BOARD OF COMMISSIONERS PUBLIC HEARING AND REGULAR MEETING FEBRUARY 16, 2026 5:00 PM

Bryant H. Womack Justice & Administration Building 40 Courthouse Street Columbus, NC 28722

1. Public Hearing

   A. Call to Order the Public Hearing. The purpose of the Public Hearing is to receive public comments on proposed new road names in Polk County: Rutherfordton Township: Caeli Way – Private Road – Off of County Line Road South (SR 1155), Saluda Township: Sunny Meadows Lane - Private Road – Off of Fork Creek Road (SR 1100). The notice was properly advertised in the Tryon Daily Bulletin.

   B. Citizen Comments

   C. Adjourn Public Hearing

2. Call to Order the Regular Meeting - Chairman Yoder.

3. Invocation - Chairman Yoder.

4. Pledge of Allegiance - Commissioner Melton

5. Approval of Agenda

   A. Items may be added or removed at this time.

6. Consent Agenda

   A. Approval of January 12, 2026, Public Hearing and Regular Meeting Minutes.

   B. Budget Amendment to appropriate $22,000 of fund balance to the Finance Department.

   C. Tax refunds in the amount of $728.74 through the period ending January 23, 2026.

   D. Resolution Supporting the Development of the Saluda Grade Trail.

7. Citizen Comments on Agenda Items.

8. Regular Agenda Items

A. Consideration and approval of the proposed two new road names subsequent to the public hearing: Caeli Way, and Sunny Meadows Lane.

B. Polk County 2025 Audit Presentation - Brandi Fesperman, Martin-Starnes & Associates.

C. Discussion and Approval of the FY 2026/2027 Budget Calendar - Sonya Ayers, Finance Director.

D. National Nutrition Month Proclamation - Gail Dyer, HHSA Senior Nutrition Coordinator; Natalie Trachsel, HHSA Assistant Director.

E. Polk County 2026 Senior Games - Julie Tremblay, Senior Center Activities Coordinator. (This item was requested by Commissioner Hargett).

F. 2025 Sheriff's Department Annual Report - Sheriff Tim Wright.

G. St. Luke's Hospital Community Facilities Grant Agreement - Attorney Berg.

9. Citizen Comments on Non-Agenda Items.

10. Volunteer Board Applications

A. Agricultural Advisory Board - There are three vacancies and one applicant; Sam Arledge.

B. Juvenile Crime Prevention Council (JCPC) - There are two vacancies and two applicants; Monica Starr, and Kimberly McDonald.

C. Library Board of Trustees - There are four vacancies and two applicants; Linda Greensfelder, and Mary Ratcliffe,

11. Commissioner Comments.

12. Closed Session

A. Motion to go into Closed Session for the purpose of Attorney-Client Privilege, and Personnel.

B. Motion to return to open session.

13. Adjournment

BOARD OF COMMISSIONERS
AGENDA ITEM REPORT

MEETING DATE

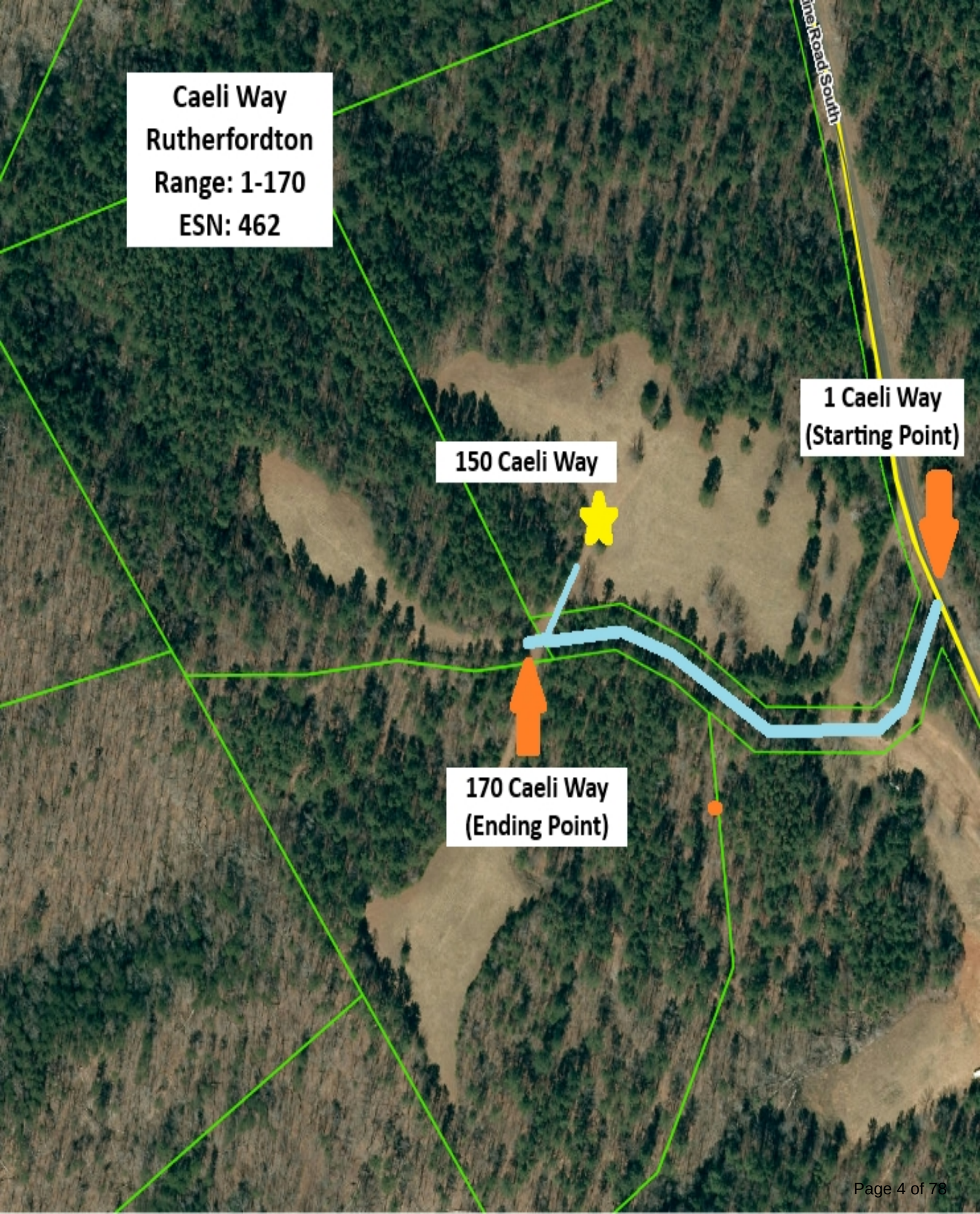
February 16, 2026

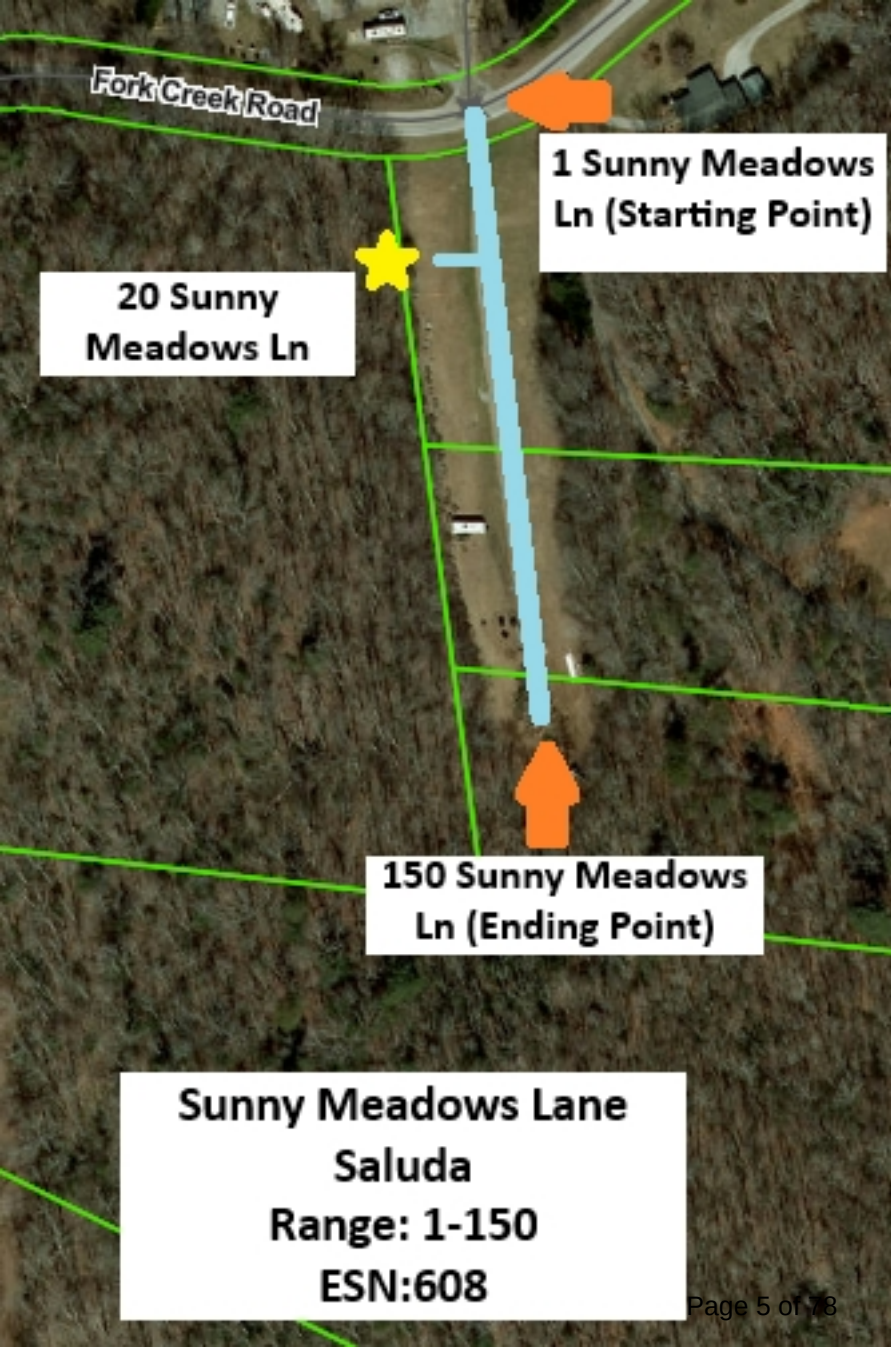
AGENDA ITEM # 1.A

Call to Order the Public Hearing. The purpose of the Public Hearing is to receive public comments on proposed new road names in Polk County: Rutherfordton Township: Caeli Way – Private Road – Off of County Line Road South (SR 1155), Saluda Township: Sunny Meadows Lane - Private Road – Off of Fork Creek Road (SR 1100). The notice was properly advertised in the Tryon Daily Bulletin.

ATTACHMENTS

1. CAELI_WAY (1)
2. SUNNY_MEADOWS_LANE (1)
3. February 16, 2026 PH Notice for New Road Names


Caeli Way
Rutherfordton
Range: 1-170
ESN: 462
1 Caeli Way
(Starting Point)
150 Caeli Way
170 Caeli Way
(Ending Point)


Fork Creek Road
1 Sunny Meadows Ln (Starting Point)
20 Sunny Meadows Ln
150 Sunny Meadows Ln (Ending Point)
Sunny Meadows Lane
Saluda
Range: 1-150
ESN:608



NOTICE OF PUBLIC HEARING

Notice is hereby given that at 5:00 p.m., on Monday, February 16, 2026, in the Bryant H. Womack Justice and Administration Building, located at 40 Courthouse Street, Columbus, NC 28722, the Polk County Board of Commissioners will hold a public hearing to receive citizen input on the following proposed new road names to be adopted in Polk County, North Carolina:

Rutherfordton Township:

Caeli Way – Private Road – Off of County Line Road South – SR 1155

Saluda Township:

Sunny Meadows Lane- Private Road – Off of Fork Creek Road – SR 1100

Kennedy Freeman
Clerk to the Board
(828) 894-3301

BOARD OF COMMISSIONERS
AGENDA ITEM REPORT

MEETING DATE

February 16, 2026

AGENDA ITEM # 6.A

Approval of January 12, 2026, Public Hearing and Regular Meeting Minutes.

ATTACHMENTS

1. 1.12.26 minutes DRAFT

POLK COUNTY BOARD OF COMMISSIONERS
Employee Recognition,
Public Hearing & Regular Meeting
January 12, 2026 - 4:00 PM
Bryant H. Womack Justice & Administration Building
40 Courthouse Street Columbus, NC 28722
MINUTES

Present: Chairman Yoder, Vice-Chairman Moore, Commissioner Beiler, Commissioner Melton, and Commissioner Hargett. Also in attendance were Manager Pittman, Attorney Berg, Clerk to the Board Freeman, and citizens.

1. Employee Recognition - Tommy Oakman, Human Resources Officer

   Chairman Yoder called a recess at 4:23 pm. The public hearing was called to order at 5:00 pm.

2. Public Hearing

   A. Call to Order the Public Hearing - the purpose of the public hearing is to take citizen comments on the proposed road names; Lightning Bug Lane - Private Road - Off of Laughter Road - SR 1165, Second Star Drive - Private Road - Off of Maggie Pye Lane, and Luna Lane - Private Road - Off of Overbrook Drive. The notice was properly advertised in the Tryon Daily Bulletin.

   B. Citizen Comments

   There were no citizen comments.

3. Adjourn Public Hearing

   Commissioner Melton moved to adjourn the public hearing, seconded by Commissioner Hargett, and the motion carried unanimously.

4. Call to Order the Regular Meeting - Chairman Yoder

5. Invocation - Vice-Chairman Moore.

6. Pledge of Allegiance - Commissioner Hargett

7. Approval of Agenda

   A. Items may be added or removed at this time.

   Vice-Chairman Moore requested to add a Planning Board application to item 11.C.

   Commissioner Beiler moved to approve the agenda as amended, seconded by Commissioner Melton and the motion carried unanimously.

8. Consent Agenda

   A. Approval of the December 15, 2025 Regular Meeting Minutes.

   B. Schedule a Public Hearing for proposed new road names to be considered on Monday, February 16, 2025, at 5:00 pm in the R. Jay Foster Hall of Justice, Womack Building.

   C. Tax Refund Requests (see attached memorandums).

   D. Budget Amendment in the Amount of $48,000 to Appropriate Solid Waste Fund Balance for the Purchase of a Used Articulating Boom Lift and Repairs to Transfer Station Equipment.

   Commissioner Beiler moved to approve the consent agenda, seconded by Commissioner Melton, and the motion carried unanimously.

9. Citizen Comments on Agenda Items.

   There were four citizen comments.

10. Regular Agenda Items

    A. Consideration and approval of the proposed new road names; Lightning Bug Lane, Second Star Drive, and Luna Lane, subsequent to the public hearing - Attorney Berg.

    Attorney Berg was present for questions.

    Vice-Chairman Moore moved to approve the proposed new road names, seconded by Commissioner Melton, and the motion carried unanimously.

    B. Budget Amendment and Approval for the Purchase of a New Excavator - Travis Ballard, Solid Waste Director.

    Mr. Ballard explained that their previous excavator had recently become inoperable and it is an essential piece of equipment for landfill operations. He requested approval to transfer existing funds to the Solid Waste Fund Balance to cover the purchase. He also noted that, because the equipment is already available on the sales floor, it could be delivered by the following Friday.

