

MINUTES
LINCOLN COUNTY BOARD OF COMMISSIONERS
MONDAY, JANUARY 24, 2011

The Lincoln County Board of County Commissioners met on January 24, 2011 at the Citizens Center, Commissioners Room, 115 West Main Street, Lincolnton, North Carolina, the regular place of meeting at 6:30 PM.

Commissioners Present:

Alex Patton – Chairman
George Arena – Vice Chairman
Carl E. Robinson, Jr.
James A. Klein
Carrol D. Mitchem

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
Randy Hawkins, Zoning Administrator
Burns Whittaker, Public Works Director
Ron Rombs, Emergency Medical Services Director
Leon Harmon, Finance Director

Call to Order: Chairman Patton called the January 24, 2011 meeting of the Lincoln County Board of Commissioners meeting to order.

Chairman Patton gave the invocation and led in the Pledge of Allegiance.

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

AGENDA

LINCOLN COUNTY BOARD OF COMMISSIONERS

JANUARY 24, 2011

- | | | |
|----|---------|--|
| | 6:30 PM | Call to Order |
| | | Invocation - Rev. J.V. Allen, Boger City Wesleyan Church |
| | | Pledge of Allegiance |
| 1. | 6:32 PM | Adoption of Agenda |
| 2. | 6:33 PM | Consent Agenda |

- Ordinance #2011-2: An Ordinance Amending the FY 2011 Budget for the County of Lincoln, North Carolina
 - Sponsored Group Status
 - Lincoln County Republican Party
 - Tax Requests for Refunds - More than \$100
 - November 29 - December 12, 2010
 - Surplus Property
3. 6:35 PM Public Comments
 4. 6:50 PM Planning Board Recommendations – Randy Hawkins
 5. 7:00 PM Revised Drug and Alcohol Testing Policy - James Luster
 6. 7:15 PM Parks and Recreation Trust Fund (PARTF) Applications - Erma Deen Hoyle
 - Rock Springs Park
 - East Lincoln Rescue Squad Park
 7. 7:30 PM Facilities Maintenance/Repair Plan - Burns Whittaker
 8. 7:40 PM Resolution #2011-03: Resolution Authorizing Issuance of Bonds - Leon Harmon
 9. 7:45 PM Resolution #2011-04: Resolution Authorizing Issuance of Bonds - Leon Harmon
 10. 7:50 PM Motion to Approve Agreement with Norman Pointe Development, LLC on Sewer Pump Station - George Wood
 11. 8:00 PM Approval Grant Agreement with Industrial Development Fund Grant Number: U-412 Project: Hydac Water and Sewer Project - Martha Lide
 12. 8:10 PM Update on Animal Services - George Wood
 13. 8:20 PM Finance Officers Report - Leon Harmon
 - ~~14. 8:25 PM Capital Project Report – Burns Whittaker~~
 15. 8:30 PM County Manager's Report - George Wood
 16. 8:35 PM County Commissioners' Report
 - NCACC Meeting Highlights from December 2010
 17. 8:40 PM County Attorney's Report - Jeff Taylor
 18. 8:45 PM Vacancies/Appointments
 19. 8:50 PM Calendar
 20. 8:55 PM Other Business
 - Register of Deeds Report
 21. 9:00 PM Closed Session - Motion to enter closed session pursuant to NCGS 143-318.11(a)(3) to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged
- Adjourn

UPON MOTION by Commissioner Robinson, the Board voted unanimously to adopt the agenda as presented.

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

- Ordinance #2011-2: An Ordinance Amending the FY 2011 Budget for the County of Lincoln, North Carolina
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**ORDINANCE #2011-2: AN ORDINANCE AMENDING THE FY 2011 BUDGET
FOR THE COUNTY OF LINCOLN, NORTH CAROLINA**

THAT WHEREAS, the Lincoln County Board of Commissioners adopted the FY 2011 Budget by approving Ordinance #2010-05 on June 21, 2010; 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 2011 Budget previously adopted is hereby amended as follows:

Section 1. That the budget adjustments attached hereto, and incorporated herein by reference as Exhibit A to Ordinance #2011-2, are hereby approved and adopted as amendments to the FY 2011 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 24th day of January, 2011.

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

ATTEST:

Amy S. Atkins
Clerk to the Board

EXHIBIT A to Ordinance #2011-2

Budget Adjustments numbered 62 through 68, inclusive.

