairman to sign a letter of support for Duke Energy.



PERSON COUNTY

BOARD OF COUNTY COMMISSIONERS
304 South Morgan Street, Room 212
Roxboro, NC 27573-5245
336-597-1720
Fax 336-599-1609

June 3, 2024

North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, NC 27699-4300
Via: Electronic filing system

Dear Commissioners,

The Person County Board of Commissioners confirms its support for Duke Energy and North Carolina Electric Membership Corporation's application for a certificate of public convenience and necessity (CPCN) to construct a 1,360 MW natural gas-fueled combined cycle electric generating facility at the site of Duke Energy's existing Roxboro Plant in Person County (Docket Number E-2, Sub 1318CS).

Duke Energy has been a strong and consistent presence in our community since operations at the Roxboro Plant began in 1966 followed by the Mayo Plant in 1983. Both plants generate enough power to meet nearly 12% or more of North Carolina's energy needs in peak periods, and Person County is proud of our key role in keeping the lights on throughout the state.

Person County's economy is supported by Duke Energy's investments in infrastructure and jobs. Decommissioning of the coal plants without siting replacement generation in our community would be a hard hit to the services provided by county government, which are funded in large part by Duke Energy's tax contributions. In addition, the Duke Energy Foundation and Duke Energy employees support many vital organizations through their time and financial resources. Our community benefits greatly from their civic engagement.

The county's leaders and workforce are ready to take on the challenge of transitioning from coal-fired plants to natural gas generation, a clean alternative bridge fuel important to the state's energy transition. North Carolina's energy needs are ever-increasing due to the state's high growth rate, and Person County is ready to help transform the existing plant sites and implement North Carolina's plan for cleaner energy generation. We strongly support your approval of the CPNC application for Person County.

Sincerely,



Gordon Powell, Chairman

Enclosure: Resolution of Support for Duke Energy in Person County

June 3, 2024



Resolution of Support for Duke Energy in Person County

WHEREAS, Duke Energy is an important part of Person County, being a strong and consistent presence in our community since operations at the Roxboro Plant began in 1966 followed by the Mayo Plant in 1983, and

WHEREAS, Duke Energy contributes significantly to Person County as one of the largest employers and the largest taxpayer, Duke Energy employees and their families are active members of the community, and the Duke Energy Foundation supports many vital organizations through grants, and

WHEREAS, House Bill 951 requires Duke Energy to cut carbon emissions, and Person County is supportive of these goals, encouraging replacement generation at its retiring coal plants, and

WHEREAS, Person County supports Duke Energy's plans to construct and operate two combined cycle power plants, following its "replace-before-retire" strategy at the Roxboro Plant and to continue exploring options for small modular reactors (nuclear), long-term battery storage and other innovative solutions to make the most of the existing infrastructure in Person County, and

WHEREAS, it is critical to the future of Person County's economy to maintain Duke Energy's place in our community where it will be able to successfully generate clean, reliable and cost-effective power for North Carolina's growing population for decades to come.

NOW, THEREFORE, BE IT RESOLVED by the Person County Board of Commissioners that Person County supports Duke Energy's plans to site two combined cycle power plants at the Roxboro Plant and to continue exploring options for other innovative solutions for generating clean and reliable power in Person County.

RESOLVED this the 5th day of February, 2024.


Gordon Powell, Chairman

ATTEST:


Michele Solomon, Clerk to the Board



June 3, 2024

CHAIRMAN'S REPORT:

Chairman Powell had no report.

MANAGER'S REPORT:

County Manager Katherine Cathey advised that the Board would be having a budget work session to discuss the recommended budget on June 5, 2024 at 9:00 a.m. She stated that the Person County Museum of History and Person County Business and Industrial Center (PCBIC) will both be presenting requests for FY25.

