

**MINUTES OF THE MEETING OF THE  
ROWAN COUNTY BOARD OF COMMISSIONERS  
MARCH 21, 2005 – 7:00 PM  
COMMISSIONER’S MEETING ROOM, ADMINISTRATION BUILDING**

Present: Frank Tadlock, Chairman  
Arnold Chamberlain, Vice-Chairman  
Steve Blount, Member  
Chad Mitchell, Member  
Jim Sides, Member

County Manager Tim Russell, Clerk to the Board Rita Foil, County Attorney John Holshouser and Finance Director Leslie Heidrick were also present.

Chairman Tadlock called the meeting to order at 7:00 pm. Commissioner Sides provided the Invocation and Commissioner Chamberlain led the Pledge of Allegiance.

**ADDITIONS/APPROVAL OF THE AGENDA:**

The following were additions to the agenda:

- Commissioner Chamberlain added a discussion concerning a vacancy on the Planning Board. The Board unanimously agreed to have the issue added as Agenda Item #14B.
- Commissioner Blount distributed several handouts and provided updates pertaining to the following:
  - NCDOT construction projects
  - Yadkin Pee Dee Lake Projects
  - Editorial from the Charlotte Observer on Growth Challenges
- County Manager Tim Russell requested to add an item to purchase property adjacent to the Rowan County Airport.
- County Manager Tim Russell also requested to add an item pertaining to the analysis of a proposed lease and sub-lease of National Wholesale Hangar. These two items will follow the Managers presentation on the Airport Hangars.

Chairman Tadlock moved to approve the agenda as presented. Commissioner Chamberlain seconded and the motion passed unanimously.

**CONSIDERATION OF THE CONSENT AGENDA:**

Commissioner Chamberlain requested to pull the budget amendment in the amount of \$310,000 pertaining to Dan Nicholas Park and have the issue placed on the agenda for the next Board meeting. Commissioner Sides seconded the request.

In response to a query from Chairman Tadlock, County Manager Tim Russell explained that the project had received prior approval on November 2, 2004. Mr. Russell said the plan was divided into three parts: restroom facilities, upfitting the reptile center, and a teaching auditorium, in addition to a \$60,000 donation received for the Web Cam. Mr. Russell said the Finance Department was attempting to separate the projects and the issue was merely a bookkeeping matter.

Commissioner Chamberlain explained that his motion was to pull the item from the Consent Agenda in order to allow him time to independently study the issue. Commissioner Chamberlain stressed that such a large sum (\$310,000) should be discussed on the agenda as opposed to the Consent Agenda.

Chairman Tadlock asked Mr. Russell if the delay would create any problems. Mr. Russell responded no.

The motion passed on a 4-1 vote with Commissioner Blount voting against the motion.

Commissioner Sides referred to Consent Agenda "Item B" concerning classroom supplies. Commissioner Sides said he had spoke with Finance Director Leslie Heidrick and the County would be approximately \$85,000 less in expenditures than what was anticipated. Commissioner Sides suggested that if the Board planned to continue funding the Classroom Supplies that the Board should adhere to the cutoff date.

Commissioner Sides turned to Consent Agenda "Item E" and said he would like to have a copy of the final report for the Scattered Site Housing project. Commissioner Sides felt the Board should have the report prior to having a public hearing. Commissioner Sides asked if the issue should be pulled from the agenda until the final report could be reviewed.

Mr. Russell explained that "Item E" would be scheduling the public hearing for April and that staff could provide the Board with the final report prior to the public hearing. Commissioner Sides was in agreement to scheduling the public hearing as long as the final report was submitted to the Board before the hearing.

Commissioner Blount moved to approve the remainder of the Consent Agenda. Commissioner Mitchell seconded and the motion passed unanimously.

The Consent Agenda consisted of the following:

- A. Approval of the March 7, 2005 minutes
- B. Update on Classroom Teacher Supply Program
- C. Approval to set a public hearing for a Majority road name petition for Cowan Road
- D. Approval to set a public hearing for a Special Consideration for a road name petition for Edmiston Road
- E. Approval to set a public hearing for the Close Out of the 2002 Scattered Site Housing Grant
- F. Approval for subdivision guarantee for Sunset Pointe
- G. Budget Amendments

**APPROVAL OF FUNDING FOR A RECORD IMAGING SYSTEM AND ANIMAL SHELTER:**

Leonard Wood, Rowan County Health Department Director, reported that the Health Department was recently notified of a bequest in the amount of \$20,000 from the estate of Ms. Dora Ann Newton. Mr. Wood said the Health Department was requesting to accept and use the bequest for the purchase of an animal management Chameleon Software package at approximately \$14,000 and to construct a new barn to house stray livestock at the Animal Shelter for an approximate cost of \$6,000.

Commissioner Sides questioned the number of animals at the shelter each month. Mr. Wood responded that there are in excess of 600 animals handled each month with an average of 80 – 90 adoptions per month. Mr. Wood said a large number of animals come through shelter and unfortunately a lot of them are euthanized.

Commissioner Sides asked if the software was being used in the other 99 counties in the state? Mr. Wood said he was unsure how many counties were using the software but that staff had researched the software options and recommended the proposed Chameleon Software.

Commissioner Mitchell said he would support the purchase if the staff of Animal Control were comfortable with the proposed software. Commissioner Mitchell said \$14,000 was not expensive for this type of software.

Commissioner Mitchell made a motion to allow the Health Department to accept the bequest and approve the funding as requested. Commissioner Blount seconded and the motion passed unanimously.

Mr. Wood discussed a second request that concerned additional funding received from the state as well as additional funds from an ongoing incubator process. Mr. Wood highlighted the department's request to use the funds to purchase a laser fiche system for an Electronic Medical Storage System. Mr.

Wood explained the need for the system and for processing records in electronic format.

Chairman Tadlock noted an advantage of the system was that it is expandable for use by other county departments.

Commissioner Sides mentioned that the Department of Social Services is faced with the same problem pertaining to space and the lack of a secure facility for document storage. Commissioner Sides asked if the documents could be destroyed once the information was electronically stored. Mr. Wood responded that once the system was working, the department intended to destroy the other records.

Commissioner Sides said he would like the process to be handled by existing personnel. Commissioner Sides also noted that he would like for all department heads not to look for ways to spend money. Commissioner Sides stressed that he understood that was not the case in this instance.

Commissioner Sides made a motion to approve. Commissioner Mitchell seconded and the motion passed unanimously.

**PUBLIC HEARING FOR A UNANIMOUS ROAD NAME PETITION FOR ROYAL INDIAN DRIVE AND THE MAJORITY ROAD NAME PETITIONS FOR MUSKEDINE LANE AND MILES DRIVE:**

Fredda Greer, from the Planning Department, presented the Board with the unanimous road name petition for the following:

Proposed Name:	Royal Indian Drive
Currently Known As:	No name (residents addressed on NC 801 Hwy)
Location:	S off 8900 block NC 801 Hwy
Property Owners:	1 out of 1 signed petition

Ms. Greer reviewed the Staff Notes and said that during the permitting process, it became evident that this road meets the criteria for naming and the property owner submitted a petition to name the road "Royal Indian Drive". Ms. Greer that that the name is acceptable and staff recommends approval.

Ms. Greer then presented the Board with the majority road name petition for the following:

Proposed Name:	Miles Drive
Currently Known As:	Miles Ave.
Location:	E off 400 block Roger Dr
Property Owners:	9 out of 12 signed the petition

Ms. Greer reviewed the Staff Report and said property owner Richard Foster of Miles Drive (Avenue) contacted the Planning Office to report that their road has always been known to the residents as Miles Drive and even the road sign identifies the road as Miles Drive. However, somewhere along the way, the county database has listed the road as Miles Ave and the tax map also shows the road to be Miles Ave. Ms. Greer said that Mr. Foster notes this discrepancy causes confusion with the mail, parcel deliveries, and the zip code database and he led the petition effort and obtained 9 out of 12 signatures along the road to correct the problem. Ms. Greer said that two (2) of those who did not sign the signature are actually addressed on Roger Drive. Ms. Greer said as noted in the chart of property owners/addresses above the map, there is no consistency with the use of Drive/Avenue. Ms. Greer stated since more than a majority of the property owners wish to use "Drive", and recognizing that numbering will not be affected, staff recommends this change.

Ms. Greer then reviewed the majority petition for Muskedine Lane.

Proposed Name:	Muskedine Ln
Currently Known As:	No name
Location:	S off 1800 block Heilig Rd
Property Owners:	2 out of 3 signed petition

Ms. Greer reviewed the Staff Report that this road was one identified by ASI as meeting the criteria for naming and after initial contacts were made, staff learned that the road location was changed from where it was shown in the beginning and that property ownership of one property had changed. Ms. Greer said a petition was submitted for the name Muskedine Lane, which is acceptable and two (2) out of three (3) property owners signed the petition. Ms. Greer stated that proper notification and advertising was done and staff recommends approval.

Chairman Tadlock opened the public hearing to entertain comments from the audience on the above three road name petitions.

With no one present to address the Board, Chairman Tadlock closed the public hearing.

Commissioner Sides made a motion to approve the unanimous and majority road names as recommended by staff. Commissioner Blount seconded and the motion passed unanimously.

**APPROVAL TO SET A PUBLIC HEARING FOR THE PROPOSED EXPANSION GRANT FOR NATIONAL STARCH:**

Randy Harrell, Director for the Economic Development Commission, informed the Board of the expansion of the National Starch and Chemical Company and presented the Board with an Expansion Assistance Inducement Grant agreed upon by the Rowan County Board of Commissioners and the Salisbury City Council last year.

Mr. Harrell explained that the grant would be based on the actual tax value of real and business personal property for the expansion as listed and taxable in Rowan County and the City of Salisbury at the current tax rate, which will be structured as a reimbursement to National Starch.

Mr Harrell said that the previously agreed upon grant consisted of an amount equal to 50% of the total county and city property taxes paid by National Starch and Chemical and would apply over the first five (5) calendar years after commencement of the proposed expansion. Mr. Harrell said that he addressed the Board in the Spring of last year during closed session and at that time, National Starch and Chemical were looking at approximately \$18 million expansion and 30 additional jobs.

Mr. Harrell introduced Mr. Richard Steinert, who was present and is the Manager for Plant Operations for National Starch and Chemical Company.

Mr. Harrell explained that the grant would be based on the actual tax value of real and business personal property for the expansion as listed and taxable in Rowan County and the City of Salisbury at the current tax rate, which will be structured as a reimbursement to National Starch.

Mr Harrell said that the previously agreed upon grant consisted of an amount equal to 50% of the total county and city property taxes paid by National Starch and Chemical and would apply over the first five (5) calendar years after commencement of the proposed \$18 million expansion and with the understanding that if that amount increased so would the grant.

Commissioner Sides said he felt “everyone here knows my stand on incentives.” Commissioner Sides said he did not feel any profit-making company should be given money to their bottom line. Commissioner Sides cited several articles and restated his opposition to providing incentives.

Commissioner Blount asked if jobs would be created by the company’s addition. Mr. Steinert responded that approximately 30 jobs would be created.

In response to a query from Commissioner Chamberlain, Mr. Steinert said there are currently 168 jobs at the facility.

Commissioner Chamberlain asked for clarification if the incentives were for the new investments only, to which Mr. Harrell responded Yes.

Chairman Tadlock stated that National Starch and Chemical Company has been a positive corporate part of the county and they have given a lot back to the county in return.

Commissioner Sides asked if there were problems with contaminated wells in the area due to contaminated waste? Mr. Harrell said he could not answer that question.

Chairman Tadlock said he was unsure the question was relevant and Commissioner Sides said, "It is certainly relevant when you're giving a blue ribbon." Commissioner Sides said he appreciated the fact that the company was a good corporate citizen and he said he did not want to see them leave. Commissioner Sides stressed that he did not wish to add money to a profit-making business.

Commissioner Chamberlain made a motion to approve a public hearing for the proposed expansion grant for National Starch and Chemical Company. Commissioner Mitchell seconded and the motion passed by a 4-1 vote, with Commissioner Sides voting against the motion.

**CONSIDERATION OF AWARDING THE CONTRACT FOR THE 2005 SCATTERED SITE HOUSING GRANT ADMINISTRATOR:**

Shane Stewart of the Rowan County Planning Department reported that rehabilitation of homes from the 2002 grant are complete and a public hearing will be scheduled for April 4, 2005 to execute the required close out report documents completed by CMR Services, our 2002-2004 grant administrator. Mr. Stewart said that on November 2, 2004, CMR Services agreed to conduct planning services for the 2005 application through a small purchase procedure, which is a \$3,500 line item within the 2005 grant application and the Board of Commissioners must now select an administrator to facilitate the 2005 grant.