LINCOLN COUNTY TAX DEPARTMENT
MOTOR VEHICLES

REQUEST FOR REFUNDS

PERIOD COVERED (NOVEMBER 29, 2010-DECEMBER 12, 2010)

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

NAME	YEAR	DIST	A/C#	AMOUNT	REASON
GOINS, JERRY P.	2010	ELFD/ELSD	0215151	101.80	PRO-RATED BILL
			TOTAL	\$101.80	

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.

Rudy Bauer, 8252 Blades Trail, spoke concerning someone pumping into or out of the pump station at Burton Trail. He asked why there had to be 6 to 12 guys standing beside the hole at the water main break. He said 2 people would have been sufficient.

Joshua Keener, 441 Buffalo Shoals Road, stated that he and his mother recently received papers on REM foreclosure on their property. He asked for a delay since recent evidence was found concerning his father's land. He asked for leniency and compassion in this matter.

Michael Cooney, 4517 Lakeshore Road North, stated that if the County is not spending a million dollars on Animal Control, it will be spent eventually. He said he will bring a petition back to the Board in 60 days, hopefully with more than 5,000 signatures urging the adoption of a comprehensive animal control ordinance with better check and balances and shifts the financial burden of Animal Control from the county to pet owners.

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

Planning Board Recommendations – Randy Hawkins: Randy Hawkins presented the following information:

UDO Proposed Amendments #2011-1 Lincoln County Planning and Inspections Department, applicant. A proposal to amend Section 2.2 of the Lincoln County Unified Development Ordinance to revise the use table, classifying industrial uses by the North American Industry Classification System (NAICS) and adding, changing, combining and deleting listings for the B-G (General Business), B-C (Corporate Business), I-L (Light Industrial) and I-G (General Industrial) zoning districts.

The Planning Board voted 8-0 to recommend approval and adopted a Statement of Consistency and Reasonableness.

UPON MOTION by Commissioner Arena, the Board voted unanimously to adopt UDO Proposed Amendments #2011-1 along with the Statement of Consistency and Reasonableness presented by the Planning Board.

Revised Drug and Alcohol Testing Policy – James Luster: James Luster presented the following information:

The Department of Transportation (DOT) has amended certain parts of 49 CFR Part 40 (Code of Federal Regulation) concerning Drug and Alcohol Testing, and the Lincoln County Drug and Alcohol Testing policy needs to be amended in order to comply with these amendments. It is recommended that the Board adopt the attached Resolution which changes the Lincoln County Personnel Policy, Article V Conditions of Employment, Section 13 to incorporate the attached revised Lincoln County Drug and Alcohol Testing Policy.

The significant changes that were made in the amended DOT policy which have now been incorporated into the revised Lincoln County Drug and Alcohol Testing Policy are as follows:

1. Testing for MDMA (Ecstasy) has been added to the amphetamine test panel
2. Initial testing for heroin will be mandatory for all opiate positives
3. Cutoff levels for drugs will be consistent with 49 CFR Part 40, as amended
4. Term definitions have been revised as follows:
 - a. **Adulterated specimen:** A specimen that has been altered, as evident by test results showing either a substance that is not a normal constituent for that type of specimen or showing an abnormal concentration of an endogenous substance.
 - b. **Confirmatory drug test:** A second analytical procedure performed on different aliquot of the original specimen to identify and quantify the presence of a specific drug or drug metabolite.
 - c. **Initial drug test (Screening Drug Test):** The test used to differentiate a negative specimen from one that requires further testing for drugs or drug metabolites.

