

MINUTES
LINCOLN COUNTY BOARD OF COMMISSIONERS
MONDAY, DECEMBER 7, 2009

The Lincoln County Board of County Commissioners met on December 7, 2009 at the Citizens Center, Board of Commissioners Room, 115 West Main Street, Lincolnton, North Carolina at 6:30 PM.

Commissioners Present:

Alex E. Patton, Chairman
Bruce Carlton, Vice Chair
George Arena
James A. Klein
Carrol Mitchem

Planning Board Members Present:

Louis McConnell, Chairman
Gary Garlow, Vice-Chairman
Tom Campbell
Karl Dearnley
Jeff Frushtick
Keith Johnson
Shelly Johnston
James Mauney

Others Present:

George A. Wood, County Manager
Martha W. Lide, Assistant County Manager
Jeffrey A. Taylor, County Attorney
Amy S. Atkins, Clerk to the Board
Kelly Atkins, Planning and Inspections Director
Randy Hawkins, Zoning Administrator
Andrew Bryant, Planner
Burns Whittaker, Public Works Director
Leon Harmon, Finance Director

Call to Order: George Wood, County Manager called the December 7, 2009 meeting of the Lincoln County Board of Commissioners to order.

Invocation: Commissioner Carlton gave the Invocation and led in the Pledge of Allegiance.

Election of Chair: Commissioner Carlton nominated Alex Patton as Chairman, which was unanimously approved.

Election of Vice-Chair: Commissioner Mitchem nominated Commissioner Carlton as Vice-Chair, which was unanimously approved.

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

UPON MOTION by Commissioner Arena, the Board voted unanimously to adopt the agenda adding a closed session at 8:00 p.m. to consult with the attorney and a personnel matter.

AGENDA

LINCOLN COUNTY BOARD OF COMMISSIONERS

DECEMBER 7, 2009

- 6:30 PM Call to Order
- 6:31 PM Invocation – Rev. J.V. Allen, Boger City Wesleyan Church
- 6:32 PM Pledge of Allegiance
- 1. 6:33 PM Adoption of Agenda
- 2. 6:35 PM Consent Agenda
 - Tax Requests for Releases – More than \$100
 - October 16 - November 15, 2009
 - Tax Requests for Refunds - More than \$100
 - October 26 - November 8, 2009
 - Sponsored Group Status
 - Shalom Baptist Church
 - LC Branch of NAACP
 - Approval of Minutes
 - Ordinance #2009-08: An Ordinance Amending the FY 2010 Budget for the County of Lincoln, NC
 - JCPC Bylaws Revision
 - 2010 Meeting Schedule
- 3. 6:40 PM Zoning Public Hearings – Randy Hawkins
 - CUP #258A - Larry Cagle, applicant: Request to amend a conditional use permit for a winery to allow a 1,728-square-foot expansion and the addition of a 6,000-square foot event facility and a new parking area. The 47-acre parcel is located at 1350 Woodmill Winery Road, on the north side of John Beam Road about 3,000 feet east of Cedar Grove Church Road, in North Brook Township.
 - CUP #293 - Juan Pena, applicant: Request for a conditional use permit to allow a soccer field to be use dfor tournaments

and as a public field in the R-SF (Residential Single-Family) district. The 25-acre parcel is located on the east side of River Road about 1,100 feet south of Ritchie Road in Lincoln Township.

- CUP #294 - Douglas McCurry, applicant: Request for a conditional use permit to operate an indoor sports training facility in the I-G (General Industrial) to B-N (Neighborhood Business). The property, owned by Toney and Marilyn Loftin, is part of a 32-acre parcel located on the west side of Hwy. 16 about 1,500 feet south of Sarah Drive in the Catawba Springs Township.

- ZMA #576 - Lincoln County Planning and Inspections Department, applicant: A request for a conditional use permit to operate an indoor sports training facility in the I-G (General Industrial) district. The 0.85-acre parcel is located at 7677 Old Plank Road, on the north side of Old Plank Road about 1,700 feet west of Hwy. 16 in the Catawba Springs Township.

- ZMA #577 - Carolinas HealthCare System, applicant: Request to rezone a 0.48-acre lot from R-SF (Residential Single-Family) to O-R (Office Residential). The property is located at 454 McAlister Road, on the south side of McAlister Road about 1,000 feet west of Hwy. 150, in Ironton Township.

4. 7:40 PM Public Comments
5. 7:55 PM Motion to Approve COPS Grant Award for Sheriff's Department - George Wood
6. 8:05 PM Motion to Approve Financial Advisory Agreement for Bond Refunding Issue - George Wood
- 6a. Resolution #2009-33: Resolution Making Certain Findings Relating to the Authorization and Issuance of General Obligation Refunding Bonds of the County of Lincoln, North Carolina and Authorizing Finance Director to File Application for Approval Thereof with Local Government Commission - Leon Harmon
7. 8:15 PM Motion to Approve Oaklawn proposal and authorize the County Attorney to draw up an agreement, and leases/agreements based upon it, for the Chairman and the Clerk to the Board to execute on behalf of Lincoln County - George Wood
 - House of Hope
 - Lease
8. 8:25 PM Vehicle Replacement for the Tax Department - George Wood
9. 8:35 PM Change Order Request for the New Animal Shelter - George Wood
10. 8:45 PM Resolution #2009-32: A Resolution Amending the Fee Schedule at the Landfill - George Wood
 - Memo
 - Landfill Ban Notice

11. 8:55 PM Assumption of Probation Office Lease as required by SB 202 - George Wood
 12. 9:05 PM Financial Advisor Agreement for Bond Refunding Issue - George Wood
 13. 9:15 PM Capital Project Reports - Burns Whittaker
 14. 9:20 PM County Manager's Report - George Wood
 15. 9:25 PM County Commissioners' Report
 16. 9:30 PM County Attorney's Report
 17. 9:35 PM Other Business
- Adjourn

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

- Tax Requests for Releases – More than \$100

G.S. #105-381 (B) ALL RELEASES MORE THAN \$100
AND #105-325 INCLUDING (A) (6)

PERIOD COVERED
(Oct 16, 2009 - Nov 15, 2009)

| NAME | YEAR | DIST | A/C NO | AMOUNT | REASON |
|---------------------------------|-----------|-----------|---------|--------------------|--|
| American Home Health Services | 1999 | City | 0138190 | \$1,412.22 | US Bankruptcy Judge discharged personal property. |
| Beam, Rebecca M (Childers) | 2009 | NBFD | 00809 | \$2,078.60 | Land-use approved. |
| Botchuck, Larry Charles | 2009 | ELFD/ELSD | 0222829 | \$103.74 | Personal property in Gaston County as of 1/1/09. |
| East Coast Collision Co. DBA | 2009 | BCFD | 0216676 | \$528.00 | Did not own business personal property as of 1/1/09. |
| Grant, Charles Clayton | 2008-2009 | ELFD | 0162186 | \$178.98 | Did not own boat as of 1/1/08. |
| Houser, Pearl Gladden | 2009 | HCFD | 0083603 | \$731.97 | Land-use approved. |
| Houser, Sidney L | 2009 | HCFD | 02737 | \$214.77 | Land-use approved. |
| Johnson, Bonnie P | 2009 | ALFD | 12362 | \$875.26 | Land-use approved. |
| Johnson, Scott | 2009 | ELFD/ELSD | 0196611 | \$200.25 | Assessment adjustment of boat. |
| Michelle Pate Nantz & Associate | 2009 | DFD/ELSD | 0208274 | \$369.20 | Assessment adjustment of business personal property. |
| Motorsports Memories | 2009 | DFD/ELSD | 0158406 | \$440.52 | Assessment adjustment of business personal property. |
| Smith, Ronald Dale | 2009 | ELFD/ELSD | 0222900 | \$150.35 | Personal property in Catawba County as of 1/1/09. |
| Sprint Nextel Corp. NC1104 | 2009 | BCFD | 0193553 | \$2,729.28 | Assessment adjustment of business personal property. |
| Sprint Nextel Corp. NC1143 | 2009 | ELFD | 0193555 | \$376.10 | Assessment adjustment of business personal property. |
| Sprint Nextel Corp. NC1616 | 2009 | DFD/ELSD | 0193556 | \$310.18 | Assessment adjustment of business personal property. |
| NAME | YEAR | DIST | A/C NO | AMOUNT | REASON |
| Sprint Nextel Corp. NC1617 | 2009 | ELFD/ELSD | 0193557 | \$351.12 | Assessment adjustment of business personal property. |
| Sprint Nextel Corp. NC1689 | 2009 | SFFD | 0193558 | \$323.47 | Assessment adjustment of business personal property. |
| Sprint Nextel Corp. NC1691 | 2009 | PCFD | 0193559 | \$346.74 | Assessment adjustment of business personal property. |
| Sprint Nextel Corp. NC1723 | 2009 | ELFD | 0193560 | \$280.93 | Assessment adjustment of business personal property. |
| Sprint Nextel Corp. NC1768 | 2009 | Crouse | 0193561 | \$428.31 | Assessment adjustment of business personal property. |
| Sprint Nextel Corp. NC8050 | 2009 | ELFD | 0193552 | \$366.32 | Assessment adjustment of business personal property. |
| Sprint Nextel Corp. NC8051 | 2009 | ALFD | 0193562 | \$379.06 | Assessment adjustment of business personal property. |
| Sprint Nextel Corp. NC8052 | 2009 | BCFD | 0193564 | \$323.61 | Assessment adjustment of business personal property. |
| TOTAL | | | | \$13,498.98 | |