Mr. Stewart said that Rowan County had solicited consulting firms to provide administration services for our 2005 Scattered Site Housing Grant and staff had received two proposals for these services: Centralina Council of Governments of Charlotte and CMR Services, Inc of Kannapolis. Mr. Stewart said that the county attorney had reviewed the document and pointed out page three (3) of the handout concerning "Fee Proposal" and clarified the hourly rate. Mr. Stewart added that the Finance Department was happy with the way things turned out.

Mr. Stewart reviewed that a request for proposals (RFP) notice was placed in the Salisbury Post and direct solicitation was sent to The Wooten Company in addition to the above-mentioned two entities as required by the Division of Community Assistance (DCA). Mr. Stewart said that in general, the RFP included an outlined scope of services to be performed, brief history of firm and grants administered and the proposals were evaluated based on seven criteria noted below:

Evaluation Criteria	COG	CMR	Staff Response
1. General qualifications, reputation and competence of the firm (20 points)	20	20	Both firms have indicated they are more than capable of administering this grant based the information provided and repeat solicitors
2. Prior housing related experience of the firm (20 points)	18	20	Both have assisted in numerous housing rehab projects but COG only listed 2 SSH grants while CMR has facilitated 13
3. Approach and experience in management and utilization of lead abatement contractors (5 points)	2	5	CMR listed detailed information concerning managing the lead abatement requirements. CMR also has used our local pool of contractors (predominantly Rockwell and Concord), while COG listed mostly non-local contractors.
4. Qualifications and housing related experience of assigned staff (20 points)	20	20	Staff at both firms have many years experience in housing rehab
5. Scope of Services offered (30 points)	25	30	More detailed listing of scope in CMR's package
6. Hourly rate schedule and fixed fee price (10 points)	8	10	COG suggested the entire \$57,825 be utilized for the grant, which is very common among other facilitators. CMR's contract states \$53,000.
7. Proximity and familiarity with local context (5 points)	2	5	CMR has completed approximately 42 grants within Rowan County while COG has none to knowledge. COG has participated in other planning related services for local jurisdictions but not in the form of grant preparation.
<b>TOTAL</b>	<b>95</b>	<b>110</b>	

Mr. Stewart said that over the past three years, staff has developed an excellent working relationship with the staff (especially Gary Wilson, principal owner) of CMR Services and very little staff time is ever required since CMR handles all work-related items and the convenient location allows for constant contact. Mr. Stewart said that there have not experienced any problems with how CMR administers this project and are completely satisfied they are able to produce the best product for Rowan County.

Mr. Stewart added that CMR has used Kirk's Remodeling from Rockwell and Stone Creek Ltd. from Concord for nearly all rehab work, keeping monies within Rowan County and although nearly all grant administrators take advantage of the full \$57,825 available through the grant, CMR's contract allows for an additional \$4,825 that could be utilized for additional rehab.

Mr. Stewart said with Centralina commuting from downtown Charlotte coupled with an unknown working relationship with our staff, there was no reason to select another administrator.

Mr Stewart said that staff recommends the selection of CMR Services, Inc. for our 2005 Scattered Site Housing Grant for a sum not to exceed \$53,000.

Commissioner Sides made a motion to approve the contract for the 2005 Scattered Site Housing Grant Administrator to CMR Services, Inc. as recommended by staff. Commissioner Blount seconded.

Commissioner Sides commented that he would like to see every effort made to use more contractors within Rowan County.

The motion passed unanimously.

**PUBLIC HEARING FOR Z-02-05, A REQUEST FROM RICHARD AND CONNIE FESPERMAN FOR REZONING FROM CBI TO RA:**

John Haynes of the Planning Department presented the Staff Report and provided the Background for this rezoning by stating that Richard and Connie Fesperman own an 8.53-acre tract with frontage on Mooresville Road (NC 150) near the vicinity where Atwell Road and Corriher Grange Road intersect with NC 150. Mr. Haynes said that Mr. Fesperman discussed with staff his intentions to divide the tract into four 2-acre lots for family members and he was unaware that the current zoning of the tract is Commercial, Business, and Industrial (CBI). Mr. Haynes said that CBI districts only allow the division of property for residential uses through a conditional use permit and by rezoning the property to Rural Agricultural (RA) the proposed residential subdivision would be a better fit in the district.

Mr. Haynes said the applicants are requesting the rezoning of one parcel (TP 205-001) totaling 8.53 acres from Commercial, Business, and Industrial (CBI) to Rural Agriculture (RA).

Mr. Haynes then presented the Staff Review and said that in accordance with Article XIV Section 21-362 (i) and that staff provides the following review:

**ZONING CRITERIA**

1. *Relationship and conformity with any plans or policies.*

The parcel lies within a WS-II (Back Creek/Sloans Creek). Any lot within the subdivision must meet the minimum lot size requirement of 40,000 square feet.

2. *Consistency with the requested zoning district's purpose and intent.*

The purpose of the RA district is to provide for a minimum level of land use regulations appropriate for outlying areas of Rowan County. These outlying areas typically consist of rural single-family housing, larger tracts of land used for agriculture or in fields and forestland, with some nonresidential uses intermingled. Multifamily uses are discouraged in this district. This district permits single-family housing while protecting from the most intensive land uses.

A change in zoning designation for placement of manufactured or single-family homes on parcels reflect the general characteristics of the RA district. The parcel abuts RA to the north, east, and south.

3. *Compatibility of all uses within the proposed district classification with other properties and conditions in the vicinity.*

RA and CBI districts generally allow the same uses; RA with special requirements which typically limit the building size to 10% of the gross acreage of the property and CBI as a permitted use with no additional standards. Rezoning from CBI to RA would be changing the parcel to a less intensive use in terms of its impact on the surrounding property.

Currently, the area is bordered to the east by RA along NC 150 as well as areas across the highway to the north are zoned RA. Abutting properties along NC 150 include large residential lots with stick built home and agricultural open space. The intersection of Lipe, Atwell, Corriher Grange, and NC 150 are zoned for commercial / industrial use (CBI), industrial use (IND), or manufactured home park (MHP). Currently, two automotive repair garages and a grading company are located on Atwell Road and two businesses operate on Corriher Grange Road within a half-mile of the intersection with NC 150.

4. *Potential impact on facilities such as roads, utilities, and schools.*

- Roads – NC 150 is identified as a major collector road in the 2002 Rowan County Thoroughfare Plan. The most recent traffic count available was taken in 2003 with an AADT of 3,000 before the intersection with Graham Road. Based upon a potential of eight dwelling units, which typically generate 10 trips per day/per dwelling totaling 80 trips could be anticipated although this will not cause the AADT to operate over the design capacity 7,000 AADT.
- Utilities – N/A
- Schools – Lot size requirements provide for a potential of eight units which will create a minimal level of increase

Mr. Haynes said that staff recommends the property be rezoned to Rural Agricultural (RA) and added that the February 28, 2005 Planning Board Meeting a Courtesy Hearing was held in which no citizens spoke at the hearing. Mr. Haynes said that on a 9-0 vote, the Planning Board recommended forwarding a favorable recommendation for rezoning Tax Parcel 205-001 from CBI to RA.

Chairman Tadlock opened the public hearing.

Chairman Tadlock closed the public hearing with no one coming forward

Commissioner Mitchell made a motion to approve Z-02-05. Commissioner Sides seconded and the motion passed unanimously.

**PUBLIC HEARING FOR Z-03-05, A REQUEST FROM MARY CARPENTER FOR A REZONING FROM CBI-CUD TO RS:**

Shane Stewart from the Planning Department presented the Staff Report and provided the Background by stating that on July 21, 2003, the Rowan County Board of Commissioners approved a rezoning request from Mrs. Carpenter from Residential

Agricultural (RA) to Commercial, Business, Industrial with a Conditional Use District (CBI-CUD) for a horse arena complex and since that time, her plans have changed from the arena concept to a potential residential development.

Mr. Stewart said that rezoning petitions are evaluated with all allowable uses considered while site-specific rezonings are based on a firm development proposal to ensure the specific use will be in harmony with the general area. Mr. Stewart added that upon default or change in proposal, the Board of Commissioners must rezone the property to an appropriate zoning district since the previous district is now nullified.

Mr. Stewart said that Mary Carpenter would now like to sell the 69.09-acre tract (Tax Parcel 430-018) from CBI-CUD to Residential Suburban (RS) to allow for future residential development. Mr. Stewart used a power point presentation to depict the property, which is located off of Old Beatty Ford Road, south of Old Concord Road.

Mr. Stewart reviewed the following Zoning Criteria:

- Item #3 - Compatibility of all uses within the proposed district classification with other properties and conditions in the vicinity.

Although several mobile homes are located beyond this point west of the site off Roy Cline Rd and Neazer St, the immediate area is comprised of site-built homes with only two mobile homes within a one-half mile radius of the Carpenter tract outside this cluster. Based on this, RS zoning would be more conducive to this area.

Other nearby land uses includes a small hair salon and CJ's auto repair approximately 1/3 mile west on Old Beatty Ford Rd. The surrounding density is very low with most parcels being wooded with a scatter of site-built housing.

- Item #4 - Potential impact on facilities such as roads, utilities and schools.  
Roads: Old Beatty Ford Road is deemed a minor collector by the 2000 Rowan County Thoroughfare Plan. The most recent traffic count available was taken in 2002 at the intersection of Organ Church Rd (apx. 3 ¾ miles away) with an AADT of 3,400. Based on the projected capacity of 8,500, this parcel could create an estimated 720 additional trips if developed for residential use (based on 72 lots @40,000 sq. ft. minimum lot size) but would be well under the current capacity.  
Utilities: N/A.  
Schools: Although this application does not contain a specific development proposal, staff assumed the most number of homes possible (apx. 72 lots) in the calculations. Below are the current enrollment and potential effects on the school districts. The construction of East, South, and West Elementary Schools (697 capacity each) and Southeast High School (1,200 capacity) should reduce the figures below but could not be incorporated into this text.

School	Current Enrollment	Capacity	Projected Increase (1)	Projected Increase (2)
Bostian Elem	433	350	13	30
China Grove Middle	608	614	7	15
S Rowan High	1685	1334	9	20
<b>Total Students</b>			<b>29</b>	<b>65</b>

(1) Using a rate of .4 students per dwelling based on lowest % for new developments

(2) Using a rate of .9 students per dwelling based on highest % for new developments

Mr. Stewart said that staff recommends the property be rezoned to Residential Suburban (RS) based on the compatibility between RS and surrounding land uses.

Mr. Stewart reported that one (1) citizen had spoke at the February 28, 2005 Planning Board Meeting with concerns regarding traffic issues on Old Beatty Ford Road. Mr. Stewart said the Planning Board voted unanimously (9-0) to approve the rezoning request as presented.

Chairman Tadlock opened the public hearing to entertain citizen input pertaining to the request. With no citizens wishing to address the Board, Chairman Tadlock closed the public hearing.

Commissioner Chamberlain moved to approve the rezoning request to RS based on the compatibility between RS and surrounding land uses. The motion was seconded by Commissioner Mitchell and passed unanimously.

Chairman Tadlock called for a break at 8:10 pm.

Chairman Tadlock reconvened the meeting at 8:15 pm.

**PUBLIC HEARING FOR ZTA-01-05, A REQUEST FROM JAMES ROLLANS FOR TEXT AMENDMENTS TO THE ZONING ORDINANCE FOR BROADCAST AND TELECOMMUNICATION TOWERS:**

Shane Stewart of the Rowan County Planning Department provided the background concerning the proposed text changes. Mr. Stewart reported that on March 15, 2004, the Board of Commissioners approved a text amendment to the Zoning Ordinance that required broadcast towers over two-hundred feet (200) in height to be reviewed as a conditional use in the Commercial, Business, Industrial (CBI) district and broadcast towers under two hundred feet (200) were subject to the existing telecommunication tower types and heights section.

Mr. Stewart noted that following the March 15, 2004 amendment, a recent Superior Court ruling declared the county could not enforce this text and must revert back to the previous regulations for broadcast towers and the Board of Commissioners did not request the county attorney to re-visit the case or request planning staff to draft new language. Mr. Stewart said that as a result, broadcast towers are now reviewed as a

conditional use in the Rural Agricultural (RA) district regardless of height while telecommunication towers are limited to one hundred fifty (150) feet in RA and one hundred ninety-nine (199) feet in the CBI and Industrial (IND) districts, subject to conditional review, with a waiver provision for additional height (see attachment B for current telecommunication tower text and attachment C for current broadcast tower text).

Mr. Stewart explained that James Rollans has petitioned for a text amendment for broadcast towers that would mirror the current telecommunication tower text with respect to tower types and heights to address this issue. Mr. Stewart said that Mr. Rollans proposes amendments in two portions of the Rowan County Zoning Ordinance: **Article III Sec. 21-60 (3)** regulating telecommunications towers and **Article III Sec. 21-60 (11)** regulating broadcast towers.