    Commissioner Beiler moved to approve the purchase and budget amendment for the Solid Waste excavator, seconded by Commissioner Melton, and the motion carried unanimously.

    C. Ceres Environmental Services, Inc. - Lake Adger Sediment and Debris Removal Land Lease - Manager Pittman.

    John Bumgarner, Ceres Environmental Services, Inc. gave a presentation, a copy of which is hereby incorporated by reference into these minutes. He explained that, following completion of post-storm surveys, an estimated 500,000 cubic yards of debris were shown in Lake Adger, with approximately 8,500 cubic yards located at the dam.

He said that all debris will need to be temporarily relocated, so they are requesting a land lease to serve as a temporary off load and staging area during the project.

Commissioner Hargett moved to approve the Ceres Environmental Services, Inc. Lake Adger Sediment and Debris Removal Land Lease, seconded by Commissioner Melton, and the motion carried unanimously.

D. Turner Shoals Dam and Lake Adger Access Right of Way and Easement Condemnation Resolution and Project Budget Ordinance Amendment - Attorney Berg.

Attorney Berg noted that an access point is needed to protect the dam and ensure the safety of Polk County residents. The proposed access would facilitate the removal of debris as outlined by Mr. Bumgarner and enable ongoing repairs in the future. She indicated that the county evaluated several alternatives, but none proved feasible. Additionally, she emphasized that deed restrictions on the private roadways prohibit property owners from granting the access necessary for the county's requirements. Consequently, condemning the rights-of-way along Green Hills Road and Hawk Ridge Drive is the only viable option. She further stated that upon the Board's approval of the resolution, the county will initiate the condemnation process, thereby enabling the debris removal project and allowing for future inspections, repairs and maintenance.

Commissioner Beiler moved to approve the resolution and project budget ordinance amendment, seconded by Commissioner Hargett, and the motion carried unanimously.

11. Citizen Comments on Non-Agenda Items.

There were no citizen comments.

12. Volunteer Board Applications

A. Agricultural Advisory Board - There are four vacancies and one applicant; Will Salley.

Vice-Chairman Moore moved to appoint Will Salley to the Agricultural Advisory Board, seconded by Commissioner Beiler, and the motion carried unanimously.

B. Green Creek Fire District Tax Commission - There is one vacancy and one applicant; Robert Ives.

Commissioner Hargett moved to appoint Robert Ives to the Green Creek Fire District Tax Commission, seconded by Commissioner Beiler, and the motion carried unanimously.

C. Planning Board - There are four vacancies and six applicants; Amy Wilmoth (At Large Alternate), Daniel Wells (Saluda), Heather Carswell (White Oak Township), Kimberly Davis, (At Large Alternate), Paul Marion (Saluda Township), **Tabitha Letterman (Cooper's Gap Township)** ***added during item 6.A.,*** and Teresa Morrin (At Large Alternate).

Vice-Chairman Moore moved to appoint Tabitha Letterman to the Planning Board, Coopers Gap Township, seconded by Commissioner Beiler, and the motion carried unanimously.

Commissioner Hargett moved to appoint Paul Marion to the Planning Board, Saluda Township, seconded by Commissioner Beiler, and the motion carried unanimously.

Commissioner Beiler moved to appoint Daniel Wells to the Planning Board, At Large position, seconded by Vice-Chairman Moore, and the motion carried unanimously.

Commissioner Hargett moved to appoint Heather Carswell to the Planning Board, White Oak Township, seconded by Vice-Chairman Moore, and the motion carried unanimously.

13. Commissioner Comments.

The Commissioners thanked everyone in attendance and encouraged residents to continue applying for volunteer boards.

14. Adjournment

Commissioner Melton moved to adjourn the regular meeting, seconded by Vice-Chairman Moore, and the motion carried unanimously.

Attest:

POLK COUNTY BOARD OF COMMISSIONERS

Kennedy Freeman
Clerk to the Board

Myron Yoder
Chairman

BOARD OF COMMISSIONERS
AGENDA ITEM REPORT

MEETING DATE

February 16, 2026

AGENDA ITEM # 6.B

Budget Amendment to appropriate $22,000 of fund balance to the Finance Department.

ATTACHMENTS

1. FB_Appropriated_11_F_GF___Finance_salaries.bond.contracted_labor_2.16.2026_BOC

POLK COUNTY FINANCE

BUDGET AMENDMENT: GENERAL FUND BALANCE

DATE: 2/16/2026 BOC Meeting BATCH #: _____ LINE_____

Dept.: **Finance**

Amendment # : 11-F Fund balance

INCREASE EXPENSE				INCREASE FUND BALANCE APPROPRIATED			
GL ACCOUNT #				GL ACCOUNT #			
10-4130-1210-0	Salaries and Wages	$	9,600	10-3991-0000	Fund Balance Approp	$	(22,000)
10-4130-4910-0	Dues & Subscriptions	$	2,700				
10-4130-4407-0	Contracted Labor	$	9,700				
			22,000				(22,000)

EXPLANATION: To transfer funds to cover unanticipated personnel-related costs, including a retirement payout, internal salary adjustments, the first-year Finance Officer bond premium, and contracted labor to retain Sandra's services throughout the year.

_____

Date approved & entered into the BOC minutes

_____ _____

COUNTY MANAGER **FINANCE OFFICER**

BOARD OF COMMISSIONERS
AGENDA ITEM REPORT

MEETING DATE

February 16, 2026

AGENDA ITEM # 6.C

Tax refunds in the amount of $728.74 through the period ending January 23, 2026.

ATTACHMENTS

1. January_refunds

Memorandum

To: Polk County Board of Commissioners

From: Melissa O'Loughlin, Polk County Tax Administrator

Date: 1/23/2026

Re: Refund Request

Taxpayer	Parcel	Amount	Reason
Eilene Corcoran	vehicle	$ 252.99	tag surrender
Bruce Jayne	vehicle	$ 145.34	tag surrender
Kelly Gay	Vehicle	$ 193.34	tag surrender
Michael Sprouse	vehicle	$ 137.07	tag surrender
	TOTAL:	**$ 728.74**	

BOARD OF COMMISSIONERS
AGENDA ITEM REPORT

MEETING DATE

February 16, 2026

AGENDA ITEM # 6.D

Resolution Supporting the Development of the Saluda Grade Trail.

ATTACHMENTS

1. final.polknc.resolution.2.16.26

POLK COUNTY, NORTH CAROLINA BOARD OF COMMISSIONERS
RESOLUTION IN SUPPORT OF TOWN OF TRYON AND CITY OF SALUDA EFFORTS TO DEVELOP THE SALUDA GRADE TRAIL

WHEREAS, the Polk County Board of Commissioners has historically supported its municipalities' efforts to expand economic, health and welfare opportunities for its citizens; and

WHEREAS, the Saluda Grade Trail Conservancy purchased the North Carolina portion of the Saluda Grade rail corridor from Norfolk Southern railway on June 17, 2025, with funds appropriated by the North Carolina General Assembly for the purpose of creating a rail trail state park available for use by citizens of, and visitors to, the Town of Tryon, the City of Saluda and Polk County; and

WHEREAS, the Saluda Grade Trail Conservancy is devoting resources now and in the near future to secure property, to assess needs, to design trail surfaces and amenities, to engineer, to plan and to collaborate with adjacent property and business owners along the length of the Saluda Grade Trail rail corridor; and

WHEREAS, the Town of Tryon and the City of Saluda have hosted, and plan to host in the future, numerous events in support of their citizens, business owners and visitors such as the Saluda Grade Trail Celebrations on July 31, 2025 which were attended by hundreds of residents, visitors, officials and representatives from Inman SC, Campobello SC, Landrum SC, the Town of Tryon, the City of Saluda, Polk County and beyond; and

WHEREAS, the City of Saluda and the Town of Tryon are expending significant time and monies to expand their outdoor economies and amenities which construction of the Saluda Grade Trail will enhance; and

WHEREAS, the Board of Commissioners of Polk County wishes to support the efforts of the Town of Tryon and the City of Saluda as evidenced by their recent, respective resolutions declaring their intent to seek federal funding in support of development of the Saluda Grade Trail within and adjacent to their boundaries;

NOW THEREFORE, BE IT RESOLVED THAT THE BOARD OF COMMISSIONERS OF POLK COUNTY DOES HEREBY DECLARE ITS SUPPORT FOR THE TOWN OF TRYON'S AND THE CITY OF SALUDA'S IMPENDING REQUESTS FOR FEDERAL CONGRESSIONAL DIRECTED APPROPRIATIONS FUNDING FOR DESIGN, ENGINEERING AND RELATED STEPS TO ESTABLISH A TRAIL ALONG THE LENGTH OF THE FORMER SALUDA GRADE RAIL CORRIDOR.

ADOPTED THIS 16TH DAY OF FEBRUARY 2026

APPROVED: **ATTEST:**

BOARD OF COMMISSIONERS
AGENDA ITEM REPORT

MEETING DATE

February 16, 2026

AGENDA ITEM # 8.A

Consideration and approval of the proposed two new road names subsequent to the public hearing: Caeli Way, and Sunny Meadows Lane.

ATTACHMENTS

None

BOARD OF COMMISSIONERS
AGENDA ITEM REPORT

MEETING DATE

February 16, 2026

AGENDA ITEM # 8.B

Polk County 2025 Audit Presentation - Brandi Fesperman, Martin-Starnes & Associates.

ATTACHMENTS

None

BOARD OF COMMISSIONERS
AGENDA ITEM REPORT

MEETING DATE

February 16, 2026

AGENDA ITEM # 8.C

Discussion and Approval of the FY 2026/2027 Budget Calendar - Sonya Ayers, Finance Director.

ATTACHMENTS

1. Budget_Calendar_Draft_2.16.2026

School of Government
Recommended Practice
Draft: 02/16/2026

POLK COUNTY
Budget Calendar

February 16, 2026	Board discusses/approves Budget Calendar	Monday-regular meeting
March 6, 2026	County Departments Receive Budget Open System Notice	Friday - Online
March 6- March 30,2026	All Departments & Agencies Prepare Budget Request	3 wks. to prepare- due Monday
March 30, 2026	County Departments Submit Budgets to Finance Department	Monday
April 6, 2026	Fire Departments & Rescue Squad Submit Budgets to the County & FRAC. Outside Agencies Submit Budget Requests-Estimate if Necessary	Monday due to Holiday
March 30 - April 10, 2026	Finance Inputs Budget Requests	2 wks. to prepare- due Friday
April 10, 2026	All Budget Agency Final Requests are Due	Friday
April 13 April 24, 2026	Manager Reviews Requests & Meets with Department Mgrs.	2 weeks- Monday-Friday
April 27 - May 8, 2026	Prepare Budget Presentation	2 weeks- Monday-Friday
May 11, 2026	Manager Presents Balanced Budget to Board of Commissioners (Special Meeting - 9:00am)	Monday 9:00am
May 11, 2026	Publish statement that the budget has been submitted & Advertise Public Hearing for Budget Ordinance for 6/1/26	Monday
May 18, 2026	Board of Commissioner Budget Work Session - 1:00pm (Regular meeting to follow)	Monday
May 19, 2026	Board of Commissioner Budget Work Session - 3:00pm	Tuesday
June 1, 2026	Board of Commissioner Budget Work Session - 5:00pm Budget Public Hearing to Follow - Special Meeting to Follow	Monday
June 15, 2026	Board of Commissioners Adopt Tax Levy and Ordinance (Regular Meeting)	Monday
June 17, 2026	Ordinance Available on County Website	Wednesday

Draft

BOARD OF COMMISSIONERS
AGENDA ITEM REPORT

MEETING DATE

February 16, 2026

AGENDA ITEM # 8.D

National Nutrition Month Proclamation - Gail Dyer, HHSA Senior Nutrition Coordinator; Natalie Trachsel, HHSA Assistant Director.

ATTACHMENTS

1. 20250220_Commissioners_proclamation_nutritionmonth (2)

National Nutrition Month, March 2026

COLUMBUS, NC – A PROCLAMATION

Whereas, food is the substance by which life is sustained; and

Whereas, promoting health and good nutrition practices among older adults is critical in helping them remain independent; and

Whereas**,** National Nutrition Month ® is a campaign created by the Academy of Nutrition and Dietetics held annually in March which focuses attention on the importance of making informed food choices and developing sound eating and physical activity habits; and

Whereas, people who eat healthy, balanced meals, and engage in regular physical activity can have lower risks of chronic disease such as cardiovascular disease, Type 2 diabetes, and hypertension; and

Whereas, efforts are being made in Polk County by the Meeting Place Senior Center and Polk County Senior Services to promote health, and conduct a wide-scale effort to enhance healthy eating practices and improve physical fitness through nutrition education;

Therefore, be it resolved**,** that this Board of Polk County, North Carolina Commissioners hereby proclaims next March, 2026, and each March hereafter as "National Nutrition Month" in Polk County, North Carolina, and calls upon our residents and interested groups to observe the month with appropriate activities that promote awareness of the importance of healthy eating and physical fitness at all ages.

Dated:

_____ _____

Myron Yoder, Chairman David Moore, Vice-Chairman

_____ _____ _____

Paul Beiler, Commissioner Tommy Melton, Commissioner Jennifer Hargett, Commissioner

BOARD OF COMMISSIONERS
AGENDA ITEM REPORT

MEETING DATE

February 16, 2026

AGENDA ITEM # 8.E

Polk County 2026 Senior Games - Julie Tremblay, Senior Center Activities Coordinator. (This item was requested by Commissioner Hargett).

ATTACHMENTS

None

BOARD OF COMMISSIONERS
AGENDA ITEM REPORT

MEETING DATE

February 16, 2026

AGENDA ITEM # 8.F

2025 Sheriff's Department Annual Report - Sheriff Tim Wright.

ATTACHMENTS

None

BOARD OF COMMISSIONERS
AGENDA ITEM REPORT

MEETING DATE

February 16, 2026

AGENDA ITEM # 8.G

St. Luke's Hospital Community Facilities Grant Agreement - Attorney Berg.

ATTACHMENTS

1. St Lukes Hospital Executed LOC Docs
2. St.Lukes_guaranty 2026

09/19/2025

William J. Miller, Board Chair
St. Luke's Hospital, Inc.
101 Hospital Drive
Columbus, NC 28722

Subject: Letter of Conditions for a Community Facilities Grant – Hospital Facility Upgrades

Dear Mr. Miller,

This letter, with attachments, establishes conditions that must be understood and agreed to by the applicant before further consideration may be given to the application for assistance under the Community Facilities (CF) Program. Any changes in project cost, source of funds, scope of services, or any other significant changes (this includes significant changes in the applicant's financial condition, operation, organizational structure or executive leadership) in the project or applicant must be reported to and approved by USDA Rural Development by written amendment to this letter. Any change not approved by USDA Rural Development (RD) will be cause for discontinuing processing of the application.

This letter is not to be considered as grant approval or as representation of the availability of funds. The proposed grant funds of $2,800,000 will be provided by the Rural Housing Service (RHS) and this amount is based upon your application, underwriting, purpose, and location as specified in the applicable Appropriations Act.

Please complete and return the attached Form RD 1942-46, "Letter of Intent to Meet Conditions," and Form RD 1940-1, "Request for Obligation of Funds," within the next ten (10) days, if you desire that we give further consideration to your application. The execution of these and all other documents required by RD must be authorized by appropriate resolutions of the applicant's governing body.

The grant will be considered approved on the date Form RD 1940-1, "Request for Obligation of Funds," is mailed by RD.