- d. **Initial specimen validity test:** The first test used to determine if a urine specimen is adulterated, diluted, substituted, or invalid.
- e. **Invalid drug test:** The test reported by an HHS-certified laboratory in accordance with the criteria established by HHS Mandatory Guidelines when a positive, negative, adulterated, or substituted result cannot be established for specific drug or specimen validity test.
- f. **Laboratory:** Any U.S. laboratory certified by HHS under the National Laboratory Certification Program as meeting the minimum standards of Subpart C of the HHS Mandatory Guidelines for Federal Workplace Drug Testing Programs; or, in the case of foreign laboratories, a laboratory approved for participation by DOT under this part.
- g. **Limit of Detection (LOD):** The lowest concentration at which a measurand can be identified, (but for quantitative assays) the concentration cannot be accurately calculated.
- h. **Limit of Quantitation:** For quantitative assays, the lowest concentration at which the identity and concentration of the measurand can be accurately established.
- i. **Negative result:** The result reported by an HHS-certified laboratory to an MRO when a specimen contains no drug or the concentration of the drug is less than the cutoff concentration of the drug or drug class and the specimen is a valid specimen.
- j. **Positive result:** The result reported by an HHS-certified laboratory when a specimen contains a drug or drug metabolite equal to or greater than the cutoff concentrations.
- k. **Reconfirmed:** The result reported for split-specimen when the second laboratory is able to corroborate the original result reported for the primary specimen.
- l. **Rejected for testing:** The result reported by an HHS-certified laboratory when no tests are performed for specimen because of a fatal flaw or a correctable flaw that is not corrected.
- m. **Split-specimen collection:** A collection in which the urine is divided into two separate specimen bottles, the primary specimen (bottle A) and the split specimen (bottle B).

The attached drug policy is divided into two sections. Section 1 applies to all County employees (Commercial Drivers Licenses (CDL) / Safety Sensitive/Non Safety Sensitive and the Employee Testing Program). Section 2 applies only to Transportation Lincoln County employees. Both sections include definitions of prohibited substances and conduct, testing requirements, and testing procedures for drugs, alcohol, pre-employment, reasonable suspicion, post accident, random testing, return to duty, and follow up testing.

These two sections are very similar, but have subtle differences that are required by 49 CFR Part 40.

UPON MOTION by Commissioner Robinson, the Board voted unanimously to approve the Revised Drug and Alcohol Testing Policy.

Parks and Recreation Trust Fund (PARTF) Applications – Erma Deen Hoyle: Erma Deen Hoyle presented the following information:

Rock Springs Park

The Lincoln County Parks and Recreation Commission is requesting approval to submit two applications for the 2011 cycle of the North Carolina Parks and Recreation Trust Fund (PARTF) grants. PARTF grants are funded with collections from the land transfer tax and awarded annually to local governments for acquisition and development projects.

The PARTF grants are 50/50 matching grants, with the local government providing at least a one dollar to one dollar match for all funds requested. These grants are reimbursable grants, with the local government expending funds and requesting the reimbursement (during each fiscal quarter or at the completion of the project). Match may be from other grants or donations, but must be actual dollars, not in kind of labor, etc.

The local match for Rescue Squad Park is to be primarily provided through the sale of the property of the former East Lincoln Rescue Squad. The match for the Rock Springs Park will be grants and county capital funding.

Rock Springs Park property was acquired with partial funding from a PARTF grant awarded to Lincoln County in 2008. A condition of this award was development on the project within five years of the award.

Rescue Squad Park is to be located on property purchased by Lincoln County (for a school that was relocated), but leased to the Denver-Lake Norman Rotary Foundation for development of a park.

Gary Wirth, with Wirth and Associates, stated that he and Craig Wyant with A Fine Line Design, have been working on the master plan for the Rock Springs Park and have been working on getting the application for the PARTF grant ready. He said the park is off Pine Ridge Road. Mr. Wirth presented the specifics of the park and laid out where everything would be. Their estimates show this to be a \$943,000 project with sources of funding being: PARTF grant for \$415,000, Duke Energy Wildlife Enhancement Grant for \$50,000, other grants \$200,000, and Lincoln County contribution of \$278,350. He said they have letters of support from Lincoln Natural Resources Commission, Carolina Thread Trail, and Lincoln County Steering Committee of the CIT.

Mr. Wirth said the property was bought with a PARTF grant and must be developed within a five-year period from that point in time. If the grant is awarded for this project, There will be three years to complete construction of this phase if the grant is awarded.

Chairman Patton asked if extensions are given. Erma Deen Hoyle stated that if the project is started and we are showing intent, they may give an extension.

Mr. Wirth asked for the Board to approve the Master Plan for this project and the county's portion of the funding.

Commissioner Arena asked if the Board is in violation of the first grant if they do not approve this. Mr. Wirth said they are not in violation, but the Board is committed to move forward within the next three years. In this scenario, the County will put up \$278,350 for almost a million dollar project.