Mr. Stewart said that in addition, Mr. Rollans proposes language that would require county enforcement of private airport airspace with respect to tower placement.

Mr. Stewart reported that Committee A of the Planning Board along with the county attorney and planning staff met on two separate occasions to discuss the Rollans proposal and make a recommendation to the Planning Board to forward to the Board of Commissioners.

Mr. Stewart added that previous committee meetings during the latter part of 2003 and the first part of 2004 discussed and recommended text to the Board of Commissioners that regulated the airspace of private airports. Mr. Stewart said the Board decided to strike this portion of the text for various reasons and Committee A recommended against the FAA standards portion of the Rollans proposal.

Mr. Stewart said that based on the county attorney's best interpretation of the court ruling, he suggested regulating the towers by height and not use but noted the court ruling was not clear. Mr. Stewart noted Committee A used this interpretation and the Rollans' request to formulate new text that would address the alleged discrimination from the previous text.

Mr. Stewart said that concerning the mirroring of tower types and heights from the telecommunication tower section proposed for broadcast towers, the committee suggested placing an exact height limit in the RA district without a waiver provision within the district and allowing towers in CBI and IND for unlimited heights.

Mr. Stewart said the Planning Board voted 7-2 to recommend approval of the text.

Mr. Stewart explained that the existing text in the zoning ordinance that is proposed to be removed appears as ~~strikethroughs~~ and proposed text appears as ***bold italics*** and discussed the following:

**Excerpt from Article III Section 21-60 (3) *Transportation, communications, electric, gas and sanitary services group: communications and telecommunications towers (SIC 48 (part)).***

- e. *Tower heights and types.* To maintain the character of the rural areas of the county and allow for placement in the commercial and industrial areas of the county, new towers will be regulated in the following manner:
  - 1. Rural Agricultural (RA) District: Monopole not to exceed one hundred fifty (150) feet based on five (5) co-located antenna arrays and ambient tree height of eighty (80) feet.
  - 2. Commercial, Business, Industrial (CBI) and Industrial: Monopole or lattice tower ~~not to exceed one hundred ninety-nine (199) feet~~ **of any height** based on six (6) co-located antenna arrays.
  - 3. ~~Requirements 1. and 2. of this subsection may be modified by the board of commissioners based upon:~~
    - i. ~~Evidence presented by the applicant that demonstrates a waiver is in the interest of public safety or is a practical necessity.~~
    - ii. ~~An alternative design or tower height would better blend into the surrounding environment regardless of zoning district.~~

**Excerpt from Article III Section 21-60 (11) *Broadcast Towers: SIC 4832 Radio and SIC 4833 Television Broadcasting.***

- 3. New Broadcast Towers. All applications for new broadcast towers should contain the following:
  - A. Two (2) copies of a site plan prepared by a registered professional engineer or professional land surveyor as provided in Article IV Section 2.
  - B. Topography information for site; base elevation of tower site; tower height and antenna location.
  - C. Setbacks including access easements, fall zone, fencing and screening requirements found in Article X Section 5 (a)(2)(a-c).
  - D. Using the latitude and longitude of the proposed tower location as a fixed point, obtain actual photographs of the site that present a 0 degree (north); 90 degree (east); 180 degree (south); 270 degree (west) perspective toward the fixed point from the nearest NC DOT maintained roads in relation to the site.

- E. Create photo simulations from each of the perspectives referenced above depicting the tower at a scale relative to its surroundings with specific regard to height and width.
  - F. Certification from registered professional engineer that channel, frequency and power of transmitter are operating within FCC licensing limits
  - G. Provide a station coverage map depicting the anticipated signal contours for city grade vs. market grade. The map should depict principal arterial roads, municipal and county boundaries.
  - H. Indicate the total population and number of persons located within the coverage area based on most recent decennial census; specifically indicating the same for Rowan County.
  - I. If the broadcast tower application is a site move or city of licensure change, provide the total population based on most recent decennial census and population based on most recent decennial census that will no longer receive coverage.
- 3 4. Tower Viewshed. New broadcast tower locations should limit visual impacts to the NC Scenic Byway, National Register historical properties and those on the statewide study list for inclusion in the National Register program. In an effort to portray the visual impacts the tower has on the surrounding area, the applicant shall provide terrain profile maps prepared in the following manner:
- A. Using the latitude and longitude of the proposed tower location as a fixed point, prepare terrain profile maps portraying line-of-sight from highest point on tower to limits of its visibility.
  - B. Maps should be from the perspective that present a 0 degree (north); 90 degree (east); 180 degree (south); 270 degree (west) perspective from the fixed point to its limit of visibility.
  - C. For reference each map should graphically portray the location of the NC DOT maintained road nearest the limits of visibility.
5. ***Tower heights and types. To maintain the character of the rural areas of the county and allow for placement in the commercial and industrial areas of the county, towers will be regulated in the following manner:***
- A. ***Rural Agricultural (RA) District: Monopole not to exceed one hundred fifty (150) feet based on five (5) co-located***

**antenna arrays and ambient tree height of eighty (80) feet.**

**B. Commercial, Business, Industrial (CBI) and Industrial: Monopole or lattice tower of any height based on six (6) co-located antenna arrays.**

- 4 6. Provisions for Tower Safety. New broadcast towers must either be so designed as to land upon its own property or lease area in the event of a failure as certified by a NC Registered Professional Engineer. In the event tower failure is expected to occur beyond the property boundaries or lease area, a fall zone easement equal to the tower height plus ten feet (10') must be obtained.
- 5 7. Retention of Consultant. The County may elect to retain a consultant or professional services to review the application and make determinations and recommendations on relevant issues including, but not limited to, verification of the applicant's due diligence, analysis of alternatives and compliance with state and federal rules and regulations. The applicant shall pay any expense for consulting or professional services in excess of the application fee. The County shall require any consultants to disclose any potential conflicts of interest and to hold confidential any proprietary information supplied by the applicant. At the request of the applicant, the Zoning Administrator shall arrange an informal consultation with the applicant to review the consultant's report prior to any hearing on the application. All determination costs are reimbursable by applicant.
- 6 8. Removal. The applicant shall provide a surety bond substantiating that the applicant or tower owner has and will sustain the financial ability to disassemble and remove the tower, once no longer in operation. Notice shall be provided to the Zoning Administrator when any broadcast tower is not operational for a continuous period of 365 days. Upon receipt of notification, the owner shall remove the tower within 120 days.
- 7 9. Obstruction Lighting and Marking. The broadcast tower shall be of a galvanized finish, or painted with a rust protective paint of an appropriate color to harmonize with the surroundings as approved by the Board of Commissioners. Lighting of the tower shall be as required by the FAA.
- 8 10. FCC License Required. The applicant for a new broadcast tower must be currently licensed by the FCC to provide AM, FM or Television broadcast services within an area of licensure that includes Rowan County.

**Section 21-113 Table of Uses (continued)**

P - Permitted by Right; P(A) Permitted as Accessory Use SR - Permitted with Special Requirements C - Conditional Use	<b>Zoning Districts</b>								
	<b>Residential</b>					<b>Non-Residential</b>			
	RA	RR	RS	MHP	MFR	CBI	NB	INST	IND
<b>Use</b>									
<b>Transportation, communications, electric, gas, and sanitary services</b>									
4832 Radio Broadcast Towers	C					C			C
4833 Television Broadcast Towers	C					C			C

**POTENTIAL CASE AND EFFECT CONCERNING THIS MATTER**

<u>Cause</u>	<u>Effect</u>
1 Status Quo	Broadcast towers are allowed in the RA district at any height, while telecommunication towers over 150' require CBI or IND zoning = Tower have the potential for a waiver of an unspecified height
2 Adopt text as proposed	Broadcast towers will be allowed in CBI and IND = Telecommunication towers could extend over 199' in CBI and IND Two sided effect: 1. it would remove a provision for waiver requests for telecommunication towers allowing additional feet in each district and 2. it would specify a definite height and not allow open-ended height waivers for all districts = Could this provide an interpretation that it applies to any new tower?

Commissioner Blount asked Mr. Stewart if the revision of the ordinance treated both types of towers? Mr. Stewart said it treats them the same and the variation would be the height only. Mr. Stewart said there are still differences between the two (2) in other sections of the ordinance.

Chairman Tadlock questioned the number of citizens in the audience who planned to speak concerning the issue. Six (6) hands were raised.

Chairman Tadlock requested that comments be limited to three (3) minutes.

Chairman Tadlock opened the public hearing to entertain citizen input.

The following citizens addressed the Board:

1. Attorney Jay Dees of 121 East Kerr Street said the issue had been reviewed “over and over and over again” since August of 2003. Mr. Dees said the county itself was exempt from the provisions. Mr. Dees was of the opinion that if the Board passed any changes “tonight”; they would not apply to any pending applications. Mr. Dees asked that the Board to “not muddy the waters.”
2. Gary Hattaway with Dalton Communications expressed concern with the loss of major clients during the past year due to the uncertainty of what is allowed with

tower placements. Mr. Hattaway said the text as it currently exists, "is adequate, fair and certainly satisfactory and we proposed that it not be changed."

3. Mike Mangun, of News Radio WSTP, said the company's current tower was 350' in height. Mr. Mangun said that if the tower needed to be replaced, the company would not be able to reconstruct the tower at 350'. Mr. Mangun stressed that towers were important to communication and progress in the county.
4. Carroll Teeter of the Mount Ulla/Miller Airport area agreed with the previous speakers that radio towers would continue to be "plentiful." Mr. Teeter said this was a good reason to set limits "on what's going to happen." Mr. Teeter asked how many towers the county wanted to make the county "unattractive." Mr. Teeter said the concern of the Board should be homes, tax base and the county as a whole.
5. James Rollans said the text amendment was not specifically directed towards the pending tower application in Mount Ulla. Mr. Rollans said the purpose of writing the proposal was to provide a reasonable tower regulation for all of Rowan County. Mr. Rollans discussed previous Board meetings and the court ruling concerning text changes to telecommunication and broadcast towers. Mr. Rollans said the proposed text amendment mirrors the original ordinance and applies equally to all towers. Mr. Rollans urged the Board to adopt the proposed text.
6. Gig Hilton of Davidson Broadcasting said he took issue with the fact that the text treated broadcast and radio towers equally. Mr. Hilton said there is a significant difference in the way the "system" is designed for cellular versus broadcast. Mr. Hilton discussed the differences in the tower types. Mr. Hilton said the proposal by Mr. Rollans was an attempt to "muddy the waters." Mr. Hilton proposed to keep the text as it is.

With no further citizen input, Chairman Tadlock closed the public hearing.

Commissioner Blount commented that previous attempt to revise the ordinance was struck down by the courts as discriminating against "one type of tower versus the other." Commissioner Blount said the purpose of the revision takes care of the problem by treating all towers equally. Commissioner Blount felt Mr. Mangun and Mr. Teeter were correct in that as the Charlotte region grows there would be more applications for broadcast towers. Commissioner Blount said the importance of the revision was tantamount due to the impact to the citizens in the County. Commissioner Blount said the current conditional use process allowed the Board to control to some degree where tower can be placed. Commissioner Blount said the permits could be challenged in courts.

Commissioner Blount moved to adopt the text amendments as presented by staff. The motion died for lack of a second.

Commissioner Mitchell referred to page 3 and page 4 and discussed Article III Section 21-60 (11), item #4. Commissioner Mitchell asked if the same requirements were in place for cell towers? Mr. Stewart said he would have to check. Mr. Muire said the specific text was not in the telecommunications section of the ordinance, however, there seemed to be a strong relationship between the FCC requirements referred to by Commissioner Blount. Mr. Muire discussed the limitations of the State Historic Preservation Office and the mention of the scenic byway. Mr. Muire said the answer to the question is, "no;" that all towers are not treated the same.

Commissioner Mitchell said his main problem with the proposed text was that it appeared to be an attempt to affect applications that have already been made. Commissioner Mitchell said he could not support the text unless he knew that the applications that have been filed would not be affected. Commissioner Mitchell felt the Board was looking at two (2) issues: 1) Is it going to affect current applications? 2) How tall of a tower do we want to require in certain zoning districts.

Commissioner Chamberlain agreed with Commissioner Mitchell. Commissioner Chamberlain said he considered Mr. & Mrs. Rollans to be friends and that he had made it clear to them that he could not vote "for something like this before this specific tower issue was handled." Commissioner Chamberlain said he would be willing to "listen again" after the tower issue had been resolved.