Project Budget—Based on Standard Form 424, "Application for Federal Assistance," the project cost and funding will be as follows:

Project Cost Item	Additional Description	Cost
Other Professional Fees	Admin & Legal	$ 379,468
Arch, Eng, & Planning		$ 420,450
Arch, Eng, & Planning	Other Architectural & Engineering Fees	$ 6,750
Development		$ 3,713,332
	Total:	**$ 4,520,000**

Funding	
USDA-RD CDS Grant	$ 2,800,000
Applicant Contributions	$ 1,720,000
Total:	**$ 4,520,000**

The applicant understands and agrees that no project funds will be expended, or contracts issued for construction activities until all funds necessary for the successful construction and development of the project have been secured. The Agency will not disburse funds for construction or renovation activities until the applicant has secured all remaining project funds. Any changes in funding sources following obligation of Agency funds must be reported to the processing official. Project feasibility and funding will be reassessed if there is a significant change in project costs after bids are received. If actual project costs exceed the project cost estimates, an additional contribution by the borrower may be necessary.

Section I of the attached conditions must be satisfied prior to grant closing or before construction begins, whichever occurs first, in either case not later than twelve (12) months from the date of this letter. **In the event the project has not advanced to the point of construction within twelve (12) months,** RD **reserves the right to discontinue the processing of the application.**

This Letter of Conditions will require a written approval extending the Letter of Conditions offer after one year from the date of this letter.

In addition to the conditions in Sections I-III, the applicant must fully comply with all requirements on Form RD 3570-3, Community Facilities Grant Agreement. The Agency reserves the right to cancel funds if the applicant does not fully comply with all requirements as presented or subsequently modified, as needed.

If you have any questions, feel free to contact this office.

Sincerely,

Joshua J. Carswell
Community Programs Specialist

ATTACHMENT TO LETTER OF CONDITIONS

SECTION I. CONDITIONS TO BE SATISFIED PRIOR TO GRANT CLOSING OR BEFORE CONSTRUCTION BEGINS, WHICHEVER OCCURS FIRST

1. **Disbursement of Funds**

a. The applicant will provide evidence that funds from other sources will be made available for the project cost in the amount of **1,720,000**. This evidence should include a copy of the loan/grant award that addresses how funds will be disbursed. The Agency will not disburse funds until all project funding sources have been secured. The applicant may request an exception if this requirement impedes the applicant's ability to carry out the project specified in the applicable appropriations bill.

b. The applicant's contribution of funds toward the project cost shall be considered the first funds expended and must be deposited in its project account before construction is started. Evidence of this deposit will be required unless express written exception is approved by the Agency.

c. Agency funds will not be used to pre-finance funds committed to the project from other sources.

2. **Security Requirements**

a. The applicant will be required to complete and execute Form RD 3570-3, "Community Facilities Grant Agreement" before grant funds are disbursed.

b. Prior to any disbursement of funds, a Notice of Federal Interest must be recorded in the official real property records for the jurisdiction where the facility is or will be located. The applicant must provide evidence of the recording. Federal interest cannot be defeated by a grantee's failure to file a Notice of Federal Interest.

c. The grantee understands that any property improved with Federal grant funds may have use and disposition conditions which apply to the property as provided by 2 CFR part 200 as adopted by RD through 2 CFR part 400 in effect at this time and as may be subsequently modified.

e. The grantee understands that any sale or transfer of property is subject to the interest of the United States Government in the market value in proportion to its participation in the project as provided by 2 CFR part 200 as adopted by RD through 2 CFR part 400 in effect at this time and as may be subsequently modified.

f. In accordance with 2 CFR 200.330, the grantee understands that it must submit regular reports on the status of real property in which the Federal Government retains

an interest. Reports shall be submitted annually for the first three years of the award and every five years thereafter on SF-429 Real Property Status Report, or similar format.

3. **Insurance and Bonding Requirements** - The applicant must provide evidence of adequate fidelity bond insurance by grant closing or start of construction, whichever occurs first. Adequate coverage, in accordance with RD's regulations, must then be maintained for the life of the grant. It is the responsibility of the applicant and not that of RD to ensure that adequate insurance and fidelity bond coverage is maintained. Applicants are encouraged to review coverage amounts and deductible provisions with their attorney, consulting architect, and/or insurance provider(s). Proof of the following is required:

   a. Property Insurance—Fire and extended coverage will be required on all above-ground structures, including applicant-owned equipment and machinery housed therein.

   b. Workers' Compensation Insurance—The applicant will be required to carry workers' compensation insurance for all employees in accordance with state law.
   c. General liability and vehicular coverage must be maintained.

   d. National Flood Insurance (if applicable)—If the project involves construction in designated special flood or mudslide prone areas, you must purchase a flood insurance policy at the time of closing.

   e. Earthquake Insurance (if applicable)—If the project involves construction in earthquake prone areas, you must purchase an earthquake insurance policy at the time of loan closing.

4. **Civil Rights & Equal Opportunity**— The grantee has received an award of Federal funding and is required to comply with U.S. statutory and public policy requirements, including but not limited to:

   a. **Section 504 of the Rehabilitation Act of 1973** – Under Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), no handicapped individual in the United States shall, solely by reason of their handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Agency financial assistance. The Standard for compliance is the Architectural Barriers Act Accessibility Standards (ABAAS).

   b. **Civil Rights Act of 1964** – All recipients are subject to, and facilities must be operated in accordance with, Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and 7 CFR 1901, Subpart E, particularly as it relates to conducting and reporting of compliance reviews. Instruments of conveyance for loans and/or grants subject to the Act must contain the covenant required by Paragraph 1901.202(e) of this Title.

c. **The Americans with Disabilities Act (ADA) of 1990** – This Act (42 U.S.C. 12101 et seq.) prohibits discrimination on the basis of disability in employment, State and local government services, public transportation, public accommodations, facilities, and telecommunications.

d. **Age Discrimination Act of 1975** – This Act (42 U.S.C. 6101 et seq.) provides that no person in the United States shall on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

e. **Controlled Substances Act** - Even though state law may allow some activities, as a recipient of Federal funding, you are subject to the Controlled Substances Act. Specific questions about the Controlled Substances Act should be directed to the Servicing Official who will contact OGC, as appropriate.

f. **Limited English Proficiency (LEP)** - LEP statutes and authorities prohibit exclusion from participation in, denial of benefits of, and discrimination under Federally assisted and/or conducted programs on the ground of race, color, or national origin. Title VI of the Civil Rights Act of 1964 covers program access for LEP persons. LEP persons are individuals who do not speak English as their primary language and who have a limited ability to read, speak, write, or understand English. These individuals may be entitled to language assistance, free of charge. The recipient must take reasonable steps to ensure that LEP persons receive the language assistance necessary to have meaningful access to USDA programs, services, and information the recipient provides.

Agency financial programs must be extended without regard to race, color, religion, sex, national origin, marital status, age, or physical or mental handicap. The recipient must display posters (provided by the Agency) informing users of these requirements, and the Agency will monitor the recipient's compliance with these requirements during regular compliance reviews.

The applicant is subject to a post-grant closing civil rights compliance reviews and will be notified by your local USDA office regarding this process.

As a recipient of RD funding, you are required to post a copy of the Non-Discrimination Statement listed below in your office and in include in full, on all materials produced for public information, public education, and public distribution both print and non-print.

Non-Discrimination Statement

"This institution is an equal opportunity provider and employer."

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at https://www.usda.gov/oascr/ how-to-file-a-program-discrimination-complaint, or at any

USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

If the material is too small to permit the full statement to be included, the material at a minimum includes the statement in print size no smaller than the text that "This institution is an equal opportunity provider and employer."

5. **PROCUREMENT**
   a. All procurement transactions connected to this project, regardless of whether by negotiations or by sealed bids and without regard to dollar value, shall be conducted in a manner that provides maximum open and free competition in compliance with but not limited to 7 CFR 1942.18 (j)(2) and 2 CF 200.

6. **Written Agreements for Professional Services**

   a. The legal service agreement submitted by Robinson, Bradshaw, & Hinson, P.A. is satisfactory to RD.
   b. For Design/Build, or any other Alternative construction method, prior approval is required by the Agency.
   c. For Design/Build Projects/ and other Alternative Methods – Agreement for Project Manager Services require prior approval by RD.
   d. Proposal which may include management agreements will require the minimum requirements of 1942- A, Guide 24.

7. **Land and Rights-of-Way (if applicable)** - The applicant must present satisfactory evidence that they have obtained, or can obtain, any and all lands, rights-of-way, easements, permits and franchises which are required by the architectural plan. Acquisitions of necessary land and rights must be accomplished in accordance with the Uniform Relocation and Real Property Acquisition Act. The following forms may be used for these purposes:

   a. Form RD 442-20, "Right-of-Way Easement"
   b. Form RD 442-21, "Right-of-Way Certificate" (with map attached)
   c. Form RD 442-22, "Opinion of Counsel Relative to Rights-of-Way"

8. **Permits (if applicable)** - All permits involving Federal, State, and local agencies must be obtained and evidence thereof provided to RD prior to bidding. For Design/Build Projects/Alternative Method - All permits involving Federal, State, and local agencies must be obtained and evidence thereof provided to RD prior to the start of the construction phase of the project.

9. **Environmental Reviews** - The project proposed has been evaluated to be consistent with the National Environmental Policy Act. Other Federal, State, tribal, and local

laws, regulations and or permits may apply or be required. During any stage of project development, including construction, should environmental issues develop which require mitigation measures, RD applicants are required to notify RD and comply with such mitigation measures. Failure by an applicant to implement mitigation measures may disqualify the project from Agency funding. Mitigation measures identified or prepared as part of the NEPA environmental process must be implemented. If the project or any project element deviates from or is modified from the originally approved project, additional environmental review may be required.

At the conclusion of the proposal's environmental review process, specific action(s) were determined necessary to avoid or minimize adverse environmental impacts. As outlined in the Environmental Report dated 08/21/2025, the following action is required for successful completion of the project and must be adhered to during project design and construction:

- The Cherokee Nation have provided the following, "The Nation maintains databases and records of cultural, historic, and pre-historic resources in this area. Our Historic Preservation Office (Office) reviewed this project, cross referenced the project's legal description against our information and found no instances where this project intersects or adjoins such resources. Thus, the Nation does not foresee this project imparting impacts to Cherokee cultural resources at this time. However, the Nation requests that the United States Department of Agriculture (USDA) halt all project activities immediately and re-contact our Office for further consultation if items of cultural significance are discovered during the course of this project. Additionally, the Nation requests that the USDA conduct appropriate inquiries with other pertinent Historic Preservation Offices regarding historic and prehistoric resources not included in the Nation's databases or records."
- The Catawba Indian Nation provided the following statement, "The Catawba have no immediate concerns with regard to traditional cultural properties, sacred sites or Native American archaeological sites within the boundaries of the proposed project areas. However, the Catawba are to be notified if Native American artifacts and / or human remains are located during the ground disturbance phase of this project.
- Scoping documentation was electronically sent to the Eastern Band of Cherokee Nation on 08/22/2025 and they have not responded at this time. If requirements are received, they will become condition of the loan. Construction cannot start or the Notice to Proceed must not be issued until the portion of the environmental review is complete.
- Good construction practices include obtaining all applicable local, state, and federal permits and following all codes, laws, and regulations.

10. **Architectural and Construction**

a. RD must approve any agreements or modifications to agreements for professional planning and design services. AIA Document "Standard Form of Agreement

Between owner and Architect," may be used when appropriate or other Agency approved forms of agreement

b. All construction will be completed under contract. The planning, bidding, contracting, and construction must comply with 7 CFR 1942.9, 1942.18, and any additional requirements of state law and the requirements of other County, State, or Federal agencies.

c. The following must be reviewed and approved by RD in the sequence indicated:

   i. Agreement for Architectural Services
   ii. Final Plans and Specifications for the project
   iii. Draft/Construction Bid Documents, prior to Going Out to Bid
   iv. Bid Award Information
   v. Executed Contract Documents - Contracts are required to be an AIA contract or RD Guide 17. Any other proposed contract will be required to be submitted to the Agency's Office of General Counsel for review and concurrence. All contracts will include RD Guides 18, Guide 19 and Guide 27.

d. Affirmative steps should be taken to assure that small, minority and/or women-owned businesses are utilized as source of supplies, equipment, construction, and services.

e. The Plans & Specifications must be reviewed and approved, when applicable, by any regulatory or other agencies that are required to review these documents.

f. A representative of RD will attend all pre-construction conferences in connection with this project. These conferences must be held prior to the Agency's concurrence to issue the Notice to Proceed to the contractors. The applicant's architect will conduct the conference and document the discussions and agreements. The conference will thoroughly cover applicable items included in Form RD 1924-16, Record of Preconstruction Conference, and the discussion and agreements will be documented. RD Form 1924-16, or acceptable alternative, will be utilized ensuring all RD requirements are included.

g. Any and all contracts for professional and technical services that the applicant enters into with third parties for the project, including but not limited to, owner's representative, legal, project management, inspection, management agreements, etc. must be reviewed and approved by the Agency and the Office of General Counsel. All contracts must comply with the contract provisions per 7 CFR 1942.18(n). If any contract does not meet the Agency's requirements, the contract will be amended to incorporate such requirements or the contract will not be accepted by the Agency.

For Design-Build Projects:

a. The applicant is proposing a Design-Build procurement which must be approved by this Agency's National Office. The applicant will provide the required information needed to be submitted for concurrence to the Design-Build procurement method. Please see the attached Design/Build Concurrence Checklist.
b. The applicant must retain a qualified Construction Project Manager who is independent of the Contractor/Design-Build firm. Credentials of the candidate must be submitted to the Agency for evaluation and concurrence prior to executing an agreement.
c. All development will be completed by contract. The planning, bidding, contracting, and construction must comply with 7 CFR 1942, Subpart A, and any additional requirements of the State's law and the requirements of other County, State, or Federal agencies.
d. If approved for the Design-Build procurement method, the applicant's construction budget will be noted in the RFP documents to set parameters for a Guaranteed Maximum Price (GMP) agreement to be awarded through an open and free solicitation process. The GMP will be established no later than at the completion of the Design Development stage.
e. The following must be reviewed and approved by RD in the sequence indicated:
    i. Preliminary Architectural Report
    ii. Agreement for Architectural Services/Agreement for Project Manager Design-Build Procurement Method—Checklist Items
    iii. Request for Qualifications (RFQ)
    iv. RFQ Short List
    v. Request For Proposals (RFP)
    vi. Recommendation of Award
    vii. Executed Contract Documents – Contracts are required to be an AIA contract or RD Guide 17. Any other proposed contract will be required to be submitted to the Agency for review and concurrence. All contracts will include RD Guides 18, Guide 19 and Guide 27.
    viii. Final Plans and Specifications for the project

11. BUILD AMERICA, BUY AMERICA ACT (BABAA)

The recipient must comply with the provisions of the Build America, Buy America Act (the "Act"). Pub. L. No. 117-58, §§ 70901-52, enacted on November 15, 2021. The Act requires that "none of the funds made available for a Federal financial assistance program for infrastructure may be obligated for a project unless all of the iron, steel, manufactured products, and construction materials used in the project are produced in the United States." Recipients of an award of Federal financial assistance from a program for infrastructure are hereby notified that none of the funds provided under this award may be used for a project for infrastructure unless:

a. All iron and steel used in the project are produced in the United States. This means all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.

b. All manufactured products used in the project are produced in the United States. This means the manufactured product was manufactured in the United States, and the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product, unless another standard for determining the minimum amount of domestic content of the manufactured product has been established under applicable law or regulation; and

c. All construction materials are manufactured in the United States. This means that all manufacturing processes for the construction material occurred in the United States.