Erma Deen Hoyle stated that this will not be in the 2011 budget. She will be submitting a CIP request for FY 2012 that will show a spread over the three years for the grant money. The PARTF is a reimbursement grant, the County up-fronts the money and then asks for reimbursement based on the amount of the construction to-date completed.

Ms. Hoyle stated that the deadline is Monday, January 31.

East Lincoln Rescue Squad Park

John Wood presented information concerning the East Lincoln Rescue Squad Park. He said the same park was before the Board last year. He said the main focus of this park will be two large multi-purpose fields in the center that are sized for soccer, lacrosse, and football. There is a large concession, restroom with picnic facilities and storage. There is a playground and a paved walking trail. There will be 170 parking spaces, mix of paved and gravel to support tournaments and events. There will be a large multi-purpose shelter and an amphitheater/outdoor classroom. There will also be a dog park and disc golf. There will be natural walking trails as well.

The current estimate for total build-out is \$1.8 million. The first phase would not include lighting for fields and not all the picnic shelters would be included. Site development costs and infrastructure will be included. All matching funds will come from a combination of the sale of the Rescue Squad property, funds in hand, fundraising through Denver Days, a private grant and private donors. Technically there is no money the county is responsible for.

A MOTION by Commissioner Klein to approve the application for the Rock Springs PARTF.

Mr. Wood said everything is nailed down except for the \$200,000 grant. He recommended approving the whole thing with the understanding that until a firm source is found for the other \$200,000, that something is picked from the park to hold off on until the money is there to cover it. He said if not, the county will end up paying \$478,000 instead of \$278,000.

Ms. Hoyle stated that if the amount is reduced to \$278,000, that is all that can be applied for. She said the county match has to be dollar for dollar.

Mr. Wood stated that he would like it in there that the county is looking to see a good faith effort for the \$200,000.

Ms. Hoyle said that you can withdraw the applications prior to the May award without penalty.

VOTE: Unanimously approved.

A MOTION by Commissioner Arena to approve the application for the PARTF grant for the East Lincoln Rescue Squad Park.

VOTE: Unanimously approved.

A MOTION by Commissioner Klein, the Board voted unanimously to approve the Master Plan as presented for Rock Springs Park.

VOTE: Unanimously approved.

Facilities Maintenance/Repair Plan: Burns Whittaker stated that they have currently identified 4 areas requiring immediate attention. These repairs are necessary to prevent further deterioration of the facility or to correct safety issues. The particular projects are as follows:

Citizens Center – this project has been previously presented to the BOC. It is to repair by replacement the front patio. After reviewing the original recommendation made by the Architect and have developed 5 options. The recommendation is to accept Option 5, Surface with Plain Concrete No Heat with an estimated cost of \$260,000.

Citizens Center – this is a new project developed as a result of a recent inspection. The roof has been leaking for many years and there have been repeated efforts to patch the roof. During a recent rainstorm, there were significant failures of the roof resulting in severe leaks damaging equipment and documents. In a study completed in 2004, Stafford Engineers recommended a new roof. It is now at the point where the recommendation is a necessity. The recommendation was to proceed with a project to replace the roof at an estimated cost of \$250,000.

Citizens Center – this is a new project which was also studied by Stafford Engineers in the 2004 report. The exterior wall panels are in need of either replacement or repair. Many of the aggregate panes are warped and deflected. Of more concern are the fasteners which have possibly backed out of the substrate and many not be as secure as they should be. The recommendation is to either repair or replace the panels with a suitable metal system depending on a cost analysis. The estimated cost to replace is \$1.2 million; not recommended at this point. The budget is \$100,000 for a temporary repair solution to mitigate any safety concerns.

Bank of America Building – this project was previously presented to the BOC and design is underway. This project replaces the HVAC system, repairs the roof and renovates the 2nd floor of the building. Estimated cost is as follows:

- | | |
|---------------|-----------|
| 1. HVAC | \$600,000 |
| 2. Roof | \$100,000 |
| 3. Renovation | \$300,000 |

The plan is to utilize the \$1.4 Million dollars remaining in the 2008 Facility Bond to pay for these projects and request the Boards approval to move forward with this plan. Monies in excess of 1.4 Million dollars will be taken from the Capital Improvement Fund. As always, each project will be brought separately for approval in accordance with the Purchasing Plan.