Commissioner Sides said he had attended the meeting of approximately sixty (60) people in Mount Ulla and the concerns addressed at the meeting were not in regards to the proposed text amendment. Commissioner Sides said the concerns pertained to the pending application for the tower in Mount Ulla. Commissioner Sides said a film had been shown and he had suggested that the group make a copy of the film available to the other Commissioners. Commissioner Sides said he had concerns about the health issues that arose from the meeting. Commissioner Sides said there were a lot of questions to be answered on the issue.

Commissioner Blount asked Commissioner Mitchell if he could support the motion if it exempted the proposed tower from the text amendments. Commissioner Mitchell said he would like for the issue to come back up "without all the muddiness of the current pending application."

Commissioner Blount asked staff if it were appropriate to delay a decision until the pending application was resolved. Mr. Muire said the Board could delay the decision if it chose.

Commissioner Blount moved to delay consideration of the issue until after the conditional use permit question is heard on the pending application. Commissioner

Mitchell asked if the motion was necessary and if the Board could not bring the issue up at any time.

Chairman Tadlock requested clarification on the need for a motion. Commissioner Blount explained the purpose of his motion was to ensure that the issue would be addressed after the existing tower application was resolved.

Commissioner Mitchell said the motion was not being seconded for the “sheer fact that it doesn’t need to be made a motion.”

**APPROVAL OF SNIA-04-05:**

Shane Stewart of the Rowan County Planning Department stated that the following Special Non-Residential Intensity Allocation (SNIA) request for consideration has been submitted to the Planning Department for compliance review with the provisions of Article II Section 21-33 (2) e of the Rowan County Zoning Ordinance and is submitted for consideration by the Board of Commissioners:

Applicant: Bunce Buildings  
Property Owner: Graham Bunce  
Location: 3755 Statesville Blvd  
Tax Parcel: 334-027  
Zoning: Commercial, Business, Industrial (CBI)  
Purpose: Prefab building sales and Mini-Warehouse  
Watershed: WS IV PA (Yadkin River)

Mr. Stewart reviewed the Staff Calculations and said that staff recommends approval of SNIA permit based on the accompanying site plan.

**STAFF CALCULATIONS**

Total Lot Area (minus R/W)	557,132 sq. ft. (12.79 ac)
Allowable impervious by right	200,567 sq. ft. (36% w/o curb/gutter)
Impervious Coverage Available @ 70%	389,992 sq. ft. (8.95 ac)
Proposed Building Size	784 sq. ft.
Other Improvements	373,833 sq. ft. (8.58 ac)
Total Impervious Coverage of Site	374,616 sq. ft. (67% of property)
Yadkin River watershed acres:	33,950 ac
Acres approved for SNIA:	0 ac
Percentage removed:	0 %

Commissioner Chamberlain made a motion to approve the SNIA request as presented. Commissioner Mitchell seconded and the motion passed unanimously.

**SUGGESTED TEXT AMENDMENTS TO THE SUBDIVISION ORDINANCE:**

Ed Muire, Planning Department Manager, reviewed the suggested text amendments to the Subdivision Ordinance. Mr. Muire explained that staff had approached the Board at its January 18, 2005 meeting concerning the concept of requiring water point sources to aid in fire protection for new subdivisions. Mr. Muire recalled that the Board had

authorized the formation of a technical review committee to develop a proposed set of standards for the Commissioner's review.

Mr. Muire discussed the proposed standards and presented a power point presentation pertaining to the water point sources.

Mr. Muire introduced Todd Kidd of the Miller Ferry Fire Department, Fire Marshal Art Delaney and Dan Peters from Granite Quarry. Mr. Muire said these individuals had met with him in order to share the Fire Department's view on the issue.

Mr. Muire said staff had researched the issue in an attempt to see if other counties in North Carolina had addressed water point sources. Mr. Muire reported that it appears Rowan County "is breaking new ground" to put these standards in place.

Mr. Muire said general conversations between staff and developers had revealed that the developers have no problems with the proposed standards.

Mr. Muire discussed the benefits of fire protection to homeowners because of lower ISO ratings and reduced insurance premiums.

Mr. Muire explained that there would be some costs involved through maintenance of the water point sources.

Chairman Tadlock asked Mr. Delaney if the fire departments had encountered anyone with the capacity for a dry hydrant that had denied the fire departments the opportunity to tap that water resource to fight fires.

Mr. Delaney said that there was one developer building "million dollar homes" that had refused to put in a dry hydrant. Mr. Delaney said after explaining the need for the pond, the developer had understood but said he only wanted it used for his gated community and not for the "home across the street."

Mr. Peters expressed concern that one new development could jeopardize the ISO rating for an entire district. Mr. Peters said fire sources for developments must have certain regulations with the key part being the water source. Mr. Peters said this must be done when development is beginning.

Commissioner Chamberlain made a motion to approve the request from staff to refer this item to the Planning Board for the development of Text Amendments. Chairman Tadlock seconded and the motion passed unanimously.

Mr. Muire mentioned that the Board had talked about the growth that is coming to Rowan County and he pointed out the ISO rating in some areas was a class 10. Mr. Muire reported that some insurance companies do not provide coverage for those in class 10.

Mr. Muire noted that there are opportunities for “wiggle room” in allowing developers to approach the Commissioners for a waiver. Mr. Muire said the water point source is not the only way and that there are circumstances when there is access to tanks and/or water lines. The Board agreed it might be acceptable to modify the text in Option 1 for this reason.

Chairman Tadlock questioned the insurance savings a million dollar home might experience with the lower ISO rating. Mr. Peters stressed that an entire district could lose its lower ISO rating if a new development were built without an adequate water point source.

Chairman Tadlock referred to the 1999 ISO Protection Class Survey Results in the agenda packet and he pointed out the insurance savings to a \$90,000 home with a lower ISO rating.

With no further discussion, Chairman Tadlock expressed appreciation for the presentation.

#### **APPROVAL OF SW-01-05 FOR PRIVATE ROAD APPROVAL FOR SUNSET**

##### **POINTE:**

Shane Stewart of the Planning Department reported that Sunset Pointe at High Rock Lake, LLC was requesting a waiver from Article IV Section 80 (b) of the Rowan County Subdivision Ordinance to allow a network of private roads in a new subdivision. Mr. Stewart said that the proposed subdivision is comprised of 241 acres located off Goodman Lake Road and based on discussions with the applicant, the subdivision will be a gated community with a Homeowner’s Association (HOA) to collect monthly fees for road improvements. Mr. Stewart explained that these roads will be built to NCDOT standards but will rely upon their homeowners for repair and maintenance and this agreement will be recorded with the Rowan County Register of Deeds upon final approval.

Mr. Stewart informed the Board that staff recommends approval of the waiver based on the proposed subdivision plan for Sunset Pointe.

Commissioner Mitchell made a motion to approve the request of SW-01-05. Commissioner Chamberlain seconded and the motion passed unanimously.

#### **APPROVAL OF BOND RESOLUTIONS:**

Leslie Heidrick, Finance Director, made the presentation for approval of two School Bond Resolutions and approval of the “draft” Escrow Deposit Agreement.

Ms. Heidrick explained that the first resolution is for the \$45,300.00 School Bonds, Series 2005, which is pursuant to and in accordance with the Bond Order adopted by the Board of Commissioners on September 3, 2002. Ms. Heidrick said the Local Government Commission (LGC) would sell the bonds, which will be dated April 1, 2005. Ms. Heidrick added that the Resolution authorizes and directs the Chairman of the Board of Commissioners, the County Manager, the Clerk to the Board and the Finance



1. A regular meeting of the Board of Commissioners of the County of Rowan, a county in the State of North Carolina, was duly held on March 21, 2005 proper notice of such meeting having been given as required by North Carolina statutes, and minutes of said meeting have been duly recorded in the Minute Book kept by me in accordance with law for the purpose of recording the minutes of said Board.

2. I have compared the attached extract with said minutes so recorded and said extract is a true copy of said minutes and of the whole thereof insofar as said minutes relate to matters referred to in said extract.

3. Said minutes correctly state the time when said meeting was convened and the place where such meeting was held and the members of said Board who attended said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand and have hereunto affixed the corporate seal of said County, this \_\_\_\_ day of March, 2005.

(SEAL)

\_\_\_\_\_  
Clerk of the Board of Commissioners, County  
of Rowan

**EXTRACTS FROM MINUTES OF BOARD OF COMMISSIONERS**

**MINUTES OF THE MEETING OF THE  
ROWAN COUNTY BOARD OF COMMISSIONERS  
MARCH 21, 2005 – 7:00 PM  
COMMISSIONER’S MEETING ROOM, ADMINISTRATION BUILDING**

Present: Frank Tadlock, Chairman  
Arnold Chamberlain, Vice-Chairman  
Steve Blount, Member  
Chad Mitchell, Member  
Jim Sides, Member

**APPROVAL OF BOND RESOLUTIONS AND ESCROW AGREEMENT:**

Leslie Heidrick, Finance Director, made the presentation for approval of two School Bond Resolutions and approval of the "draft" Escrow Deposit Agreement.

Ms. Heidrick explained that the first resolution is for the \$45,300.00 School Bonds, Series 2005, which is pursuant to and in accordance with the Bond Order adopted by the Board of Commissioners on September 3, 2002. Ms. Heidrick said the Local Government Commission (LGC) would sell the bonds, which will be dated April 1, 2005. Ms. Heidrick added that the Resolution authorizes and directs the Chairman of the Board of Commissioners, the County Manager, the Clerk to the Board and the Finance Director to execute the bonds and deliver all necessary documents for the sale of the bonds.

Ms. Heidrick explained that the second resolution is for the \$6,765,000 Refunding Bonds, Series 2005, which is pursuant to and in accordance with the Refunding Bond Order approved by the Board of Commissioners on August 19, 2002. These bonds will also be dated April 1, 2005 and will be sold by the LGC. Ms. Heidrick added the Resolution authorizes and directs the Chairman of the Board of Commissioners, the County Manager, the Clerk to the Board and the Finance Director to execute the bonds and deliver all necessary documents.

Ms. Heidrick gave the Board an update on the Refunding Bonds and said that long-term rates have risen since the February report to the Board. Ms. Heidrick said that the latest refunding numbers received from the financial advisors shows a savings of approximately \$420,000, which would be about \$38,000 per year for the next eleven years and this reflects a decrease from \$480,000 as reported in February. Ms. Heidrick reflected this is still a savings of 5.2%, which is still well above the minimum savings level of 3% set by the LGC. Ms. Heidrick said that it appears the rates will hold to refund the bonds.

Ms. Heidrick also stated that approval is needed for the "draft" Escrow Deposit Agreement and that if the refunding bonds are sold, the monies received would be placed with First-Citizens Bank for the purpose of repaying the bonds to the bond donors. Ms. Heidrick added that the escrow account would be open from April 26, 2005 until February 1, 2006.

Ms. Heidrick requested approval of the adoption of the two resolutions and approval to enter into the Escrow Deposit Agreement.

Commissioner Mitchell made a motion to approve the two resolutions and the Escrow Deposit Agreement. Chairman Tadlock seconded and the motion passed unanimously.

\* \* \* \* \*

County Finance Director Leslie Heidrick presented the following resolution and Commissioner Chad Mitchell moved that it be adopted:

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

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

1. Pursuant to and in accordance with the school bond order adopted by the Board of Commissioners on September 3, 2002, the Issuer shall issue its bonds of the aggregate principal amount of \$45,300,000. The bonds shall be designated “School Bonds, Series 2005” (hereinafter referred to as the “Bonds”). 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 April 1, 2005.

2. The Bonds shall be dated April 1, 2005 and shall bear interest from their date at a rate or rates which shall be hereafter determined upon the public sale thereof and such interest shall be payable on October 1, 2005 and semi-annually thereafter on April 1 and October 1. The Bonds shall mature, subject to the right of prior redemption as hereinafter set forth, annually on April 1, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2006	\$2,000,000	2014	\$3,000,000
2007	\$2,000,000	2015	\$3,000,000
2008	\$2,000,000	2016	\$4,000,000
2009	\$2,000,000	2017	\$4,100,000
2010	\$2,000,000	2018	\$4,100,000
2011	\$3,000,000	2019	\$4,100,000
2012	\$3,000,000	2020	\$4,000,000
2013	\$3,000,000		

Interest will be payable to the registered owners of the 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 an interest payment date.

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 The Depository Trust Company, New York, New York ("DTC"), and immobilized in its custody. The book entry system will evidence ownership of the Bonds in principal amounts of \$5,000 or whole 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 April 1, as set forth in the foregoing maturity schedule, 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 such 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 such 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. If the Issuer

fails to identify another qualified securities depository to replace DTC, the Issuer will authenticate and deliver replacement Bonds in the form of fully registered certificates.