The BABAA requirement applies to the entirety of an infrastructure project, even if only a portion of the project is funded by Federal funds. The requirement applies to each product, manufactured good, or construction material incorporated in the project.

11.1. Definitions (as applied in this condition only)

Construction Materials—include an article, material, or supply—other than an item of primarily iron or steel; a manufactured product; cement and cementitious materials; aggregates such as stone, sand, or gravel; or aggregate binding agents or additives—that is or consists primarily of:

- non-ferrous metals;
- plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables);
- glass (including optic glass);
- lumber; or
- drywall.

Domestic Content Procurement Preference—means all iron and steel used in the project are produced in the United States; the manufactured products used in the project are produced in the United States; or the construction materials used in the project are produced in the United States.

Infrastructure—includes, at a minimum, the structures, facilities, and equipment for, in the United States, roads, highways, and bridges; public transportation; dams, ports, harbors, and other maritime facilities; intercity passenger and freight railroads; freight and intermodal facilities; airports; water systems, including drinking water and wastewater systems; electrical transmission facilities and systems; utilities; broadband infrastructure; and buildings and real property. Infrastructure also includes structures, facilities, and equipment that generate, transport, and distribute energy, including

electric vehicle (EV) charging stations. "Infrastructure" has a broad interpretation, and the definition provided is illustrative and not exhaustive.

Manufactured Product—Items assembled out of components, or otherwise made or processed from raw materials into finished products. Manufactured products must be manufactured (assembled) in the United States, and the cost of components that were mined, produced, or manufactured in the United States must be greater than 55 percent of the total cost of all components of the manufactured product, unless another standard for determining the minimum amount of domestic content of the manufactured product has been established under applicable law or regulation.

Manufacturer's Certification—Documentation provided by a manufacturer, certifying that the items provided by manufacturer meet the domestic preference requirements of the Act.

Project—means the construction, alteration, maintenance, or repair of infrastructure in the United States.

11.2. Compliance

The recipient must comply with the provisions of the Build America, Buy America Act (BABAA). Pub. L. No. 117-58, §§ 70901-52, enacted on November 15, 2021. By accepting these conditions, the recipient attests that they or their designee(s) will maintain documentation for BABAA provisions to indicate compliance.

Minimum records include certifications from manufacturers, the architect/engineers, and the prime contractor. Supporting documentation includes purchasing records and notes and photos taken by the Resident Project Representative (RPR)/ Resident Inspector (RI). Documentation must be available and reviewable upon request.

11.3. Evidence Standards

Manufacturers

For each item to which BABAA applies (every item permanently installed on the project, except for aggregate and aggregate binding materials), a manufacturer's certification letter or other document demonstrating compliance is required. It must, at a minimum, identify the item being certified (short written description as well as part number, if applicable) and affirm that the item complies with BABAA. This document must be signed by an authorized company representative. The manufacturer may submit a letter on letterhead or provide other evidence acceptable to the Agency.

Architects and Engineers (A/E)

The need to comply with BABAA will be spelled out in agreements for A/E services, construction contracts, and procurement contracts. Generally, the A/E contract will

include, as a basic service, obtaining and maintaining all BABAA documentation (particularly manufacturers' certifications) during construction, which shall be transferred to the recipient upon substantial completion of the project. The architect or engineer should certify in writing to the completeness and accuracy of the manufacturers' certifications.

Resident project representative (RPR) / Resident inspector (RI)

As part of their duties, RPR/RI will be instructed to verify items delivered to the site and installed are accompanied by documentation of compliance with BABAA. They will photograph items as appropriate. RPR/RI daily logs and photographs will become part of the construction record and can be used as supporting information during audits, providing evidence for items that are buried or otherwise inaccessible.

Contractors

The construction contract(s) will include a requirement to procure and install only items that comply with BABAA or are subject to a waiver approved by the Secretary of Agriculture or designee. The contractors are to provide manufacturers' certifications for all BABAA compliant items to the architect/engineer no later than with applications for payment. At substantial completion, the contractor will be required to certify that all items used on the contract complied with BABAA and that all manufacturers' certifications were provided to the architect/engineer.

11.4. Obtaining Waivers under the BABA Act

The Secretary of Agriculture, or a designee, may grant waivers to the procurement requirements under the following conditions:

(1) *Nonavailability.* The Secretary of Agriculture or delegate determines that the iron, steel or relevant manufactured goods or construction materials are not produced or manufactured in sufficient and reasonably available commercial quantities of satisfactory quality.

(2) *Unreasonable cost.* The Secretary of Agriculture or delegate determines that the inclusion of domestic iron, steel, or relevant manufactured goods will increase the cost of the overall project by more than 25%.

(3) *Inconsistent with public interest.* The Secretary of Agriculture or delegate determines that the application of these restrictions would be inconsistent with the public interest.

11.5. BABAA Waivers for Rural Development

A waiver of the domestic procurement requirement for a specific product in a specific infrastructure project may be obtained upon a satisfactory showing of evidence that

the waiver is warranted by a recipient and a recommendation by the Agency. Waivers of the procurement requirement are granted by the Secretary of Agriculture or by a designee of the Secretary. The requirements are posted publicly at the USDA OCFO website: USDA Buy America Waivers for Federal Financial Assistance | USDA located at https://www.usda.gov/ocfo/federal-financial-assistance-policy/USDABuyAmericaWaiver

Before submitting a request for waiver, recipient should determine whether they qualify for agency-wide public interest waivers that have already been approved by USDA. One such public interest waiver is referred to as the "*De Minimis*, Small Grants, and Minor Components" waiver, which has three parts. *De Minimis* is intended to prevent restrictions on the procurement of materials and products that represent a small portion of an infrastructure project, specifically no more than 5% of the project costs up to a maximum of $1,000,000, from hindering the overall project. *Small Grants* exempts projects below the Federal Simplified Acquisition Threshold of $250,000 (the grant section also applies to small loans and loan guarantees). The *Minor Components* provision of the waiver exempts miscellaneous components of iron and steel that make up no more than 5% of the total cost of an iron or steel product used in a project.

12. **Electronic Funds Transfer**—All grant funds will be transferred to grantees via Electronic Funds Transfer/Automated Clearinghouse Systems (EFT/ACH). Normal transfers will be ACH, with money being placed in the grantees account two business days after the RD processing office approves the pay request. The applicant must submit the Electronic Funds Transfer Form containing the banking (ACH) information to the RD Servicing Office at least 45 days prior to the date of grant closing. Failure to do so could delay grant closing.

11. **Suspension and Debarment Screening** – You will be asked to provide information on the principals of your organization. Agency staff must conduct screening for suspension and debarment of the entity, as well as its principals through the Do Not Pay Portal.
    a. Principal –
        i. An officer, director, owner, partner, principal investigator, or other person within a participant with management or supervisory responsibilities related to a covered transaction; or
        ii. A consultant or other person, whether or not employed by the participant or paid with federal funds, who –
            1. Is in a position to handle federal funds;
            2. Is in a position to influence or control the use of those funds; or, occupies a technical or professional position capable of substantially influencing the development or outcome of an activity required to perform the covered transaction. (2 CFR §180.995)

SECTION II. GRANT CONDITIONS TO BE SATISFIED DURING CONSTRUCTION

1. **Disbursement of Grant Funds**—RD funds will be disbursed as they are needed in the amount(s) necessary to cover the RD proportionate share of obligation due and payable to the Grantee.

2. **Inspections**— A full-time resident inspector/project manager is required during construction unless a written exception is made by the Agency upon your written request. This service is to be provided by the consulting architect or other arrangements as approved by the Agency. Prior to the pre-construction conference, a resume of qualifications of the resident inspector(s) will be submitted to the owner and Agency for review and approval. The owner will provide a letter of acceptance for all proposed observers to the architect and Agency. The inspection reports must be available to RD for review at any time. These reports must be kept at the project site or borrower's office, if nearby. At a minimum, Guide 11, Daily Inspection Report, will be completed and will include pictures, number and classification of personnel working on the site, equipment being used to perform work, accounts of substantive discussions, instructions given to the contractors, directions received, all significant or unusual happenings involving the work, and delays, and daily work accomplished in accordance with 1942 – A, 1942.18 (o)(4). A similar format may be approved by the Agency prior to the Pre-Construction conference.

3. **Monthly Reporting**— The applicant must monitor and provide a monthly report to RD on actual performance for each project financed, or to be financed, in whole or in part with RD funds. For construction projects include Forms RD 1924-18, "Partial Payment Estimate"; RD 1924-7, "Contract Change Order"; SF-271, "Outlay Report and Request for Reimbursement for Construction Programs"; and RD 1942-A, Guide 11 (or similar) Project Daily Inspection Reports.

4. **Monthly Payment Applications**

   For construction projects, the pay application submitted to the Agency will include:

   a. The SF-271, "Outlay Report and Request for Reimbursement for Construction Programs" and will track all projects costs and sources of funds and will be signed by the owner.
   b. Form RD 1924-18, "Partial Payment Estimate" will be fully executed by all required parties (contractor, architect, and owner) before sending to the Agency. The contractor may supplement Form RD 1924-18, "Partial Payment Estimate" with the AIA G702 and G703 documents.
   c. c. All required supporting documentation, including but not limited to, invoices, proof of payment, conditional and unconditional lien releases, etc. must be provided with the pay application. The complete pay application will be submitted to the Agency last, meaning after all applicable parties have reviewed and certified with their signature the payment application to be true and correct.

For non-construction projects, the pay application submitted to the Agency will include:

a. The SF-270, "Request for Advance or Reimbursement" and will track all project costs and sources of funds and will be signed by the owner.

b. All required backup to support the pay application request including but not limited to, invoices, proof of payment, etc. must be provided with the pay application.

A pay application may only request payment on a change order that has been approved by the Agency using Form RD 1924-7, "Contract Change Order" or other Agency approved format. Meaning all signatures, including the Agency's, must be on the form prior to the owner requesting reimbursement for that change order. If payment on a change order is prematurely requested, the entire pay application will be returned.

If interim financing is involved, the interim lender is required to review and approve all pay applications typically prior to the owner submitting the pay application to the Agency for approval.

5. **Final Inspection**—A final inspection will be made by RD on the component RD is financing before final payment is made.

6. **Excess Funds**—Any remaining funds must be utilized for approved purposes within 60 days following the final inspection or the funds will be canceled without further notification from RD.

SECTION III. GRANT CONDITIONS TO BE SATISFIED AFTER PROJECT COMPLETION

1. **Financial Statements**—To be submitted on an annual basis in accordance with the following:

   a. 2 CFR Part 200, Subpart F establishes audit requirements that borrowers and grantees must follow. Borrowers and grantees who spend $1,000,000 or more in Federal awards in their fiscal year, have CF loan balances totaling $1,000,000 or more, or a combination of the two must submit an audit in accordance with 2 CFR 200, Subpart F.

   Federal funds expended during a borrower's fiscal year: 2 CFR Part 200, Subpart F requires a borrower that expends $1,000,000 or more in Federal awards in their fiscal year to submit a single or program-specific audit. A CF direct loan, guaranteed loan, and/or grant, or any combination thereof, are considered Federal awards.

Grantees: Grantees that spend $1,000,000 or more in a year in Federal awards must have an audit conducted in accordance with 2 CFR Part 200, Subpart F except when the grantee elects to have a program specific audit conducted.

Prior loan and loan guarantees: 2 CFR Part 200, §200.502(b) establishes the basis for including loan and loan guarantees (loans) on the Schedule of Expenditures of Federal Awards (SEFA). The value of new loans made or received during the audit period plus the beginning of the audit period balance of loans from previous years for which the Federal Government imposes continuing compliance requirements must be reported on the SEFA. CF Program loans require its borrowers to meet continuing compliance requirements. Continuing compliance requirements that CF borrowers must meet include, but are not limited to, funding reserves, maintaining insurance, deposit funds in Federally insured banks, meeting financial covenants, maintain sufficient debt service ratios, complying with civil rights requirements, and comply with additional requirements established as part of the loan approval process.

Borrowers and grantees must submit audits within nine months from the end of the borrower's fiscal year or 30 days after receiving receipt from the auditor, whichever is earlier. The financial statements audited must be submitted to the Federal Audit Clearinghouse.

b. All borrowers exempt from the audit requirements cited in 1(a) above, and who do not otherwise have annual audits, will within 60 days following the end of the borrower's fiscal year furnish RD with annual financial statements, consisting of a verification of the organizations, balance sheet and statement of income and expenses.

Grantees exempt from the audit requirements cited in 1(a) above, and who do not otherwise have annual audits, will within 60 days following the end of the fiscal year in which any grant funds were expended furnish RD with annual financial statements consisting of a verification of the organizations, balance sheet and statement of income and expenses.

The grantee may use Forms RD 442-2 "Statement of Budget, Income and Equity" and 442-3 "Balance Sheet", or similar format to provide the financial information.

2. **Audit agreement**—If you are required to obtain the services of a licensed Certified Public Accountant (CPA), you must enter into a written audit agreement with the auditor. The audit agreement may include terms and conditions that you and auditor deem appropriate.

Form RD 1942-46
(Rev. 6-10)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

FORM APPROVED
OMB NO. 0575-0015
OMB NO. 0570-0062

LETTER OF INTENT TO MEET CONDITIONS

Date 09-19-2025

TO: United States Department of Agriculture

Rural Development

(Name of USDA Agency)

844 Wallace Grove Drive
Shelby, NC 28150

(USDA Agency Office Address)

We have reviewed and understand the conditions set forth in your letter dated 09-19-2025 . It is our intent to meet all of them not later than 09-19-2026 .

St. Luke's Hospital, Inc.

(Name of Association)

BY William J. Miller

William Miller, Board Chair

(Title)

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a persons is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015 and 0570-0062. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

USDA
Form RD 1940-1
(Rev. 06-10)

REQUEST FOR OBLIGATION OF FUNDS

FORM APPROVED
OMB No. 0570-0062

INSTRUCTIONS-TYPE IN CAPITALIZED ELITE TYPE IN SPACES MARKED ( )
Complete Items 1 through 29 and applicable Items 30 through 34. See FMI.