Citizens Center:	
Patio	\$260,000
Roof	\$250,000
Siding	\$100,000
Bank of America	
HVAC	\$600,000
Roof Repair	\$100,000
Renovations	\$300,000
Total	\$1,610,000
Funds Available	\$1,400,000

UPON MOTION by Commissioner Arena, the Board voted unanimously to approve the plan and allow Burns Whittaker to request bids on these items, which will come back before the Board for approval.

Chairman Patton welcomed Boy Scout 74 from Rhyne Heights Methodist Church to the meeting.

Resolution #2011-03: Resolution Authorizing Issuance of Bonds:

RESOLUTION AUTHORIZING ISSUANCE OF BONDS

Commissioner Robinson moved adoption of the following resolution, the motion was seconded by Commissioner Arena, 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 January 3, 2011, the Issuer shall issue its bonds in an aggregate principal amount not exceeding \$22,000,000, 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 2011A” (the “Bonds”). The Bonds shall be dated February 15, 2011 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, 2011 and semi-annually thereafter on December 1 and June 1. The Bonds shall mature annually on June 1 as follows, subject to adjustment as hereinafter described:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2011	\$ 215,000	2017	2,245,000
2012	135,000	2018	3,025,000
2013	1,135,000	2019	3,240,000
2014	1,570,000	2020	3,200,000
2015	1,950,000	2021	975,000
2016	1,925,000		

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 2011A

INTEREST RATE	MATURITY DATE	DATE OF BOND	CUSIP
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February 15, 2011

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, Lincoln, 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, 2011, 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 January 3, 2011 (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 2002 dated as of May 1, 2002, and outstanding General Obligation School Bonds, Series 2002A dated as of December 1, 2002.

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.

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 15, 2011.

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 15, 2011

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.

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.

As to any Bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of any 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 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, not in excess of ten business days after the occurrence of the event, notice of any of the following events with respect to the Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related default, if material;
- (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, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(7) modification to the rights of the beneficial owners of the Bonds, if material;

(8) bond calls, if material, and tender offers;;

(9) defeasances;

(10) release, substitution or sale of any property securing repayment of the Bonds, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar event of the Issuer;

(13) the consummation of a merger, consolidation, or acquisition involving the or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; 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.

14. The investment banking firm of First Tryon Advisors 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, Mitchem and Robinson.

NAYS: none.

Resolution #2011-04: Resolution Authorizing Issuance of Bonds:
RESOLUTION AUTHORIZING ISSUANCE OF BONDS

Commissioners Mitchem moved adoption of the following resolution, the motion was seconded by Arena, 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:

15. 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 \$9,600,000. 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 15, 2011.

16. The bonds to be issued pursuant to the bond order described in the preceding paragraph shall be designated "General Obligation School Bonds, Series 2011B" (the "Bonds"). The Bonds shall be dated February 15, 2011, 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, 2011, 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>
2012	\$325,000	2021	\$400,000
2013	325,000	2022	400,000
2014	325,000	2023	400,000
2015	325,000	2024	900,000
2016	325,000	2025	900,000
2017	400,000	2026	900,000
2018	400,000	2027	900,000
2019	400,000	2028	900,000
2020	400,000	2029	675,000

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.

17. 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.

18. 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.

19. 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 2011B

INTEREST RATE	MATURITY DATE	DATE OF BOND	CUSIP
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February 15, 2011

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, 2011, 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, 2021 shall be subject to redemption prior to their stated maturities at the option of the County on or after June 1, 2020 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 15, 2011.

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 15, 2011

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, 2021 shall be subject to redemption prior to their stated maturities at the option of the County on or after June 1, 2020 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.

20. 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.

21. 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.

22. 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.

23. 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.

24. 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.

25. 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, not in excess of ten business days after the occurrence of the event, notice of any of the following events with respect to the Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related default, if material;
- (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, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

- (7) modification to the rights of the beneficial owners of the Bonds, if material;
- (8) bond calls, if material, and tender offers;;
- (9) defeasances;
- (10) release, substitution or sale of any property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (13) the consummation of a merger, consolidation, or acquisition involving the or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; 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 identify, 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.

26. 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, Mitchem and Robinson.

NAYS: Klein.

Motion to Approve Agreement with Norman Pointe Development, LLC on Sewer Pump Station: George Wood presented the following information.