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

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

4. The Bonds shall bear the manual or facsimile signatures of the Chairman and the Clerk of 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 said Commission or of a representative designated by said Secretary and the certificate of authentication of the Bond Registrar to be manually endorsed on all Bonds shall be executed as provided hereinafter.

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

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

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

NO. R-

\$

**United States of America  
State of North Carolina  
ROWAN COUNTY  
SCHOOL BOND, SERIES 2005**

<b>INTEREST RATE</b>	<b>MATURITY DATE</b>	<b>DATE OF ORIGINAL ISSUE</b>	<b>CUSIP</b>
	April 1, ____	April 1, 2005	779460

**REGISTERED OWNER:** CEDE & CO.

**PRINCIPAL SUM:**

**DOLLARS**

ROWAN COUNTY (hereinafter referred to as "County"), a political subdivision 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 (the "Bond Registrar"), the principal sum shown above and to pay to the registered owner hereof, at his address as it appears on the bond registration books of the County, interest on such principal sum from the date of this bond [or from the April 1 or October 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is an April 1 or October 1 to which interest shall have been paid, in which case from such date], such interest to the maturity hereof being payable on October 1, 2005 and semi-annually thereafter on April 1 and October 1 of each year, at the rate per annum specified above, until payment of such principal sum. The interest so payable on any such interest payment date will be paid to the person in whose name this bond is registered at the close of business on the record date for such interest, which shall be the fifteenth day of the calendar month (whether or not a business day) next preceding such 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 September 3, 2002 (the "Bond Order") and a resolution adopted by said Board of Commissioners on March 21, 2005 (the "Resolution") to provide funds, together with other funds of the County, to pay capital costs of providing additional school facilities and improvements to existing school facilities for the County. The issuance of this

bond and the contracting of the indebtedness evidenced thereby have been approved by a majority of the qualified voters of the County voting at an election held in the County on November 5, 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 The Depository Trust Company, New York, New York ("DTC") and immobilized in its custody. The book entry system will evidence ownership of the bonds in principal amounts of \$5,000 or whole 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 such 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 such participants.

The bonds maturing on and after April 1, 2016 shall be subject to redemption prior to their stated maturities at the option of the County on or after April 1, 2015, in whole or in part at any time, at a redemption price of 100% of such principal amounts, plus interest accrued to the date fixed for redemption. If less than all of the bonds are called for redemption, the bonds to be redeemed shall be selected in such manner as the County shall determine; provided, however, that the portion of any bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting bonds for redemption, 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 with DTC is used for determining beneficial ownership of the bonds, if less than all of the bonds within a maturity are to be redeemed, DTC and its participants shall determine which of the bonds within a maturity are to be redeemed.

Not more than forty-five (45) 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 such redemption to be mailed, postage prepaid, to DTC or its nominee. On the date fixed for redemption, notice having been given as aforesaid, the bonds or portions thereof so called for redemption shall be due and payable at the redemption price provided for the redemption of such bonds or portions thereof on such date. 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 Bond Registrar shall keep at her office the books of said County for the registration and registration of transfer of bonds. The transfer of this bond may be registered only upon such books and as otherwise provided in the Resolution upon the surrender hereof to the Bond Registrar together with an assignment duly executed by the registered owner hereof or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall deliver in exchange for this bond a new bond or bonds, registered in the name of the transferee, of authorized denominations, in an

aggregate principal amount equal to the unpaid principal amount of this bond, of the same maturity and bearing interest at the same rate.

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

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 mentioned herein until this bond shall have been endorsed by the authorized representative of the Local Government Commission of North Carolina and authenticated by the Bond Registrar.

IN WITNESS WHEREOF, the County has caused this bond [to be manually signed by] [to bear the facsimile signatures of] the Chairman and the Clerk of the Board of Commissioners of the County and [a facsimile of] its official seal to be [imprinted] [impressed] hereon, and this bond to be dated April 1, 2005.

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Chairman,  
Board of Commissioners

(SEAL)

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Clerk,  
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.

**ROWAN COUNTY**  
**Finance Director, as Bond Registrar**

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

**Date of Authentication:** \_\_\_\_\_

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

6. The Bonds maturing on and after April 1, 2016 shall be subject to redemption prior to their stated maturities at the option of the Issuer on or after April 1, 2015, in whole or in part at any time, at a redemption price of 100% of such principal amounts, plus interest accrued to the date fixed for redemption. If less than all of the Bonds are called for redemption, the Bonds to be redeemed shall be selected in such manner as the Issuer shall determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, the hereinafter designated Bond Registrar shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bonds by \$5,000. For so long as a DTC 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, DTC and its participants shall determine which of the Bonds within a maturity are to be redeemed.

Not more than forty-five (45) nor less than thirty (30) days before the redemption date of any Bonds to be redeemed, whether such redemption be in whole or in part, the Issuer shall cause a notice of such redemption to be mailed, postage prepaid, to DTC or its nominee. Each such 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 state also that on or after the redemption date, upon surrender of such Bond, a new registered Bond or Bonds in principal amount equal to the unredeemed portion of such bond will be issued.

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 thereof. On the date fixed for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Bonds or portions thereof called for redemption shall be due and payable at the redemption price provided therefor, plus accrued interest to such date.

If a portion of a Bond shall be selected for redemption, the registered owner thereof or his attorney or legal representative shall present and surrender such Bond to the Bond Registrar for payment of the principal amount thereof so called for redemption and the interest

accruing thereon to the date of 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 registered Bond or Bonds of the same maturity, of any denomination or denominations authorized by this resolution and bearing interest at the same rate.

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

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

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

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 then commercial standards and for the timely payment of principal and interest with respect to the Bonds. The Issuer's Finance Director 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 her office in Salisbury, North Carolina, the books of the Issuer for the registration, registration of transfer, exchange and payment of the Bonds as provided in this Resolution.

8. The Local Government Commission of North Carolina is hereby requested to sell the Bonds and to state in the Notice of Sale of the Bonds that bidders may name one rate of interest for part of the Bonds and another rate or rates for the balance of the Bonds. The Bonds shall bear interest at such rate or rates as may be named in the proposal to purchase said Bonds which shall be accepted by the Local Government Commission, provided that the net interest cost to the Issuer shall not exceed 5.25%.

9. The Chairman of the Board of Commissioners, the Clerk of 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 said 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 said Local Government Commission.

10. The Issuer covenants to do and perform all acts and things permitted by law necessary to assure that interest paid on the Bonds be and remain excluded from gross income of the owners thereof for federal income tax purposes.

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

- a. by not later than seven months from the end of each fiscal year of the Issuer, commencing with the fiscal year ending on June 30, 2005, to each nationally recognized municipal securities information repository ("NRMSIR") and to the state information depository for the State of North Carolina ("SID"), if any, audited financial statements of the Issuer for such fiscal year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or, if such audited financial statements of the Issuer are not available by seven months from the end of such fiscal year, unaudited financial statements of the Issuer for such fiscal year to be replaced subsequently by audited financial statements of the Issuer to be delivered within 15 days after such audited financial statements become available for distribution;
- b. by not later than seven months from the end of each fiscal year of the Issuer, commencing with the fiscal year ending on June 30, 2005, to each NRMSIR, and to the SID, if any, (i) the financial and statistical data as of a date not earlier than the end of such fiscal year for the type of information included under the heading "The County - Debt Information and - Tax Information" in the Official Statement relating to the Bonds (excluding any information on 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, to each NRMSIR or to the Municipal Securities Rulemaking Board ("MSRB"), and to the SID, if any, notice of any of the following events with respect to the Bonds, if material:
1. principal and interest payment delinquencies;
  2. non-payment related defaults;
  3. unscheduled draws on debt service reserves reflecting financial difficulties;
  4. unscheduled draws on credit enhancements reflecting financial difficulties;
  5. substitution of credit or liquidity providers, or their failure to perform;
  6. adverse tax opinions or events affecting the tax-exempt status of the Bonds;
  7. modification to the rights of the beneficial owners of the Bonds;
  8. bond calls;
  9. defeasances;
  10. release, substitution or sale of any property securing repayment of the Bonds;
  11. rating changes; and
- d. in a timely manner, to each NRMSIR or to the MSRB, and to the SID, if any, notice of a failure of the Issuer to provide required annual financial information described in (a) or (b) above on or before the date specified.

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 any such modification will be done in a manner consistent with Rule 15c2-12 issued under the Securities Exchange Act of 1934, as it may be amended from time to time ("Rule 15c2-12"), and provided further that:

- a. any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer;
- b. the information to be provided, as modified, would have complied with the requirements of Rule 15c2-12 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 interests 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 Resolution, as it may be amended from time to time, at the time of the amendment.

To the extent permitted by the U.S. Securities and Exchange Commission, the County may discharge its undertaking described above by transmitting those documents or notices electronically to [www.disclosureusa.org](http://www.disclosureusa.org).

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 11 shall terminate upon payment, or provisions 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.

12. The blanket Letter of Representations, as requested by DTC, is hereby approved and confirmed.

13. The Preliminary Official Statement dated on or about March 24, 2005, setting forth financial and statistical data in connection with the offering of the Bonds (the "Preliminary Official Statement") is hereby approved. In connection with this approval, the Board of Commissioners of the Issuer has examined copies of the Preliminary Official Statement and has, to the extent and in the manner it has deemed necessary, discussed the contents thereof with officers of the administration of the Issuer. The Board of Commissioners of the Issuer does hereby recite that, upon its examination and discussions, nothing has come to its attention which would lead it to believe that said Preliminary Official Statement contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Chairman, the County Manager and the Finance Director of the Issuer are each hereby authorized to approve changes in such Preliminary Official Statement and to execute such Preliminary Official Statement and the final Official Statement for and on behalf of the Issuer.

14. The Chairman of the Board of Commissioners, the County Manager, the Clerk of the Board of Commissioners, the Finance Director and the 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.

The motion having been duly seconded, and the resolution having been considered, it was adopted by the following vote:

AYES: Commissioners: Frank Tadlock, Arnold Chamberlain, Steve Blount, Chad Mitchell and Jim Sides

NAYS: NONE

\* \* \* \* \*

**REFUNDING BONDS**

STATE OF NORTH CAROLINA )  
: ss.:  
COUNTY OF ROWAN )

I, RITA K. FOIL, Clerk of the Board of Commissioners of the County hereinafter described, DO HEREBY CERTIFY, as follows:

4. A regular meeting of the Board of Commissioners of the County of Rowan, a county in the State of North Carolina, was duly held on March 21, 2005 proper notice of such meeting having been given as required by North Carolina statutes, and minutes of said meeting have been duly recorded in the Minute Book kept by me in accordance with law for the purpose of recording the minutes of said Board.

5. I have compared the attached extract with said minutes so recorded and said extract is a true copy of said minutes and of the whole thereof insofar as said minutes relate to matters referred to in said extract.

6. Said minutes correctly state the time when said meeting was convened and the place where such meeting was held and the members of said Board who attended said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand and have hereunto affixed the corporate seal of said County, this \_\_\_\_ day of March, 2005.

(SEAL)

\_\_\_\_\_  
Clerk of the Board of Commissioners, County  
of Rowan

**EXTRACTS FROM MINUTES OF BOARD OF COMMISSIONERS**

**MINUTES OF THE MEETING OF THE  
ROWAN COUNTY BOARD OF COMMISSIONERS  
MARCH 21, 2005 – 7:00 PM  
COMMISSIONER’S MEETING ROOM, ADMINISTRATION BUILDING**

Present: Frank Tadlock, Chairman  
Arnold Chamberlain, Vice-Chairman  
Steve Blount, Member  
Chad Mitchell, Member  
Jim Sides, Member

**APPROVAL OF BOND RESOLUTIONS AND ESCROW AGREEMENT:**

Leslie Heidrick, Finance Director, made the presentation for approval of two School Bond Resolutions and approval of the “draft” Escrow Deposit Agreement.

Ms. Heidrick explained that the first resolution is for the \$45,300.00 School Bonds, Series 2005, which is pursuant to and in accordance with the Bond Order adopted by the Board of Commissioners on September 3, 2002. Ms. Heidrick said the Local Government Commission (LGC) would sell the bonds, which will be dated April 1, 2005. Ms. Heidrick added that the Resolution authorizes and directs the Chairman of the Board of Commissioners, the County Manager, the Clerk to the Board and the Finance Director to execute the bonds and deliver all necessary documents for the sale of the bonds.

Ms. Heidrick explained that the second resolution is for the \$6,765,000 Refunding Bonds, Series 2005, which is pursuant to and in accordance with the Refunding Bond Order approved by the Board of Commissioners on August 19, 2002. These bonds will also be dated April 1, 2005 and will be sold by the LGC. Ms. Heidrick added the Resolution authorizes and directs the Chairman of the Board of Commissioners, the County Manager, the Clerk to the Board and the Finance Director to execute the bonds and deliver all necessary documents.