1. CASE NUMBER ST CO BORROWER ID 38-075-744847140	LOAN NUMBER 117237	FISCAL YEAR 2025
2. BORROWER NAME St. Luke's Hospital, Inc.	3. NUMBER NAME FIELDS (1 2 or 3 from Item 2)	
	4. STATE NAME North Carolina	
	5. COUNTY NAME Polk	

GENERAL BORROWER/LOAN INFORMATION

6. RACE/ETHNIC CLASSIFICATION	7. TYPE OF APPLICANT	8. COLLATERAL CODE	9. EMPLOYEE RELATIONSHIP CODE
1 - WHITE 4 - HISPANIC 2 BLACK 5 - A/PI 1 3 AI/AN	1 INDIVIDUAL 6 - ORG. OF FARMERS 2 - PARTNERSHIP 7 - NONPROFIT-SECULAR 3 CORPORATION 8 - NONPROFIT FAITH BASED 4 PUBLIC BODY 9 INDIAN TRIBE 3 5 ASSOC. OF FARMERS 10 PUBLIC COLLEGE/UNIVERSITY 11-OTHER	1 REAL ESTATE 4 - MACHINERY ONLY SECURED 5 - LIVESTOCK ONLY 2 REAL ESTATE 6 - CROPS ONLY AND CHATTEL 7 - SECURED BY 3 NOTE ONLY OR BONDS CHATTEL ONLY 8 - RLF ACCT	1 EMPLOYEE 2 MEMBER OF FAMILY 3 CLOSE RELATIVE 4 ASSOC

10. SEX CODE	11. MARITAL STATUS	12. VETERAN CODE	13. CREDIT REPORT
3 FAMILY UNIT 4 ORGAN MALE OWNED 4 1 MALE 5 - ORGAN FEMALE OWNED 2 FEMALE 6 - PUBLIC BODY	1 MARRIED 3 - UNMARRIED (INCLUDES 2 SEPARATED WIDOWED/DIVORCED)	2 1 YES 2 NO	2 1 - YES 2 - NO

14. DIRECT PAYMENT	15. TYPE OF PAYMENT	16. FEE INSPECTION	
(See FMI)	1 - MONTHLY 3 SEMI-ANNUALLY 2 - ANNUALLY 4 QUARTERLY	2 1 - YES 2 - NO	

17. COMMUNITY SIZE	18. USE OF FUNDS CODE
1 10 000 OR LESS (FOR SFH AND 2 OVER 10 000 HPG ONLY)	(See FMI)

COMPLETE FOR OBLIGATION OF FUNDS

19. TYPE OF ASSISTANCE	20. PURPOSE CODE	21. SOURCE OF FUNDS	22. TYPE OF ACTION
941 (See FMI)	3		1 1 OBLIGATION ONLY 2 OBLIGATION/CHECK REQUEST 3 CORRECTION OF OBLIGATION

23. TYPE OF SUBMISSION	24. AMOUNT OF LOAN	25. AMOUNT OF GRANT
1 1 INITIAL 2 SUBSEQUENT	$0.00	$2,800,000.00

26. AMOUNT OF IMMEDIATE ADVANCE	27. DATE OF APPROVAL	28. INTEREST RATE	29. REPAYMENT TERMS
	MO DAY YR 09-19-2025	0 %	

COMPLETE FOR COMMUNITY PROGRAM AND CERTAIN MULTIPLE-FAMILY HOUSING LOANS

30. PROFIT TYPE	
1 FULL PROFIT 2 LIMITED PROFIT 3 NONPROFIT	

COMPLETE FOR EM LOANS ONLY	COMPLETE FOR CREDIT SALE-ASSUMPTION
31. DISASTER DESIGNATION NUMBER (See FMI)	32. TYPE OF SALE 1 CREDIT SALE ONLY 2 ASSUMPTION ONLY 3 CREDIT SALE WITH SUBSEQUENT LOAN 4 ASSUMPTION WITH SUBSEQUENT LOAN
FINANCE OFFICE USE ONLY	**COMPLETE FOR FP LOANS ONLY**
33. OBLIGATION DATE MO DA YR	34. BEGINNING FARMER/RANCHER (See FMI)

If the decision contained above in this form results in denial reduction or cancellation of USDA assistance, you may appeal this decision and have a hearing or you may request a review in lieu of a hearing. Please see the form we have included for this purpose.

Position 2

ORIGINAL - Borrower's Case Folder COPY 1 - Finance Office COPY 2 - Applicant/Lender COPY 3 - State Office

According to the Paperwork Reduction Act of 1995 an agency may not conduct or sponsor and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0570-0062. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

CERTIFICATION APPROVAL

For All Farmers Programs — EM, OL, FO, and SW Loans

This loan is approved subject to the availability of funds. If this loan does not close for any reason within 90 days from the date of approval on this document, the approval official will request updated eligibility information. The undersigned loan applicant agrees that the approval official will have 14 working days to review any updated information prior to submitting this document for obligation of funds. If there have been significant changes that may affect eligibility, a decision as to eligibility and feasibility will be made within 30 days from the time the applicant provides the necessary information.

If this is a loan approval for which a lien and/or title search is necessary, the undersigned applicant agrees that the 15-working-day loan closing requirement may be exceeded for the purposes of the applicant's legal representative completing title work and completing loan closing.

35. COMMENTS AND REQUIREMENTS OF CERTIFYING OFFICIAL

36. I HEREBY CERTIFY that I am unable to obtain sufficient credit elsewhere to finance my actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near my community for loans for similar purposes and periods of time. I agree to use the sum specified herein, subject to and in accordance with regulations applicable to the type of assistance indicated above, and request payment of such sum. I agree to report to USDA any material adverse changes, financial or otherwise, that occur prior to loan closing. I certify that no part of the sum specified herein has been received. I have reviewed the loan approval requirements and comments associated with this loan request and agree to comply with these provisions.

(For FP loans at eligible terms only) If this loan is approved, I elect the interest rate to be charged on my loan to be the lower of the interest rate in effect at the time of loan approval or loan closing. If I check "NO", the interest rate charged on my loan will be the rate specified in Item 28 of this form. ____ YES ✓ NO

WARNING: **Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both."**

Date September 19th , 20 25 — William J. Miller — William Miller, Board Chair

(Signature of Applicant)

Date September 19th , 20 25 — Linda Schutter — Linda Schutter, Vice Chair

(Signature of Co-Applicant)

37. I HEREBY CERTIFY that all of the committee and administrative determinations and certifications required by regulations prerequisite to providing assistance of the type indicated above have been made and that evidence thereof is in the docket, and that all requirements of pertinent regulations have been complied with. I hereby approve the above-described assistance in the amount set forth above, and by this document, subject to the availability of funds, the Government agrees to advance such amount to the applicant for the purpose of and subject to the availability prescribed by regulations applicable to this type of assistance.

ROBERT HOSFORD — Digitally signed by ROBERT HOSFORD Date: 2025.09.22 07:23:03 -04'00'

(Signature of Approving Official)

Typed or Printed Name: Robert Hosford

Date Approved: 09-19-2025 Title: State Director North Carolina

38. TO THE APPLICANT: As of this date 09-19-2025 , this is notice that your application for financial assistance from the USDA has been approved, as indicated above, subject to the availability of funds and other conditions required by the USDA. If you have any questions contact the appropriate USDA Servicing Office.

Form RD 3570-3
(Rev. 06-22)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

FORM APPROVED
OMB No. 0575-0173
Exp. Date: 2/28/2025

COMMUNITY FACILITIES GRANT AGREEMENT

Grantee and Agency

This Grant Agreement (Agreement) dated 09/19/2025, is a contract for receipt of grant funds under the Community Facility Grant program (7 C.F.R. part 3570, subpart B). These requirements do not supersede the applicable requirements for receipt of Federal funds stated in 2 C.F.R. Part 200, "UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS", which are incorporated by reference into this Agreement. Further, 7 C.F.R. part 3570, subpart B, and all relevant regulatory requirements apply to applicants and are also incorporated by reference into this Agreement.

This Agreement for the Project and Amount described below (the "Project Description") and for the Community Facilities grant, CFDA Number 10.766, is between the Grantee, a public body, nonprofit corporation or Indian tribe (you), and the United States of America acting through the Rural Housing Service (RHS or Agency).

I. GENERAL AWARD INFORMATION

1. Grantee Name & Address St. Luke's Hospital, Inc. 101 Hospital Drive Columbus, NC 28722	2. Unique Entity ID. CUB5GJ5NQVB6
	3. Case No. 38-075-*****4222
4. Federal Award Identification Number (FAIN)	5. Award Date 09/19/2025
6. Performance Start Date 09/19/2025	7. Performance End Date 09/30/2030
8. Amount of Federal Funds Obligated for this Action, and Total Amount of Federal Funds Obligated $2,800,000	9. Amount of Matching/Other Funds (if applicable) $1,720,000
10. Total Project Cost (Budget Approved Amount) 4,520,000.00	11. Award as Percentage of Total Project Cost 38.05 %
12. Grantee Contact (Name, Title, Contact Info) William Miller, Board Chair	13. Agency Contact (Name, Title, Contact Info) Joshua Carswell, Community Programs Specialist
14. Description of Real Property covered by the grant Deed Book: 147 Page: 29 (ID 27131)	15. Description of Equipment covered by the grant Electrical Transfer Switches

A federal agency may not conduct or sponsor, and a person is not required to respond to, nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a currently valid OMB Control Number. The OMB Control Number for this information collection is 0575-0173 and 0575-0200. Public reporting for this collection of information is estimated to be approximately 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing, and reviewing the collection of information. All responses to this collection of information are voluntary. However, in order to obtain or retain a benefit, the information in this form is required by 7 CFR 3570-B, Community Facilities Grant Program, and Section 1002 of the American Rescue Plan Act. Rural Development has no plans to publish information collected under the provisions of this program. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Information Collection Clearance Officer, Rural Development Innovation Center, Regulations Management Division at ICRMTRequests@usda.gov.

The Agency has agreed to give the Grantee the Grant Funds, subject to the terms and conditions established by the Agency. Provided, however, that any Grant Funds actually advanced and not needed for grant purposes shall be returned immediately to the Agency. The Agency may terminate the grant in whole, or in part, at any time before the date of completion, whenever it is determined that the Grantee has failed to comply with the conditions of this Agreement or the applicable regulation.

II. RESPONSIBILITIES

A. Grantee. The Grantee shall cause said project to be completed within the total sums available to it, including Grant Funds, in accordance with any architectural or engineering reports, and any necessary modifications, prepared by Grantee and approved by the Agency as required by 7 C.F.R. part 3570. The Grantee will remain in compliance with all applicable laws, regulations, Executive Orders, and other generally applicable requirements for the duration of the Agreement including 7 C.F.R. part 3570, subpart B and 2 C.F.R. parts 200, 400, 415, 416, 417, 418, 421, and 422. The most commonly-referenced provisions are identified below.

1. **Financial and Program Management.** You must follow the financial and performance management requirements in 2 C.F.R. § 200.300-.309.

   a. Financial Management. You must maintain a financial management system in compliance with 2 C.F.R. § 200.302.

   b. Internal Controls. You must maintain internal controls in compliance with 2 C.F.R. § 200.303.

   c. Payments. You must comply with the payment requirements described in 2 C.F.R. § 200.305. Payment must be requested by using the SF-270, "Request for Advance or Reimbursement" or SF-271, "Request for Reimbursement for Construction Programs" (as applicable). Receipts, hourly wage rate, personnel payroll records, or other documentation must be provided upon request from RHS if the request is for an advance; otherwise, the documentation must be provided at the time of the request. Requests for payment must be sent to the Agency contact listed in Section I.14.

   d. Revisions of the Work Plan and Budget. You must complete all elements of the Work Plan in Attachment A in accordance with that Attachment and must use project funds only for the purposes and activities specified in Attachment A - Approved Work Plan and Budget. You must further complete the outcomes shown for each Work Plan items within the time and scope constraints shown in Attachment A. You must report any changes and request prior approvals in accordance with 2 C.F.R. § 200.308.

   e. Period of Performance. You may only incur costs chargeable to the award in accordance with 2 C.F.R. § 200.309.

   f. Bonding. You must maintain your fidelity bond coverage in the amount of $ 0.00 for the Period of Performance of the award. (See 2 C.F.R.§ 200.304)

g. **Program Income.** You must comply with the requirements of 2 C.F.R. § 200.307. Additionally, if program income is earned during the period of performance, you may use it in accordance with 2 C.F.R. § 200.307(e)(2), provided that you inform us in writing of your intent prior to the award date. However, if you earn program income in excess of what can be used under 2 C.F.R. § 200.307(e)(2) or if you earn unanticipated program income, you must comply with 2 C.F.R. § 200.307(e)(1). Costs incidental to the generation of program income may be deducted from gross income to determine program income, provided these costs have not been charged to the award.

2. **Procurement and Property Standards.** You must follow the procurement standards requirements in 2 C.F.R. § 200.310-.326.

3. **Performance and Financial Monitoring and Reporting.** You must follow the requirements in 2 C.F.R. Part 170, including Appendix A, and 2 C.F.R. § 200.327-.329, and submit reports as outlined below. Unless otherwise directed in the addendum to this Agreement, the reports are due as indicated below.

   a. **Form SF-425, "Financial Status Report."** Reports are due 30 calendar days after the reporting period ends. A final report is due within 120 days after the Performance End Date specified in Section I.8. of this Agreement or at the completion of your project, whichever date is sooner. Your reporting periods are below (mark one):

   ○ Annually: January 1 - December 31

   ○ Annually: July 1 - June 30

   ○ Semi-Annually: January 1 – June 30 and July 1 – December 31

   ○ Semi-Annually: April 1 – September 30 and October 1 – March 31

   ◉ Quarterly: January 1 – March 31, April 1 – June 30, July 1 – September 30, October 1 – December 31

   b. **Performance Reports.** SF-PPR, "Performance Progress Report" is due 30 calendar days after the reporting period ends. A final report is due within 120 days after the Performance End Date specified in Section I.8. of this Agreement or at the completion of your project, whichever date is sooner. Your reporting periods are below (mark one):

   ○ Annually: January 1 - December 31

   ○ Annually: July 1 - June 30

   ○ Semi-Annually: January 1 – June 30 and July 1 – December 31

   ○ Semi-Annually: April 1 – September 30 and October 1 – March 31

   ◉ Quarterly: January 1 – March 31, April 1 – June 30, July 1 – September 30, October 1 – December 31

   The performance narrative on the Performance Project Report shall include, but is not limited to, the following:

i. Describe the activities that the funds reflected in the financial status report were used for;

ii. A comparison of actual accomplishments to the objectives established for that period;

iii. Reasons why established objectives were not met, if applicable;

iv. Problems, delays, or adverse conditions which will affect attainment of overall project objectives, prevent meeting time schedules or objectives, or preclude the attainment of project work elements during established time periods. This disclosure shall be accompanied by a statement of the action taken or planned to resolve the situation;

v. Objectives and timetables established for the next reporting period;

The final report (due 120 calendar days after the period of performance end date) will also address the following:

i. What have been the most challenging or unexpected aspects of this program?

ii. What advice, best practices, and actions would you recommend to other organizations planning a similar program that would increase the success of their program? Please include strengths and limitations of the program. If you had the opportunity, what would you have done differently?

4. **Operations.** The Grantee will manage, operate and maintain the facility, including this project if less than the whole of said facility, continuously in an efficient and economical manner in accordance with 7 C.F.R. § 3570.61(e).

5. **Funding.** The Grantee will not use grant funds to replace any financial support previously provided or assured from any other source. The Grantee agrees that the Grantee's level of expenditure for the Project shall be maintained and not reduced as a result of Grant Funds in accordance with 7 C.F.R. § 3570.66.

6. **Default**. Upon any default under its representations or agreements contained in this instrument, 2 C.F.R. Part 200, or 7 C.F.R. Part 3570, Grantee, at the option and demand of the Agency, will immediately repay to the Agency the Grant Funds with any legally permitted interest from the date of the default. Default by the Grantee will constitute termination of the grant thereby causing cancellation of Federal assistance under the grant. The provisions of this Agreement may be enforced by the Agency, at its option and without regard to prior waivers of previous defaults by Grantee, by judicial proceedings to require specific performance of the terms of this Agreement or by such other proceedings in law or equity, in either Federal or State courts, as may be deemed necessary by the Agency to assure compliance with the provisions of this Agreement and the laws and regulations under which this grant is made.