G.S. #105-381 (B) ALL RELEASES MORE THAN \$100
AND #105-325 INCLUDING (A) (6)

PERIOD COVERED (October 16 2009-November 15 2009)

| NAME | YEAR | DIST | A/C NO | AMOUNT | REASON |
|---------------------------|------|----------|--------------|-----------------|------------------------------------|
| Bolton, Timothy Wayne | 2009 | City | 0222020 | \$151.64 | Vehicle taxable in Catawba County. |
| Brown, Joseph Theodore Jr | 2009 | DFD/ELSD | 0196507 | \$101.70 | Pro-rated bill. |
| Dugan, Michael Joseph III | 2009 | City | 0205167 | \$258.34 | Assessment adjustment of vehicle. |
| Hallman, Patsy Bolick | 2009 | Union | 0220911 | \$111.86 | Pro-rated bill. |
| Oddo, Anna Marie | 2009 | City | 0221381 | \$159.11 | Vehicle taxable in Catawba County. |
| Theisen, Sharon Marie | 2009 | City | 0221951 | \$196.84 | Vehicle taxable in Catawba County. |
| | | | TOTAL | \$979.49 | |

LINCOLN COUNTY TAX DEPARTMENT
ANNUALS

REQUEST FOR REFUNDS

PERIOD COVERED (OCTOBER 26, 2009-NOVEMBER 8, 2009)

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

| NAME | YEAR | DIST | A/C# | AMOUNT | REASON |
|--------------------------------|------|------|--------------|--------------------|-----------------------------|
| General Electric Capital Corp. | 2009 | DFD | 0192025 | 6,907.25 | Over Listing Value for 2008 |
| | | | TOTAL | \$ 6,907.25 | |

- Sponsored Group Status
 - Shalom Baptist Church
 - LC Branch of NAACP
- Approval of Minutes
- Ordinance #2009-08: An Ordinance Amending the
FY 2010 Budget for the County of Lincoln, NC

**ORDINANCE #2009-08: AN ORDINANCE AMENDING THE FY 2010 BUDGET
FOR THE COUNTY OF LINCOLN, NORTH CAROLINA**

THAT WHEREAS, the Lincoln County Board of Commissioners adopted the FY 2010 Budget by approving Ordinance #2009-02 on June 15, 2009; and

WHEREAS, the Finance Director and County Manager are recommending further amendments as shown on the attachments herein; and

WHEREAS, the Lincoln County Board of Commissioners wishes to approve these proposed budget amendments;

NOW THEREFORE BE IT ORDAINED AND ESTABLISHED by the Board of Commissioners of Lincoln County, North Carolina, that the FY 2010 Budget previously adopted is hereby amended as follows:

Section 1. That the budget adjustments attached hereto, and incorporated herein by reference, are hereby approved and adopted as amendments to the FY 2010 Budget.

Section 2. That this amendment to the budget shall become effective immediately upon its adoption by the Board of Commissioners.

Passed and adopted this 7th day of December, 2009.

BY: _____
Alex E. Patton, Chairman
Lincoln County Board of Commissioners

ATTEST:

Amy S. Atkins
Clerk to the Board

Budget Adjustment No. 36 for the Health Department to budget FY 2009-10
Contracted Services omitted from the original budget.

Budget Adjustment No. 37 for the Health Department to budget FY 2009-10
Contracted Services omitted from the original budget.

Budget Adjustment No. 38 for Sheriff's Department to budget \$9,047 for payment to be received for 2009 SCAAP grant.

- JCPC Bylaws Revision
- 2010 Meeting Schedule

2010 Board of Commissioners Meeting Schedule

- January 4, 2010 6:30 PM Zoning Public Hearings
- January 25, 2010 6:30 PM Regular Meeting

- February 1, 2010 6:30 PM Zoning Public Hearings
- February 15, 2010 6:30 PM Regular Meeting

- March 1, 2010 6:30 PM Zoning Public Hearings
- March 15, 2010 6:30 PM Regular Meeting

- April 5, 2010 6:30 PM Zoning Public Hearings
- April 19, 2010 6:30 PM Regular Meeting

- May 3, 2010 6:30 PM Zoning Public Hearings
- May 17, 2010 6:30 PM Regular Meeting

- June 7, 2010 6:30 PM Zoning Public Hearings
- June 21, 2010 6:30 PM Regular Meeting

- July 19, 2010 6:30 PM Regular Meeting

- August 2, 2010 6:30 PM Zoning Public Hearings
- August 16, 2010 6:30 PM Regular Meeting

- September 13, 2010 6:30 PM Zoning Public Hearings
- September 20, 2010 6:30 PM Regular Meeting

- October 4, 2010 6:30 PM Zoning Public Hearings
- October 18, 2010 6:30 PM Regular Meeting

- November 1, 2010 6:30 PM Zoning Public Hearings
- November 15, 2010 6:30 PM Regular Meeting

- December 6, 2010 6:30 PM Regular Meeting

New Business/Advertised Public Hearings:

NOTICE OF PUBLIC HEARINGS

The Lincoln County Board of Commissioners and Planning Board will hold a joint meeting and public hearings on Monday, December 7, 2009, at 6:30 p.m. to consider the following matters:

CUP #258A Larry Cagle Jr., applicant (Parcel ID# 10698) A request to amend a conditional use permit for a winery to allow a 1,728-square-foot expansion and the addition of a 6,000-square-foot event facility and a new parking area. The 47-acre parcel is located at 1350 Woodmill Winery Road, on the north side of John Beam Road about 3,000 feet east of Cedar Grove Church Road, in North Brook Township.

CUP #293 Juan Pena, applicant (Parcel ID# 72443) A request for a conditional use permit to allow a soccer field to be used for tournaments and as a public field in the R-SF (Residential Single-Family) district. The 25-acre parcel is located on the east side of River Road about 1,100 feet south of Ritchie Road in Lincoln Township.

CUP #294 Douglas McCurry, applicant (Parcel ID# 85279) A request for a conditional use permit to operate an indoor sports training facility in the I-G (General Industrial) district. The 0.85-acre parcel is located at 7677 Old Plank Road, on the north side of Old Plank Road about 1,700 feet west of Hwy. 16, in Catawba Springs Township.

ZMA #576 Lincoln County Planning and Inspections Department, applicant (Parcel ID# 34119) A proposal to rezone four acres from I-G (General Industrial) to B-N (Neighborhood Business). The property, owned by Toney and Marilyn Loftin, is part of a 32-acre parcel located on the west side of Hwy. 16 about 1,500 feet south of Sarah Drive in Catawba Springs Township.

ZMA #577 Carolinas HealthCare System, applicant (Parcel ID# 25783) A request to rezone a 0.48-acre lot from R-SF (Residential Single-Family) to O-R (Office Residential). The property is located at 454 McAlister Road, on the south side of McAlister Road about 1,000 feet west of Hwy. 150, in Ironton Township.

Interested parties may appear at the public hearings, which will be held in the Commissioners Room on the third floor of the James W. Warren Citizens Center, 115 W. Main Street, Lincoln, N.C. For more information, contact the Lincoln County Planning and Inspections Department at (704) 736-8440.

2T: Nov. 27, Dec. 4, 2009

Conditional Use Permit No. 258A – Larry Cagle, applicant: Randy Hawkins presented the following information concerning CUP #258A – Larry Cagle, applicant.

The applicant is requesting an amendment to a conditional use permit for a winery to allow a 1,728-square-foot expansion and the addition of a 6,000-square-foot event facility and a new parking area. The conditional use permit was issued in June 2005 to allow a winery with a tasting/sampling room, a gift shop and meeting rooms in the R-T (Transitional Residential) district.

The 47-acre parcel is located at 1350 Woodmill Winery Road, on the north side of John Beam Road about 3,000 feet east of Cedar Grove Church Road in North Brook Township. It is surrounded by property zoned R-T. Land uses in this area are primarily agricultural and residential. The Lincoln County Land Use Plan classifies this area as Rural Preservation. Low-density residential uses and limited small-scale commercial and/or industrial uses that blend in well with rural environments are encouraged in these areas.

Mr. Hawkins reviewed the site plan.

Mr. Hawkins stated that he received a phone call from one neighbor concerned about noise from the events.

