

**MINUTES**  
**LINCOLN COUNTY BOARD OF COMMISSIONERS**  
**MONDAY, SEPTEMBER 19, 2005**

The Lincoln County Board of County Commissioners met in regular session on September 19, 2005 at the Citizens Center, Commissioners Room, 115 West Main Street, Lincolnton, North Carolina, the regular place of meeting at 7:00 PM.

**Commissioners Present:**

Thomas R. Anderson, PE, Chairman  
Carrol D. Mitchem, Vice Chairman  
James Buddy Funderburk  
Marie Moore  
Alex E. Patton

**Others Present:**

Stan B. Kiser, County Manager  
Jeffrey A. Taylor, County Attorney  
Amy S. Atkins, Clerk to the Board

**Call to Order:** Chairman Anderson called the September 19, 2005 meeting of the Lincoln County Board of Commissioners to order.

**Adoption of Agenda:** Chairman Anderson presented the agenda for the Board's approval.

**UPON MOTION** by Commissioner Patton, the Board voted unanimously to adopt the agenda as presented removing Parallel Conditional Use Permit No. 115a – Norman Pointe, LLC, applicant.

**AGENDA**

**LINCOLN COUNTY BOARD OF COMMISSIONERS**

**SEPTEMBER 19, 2005**

	7:20 PM	Call to Order
1.	7:20 PM	Adoption of Agenda
2.	7:22 PM	Consent Agenda
		- Tax Requests for Refunds
		- August 15 – 28, 2005
		- Approval of Minutes
		- September 12, 2005

- Fall Litter Sweep 2005

3. 7:25 PM Public Comments

4. 7:40 PM Planning Board Recommendations – Randy Hawkins

- Zoning Map Amendment No. 504 – Jay Spears, applicant
- Zoning Map Amendment No. 505- Ronald Caldwell, applicant
- Zoning Map Amendment No. 506 – Tony Cloninger, Jr., applicant
- Conditional Use Permit No. 262 – Jody Richardson, applicant
- Conditional Use Permit No. 263 – Robert Bekemeier, Jr., applicant
- Parallel Conditional Use Rezoning No. 115A – Norman Pointe, LLC, applicant

5. 8:00 PM Consideration of Chamber of Commerce's Letter Concerning Referendum on Electing County Commissioners by Districts

6. 8:15 PM Recreation Discussion

7. 9:15 PM Resolution Providing for the Issuance of \$28,000,000 General Obligation School Bonds, Series 2005

8. 9:20 PM Resolution Providing for the Issuance of \$9,345,000 General Obligation Refunding Bonds, Series 2005

9. 9:25 PM Public Works Capital Project Reports – Steve Gilbert

10. 9:30 PM Finance Officer's Report

11. 9:35 PM Vacancies/Appointments

12. 9:40 PM Calendar

13. 9:45 PM County Manager's Report

14. 9:50 PM County Commissioners' Report

15. 9:55 PM County Attorney's Report

16. 10:00 PM Other Business

Adjourn

**Consent Agenda: UPON MOTION** by Commissioner Mitchem, the Board voted unanimously to approve the Consent Agenda.

Tax Requests for Refunds – August 15 – 28, 2005

LINCOLN COUNTY TAX DEPARTMENT  
**REQUEST FOR REFUNDS**  
ANNUALS

PERIOD COVERED (August 15, 2005 – August 28, 2005)

G.S.#105-381(B) ALL REFUNDS ANNUAL MORE THAN \$100.00  
(and) #105-325 including (A) (6)

NAME	YEAR	DIST	A/C#	AMOUNT
National Vision Inc.	2005	City	0158431	392.62
			<b>TOTAL</b>	<b>\$ 392.62</b>

**Approval of Minutes – September 12, 2005**  
**Fall Litter Sweep 2005 Proclamation**

**Public Comments:** Chairman Anderson advised that this was the time the Board of Commissioners would receive comments from the citizens regarding any matter they desired to address.

**Ray Holmes**, member and Co-vice-chairperson of the Citizens for a United Lincoln County, stated that CULC was formed to oppose the referendum because the proposed district plan is not in the best interests of the whole of Lincoln County. CULC supports the Chamber in its effort to persuade the Board of Commissioners that the detail and scheduling of the referendum proposal is not in the best interests of the county at this time. He urged the Board to rescind the vote to hold the November 8 referendum.

Being no additional speakers, Chairman Anderson declared the public comments section closed.

**Recommendations from the Planning Board:** Randy Hawkins, Zoning Administrator presented the following recommendations from the Planning Board.

**Zoning Map Amendment No. 504 – Jay Spears, applicant:** The Planning Board voted 6 – 0 to recommend approval.

**UPON MOTION** by Commissioner Mitchem, the Board voted unanimously to approve Zoning Map Amendment No. 504 – Jay Spears, applicant

**Zoning Map Amendment No. 505 – Ronald Caldwell, applicant:** The Planning Board voted 5 – 1 to recommend that the request be denied.

**UPON MOTION** by Commissioner Mitchem, the Board voted unanimously to accept the Planning Board's recommendation and deny Zoning Map Amendment No. 505 – Ronald Caldwell, applicant.

**Zoning Map Amendment No. 506 – Tony Cloninger, applicant:** The Planning Board voted 6 – 0 to recommend approval.

**UPON MOTION** by Commissioner Patton, the Board voted unanimously to accept the Planning Board's recommendation and approve Zoning Map Amendment No. 506 – Tony Cloninger, applicant.

**Conditional Use Permit No. 262 – Jody Richardson, applicant:** The Planning Board voted 6 – 0 to recommend approval.

Commissioner Moore asked if this was changed to 1.6 acres.  
Randy Hawkins stated that it is 1.6 acres, but was originally advertised at 17.9-acres.

## Proposed Conditional Use Class B (doublewide) mobile home

Application # CUP 262 Date 9/19/2005

Applicant's Name      Jody Richardson  
                            7394 Lingerfelt Road  
                            Vale, NC 2816831

Property location: off Shoal Road  
Existing Zoning: R-S

## Proposed Conditional Use Class B (doublewide) mobile home

1. The use will not materially endanger the public health or safety if located where proposed and developed according to plan. YES X NO  
Factual Reasons Cited: Will not endanger the public health or safety.
2. The use meets all required conditions and specifications. YES X NO  
Factual Reasons Cited: Based upon information presented by Zoning Administrator, doublewide is new and will meet county regulations.
3. The use will not substantially injure the value of adjoining or abutting property unless the use is a public necessity. YES X NO  
Factual Reasons Cited: New doublewide to be located on an 18-acre tract, adjoining to existing singlewide.
4. The location and character of use, if developed according to the plan as submitted

and approved, will be in harmony with the area in which it is to be located and will be in general conformity with the Land Use Plan for the area in question.

YES  NO

Factual Reasons Cited: Based upon where it is to be located.

After having held a public hearing on September 12, 2005 and in light of the Findings of Fact listed herein, the following action was taken by the Lincoln County Board of Commissioners:

**UPON MOTION** by Commissioner Mitchem, the Board voted unanimously to approve Conditional Use Permit No. 262 – Jody Richardson, applicant, based on the recommendation and findings of fact being found in the affirmative.

**Conditional Use Permit No. 263 – Robert Bekemeier, Jr., applicant:** The Planning Board voted 6 – 0 to recommend that the request be denied.

Application # CUP 263 Date 9/19/2005

Applicant's Name Robert Bekemeier, Jr.  
2394 Settlemire Bridge Road  
Newton, NC 28658

Property location: off Sain Milling Road  
Existing Zoning: R-SF

Proposed Conditional Use Animal kennel

1. The use will not materially endanger the public health or safety if located where proposed and developed according to plan. YES  NO X  
Factual Reasons Cited: Will endanger the public health and safety, and cause great grievance to the neighborhood
2. The use meets all required conditions and specifications. YES  NO X  
Factual Reasons Cited: Kennel was put there without permits.
3. The use will not substantially injure the value of adjoining or abutting property unless the use is a public necessity. YES  NO X  
Factual Reasons Cited: Barking of animals will injure the value of adjoining property; potential environmental health factor
4. The location and character of use, if developed according to the plan as submitted and approved, will be in harmony with the area in which it is to be located and will be in general conformity with the Land Use Plan for the area in question.  
YES  NO X  
Factual Reasons Cited: R-SF is most restrictive zoning district.