COMMISSIONER REPORT/COMMENTS:

Vice Chairman Sims asked Assistant County Manager Brian Hart if he had followed up with the DSS case involving Jose Tierrablanca. Hart advised that he had followed up and has been in contact with the family and with DSS staff. Sims stated that he would like for the County's Planning & Zoning Department to look in to what ordinances may pertain to drones, and what can be done to prevent someone from spying and invading one's privacy. He stated that drones have their place, where they have saved lives by searching for lost children and people with health issues as well as aiding law enforcement to watch for illegal activity or to follow an automobile trying to run from law enforcement. He stated that he has no problem with those who fly drones for recreational purposes, however those who fly for other purposes to harass and invade one's privacy should not be tolerated nor allowed. He stated that he attended RCS award's night for seniors and handed out a scholarship. He stated that he did a five-mile walk with the veteran's fundraiser. He stated that he gave a speech at the Memorial Service on Memorial Day.

Commissioner Palmer reported that he toured the Dominion Energy project site, that it was top notch, and had safety protocols in place.

Commissioner Thomas stated that he agreed with Sims and would like for the County's Planning & Zoning Department to look in to what can be done about drones. He stated that his family has also been harassed.

Commissioner Puryear had no report.

A **motion** was made by Commissioner Palmer and **carried 5-0** to enter into Closed Sessions at 7:08 p.m.

CLOSED SESSION #1

A motion to enter into Closed Session #1 per General Statute 143-318.11(a)(3) for the purpose to consult with the county attorney in order to preserve the attorney-client privilege with the following individuals permitted to attend: County Manager Katherine Cathey, Clerk to the Board Michele Solomon, Planning and Zoning Director Chris Bowley, and County Attorney T.C. Morphis, Jr.

CLOSED SESSION #2

A motion to enter into Closed Session #2 per General Statute 143-318.11(a)(5) for the purpose to instruct the public body's staff concerning the position to be taken by or on behalf of the public body in negotiating the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease with the following individuals permitted to attend: County Manager Katherine Cathey, Clerk to the Board Michele Solomon, and County Attorney T.C. Morphis, Jr.

Chairman Powell called the closed session to order at 7:09 p.m.

A **motion** was made by Commissioner Puryear and **carried 5-0** to return to open session at 7:36 p.m.

A **motion** was made by Commissioner Puryear and **carried 5-0** to approve the Option and Purchase Agreement between PCBIC and Person County in the amount of \$100.00.

NORTH CAROLINA

PERSON COUNTY

OPTION AND PURCHASE AGREEMENT

This Option and Purchase Agreement ("Agreement") is entered into this 3 day of June 2024 by and between Person County Business & Industrial Center, Inc., a North Carolina nonprofit corporation ("PCBIC" or "Seller"), and the County of Person, a political subdivision of the State of North Carolina ("Person County" or "Buyer").

RECITALS

A. Whereas in 2022 PCBIC acquired that parcel of land with an area of approximately 2.5 acres and located at 1950 Country Club Road in Person County (Record Number 34969) by deed recorded in the Person County Registry at Book 1124, Page 218 (the "Property"). The Property is also informally referred to as the "Reaves property"; and

B. Whereas Person County desires to acquire the Property and PCBIC desires to convey the Property to Person County; and

C. Whereas both parties agree that the conveyance shall be for a public purpose consistent with the PCBIC's Articles of Incorporation, as amended, including for the purpose of promoting growth and expansion of new and existing business and industry in Person County.

TERMS

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller hereby amend the Agreement as follows:

1. Grant of Option. The Seller does hereby grant to the Buyer the exclusive option to purchase the Property upon the terms and conditions hereinafter set forth (the "Option").

2. Term and Exercise of Option. This Option shall continue from the date of the execution of the date of the execution of this Agreement until September 4, 2024 (the "Expiration Date"), and shall be exercisable by delivery on or before its expiration, of written notice of exercise by Buyer to Seller. Notice of exercise shall be deemed delivered to Seller when said written notice is placed in the United States Mail, certified mail, return receipt requested as evidenced by the postmark. Notice of exercise may also be made and deemed delivered by email with a read receipt or by hand delivery. Upon Buyer's exercise of the Option, the terms and conditions of this Agreement shall become a Contract for the Purchase and Sale of Real Property and the parties hereto agree to execute any and all documents and papers necessary in connection with the closing and transfer of title.