Chairman Patton opened the public hearing concerning CUP #258A – Larry Cagle, applicant.

Albert Dellinger, 1650 John Beam Road, neighbor of Larry Cagle, stated that he has been there for 35 years and objects to extension of winery due to the noise and traffic. He said beer bottles and wine cans are everywhere after events, in fields and up and down the road.

Larry Cagle, property owner, stated that he wants to expand the winery. He said they have outgrown their facility and do not have enough warehouse space to continue operation. He said they have reached their 10 year plan in 2 ½ years. He said they are asking for the ability to expand their buildings and go into larger markets. He said they also provide a facility for meetings, weddings, birthday parties, etc. He said he built the facility that is 1700 square feet and thought it would be enough. He said there were 29 weddings there this year. He said they want to expand the back part of the winery to increase warehouse space. Phase 2 would be to build an event facility in a few years. Mr. Cagle stated that at 9:00 p.m. all music is turned down and at 9:30 p.m. it is turned off. He said this is a self-imposed restriction that they are very strict with. He said there have been over 50,000 visitors to the winery in 2 ½ years, but without the expansion, they have grown as far as they can go.

Being no additional speakers, Chairman Patton declared the public hearing closed.

Conditional Use Permit No. 293 – Juan Pena, applicant: Randy Hawkins presented the following information concerning CUP #293 – Juan Pena, applicant.

The applicant is requesting a conditional use permit to allow a soccer field to be used for tournaments and as a public field in the R-SF (Residential Single-Family) district. Under the Unified Development Ordinance, private outdoor recreation is permitted in the R-SF district only where approved by the Board of Commissioners through the issuance of a conditional use permit.

The 25-acre parcel is located on the east side of River Road about 1,100 feet south of Ritchie Road in Lincolnton Township. It is surrounded by property zoned R-SF. Land uses in this area are primarily residential and agricultural. The Lincoln County Land Use Plan classifies this area as Suburban Residential.

Chairman Patton opened the public hearing concerning CUP #293 – Juan Pena, applicant.

Kim Duckworth, 2400 Carriage Lane, stated that she is speaking for the voters and taxpayers that oppose the request. She presented a petition signed by 34 homeowners opposing the request. She said they bought their property knowing there was a farm adjoining it and did not complain when he put up buildings. She said the request has nothing to do with farmland. She said she can see this from her backyard. Ms. Duckworth asked what is wrong with using the Optimist Club's soccer fields. She mentioned the decline in property values with public soccer fields in their back yards.

She asked how the field will be patrolled. She asked the Board if they would like this in their back yard.

Kenneth Campbell, 3197 River Road, stated that the property is already zoned single family and is in a pretty quiet neighborhood. He said the increased traffic will be dangerous and they don't need the noise. He stated that property values will decrease, litter will increase, and no one will be policing. He said there are no restrooms or water there. He said this will hurt their neighborhood atmosphere and he doesn't think it's needed.

Juan Pena, stated that his dad is wanting to obtain the CUP to make soccer tournaments. He said there will only be 2 teams at a time there and probably no more than 50 people there, 20 for the teams and 30 for the people there. He said the soccer field is almost in the middle of the property and houses are not located close to it. He said they'll only need 1 or 2 Porta-jons for the events.

Mr. Hawkins presented the Board with a letter from a property owner that lives out of state.

Teresa Lemons, 2390 Carriage Lane, stated that her property backs up to the property in question. She said there is a lot of noise from this field. She said she doesn't oppose children getting exercise, but has heard that the optimist field is available. She asked everyone in the audience opposed to this request to stand.

Haywood Easter, 2733 Carriage Lane, stated that when they bought their property, it was because of the farmland and the view of the mountains. He said they put a pool in their backyard and it's very noisy on Saturday afternoons from them playing soccer. He said he coaches with different organizations and there are always uniformed cops and restrooms facilities.

Being no additional speakers, Chairman Patton declared the public hearing closed.

Conditional Use Permit No. 294 – Douglas McCurry, applicant: Randy Hawkins presented the following information concerning CUP #294 – Douglas McCurry, applicant.

The applicant is requesting a conditional use permit to operate an indoor sports training facility in the I-G (General Industrial) district. The facility would include baseball and softball pitching machines and nets for pitching areas. Under the Lincoln County Unified Development Ordinance, indoor recreation is permitted in the I-G district only where approved by the Board of Commissioners through the issuance of a conditional use permit.

The 0.85-acre parcel is located at 7677 Old Plank Road, on the north side of Old Plank Road about 1,700 feet west of Hwy. 16. It is adjoined by property zoned I-G and R-T (Transitional Residential). Land uses in this area include industrial and residential. This

property is part of an area designated by the Lincoln County Land Use Plan as Industrial.

Chairman Patton opened the public hearing concerning CUP #294 – Douglas McCurry, applicant.

Douglas McCurry, applicant said he is just here to see if there are any questions. He said the building is his office, he is a general contractor. He said a large part of the building is vacant now.

Being no additional speakers, Chairman Patton declared the public hearing closed.

Zoning Map Amendment No. 576 – Lincoln County Planning and Inspections Department, applicant:

Randy Hawkins presented the following information concerning ZMA #576 – Lincoln County Planning and Inspections Department, applicant.

Staff is proposing the rezoning of four acres from I-G (General Industrial) to B-N (Neighborhood Business) to carry out a condition connected to a previous rezoning. This property, part of a 32-acre parcel, was rezoned from R-SF (Residential Single-Family) to I-G in 1998. In conjunction with the rezoning, a conditional use permit was issued for a land-clearing and inert debris landfill, with a condition that, after a gully was filled, the I-G zoning be changed to B-N to match the zoning on the front portion of the parcel, where a batting cage facility is located.

This property is located on the west side of Hwy. 16 about 1,500 feet of Sarah Road. It is adjoined by property zoned B-N, B-G (General Business), I-G and R-SF. Land uses in this area are a mixture of business and residential. The front portion of this property, including part of the area proposed for rezoning, lies in an area designated by the Land Use Plan as the NC 16 Corridor. The remainder of the parcel is designated as Suburban Residential.

Chairman Patton opened the public hearing concerning ZMA #576 – Lincoln County Planning and Inspections Department, applicant.

Being no one wishing to speak, Chairman Patton declared the public hearing closed.

Zoning Map Amendment No. 577 – Carolinas HealthCare System, applicant:

Randy Hawkins presented the following information concerning ZMA #577 – Carolinas HealthCare System, applicant.

The applicant is requesting the rezoning of a 0.48-acre lot from R-SF (Residential Single Family) to O-R (Office Residential). O-R is a new zoning district established by the Unified Development Ordinance to accommodate professional occupations and serve as

a transition between residential areas and more intense commercial uses.

This property is located at 454 McAlister Road, on the south side of McAlister Road about 1,000 feet west of Hwy. 150, in Ironton Township. It is located on the boundary of Lincolnnton's extraterritorial jurisdiction. It is adjoined by property R-SF and O-I (Office Institutional, one of Lincolnnton's zoning districts). Carolinas HealthCare System is constructing a new hospital on the opposite side of McAlister Road. Land uses in this area are predominantly residential, but the hospital project has led to a number of rezonings to O-I in Lincolnnton's jurisdiction. The Lincoln County Land Use Plan classifies this area as Suburban Residential. This property adjoins an area designated by Lincolnnton's land use plan as Office Institutional.

Chairman Patton opened the public hearing concerning ZMA #577 – Carolinas HealthCare System, applicant.

Peggy Hegg, with Carolinas HealthCare System stated that they are building new state of the art facility at McAllister and Buffalo Shoals Road. She said this application represents the last piece of property for the hospital development.

Being no additional speakers, Chairman Patton declared the public hearing closed.

Chairman Patton called for a brief recess. Chairman Patton called the meeting back to order.

The Planning Board reconvened to the 2nd floor balcony.

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

JC Beaver, 1191 Highland Bluff Court, stated that he wants to know why people still have stuff he has turned in reports on. He said he would like to be treated fairly and he would like the public to know.

Clarissa Metts, 1352 Springdale Park Drive, stated that the Coalition has been prevalent in the Oaklawn Community for a while. She said they have done various things with the building. She said that with the help of the Coalition they can do things in the community that they could not do, such as the Head Start program, back to school giveaways in that building, and various gatherings for the community. Ms. Metts said that the Coalition has already replaced the windows in the building twice and have plans to do so again since they have been vandalized and broken out again. She asked why the lease would be broken when the group has done nothing wrong. She said common ground has to be found at least until 2011 when the lease is up.

James Friday, graduate of Oaklawn School stated that the Coalition has done some things in the Oaklawn community, but the facility is not where it should be in terms of safety.

He said the House of Hope is proposing to take ownership in the management of the facility. He said he has presented a proposal to serve that community and Lincoln County. He said they have several letters of support from different groups. He said they want to take the Oaklawn Center back to where the citizens can be proud of it. Mr. Friday said they currently have a board. He said they would like to work with the Coalition to enhance some of their programs.