After having held a public hearing on September 12, 2005 and in light of the Findings of Fact listed herein, the following action was taken by the Lincoln County Board of Commissioners:

**UPON MOTION** by Commissioner Patton, the Board voted unanimously to accept the Planning Board's recommendations and findings of fact and deny Conditional Use Permit No. 263 – Robert Bekemeier, applicant.

**Consideration of Chamber of Commerce's Letter Concerning Referendum on Electing County Commissioners by Districts:** Cain Leonard, Chair of the Chamber Board, read a letter saying that on September 13, 2005, the Board of Directors of the Lincolnton-Lincoln County Chamber of Commerce voted to oppose the upcoming referendum in November on electing County Commissioners by districts. The Board of Directors felt that an issue of such magnitude, which will affect all of the citizens of Lincoln County, should not be voted on during a City election.

The Chamber's Board of Directors also voted to ask that the Lincoln County Board of Commissioners consider rescinding their vote to have such a referendum because of the above mentioned reason.

Mr. Leonard asked the Board to consider their request and ask the Board of Elections to remove the referendum from the ballot.

Commissioner Mitchem said that the letter says the Chamber is opposed to the date of the election. He asked the status of the Board on the referendum – if it is opposed to the referendum or just the date.

Mr. Leonard stated that to the best of his understanding, it was the objection to the date. They didn't feel there was enough time for discussion on this and the fact that it was a county issue at a city election. He stated that they are neither in favor or opposed to the referendum at this time.

Commissioner Mitchem asked Mr. Leonard's personal opinion on the issue.

Mr. Leonard stated that he believes it is a good idea to postpone it. He stated that he is for postponing it for more consideration. He stated that he is not prepared to have an opinion for or against the redistricting.

Commissioner Mitchem asked why it took so long for the Chamber to bring this before the Board.

Mr. Leonard stated that it was just brought before the Board at their last meeting.

Commissioner Mitchem asked if it was possible that the Chamber would bring back a recommendation on district representation.

Mr. Leonard stated that is a possibility that the Chamber will bring a recommendation concerning the district elections.

Commissioner Funderburk asked why this issue was brought up so late and who made the motion.

Mr. Leonard stated that it was presented to the Chamber by a bi-partisan group against redistricting. The motion to bring this before the County Commissioners was made by Stephen Starnes.

Commissioner Patton stated that this issue has eaten at him for a while now. He stated that there is no one in the room more in favor of district representation than he is. He stated that he is concerned that at prior elections, with one issue, only about 4,000 people came out to vote. Our population is over 60,000 and he doesn't feel 4,000 should be able to determine a course of action for the county. He stated that he voted in favor of it before and is still staunchly in favor of redistricting. Commissioner Patton stated that he thinks 25,000 to 30,000 people voting would give a better idea of where the county stands.

**Following the Board's discussion of the request from the Lincolnton-Lincoln County Chamber of Commerce to delay the referendum on district election of commissioners, Commissioner Alex Patton made a motion to make the following amendments to the Board's resolution adopted June 20, 2005: to amend Section 5 to change the date of the special referendum to November 7, 2006; to amend Section 6 to change the effective date of the alterations to the Board to December 1, 2008; and to amend Sections 4 and 6 to change the transition for Districts 1 and 3 to occur with the primary and general elections in 2010. The motion passed 3-2, with Commissioners Patton, Moore, and Anderson in favor and Commissioners Mitchem and Funderburk opposed.**

**RESOLUTION TO CALL FOR REFERENDUM ON  
DISTRICT ELECTION OF COUNTY COMMISSIONERS  
IN LINCOLN COUNTY**

WHEREAS, Lincoln County is a geographically and demographically diverse county, with portions of the county rapidly urbanizing and others remaining still rural; and

WHEREAS, the diversity of the population and the development patterns in Lincoln County gives rise to a variety of needs and opinions among the citizens; and

WHEREAS, given the diverse needs of the various areas and citizens of the county, the Lincoln County Board of Commissioners believes that it would be in the public interest of the citizens of Lincoln County to provide for district representation of county commissioners;

NOW, THEREFORE, be it and it is hereby resolved as follows:

1. Lincoln County shall be divided into five districts for election of county commissioners as follows:

—District 1 shall consist of the following precincts: Crouse, Heavners, Love Memorial, North Brook I, North Brook II, and North Brook III; and the following portions (designated by census block and tract) of Long Shoals Precinct: Tract 704: Block Group 3: Block 3000, Block 3012, Block 3013, Block 3014, Block 3015, Block 3999; Block Group 4: Block 4009, Block 4010, Block 4011, Block 4012, Block 4015, Block 4016, Block 4018, Block 4019, Block 4020, Block 4021, Block 4022, Block 4023, Block 4024, Block 4025, Block 4026, Block 4027, Block 4028, and Block 4999.

—District 2 shall consist of the following precincts: Daniels/Vale, Hickory Grove, Lincolnton North, Lincolnton South, and Oak Grove.

—District 3 shall consist of the following precincts: Asbury, Boger City, Buffalo Shoals, and Lithia; and the following portions (designated by census block and tract) of Long Shoals Precinct: Tract 703: Block Group 2: Block 2013, Block 2014, Block 2015, Block 2016, Block 2017, Block 2037, Block 2038, Block 2040; Tract 704: Block Group 4: Block 4006, Block 4008, Block 4029, Block 4030; and the following portions of Salem Precinct: Tract 703: Block Group 1: Block 1000, Block 1001, Block 1002, Block 1019, Block 1020, Block 1021, Block 1022, Block 1023, Block 1024, Block 1025, Block 1026, Block 1027, Block 1028, Block 1029, Block 1030, Block 1031, Block 1999; Block Group 2: Block 2000, Block 2001, Block 2002, Block 2018, Block 2019, Block 2020, Block 2021, Block 2022, Block 2034, Block 2035, Block 2036, Block 2039; Tract 704: Block Group 4: Block 4000, Block 4001, Block 4002, Block 4003, Block 4004, Block 4005, Block 4007, Block 4031, Block 4032; Tract 710: Block Group 3: Block 3028, Block 3029; Block Group 4: Block 4005, Block 4006, Block 4007, Block 4008, Block 4009, and Block 4024.

—District 4 shall consist of the following precincts: Denver, Denver West, Ore Bank, Pumpkin Center, Triangle, and Westport.

—District 5 shall consist of the following precincts: Cowans Ford, Iron Station, Iron Station South, Lowesville, Lowesville West, and Triangle East, and the following portions (designated by census blocks and tracts) of Salem Precinct: Tract 710: Block Group 3: Block 3030; Block Group 4: Block 4003, Block 4004, Block 4010, Block 4012, Block 4013, Block 4014, Block 4015, Block 4016, Block 4017, Block 4018, Block 4019, Block 4020, Block 4022, Block 4023, and Block 4025.

2. One member shall be apportioned to each of the aforesaid districts.

3. The mode of election of commissioners from the aforesaid districts shall be according to the procedure set forth in Section 153A- 58(3)d, wherein members shall reside in and represent the districts according to the aforesaid apportionment plan, but the

qualified voters of the entire county shall nominate all candidates for and elect all members of the board.

4. The transition from the existing structure of the Lincoln County Board of Commissioners to the new structure described herein shall occur by electing commissioners from Districts 2, 4, and 5 in 2008 and from Districts 1 and 3 in 2010.

5. The Lincoln County Board of Elections shall hold a special referendum on the question of adoption of the alterations provided for herein, such special referendum to be held on November 7, 2006.

