STATE OF NORTH CAROLINA

AGREEMENT

BURKE COUNTY

THIS AGREEMENT, made and entered into this the 16th day of February 2026, by and between the County of Burke, (hereinafter referred to as "the County") a political subdivision of the state of North Carolina, and the Town of Rutherford College, (hereinafter referred to as "the Town"), a municipal corporation under the laws of the State of North Carolina.

WITNESSETH:

THAT WHEREAS, the Town desires for the County, by and through its duly appointed Tax Administrator, to list and assess municipal properties, both personal and real, for the purpose of levying taxes; and

WHEREAS, the Town desires for the County, by and through its duly appointed Tax Administrator, to bill and collect current municipal taxes by methods set forth in Chapter 105 of the North Carolina General Statutes (hereinafter, "Chapter 105"); and

WHEREAS, the Town by action of the Town Council dated the 5th day of January 2026, requested Burke County to list, assess, bill, and collect current and delinquent ad valorem municipal property taxes; and

WHEREAS, the County, by action of the Board of Commissioners, has agreed to list, assess, bill, and collect current and delinquent municipal taxes; and

WHEREAS, the County and the Town have reached an agreement concerning the listing, assessment, billing, and collection of the Town ad valorem property taxes by the County and desires to reduce this agreement to writing;

NOW, THEREFORE, in consideration of the payment hereafter mentioned, the mutual promises herein contained and the mutual benefits to result there from, the County and the Town agree as follows:

Pursuant to the provisions of Article 20 of Chapter 160A of the General Statutes of North Carolina, and N.C.G.S. 153A-445 (a) (1), the County and the Town agree:

1. The term of this contract shall be from July 1, 2026, until June 30, 2031, and shall be renewed automatically thereafter for five-year periods unless terminated in writing by either party on or before the 31st day of July of the year prior to the termination.
2. The Town agrees to pay to the County for its services in billing and collecting, a fee of 2.0 percent of all current and delinquent taxes, assessments, penalties, and interest collected for the Town. The County agrees to review this fee not more than once every five years and to notify the Town of any increases by July 31 prior to the next July 1 effective date.

3. Said fees described in Paragraph Number 2 shall be retained by Burke County each month as the 2.0 percent of each month's receipts collected on behalf of the Town.

4. In the event parcels are annexed or split by an annexation, the Town shall provide a complete listing of such parcels complete with maps. This information shall indicate the name of the owner, the parcel number, the amount of property within the Town limits and be recorded at the Register of Deeds as required by statute.

5. The Town agrees that when annexation of property is made after the beginning of the fiscal year and resulting in a discovery of Town taxes outside the normal billing cycle, the Town will provide completed discovery abstracts for such properties to the County for billing. The Town also agrees that discoveries for current and prior years made as a result of failure to properly code Town properties will be handled in the same manner, with the Town providing completed discovery abstracts for each year. The Town further agrees to reimburse the County for postage and staff costs associated with unanticipated multiple discoveries due to annexation or coding.

6. The Burke County Tax Administrator shall have complete responsibilities for the collection of ad valorem property taxes for the Town, both current and delinquent. The County Tax Administrator shall exercise the general duties on behalf of the Town as set forth in Chapter 105-350 (General Duties of Tax Collector) and further have the right to use all remedies as set forth in Article 26 of Chapter 105.

7. The County will manage all foreclosure processes for the County and the Town after consultation between the Parties. When real property is sold at foreclosure sale for the collection of ad valorem taxes, the Parties agree to use reasonable efforts to assure that the opening bid is sufficient to pay both the County and Town ad valorem property taxes including penalties, interest and such cost as accrued prior to the institution of the foreclosure action. In the event the property is sold for an amount not sufficient to satisfy both the County and the Town taxes, including penalties, interest and cost, the money shall be distributed as follows:

   The foreclosing party shall first be reimbursed for accrual expenses and disbursements made by it in connection with the foreclosure action, including the cost of advertising, legal fees and other necessary legal expenses, and any balance remaining after the payment of these expenses shall be distributed to the County and Town in proportion to their respective interests.