Ms. Heidrick gave the Board an update on the Refunding Bonds and said that long-term rates have risen since the February report to the Board. Ms. Heidrick said that the latest refunding numbers received from the financial advisors shows a savings of approximately \$420,000, which would be about \$38,000 per

year for the next eleven years and this reflects a decrease from \$480,000 as reported in February. Ms. Heidrick reflected this is still a savings of 5.2%, which is still well above the minimum savings level of 3% set by the LGC. Ms Heidrick said that it appears the rates will hold to refund the bonds.

Ms. Heidrick also stated that approval is needed for the "draft" Escrow Deposit Agreement and that if the refunding bonds are sold, the monies received would be placed with First-Citizens Bank for the purpose of repaying the bonds to the bond donors. Ms. Heidrick added that the escrow account would be open from April 26, 2005 until February 1, 2006.

Ms. Heidrick requested approval of the adoption of the two resolutions and approval to enter into the Escrow Deposit Agreement.

Commissioner Mitchell made a motion to approve the two resolutions and the Escrow Deposit Agreement. Chairman Tadlock seconded and the motion passed unanimously.

\* \* \* \* \*

County Finance Director Leslie Heidrick presented the following resolution and Commissioner Chad Mitchell moved that it be adopted:

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

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

1. Pursuant to and in accordance with the refunding bond order adopted by the Board of Commissioners on August 19, 2002 and subject to Section 6 hereof, the Issuer shall issue its bonds of the aggregate principal amount of \$6,765,000. The Bonds shall be designated "Refunding Bonds, Series 2005" (hereinafter referred to as the "Bonds"). The Bonds shall be dated April 1, 2005 and shall bear interest from their date at a rate or rates which shall be hereafter determined upon the public sale thereof and such interest shall be payable on August 1, 2005 and semi-annually thereafter on February 1 and August 1. The Bonds shall mature, subject to adjustment as hereinafter set forth, annually on February 1, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2006	\$125,000	2012	\$600,000
2007	\$665,000	2013	\$585,000
2008	\$650,000	2014	\$575,000
2009	\$640,000	2015	\$565,000
2010	\$625,000	2016	\$1,125,000
2011	\$610,000		

Interest will be payable to the registered owners of the 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 an interest payment date.

The Bonds shall be deemed to refund the bonds being refunded within the period of usefulness of the capital projects financed by such bonds being refunded.

2. 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 The Depository Trust Company, New York, New York ("DTC"), and immobilized in its custody. The book entry system will evidence ownership of the Bonds in principal amounts of \$5,000 or whole 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 February 1, as set forth in the foregoing maturity schedule, 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 such 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 such 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. If the Issuer fails to identify another qualified securities depository to replace DTC, the Issuer will authenticate and deliver replacement Bonds in the form of fully registered certificates.

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

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

3. The Bonds shall bear the manual or facsimile signatures of the Chairman and the Clerk of 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 said Commission or of a representative designated by said Secretary or Commission and the

certificate of authentication of the Bond Registrar to be manually endorsed on all Bonds shall be executed as provided hereinafter.

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

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

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

NO. R-

\$

**United States of America  
State of North Carolina  
ROWAN COUNTY  
REFUNDING BOND, SERIES 2005**

<b>INTEREST RATE</b>	<b>MATURITY DATE</b>	<b>DATE OF ORIGINAL ISSUE</b>	<b>CUSIP</b>
	February 1, ____	April 1, 2005	779460

**REGISTERED OWNER: CEDE & CO.**

**PRINCIPAL SUM:**

**DOLLARS**

Rowan County (hereinafter referred to as "County"), a political subdivision 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 (the "Bond Registrar"), the principal sum shown above and to pay to the registered owner hereof, at his address as it appears on the bond registration books of the County, interest on such principal sum from the date of this bond [or from the February 1 or August 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is on August 1 or February 1 to which interest shall have been paid, in which case from such date], such interest to the maturity hereof being payable on August 1, 2005 and semi-annually thereafter on February 1 and August 1 of each year, at the rate per annum specified above, until payment of such principal sum. The interest so payable on any such interest payment date will be paid to the person in whose name this bond is registered at the close of business on the record date for such interest, which shall be the fifteenth day of the calendar month (whether or not a business day) next preceding such 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 August 19, 2002 (the "Bond Order") and resolutions adopted by said Board of Commissioners on March 21, 2005 and April 18, 2005 (collectively, the "Resolution") to provide funds, together with other funds of the County, to pay and refund outstanding school bonds dated July 1, 1996.

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 The Depository Trust Company, New York, New York ("DTC") and immobilized in its custody. The book entry system will evidence ownership of the bonds in principal amounts of \$5,000 or whole 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 such 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 such participants.

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

Bonds, upon surrender thereof at the office of the Bond Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of registered Bonds of the same maturity, of any denomination or denominations authorized by the Resolution 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 mentioned herein until this bond shall have been endorsed by the authorized representative of the Local Government Commission of North Carolina and authenticated by the Bond Registrar.

IN WITNESS WHEREOF, the County has caused this bond [to be manually signed by] [to bear the facsimile signatures of] the Chairman and the Clerk of the Board of Commissioners of the County and [a facsimile of] its official seal to be imprinted or impressed hereon, and this bond to be dated April 1, 2005.

\_\_\_\_\_  
Chairman,  
Board of Commissioners

**(SEAL)**

\_\_\_\_\_  
Clerk,  
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.

**ROWAN COUNTY**  
**Finance Director**, as Bond Registrar

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

Date of Authentication: \_\_\_\_\_

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

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

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

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

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 then commercial standards and for the timely payment of principal and interest with respect to the Bonds. The Issuer's Finance Director 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 her office in Salisbury, North Carolina, the books of the Issuer for the registration, registration of transfer, exchange and payment of the Bonds as provided in this resolution.

6. The Local Government Commission of North Carolina is hereby requested to sell the Bonds and to state in the Notice of Sale of the Bonds that bidders may name one rate of interest for part of the Bonds and another rate or rates for the balance of the Bonds. The Bonds shall bear interest at such rate or rates as may be named in the proposal to purchase said Bonds which shall be accepted by the Local Government Commission. The Issuer hereby reserves the right to adjust the aggregate principal amount of the Bonds and the principal amount of each maturity of the Bonds after the opening of bids for the Bonds as further provided in the notice of sale prepared by the Local Government.

7. The Chairman of the Board of Commissioners, the Clerk of 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 said 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 said Local Government Commission.

8. The Issuer covenants to do and perform all acts and things permitted by law necessary to assure that interest paid on the Bonds be and remain excluded from gross income of the owners thereof for federal income tax purposes.

9. The Board of Commissioners of the Issuer hereby approves the terms of the Escrow Deposit Agreement by and between the Issuer and First-Citizens Bank & Trust Company substantially in the form presented to the Board (draft of 3/21/05) and hereby authorizes the officers of the Issuer designated therein to execute and deliver the Escrow Deposit Agreement in substantially such form with such changes and insertions as any of such officers shall deem necessary to accomplish the purposes for which the Bonds are being issued, their execution thereof constituting conclusive evidence of such approval.

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

- a. by not later than seven months from the end of each fiscal year of the Issuer, commencing with the fiscal year ending on June 30, 2005, to each nationally recognized municipal securities information repository ("NRMSIR") and to the state information depository for the State of North Carolina ("SID"), if any, audited financial statements of the Issuer for such fiscal year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or, if such audited financial statements of the Issuer are not available by seven months from the end of such fiscal year, unaudited financial statements of the Issuer for such fiscal year to be replaced subsequently by audited financial statements of the Issuer to be delivered within 15 days after such audited financial statements become available for distribution;
- b. by not later than seven months from the end of each fiscal year of the Issuer, commencing with the fiscal year ending on June 30, 2005, to each NRMSIR, and to the SID, if any, (i) the financial and statistical data as of a date not earlier than the end of such fiscal year for the type of information included under the heading "The County - Debt Information and - Tax Information" in the Official Statement relating to the Bonds (excluding any information on 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, to each NRMSIR or to the Municipal Securities Rulemaking Board ("MSRB"), and to the SID, if any, notice of any of the following events with respect to the Bonds, if material:
1. principal and interest payment delinquencies;
  2. non-payment related defaults;
  3. unscheduled draws on debt service reserves reflecting financial difficulties;
  4. unscheduled draws on credit enhancements reflecting financial difficulties;
  5. substitution of credit or liquidity providers, or their failure to perform;
  6. adverse tax opinions or events affecting the tax-exempt status of the Bonds;
  7. modification to the rights of the beneficial owners of the Bonds;
  8. bond calls;
  9. defeasances;
  10. release, substitution or sale of any property securing repayment of the Bonds;
  11. rating changes; and
- d. in a timely manner, to each NRMSIR or to the MSRB, and to the SID, if any, notice of a failure of the Issuer to provide required annual financial information described in (a) or (b) above on or before the date specified.

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 any such modification will be done in a manner consistent with Rule 15c2-12 issued under the Securities Exchange Act of 1934, as it may be amended from time to time ("Rule 15c2-12"), and provided further that:

- a. any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer;
- b. the information to be provided, as modified, would have complied with the requirements of Rule 15c2-12 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 interests 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 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 10 shall terminate upon payment, or provisions 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.

To the extent permitted by the U.S. Securities and Exchange Commission, the County may discharge its undertaking described above by transmitting those documents or notices electronically to [www.disclosureusa.org](http://www.disclosureusa.org).

11. The Preliminary Official Statement dated on or about March 24, 2005, setting forth financial and statistical data in connection with the offering of the Bonds (the "Preliminary Official Statement") is hereby approved. In connection with this approval, the Board of Commissioners of the Issuer has examined copies of the Preliminary Official Statement and has, to the extent and in the manner it has deemed necessary, discussed the contents thereof with officers of the administration of the Issuer. The Board of Commissioners of the Issuer does hereby recite that, upon its examination and discussions, nothing has come to its attention which would lead it to believe that said Preliminary Official Statement contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Chairman, the County Manager and the Finance Director of the Issuer are each hereby authorized to approve changes in such Preliminary Official Statement and to execute such Preliminary Official Statement and the final Official Statement for and on behalf of the Issuer.

12. The Blanket Letter of Representations, as requested by DTC, is hereby approved and confirmed.

13. The refunding bond resolution adopted by the Board on July 21, 2003 is repealed and superseded hereby.

14. The Chairman of the Board of Commissioners, the County Manager, the Clerk of the Board of Commissioners, the Finance Director and the 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.

The motion having been duly seconded, and the resolution having been considered, it was adopted by the following vote:

AYES: Commissioners: Frank Tadlock, Arnold Chamberlain, Steve Blount, Chad Mitchell and Jim Sides

NAYS:

\* \* \* \* \*

### **ESCROW DEPOSIT AGREEMENT**

This ESCROW DEPOSIT AGREEMENT, dated April 26, 2005, by and between the County of Rowan, North Carolina, having Federal Employer Identification Number 56-6000336 (the "County") and First-Citizens Bank & Trust Company, Raleigh, North Carolina, as escrow agent hereunder (the "Escrow Agent"):

#### **WITNESSETH:**

WHEREAS, the County, pursuant to The Local Government Finance Act and a bond order adopted by the County Board of Commissioners, issued its School Bonds, Series 1996, dated July 1, 1996, and \$6,325,000 of such Bonds, maturing on February 1 in the years 2007 to 2016, inclusive, are outstanding (the "Refunded Bonds"); and

WHEREAS, the County, pursuant to The Local Government Finance Act, a bond order adopted by the Board of Commissioners of the County on August 19, 2002 and resolutions adopted by said Board of Commissioners on March 21, 2005 and April 18, 2005 authorized the issuance and provided for the sale of \$[\_\_\_\_\_] Refunding Bonds, Series 2005 (the "Refunding Bonds"), for the purpose of providing funds, together with other funds of the County, to pay and refund the Refunded Bonds; and

WHEREAS, the County has determined to provide for the payment, refunding and redemption of the Refunded Bonds by depositing with the Escrow Agent cash and non-callable direct obligations of the United States of America, which obligations shall not include investments in money market mutual funds ("Government Obligations"), in such amounts and maturing at stated fixed prices as to principal and interest at such times so that sufficient moneys will be available from such principal and interest to pay interest on August 1, 2005 and to redeem on February 1, 2006, at the applicable redemption prices, as stated in each Refunded Bond, the Refunded Bonds maturing after February 1, 2006;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. **Creation of Escrow Account.** There is hereby created and established with the Escrow Agent a special and irrevocable escrow account, designated "2005 Escrow Account", to be held in the custody of the Escrow Agent separate and apart from other funds of the County or of the Escrow Agent as a trust fund for the benefit of the owners of the Refunded Bonds.