7. **Real Property.** Use the real property including land, improvements, structures, and appurtenances thereto, for authorized purposes of the grant as long as needed and in accordance with 2 C.F.R. § 200.311; 2 C.F.R. § 200.312; 7 C.F.R. §15.4(a)(2) and 7 C.F.R. § 3570.92. In accordance with Title VI of the Civil Rights Act of 1964, deeds for real property must comply with the requirements for the Reverter and Habendum clauses.

   a. Title to real property shall vest in the Grantee subject to the condition that the Grantee shall use the real property for the authorized purpose of the original grant as long as needed.

   b. The Grantee shall obtain the Agency's approval to use the real property in other projects when the Grantee determines that the property is no longer needed for the original grant purposes. Use in other projects shall be limited to those under other Federal grant programs or programs that have purposes consistent with those authorized for support by the Agency.

   c. When the real property is no longer needed, as provided in paragraphs (a) and (b) above, the Grantee shall request disposition instructions from the Agency. The Agency will observe the following rules in the disposition instructions:

      i. The Grantee may be permitted to retain title after it compensates the Federal government in an amount computed by applying the Federal percentage of participation in the cost of the original Project to the fair market value of the property;

      ii. The Grantee may be directed to sell the property under guidelines provided by the Agency and pay the Federal government an amount computed by applying the Federal percentage of participation in the cost of the original Project to the proceeds from sale (after deducting actual and reasonable selling and fix-up expenses, if any, from the sales proceeds). When the Grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practical and result in the highest possible return;

      iii. The Grantee may be directed to transfer title to the property to the Federal government provided that in such cases the Grantee shall be entitled to compensation computed by applying the Grantee's percentage of participation in the cost of the program or Project to the current fair market value of the property;

8. **Equipment.** Abide by the following conditions pertaining to equipment which is furnished by the Agency or acquired wholly or in part with Grant Funds. Equipment is defined at 2 C.F.R. § 200.33 and is tangible, non-expendable personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit.

a. **Use of equipment**. The Grantee shall use the equipment in the Project for which it was acquired as long as needed. When no longer needed for the original project, the Grantee shall use the equipment in connection with its other federally sponsored activities, if any, in the following order of priority:

   i. Activities sponsored by the Agency.

   ii. Activities sponsored by other Federal agencies.

b. **Use of equipment**. During the time that equipment is held for use on the project for which it was acquired, the Grantee shall make it available for use on other projects if such other use will not interfere with the work on the project for which the property was originally acquired. First preference for such other use shall be given to the Agency sponsored projects. Second preference will be given to other federally sponsored projects.

c. **Disposition of equipment**. When the Grantee no longer needs the property as provided in paragraph 1 (a) and (b) above, the equipment may be sold or used for other activities in accordance with 2 C.F.R. § 200.313 and 7 C.F.R. §15.4(a)(3) :

   i. Equipment with a current fair market value of less than $5,000. The Grantee may use the property for other activities without reimbursement to the Federal government or sell the property and retain the proceeds.

   ii. Equipment with a current fair market value of $5,000 or more. The Grantee may retain the property for other uses provided that compensation is made to the Agency. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original Project to the current fair market value of the property. If the Grantee has no need for the equipment and the equipment has further use value, the Grantee shall request disposition instructions from the Agency.

   iii. The Agency shall determine whether the equipment can be used to meet RHS or its successor agency's requirements. If no such requirements exist, the availability of the property shall be reported, in accordance with the guidelines of the Federal Property Management Regulations (FPMR), to the General Services Administration by the Agency to determine whether a requirement for the equipment exists in other Federal agencies. They shall issue instructions to the Grantee no later than 120 days after the Grantee's request and the following procedures shall govern:

- If so instructed or if disposition instructions are not issued within 120 calendar days after the Grantee's request, the Grantee shall sell the equipment and reimburse the Agency an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. However, the Grantee shall be permitted to deduct and retain from the Federal share 10 percent of the proceeds or $500, whichever is less, for the Grantee's selling and handling expenses.

- If the Grantee is instructed to ship the property elsewhere, the Grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the Grantee participation in the cost of the original grant Project or program to the current fair market value of the equipment plus any reasonable shipping or interim storage costs incurred.

- If the Grantee is instructed to otherwise dispose of the equipment, the Grantee shall be reimbursed by the Agency for such costs incurred in its disposition.

d. The Grantee's property management standards for equipment shall be in accordance with 2 CFR § 200.313 and shall include:

i. Property records which accurately provide for: a description of the equipment; manufacturer's serial number or other identification number; acquisition date and cost; source of the equipment; percentage (at the end of budget year) of Federal participation in the cost of the Project for which the equipment was acquired; location, use, and condition of the equipment and the date the information was reported; and ultimate disposition data including sales price, or the method used to determine current fair market value if the Grantee reimburses the Agency for its share.

ii. A physical inventory of equipment shall be taken, and the results reconciled with the equipment records at least once every two years to verify the existence, current utilization, and continued need for the equipment.

iii. A control system shall be in effect to ensure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented.

iv. Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

v. Proper sales procedures shall be established for unneeded equipment which would provide for competition to the extent practicable and result in the highest possible return;

9. **Earned Interest**. Grantee agree to account for and to return to Agency interest earned on grant funds pending their disbursement for program purposes when the Grantee is a unit of local government. States and agencies or an instrumentality of a State shall not be held accountable for interest earned on Grant Funds pending their disbursement.

10. **Record Retention and Access.** You must retain records related to this work performed under this Agreement and allow access to them in accordance with 2 C.F.R. § 200.333-.337.

11. **Closeout.** You must comply with the closeout requirements in 2 C.F.R. § 200.344.

12. **Post-Closeout Adjustments and Continuing Responsibilities.** You must continue to comply with the requirements in 2 C.F.R. § 200.345 even after the Period of Performance for this Agreement has ended.

13. **Cost Principles.** You must comply with the provisions in 2 C.F.R. Part 200, Subpart E.

14. **Audits.** You must comply with the provisions in 2 C.F.R. Part 200, Subpart F.

15. **Civil Rights Compliance.** Unless otherwise provided in the addendum, you must comply with Executive Order 12898, Executive Order 13166- Limited English Proficient, the Americans with Disabilities Act of 1990, Title VI of the Civil Rights Act of 1964, and Section 504 of the Rehabilitation Act of 1973 as applicable. You must make the public facility or services available to all persons in the Grantee's service area without discrimination as to race, color, religion, sex, national origin, age, marital status or physical or mental disability at reasonable rates, including assessments, taxes, or fees. You may make modifications as long as they are reasonable and nondiscriminatory. Your compliance shall include collection and maintenance of data on race, sex, and national origin of your membership, ownership, and employees. This data must be available to us for Civil Rights Compliance Reviews. You must submit to a post-award compliance review conducted after the final disbursement of grant funds has occurred.

16. **Execute Agreements**. The Grantee will execute any agreements required by the Agency which the Grantee is legally authorized to execute. If any such agreement has been executed by the Grantee as a result of a loan being made to the Grantee by the Agency contemporaneously with the making of this grant, that agreement applies equally to the grant and another identical agreement need not be executed in connection with this grant.

17. **Universal Identifier and Central Contractor Registration.** The Grantee must have a Unique Entity ID number in order to apply for, receive, and report on a Federal award. Additionally, the Grantee must comply with the additional requirements set forth in Attachment C regarding the Unique Entity ID Requirements and the Central Contractor Registry (CCR) Requirements found at 2 CFR Part 25, including Appendix A. For the purposes of this Agreement, "you" in Attachment B shall mean "Grantee" as defined hereunder;

18. **Federal Funding Accountability and Transparency Act.** The Grantee is responsible for complying with all requirements of the Federal award. For all Federal awards, this includes the provisions of the Federal Funding Accountability and Transparency Act (FFATA), which includes requirements on executive compensation, and also requirements implementing the Act for the Grantee at 2 CFR Part 25 Financial Assistance Use of Universal Identifier and Central Contractor Registration and 2 CFR Part 170 Reporting Subaward and Executive Compensation Information. See also statutory requirements for whistleblower protections at 10 U.S.C. 2409, 41 U.S.C. 4712, 10 U.S.C. 2324, 41 U.S.C. 4304 and 4310. See also 2 C.F.R. § 200.11-200.113.

19. Not encumber, transfer or dispose of the property or any part thereof, furnished by the Agency or acquired wholly or in part with Agency funds without the written consent of the Agency except as provided in paragraph 8 (c).

20. Not duplicate other Project purposes for which monies have been received, are committed, or are applied to from other sources (public or private).

B. **Rural Housing Service (RHS).** RHS has agreed to give the Grantee the grant funds, subject to the terms and conditions established by RHS. Provided, however, that any grant funds actually advance and not needed for grant purposes shall be returned immediately to RHS. RHS may terminate the grant in whole, or in part, at any time before the date of completion, whenever it is determined that the Grantee has failed to comply with the conditions of this Agreement or the applicable regulation. RHS shall remain in compliance with all applicable laws, regulations, Executive Orders, and other generally applicable requirements for the duration of the Agreement. The most commonly-referenced provisions are identified below.

1. **Payments.** We will advance or reimburse funds up to the Award Amount identified in Section I.9 upon the Grantee's proper request according to Section II.A.1.c.

2. **Monitoring and Enforcement.** We will monitor the project to ensure that you are in compliance with the terms of the award. If we find that you are not in

compliance, we will enforce the terms of this Agreement using the provisions of 2 C.F.R. § 200.338-.342.

a. Will assist Grantee, within available appropriations, with such technical assistance as Agency deems appropriate in planning the Project and coordinating the plan with local official comprehensive plans for essential community facilities and with any State or area plans for the area in which the project is located.

b. At its sole discretion and at any time may give any consent, deferment, subordination, release, satisfaction, or termination of any or all of Grantee's grant obligations, with or without valuable consideration, upon such terms and conditions as Agency may determine to be (1) advisable to further the purpose of the grant or to protect Agency's financial interest therein and (2) consistent with both the statutory purposes of the grant and the limitations of the statutory authority under which it is made.

3. **Termination of This Agreement**. This Agreement may be terminated for cause in the event of default on the part of the Grantee or for convenience of the Agency and Grantee prior to the date of completion of the grant purpose. Termination for convenience will occur when both the Grantee and Agency agree that the continuation of the Project will not produce beneficial results commensurate with the further expenditure of funds. In all cases termination and notification will be in accordance with 2 C.F.R. § 200.339 and 200.340.

C. **Both Parties.** The Grantee and RHS agree to the following:

1. **Invalid Clauses.** The invalidity of any one or more phrases, clauses, sentences, paragraphs, or provisions of this Agreement shall not affect the remaining portions of the Agreement.

2. **Conflict between this Agreement and Other Applicable Regulations or Laws.** If there is a conflict between this Agreement and the applicable Program Regulation, the applicable Program Regulation shall prevail. If there is a conflict between this Agreement and another law or regulation, RHS shall seek a legal opinion to determine which provision applies.

3. **Dates.** When the date fixed for the performance of an act under this Agreement is on a weekend or Federal holiday, then the performance by the close of business on the next Federal work day shall have the same force and effect as if made performed or exercised on the specified date.

Attachment A

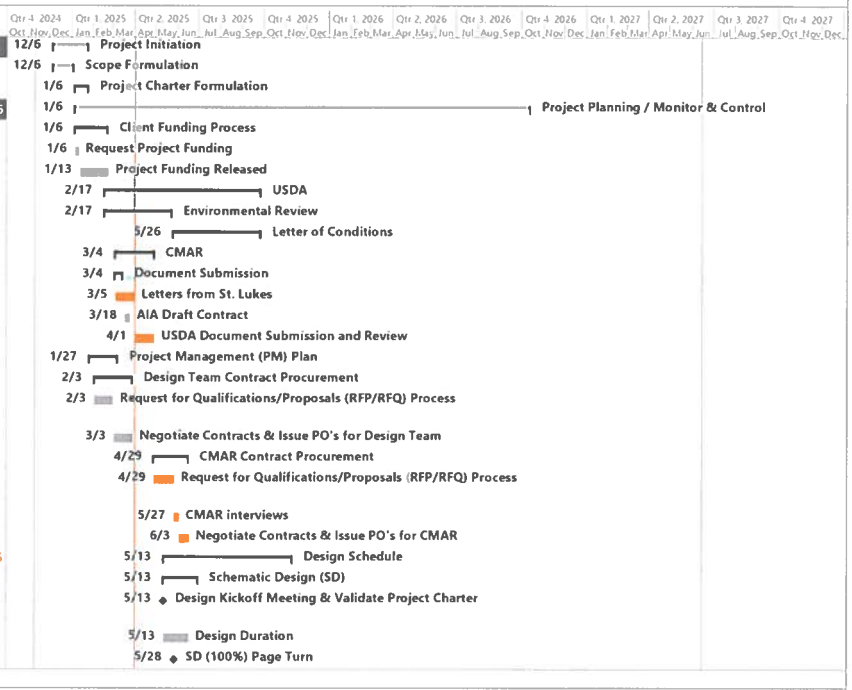
Approved Work Plan and Budget

(The work plan must have time, scope, and outcome entries for each task.)

Stantec

St. Luke's Hospital Infrastructure Upgrades

ID	Task Name	Duration	Start	Finish
1	**Project Initiation**	**36 days**	**Fri 12/6/24**	**Fri 1/24/25**
2	Scope Formulation	21 days	Fri 12/6/24	Fri 1/3/25
8	Project Charter Formulation	15 days	Mon 1/6/25	Fri 1/24/25
13	**Project Planning / Monitor & Control**	**461 days**	**Mon 1/6/25**	**Mon 10/12/26**
14	Client Funding Process	35 days	Mon 1/6/25	Fri 2/21/25
15	Request Project Funding	5 days	Mon 1/6/25	Fri 1/10/25
16	Project Funding Released	30 days	Mon 1/13/25	Fri 2/21/25
17	USDA	160 days	Mon 2/17/25	Fri 9/26/25
18	Environmental Review	70 days	Mon 2/17/25	Fri 5/23/25
21	Letter of Conditions	90 days	Mon 5/26/25	Fri 9/26/25
28	CMAR	40 days	Tue 3/4/25	Mon 4/28/25
29	Document Submission	9 days	Tue 3/4/25	Fri 3/14/25
30	Letters from St. Lukes	19 days	Wed 3/5/25	Mon 3/31/25
31	AIA Draft Contract	5 days	Tue 3/18/25	Mon 3/24/25
32	USDA Document Submission and Review	20 days	Tue 4/1/25	Mon 4/28/25
33	Project Management (PM) Plan	30 days	Mon 1/27/25	Fri 3/7/25
39	Design Team Contract Procurement	40 days	Mon 2/3/25	Fri 3/28/25
40	Request for Qualifications/Proposals (RFP/RFQ) Process	20 days	Mon 2/3/25	Fri 2/28/25
41	Negotiate Contracts & Issue PO's for Design Team	20 days	Mon 3/3/25	Fri 3/28/25
42	CMAR Contract Procurement	35 days	Tue 4/29/25	Mon 6/16/25
43	Request for Qualifications/Proposals (RFP/RFQ) Process	20 days	Tue 4/29/25	Mon 5/26/25
44	CMAR interviews	5 days	Tue 5/27/25	Mon 6/2/25
45	Negotiate Contracts & Issue PO's for CMAR	10 days	Tue 6/3/25	Mon 6/16/25
46	Design Schedule	130 days	Tue 5/13/25	Mon 11/10/25
47	Schematic Design (SD)	35 days	Tue 5/13/25	Mon 6/30/25
48	Design Kickoff Meeting & Validate Project Charter	0 days	Tue 5/13/25	Tue 5/13/25
49	Design Duration	25 days	Tue 5/13/25	Tue 6/17/25
50	SD (100%) Page Turn	0 days	Wed 5/28/25	Wed 5/28/25