3. Closing Date. The closing of the sale and purchase of the Property shall take place

105313154.7

June 3, 2024

on or before a date which is sixty (60) days from the date of exercise of the Option during the original term of this Agreement or during the Additional Term (defined below), if applicable; provided, however, the Closing Date may be extended by agreement of the parties. Closing shall take place in the offices of Buyer's counsel, or at such other place as shall be mutually agreed upon by Seller and Buyer. The precise time and date of Closing shall be set by Buyer upon not less than ten (10) days' notice to Seller. Seller may waive this ten-day notice provision.

4. Purchase Price. The purchase price for the Property shall be One Hundred 00/100 Dollars (\$100.00).

5. Right of Entry; Indemnification.

- (a) Immediately upon the execution of this Agreement by both Buyer and Seller, Buyer, its successors and assigns, their agents, employees, contractors or other representatives, shall have the right during the term of this Agreement to enter upon the Property for the purposes of making such surveys, tests, measurements, studies, soil borings or excavations, evaluations and appraisals as Buyer deems necessary. Moreover, Buyer shall have the right to authorize third parties who may become a successor or assign to Buyer to enter the Property for the same purposes stated herein. Within a reasonable period after performing any work on the Property, the Buyer, its successors or assigns, shall repair any and all damage to the Property caused by the Buyer, its successors or assigns, by virtue of said work such that the Property shall be returned to approximately the same condition as existed prior to the performance of the work.
- (b) Notwithstanding anything to the contrary in this Agreement, Buyer agrees to indemnify, defend and hold the Seller harmless against any and all liabilities, claims, demands, actions, costs and expenses (including reasonable and necessary attorney's fees and court costs) for property loss or personal injury or death arising from or by reason of the negligent act or omission of Buyer or any of its employees, agents, assigns, consultants, contractors and subcontractors incident to any entry or access to the Property permitted under this Agreement prior to closing.

6. Renewal Option. The Buyer shall have the option to extend the term of this Option for one (1) additional period of one (1) year (the "Additional Term"). In order to exercise the Additional Term, Buyer must deliver to Seller written notice at least five (5) business days prior to the Expiration Date, of its desire to extend the option for the Additional Term. Except as specifically set forth herein, the Additional Term shall be upon all of the terms and conditions of this Agreement, and no additional consideration shall be required for Buyer to exercise the right an Additional Term.

7. Approvals and Seller Cooperation. Seller covenants and agrees with Buyer that it, its successors and assigns, will cooperate with Buyer, all officials of state and local governmental authorities and any other public departments and agencies in connection with Buyer's planning, designing and development of the Property. Seller, its successors and assigns, shall execute any reasonable instruments or other documents necessary to accomplish the foregoing and shall, if

legally necessary to obtain requisite approvals, and join with Buyer in the execution of any plats, maps, plans, rezoning, or other applications submitted to any of the foregoing agencies or authorities. Further, this cooperation shall also extend to any third party authorized to enter the Property by the Buyer pursuant to Section 5, above. All cooperation by Seller pursuant to this paragraph shall be at Buyer's expense.

8. Continued Use by Seller. Seller reserves all rights to the continued use of the Property during the term of this Agreement, so long as such activities of the Seller do not unreasonably interfere with the access and investigation rights of the Buyer or an authorized third party granted herein. This includes, without limitation, continuation of a timber management plan which involves periodic harvesting of selected areas based upon best management practices, as well as the granting of normal and customary agricultural and hunting leases.