Ola Mae Foster, 4190 Highway 27 East, stated that she serves as President of the Coalition of Churches. She said the proposal she received from Mr. Wood does not allow for growth of the Coalition

Devonda Friday stated that all of their resources are free and they are a non-profit group.

Joselyn Barber stated that she is here on behalf of the Coalition and reviewed some programs the Coalition is involved in.

Kevin Herndon stated that he is here as a citizen and asked if everyone can all get on one accord and make improvements to the facility.

Stanley Edwards stated that he lives in the Oaklawn area. He said he would like to see a park there again, with swings, basketball and things for kids to do outside.

Clifdean Bethea stated that she is a member of the Coalition. She said everyone shares a common goal, to be active and work in Oaklawn and the county as a whole. She said she would like for everyone to get together and try to work together. She said there should be room for everyone at Oaklawn.

Being additional speakers, Chairman Patton declared the public hearing closed.

Motion to Approve Oaklawn proposal and authorize the County Attorney to draw up an agreement, and leases/agreements based upon it, for the Chairman and the Clerk to the Board to execute on behalf of Lincoln County – Mr. Wood gave background information on the Oaklawn Center and meetings he has been involved with between the Coalition and The House of Hope.

The Board asked the Fridays and the Coalition to get together to discuss this and come back to the Board with a resolution.

The Fridays said they were trying to get the funding for the year closing for 2009.

UPON MOTION by Commissioner Mitchem, the Board voted unanimously to table this to work out the agreement by the 2nd meeting in January. If the Chairman and County Manager hears from this group beforehand, they can go ahead and draw up the lease.

Closed Session: **UPON MOTION** by Commissioner Mitchem, the Board voted unanimously to enter closed session pursuant to N.C.G.S 143-318.11(6) to consider the

qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee; or to hear or investigate a complaint, charge, or grievance by or against an individual public officer or employee.

Motion to Approve COPS Grant Award for Sheriff's Department – George Wood:

Mr. Wood presented the notification of award for a \$23,999.88 COPS 2009 Grant for equipping the six additional deputy sheriff's that another COPS 2009 Grant was received for earlier this year. The federal government will pay for their wages and benefits for three years, then the County will pick up those cost thereafter. This new grant will buy the necessary equipment for those officers. There is no matching funds requirement for this grant. The Board needs to approve this grant award so he and Karen Doolittle can execute the documents.

UPON MOTION by Commissioner Arena, the Board voted unanimously to approve the COPS Grant Award for the Sheriff's Department.

Motion to Approve Financial Advisory Agreement for Bond Refunding Issue –

George Wood: Leon Harmon stated that this is related to the bond refunding issue that would refinance some of the county's existing bonds at a reduced interest rate, thereby saving money over the life of the bonds. He presented a proposed agreement to provide the county the financial advisor services associated with this issuance. Mr. Harmon said the cost for this professional service is in line with similar issues, and he is confident that First Tryon Securities can perform the work.

UPON MOTION by Commissioner Carlton, the Board voted unanimously to approve the Financial Advisory Agreement for Bond Refunding Issue.

Resolution No. 2009-33 - Resolution Making Certain Findings Relating to the Authorization and Issuance of General Obligation Refunding Bonds of the County of Lincoln, North Carolina and Authorizing Finance Director to File Application for Approval Thereof with Local Government Commission – Leon Harmon:

RESOLUTION AUTHORIZING ISSUANCE OF BONDS

Commissioner Mitchem moved adoption of the following resolution, the motion was seconded by Commissioner Klein, and the resolution was read by the above title.

WHEREAS, the bond order hereinafter described has taken effect, and it is desirable to make provision for the issuance of bonds authorized thereby;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the County of Lincoln, North Carolina (the "Issuer"), as follows:

1. Pursuant to and in accordance with the refunding bond order adopted by the Board of Commissioners on December 7, 2009, the Issuer shall issue its bonds in an aggregate principal amount not exceeding \$21,500,000, subject to adjustment as hereinafter provided.

2. The bonds to be issued pursuant to the bond order described in the preceding paragraph shall be designated “General Obligation Refunding Bonds, Series 2010A” (the “Bonds”). The Bonds shall be dated February 9, 2010 and shall bear interest from their date at a rate or rates that shall be determined upon the public sale of the Bonds, and interest shall be payable on June 1, 2010 and semi-annually thereafter on December 1 and June 1. The Bonds shall mature annually on June 1 as follows, subject to adjustment and to the right of prior redemption as hereinafter described:

| <u>Year</u> | <u>Principal Amount</u> | <u>Year</u> | <u>Principal Amount</u> |
|-------------|-----------------------------|-------------|-----------------------------|
| 2010 | \$ 70,000 | 2019 | \$ 920,000 |
| 2011 | 1,220,000 | 2020 | 915,000 |
| 2012 | 1,185,000 | 2021 | 895,000 |
| 2013 | 1,020,000 | 2022 | 880,000 |
| 2014 | 520,000 | 2023 | 870,000 |
| 2015 | 515,000 | 2024 | 2,060,000 |
| 2016 | 515,000 | 2025 | 2,030,000 |
| 2017 | 165,000 | 2026 | 2,000,000 |
| 2018 | 115,000 | 2027 | 1,970,000 |

Each Bond shall bear interest from the interest payment date next preceding the date on which it is authenticated unless it is (a) authenticated on an interest payment date, in which event it shall bear interest from that 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 that is legal tender for the payment of public and private debts on the respective dates of payment thereof. Debt service will be payable to the owners of Bonds shown on the records of the hereinafter designated Bond Registrar of the Issuer on the record date, which shall be the fifteenth day of the calendar month (whether or not a business day) next preceding a debt service payment date.

The Bonds shall be deemed to refund each of the issues of bonds being refunded within the respective periods of usefulness of the capital projects financed by each of the issues of bonds being refunded.

3. The Bonds will be issued in fully registered form by means of a book entry system with no physical distribution of bond certificates made to the public. One bond certificate for each maturity will be issued to and registered in the name of The Depository Trust Company, New York, New York (“DTC”) or its nominee and immobilized in its custody. The book entry system will evidence beneficial ownership of the Bonds in the principal amounts of \$5,000 or integral multiples thereof, with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC. Interest on the Bonds will be payable at the times stated in the preceding paragraph, and principal of the Bonds will be paid annually on June 1, as set forth in the above maturity schedule, in clearinghouse funds to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of those participants and other nominees of beneficial owners. The Issuer will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds, or (b) 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 in a manner consistent with DTC’s rules and procedures. If the Issuer fails to arrange for another qualified securities depository to replace DTC, the

Issuer will authenticate and deliver replacement Bonds in the form of fully registered certificates in denominations of \$5,000 or integral multiples thereof.

4. 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 imprinted, as the case may be, on the Bonds.

The certificate of the Local Government Commission of North Carolina to be endorsed on all Bonds shall bear the manual or facsimile signature of the Secretary of that Commission or of a representative designated by that Secretary, and the certificate of authentication of the Bond Registrar to be endorsed on all Bonds shall be executed as provided below.

In case any officer of the Issuer or the Local Government Commission of North Carolina whose manual or facsimile signature appears on any Bonds shall cease to be that officer before the delivery of those Bonds, that manual or facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until delivery, and any Bond may bear the manual or facsimile signatures of such persons as at the actual time of the execution of the Bond shall be the proper officers to sign the Bond although at the date of the Bond those 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 has been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed thereon.

5. The Bonds and the endorsements thereon shall be in substantially the following form:

| |
|---|
| 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 requested 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 2010A

INTEREST
RATE

MATURITY
DATE

DATE OF
BOND

CUSIP

February 9, 2010

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: _____ DOLLARS

The County of Lincoln (the "County"), a county of the State of North Carolina, acknowledges itself indebted and for value received hereby promises to pay to the registered owner named above, on the date specified above, upon surrender hereof, at the office of the Finance Director of the County, 115 W. Main Street, Lincolnton, NC 28092 (the "Bond Registrar"), the principal sum shown above and to pay to the registered owner hereof, by check mailed to the registered owner at its address as it appears on the bond registration books of the County, interest on that principal sum from the date of this bond or from the December 1 or June 1 next preceding the date of authentication to which interest shall have been paid, unless the date of authentication is a December 1 or June 1 to which interest shall have been paid, in which case from that date, interest to the maturity hereof being payable on June 1, 2010, and semi-annually thereafter on December 1 or June 1 of each year, at the rate per annum specified above, until payment of the principal sum. The interest so payable on any interest payment date will be paid to the person in whose name this bond is registered at the close of business on the record date for that interest, which shall be the fifteenth day of the calendar month (whether or not a business day) next preceding that interest payment date. 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.

