

MINUTES
UNION COUNTY BOARD OF COMMISSIONERS
August 13, 2007

The Union County Board of Commissioners met in special session on Monday, August 13, 2007, at 7:00 p.m. in the Board Room, First Floor, Union County Government Center, 500 North Main Street, Monroe, NC. The following were:

PRESENT: Chairman Kevin Pressley, Vice Chairman Allan Baucom, Commissioner Roger Lane, Commissioner A. Parker Mills, Jr., and Commissioner Lanny Openshaw

ABSENT: None

ALSO PRESENT: Richard Black, Interim County Manager, Lynn G. West, Clerk to the Board, Jeff Crook, Senior Staff Attorney, Kai Nelson, Finance Director, members of the press, and interested citizens

OPENING OF MEEETING:

INVOCATION: Chairman Pressley introduced the Reverend Chris Edwards of Grace Baptist Church of South Charlotte.

Rev. Edwards expressed his appreciation for the opportunity to present the invocation. He said he had recently moved here from northern Virginia, the Washington, D. C., area. Rev. Edwards said that they had started Grace Baptist Church of South Charlotte about three years ago with a small number of people and now have approximately 300 people on Sunday morning. He said he realized that South Charlotte doesn't fit well with Union County, but they wanted a way to distinguish themselves from the other Baptist churches in the area.

Rev. Edwards presented the invocation.

The Chairman stated that before starting the meeting, he would request a moment of silence for the Hage family.

PLEDGE OF ALLEGIANCE:

Vice Chairman Baucom led the Commissioners and the audience in reciting the Pledge of Allegiance to the Flag of the United States.

Commissioner Mills thanked the Chairman for the moment of silence and reported that this weekend a very valuable member of the Wesley Chapel Volunteer Fire Department was lost when Mr. Hage was killed in a wreck in the line of duty. Commissioner Mills who also serves as Fire Commissioner asked for prayers for Mr. Hage's family and the firemen of this department.

The Chairman explained that there were some items on this agenda intentionally left blank and omitted because this is a special meeting and certain items must receive action in a regular session. He said these items have been removed and will be included in a future agenda.

INFORMAL COMMENTS:

The Chairman briefly described the guidelines to be followed by speakers during the informal comments.

He first recognized Sharon Carter who described one of her favorite memories of childhood was walking to the library and getting books to read. Mrs. Carter said as the owner of Carter Children's Center in Waxhaw for almost 20 years that she wants children to have the same experience to walk to the library and be able to pick and choose the books they want to read. She described the assets of the library and the benefits that it provides to children. She encouraged the Commissioners to not rob the children of Waxhaw, Mineral Springs and surrounding areas of the opportunity to own their own magic place and to keep this memory in their hearts when they are 65 years of age.

Mr. Steve Wood was next introduced. He said that he represents the homeowners and families adjacent to the Wesley Chapel-Weddington Association Park bordering along the west fork of Twelve Mile Creek. He asked the Commissioners to enforce the Notice of Violation issued to WCWAA on the 7th of July, 2005. He said responsible land use management protects the environment and the property of the citizens whether they are homeowners, developers or government officials elected by the citizens. He stated the federal, state, and county governments have determined that the integrity of floodways is a critical element of this charge. He further stated that tens of thousands of yards of soil have been placed in the floodway in the Optimist Park along the west branch of Twelve Mile Creek, which he said was a matter of public record. He said the homeowners and neighbors of the park have experienced loss of property and property values caused by the flooding of this park. Mr. Wood said the future of their homes and the investments in their property are at high risk. He explained that for the last six years the homeowners' pleas for justice and protection have been met with frustration and denial. He reported two years ago, the government of Union County decided to notify WCWAA that they were under violation of the Special Use Permit granted to them for the development of the park. Mr. Wood said that as of this date there had been nothing done to enforce this violation. He said that as innocent victims of this issue, property owners, taxpayers, and voters of this county, they are requesting the Union County Board of Commissioners to enforce the laws that it creates and administers. Mr. Wood said regardless of the intent of WCWAA that no one is above the law and requested the Commissioners to vote to protect their homes.

Brook Bellows thanked the Board members for the opportunity to address them regarding the WCWAA. He said he had been a resident of the development for over 16 years and can remember how there have been storms that have dumped four or five inches of rain but the flooding was on both sides of the roads, but that with the additional soil that has been moved in, the water is being pushed to one side of the development. He assured that he is not against the park and said, in fact, his child has played in the park. He stressed that if ball fields flood, they will dry out but homes are more adversely affected.

William Powers said that for over 70 years the citizens of Waxhaw and Jackson Township have recognized the need to provide a library for themselves and for their children. He pointed out that the library has always been within the town center since that is the more densely populated area. Mr. Powers said the library had allowed generations of children to learn and the fact that the town has had a library for this number of years and has now outgrown its facility demonstrates the individual demands for library services that needs to be met. Mr. Powers stressed the importance of libraries to home schooled children and reported there are over 60 home-schooled children in the JAARS community. He listed the benefits of having the library within the town and stressed the economic importance of it being within the town's central area. Mr. Powers expressed his negative concerns about locating a regional library on Highway 16 and encouraged the Commissioners to build a new regional library in Waxhaw.