9. Buyer's Conditions to Closing. In the event that Buyer, its successors or assigns, exercise the Option, Buyer's obligation to consummate any transaction contemplated by this Agreement is subject to the satisfaction as of the date of Closing of each of the following conditions (any of which may be waived in whole or in part in writing by Buyer at or prior to Closing):

- (a) That Seller is able at closing to convey to Buyer marketable fee simple title to the Property by special warranty deed, the title to same being free and clear of all monetary encumbrances except ad valorem taxes for the year of closing (prorated to the date of closing) and utility easements and rights of way of roads or streets of record which do not materially affect the value of or interfere with Buyer's proposed use of the Property;
- (b) That at the time of closing there are no restrictions, casements, zoning or other governmental regulations that would prevent the reasonable use of the Property for commercial or industrial purposes (the "Project") and that Buyer has received all necessary written approvals for the Project from all necessary governmental or regulatory bodies;
- (c) That all utilities required for the location and operation of the Project are available at the Property;
- (d) That there are no unpaid special assessments levied against the Property, including but not limited to, special assessments payable in installments which become due subsequent to the date hereof;
- (e) That no portion of the Property shall be subject to any action for acquisition by eminent domain; and
- (f) That all of Sellers' representations, warranties and covenants arising from this Option shall be true and correct as of the date hereof and shall be true and correct as of the date of closing.

10. Seller's Representations and Warranties. Seller hereby represents, warrants, and covenants that this Agreement has been duly authorized, executed and delivered by all necessary action on the part of Seller, constitutes the valid and binding agreement of Seller, and is enforceable in

accordance with its terms.

11. **Disclaimer.** Buyer acknowledges and agrees that to the maximum extent permitted by law, **THE SALE OF THE PROPERTY IS MADE ON AN “AS IS, WHERE IS” CONDITION AND BASIS WITH ALL FAULTS, KNOWN OR UNKNOWN, PATENT, LATENT, OR OTHERWISE.** Buyer acknowledges and agrees that Seller has not made, does not make, and specifically negates and disclaims any representations, warranties, promises, covenants, agreements, or guaranties of any kind, character, or nature whatsoever, whether express or implied, oral or written, past, present, or future, of, as to, concerning or with respect to: (a) the value, nature, quality, or condition of the Property or any improvements thereon (including, without limitation, water, environmental, flora, fauna, soil, and geology); (b) the income to be derived from the Property; (c) the suitability of the Property and/or the improvements located thereon for any and all activities and uses which Buyer may conduct thereon regardless of whether disclosed to Seller; (d) the compliance of or by the Property and/or the improvements located thereon or their operation with any laws, rules, ordinances, or regulations of any applicable governmental authority or body; (e) the habitability, merchantability, marketability, profitability, or fitness for a particular purpose of the Property and/or any improvements thereon; (f) the manner or quality of the construction or materials incorporated into the Property; (g) the manner, quality, state of repair or lack of repair of the Property or any improvements thereon; and (h) any other matter of any nature whatsoever with respect to the Property. Specifically, but not limited to the foregoing, Buyer acknowledges and agrees that Seller has not made, does not make, and specifically disclaims any representations regarding compliance with any environmental protection, pollution, or land use laws, rules, regulations, orders, or requirements, including the existence in or on the Property of hazardous materials. Buyer has not relied upon any representation or warranty made by Seller, any parent, subsidiary, or affiliate thereof, or any of its officers, directors, employees, agents or representatives in entering into this Agreement to purchase the Property. Buyer further acknowledges and agrees that, having been given the opportunity to inspect the Property, Buyer is relying solely on its own investigation of the Property and not on any information provided or to be provided by Seller, and at Closing Buyer agrees to accept the Property and be deemed automatically to release and waive all objections or claims against Seller (including, but not limited to, any right to, or claim or, contribution) arising from or related to the Property, or to any hazardous materials in or on the Property. Buyer further acknowledges and agrees that any information provided, or to be provided with respect to the Property, by Seller could have been obtained from a variety of sources and that Seller has not made any independent investigation or verification of such information and makes no representations as to the accuracy or completeness of such information. Seller is not liable or bound in any manner by any verbal or written statements, representations, or information pertaining to the Property or the operation thereof, furnished by Seller, any real estate broker, agent, employee, servant, or other person. It is understood and agreed that the Purchase Price has been established by prior negotiation to reflect that all of the Property is sold by Seller and purchased by Buyer subject to the foregoing. The provisions of this Section shall survive Closing or termination of this Agreement.

12. **Closing Expenses, Adjustments and Documentation.**

(a) Seller shall pay for the preparation of a deed and for the excise tax (revenue stamps)

required by law. Buyer shall pay for recording the deed and for all closing costs and expenses associated with its examination of title and procurement of title insurance.