6. Pursuant to Section 153A-62 of the North Carolina General Statutes, the alterations specified herein, if approved by the voters at the special referendum, shall be the basis for nominating and electing three members of the Lincoln County Board of Commissioners, from Districts 2, 4, and 5 at the 2008 primary and general election for county offices and shall take effect on December 1, 2008, such date being the first Monday in December after following the 2008 general election. The remaining two members of the Board of Commissioners shall be nominated and elected from Districts 1 and 3 at the 2010 primary and general election.

7. This resolution shall become effective upon its adoption.

ADOPTED with amendments this 19<sup>th</sup> day of September, 2005.

LINCOLN COUNTY BOARD OF  
COMMISSIONERS

By: \_\_\_\_\_  
Thomas R. Anderson, Chairman

ATTEST:

\_\_\_\_\_  
Amy S. Atkins, Clerk to the Board

Commissioner Mitchem stated that a \$42 million school bond was voted on a separate ballot, by itself. He stated that nobody questioned that. He stated that in the future, the Board should consult with the Chamber and Betterment Associations before making any decisions and banging their heads against the wall.

Commissioner Funderburk stated that he feels people should get out and vote if they are concerned with issues on the ballot.

**Recreation Discussion:** Stan Kiser, County Manager, presented information concerning Recreation, such as the organizational structure that would be used for a new County Parks and Recreation Department, current facilities, equipment, and employees.

There was discussion about why the Beatties Ford and the West Lincoln Parks have not been developed.

Erma Deen Hoyle stated that there is no money to develop the parks.

Commissioner Mitchem asked how long it would take to get a county master plan.

Erma Deen Hoyle stated that it would take between 4 and 6 months. She stated that she received 3 bids, ranging from \$45,000 to \$78,000. This cost will be shared by the City, based on City population.

Commissioner Mitchem stated that a change could not be made until the next budget year. He stated that the Recreation Commission is making a recommendation to do a Master Plan and he thinks this should be done before the Board moves on.

Commissioner Moore stated that nothing has changed since the Master Plan in 1999. She stated that the County needs someone who concentrates solely on our parks and receiving grants for those parks. She stated that public input was a main reason the county did not receive any grant money this year.

Ms. Hoyle stated that a 10-year Facilities Study was done in 1999. It is not considered a Master Plan and is not counted on grants. The last Master Plan was done in 1967.

Chairman Anderson stated that the study done in 1999 describes itself as a Master Plan. He stated that it places a \$7.7 million price tag on 8 recreation facilities. Chairman Anderson reviewed the purposes of a Master Plan. He stated that he suspects that if the County does another Master Plan, he does not feel the recommendations will be all that different.

Commissioner Mitchem asked Erma Deen for a copy of the scores on the grants that the county did not receive.

Commissioner Moore stated that she has talked to people from the State Recreation and they are saying there was not public input.

**A MOTION** by Commissioner Moore to table this until after she meets with a representative from the State Recreation.

Commissioner Mitchem asked Commissioner Moore to include another Commissioner in future meetings or discussions with the State representative. Commissioner Mitchem stated that this needs to come to a head and be over with as soon as possible.

**Unanimously approved.**

**A MOTION** by Commissioner Funderburk to get all information and bring it back up at the next budget work session in May of 2006.

**Vote: 2 – 3**                    **Ayes: Funderburk, Patton**  
    **Noes: Anderson, Mitchem, Moore**

**A MOTION** by Commissioner Mitchem that any decisions to be made concerning Recreation be made by December of 2005, the decision made then would take effect in fiscal year 06-07.

**Vote: 2 – 3**                    **Ayes: Anderson, Mitchem**  
    **Noes: Moore, Patton, Funderburk**

**A MOTION** by Commissioner Mitchem to create a Lincoln County Recreation Department starting in the 2006-2007 budget with all details worked out between now and then.

Commissioner Patton stated that he would like to see the Master Plan before jumping the gun.

Commissioner Mitchem withdrew his motion.

**A MOTION** by Commissioner Mitchem to accept the recommendation from the Recreation Commission and approve a Master Plan in conjunction with the Lincolnton Recreation Commission, to be done by January 1, 2006.

**Vote: 4 – 1**                    **Ayes: Mitchem, Anderson, Patton, Funderburk**  
    **Noes: Moore**

**Resolution Providing for the Issuance of \$28,000,000 General Obligation School Bonds,**

**Series 2005:** Chairman Anderson introduced the following resolution, a copy of which had been provided to each Commissioner, which was read by title and summarized by the Finance Director:

**RESOLUTION PROVIDING FOR THE ISSUANCE OF  
\$28,000,000 GENERAL OBLIGATION SCHOOL BONDS, SERIES 2005**

**BE IT RESOLVED** by the Board of Commissioners for the County of Lincoln:

Section 1. The Board of Commissioners has determined and does hereby find and declare:

(a) That an order authorizing not exceeding \$47,000,000 School Bonds was adopted by the Board of Commissioners for the County of Lincoln on March 1, 2004, which order was approved by the vote of a majority of the qualified voters of said County at a referendum duly called and held on May 4, 2004.

(b) That (i) \$17,000,000 of said bonds have heretofore been issued, which bonds are designated "General Obligation School Bonds, Series 2004," are dated October 1, 2004, and mature annually, June 1, \$725,000 2006 to 2020, inclusive, \$2,100,000 2021 and 2022, and \$1,925,000 2003, (ii) no notes have been issued in anticipation of the receipt of the proceeds of the sale of the balance of said bonds, and (iii) it is necessary to issue an additional \$28,000,000 of said bonds at this time.

(c) That the maximum period of usefulness of the improvements to be undertaken with the proceeds of said bonds to be issued is estimated as a period of not less than 30 years from October 1, 2005, the date of said bonds to be issued as hereinafter provided, and that such period expires on October 1, 2035.

Section 2. Pursuant to said order, there shall be issued bonds of the County of Lincoln, North Carolina (the "Issuer") in the aggregate principal amount of \$28,000,000, designated "General Obligation School Bonds, Series 2005" and dated October 1, 2005 (the "Bonds"). The Bonds shall be stated to mature (subject to the right of prior redemption as hereinafter set forth) annually, June 1, \$1,200,000 2007 to 2020, inclusive, \$2,025,000 2021, \$3,075,000 2022, \$3,250,000 2023 and \$2,850,000 2024, and shall bear interest at a rate or rates to be determined by the Local Government Commission of North Carolina (the "LGC") at the time the Bonds are sold, which interest to the respective maturities thereof shall be payable on June 1, 2006 and semiannually thereafter on June 1 and December 1 of each year until payment of such principal sum.

Each Bond shall bear interest from the interest payment date next preceding the date on which it is authenticated unless it is (a) authenticated upon an interest payment date in which event it shall bear interest from such interest payment date or (b) authenticated prior to the first interest payment date in which event it shall bear interest from its date; provided, however, that if at the time of authentication interest is in default, such Bond shall bear interest from the date to which interest has been paid.

The principal of and the interest on the Bonds shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

The Bonds will be issued by means of a book-entry system with no physical distribution of Bond certificates to be made except as hereinafter provided. One fully-registered Bond certificate for each stated maturity of the Bonds, registered in the name of Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC"), or such other name as may be requested by an authorized representative of DTC, will be issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence beneficial ownership of the Bonds in the principal amount of \$5,000 or any multiple thereof, with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. The principal of each Bond shall be payable to Cede & Co. or any other person appearing on the registration books of the Issuer hereinafter provided for as the registered owner of such Bond or his registered assigns or legal representative at the office of the Bond Registrar mentioned hereinafter or such other place as the Issuer may determine upon the presentation and surrender thereof as the same shall become due and payable. Payment of the interest on each Bond shall be made by the Bond Registrar on each interest payment date to the registered owner of such Bond (or the previous Bond or Bonds evidencing the same debt as that evidenced by such Bond) at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by check mailed to such person at his address as it appears on such registration books. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. The Issuer will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing records maintained by DTC, its participants or persons acting through such participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds or (b) the Finance Director of the Issuer determines that continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect the interests of the beneficial owners of the

Bonds, the Issuer will discontinue the book-entry system with DTC. If the Issuer identifies another qualified securities depository to replace DTC, the Issuer will make arrangements with DTC and such other depository to effect such replacement and deliver replacement Bonds registered in the name of such other depository or its nominee in exchange for the outstanding Bonds, and the references to DTC or Cede & Co. in this resolution shall thereupon be deemed to mean such other depository or its nominee. If the Issuer fails to identify another qualified securities depository to replace DTC, the Issuer will deliver replacement Bonds in the form of fully-registered certificates in the denomination of \$5,000 or any multiple thereof (“Certificated Bonds”) in exchange for the outstanding Bonds as required by DTC and others. Upon the request of DTC, the Issuer may also deliver one or more Certificated Bonds to any participant of DTC in exchange for Bonds credited to its account with DTC.