This bond is issued in accordance with the Registered Public Obligations Act, Chapter 159E of the General Statutes of North Carolina, and pursuant to The Local Government Finance Act of the State of North Carolina, as amended, a bond order adopted by the Board of Commissioners of the County on December 7, 2009 (the "Bond Order") and a resolution adopted by that Board (the "Resolution") to provide funds, together with any other funds that may be provided, to refund all or a portion of the County's outstanding General Obligation School Bonds, Series 1998 dated as of December 1, 1998, outstanding General Obligation Refunding Bonds, Series 1999 dated as of February 1, 1999, outstanding General Obligation School Bonds, Series 2002 dated as of May 1, 2002, outstanding General Obligation School Bonds, Series 2002A dated as of December 1, 2002, outstanding General Obligation Public Improvement Bonds, Series 2008 dated as of November 12, 2008 and outstanding General Obligation School Bonds, Series 2008 dated as of November 13, 2008.

The bonds maturing on and after June 1, 2020 shall be subject to redemption prior to their stated maturities at the option of the County on or after June 1, 2019 in whole or in part at any time at a redemption price equal to 100% of the principal amount of each bond to be redeemed, together with accrued interest thereon to the redemption date. If less than all the bonds are called for redemption, the County shall determine the maturities and the amounts thereof of the bonds to be redeemed. If less than all the bonds of any one maturity are called for redemption, the bonds of such maturity to be redeemed shall be selected by lot; provided, however, that the portion of any bond to be redeemed shall be in the principal amount of \$5,000 or an integral multiple thereof and that, in selecting bonds for redemption, the Bond Registrar shall treat each bond as representing that number of bonds which is obtained by dividing the principal amount of such bond by \$5,000. For so long as a book-entry system is used for determining beneficial ownership of the bonds, if less than all of the bonds within a maturity are to be redeemed, The Depository Trust Company ("DTC") shall determine by lot the amount of interest of each Direct Participant in the bonds to be redeemed.

Not more than forty-five (45) days 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 County shall cause a notice of redemption to be mailed, postage prepaid, to DTC or its nominee. On the date fixed for redemption, that notice having been given, the bonds or portions thereof so called for redemption shall be due and payable at the redemption price provided for the redemption of those bonds or portions thereof on that date and, if moneys for payment of the redemption price and the accrued interest are held by the Bond Registrar 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 DTC or its nominee upon the surrender hereof.

The notice of redemption may state that the County retains the right to rescind such notice on or prior to the scheduled redemption date, and such notice and redemption shall be of no effect if such notice is rescinded. Any redemption may be rescinded in whole or in part at any time prior to the scheduled

redemption date if the County gives notice thereof on or prior to the scheduled redemption date in the manner provided above for redemptions. Any bonds as to which redemption has been rescinded shall remain outstanding.

The bonds will be issued in fully registered form by means of a book entry system with no physical distribution of bond certificates made to the public. One bond certificate for each maturity will be issued to and registered in the name of DTC or its nominee and immobilized in its custody. The book entry system will evidence beneficial ownership of the bonds in principal amounts of \$5,000 or integral multiples thereof, with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of participants and other nominees of beneficial owners. The County will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through participants.

The Bond Registrar shall keep at its office the books of the County for the registration of transfer of bonds. The transfer of this bond may be registered only upon those 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 form satisfactory to the Bond Registrar. Upon any 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, in 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 conditions, acts and things required by the Constitution or statutes of the State of North Carolina to exist, be performed or happen precedent to or in the issuance of this bond, exist, have been performed and have happened, and that the amount of this bond, together with all other indebtedness of the County, is within every debt and other limit prescribed by said Constitution or statutes. The faith and credit of the County are hereby pledged to the punctual payment of the principal of and interest on this bond in accordance with its terms.

This bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Bond Order or the Resolution until this bond shall have been endorsed by the authorized representative of the Local Government Commission of North Carolina and authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, the County has caused this bond [to be manually signed by] [to bear the facsimile signatures of] the Chairman of the Board of Commissioners and the Clerk to the Board of Commissioners and [a facsimile of] its official seal to be [imprinted] [impressed] hereon, and this bond to be dated February 9, 2010.

Chairman of the Board of Commissioners

(SEAL)

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.

Secretary,
Local Government Commission

CERTIFICATE OF AUTHENTICATION

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

COUNTY OF LINCOLN
FINANCE DIRECTOR, as Bond Registrar

By: _____
Authorized Signature

Date of Authentication: February 9, 2010

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____
the within Bond and irrevocably appoints _____
attorney-in-fact, to transfer the within Bond on the books kept for registration thereof, with full power of
substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must
correspond with the name as it appears upon the
face of the within Bond in every particular,
without any alteration whatsoever.

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.

The Bonds maturing on and after June 1, 2020 shall be subject to redemption prior to their stated maturities at the option of the County on or after June 1, 2019 in whole or in part at any time at a redemption price equal to 100% of the principal amount of each Bond to be redeemed, together with accrued interest thereon to the redemption date. If less than all the Bonds are called for redemption, the County shall determine the maturities and the amounts thereof of the Bonds to be redeemed. If less than all the Bonds of any one maturity are called for redemption, the Bonds of such maturity to be redeemed shall be selected by lot; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or an integral multiple thereof and that, in selecting Bonds for redemption, the Bond Registrar shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000. For so long as a book-entry system is used for determining beneficial ownership of the Bonds, if less than all of the Bonds within a maturity are to be redeemed, The Depository Trust Company ("DTC") shall determine by lot the amount of interest of each Direct Participant in the Bonds to be redeemed.

Not more than forty-five (45) days nor less than thirty (30) days before the redemption date of any Bonds to be redeemed, whether the redemption be in whole or in part, the Issuer shall cause a notice of redemption to be mailed, postage prepaid, to DTC or its nominee. Each notice shall identify the Bonds or portions thereof to be redeemed by reference to their numbers and shall set forth the date designated for redemption, the redemption price to be paid and the maturities of the Bonds to be redeemed. If any Bond is to be redeemed in part only, the notice of redemption shall also state that on or after the redemption date, upon surrender of the Bond, a new Bond or Bonds in principal amount equal to the unredeemed portion of the Bond will be issued.

The notice of redemption may state that the Issuer retains the right to rescind such notice on or prior to the scheduled redemption date, and such notice and redemption shall be of no effect if such notice is rescinded. Any redemption may be rescinded in whole or in part at any time prior to the scheduled redemption date if the Issuer gives notice thereof on or prior to the scheduled redemption date in the manner provided above for redemptions. Any Bonds as to which redemption has been rescinded shall remain outstanding.

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

On the date fixed for redemption, notice having been given in the manner and under the conditions provided above, the Bonds or portions thereof called for redemption shall be due and payable at the redemption price provided therefor, plus accrued interest to the redemption 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, are held by the Bond Registrar in trust for the registered owners of Bonds or portions thereof called for redemption, 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 that 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.

6. 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 form 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 on 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 form satisfactory to the Bond Registrar. Upon any registration of transfer, the Bond Registrar shall authenticate and deliver in exchange for the 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 the 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 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 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 the exchange or registration of transfer, but no other charge shall be made 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 that mailing or of any Bond called for redemption in whole or in part pursuant to this Section.

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 Bond and the interest on any 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 that 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 and make such other arrangements as may be necessary for the registration, registration of transfer and exchange of Bonds within a reasonable time according to commercial standards then applicable 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 as Finance Director, 115 W. Main Street, Lincolnton, NC 28092, the books of the Issuer for the registration, registration of transfer, exchange and payment of the Bonds as provided in this resolution.

7. The Issuer hereby reserves the right to increase or decrease the principal amount of any maturity of the Bonds to be sold as described in the Notice of Sale relating to the Bonds.

8. The actions of the Finance Director of the Issuer and others in applying to the Local Government Commission of North Carolina to advertise and sell the Bonds and the action of the Local Government Commission of North Carolina in asking for sealed and electronic bids for the Bonds by publishing notices and printing and distributing the Preliminary Official Statement and the Official Statement relating to the Bonds are hereby ratified and approved. That Preliminary Official Statement 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 changes in the Preliminary Official Statement, to approve the Official Statement, and to execute the Official Statement for and on behalf of the Issuer. The Preliminary Official Statement is deemed to be a final official statement within the meaning of Rule 15c2-12 of the Securities and Exchange Commission, except for the omission of certain pricing and other information to be specified in the Official Statement.

9. The Chairman of the Board of Commissioners and the Clerk to the Board of Commissioners and the Finance Director of the Issuer are hereby authorized and directed to cause the Bonds to be prepared and, when they shall have been duly sold by the Local Government Commission, to execute the Bonds and have the Bonds endorsed and authenticated as provided herein and to deliver the Bonds to the purchaser or purchasers to whom they may be sold by the Local Government Commission.

10. The Issuer covenants to comply with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), to the extent required to preserve the exclusion from gross income of interest on the Bonds for federal income tax purposes.