- (b) All ad valorem property taxes past due and owing as of the date of Closing and all special assessments against the Property, whether payable in installments or not, all penalties and interest thereon, and all roll-back or deferred taxes shall be paid by Seller.
- (c) Current ad valorem taxes levied against the Property shall be prorated to the date of Closing on a calendar year basis. If the amount of such taxes is not ascertainable on the date of Closing, the adjustment shall be predicated upon the most recently ascertainable taxes, and Buyer and Seller do hereby agree to re-prorate any such estimated taxes forthwith upon Buyer's receipt of the actual tax bill for the year in question.
- (d) Seller shall furnish at closing an affidavit and indemnification agreement in form satisfactory to the title company of Buyer's choice showing that all labor, services and materials, if any, (other than those contracted solely for and by Buyer) furnished to the Property within 120 days prior to the date of Closing have been paid for and agreeing to indemnify said company against all loss from any cause or claim arising therefrom. Notwithstanding the foregoing, the affidavit and indemnification agreement shall be reasonable, and the parties agree that forms provided by the North Carolina Land Title Association are reasonable for this purpose.
- (e) There are no real estate brokers involved in this transaction on behalf of either party.

13. **Assignment.** Buyer shall have the right, without the prior approval of Seller, to assign, transfer and convey some or all of its right, title and interest created by and arising out of this Agreement to any party as it may designate, so long as such assignee agrees in writing to be bound by all terms and conditions contained herein. Upon any assignment, Buyer shall not be released from liability under this Agreement.

14. **Remedies.** In the event Seller defaults or fails to perform any of the obligations of Seller under this Agreement, Buyer at its option and in its sole discretion shall be entitled to exercise any and all rights and remedies available to it at law or in equity, including without limitations, an action at law for damages or an action in equity for specific performance or the right to terminate this Agreement by giving written notice to Seller without further obligation. In the event Buyer defaults or fails to perform any of the obligations of Buyer under this Agreement, Seller shall have all rights and remedies available to it at law or equity.

15. **Notices.** All notices to be given hereunder shall be sent certified mail, return receipt requested; email with a read receipt; or hand delivered and shall be deemed to have been given and received when deposited with postage prepaid, return receipt requested, in the United States mail, on the date shown on the email read receipt, or when physically delivered to the street addresses given herein. Such notice shall be sent or delivered to the parties at the following address (or to such other further addresses as the parties may hereafter designate by like notice similarly sent):

**Person County Business
& Industrial Center, Inc.,**

Attn: Phillip Allen
Title: President
Address: P.O. Box 1824
Roxboro, NC 27573
Email: pallen@esinc.net

County of Person

Attn: Brandy Lynch
Title: Economic Development Director
303 S. Morgan St.
Roxboro, NC 27573
Email: blynch@personcountync.gov

With Copy to:

**Person County Business
& Industrial Center, Inc.,**

Attn: Lemuel Whitsett, V
Title: Corporate Counsel
Address: Williams Mullen
301 Fayetteville St., Suite 1700
Raleigh, NC 27601
Email: lwhitsett@williamsmullen.com

County of Person

Attn: T.C. Morphis, Jr.
Title: County Attorney
Address: The Brough Law Firm, PLLC
1526 E. Franklin St., Suite 200
Chapel Hill, NC 27514
Email: morphis@broughlawfirm.com

16. Memorandum of Option. At Buyer's request and expense, Seller agrees to execute a Memorandum of Option in recordable form, stating that the Property is under option to Buyer and the duration of such option.