2. **Deposit and Application of Refunding Bond Proceeds.** Concurrently with the execution of this Agreement, the County deposits or causes to be deposited with the Escrow Agent, and the Escrow Agent acknowledges receipt of \$\_\_\_\_\_ in immediately available funds for deposit in the 2005 Escrow Account, from the proceeds of the Refunding Bonds.

\$\_\_\_\_\_ of the proceeds from the Refunding Bonds will be used to pay the expenses incurred in connection with the issuance of the Refunding Bonds. Such proceeds will be deposited with the Finance Director of the County in a County-held bank account.

3. **Irrevocable Trusts Created.** The deposit of moneys in the 2005 Escrow Account, as provided in paragraph 2 hereof, shall constitute an irrevocable deposit and pledge of said moneys for the equal and ratable benefit of the owners of the Refunded Bonds. The owners of the Refunded Bonds shall have an express lien on all moneys deposited in the 2005 Escrow Account, and on the Government Obligations credited to the 2005 Escrow Account, until applied in accordance with this Agreement. The matured principal of the Government Obligations and the interest thereon and uninvested cash shall be held in trust by the Escrow Agent, and shall be applied as hereinafter set forth, solely to the payment of the principal of and premium and interest on the Refunded Bonds, respectively, as the same become due and payable, upon the redemption thereof.

In reliance upon the mathematical computations performed by Ferris, Baker Watts, Incorporated, and the verification thereof performed by McGladrey & Pullen, LLP, the County has determined that the interest and the principal amounts maturing on the Government Obligations in accordance with their terms are sufficient to assure that moneys will be available to the Escrow Agent in amounts sufficient to pay and redeem the Refunded Bonds and to pay the interest thereon as herein provided.

4. **Purchase of Government Obligations.** The Escrow Agent is hereby directed to immediately purchase the non-callable Government Obligations listed on Exhibit A hereto, solely for the account of and from the moneys deposited in the 2005 Escrow Account, as therein set forth. The Escrow Agent will not make any purchase until it possesses sufficient funds for such purchase. A \$\_\_\_\_\_ portion of the moneys deposited in the 2005 Escrow Account shall not be invested on the date hereof. The Escrow Agent shall apply the moneys deposited in the 2005 Escrow Account, and the Government Obligations purchased therewith, together with all income or earnings thereon, in accordance with the provisions hereof. The Escrow Agent shall have no power or duty to invest any moneys held hereunder or to make substitutions of the Government Obligations held hereunder or to sell, transfer or otherwise dispose of the Government Obligations acquired hereunder except as provided in this Agreement.

5. **Substituted Government Obligations.** Except as otherwise expressly provided in paragraphs 3, 4 and 6 hereof and this paragraph 5, the Escrow Agent shall have no power or duty

to invest any moneys held hereunder or to make substitutions of the non-callable Government Obligations held hereunder or to sell, transfer or otherwise dispose of the Government Obligations acquired hereunder, or to pay interest on any such moneys not required to be invested hereunder; provided, however, that at the written direction of the Finance Director of the County and upon compliance with the conditions hereinafter stated, the Escrow Agent shall have the power to sell, transfer, or otherwise dispose of the Government Obligations acquired hereunder, to substitute therefor other Government Obligations and to release excess cash from the 2005 Escrow Account and pay such cash to the County. The Escrow Agent shall purchase such substitute Government Obligations and shall pay such excess cash to the County with the proceeds derived from the sale, transfer or disposition of the Government Obligations. The substitution of Government Obligations described above and the payment of such excess cash to the County may be effected only if (i) the moneys and Government Obligations on deposit immediately after such substitution will be sufficient to meet or exceed the amount required to pay and refund the Refunded Bonds as hereinbefore provided, (ii) the County and the Escrow Agent shall receive, at the expense of the County, and may rely conclusively upon, a verification of an independent certified public accountant or firm of independent certified public accountants designated by the County and not unacceptable to the Escrow Agent that the moneys and Government Obligations on deposit immediately after such substitution or release of cash will be sufficient to meet or exceed the amount required to pay and refund the Refunded Bonds as hereinbefore provided without any reinvestment and (iii) the Escrow Agent shall receive an opinion of LeBoeuf, Lamb, Greene & MacRae, L.L.P., or other nationally recognized bond counsel to the effect that the substitution and payment of excess cash to the County will not cause any of the Refunding Bonds to be an "arbitrage bond" within the meaning of the Internal Revenue Code of 1986, as amended, and the regulations thereunder.

6. **Deposit of Amounts Received.** The Escrow Agent shall deposit, as received, to the credit of the 2005 Escrow Account, all maturing principal of and interest on the Government Obligations purchased with the moneys deposited in the 2005 Escrow Account.

7. **Transfers from Escrow Account for Payment of Refunded Bonds.**

- a. The Escrow Agent on behalf of the County and without further authorization and direction shall, on or immediately prior to each interest or principal or redemption payment date for the Refunded Bonds, transfer from cash on hand to The Depository Trust Company, New York, New York, amounts sufficient to pay the interest on and any principal or redemption price of the Refunded Bonds payable on such dates, as set forth in Exhibit B hereto.

- b. If the Escrow Agent shall determine that amounts in the 2005 Escrow Account available to make the payments required by this section 7 are insufficient for such required payments, the Escrow Agent shall immediately notify the Finance Director of the County in writing of such shortfall, c/o Finance Director, 130 West Innes Street, Salisbury, North Carolina 28144-4326. The County shall timely deposit in the 2005 Escrow Account such additional amounts as may be required to meet fully the amount so to become due and payable.

8. **Redemption; Notice of Redemption.**

- a. The County specifically and irrevocably elects to redeem on February 1, 2006 the Refunded Bonds maturing after February 1, 2006. The Escrow Agent is hereby irrevocably authorized and directed, and hereby agrees, to cause to be given a notice of redemption of the Refunded Bonds in substantially the form set forth in Exhibit C attached hereto. The Escrow Agent hereby agrees to inform the County promptly and in writing of the required mailing of said notice of redemption.
- b. The notice of redemption, stating the redemption date, redemption price and identifying the Bonds to be redeemed by reference to their numbers and further stating that on such redemption date there shall become due and payable upon each Bond so to be redeemed, the principal thereof, redemption premium and interest accrued to the redemption date shall be given not less than 30 days nor more than 45 days prior to the redemption date in writing to The Depository Trust Company or its nominee, by prepaid certified or registered mail.

9. **Surplus Funds.** When all the Refunded Bonds and interest due thereon have been paid and discharged, this Escrow Deposit Agreement shall terminate and all remaining moneys and Government Obligations, together with any income and interest thereon, in the 2005 Escrow Account shall be transferred to the County by the Escrow Agent.

10. **Acceptance by Escrow Agent; Liability.**

- a. By execution of this Agreement, the Escrow Agent accepts the duties and obligations as Escrow Agent hereunder. The Escrow Agent represents that it has all requisite power, and has taken all corporate actions necessary, to execute the trusts hereby created.
- b. The Escrow Agent shall have no responsibility to the County or any other person in connection herewith except those responsibilities specifically provided herein and shall not be responsible for anything done or omitted to be done by it except for its own negligence or default in the performance of any obligation imposed on it hereunder. The Escrow Agent, except as herein specifically provided for, is not a party to, nor is it bound by or need it give consideration to the terms or provisions of any other agreement or undertaking between the County and any other person, and the Escrow Agent assents to and is to give consideration only to the terms and provisions of this Agreement. Unless specifically provided herein,

the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the County with respect to arrangements or contracts with others, the Escrow Agent's sole duty hereunder being to safeguard the 2005 Escrow Account and to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Agent shall be liable for its own negligence or willful misconduct. In determining the occurrence of any such event or contingency, the Escrow Agent may request from the County or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may inquire and consult with the County, among others, at any time. The Escrow Agent may consult with legal counsel, and the opinion of such counsel shall be full and complete authority and protection to the Escrow Agent as to any action taken or omitted by it in good faith and in accordance with such opinion, and the reasonable fees and expenses of such counsel shall be paid by the County. The Escrow Agent shall have no lien whatsoever upon any of the moneys or investments in the 2005 Escrow Account for the payment of fees and expenses for services rendered by or on behalf of the Escrow Agent under this Agreement.

- c. The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of moneys deposited, and of the principal amount of the Government Obligations as provided herein, and the earnings thereon, to pay the Refunded Bonds or any of them. So long as the Escrow Agent applies any moneys, the Government Obligations and the earnings therefrom to pay the Refunded Bonds as provided herein, and complies fully with the terms of this Agreement, the Escrow Agent shall not be liable for any deficiencies in the amounts necessary to pay the Refunded Bonds caused by such calculations.
- d. In the event of the Escrow Agent's failure to account for any of the Government Obligations or moneys received by it, such Government Obligations or moneys shall be and remain the property of the County in trust for the owners of the Refunded Bonds as herein provided, and if for any reason such Government Obligations or moneys are not applied as herein provided, or cannot be identified, the assets of the Escrow Agent shall be impressed with a trust in the amount thereof for the benefit of the owners of the Refunded Bonds until the required application or identification shall be made.
- e. The Escrow Agent may act upon any written notice, request, waiver, consent, certificate, receipt, authorization, power of attorney, or other instrument or document which the Escrow Agent in good faith believes to be genuine and to be what it purports to be.

- f. The Escrow Agent may resign and thereby become discharged from the trusts hereby created by notice in writing given to the County not less than thirty (30) days before such resignation shall take effect. The Escrow Agent agrees to serve as Escrow Agent until a successor is appointed. Such resignation shall take effect immediately, however, upon the appointment of a successor Escrow Agent if such successor Escrow Agent shall be appointed before the expiration of said notice period. If such appointment of a successor Escrow Agent is not made within thirty (30) days after the date that such resignation was to take effect as provided in the notice thereof given to the County, then the Escrow Agent may apply to a court of competent jurisdiction to appoint a successor Escrow Agent.

11. **Escrow Agent Reports.** The Escrow Agent shall, no later than March 1 2006, furnish the County a written report of the receipts, investments, redemptions and payments of and from the 2005 Escrow Account as of the immediately preceding February 1.

12. **Receipt of Proceedings.** Receipt of true and correct copies of the bond order and resolutions authorizing the issuance and providing for the sale of the Refunding Bonds is hereby acknowledged by the Escrow Agent, and reference herein to or citation herein of any provision of said documents shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if they were fully set forth herein.

13. **Performance on Business Days.** Whenever under the terms of this Agreement the performance date of any act to be done hereunder shall fall on a day which is not a legal banking day in the State of North Carolina and the State of New York, and upon which the Escrow Agent is not open for business, the performance thereof on the next succeeding business day of the Escrow Agent shall be deemed to be in full compliance with this Agreement.

14. **Fees and Expenses.** The County shall pay the Escrow Agent reasonable compensation for all services performed by it hereunder and also all its reasonable expenses, charges and other disbursements incurred in and about the administration and performance of its powers and duties hereunder including expenses attributable to mailing notices of redemption.

15. **Amendments.** In the absence of 100% bondholder approval, amendments to this Agreement shall be limited to (a) the insertion of unintentionally omitted material or the correction of mistakes or clarification of ambiguities, (b) the pledging of additional security to the owners of the Refunded Bonds or (c) the deposit of additional cash or securities in the 2005 Escrow Account. All amendments shall be in writing and shall be signed by the County and by the Escrow Agent.

16. **Severability.** If any one or more of the covenants or agreements provided in this Agreement on the part of the County or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

17. **Representations and Covenants.** All the covenants, promises and agreements of the County or of the Escrow Agent shall bind and inure to their respective successors and assigns whether so expressed or not. All representations and covenants contained herein shall survive the termination of this Escrow Agreement. This Agreement constitutes the complete understanding by all parties to this Agreement.

18. **Counterparts.** This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

19. **Notices.** Any notice, authorization, request, or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid, addressed as follows:

to the County, if addressed to:

County Finance Director  
130 West Innes Street  
Salisbury, North Carolina 28144-4326

to the Escrow Agent, if addressed to:

First-Citizens Bank & Trust Company  
Corporate Trust Department  
100 East Tryon Road, DAC-61  
Raleigh, North Carolina 27603

Any of such addresses may be changed at any time upon written notice of such change sent by United States registered mail, postage prepaid, to the other persons named in this section 19 by the person effecting the change.

20. **Governing Law.** This Agreement shall be governed by and construed in accordance with the applicable law of the State of North Carolina.

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed by their duly authorized officers and their official seals to be hereunto affixed and attested as of the date first above written.