11. The Chairman of the Board of Commissioners and the Clerk to the Board of Commissioners, the Finance Director and other officers of the Issuer are hereby authorized and directed to execute and deliver for and on behalf of the Issuer any and all financing statements, certificates, documents or other papers and to perform any and all acts they may deem necessary or appropriate in order to carry out the intent of this resolution and the matters herein authorized.

12. The Issuer hereby authorizes the officers of the Issuer designated therein to execute and deliver an Escrow Deposit Agreement in such form as may be approved by them, their execution thereof constituting conclusive evidence of such approval.

13. The Issuer represents that it reasonably expects that it and all entities subordinate to the Issuer and all entities that issue obligations on behalf of the Issuer will not issue in the aggregate more than \$30,000,000 of tax-exempt obligations (not counting private activity bonds and certain refunding bonds as provided in Section 265(b)(3)(C)(ii) of the Code) during the current calendar year, and the Issuer hereby designates the Bonds for purposes of Section 265(b)(3) of the Code.

14. The Issuer hereby undertakes, for the benefit of the beneficial owners of the Bonds, to provide to the Municipal Securities Rulemaking Board ("MSRB"):

(a) by not later than seven months from the end of each fiscal year of the Issuer, 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, (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 heading "The County - Debt Information and - Tax Information" in the Official Statement relating to the Bonds (excluding any information on overlapping or 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 audited financial statements referred to in (a) above;

(c) in a timely manner, notice of any of the following events with respect to the Bonds, if material:

- (1) principal and interest payment delinquencies;
- (2) non-payment related default;
- (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) bond calls;
- (9) defeasances;
- (10) release, substitution or sale of any property securing repayment of the Bonds;
- (11) rating changes; and

(d) in a timely manner, 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.

The Issuer shall provide the documents referred to above to the MSRB in an electronic format as prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

The Issuer may discharge its undertaking described above by transmitting the documents referred to above to any entity and by any method authorized by the U.S. Securities and Exchange Commission.

If the Issuer fails to comply with the undertaking described above, any beneficial owner of the Bonds 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. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all beneficial owners 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 identify, 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 relating to the Bonds, 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 interest of the beneficial owners, as determined either by parties unaffiliated with the Issuer (such as bond counsel), or by the approving vote of the registered owners of a majority in principal amount of the Bonds pursuant to the terms of this bond resolution, as it may be amended from time to time, at the time of the amendment.

Any annual financial information containing modified operating data or financial information shall explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

The provisions of this Section 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.

15. The investment banking firm of First Tryon Securities, LLC is hereby authorized to serve as financial advisor to the Issuer (the "Financial Advisor") in connection with sale and issuance of the Bonds. The Financial Advisor and its affiliates are hereby expressly authorized to bid for the purchase of the Bonds.

The motion was adopted by the following vote:

AYES: Patton, Arena, Klein, and Mitchem.

NAYS: none.

RESOLUTION AUTHORIZING ISSUANCE OF BONDS

Commissioner Arena moved adoption of the following resolution, the motion was seconded by Commissioner Klein, and the resolution was read by the above title.

WHEREAS, the bond order hereinafter described has taken effect, and it is desirable to make provision for the issuance of bonds authorized thereby;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the County of Lincoln, North Carolina (the "Issuer"), as follows:

16. Pursuant to and in accordance with the school facilities bond order adopted by the Board of Commissioners on March 3, 2008, the Issuer shall issue its bonds in the aggregate principal amount of \$8,500,000. The period of usefulness of the capital project to be financed by the issuance of the bonds is a period of forty years, computed from February 9, 2010.

17. The bonds to be issued pursuant to the bond order described in the preceding paragraph shall be designated "General Obligation School Bonds, Series 2010B" (the "Bonds"). The Bonds shall be dated February 9, 2010, and shall bear interest from their date at a rate or rates that shall be determined upon the public sale of the Bonds, and interest shall be payable on June 1, 2010, and semi-annually thereafter on December 1 and June 1. The Bonds shall mature annually on June 1, as follows:

| <u>Year</u> | <u>Principal Amount</u> | <u>Year</u> | <u>Principal Amount</u> |
|-------------|-----------------------------|-------------|-----------------------------|
| 2011 | \$300,000 | 2021 | \$ 300,000 |
| 2012 | 300,000 | 2022 | 300,000 |
| 2013 | 300,000 | 2023 | 300,000 |
| 2014 | 300,000 | 2024 | 750,000 |
| 2015 | 300,000 | 2025 | 750,000 |
| 2016 | 300,000 | 2026 | 750,000 |
| 2017 | 300,000 | 2027 | 750,000 |
| 2018 | 300,000 | 2028 | 1,200,000 |
| 2019 | 300,000 | 2029 | 400,000 |
| 2020 | 300,000 | | |

Each Bond shall bear interest from the interest payment date next preceding the date on which it is authenticated unless it is (a) authenticated on an interest payment date, in which event it shall bear interest from that 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 that is legal tender for the payment of public and private debts on the respective dates of payment thereof. Debt service will be payable to the owners of Bonds shown on the records of the hereinafter designated Bond Registrar of the Issuer on the record date, which shall be the fifteenth day of the calendar month (whether or not a business day) next preceding a debt service payment date.

18. The Bonds will be issued in fully registered form by means of a book entry system with no physical distribution of bond certificates made to the public. One bond certificate for each maturity will be issued to and registered in the name of The Depository Trust Company, New York, New York ("DTC") or its nominee and immobilized in its custody. The book entry system will evidence beneficial ownership of the Bonds in the principal amounts of \$5,000 or integral multiples thereof, with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC. Interest on the Bonds will be payable at the times stated in the preceding paragraph, and principal of the Bonds will be paid annually on June 1, as set forth in the above maturity schedule, in clearinghouse funds to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of those participants and other nominees of beneficial owners. The Issuer will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds, or (b) 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 in a manner consistent with DTC's rules and procedures. If the Issuer fails to arrange for another qualified securities depository to replace DTC, the Issuer will authenticate and deliver replacement Bonds in the form of fully registered certificates in denominations of \$5,000 or integral multiples thereof.

19. 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 imprinted, as the case may be, on the Bonds.

The certificate of the Local Government Commission of North Carolina to be endorsed on all Bonds shall bear the manual or facsimile signature of the Secretary of that Commission or of a representative designated by that Secretary, and the certificate of authentication of the Bond Registrar to be endorsed on all Bonds shall be executed as provided below.

In case any officer of the Issuer or the Local Government Commission of North Carolina whose manual or facsimile signature appears on any Bonds shall cease to be that officer before the delivery of those Bonds, that manual or facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until delivery, and any Bond may bear the manual or facsimile signatures of such persons as at the actual time of the execution of the Bond shall be the proper officers to sign the Bond although at the date of the Bond those 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 has been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed thereon.

20. The Bonds and the endorsements thereon shall be in substantially the following form:

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 requested 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 2010B

INTEREST
RATE

MATURITY
DATE

DATE OF
BOND

CUSIP

February 9, 2010

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: _____ DOLLARS

The County of Lincoln (the "County"), a county of the State of North Carolina, acknowledges itself indebted and for value received hereby promises to pay to the registered owner named above, on the date specified above, upon surrender hereof, at the office of the Finance Director of the County, 115 W. Main Street, Lincolnton, NC 28092 (the "Bond Registrar"), the principal sum shown above and to pay to the registered owner hereof, by check mailed to the registered owner at its address as it appears on the bond registration books of the County, interest on that principal sum from the date of this bond or from the December 1 or June 1 next preceding the date of authentication to which interest shall have been paid, unless the date of authentication is a December 1 or June 1 to which interest shall have been paid, in which case from that date, interest to the maturity hereof being payable on June 1, 2010, and semi-annually thereafter on December 1 or June 1 of each year, at the rate per annum specified above, until payment of the principal sum. The interest so payable on any interest payment date will be paid to the person in whose name this bond is registered at the close of business on the record date for that interest, which shall be the fifteenth day of the calendar month (whether or not a business day) next preceding that interest payment date. 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.

This bond is issued in accordance with the Registered Public Obligations Act, Chapter 159E of the General Statutes of North Carolina, and pursuant to The Local Government Finance Act of the State of North Carolina, as amended, a bond order adopted by the Board of Commissioners of the County on March 3, 2008 (the "Bond Order") and a resolution adopted by that Board (the "Resolution") providing for the issuance of this bond. The issuance of this bond and the contracting of the indebtedness evidenced hereby

have been approved by a majority of the qualified voters of the County voting at an election held in the County.