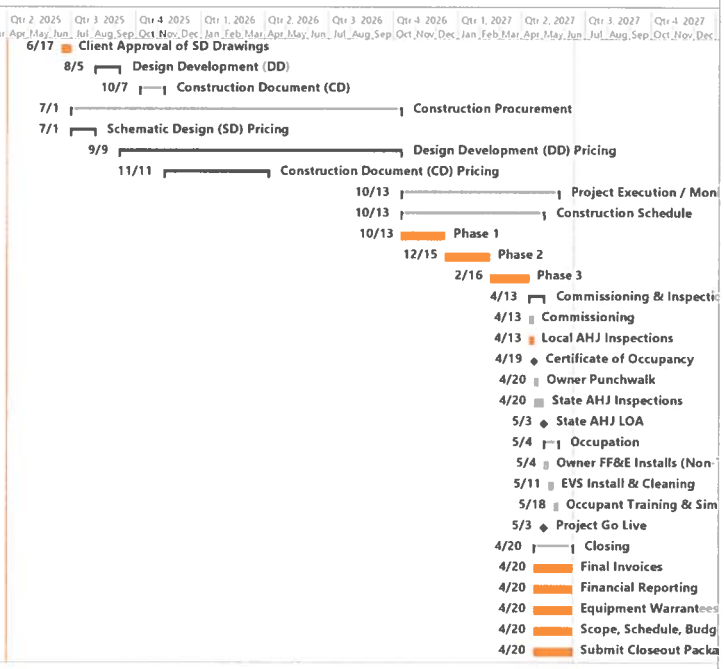
Task · Split · Milestone · Summary · Project Summary · Inactive Task · Inactive Milestone · Inactive Summary · Manual Task · Duration-only · Manual Summary Rollup · Manual Summary · Start-only · Finish-only · External Tasks · External Milestone · Deadline · Critical · Critical Split · Progress · Manual Progress

Wed 4/2/25

Stantec

St. Luke's Hospital Infrastructure Upgrades

ID	Task Name	Duration	Start	Finish
51	Client Approval of SD Drawings	10 days	Tue 6/17/25	Mon 6/30/25
52	Design Development (DD)	25 days	Tue 8/5/25	Mon 9/8/25
56	Construction Document (CD)	25 days	Tue 10/7/25	Mon 11/10/25
60	Construction Procurement	335 days	Tue 7/1/25	Mon 10/12/26
61	Schematic Design (SD) Pricing	25 days	Tue 7/1/25	Mon 8/4/25
64	Design Development (DD) Pricing	285 days	Tue 9/9/25	Mon 10/12/26
68	Construction Document (CD) Pricing	105 days	Tue 11/11/25	Mon 4/6/26
72	Project Execution / Monitor & Control	160 days	Tue 10/13/26	Mon 5/24/27
73	Construction Schedule	145 days	Tue 10/13/26	Mon 5/3/27
74	Phase 1	45 days	Tue 10/13/26	Mon 12/14/26
75	Phase 2	45 days	Tue 12/15/26	Mon 2/15/27
76	Phase 3	40 days	Tue 2/16/27	Mon 4/12/27
77	Commissioning & Inspections	15 days	Tue 4/13/27	Mon 5/3/27
78	Commissioning	5 days	Tue 4/13/27	Mon 4/19/27
79	Local AHJ Inspections	5 days	Tue 4/13/27	Mon 4/19/27
80	Certificate of Occupancy	0 days	Mon 4/19/27	Mon 4/19/27
81	Owner Punchwalk	5 days	Tue 4/20/27	Mon 4/26/27
82	State AHJ Inspections	10 days	Tue 4/20/27	Mon 5/3/27
83	State AHJ LOA	0 days	Mon 5/3/27	Mon 5/3/27
84	Occupation	15 days	Tue 5/4/27	Mon 5/24/27
85	Owner FF&E Installs (Non-TCO)	5 days	Tue 5/4/27	Mon 5/10/27
86	EVS Install & Cleaning	5 days	Tue 5/11/27	Mon 5/17/27
87	Occupant Training & Simulations	5 days	Tue 5/18/27	Mon 5/24/27
88	Project Go Live	0 days	Mon 5/3/27	Mon 5/3/27
89	Closing	40 days	Tue 4/20/27	Mon 6/14/27
90	Final Invoices	8 wks	Tue 4/20/27	Mon 6/14/27
91	Financial Reporting	8 wks	Tue 4/20/27	Mon 6/14/27
92	Equipment Warrantees & Cutsheets	8 wks	Tue 4/20/27	Mon 6/14/27
93	Scope, Schedule, Budgets	8 wks	Tue 4/20/27	Mon 6/14/27
94	Submit Closeout Packages	8 wks	Tue 4/20/27	Mon 6/14/27



Task
Split
Milestone
Summary
Project Summary
Inactive Task
Inactive Milestone
Inactive Summary
Manual Task
Duration-only
Manual Summary Rollup
Manual Summary
Start-only
Finish-only
External Tasks
External Milestone
Deadline
Critical
Critical Split
Progress
Manual Progress

Wed 4/2/25

ATTACHMENT B

I. Reporting Executive Compensation.

A. Reporting Total Compensation of Recipient Executives.

1. *Applicability and what to report.* You must report total compensation for each of your five most highly compensated executives for the preceding completed fiscal year, if:
   a. the total Federal funding authorized to date under this award is $25,000 or more;
   b. in the preceding fiscal year, you received
      i. 80 percent or more of your annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
      ii. $25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards);
   c. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at *http://www.sec.gov/answers/execomp.html*)

2. *Where and when to report.* You must report executive total compensation described in paragraph b.1. of this award term:
   a. As part of your registration profile at http://www.ccr.gov.
   b. By the end of the month following the month in which this award is made, and annually thereafter.

B. *Reporting of Total Compensation of Subrecipient Executives.*

1. *Applicability and what to report.* Unless you are exempt as provided in paragraph d. of this award term, for each first-tier subrecipient under this award, you shall report the names and total compensation of each of the subrecipient's five most highly compensated executives for the subrecipient's preceding completed fiscal year, if
   a. in the subrecipient's preceding fiscal year, the subrecipient received—
      i. 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 C.F.R. § 170.320 (and subawards); and
      ii. $25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and
   b. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at *http://www.sec.gov/answers/execomp.htm.)*

2. *Where and when to report.* You must report subrecipient executive total compensation described in paragraph c.1. of this award term:
   a. To the recipient.
   b. By the end of the month following the month during which you make the subaward. For example, if a subaward is obligated on any date during the month of October of a given year (*i.e.*, between October 1 and 31), you must report any required compensation information of the subrecipient by November 30 of that year.

C. *Exemptions.* If, in the previous tax year, you had gross income, from all sources, under $300,000, you are exempt from the requirements to report:
   1. Subawards, and
   2. The total compensation of the five most highly compensated executives of any subrecipient.

D. *Definitions.* For purposes of this award term:
   1. *Entity* means all of the following, as defined in 2 CFR part 25:
      a. A Governmental organization, which is a State, local government, or Indian tribe;
      b. A foreign public entity;
      c. A domestic or foreign nonprofit organization;
      d. A domestic or foreign for-profit organization;
      e. A Federal agency, but only as a subrecipient under an award or subaward to a
      f. non-Federal entity.
   2. *Executive* means officers, managing partners, or any other employees in management positions.
   3. *Subaward:*
      a. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.
      b. The term does not include your procurement of property and services needed to carry out the project or program.
      c. A subaward may be provided through any legal agreement, including an agreement that you or a subrecipient considers a contract.
   4. *Subrecipient* means an entity that:
      a. Receives a subaward from you (the recipient) under this award; and
      b. Is accountable to you for the use of the Federal funds provided by the subaward.
   5. *Total compensation* means the cash and noncash dollar value earned by the executive during the recipient's or subrecipient's preceding fiscal year and includes the following (for more information see 17 C.F.R. § 229.402(c)(2)):
      a. Salary and bonus.
      b. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
      c. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
      d. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
      e. Above-market earnings on deferred compensation which is not tax-qualified.
      f. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds $10,000.

ATTACHMENT C

I. System for Award Management and Universal Identifier Requirements

A. Requirement for Registration with the General Services Administration's System for Award Management. Unless you are exempted from this requirement under 2 CFR 25.110, you as the recipient must maintain the currency of your information in the CCR until you submit the final financial report required under this award or receive the final payment, whichever is later. This requires that you review and update the information at least annually after the initial registration, and more frequently if required by changes in your information or another award term.

B. Requirement for Unique Entity ID Numbers.
The Grantee must have a Unique Entity ID number in order to apply for, receive, and report on a Federal award. The DUNS Number is no longer valid for federal award identification. On April 4, 2022, the Unique Entity ID from SAM.gov is now the authoritative identifier for those doing business with the federal government.

C. Definitions. For purposes of this award term:

1. System for Award Management (SAM) means the Federal repository into which an entity must provide information required for the conduct of business as a recipient. Additional information about registration procedures may be found at the SAM Internet site (currently at http://www.sam.gov).

2. The Unique Entity ID from SAM.gov is now the authoritative identifier for those doing business with the federal government. The Unique Entity ID is generated in SAM.gov. If you are registered in SAM.gov (active or not), you already have a Unique Entity ID. It is viewable at SAM.gov. If you are new to SAM.gov and will be registering for the first time, you will get your Unique Entity ID (SAM) during registration.

3. Entity, as it is used in this award term, means all of the following, as defined at 2 CFR part 25, subpart C:
   a. A Governmental organization, which is a State, local government, or Indian Tribe;
   b. A foreign public entity;
   c. A domestic or foreign nonprofit organization;
   d. A domestic or foreign for-profit organization; and
   e. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.
4. Subaward:
   a. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.
   b. The term does not include your procurement of property and services needed to carry out the project or program.
   c. A subaward may be provided through any legal agreement, including an agreement that you consider a contract.

The signatories below certify that they have authority to enter into this Agreement.

Approved by an Authorized Representative of the Grantee:

William Miller

Name (Please Print)

Board Chair

Title (Please Print)

Signature

09/19/2025

Date

Approved by the United States of America, Rural Housing Service by:

Joshua Carswell

Name (Please Print)

Community Programs Specialist

Title (Please Print)

Signature

09/19/2025

Date

NOTICE OF FEDERAL INTEREST
UNITED STATES DEPARTMENT OF AGRICULTURE (USDA)
Community Facilities

On (*insert date*), the Rural Housing Service, an agency in the United States Department of Agriculture (Agency) awarded Grant No. _____ (Grant) in the amount of _____ to (*insert name of recipient*) (Grantee). The Grant was awarded under the Community Facilities Grant Program (USC 1926(a)(19) and 7 CFR 3570 Subpart B) and provides funds for (*describe purpose of grant, e.g., construction of a building*), which is located on the land described in Attachment A (Grant Property).

The Grant Program and applicable laws, regulations, Executive Orders and other generally applicable requirements, including but not limited to those set out in 7 CFR 3570 Subpart B, the applicable general provisions of 2 CFR 200, 2 CFR 400, 2 CFR 417, 7 CFR 3015, 3016 and 3019, 7 CFR 5001, and 7 CFR 1942 Subparts A and C, include conditions on use of the Grant Property and provides for a continuing, perpetual Federal interest in the Grant Property that is real property (including fixtures). Specifically, the Grant Property may not be:

(1) used for any purpose inconsistent with applicable Program statutes and regulations governing the Grant under which the Grant Property was acquired;

(2) mortgaged or otherwise used as collateral without the written permission of the Agency; or

(3) sold or transferred to another party without the written permission of the Agency.

These laws and regulations affect the use and disposition of the Grant Property.

These Grant conditions and requirements cannot be subordinated, diminished, nullified or voided through encumbrance of the property, a transfer of ownership or other violation of Grant requirements. In accordance with Program and Departmental Regulations, Agency approval is required, among other things, for any proposed change in usage, ownership, or use of the Grant Property for third-party collateral.

Inquiries regarding the Agency's interest in the Grant Property should be directed to:

Administrator
Rural Housing Service
1400 Independence Avenue, SW, Room 5014-S
Washington, DC 20250

This Notice of Federal Interest is acknowledged and agreed to by the undersigned Grantee on behalf of the Grantee and its successors in interest. All references to the Agency will include its successors in interest.

Grantee:

Signature: _____

Typed Name: _____

Title: _____

Date: _____

(EXAMPLE OF NOTARIZED AFFIRMATION. THIS SHOULD BE CONFORMED AS NEEDED TO THE SITUATION OR STATE LAW.)

STATE OF_____ COUNTY OF_____ On this ___day of_____, 20__, before me, the undersigned, a Notary Public for the County of_____, (State), personally appeared before me and is known to be the person who executed this instrument on behalf of said Grantee, _____, and acknowledged to me that he/she executed the same as their free act and deed in either their individual or other capacity described above.

Witness my hand and official seal.

Notary Public in and for the County of _____, State of_____.

ATTACHMENT A

(INSERT LEGAL DESCRIPTION OF PROPERTY INCLUDING THE CITY/TOWN/COUNTY AND STATE OF PROPERTY)

View Burden Statement

FORM APPROVED
OMB No. 0575-0018
Exp Date: 3/31/2026

USDA
Form RD 400-4
(Rev. 06-25)

Position 3

ASSURANCE AGREEMENT

(Under Title VI, Civil Rights Act of 1964)

The St. Lukes Hospital, Inc.
(name of recipient)

101 Hospital Drive, Columbus, NC 28722
(address)

As a condition of receipt of Federal financial assistance, you acknowledge and agree that you must comply (and require any subgrantees, subrecipients, contractors, successors, transferees, and assignees to comply) with applicable provisions of Federal laws and regulations prohibiting discrimination, including but not limited to:

1. Title VI of the Civil Rights Act of 1964, as amended, which prohibits you from discriminating on the basis of race, color, or national origin (42 U.S.C. 2000d et seq.) as implemented by 7 CFR Part 15;

2. Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating on the basis of sex in education programs or activities (20 U.S.C. 1681 et seq.) as implemented by 7 CFR Part 15a;

3. The Age Discrimination Act of 1975, as amended, which prohibits you from discriminating on the basis of age (42 U.S.C. 6101 et seq.) as implemented by 7 CFR Part 15c;

4. Section 504 of the Rehabilitation Act of 1973, as amended, which prohibits you from discriminating on the basis of disability (29 U.S.C. 794) as implemented by 7 CFR Part 15e;

5. Title VIII of the Civil Rights Act, which prohibits you from discriminating in the sale, rental, financing, and advertising of dwellings, or in the provision of services in connection therewith, on the basis of race, color, national origin, religion, disability, familial status, and sex (42 U.S.C. 3601 et seq.) as implemented by 7 CFR Part 3560.2; and

Titles II (State and Local Governments) and III (Places of public accommodation) of the Americans with Disabilities Act, which prohibit you from discriminating on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. 12131-12189), as implemented by 28 CFR Part 35.190(b)(1).

Responsibilities:

1. You must cooperate with any compliance review or complaint investigation conducted by USDA Rural Development (Rural Housing Service, Rural Business and Cooperative Service, and Rural Utilities Service).
2. You must give USDA Rural Development (Rural Housing Service, Rural Business and Cooperative Service, and Rural Utilities Service) access to and the right to examine and copy records, accounts, and other documents and sources of information related to the grant and permit access to facilities, personnel, and other individuals and information as may be necessary to meet statutory requirements.
3. You must keep accurate records and timely submit information (including all reports, data collection and evaluation requirements) as described by law or detailed in program guidance.
4. You must inform participants, beneficiaries, and other interested persons of the protection assured them against discrimination according to the providions of this agreement and statutory requirements.

5. If you (the recipient) have been accused of discrimination on the grounds of race, color, national origin), sex, age, disability, religion, or familial status, in the past three years, you must provide a list of all such proceedings, pending or completed, including outcome and copies of settlement agreements.
6. In the event any court or administrative agency makes a finding of discrimination on grounds of race, color, national origin, sex, age, disability, religion, or familial status against you, or you settle a case or matter alleging such discrimination, you must forward a copy of the complaint and findings to USDA Rural Development (Rural Housing Service, Rural Business and Cooperative Service, and Rural Utilities Service), Civil Rights Office.