The County installed a sewer pump station that serves several developments, and had allocated sewer capacity in the Forney Creek WWTP. Those allocations had to be cut in half as part of the reduction in capacity at the treatment plant. Now that Killian Creek WWTP is fully operational we can accommodate their full capacity.

Norman Pointe was one of those affected subdivisions. They had agreed to contribute \$132,213.00 toward the cost of this pump station. Now that the County is in a position to meet all of its obligations under the agreement, Norman Pointe needs to make its payments to the County. Jeff Taylor prepared the agreement that calls for them to pay ½ of the cost immediately, then pay the remainder over the next 18 months as lots are sold.

UPON MOTION by Commissioner Arena, the Board voted unanimously to approve the Agreement with Norman Pointe Development, LLC, as presented.

NORTH CAROLINA

AGREEMENT

LINCOLN COUNTY

THIS AGREEMENT, made and entered into this the 12th day of January, 2011, by and between **NORMAN POINTE DEVELOPMENT, LLC**, a North Carolina limited liability company (hereinafter called "NPD"), and **LINCOLN COUNTY**, a body corporate and politic (hereinafter called the "County");

WITNESSETH :

WHEREAS, on or about March 28, 2006, NPD submitted to the County a request for sewer flow acceptance for a subdivision known as "Norman Pointe" being developed by NPD in eastern Lincoln County; and

WHEREAS, in conjunction with its planned development, NPD agreed to pay the sum of \$132,213.00 to the County for the installation of a new pump station and force main to serve Norman Pointe; and

WHEREAS, due to administrative action by the State of North Carolina, the County was temporarily prevented from allocating the full amount of sewer flow requested by NPD and therefore made only a partial allocation to NPD; and

WHEREAS, as of the date of this Agreement, NPD has paid none of the aforesaid sum to the County; and

WHEREAS, the County is now able to allocate the remaining sewer flow requested by NPD but has halted applications for new sewer service to the said subdivision due to NPD's failure to pay the previously agreed upon amounts to the County; and

WHEREAS, the County is willing to resume the provision of new sewer services to the subdivision subject to the terms and conditions contained hereinafter;

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, NPD and the County have hereby agreed as follows:

1. Immediately upon execution of this Agreement, NPD shall pay to the County the sum of \$66,106.50, representing one-half of the total sum owed to the County by NPD. The remaining one-half of the total sum shall be paid as set forth in the following paragraphs.
 2. NPD agrees to pay to the County the sum of \$1,650.00 per lot for the next 11 lots that are sold in the subdivision subsequent to the execution of this Agreement. Said payments shall be made upon closing of each sale.
 3. Upon the sale of the 12th through the 15th lots in the subdivision after the execution of this Agreement, NPD shall pay to the County the sum of
-

- \$12,000.00 per lot until the remaining \$47,956.50 is paid in full. Said payments shall be made upon closing of each sale.
4. Notwithstanding the provisions for partial payments as set forth in Paragraphs 2 and 3 above, any balance remaining unpaid as of July 12, 2012, shall then become fully due and payable.
 5. Upon receipt of the initial payment by NPD as provided in Paragraph 1, and continuing for as long as NPD is current on its periodic payments as set forth in this Agreement, the County shall resume the provision of new sewer service to the subdivision. The County specifically reserves the right to halt the provision of new sewer service upon any default by NPD in its payments as provided herein and for as long as NPD is in default.
 6. This Agreement shall be binding upon NPD and its assignees and successors in interest
 7. This Agreement shall be construed in accordance with the laws of the State of North Carolina, and the parties specifically agree that venue for any action arising hereunder shall be in Lincoln County, North Carolina.

IN WITNESS WHEREOF, the parties have hereunto affixed their hands and seals, the day and year first above written.

NORMAN POINTE DEVELOPMENT, LLC

LINCOLN COUNTY:

By: _____ (SEAL)

By: _____ (SEAL)

Its: _____
(Title or Office)

Approval Grant Agreement with Industrial Development Fund Grant Number: U-412 Project: Hydac Water and Sewer Project: Martha Lide presented the following information:

It is recommended that the Board approve the Grant Award for \$205,500 from the Industrial Development Fund (IDF). The grant is for water and sewer improvements at the Airlie Business Park. These improvements will allow Hydac Technology Corporation to construct a new 40,000 square foot facility in the Park and create 58 new jobs in Lincoln County by December 2013.