The bonds maturing on and after June 1, 2020 shall be subject to redemption prior to their stated maturities at the option of the County on or after June 1, 2019 in whole or in part at any time at a redemption price equal to 100% of the principal amount of each bond to be redeemed, together with accrued interest thereon to the redemption date. If less than all the bonds are called for redemption, the County shall determine the maturities and the amounts thereof of the bonds to be redeemed. If less than all the bonds of any one maturity are called for redemption, the bonds of such maturity to be redeemed shall be selected by lot; provided, however, that the portion of any bond to be redeemed shall be in the principal amount of \$5,000 or an integral multiple thereof and that, in selecting bonds for redemption, the Bond Registrar shall treat each bond as representing that number of bonds which is obtained by dividing the principal amount of such bond by \$5,000. For so long as a book-entry system is used for determining beneficial ownership of the bonds, if less than all of the bonds within a maturity are to be redeemed, The Depository Trust Company ("DTC") shall determine by lot the amount of interest of each Direct Participant in the bonds to be redeemed.

Not more than forty-five (45) days 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 County shall cause a notice of redemption to be mailed, postage prepaid, to DTC or its nominee. On the date fixed for redemption, that notice having been given, the bonds or portions thereof so called for redemption shall be due and payable at the redemption price provided for the redemption of those bonds or portions thereof on that date and, if moneys for payment of the redemption price and the accrued interest are held by the Bond Registrar 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 DTC or its nominee upon the surrender hereof.

The notice of redemption may state that the County retains the right to rescind such notice on or prior to the scheduled redemption date, and such notice and redemption shall be of no effect if such notice is rescinded. Any redemption may be rescinded in whole or in part at any time prior to the scheduled redemption date if the County gives notice thereof on or prior to the scheduled redemption date in the manner provided above for redemptions. Any bonds as to which redemption has been rescinded shall remain outstanding.

The bonds will be issued in fully registered form by means of a book entry system with no physical distribution of bond certificates made to the public. One bond certificate for each maturity will be issued to and registered in the name of DTC or its nominee and immobilized in its custody. The book entry system will evidence beneficial ownership of the bonds in principal amounts of \$5,000 or integral multiples thereof, with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of participants and other nominees of beneficial owners. The County will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through participants.

The Bond Registrar shall keep at its office the books of the County for the registration of transfer of bonds. The transfer of this bond may be registered only upon those 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 form satisfactory to the Bond Registrar. Upon any 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, in 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 conditions, acts and things required by the Constitution or statutes of the State of North Carolina to exist, be performed or happen precedent to or in the issuance of this bond, exist, have been performed and have happened, and that the amount of this bond, together with all other indebtedness of the County, is within every debt and other limit prescribed by said Constitution or statutes. The faith and credit of the County are hereby pledged to the punctual payment of the principal of and interest on this bond in accordance with its terms.

This bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Bond Order or the Resolution until this bond shall have been endorsed by the authorized representative of the Local Government Commission of North Carolina and authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, the County has caused this bond [to be manually signed by] [to bear the facsimile signatures of] the Chairman of the Board of Commissioners and the Clerk to the Board of Commissioners and [a facsimile of] its official seal to be [imprinted] [impressed] hereon, and this bond to be dated February 9, 2010.

Chairman of the Board of Commissioners

(SEAL)

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.

Secretary,
Local Government Commission

CERTIFICATE OF AUTHENTICATION

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

COUNTY OF LINCOLN
FINANCE DIRECTOR, as Bond Registrar

By: _____
Authorized Signature

Date of Authentication: February 9, 2010

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____
the within Bond and irrevocably appoints _____
attorney-in-fact, to transfer the within Bond on the books kept for registration thereof, with full power of
substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must
correspond with the name as it appears upon the
face of the within Bond in every particular,
without any alteration whatsoever.

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.

The Bonds maturing on and after June 1, 2020 shall be subject to redemption prior to their stated maturities at the option of the County on or after June 1, 2019 in whole or in part at any time at a redemption price equal to 100% of the principal amount of each Bond to be redeemed, together with accrued interest thereon to the redemption date. If less than all the Bonds are called for redemption, the County shall determine the maturities and the amounts thereof of the Bonds to be redeemed. If less than all the Bonds of any one maturity are called for redemption, the Bonds of such maturity to be redeemed shall be selected by lot; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or an integral multiple thereof and that, in selecting Bonds for redemption, the Bond Registrar shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000. For so long as a book-entry system is used for determining beneficial ownership of the Bonds, if less than all of the Bonds within a maturity are to be redeemed, The Depository Trust Company ("DTC") shall determine by lot the amount of interest of each Direct Participant in the Bonds to be redeemed.

Not more than forty-five (45) days nor less than thirty (30) days before the redemption date of any Bonds to be redeemed, whether the redemption be in whole or in part, the Issuer shall cause a notice of redemption to be mailed, postage prepaid, to DTC or its nominee. Each notice shall identify the Bonds or portions thereof to be redeemed by reference to their numbers and shall set forth the date designated for redemption, the redemption price to be paid and the maturities of the Bonds to be redeemed. If any Bond is to be redeemed in part only, the notice of redemption shall also state that on or after the redemption date, upon surrender of the Bond, a new Bond or Bonds in principal amount equal to the unredeemed portion of the Bond will be issued.

The notice of redemption may state that the Issuer retains the right to rescind such notice on or prior to the scheduled redemption date, and such notice and redemption shall be of no effect if such notice is rescinded. Any redemption may be rescinded in whole or in part at any time prior to the scheduled redemption date if the Issuer gives notice thereof on or prior to the scheduled redemption date in the manner provided above for redemptions. Any Bonds as to which redemption has been rescinded shall remain outstanding.

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

On the date fixed for redemption, notice having been given in the manner and under the conditions provided above, the Bonds or portions thereof called for redemption shall be due and payable at the redemption price provided therefor, plus accrued interest to the redemption 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, are held by the Bond Registrar in trust for the registered owners of Bonds or portions thereof called for redemption, 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 that 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.

21. 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 form 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 on 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 form satisfactory to the Bond Registrar. Upon any registration of transfer, the Bond Registrar shall authenticate and deliver in exchange for the 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 the 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 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 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 the exchange or registration of transfer, but no other charge shall be made 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 that mailing or of any Bond called for redemption in whole or in part pursuant to this Section.

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 Bond and the interest on any 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 that 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 and make such other arrangements as may be necessary for the registration, registration of transfer and exchange of Bonds within a reasonable time according to commercial standards then applicable 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 as Finance Director, 115 W. Main Street, Lincolnton, NC 28092, the books of the Issuer for the registration, registration of transfer, exchange and payment of the Bonds as provided in this resolution.

22. The actions of the Finance Director of the Issuer and others in applying to the Local Government Commission of North Carolina to advertise and sell the Bonds and the action of the Local Government Commission of North Carolina in asking for sealed and electronic bids for the Bonds by publishing notices and printing and distributing the Preliminary Official Statement and the Official Statement relating to the Bonds are hereby ratified and approved. That Preliminary Official Statement 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 changes in the Preliminary Official Statement, to approve the Official Statement, and to execute the Official Statement for and on behalf of the Issuer. The Preliminary Official Statement is deemed to be a final official statement within the meaning of Rule 15c2-12 of the Securities and Exchange Commission, except for the omission of certain pricing and other information to be specified in the Official Statement.

23. The Chairman of the Board of Commissioners and the Clerk to the Board of Commissioners and the Finance Director of the Issuer are hereby authorized and directed to cause the Bonds to be prepared and, when they shall have been duly sold by the Local Government Commission, to

execute the Bonds and have the Bonds endorsed and authenticated as provided herein and to deliver the Bonds to the purchaser or purchasers to whom they may be sold by the Local Government Commission.

24. The Issuer covenants to comply with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), to the extent required to preserve the exclusion from gross income of interest on the Bonds for federal income tax purposes.

25. The Chairman of the Board of Commissioners and the Clerk to the Board of Commissioners, the Finance Director and other officers of the Issuer are hereby authorized and directed to execute and deliver for and on behalf of the Issuer any and all financing statements, certificates, documents or other papers and to perform any and all acts they may deem necessary or appropriate in order to carry out the intent of this resolution and the matters herein authorized.

26. The Issuer represents that it reasonably expects that it and all entities subordinate to the Issuer and all entities that issue obligations on behalf of the Issuer will not issue in the aggregate more than \$30,000,000 of tax-exempt obligations (not counting private activity bonds and certain refunding bonds as provided in Section 265(b)(3)(C)(ii) of the Code) during the current calendar year, and the Issuer hereby designates the Bonds for purposes of Section 265(b)(3) of the Code.

27. The Issuer hereby undertakes, for the benefit of the beneficial owners of the Bonds, to provide to the Municipal Securities Rulemaking Board ("MSRB"):

(a) by not later than seven months from the end of each fiscal year of the Issuer, 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, (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 heading "The County - Debt Information and - Tax Information" in the Official Statement relating to the Bonds (excluding any information on overlapping or 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 audited financial statements referred to in (a) above;

(c) in a timely manner, notice of any of the following events with respect to the Bonds, if material:

- (1) principal and interest payment delinquencies;
- (2) non-payment related default;
- (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) bond calls;
- (9) defeasances;
- (10) release, substitution or sale of any property securing repayment of the Bonds;
- (11) rating changes; and

(d) in a timely manner, 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.