Unless indicated otherwise, the provisions of this resolution that follow shall apply to all Bonds issued or issuable hereunder, whether initially or in replacement thereof.

Section 3. The Bonds shall bear the manual or facsimile signatures of the Chairman of the Board of Commissioners for the Issuer and the Clerk to said Board and the official seal or a facsimile of the official seal of the Issuer shall be impressed or printed, as the case may be, on the Bonds.

The certificate of the LGC to be endorsed on all Bonds shall bear the manual or facsimile signature of the Secretary of the LGC or any assistant designated by her and the certificate of authentication of the Bond Registrar to be endorsed on all Bonds shall be executed as provided hereinafter.

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

No Bond shall be valid or become obligatory for any purpose or be entitled to any benefit or security under this resolution until it shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed thereon.

The Bonds to be registered in the name of Cede & Co. or any other name designated by an authorized representative of DTC and the endorsements thereon shall be in substantially the following forms:

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUIRED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

No. R- ..... \$.....

United States of America  
State of North Carolina

COUNTY OF LINCOLN

GENERAL OBLIGATION SCHOOL BOND, SERIES 2005

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP</u>
June 1, 20__	...%	533339.....

The County of Lincoln, North Carolina (the "Issuer"), a political subdivision of the State of North Carolina, is justly indebted and for value received hereby promises to pay to

CEDE & CO.

or registered assigns or legal representative on the date specified above, upon the presentation and surrender hereof, at the office of the Finance Director of the Issuer (the "Bond Registrar"), Lincoln County Citizens Center, 115 West Main Street, Lincolnton, North Carolina 28092, the principal sum of

\_\_\_\_\_ MILLION \_\_\_\_\_ THOUSAND DOLLARS

and to pay interest on such principal sum from the date hereof or from the June 1 or December 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is a June 1 or December 1 to which interest shall have been paid, in which case from such date, such interest to the maturity hereof being payable on June 1, 2006 and semiannually thereafter on June 1 and December 1 in each year, at the rate per annum specified above, until payment of such principal sum. The interest so payable on any such interest payment date will be paid to the person in whose name this bond (or the previous bond or bonds evidencing the same debt as that evidenced by this bond) is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by check mailed to such person at his address as it appears on the bond registration books of the Issuer. Both the principal of

and the interest on this Bond shall be paid in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof. For the prompt payment hereof, both principal and interest as the same shall become due, the faith and credit of the Issuer are hereby irrevocably pledged.

This bond is one of an issue of bonds designated "General Obligation School Bonds, Series 2005" (the "Bonds") and issued by the Issuer for the purpose of providing funds, together with any other available funds, for financing school facilities, and this bond is issued under and pursuant to The Local Government Bond Act, as amended, Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina, an order adopted by the Board of Commissioners for the Issuer, which order was approved by the vote of a majority of the qualified voters of the County of Lincoln who voted thereon at a referendum duly called and held, and a resolution duly passed by said Board (the "Resolution").

The Bonds maturing prior to June 1, 2016 are not subject to redemption prior to maturity. The Bonds maturing on June 1, 2016 and thereafter may be redeemed, at the option of the Issuer, from any moneys that may be made available for such purpose, either in whole or in part on any date not earlier than June 1, 2015, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed, plus interest accrued thereon to the date fixed for redemption.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Issuer in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000; provided further, however, that, so long as a book-entry system with The Depository Trust Company, New York, New York ("DTC"), is used for determining beneficial ownership of Bonds, if less than all of the Bonds within a maturity are to be redeemed, DTC shall determine by lot the amount of the interest of each DTC direct participant in the Bonds to be redeemed. If less than all of the Bonds shall be called for redemption, the maturities of the Bonds or portions of Bonds to be redeemed shall be determined by the Issuer.

Not more than sixty (60) nor less than thirty (30) days before the redemption date of any Bonds to be redeemed, whether such redemption be in whole or in part, the Issuer shall cause a notice of such redemption to be filed with the Bond Registrar and given by certified or registered mail to Cede & Co. at its address appearing upon the registration books of the Issuer. On the date fixed for redemption, notice having been given as aforesaid, the Bonds or portions thereof so called for redemption shall be due and payable at the redemption price provided for the redemption of such Bonds or portions thereof on such date plus accrued interest to such date and, if moneys for payment of such redemption price and the accrued interest have been deposited by the Issuer as provided in the Resolution, interest on the Bonds or the portions thereof so called for redemption shall cease to accrue. If a portion of this Bond shall be called for redemption, a new Bond or Bonds in principal amount equal to the unredeemed portion hereof will be issued to Cede & Co. or its legal representative upon the surrender hereof.

Any notice of redemption may state that the redemption to be effected is conditioned upon the receipt by the Issuer, on or prior to the redemption date, of moneys sufficient to pay the redemption price of and interest on the Bonds to be redeemed and that if such moneys are not so received, such notice shall be of no force or effect and such Bonds shall not be required to be redeemed. In the event that such notice contains such a condition and moneys sufficient to pay the redemption price of and interest on such Bonds are not received by the Issuer on or prior to the redemption date, the redemption shall not be made and the Issuer shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Resolution. One Bond certificate with respect to each date on which the Bonds are stated to mature, in the aggregate principal amount of the Bonds stated to mature on such date and registered in the name of Cede & Co., a nominee of DTC, is being issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in the principal amount of \$5,000 or any multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Bonds by

participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. The Issuer will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In certain events, the Issuer will be authorized to deliver replacement Bonds in the form of fully-registered certificates in the denomination of \$5,000 or any multiple thereof in exchange for the outstanding Bonds as provided in the Resolution.

At the office of the Bond Registrar, in the manner and subject to the conditions provided in the Resolution, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of authorized denominations and bearing interest at the same rate.

The Bond Registrar shall keep at his office the books of the Issuer for the registration of transfer of Bonds. The transfer of this Bond may be registered only upon such books and as otherwise provided in the Resolution upon the surrender hereof to the Bond Registrar together with an assignment duly executed by the registered owner hereof or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall deliver in exchange for this Bond a new Bond or Bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the unredeemed principal amount of this Bond, of the same maturity and bearing interest at the same rate.

The Bond Registrar shall not be required to exchange or register the transfer of any Bond during a period beginning at the opening of business fifteen (15) days before the day of the mailing of a notice of redemption of Bonds or any portion thereof and ending at the close of business on the day of such mailing or of any Bond called for redemption in whole or in part pursuant to the Resolution.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of North Carolina to happen, exist and be performed precedent to and in the issuance of this Bond have happened, exist and have been performed in regular and due form and time as so required; that provision has been made for the levy and collection of a direct annual tax upon all taxable property within the boundaries of the Issuer sufficient to pay the principal of and the interest on this Bond as the same shall

become due; and that the total indebtedness of the Issuer, including this Bond, does not exceed any constitutional or statutory limitation thereon.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Resolution until this Bond shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, the Issuer, by resolution duly passed by its Board of Commissioners, has caused this bond to be manually signed by the Chairman of said Board and the Clerk to said Board and its official seal to be impressed hereon, all as of the 1st day of October, 2005.

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Chairman of the Board of  
Commissioners

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Clerk to the  
Board of Commissioners

#### CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

The issuance of the within bond has been approved under the provisions of The Local Government Bond Act of North Carolina.