17. Construction of Agreement.

- (a) The parties hereto agree that this Agreement constitutes the entire agreement between the parties, that no representations, stipulations, agreements or understandings, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in the provisions of this Agreement, and the Agreement may not be amended or modified except by written agreement signed by each of the parties hereto.
- (b) TIME IS OF THE ESSENCE WITH RESPECT TO THE OBLIGATIONS TO BE PERFORMED UNDER THIS AGREEMENT.
- (c) No written waiver by any party at any time of any breach of any provision of this Agreement shall be deemed a waiver or a breach of any other provision herein or a consent to any subsequent breach of the same or any other provision. If any action by any party shall require the consent or approval of another party, such consent or approval on any occasion shall not be deemed a consent to or approval of such action of any subsequent occasion or a consent to or approval of any other action on the same or any subsequent occasion.
- (d) The paragraphs, captions, numbers, and letters appearing in this Agreement are inserted only as a matter of convenience and do not define, limit, construe, or describe the scope or intent of such paragraphs nor in any way affect this Agreement.
- (e) It is understood and recognized that this Agreement is the joint undertaking of the parties hereto and results from their common efforts.

- (f) This Agreement shall be governed by and construed under the laws of the State of North Carolina.
- (g) This Agreement may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.
- (h) This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective legal representatives, successors in interest and assigns.
- (i) To the extent that the Buyer may in any jurisdiction claim for itself or its assets immunity from suit, execution or attachment (whether in aid of execution, before judgment or otherwise) or immunity from any other form of legal process, the Buyer hereby irrevocably and unconditionally waives all such immunity to the fullest extent permitted by any applicable laws and covenants that it shall not assert sovereign immunity as a defense either to jurisdiction or to any enforcement measures that are available in any such jurisdiction, including without limitation enforcement measures that are available for a judgment rendered in a legal proceeding conducted in another jurisdiction.

18. Survival. It is understood and agreed that whether or not it is specifically so provided herein, any provision of this Agreement which by its nature is required to be kept, observed and performed after the exercise of the option granted hereunder or closing of title shall survive the exercise and closing of title and delivery of the deed hereunder, and shall not be merged therein, but shall be and remain binding upon and for the benefit of the parties hereto until fully observed, kept and performed.

19. Recitals. The recitals set forth above are incorporated herein by reference and constitute a part of this agreement.

[This area has been left blank intentionally. Signatures are on the following pages.]

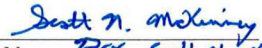
IN WITNESS WHEREOF, the parties have caused the duly authorized execution hereof, this the day and year first written above, to become effective on the date of execution.

OPTION AND PURCHASE AGREEMENT
(Signature Page)

**PERSON COUNTY BUSINESS &
INDUSTRIAL CENTER, INC.**

By:  (SEAL)
Printed Name: Phillip Allen
Title: President

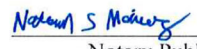
ATTEST:

By:  (SEAL)
Printed Name: Per Scott N. McKinney
Title: Vice-President

STATE OF NORTH CAROLINA
COUNTY OF PERSON

I, Nathan S McKinney, a Notary Public for said County and State, do hereby certify that Phillip Allen personally appeared before me this day and acknowledged that he/she/they executed the foregoing instrument.

Witness my hand and official seal/stamp, this 5th day of June, 2024.


, Notary Public

My Commission Expires: 05/15/2029



OPTION AND PURCHASE AGREEMENT

(Signature Page)



COUNTY OF PERSON

By: Gordon Powell (SEAL)
Gordon Powell
Chair, Person County Board of Commissioners

ATTEST:

By: Michèle Solomon (SEAL)
Michèle Solomon
Clerk to the Board of Commissioners

STATE OF NORTH CAROLINA
COUNTY OF PERSON

I, Tracy Clayton, a Notary Public for said County and State, do hereby
certify that Gordon Powell personally appeared before me this day and acknowledged that
he/she/they executed the foregoing instrument.

Witness my hand and official seal/stamp, this 3 day of June, 2024.

Tracy Clayton
Notary Public

My Commission Expires: June 17, 2028



June 3, 2024

RECESS:

A **motion** was made by Commissioner Palmer and **carried 5-0** to recess the meeting at 7:38 p.m. until Wednesday, June 5, 2024 at 9:00 a.m.in the Commissioners' Boardroom 215 in the Person County Office Building located at 304 S. Morgan Street, Roxboro, NC.

Michele Solomon
Clerk to the Board

Gordon Powell
Chairman