The Issuer shall provide the documents referred to above to the MSRB in an electronic format as prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

The Issuer may discharge its undertaking described above by transmitting the documents referred to above to any entity and by any method authorized by the U.S. Securities and Exchange Commission.

If the Issuer fails to comply with the undertaking described above, any beneficial owner of the Bonds 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. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all beneficial owners 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:

(d) 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;

(e) 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 relating to the Bonds, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any changes in circumstances; and

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

Any annual financial information containing modified operating data or financial information shall explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

The provisions of this Section 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.

28. The investment banking firm of First Tryon Securities, LLC is hereby authorized to serve as financial advisor to the Issuer (the "Financial Advisor") in connection with sale and issuance of the Bonds. The Financial Advisor and its affiliates are hereby expressly authorized to bid for the purchase of the Bonds.

The motion was adopted by the following vote:

AYES: Patton, Arena, Klein, and Mitchem.

NAYS: none.

Planning Board Recommendations:

Conditional Use Permit No. 258a: UPON MOTION by Commissioner Carlton, the board voted unanimously to approve CUP 258a with the findings of fact as presented.

Findings of Fact

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 reason cited: Subject to a driveway permit being issued by DOT during the final phase.

2. The use meets all required conditions and specifications. Yes___X___ No_____

Factual reason cited: Meets all required conditions and specifications as shown on the plan.

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 reason cited: Facility is already functioning in this manner and the expansion of the facility will not materially change the operation and therefore will not have effects on the surrounding property.

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___X___ No_____

Factual reason cited: In harmony with land use in the area and agricultural use fits in well with the uses in the area.

After having held a Public Hearing on December 7, 2009, and in light of the findings of fact listed herein, the following action was taken by the Lincoln County Planning Board: That they pass this on to the commissioners with a favorable recommendation based upon the findings of fact.

Condition:

1. Cut-off time for outdoor music at 9:30 p.m.
2. Driveway permit for 2nd phase.

CUP 293: UPON MOTION by Commissioner Carlton, the Board voted unanimously to accept the recommendation and findings of fact for CUP #293.

Findings of Fact

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 reason cited: Will not materially endanger the public health or safety if developed in accordance to the plan.

2. The use meets all required conditions and specifications. Yes___X___ No_____

Factual reason cited: Plan does meet all required conditions and specifications as outlined by staff.

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 reason cited: Based on public hearing and the number of comments from adjoining property owners, it appears that it could cause decrease in value to adjoining properties.

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 reason cited: Based on the public hearing, it is obvious that is not in harmony with the adjoining neighborhoods.

After having held a Public Hearing on December 7, 2009, and in light of the findings of fact listed herein, the following action was taken by the Lincoln County Planning Board: That they pass this on to the commissioners with an unfavorable recommendation based upon the findings of fact.

Based on two items in negative, the request is not recommended to be approved.

Conditional Use Permit No. 294: UPON MOTION by Commissioner Arena, the Board voted unanimously to accept CUP #294 with the recommendations suggested by the PB.

Findings of Fact

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 reason cited: The use will not materially endanger the public health and safety if developed to plan and subject to condition of staff parking only on the side that abuts Sennebogen.

2. The use meets all required conditions and specifications. Yes___X___ No_____

Factual reason cited: Meets all required conditions and specifications as discussed with staff.

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 reason cited: Use will not substantially injure the value of adjoining property if used in accordance to the conditions applied.

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___X___ No_____

Factual reason cited: It is already an existing building and will fit in with area.

After having held a Public Hearing on December 7, 2009, and in light of the findings of fact listed herein, the following action was taken by the Lincoln County Planning Board: That they pass this on to the commissioners with a favorable recommendation based upon the findings of fact.

Condition

1. That the west side of the building be used for staff parking only

Zoning Map Amendment No. 576: UPON MOTION by Commissioner Arena, the Board voted unanimously to approve ZMA #576 based on the recommendation of the Planning Board and the Statement of Consistency and Reasonableness presented by the Planning Board.

Statement of Consistency and Reasonableness

This proposed amendment **is consistent** with the Lincoln County Comprehensive Land Use Plan and other adopted plans in that:

The front portion of this parcel and a portion of this property lie in an area designated as the NC 16 Corridor. The Land Use Plan calls for a redevelopment plan for the corridor that promotes the further mixing of land uses in a more orderly and planned manner through the creation of an overlay district that would, among other things, prohibit certain “heavy” or “unsightly” uses from locating along the corridor.

This proposed amendment is reasonable and in the public interest in that:

This is a downzoning that will restrict the possible uses to less intensive ones than are permitted in the I-G district. This rezoning carries out a condition of a conditional use permit that was approved in conjunction with the previous rezoning of this property to I-G. The front of this parcel is zoned B-N. This property adjoins another property that is zoned business.

Zoning Map Amendment No. 577: UPON MOTION by Commissioner Mitchem, the Board voted unanimously to approve ZMA #577 based on the recommendation of the Planning Board and the Statement of Consistency and Reasonableness presented by the Planning Board.

Statement of Consistency and Reasonableness

This proposed amendment **is inconsistent** with the Lincoln County Comprehensive Land Use Plan and other adopted plans in that:

The Land Use Plan designates this area as Suburban Residential.

This proposed amendment **is reasonable and in the public interest** in that:

A hospital is under construction across the road from this property, which is near the main entrance. This property adjoins property in Lincolnton’s zoning jurisdiction that is zoned Office Institutional. Lincolnton has amended its land use plan to designate a large area adjoining this property as Office Institutional to accommodate the new hospital and the spinoff development that’s anticipated.

We have a replacement vehicle in the Capital Improvements Program for the next fiscal year for the Tax Department's revaluation unit. One of the current vehicles has experienced some major mechanical problems, and we believe it is better to replace this vehicle now, rather than put a lot of money into it just before replacement next year.

I am recommending that you authorize me to allow this purchase this fiscal year, and delete it from the next fiscal year. If approved, Leon Harmon will prepare a budget amendment.

Vehicle Replacement for the Tax Department – George Wood: Mr. Wood stated that there is a replacement vehicle in the Capital Improvements Program for the next fiscal year for the Tax Department's revaluation unit. One of the current vehicles has experienced some major mechanical problems, and he believes it is better to replace this vehicle now, rather than put a lot of money into it just before replacement next year.

Mr. Wood recommended that the Board authorize him to allow this purchase this fiscal year, and delete it from the next fiscal year. If approved, Mr. Harmon will prepare a budget adjustment.

UPON MOTION by Commissioner Carlton, the Board voted unanimously to approve Vehicle Replacement for the Tax Department.

Change Order Request for the New Animal Shelter – George Wood: Mr. Wood presented a small change order for several minor items on the Animal Shelter project. The changes were for: The temporary shelter entrance so operations could be continued while the new part was being constructed; FRP at some rooms; NEMA push button controls; changing keyways and door functions; adding an exterior light; and installing Cat 5 wiring for phone/data. All changes have been recommended by the architect, Dennis Williams.

Mr. Wood recommended that the Board approve this change order. The previous change orders have only been \$3,488.41 and this one is for \$5,347.60. Combined they are \$8,836.01 on a \$1,055,100 original contract, which is a very low amount.

UPON MOTION by Commissioner Arena, the Board voted unanimously to approve the Change Order Request for the New Animal Shelter.

Assumption of Probation Office Lease as required by SB 202 – George Wood: Mr. Wood said the State of NC had a difficult time balancing its budget this year. One of the ways that they balanced it was by mandating that counties provide at no cost to the state, office space for probation offices. Currently, the State leases +/- 1,260 sf of office space from Mr. Dennis Williams at 124 E. Sycamore Street, Lincolnton, for \$12,600 per year. This lease includes all utilities except the telephone.

Mr. wood said he had been contacted by Mr. Ron Moore of the NC Department of Corrections regarding this change in state law. The County has three options: 1) provide the office space in county-owned facilities; 2) reimburse the state for its office rental

expenses; or 3) assume the lease on the current office space, then provide that or other suitable space from thereon.

Mr. Wood recommended having the state assign the existing lease to the county. It will expire on July 31, 2012. That gives the county over 2.5 years to decide what to do in the future regarding housing these offices.

Mr. Wood said this adds a \$12,500 expense annually to our General Fund budget that was not anticipated. Mr. Harmon will prepare a budget amendment for half of this year, as the lease change will be effective January 1, 2010.

UPON MOTION by Commissioner Arena, the Board voted unanimously to approve the Assumption of Probation Office Lease as required by SB 202.

Capital Project Reports – Burns Whittaker: Burns Whittaker presented the Capital Project Reports.

Chairman Patton announced that the December 21 meeting had been cancelled and the Board will not meet again until January 4, 2010.

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

Amy S. Atkins, Clerk
Board of Commissioners

Alex Patton, Chairman
Board of Commissioners