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Secretary, Local Government Commission

#### CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds of the series designated herein and issued under the provisions of the within-mentioned Resolution.

Finance Director of the County of  
Lincoln, North Carolina,  
as Bond Registrar

By \_\_\_\_\_  
Authorized Signatory

Date of authentication: \_\_\_\_\_

September 19, 2005  
Regular Meeting

## ASSIGNMENT

FOR VALUE RECEIVED the undersigned registered owner thereof hereby sells, assigns and transfers unto \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
the within bond and all rights thereunder and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to register the transfer of said bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: \_\_\_\_\_

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Certificated Bonds issuable hereunder shall be in substantially the form of the Bonds registered in the name of Cede & Co. with such changes as are necessary to reflect the provisions of this resolution that are applicable to Certificated Bonds.

Section 4. The Bonds maturing prior to June 1, 2016 will not be subject to redemption prior to maturity. The Bonds maturing on June 1, 2016 and thereafter will be redeemable, at the option of the Issuer, from any moneys that may be made available for such purpose, either in whole or in part on any date not earlier than June 1, 2015, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed, plus interest accrued thereon to the date fixed for redemption.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Issuer in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000; provided further, however, that, so long as a book-entry system with DTC is used for determining beneficial ownership of Bonds, if less than all of the Bonds within a maturity are to be redeemed, DTC shall determine by lot the amount of the interest of each

DTC direct participant in the Bonds to be redeemed. If less than all of the Bonds shall be called for redemption, the maturities of the Bonds or portions of Bonds to be redeemed shall be determined by the Issuer.

Not more than sixty (60) nor less than thirty (30) days before the redemption date of any Bonds to be redeemed, whether such redemption be in whole or in part, the Issuer shall cause a notice of such redemption to be filed with the Bond Registrar and to be mailed, postage prepaid, to the registered owner of each Bond to be redeemed in whole or in part at his address appearing upon the registration books of the Issuer, provided that such notice to Cede & Co. shall be given by certified or registered mail. Failure to mail such notice or any defect therein shall not affect the validity of the redemption as regards registered owners to whom such notice was given as required hereby. Each such notice shall set forth the date designated for redemption, the redemption price to be paid and the maturities of the Bonds to be redeemed. In the event that Certificated Bonds are outstanding, each such notice to the registered owners thereof shall also set forth, if less than all of the Bonds of any maturity then outstanding shall be called for redemption, the distinctive numbers and letters, if any, of such Bonds to be redeemed and, in the case of any Bond to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such Bond, a new Bond or Bonds in principal amount equal to the unredeemed portion of such Bond will be issued.

Any notice of redemption may state that the redemption to be effected is conditioned upon the receipt by the Issuer, on or prior to the redemption date, of moneys sufficient to pay the redemption price of and interest on the Bonds to be redeemed and that if such moneys are not so received, such notice shall be of no force or effect and such Bonds shall not be required to be redeemed. In the event that such notice contains such a condition and moneys sufficient to pay the redemption price of and interest on such Bonds are not received by the Issuer on or prior to the redemption date, the redemption shall not be made and the Issuer shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

On or before the date fixed for redemption, moneys shall be deposited with the Bond Registrar to pay the redemption price of the Bonds or portions thereof called for redemption as well as the interest accruing thereon to the redemption date thereof.

On the date fixed for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Bonds or portions thereof called for redemption shall be due and payable at the redemption price provided therefor, plus accrued interest to such date. If moneys sufficient to pay the redemption price of the Bonds or portions thereof to be redeemed, plus accrued interest thereon to the date fixed for redemption, have been deposited by the Issuer to be held in trust for the registered owners of Bonds or portions thereof to be redeemed, interest on the Bonds or portions thereof called for redemption shall cease to accrue, such Bonds or portions thereof shall cease to be entitled to any benefits or security under this resolution or to be deemed outstanding, and the registered owners of such Bonds or portions thereof shall have no rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest to the date of redemption.

If a portion of a Bond shall be selected for redemption, the registered owner thereof or his attorney or legal representative shall present and surrender such Bond to the Bond Registrar for payment of the principal amount thereof so called for redemption, and the Bond Registrar shall authenticate and deliver to or upon the order of such registered owner or his legal representative, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond or Bonds of the same maturity, of any denomination or denominations authorized by this resolution and bearing interest at the same rate.

Section 5. Bonds, upon surrender thereof at the office of the Bond Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of any denomination or denominations authorized by this resolution and bearing interest at the same rate.

The transfer of any Bond may be registered only upon the registration books of the Issuer upon the surrender thereof to the Bond Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any

such registration of transfer, the Bond Registrar shall authenticate and deliver in exchange for such Bond a new Bond or Bonds, registered in the name of the transferee, of any denomination or denominations authorized by this resolution, in an aggregate principal amount equal to the unredeemed principal amount of such Bond so surrendered, of the same maturity and bearing interest at the same rate.

In all cases in which Bonds shall be exchanged or the transfer of Bonds shall be registered hereunder, the Bond Registrar shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of this resolution. All Bonds surrendered in any such exchange or registration of transfer shall forthwith be cancelled by the Bond Registrar. The Issuer or the Bond Registrar may make a charge for shipping and out-of-pocket costs for every such exchange or registration of transfer of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be made by the Issuer or the Bond Registrar for exchanging or registering the transfer of Bonds under this resolution. The Bond Registrar shall not be required to exchange or register the transfer of any Bond during a period beginning at the opening of business fifteen (15) days before the day of the mailing of a notice of redemption of Bonds or any portion thereof and ending at the close of business on the day of such mailing or of any Bond called for redemption in whole or in part pursuant to Section 4 of this resolution.

As to any Bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal or redemption price of any such Bond and the interest on any such Bond shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the interest thereon, to the extent of the sum or sums so paid.

The Issuer shall appoint such registrars, transfer agents, depositaries or other agents as may be necessary for the registration, registration of transfer and exchange of Bonds within a reasonable time according to then current commercial standards and for the timely payment of principal and interest with respect to the Bonds. The Finance Director of the Issuer is hereby appointed the registrar, transfer agent and paying agent for the Bonds (collectively the "Bond Registrar"), subject to the right of the governing body of the Issuer to appoint another Bond Registrar, and as such shall keep at his office the books of the

Issuer for the registration, registration of transfer, exchange and payment of the Bonds as provided in this resolution.

Section 6. The Issuer covenants that, to the extent permitted by the Constitution and laws of the State of North Carolina, it will comply with the requirements of the Code, except to the extent that the Issuer obtains an opinion of bond counsel to the effect that noncompliance would not result in interest on the Bonds being includable in gross income of the owners of the Bonds for purposes of federal income taxation.

Section 7. The Issuer hereby undertakes, for the benefit of the beneficial owners of the Bonds, to provide:

- (a) by not later than seven months from the end of each fiscal year of the Issuer, commencing with the fiscal year ended June 30, 2005, to each nationally recognized municipal securities information repository (“NRMSIR”) and to the state information depository for the State of North Carolina (“SID”), if any, audited financial statements of the Issuer for such fiscal year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or, if such audited financial statements of the Issuer are not available by seven months from the end of such fiscal year, unaudited financial statements of the Issuer for such fiscal year to be replaced subsequently by audited financial statements of the Issuer to be delivered within 15 days after such audited financial statements become available for distribution;
- (b) by not later than seven months from the end of each fiscal year of the Issuer, commencing with the fiscal year ended June 30, 2005, to each NRMSIR, and to the SID, if any, (i) the financial and statistical data as of a date not earlier than the end of the preceding fiscal year for the type of information included under the heading “The County - Debt Information and - Tax Information” (excluding information on underlying units) in the Official Statement relating to the Bonds and (ii) the combined budget of the Issuer for the current fiscal year, to the extent such items are not included in the audited financial statements referred to in (a) above;

(c) in a timely manner, to each NRMSIR or to the Municipal Securities Rulemaking Board (“MSRB”), and to the SID, if any, notice of any of the following events with respect to the Bonds, if material:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on any credit enhancements reflecting financial difficulties;
- (5) substitution of any credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- (7) modification to the rights of the beneficial owners of the Bonds;
- (8) call of any of the Bonds for redemption;
- (9) defeasance of any of the Bonds;
- (10) release, substitution or sale of property securing repayment of the Bonds; and
- (11) rating changes; and

(d) in a timely manner, to each NRMSIR or to the MSRB, and to the SID, if any, notice of a failure of the Issuer to provide required annual financial information described in (a) or (b) above on or before the date specified.