**COUNTY OF ROWAN,  
NORTH CAROLINA**

By \_\_\_\_\_  
Chairman, Board of  
Commissioners

[Seal]  
Attest:

\_\_\_\_\_  
Clerk, Board of Commissioners

**FIRST-CITIZENS BANK  
& TRUST COMPANY**

By \_\_\_\_\_  
Vice President

[Seal]  
Attest:

\_\_\_\_\_  
Assistant Secretary

**EXHIBIT A**  
**GOVERNMENT OBLIGATIONS PURCHASED**  
**April 26, 2005**

**EXHIBIT B**

**DEBT SERVICE REQUIREMENTS**

**EXHIBIT C-1**

**NOTICE OF REDEMPTION**

**County of Rowan, North Carolina**

**School Bonds, Series 1996**

**Dated July 1, 1996**

**CUSIP # 779460**

NOTICE IS HEREBY GIVEN by the Board of Commissioners of the County of Rowan, North Carolina that all of the outstanding School Bonds, Series 1996, of the County of Rowan, North Carolina, dated as of July 1, 1996, and maturing on February 1 in the years 2007 to 2016, inclusive, are hereby called for redemption and prepayment on February 1, 2006. Each of the following bonds so called for redemption and prepayment shall be redeemed and prepaid at the applicable redemption price plus accrued interest to the date of redemption:

<b><u>Bond Numbers</u></b>	<b><u>Maturity February 1</u></b>	<b><u>CUSIP Number</u></b>	<b><u>Redemption Price</u></b>
R-10	2007	EL 4	100½%
R-11	2008	EM 2	101
R-12	2009	EN 0	101½
R-13	2010	EP 5	102
R-14	2011	EQ 3	102
R-15	2012	ER 1	102
R-16	2013	ES 9	102
R-17	2014	ET 7	102
R-18	2015	EU 4	102
R-19	2016	EV 2	102

The bonds so called for redemption shall be delivered to the office of the County Finance Director, 130 West Innes Street, Salisbury, North Carolina 28144-4326.

Withholding of 28% of gross redemption proceeds of any payment made within the United States may be required by the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "Act"), unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your securities.

The CUSIP numbers appearing herein have been included solely for the convenience of owners. The County and the Escrow Agent shall not be responsible for the selection or use of any such CUSIP numbers nor is any representation made as to their correctness on the Bonds or as indicated herein.

**BOARD OF COMMISSIONERS OF THE  
COUNTY OF ROWAN, NORTH CAROLINA**

By: FIRST-CITIZENS BANK & TRUST COMPANY,  
as Escrow Agent

Commissioner Mitchell made a motion to approve the two resolutions and the escrow agreement. Commissioners Blount seconded and the motion passed unanimously.

Chairman Tadlock informed the Board of a recent trip to New York, where himself, Mr. Russell and Ms. Heidrick met with representatives from Fitch, Moody and Standard and Poor to improve on the county bond rating. Chairman Tadlock said that Mr. Russell and Ms. Heidrick did an excellent job of representing Rowan County and thanked them for their extra work.

**APPROVAL FOR THE SALE OF THE T-HANGARS AT THE ROWAN COUNTY  
AIRPORT:**

County Manager Tim Russell discussed the following estimated schedule for the construction of 30 new T-hangars at the Rowan County Airport. Mr. Russell provided a schedule and reviewed the bidding process, which will be awarded on May 26<sup>th</sup>. Mr. Russell said that hopefully the construction would be completed by November 25<sup>th</sup>. Mr. Russell added that there is more interest in acquiring hangars than there are hangars available and the selection would be through a lottery system. Mr. Russell reviewed the hangars to be constructed, which would include a monthly ground lease, they would be privately owned and would be taxable and would be expected to carry liability insurance. Mr. Russell said that the T-hangars would be standard with overhead for heat and lights, basic storage, but would have no bathrooms. Mr. Russell said that these hangars are referred to as storage hangars.

Mr. Russell reviewed four scenarios for the construction of the 30 new hangars that would be priced at approximately \$28-30 a square foot. Mr. Russell explained that the proposed hangar pricing schedule and explained how the amounts were calculated.

Mr. Russell said if approved, the process would be as follows:

Complete contract documents (plans/specs)	March 30 <sup>th</sup>
Owner Review	April 7 <sup>th</sup>
Incorporate Comments	April 14 <sup>th</sup>

Bidding/Permitting  
Construction is completed

May 26<sup>th</sup>  
November 25<sup>th</sup>

Mr. Russell said that the new hangars would consist of twenty (20) T-1 hangars and ten (10) T-2 hangars. Mr. Russell explained that the hangars on the end of the buildings would also offer extra storage space. The following list represents an inventory of the new hangars that will be offered for sale to interested parties.

Hangar	No. Avail.	Square Footage (Aircraft Storage + Extra)	Hangar Width	Hangar Depth	Sales Price	Monthly Ground Lease
T-1	12	1,085 + 0 = 1,085	42'0"	33'0"	\$	\$ 15
T-1A	4	1,085 + 169 = 1,254	42'0"	33'0"		15
T-1B	4	1,085 + 391 = 1,476	42'0"	33'0"		15
	-----					
	20					
T-2	6	1,452 + 0 = 1,452	48'0"	39'0"	\$	20
T-2A	2	1,452 + 233 = 1,685	48'0"	39'0"		20
T-2B	2	1,452 + 523 = 1,975	48'0"	39'0"		20
	-----					
	10					

Mr. Russell explained the following as provided in the Commissioner's packets:

- The hangars will be designed and constructed with sliding doors, 110 amp electrical service including one in-ground receptacle, two wall-mounted receptacles, an overhead electrical service for heat, two overhead lights controlled by a wall-mounted switch. Each hangar will be provided a separate electrical meter by Duke Power mounted at the end of the hangar building. Any additional electrical service desired by the purchaser is his/her responsibility; however, every effort will be made to accommodate this additional service if work can be arranged prior to the installation of the service by the contractor with all costs paid by the purchaser.
- The hangars will not contain any water/sewer or natural gas services.
- Due to the number of interested parties for these hangars, Rowan County will offer the hangars through a lottery system. Each category of hangar will be considered in a separate lottery. There will be two groupings: T-2's and T-1's. Each grouping will have three categories and drawings beginning with T-2B's, T-2A's and T-2's; then three categories and drawings for T-1B's, T-1A's and T-1's. Names drawn at random from this system will be given an opportunity to reserve and purchase a T-hangar in the order that their name is drawn. If there are names in a specific category that are not selected in the lottery due to lack of available hangars in that category, those names will be placed in the next hangar

grouping for that size of hangar. The lottery will begin with the largest T-2 hangar (T-2B's) and conclude with the T-1 hangar (T-1's).

- An interested party may submit only one application for each registered aircraft that he/she owns (registration number required) along with an application fee of \$250. The fee is refunded to those not selected in the lottery. The application fee will be applied to the purchase price for those applications selected, but not refundable if the party changes his/her mind after the lottery drawing.
- The total purchase price for the hangar will be due to Rowan County as follows:
  - Application fee of \$250 with submission of application (applies to purchase if application accepted by County; otherwise, the fee will be refunded to party. Once the application is accepted, no refunds will be granted).
  - 5% of hangar price within 30 days of official award of bids.
  - Remaining balance will be due at closing within 30 days after completion of hangar construction.
- Hangars owned by private parties are considered personal property subject to county property taxes.
- Ground leases will be provided to purchasers for an initial twenty-five year term, renewable for five-year terms for the length of usable life of the hangar. Rates will be adjusted every five years beginning with the sixth year, and indexed to the CPI for the previous five year period or 15%, whichever is less.
- Purchasers will be expected to carry liability insurance for the hangar and contents throughout the life of the hangar.
- Purchasers must provide a hangar key to the Airport operator for use only in the event of a fire or other emergency condition.
- Purchasers must agree to abide by all rules and regulations of the Rowan County Airport, including storage of fuels.
- No airport-related business may be conducted from the hangar without written permission from Rowan County.

County Manager Tim Russell requested approval from the Board for the sale of the T-Hangars at the Rowan County Airport.

Commissioner Sides asked if there would be any lost revenue from the location of the proposed hangars. Mr. Russell said no and explained that there are currently five (5) portable hangars that the County will request to have removed from the premises. Mr. Russell said those five (5) would be offered the opportunity to purchase a t-hangar.

Commissioner Sides made a motion to allow staff to proceed. Commissioner Blount seconded and the motion passed unanimously.

**ADDITIONS:**

**Rowan County Analysis of Proposed Lease**

Mr. Russell distributed a handout and explained the request for the analysis of the proposed lease and sub-lease of National Wholesale Hangar at the Rowan County Airport.

Mr. Russell said Rowan County would propose to enter a lease with National Wholesale, Inc for the assumption of its lease for its privately owned hangar in order that it can be sub-leased to a prospective tenant for the Airport.

Mr. Russell reported that the new lease with Silverman Enterprises, LLC would provide for an initial 10-year lease for \$2,000 per month, with two 5-year options for renewal. Rent will be adjusted every five years based on the cumulative CPI for the previous five-year period or 10%, whichever is greater.

Mr. Russell provided the background of the hangar, which was constructed by Brad Ragan, Inc. and later sold to National Wholesale, Inc. as a privately owned hangar under the County's former policies for hangar construction and ownership. Simply, a private aircraft owner could construct a hangar and occupy it for 15 years free of charge. After that, a nominal rate of rent would be charged for approximately ten additional years. After that time, the hangar would revert to the County's ownership.

Mr. Russell said the existing lease with National Wholesale, Inc. will extend for 67 months (until October 31, 2010) with a monthly payment to Rowan County of \$76.78 as shown as \* in the analysis. On November 1, 2010, the hangar will become the property of Rowan County for its use in leasing to another prospective tenant. Below is an analysis of the estimated rents that can be expected from the existing owner and the prospective tenant if the County chose to enter this transaction.

Mr. Russell recommended approval to enter into a lease with National Wholesale for their hangar for 67 months and at the same time to enter into a lease with Silverman Enterprises, LLC for a 10-year period with two five-year options for renewal.

Commissioner Sides said he had verified with Mr. Russell that the County would continue to receive the property taxes during the lease of 67 months.

In response to a query from Commissioner Chamberlain, Mr. Russell said the Silverman group appears to be solid.

Commissioner Sides made a motion to approve the request. Commissioner Chamberlain seconded and the motion passed unanimously.

### **Purchase of Property for Airport**

Mr. Russell distributed a handout and informed the Board of the opportunity to purchase property adjacent to the Rowan County Airport for airport protection as required under FAA Part 77 Clearance Regulations.

Mr. Russell reported that Rowan County has been working to purchase a portion of property that adjoins the Rowan County at the North east side of the primary runway and parallel taxiway. Mr. Russell referred to this property as the Parkdale Mills Property and said the entire parcel represents 43.33 acres. In 2002, the North Carolina Division of Aviation awarded the County a federal/state grant to purchase the property. The grant was in the amount of \$288,394, including a 10% county match, which the County has budgeted with the local match for the past two years, and has been working with representatives of Parkdale Mills to reach an agreement for the purchase. After deducting engineering, appraisal and survey fees, a total of \$249,415 is available for this project.

Mr. Russell said with federal funds, the County must secure an independent appraisal along with a review appraisal to support the fair market value of the property and negotiations cannot take place with the landowner at a price lower than the fair market value.

Mr. Russell informed the Board of an email received from Norman Walters, broker for Parkdale Mills from the Keith Corporation who reviewed the appraisals at \$15,098 an acre. Mr. Russell said that the County would like to have the whole piece of property, but could only purchase 16.5 acres. Mr. Russell requested to proceed to work with attorney to get an offer. Mr. Russell said the Mr. Walters confirmed that Parkdale Mills would accept this offer.

Mr. Russell requested that the Board approve the proposal to extend an offer to purchase 16.5 acres from Parkdale Mills for the amount of \$15,098 per acre, subject to the county's survey, for the protection of the runway.

Commissioner Chamberlain confirmed with Mr. Russell that the funds were still in the budget.

Commissioner Sides made a motion to approve the Manager's request. Commissioner Chamberlain seconded and the motion passed unanimously.

**BOARD APPOINTMENT**

**Planning Board**

Commissioner Chamberlain said there was a vacancy due to the recent death of Bob Allen. Commissioner Chamberlain said the Planning Board would meet March 28<sup>th</sup> and the Board had two (2) applications, from John House and Joe Teeter for the vacancy.

Commissioner Chamberlain nominated Joe Teeter. The motion was unanimously approved.

**PUBLIC COMMENT PERIOD:**

Chairman Tadlock opened the Public Comment Period to hear from citizens who had signed up to address the Board.

There being no one to come forward, Chairman Tadlock closed the Public Comment Period.

**BOARD ADJOURNS:**

There being no further business to be brought before the Board, Chairman Tadlock adjourned the meeting at 10:00 pm.

Respectfully Submitted,

Rita K. Foil, CMC  
Clerk to the Board