Period of Obligation

In the case of any service, financial aid, covered employment, equipment, property, or structure provided, leased, or improved with federal assistance extended to the Recipient by Rural Development (Rural Housing Service, Rural Business and Cooperative Service, and Rural Utilities Service), this assurance obligates the Recipient for the period during which federal assistance is extended. In the case of any transfer of such service, financial aid, equipment, property, or structure, this assurance obligates the transferee for the period during which federal assistance is extended. If any personal property is so provided, this assurance obligates the Recipient for the period during which it retains ownership or possession of the property. In all other cases, this assurance obligates the Recipient for the period during which the federal assistance is extended to the Recipient by Rural Development (Rural Housing Service, Rural Business and Cooperative Service, and Rural Utilities Service).

Employment Practices

Where a primary objective of the federal assistance is to provide employment or where the Recipient's employment practices affect the delivery of services in programs or activities resulting from federal assistance extended by Rural Development (Rural Housing Service, Rural Business and Cooperative Service, and Rural Utilities Service), the Recipient agrees not to discriminate on the grounds of race, color, national origin, sex, age, or disability, in its employment practices. Such employment practices may include, but are not limited to, recruitment, advertising, hiring, layoff or termination, promotion, demotion, transfer, rates of pay, training and participation in upward mobility programs; or other forms of compensation and use of facilities.

Data Collection

The Recipient agrees to compile and maintain information pertaining to programs or activities developed as a result of the Recipient's receipt of federal assistance from Rural Development (Rural Housing Service, Rural Business and Cooperative Service, and Rural Utilities Service). Such information may include, but is not limited to the following: (1) the manner in which services are or will be provided and related data necessary for determining whether any persons are or will be denied such services on the basis of prohibited discrimination; (2) the population eligible to be served by race, color, national origin, sex, age, and disability; (3) data regarding covered employment; (4) the location of existing or proposed facilities connected with the program and related information adequate for determining whether the location has or will have the effect of unnecessarily denying access to any person on the basis of prohibited discrimination; (5) the present or proposed membership by race, color, national origin, sex, age and disability in any planning or advisory body which is an integral part of the program; and (6) any additional written data determined by Rural Development (Rural Housing Service, Rural Business and Cooperative Service, and Rural Utilities Service) to be relevant to the obligation to assure compliance by recipients with laws cited in this assurance agreement.

Under penalty of perjury, the undersigned officials certify that they have read and understand their obligations as herein described, that the information submitted in conjunction with this Document is accurate and complete, and that the recipient is in compliance with the nondiscrimination requirements set out above.

Rights and remedies provided for under this agreement shall be cumulative.. The United States has the right to seek judicial enforcement of these obligations.

In witness whereof, St. Lukes Hospital, Inc. on this
(name of recipient)
date has caused this agreement to be executed by its duly authorized officers and its seal affixed hereto, or, if a natural person, has hereunto executed this agreement.

(SEAL)

William J. Mielli
Recipient

09-19-2025
Date

Attest: Board Vice Chair
Title

Linda Schutter

Board Chair
Title

USDA-RD
Form RD 1910-11
(Rev. 9-02)

Position 3

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

APPLICANT CERTIFICATION
FEDERAL COLLECTION POLICIES FOR CONSUMER OR COMMERCIAL DEBTS

The Federal Government is authorized to check credit information about the applicant(s) including using the federal Credit Alert Interactive Voice Response System (CAIVRS) or its successors to check to see if the applicant(s) are delinquent or in default on a Federal debt.

The Federal Government is also authorized by law to take any or all of the following actions in the event your loan payments become delinquent or you default on your loan:

- Report your name and account information to a credit reporting agency, and the Credit Alert Interactive Voice Response System (CAIVRS).
- Assess interest and penalty charges for the period of time that payment is not made.
- Assess charges to cover additional administrative costs incurred by the government to service your account.
- Offset amounts to be paid to you from your Federal income tax refund.
- Offset amounts to be paid to you under other Federal Programs.
- Refer your account to a private collection agency to collect the amount due.
- Foreclose on any security you have given for the loan.
- Pursue legal action to collect through the courts.
- Report any written off debt to the Internal Revenue Service as taxable income.
- If you are a current or retired Federal employee, take action to offset your salary, or civil service retirement benefits.
- Debar or suspend you from doing business with the Federal Government either as a participant or principal throughout the executive branch of the Federal Government for the period of debarment or suspension.
- Refer any debt that is delinquent to the Treasury Offset Program (TOP) in accordance with the Debt Collection Improvement Act of 1996.
- Refer any eligible debt that is delinquent to the Treasury for cross servicing in accordance with the Debt Collection Improvement Act of 1996.
- Garnish your wages as allowed by the Debt Collection Improvement Act of 1996.

Any or all of these actions may be used to recover any debts owed when it is determined to be in the interest of the Government to do so.

CERTIFICATION: I/we have read and I/we understand the actions the Federal Government may take in the event that I/we fail to meet my/our scheduled payments in accordance with the terms and conditions of my/our agreement. I/we understand that the above list is not all inclusive and that the Federal Government may deem additional actions necessary to collect should I/we become delinquent.

William J. Miller — 09-19-2025
(Signature-Individual(s)) (Date)

(Signature-Individual(s)) — 09-19-2025
(Date)

(SEAL) SLH

9/19/2025
(Date)

St. Luke's Hospital, Inc.
(Name of Applicant)

William J. Miller
(Signature of Authorized Entity Official)

ATTEST:

William Miller, Board Chairman
(Title of Authorized Entity Official)

Linda Schutter
(Signature of Attesting Official)

101 Hospital Drive
(Address)

Board Vice Chair
(Title of Attesting Official)

Columbus, NC 28722-
(City, State, and Zip Code)

RD 1910-11 (Rev. 9-02)

BE IT RESOLVED

That the Board of Directors for St. Luke's Hospital, Inc. accepts the conditions set forth in a Letter of Conditions dated **09/19/2025** and Form RD 3570-3, "Community Facilities Grant Agreement":

That the Board Chair and Vice Chair be authorized to execute all forms necessary to obtain a loan from Rural Development, including, but not limited to the following forms:

Form RD 1942-46	Letter of Intent to Meet Conditions
Form RD 1940-1	Request for Obligation of Funds
Form RD 3570-3	CF Grant Agreement
Notice of Federal Interest	Community Facilities Grant
Form RD 400-4	Assurance Agreement
Form RD 1910-11	Applicant Certification Federal Collection Policies

The resolution is to become a part of the official minutes of the Board of Directors meeting

held on **09/19/2025**

MOTION MADE BY: Linda Schutter and

SECONDED BY: Sharon Decker THAT THE RESOLUTION

BE APPROVED.

MOTION PASSED 7 FOR AND 0 AGAINST.

TO BE MADE A PART OF THE MINUTES DATED **09/19/2025**

BY: William J. Miller, Board Chair
Name & Title

Attest: 9/19/25 (Date) BY: Linda Greenstelder, Board Secretary
Name & Title

GUARANTY

This GUARANTY (the "**Guaranty**"), dated as of _____ __, 2026, is made by St. Luke's Hospital, Inc., a nonprofit corporation organized and existing under the laws of the State of North Carolina ("**Guarantor**"), in favor and for the benefit of Polk County, a municipal corporation and political subdivision of the State of North Carolina ("**Beneficiary**").

Reference is made to the Community Facilities Grant Agreement and related documents between the Rural Housing Service, an agency in the United States Department of Agriculture ("**Grantor")**, on the one hand, and the Guarantor and Beneficiary, on the other hand, dated as of _____ __, 2026, (the "**Underlying Agreement**"). In consideration of the substantial direct and indirect benefits derived by Guarantor from the transactions under the Underlying Agreement, and in order to induce Beneficiary to enter into the Underlying Agreement for a community facilities grant by Grantor for certain hospital facility upgrades, Guarantor agrees as follows:

1. Guaranty. Guarantor absolutely, unconditionally and irrevocably guarantees, as primary obligor and not merely as surety, the full and punctual payment and performance of all present and future obligations, liabilities, covenants and agreements required to be observed and performed or paid or reimbursed by Beneficiary under or relating to the Underlying Agreement, plus all costs, expenses and fees (including the reasonable fees and expenses of Beneficiary's counsel) in any way relating to the enforcement or protection of Beneficiary's rights hereunder (collectively, the "**Obligations**").

2. Guaranty Absolute and Unconditional. Guarantor agrees that its Obligations under this Guaranty are irrevocable, continuing, absolute and unconditional and shall not be discharged or impaired or otherwise affected by, and Guarantor hereby irrevocably waives any defenses to enforcement it may have (now or in the future) by reason of:

(a) Any illegality, invalidity or unenforceability of any Obligation or the Underlying Agreement or any related agreement or instrument, or any law, regulation, decree or order of any jurisdiction or any other event affecting any term of the Obligations.

(b) Any change in the time, place or manner of payment or performance of, or in any other term of the Obligations, or any rescission, waiver, release, assignment, amendment or other modification of the Underlying Agreement.

(c) Any taking, exchange, substitution, release, impairment, amendment, waiver, modification or non-perfection of any collateral or any other guaranty for the Obligations, or any manner of sale, disposition or application of proceeds of any collateral or other assets to all or part of the Obligations.

(d) Any default, failure or delay, willful or otherwise, in the performance of the Obligations.

(e) The failure of any other guarantor or third party to execute or deliver this

Guaranty or any other guaranty or agreement, or the release or reduction of liability of Guarantor or any other guarantor or surety with respect to the Obligations.

(f) The failure of Beneficiary to assert any claim or demand or to exercise or enforce any right or remedy under the provisions of any Underlying Agreement or otherwise.

(g) The existence of any claim, set-off, counterclaim, recoupment or other rights that Guarantor or Grantor may have against Beneficiary (other than a defense of payment or performance).

(h) Any other circumstance (including, without limitation, any statute of limitations), act, omission or manner of administering the Underlying Agreement or any existence of or reliance on any representation by Beneficiary that might vary the risk of Guarantor or otherwise operate as a defense available to, or a legal or equitable discharge of, Guarantor.

3. Certain Waivers; Acknowledgments. Guarantor further acknowledges and agrees as follows:

(a) Guarantor hereby unconditionally and irrevocably waives any right to revoke this Guaranty and acknowledges that this Guaranty is continuing in nature and applies to all presently existing and future Obligations, until the complete, irrevocable satisfaction in full of the Obligations.

(b) This Guaranty is a guaranty of payment and performance and not of collection. Beneficiary shall not be obligated to enforce or exhaust its remedies against Grantor or under the Underlying Agreement before proceeding to enforce this Guaranty.

(c) This Guaranty is a direct guaranty. Beneficiary may resort to Guarantor for payment and performance of the Obligations whether or not Beneficiary shall have resorted to any collateral therefor or shall have proceeded against Grantor or any other guarantors with respect to the Obligations. Beneficiary may, at Beneficiary's option, proceed against Guarantor and Grantor, jointly and severally, or against Guarantor only.

(d) Guarantor hereby unconditionally and irrevocably waives promptness, diligence, notice of acceptance, presentment, demand for performance, notice of non-performance, default, acceleration, protest or dishonor and any other notice with respect to any of the Obligations and this Guaranty and any requirement that Beneficiary protect, secure, perfect or insure any lien or any property subject thereto.

4. Subrogation. Guarantor waives and shall not exercise any rights that it may acquire by way of subrogation, contribution, reimbursement or indemnification for payments made under this Guaranty until all Obligations shall have been indefeasibly paid and discharged in full.

5. Representations and Warranties. To induce Beneficiary to enter into the Underlying Agreement, Guarantor represents and warrants that: (a) [Guarantor is a duly

organized and validly existing nonprofit corporation in good standing under the laws of the jurisdiction of its organization; (b) this Guaranty constitutes Guarantor's valid and legally binding agreement in accordance with its terms; (c) the execution, delivery and performance of this Guaranty have been duly authorized by all necessary action and will not violate any order, judgment or decree to which Guarantor or any of its assets may be subject; and (d) Guarantor is currently solvent and will not be rendered insolvent by providing this Guaranty.

6. Notices. All notices, requests, consents, demands and other communications hereunder (each, a "**Notice**") shall be in writing and delivered to the parties at the addresses set forth herein or to such other address as may be designated by the receiving party in a Notice given in accordance with this section. All Notices shall be delivered by personal delivery, nationally recognized overnight courier, facsimile email or certified or registered mail (return receipt requested, postage prepaid). Except as otherwise provided in this Guaranty, a Notice is effective only (a) with written confirmation of delivery or transmission; (b) upon receipt of the receiving party; and (c) if the party giving the Notice has complied with the requirements of this section.

7. Assignment. This Guaranty shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that neither Guarantor nor Beneficiary, without the prior written consent of the other, may assign any of its rights, powers or obligations hereunder. Any attempted assignment in violation of this section shall be null and void.

8. Governing Law; Service of Process. This Guaranty shall be governed by and construed under the laws of the State of North Carolina, without reference to any choice of law doctrine.

9. Cumulative Rights. Each right, remedy and power hereby granted to Beneficiary or allowed it by applicable law or other agreement shall be cumulative and not exclusive of any other, and may be exercised by Beneficiary at any time or from time to time.

10. Severability. If any provision of this Guaranty is to any extent determined by final decision of a court of competent jurisdiction to be unenforceable, the remainder of this Guaranty shall not be affected thereby, and each provision of this Guaranty shall be valid and enforceable to the fullest extent permitted by law.

11. Entire Agreement; Amendments; Headings; Effectiveness. This Guaranty constitutes the sole and entire agreement of Guarantor and Beneficiary with respect to the subject matter hereof and supersedes all previous agreements or understandings, oral or written, with respect to such subject matter. No amendment or waiver of any provision of this Guaranty shall be valid and binding unless it is in writing and signed, in the case of an amendment, by both parties, or in the case of a waiver, by the party against which the waiver is to be effective. Section headings are for convenience of reference only and shall not define, modify, expand or limit any of the terms of this Guaranty. Delivery of this Guaranty in electronic (e.g., pdf or tif) format shall be effective as delivery of a manually executed original of this Guaranty.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the day and year first above written.

GUARANTOR:

St. Luke's Hospital, Inc.

By:_____

Name

Title:

[SWORN TO BEFORE ME THIS [DATE]

_____

Notary Public]

BOARD OF COMMISSIONERS
AGENDA ITEM REPORT

MEETING DATE

February 16, 2026

AGENDA ITEM # 10.A

Agricultural Advisory Board - There are three vacancies and one applicant; Sam Arledge.

ATTACHMENTS

None

BOARD OF COMMISSIONERS
AGENDA ITEM REPORT

MEETING DATE

February 16, 2026

AGENDA ITEM # 10.B

Juvenile Crime Prevention Council (JCPC) - There are two vacancies and two applicants; Monica Starr, and Kimberly McDonald.

ATTACHMENTS

None

BOARD OF COMMISSIONERS
AGENDA ITEM REPORT

MEETING DATE

February 16, 2026

AGENDA ITEM # 10.C

Library Board of Trustees - There are four vacancies and two applicants; Linda Greensfelder, and Mary Ratcliffe,

ATTACHMENTS

None

BOARD OF COMMISSIONERS
AGENDA ITEM REPORT

MEETING DATE

February 16, 2026

AGENDA ITEM # 12.A

Motion to go into Closed Session for the purpose of Attorney-Client Privilege, and Personnel.

ATTACHMENTS

None