To the extent permitted by the U.S. Securities and Exchange Commission, the Issuer may discharge the undertaking described above by transmitting electronically such financial statements, financial and statistical information and notices to [www.disclosureusa.org](http://www.disclosureusa.org).

If the Issuer fails to comply with the undertaking described above, any beneficial owner of the Bonds then outstanding may take action to protect and enforce the rights of beneficial owners with respect to such undertaking, including an action for specific performance; provided, however, that failure to comply with such undertaking shall not be an event of default and shall not result in any acceleration of payment of the Bonds.

The Issuer reserves the right to modify from time to time the information to be provided to the extent necessary or appropriate in the judgment of the Issuer, provided that:

- (a) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer;
- (b) the information to be provided, as modified, would have complied with the requirements of Rule 15c2-12 issued under the Securities Exchange Act of 1934 ("Rule 15c2-12") as of the date of the Official Statement, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any changes in circumstances; and
- (c) any such modification does not materially impair the interests of the beneficial owners, as determined either by parties unaffiliated with the Issuer (such as bond counsel), or by approving vote of the registered owners of not less than a majority in principal amount of the Bonds then outstanding pursuant to the terms of this bond resolution, as it may be amended from time to time.

The Issuer agrees that the annual financial information containing the amended operating data or financial information will explain, in narrative form, the reasons for the amendments and the impact of the change in the type of operating data or financial information being provided.

The provisions of this Section 8 shall terminate upon payment, or provision having been made for payment, in a manner consistent with Rule 15c2-12, in full of the principal of and interest on all of the Bonds.

Section 8. The actions of the Finance Director of the Issuer in applying to the LGC to sell the Bonds and the LGC in asking for sealed bids for the Bonds by distributing a notice of sale and a Preliminary Official Statement relating to the Bonds are hereby ratified and confirmed. Such Preliminary Official Statement, dated September 16, 2005 and in substantially the form presented at this meeting, is hereby approved, and the Chairman of the Board of Commissioners, the County Manager and the Finance Director of the Issuer are each hereby authorized to approve the Official Statement, in substantially the form of the Preliminary Official Statement, including changes necessary to reflect the interest rates on the

Bonds, the offering prices of the Bonds and any credit enhancement for the Bonds purchased by the successful bidder, and to execute such Official Statement for and on behalf of the Issuer.

Section 9. This resolution shall take effect upon its passage.

Upon motion of Commissioner Funderburk, seconded by Commissioner Patton, the foregoing resolution entitled: "RESOLUTION PROVIDING FOR THE ISSUANCE OF \$28,000,000 GENERAL OBLIGATION SCHOOL BONDS, SERIES 2005" was passed by the following vote:

Ayes: Commissioners Anderson, Mitchem, Funderburk, Moore and Patton.

Noes: none.

**Resolution Providing for the Issuance of \$9,345,000 General Obligation School Bonds, Series 2005:** Chairman Anderson introduced the following resolution, which was read by title and summarized by the Finance Director:

**RESOLUTION PROVIDING FOR THE ISSUANCE OF  
\$9,345,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2005**

BE IT RESOLVED by the Board of Commissioners for the County of Lincoln:

Section 1. The Board of Commissioners has determined and does hereby find, declare and represent:

(a) That an order authorizing \$11,000,000 Refunding Bonds was adopted by the Board of Commissioners for the County of Lincoln on September 12, 2005, which order has taken effect.

(b) That none of the bonds mentioned in paragraph (a) of this Section 1 has been issued, that no notes have been issued in anticipation of the receipt of the proceeds of the sale of said bonds, and that it is necessary to issue at this time \$9,345,000 principal amount of said bonds in accordance with the provisions of Section 2 of this resolution and subject to adjustment as set forth therein.

(c) That the shortest period of time in which the debt of said County to be refunded by the issuance of said bonds can be finally paid without making it unduly burdensome on the taxpayers of said County, as determined by the Local Government Commission of North Carolina (the "LGC"), is a period which expires on June 1, 2018.

Section 2. Pursuant to said order, there shall be issued bonds of the County of Lincoln, North Carolina (the "Issuer") in the aggregate principal amount of \$9,345,000, designated "General Obligation Refunding Bonds, Series 2005" and dated October 1, 2005 (the "Bonds"). The Bonds shall be stated to mature (subject to the right of adjustment as hereinafter set forth) annually, June 1, \$175,000 2006, \$200,000 2007, \$315,000 2008, \$365,000 2009, \$510,000 2010, \$750,000 2011, \$1,170,000 2012, \$1,315,000 2013, \$1,365,000 2014, \$985,000 2015, \$985,000 2016, \$980,000 2017, and \$230,000 2018, and shall bear interest at a rate or rates to be determined by the LGC at the time the Bonds are sold, which interest to the respective maturities thereof shall be payable on December 1, 2005 and semiannually thereafter on June 1 and December 1 of each year until payment of such principal sum. Notwithstanding the foregoing, the Issuer reserves the right to increase or decrease the aggregate principal amount of the Bonds following the opening of bids by an amount not exceeding 10% of the aggregate principal amount of the Bonds and the principal amount of each maturity of the Bonds by an amount not exceeding \$200,000. The Finance Director of the Issuer is hereby authorized and directed to make any such increase or decrease, if appropriate, on behalf of the Issuer.

Each Bond shall bear interest from the interest payment date next preceding the date on which it is authenticated unless it is (a) authenticated upon an interest payment date in which event it shall bear interest from such interest payment date or (b) authenticated prior to the first interest payment date in which event it shall bear interest from its date; provided, however, that if at the time of authentication interest is in default, such Bond shall bear interest from the date to which interest has been paid.

The principal of and the interest on the Bonds shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

The Bonds will be issued by means of a book-entry system with no physical distribution of Bond certificates to be made except as hereinafter provided. One fully-registered Bond certificate for each stated maturity of the Bonds, registered in the name of Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC"), or such other name as may be requested by an authorized representative of DTC, will be issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence beneficial ownership of the Bonds in the principal amount of \$5,000 or any multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. The principal of each Bond shall be payable to Cede & Co. or any other person appearing on the registration books of the Issuer hereinafter provided for as the registered owner of such Bond or his registered assigns or legal representative at the office of the Bond Registrar mentioned hereinafter or such other place as the Issuer may determine upon the presentation and surrender thereof as the same shall become due and payable. Payment of the interest on each Bond shall be made by the Bond Registrar on each interest payment date to the registered owner of such Bond (or the previous Bond or Bonds evidencing the same debt as that evidenced by such Bond) at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by check mailed to such person at his address as it appears on such registration books. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. The Issuer will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing records maintained by DTC, its participants or persons acting through such participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds or (b) the Finance Director of the Issuer determines that continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect the interests of the beneficial owners of the Bonds, the Issuer will discontinue the book-entry system with DTC. If the Issuer identifies another qualified securities depository to replace DTC, the Issuer will make arrangements with DTC and such other depository to effect such replacement and deliver replacement Bonds registered in the name of such other depository or its nominee in exchange for the outstanding Bonds, and the references to DTC or Cede & Co. in this resolution shall thereupon be deemed to mean such other depository or its nominee. If the Issuer fails to identify another qualified securities depository to replace DTC, the Issuer will deliver replacement Bonds in the form of fully-registered certificates in the denomination of \$5,000 or any multiple thereof ("Certificated Bonds") in exchange for the outstanding Bonds as required by DTC and others. Upon the request of DTC, the Issuer may also deliver one or more Certificated Bonds to any participant of DTC in exchange for Bonds credited to its account with DTC.