The Board approved the budget for this project at the November 1, 2010 meeting. At that time, the Board also approved the County Manager to file the final application.

Since that time, there have been some modifications within the budget, but the total project budget and costs for each funding source remains the same. The Rural Center advised us that \$71,350 in engineering design costs could not be paid from grant funds as

originally proposed. To incorporate this change, the construction line item was increased by \$71,350 and the engineering line item was deleted. The engineering design costs could not be shifted to the Industrial Development Fund grant because they also wanted to have their funds spent on construction. The solution was to incorporate the water portion of the project into the Industrial Development Fund grant. They have agreed to pay for \$71,350 in water improvements for the park. The County will then pay for the engineering design fees.

Update on Animal Services: Ron Rombs stated that on December 17, 2010, the Department of Agriculture conducted a site review of Animal Services and the shelter. This resulted in numerous deficiencies related to the documentation not being available including the euthanasia manual, euthanasia of animals by uncertified technicians. The findings resulted in a \$5,000 civil penalty and a \$1,000 fine to the technician that was euthanizing animals without proper credentials. They also suspended the use of the carbon monoxide chamber until they receive clarification from the County and negotiate with them. The carbon monoxide chamber was taken out of service on December 17, 2010 and has not been used since then. The bottled gas has been removed and sent back to the manufacturer. Padlocks have been placed on it. Mr. Rombs requested that the Board of Commissioners approve the removal and rendering unserviceable of the carbon monoxide chamber from the Animal Services Shelter as a permanent removal of the device. The County euthanasia policy has been rewritten and reviewed by various individuals very favorably.

The former Shelter Manager was terminated on January 5 and policies have been implemented that do not allow employees, volunteers or workers of the shelter to adopt animals from the facility.

Next month, a reorganization of the department will be on the agenda with higher training standards.

UPON MOTION by Commissioner Robinson, the Board voted unanimously to approve the permanent removal of the carbon monoxide chamber from the facility and to approve the authorization to render it unserviceable. Commissioner Robinson also recognized Ashley Oliphant for the hard work she has done to push the County in that direction.

Finance Officer's Report - Leon Harmon: Leon Harmon presented the Finance Officer's Report.

County Manager's Report: George Wood updated the Board on matters relating to the budget.

County Commissioners' Report: Commissioner Klein gave an update from the NCACC meeting.

County Attorney's Report: Jeff Taylor reported on the Fifth Third Bank and a meeting he had with their Attorney.

He reported on a case from the NC Court of Appeals concerning John Hasty's vacation property on Lake Norman. Their 2008 revaluation property was the issue in question.

UPON MOTION by Commissioner Mitchem, the Board voted unanimously to appoint Commissioner Arena to the Centralina Development Council.

Vacancies/Appointments: Commissioner Robinson presented the following vacancies and appointments:

- Nursing and Adult Home Community Advisory Committee
- Board of Adjustment
- Recreation Commission
 - o Catawba Springs Township
 - o Ironton Township
- Pathways (2 seats)
- Board of Equalization and Review Alternates (2 seats)
- Lincoln County Community Friends
- Lincoln Natural Resources
- CEDC
- Dangerous Dog Board
-

UPON MOTION by Commissioner Robinson, the Board voted unanimously to approve the following appointments:

Appointments:

ABC Board

- Marty Mull 11-01-10 till 10-31-13

Region F Aging Advisory Committee Delegates

- Charles Mize – Delegate completing unexpired term (2 year term)
- Libby Mize - Alternate one year term

Council on Aging

- Charles Mize 3 year term
- Libby Mize 3 year term

Board of Equalization and Review

- Alex Brethauer has been an alternate moving him into the unexpired term of Robert Goodson (which ends 3/11)

Environmental Review Board

- Pam Stroupe filling unexpired term of Charles Wallace which ends April 30, 2013

Calendar: Chairman Patton presented the February 2011 calendar.

Other Business: Commissioner Klein suggested having town hall meetings for revaluation.

Burns Whittaker gave an update on the backflow.

Closed Session: **UPON MOTION** by Commissioner Klein, the Board voted unanimously to enter into closed session pursuant to NCGS 143-318.11(a)(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

The Board returned to open session and Chairman Patton announced that no action was taken in closed session.

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

Amy S. Atkins, Clerk
Board of Commissioners

Alex E. Patton, Chairman
Board of Commissioners