   In the event that the foreclosing party shall become the purchaser at foreclosure sale, the property shall be held and disposed of pursuant to Chapter 105-376 (a) & (b).

8. The Town agrees to extend full cooperation from its officials, agents and employees in the collection of these taxes and further agrees to take no action on behalf of any Town taxpayer that is influenced by personal or political friendships or obligations.

   The County agrees that in collecting ad valorem taxes for the Town that, pursuant to Chapter 105-354, these taxes shall be treated in the same manner as taxes of Burke County. The Tax Collector agrees as to these taxes to follow all procedures set forth in Article 26 (Collection and Foreclosure of Taxes), for the delivery of receipts, releases, and prepayment. Therefore, the County agrees to pay the Town every 30 days at the close of the month's books, the amount collected less the County's fee. The

County agrees to provide a monthly summary of all transactions and also a status report showing all outstanding accounts as requested by the Town.

9. In the event the taxpayer asserts taxpayer's remedies pursuant to Chapter 105-381, including a demand for release or a request for a refund, the County will handle those as follows: releases and or refunds of Town taxes for reasons of value changes will be handled in the same manner as the release of County taxes. Release records will be available for inspection by the Town as requested. Releases and/or refunds requested by reason of situs within the Town will be referred to the Town for confirmation and then released by the County. Any refund requested for taxes of years prior to this agreement will be referred to the Town for decision by the governing body and issued by the Town. The County and the Town agree to handle all refunds, releases, and compromises under the provisions of Article 27 (Refund and Remedies) of Chapter 105, and agrees not to release, refund, or compromise all or any taxes except as provided in Article 27.
10. The parties agree that the collection shall be subject to an audit by a certified public accountant to be selected by Burke County.
11. The County agrees to print and mail delinquent notices each year on or before July 1.
12. The parties agree that there shall be at least one advertisement of tax liens on real property for failure to pay taxes pursuant to Chapter 105-369. The time of the advertisement shall be selected by the County.
13. The parties agree that all fiscal month closings shall be on the last day of each month, with the exception of when the last day falls on a weekend. When the last day falls on a weekend, the fiscal month shall close on the preceding day prior to the weekend except that June 30 shall be the closing for both the fiscal year and the fiscal month, and December 31 which shall be the close of the fiscal month and the calendar year.
14. The Town agrees to provide the County with a tax rate, in writing, for the new fiscal year by June 30 annually.
15. The parties agree that there shall be one tax bill for County bills and Town bills. The bill shall indicate a separate total for the County and a separate total for the Town, and in addition, shall state a grand total of the County and Town ad valorem taxes.
16. In the event a taxpayer makes a partial payment, the County Tax Collector shall divide the payment proportionally between the County ad valorem taxes due and the Town ad valorem taxes due.
17. The Town agrees to encourage all taxpayers to make payment of both the Town and County ad valorem taxes to the Burke County Tax Collector.
18. This Agreement shall be effective upon its adoption by a majority vote of the members of the governing board of the County and Town and its execution by the proper officials of each unit of government, and minutes of each unit of government shall be spread upon the minutes of the County and the Town.
19. The Town agrees to take such action as may be required by North Carolina General Statutes to give the Burke County Tax Administrator, his assistants and clerks the

authority to administer the collection of Town ad valorem taxes and to carry out the provisions of this Agreement.

20. The Town agrees to pay the County the actual cost of transitioning any current or delinquent accounts from the Town's records to the County's tax system. The Town will be responsible for completing any foreclosure actions begun prior to remitting delinquent files to the County. All other delinquent files not in foreclosure will be remitted to the County for collections.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed, in their respective names, by their proper officials, all by authority of a resolution of the governing bodies of each of the taxing units, duly adopted.

BURKE COUNTY

BY: _____
Jeffrey C. Brittain, Chairman
Burke County Board of Commissioners

Attest:

_____
Kay Honeycutt Draughn, CMC, NCMCC
Clerk to the Board

TOWN OF RUTHERFORD COLLEGE

BY: _____
Yates Jensen, Mayor
Town of Rutherford College

Attest:

_____
Terra Brieno
Rutherford College Town Clerk