Unless indicated otherwise, the provisions of this resolution that follow shall apply to all Bonds issued or issuable hereunder, whether initially or in replacement thereof.

Section 3. The Bonds shall bear the manual or facsimile signatures of the Chairman of the Board of Commissioners and the Clerk to the Board of Commissioners of the Issuer, and the

official seal or a facsimile of the official seal of the Issuer shall be impressed or printed, as the case may be, on the Bonds.

The certificate of the LGC to be endorsed on all Bonds shall bear the manual or facsimile signature of the Secretary of the LGC or any assistant designated by her, and the certificate of authentication of the Bond Registrar to be endorsed on all Bonds shall be executed as provided hereinafter.

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

No Bond shall be valid or become obligatory for any purpose or be entitled to any benefit or security under this resolution until it shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed thereon.

The Bonds to be registered in the name of Cede & Co. or any other nominee designated by an authorized representative of DTC and the endorsements thereon shall be in substantially the following forms:

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUIRED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

No. R- ..... \$.....

United States of America  
State of North Carolina

COUNTY OF LINCOLN  
GENERAL OBLIGATION REFUNDING BOND, SERIES 2005

<u>Maturity Date</u>	<u>Interest Rate</u>
<u>CUSIP</u>	

June 1, 20.. .....%  
533339.....

The County of Lincoln, a political subdivision of the State of North Carolina (the "Issuer"), is justly indebted and, for value received, hereby promises to pay to

CEDE & CO.

or registered assigns or legal representative on the date specified above, upon the presentation and surrender hereof, at the office of the Finance Director of the Issuer (the "Bond Registrar"), which, as of the date hereof, is located at the Lincoln County Citizens Center, 115 West Main Street, Lincolnton, North Carolina 28092, the principal sum of

..... THOUSAND DOLLARS

and to pay interest on such principal sum from the date hereof or from the June 1 or December 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is a June 1 or December 1 to which interest shall have been paid, in which case from such date, such interest to the maturity hereof being payable on December 1, 2005 and semiannually thereafter on June 1 and December 1 in each year, at the rate per annum specified above, until payment of such principal sum. The interest so payable on any such interest payment date will be paid to the person in whose name this bond (or the previous bond or bonds evidencing the same debt as that evidenced by this bond) is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by check mailed to such person at his address as it appears on the bond registration books of the Issuer. Both the principal of and the interest on this Bond shall be paid in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof. For the prompt payment hereof, both principal and interest as the same shall become due, the faith and credit of the Issuer are hereby irrevocably pledged.

This bond is one of an issue of bonds designated "General Obligation Refunding Bonds, Series 2005" (the "Bonds") and issued by the Issuer for the purpose of providing funds, together with any other available funds, for (a) refunding (i) the Issuer's outstanding General Obligation School Bonds, Series 1996, dated May 1, 1996, that mature on or after June 1, 2007, (ii) the Issuer's General Obligation School Bonds, Series 1997, dated April 1, 1997, that mature on or after June 1, 2008, and (iii) the Issuer's General Obligation School Bonds, Series 2000, dated November 1, 2000, that mature on or after June 1, 2011 and (b) paying related costs, and this bond is issued under and pursuant to The Local Government Bond Act, as amended, Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina, an order adopted by the Board of Commissioners for the Issuer, which order has taken effect, and a resolution duly passed by said Board (the "Resolution").

The Bonds are not subject to redemption prior to their respective maturities.

The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Resolution. One Bond certificate with respect to each date on which the Bonds are stated to mature, in the aggregate principal amount of the Bonds stated to mature on such date and registered in the name of Cede & Co., a nominee of DTC, is being issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in the principal amount of \$5,000 or any multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. The Issuer will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In certain events, the Issuer will be authorized to deliver replacement Bonds in the form of fully-registered certificates in the denomination of \$5,000 or any multiple thereof in exchange for the outstanding Bonds as provided in the Resolution.

At the office of the Bond Registrar, in the manner and subject to the conditions provided in the Resolution, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of authorized denominations and bearing interest at the same rate.

The Bond Registrar shall keep at his office the books of the Issuer for the registration of transfer of Bonds. The transfer of this Bond may be registered only upon such books and as otherwise provided in the Resolution upon the surrender hereof to the Bond Registrar together with an assignment duly executed by the registered owner hereof or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall deliver in exchange for this Bond a new Bond or Bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the unredeemed principal amount of this Bond, of the same maturity and bearing interest at the same rate.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of North Carolina to happen, exist and be performed precedent to and in the issuance of this Bond have happened, exist and have been performed in regular and due form and time as so required; that provision has been made for the levy and collection of a direct annual tax upon all taxable property within the County of Lincoln sufficient to pay the principal of and the interest on this Bond as the same shall become due; and that the total indebtedness of the Issuer, including this Bond, does not exceed any constitutional or statutory limitation thereon.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Resolution until this Bond shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, the Issuer, by resolution duly passed by its Board of Commissioners, has caused this bond [to be manually signed by] [to bear the facsimile signatures of] the Chairman of said Board and the Clerk to said Board and [a facsimile of] its official seal to be [printed] [impressed] hereon, all as of the 1st day of October, 2005.

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Chairman of the Board of Commissioners

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Commissioners

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Clerk to the Board of

### CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

The issuance of the within bond has been approved under the provisions of The Local Government Bond Act of North Carolina.

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Secretary, Local Government Commission

### CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds of the series designated herein and issued under the provisions of the within-mentioned Resolution.

Finance Director of the County of  
Lincoln, North Carolina,  
as Bond Registrar

By \_\_\_\_\_  
Authorized Signatory

Date of authentication: \_\_\_\_\_

### ASSIGNMENT

FOR VALUE RECEIVED the undersigned registered owner thereof hereby sells, assigns and transfers unto \_\_\_\_\_

the within bond and all rights thereunder and hereby irrevocably constitutes and appoints \_\_\_\_\_

attorney to register the transfer of said bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: \_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_

NOTICE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program

Certificated Bonds issuable hereunder shall be in substantially the form of the Bonds registered in the name of Cede & Co. with such changes as are necessary to reflect the provisions of this resolution that are applicable to Certificated Bonds.

Section 4. The Bonds will not be subject to redemption prior to their respective maturities.

Section 5. Bonds, upon surrender thereof at the office of the Bond Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of any denomination or denominations authorized by this resolution and bearing interest at the same rate.

The transfer of any Bond may be registered only upon the registration books of the Issuer upon the surrender thereof to the Bond Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall authenticate and deliver in exchange for such Bond a new Bond or Bonds, registered in the name of the transferee, of any denomination or denominations authorized by this resolution, in an aggregate principal amount equal to the unredeemed principal amount of such Bond so surrendered, of the same maturity and bearing interest at the same rate.

In all cases in which Bonds shall be exchanged or the transfer of Bonds shall be registered hereunder, the Bond Registrar shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of this resolution. All Bonds surrendered in any such exchange or registration of transfer shall forthwith be cancelled by the Bond Registrar. The Issuer or the Bond Registrar may make a charge for shipping and out-of-pocket costs for every such exchange or registration of transfer of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be made by the Issuer or the Bond Registrar for exchanging or registering the transfer of Bonds under this resolution.

As to any Bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of any such Bond and the interest on any such Bond shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the interest thereon, to the extent of the sum or sums so paid.

The Issuer shall appoint such registrars, transfer agents, depositaries or other agents as may be necessary for the registration, registration of transfer and exchange of Bonds within a reasonable time according to then current commercial standards and for the timely payment of principal of and interest on the Bonds. The Finance Director of the Issuer is hereby appointed the registrar, transfer agent and paying agent for the Bonds (collectively the "Bond Registrar"), subject to the right of the governing body of the Issuer to appoint another Bond Registrar, and as such shall keep at his office the books of the Issuer for the registration, registration of transfer, exchange and payment of the Bonds as provided in this resolution.

Section 6. The Issuer covenants that, to the extent permitted by the Constitution and laws of the State of North Carolina, it will comply with the requirements of the Internal Revenue Code of 1986, as amended, except to the extent that the Issuer obtains an opinion of bond counsel to the effect that noncompliance would not result in interest on the Bonds being includable in the gross income of the owners of the Bonds for purposes of federal income taxation.

Section 7. The Issuer hereby undertakes, for the benefit of the beneficial owners of the Bonds, to provide:

(a) by not later than seven months from the end of each fiscal year of the Issuer, commencing with the fiscal year ended June 30, 2005, to each nationally recognized municipal securities information repository (“NRMSIR”) and to the state information depository for the State of North Carolina (“SID”), if any, audited financial statements of the Issuer for such fiscal year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or, if such audited financial statements of the Issuer are not available by seven months from the end of such fiscal year, unaudited financial statements of the Issuer for such fiscal year to be replaced subsequently by audited financial statements of the Issuer to be delivered within 15 days after such audited financial statements become available for distribution;

(b) by not later than seven months from the end of each fiscal year of the Issuer, commencing with the fiscal year ended June 30, 2005, to each NRMSIR, and to the SID, if any, (i) the financial and statistical data as of a date not earlier than the end of the preceding fiscal year for the type of information included under the heading “The County-Debt Information and - Tax Information” in the Official Statement relating to the Bonds (excluding any information on underlying units) and (ii) the combined budget of the Issuer for the current fiscal year, to the extent such items are not included in the financial statements referred to in (a) above;

(c) in a timely manner, to each NRMSIR or to the Municipal Securities Rulemaking Board (“MSRB”), and to the SID, if any, notice of any of the following events with respect to the Bonds, if material:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- (7) modification to the rights of the beneficial owners of the Bonds;
- (8) bond calls;
- (9) defeasances;
- (10) release, substitution or sale of any property securing repayment of the Bonds; and
- (11) rating changes; and

(d) in a timely manner, to each NRMSIR or to the MSRB, and to the SID, if any, notice of a failure of the Issuer to provide required annual financial information described in (a) or (b) above on or before the date specified.

To the extent permitted by the U.S. Securities and Exchange Commission, the Issuer may discharge the undertaking described above by transmitting electronically such financial statements, financial and statistical information and notices to [www.disclosureusa.org](http://www.disclosureusa.org).

If the Issuer fails to comply with the undertaking described above, any beneficial owner of the Bonds then outstanding may take action to protect and enforce the rights of all beneficial owners with respect to such undertaking, including an action for specific performance; provided, however, that failure to comply with such undertaking shall not be an event of default and shall not result in any acceleration of payment of the Bonds.

The Issuer reserves the right to modify from time to time the information to be provided to the extent necessary or appropriate in the judgment of the Issuer, provided that:

(a) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer;

(b) the information to be provided, as modified, would have complied with the requirements of Rule 15c2-12 issued under the Securities Exchange Act of 1934 ("Rule 15c2-12") as of the date of the Official Statement, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any changes in circumstances; and

(c) any such modification does not materially impair the interests of the beneficial owners, as determined either by parties unaffiliated with the Issuer (such as bond counsel), or by approving vote of the registered owners of not less than a majority in principal amount of the Bonds then outstanding pursuant to the terms of this bond resolution, as it may be amended from time to time.

The Issuer agrees that the annual financial information containing the amended operating data or financial information will explain, in narrative form, the reasons for the amendments and the impact of the change in the type of operating data or financial information being provided.

The provisions of this Section 7 shall terminate upon payment, or provision having been made for payment, in a manner consistent with Rule 15c2-12, in full of the principal of and interest on all of the Bonds.

Section 8. The action of the Finance Director of the Issuer in applying to the LGC to sell the Bonds and the action of the LGC in asking for sealed bids for the Bonds by distributing a Notice of Sale and Bid Form and a Preliminary Official Statement relating to the sale of the Bonds are hereby ratified and confirmed. Such Preliminary Official Statement, dated September 16, 2005, is hereby approved, and the Chairman of the Board of Commissioners, the County Manager and the Finance Director of the Issuer are each hereby authorized to approve the Official Statement, in substantially the form of the Preliminary Official Statement, including changes necessary to reflect the interest rates on the Bonds, the offering prices of the Bonds and any credit enhancement for the Bonds purchased by the successful bidder, and to execute such Official Statement for and on behalf of the Issuer.

Section 9. First-Citizens Bank & Trust Company is hereby appointed as escrow agent in connection with the refunding of the bonds to be refunded by the issuance of the Bonds (the "Escrow Agent"), subject to the right of the governing body of the Issuer to appoint another Escrow Agent as provided in the Escrow Deposit Agreement hereinafter mentioned, and as such shall perform its responsibilities as provided in such Escrow Deposit Agreement. Such Escrow Deposit Agreement, to be dated as of October 1, 2005 and substantially in the form of the draft thereof presented at this meeting, and the creation of the Escrow Fund and the other arrangements described therein to accomplish such refunding are hereby approved, and the Finance Director is hereby authorized to approve such changes in such Escrow Deposit Agreement as are necessary

or desirable and to execute such Escrow Deposit Agreement and any forward purchase agreement, forward float agreement or similar arrangement entered into in connection with the contemplated refunding for and on behalf of the Issuer.

Section 10. Grant Thornton LLP is hereby appointed as verification agent in connection with the refunding of the bonds to be refunded with the proceeds of the Bonds, and, as such, shall verify the accuracy of the calculations prepared by the Issuer's financial advisor as to the sufficiency of the Escrow Fund and the yield on the Bonds.

Section 11. This resolution shall take effect upon its passage.

Upon motion of Commissioner Funderburk, seconded by Commissioner Mitchem, the foregoing resolution entitled: "RESOLUTION PROVIDING FOR THE ISSUANCE OF \$9,345,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2005" was passed by the following vote:

Ayes: Commissioners Anderson, Mitchem, Funderburk, Moore and Patton.

Noes: none.

Thereupon the Chairman announced that said resolution had passed .

**Public Works Capital Project Reports:** Barry McKinnon presented the Capital Project Reports for the Public Works Department.

**Finance Officer's Report:** Leon Harmon, Finance Officer, presented the budget performance report for August 2005. He highlighted that Health Department revenues through August were 8% of budget \$163,510 and health expenses were 16% of budget \$602,623. He stated that he has asked Maggie Dollar to look at the reason for her decrease in revenues.

Mr. Harmon also gave projections as to the lottery in Lincoln County.

**Vacancies:** Commissioner Funderburk presented the following vacancies.

Nursing and Adult Care Home Community Advisory Committee 4

Historic Properties Commission 1

Council on Aging

**Appointments:**

Lincolnton-Lincoln County Airport Authority

- Appoint Reginald Lanier

-

Library Board – Regional Board

- Reappoint Gloria Kernoodle

**UPON MOTION** by Commissioner Funderburk, the Board voted unanimously to approve the appointments.

Commissioner Moore asked about the 2 vacancies on the Recreation Commission.

Commissioner Funderburk stated that considering the proposal underway with Recreation, he feels it is better to leave the current members on the Recreation Commission.

Chairman Anderson stated that the current members will continue to serve until the Board appoints replacements.

**County Manager's Report:** Stan Kiser presented the County Manager's Report. He presented a request from Cheryl Baxter in the Personnel Office asking the County to match employee contributions to United Way.

No motions were made concerning this request.

**County Commissioners Report:** Commissioner Funderburk presented a plaque given to the Board by the National Guard for the Board's participation and support. He also presented a "Round To It" that was presented to him by a local pastor.

**County Attorney's Report:** Jeff Taylor, County Attorney, presented the County Attorney's Report.

**Adjourn:** **UPON MOTION** by Commissioner Patton, the Board voted unanimously to adjourn the meeting.

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Amy S. Atkins, Clerk  
Board of Commissioners

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Thomas R. Anderson, PE, Chairman  
Board of Commissioners