The next speaker was Daune Gardner, a resident, property owner, business owner and registered voter of the Town of Waxhaw, who spoke in support of retaining the Waxhaw library inside that town. She reported that those residents also in attendance tonight along with many who are not here tonight to support the regional library plan that calls for library facilities to be built in the town centers of Waxhaw and Weddington. She said that initial conversations with each of the five affected municipalities found them to all be in favor of the regional concept in varying degrees of vehemence. Mrs. Gardner said that she sympathized with the Library Board's dilemma to provide a plan that will provide library services to the citizens of Union County fairly and adequately while also being efficient with the county's resources; however, as representatives of the county's overall interest, it is the Board of County Commissioners responsibility to take into consideration other factors—such as the economic impact on municipalities when choosing a site. She said that while at first blush the super-regional library concept appears to provide significant savings – including construction and operational costs—it is believed that the savings may not be as large as initially estimated. She stated that one fact that needs to be considered is the impact on locating a major community service, like a library, outside of the existing town centers and the multiplier effect on the commercial and retail businesses located within those town centers. Mrs. Gardner said also support for the libraries would be greater if these facilities are located within the municipalities rather than a mega-library located out in the countryside where the only reasonable access would be by car. She said that financial support from the towns' budgets, volunteers, and organizations such as Friends of the Library, are much more likely to materialize if the libraries are within the towns' centers. She said she supported the regional concept with the library being located within the town of Waxhaw.

In response to a question from Commissioner Mills, Ms. Gardner stated that she was running for the Mayor of the Town of Waxhaw. She assured that regardless of the outcome she would still support the regional library concept with the library being within the town of Waxhaw.

Gary Hibler expressed appreciation to the Board for the opportunity to again address the Board on behalf of the Wesley Chapel Weddington Athletic Association. He said the real innocent victims to the denial of the grant to the athletic association are the children. He said that the decision for that action was based on some guesses and not on facts. He said that what the Association would request is the opportunity to present to the Board in another forum the facts and the documentation of the Association based on pictures, FEMA reports, approvals from the State and County. He asked the Board to listen to their facts before making a decision. Mr. Hibler said that allegedly the Association has brought in a huge amount of dirt – 50,000 cubic yards or 3100 truckloads. He stressed that amount is not realistic. He said the fact is that the homeowners bought properties in the flood plain; it flooded before the park was built, and it would have flooded if a park had never been built. He said that FEMA has just restudied it and has said that the flood plain is a foot higher, and it was raised mainly because of development; nothing to do with the Association. Mr. Hibler argued that the County should not single out the WCWAA to blame for the residents having bought in the flood plain.

The Chairman stated that he thought this is an appropriate time to let all the parties involved know that this Board and the staff are committed to the facts and the Board will study the issue and get to the facts before making a decision.

Peggy Neill, a member of the Town Council of Mineral Springs, reported that her Board adopted a resolution in support of a regional Union County Public Library on April 12, 2007. She stressed that the Board strongly supports a library in the same area where it is currently located. She read the resolution into the minutes:

WHEREAS, recent growth has created increased demand for library services in Union County, including areas in and around the towns of Mineral Springs and Waxhaw; and

WHEREAS, the Waxhaw branch of the public library is one of the most utilized branch libraries in the County; and

WHEREAS, the current Waxhaw branch library is no longer adequate to meet the growing needs of the residents of the Waxhaw and Mineral Springs areas; and

WHEREAS, public libraries provide a public benefit by increasing literacy and an interest in reading; and

WHEREAS, Union County is considering constructing a regional library in the Town of Waxhaw; and

WHEREAS, the Mineral Springs Town Council has studied the County Library's staff's proposal for a regional library to serve Waxhaw and Mineral Springs' areas;

NOW, THEREFORE, BE IT RESOLVED that the Mineral Springs Town Council supports construction of a regional library on the Mineral Springs side of the Town of Waxhaw and agrees to work with Union County to accomplish this task.

Adopted this 12th day of April, 2007.

Mrs. Neill thanked the Board for its support of this special commodity to Waxhaw and Mineral Springs residents that it is hoped will be served.

ADDITIONS, DELETIONS AND/OR ADOPTION OF AGENDA:

The Chairman announced that was the last person who had registered to speak in informal comments. He asked to add to the agenda a resolution memorializing Todd W. Hage.

Chairman Pressley asked if there were other amendments to the agenda.

Commissioner Openshaw stated that there are a number of Boards that deal with the County and a question that has occurred to him is should the Commissioners or should the Commissioners not be voting members as liaison on these committees. He said that is discussion that he would like to add to the agenda.

Chairman Pressley deferred the answer to the legal staff since this is a special meeting.

Attorney Jeff Crook responded that it is a special meeting but it could be added as long as all members of the Board are present.

The Chairman stated that item would be added to the regular agenda

Vice Chairman Baucom requested to move Item 4 from the Consent Agenda to the Regular Agenda.

Commissioner Openshaw asked to move Items 3 and 6 from the Consent Agenda to the Regular Agenda.

Commissioner Lane moved that the agenda be adopted as amended. The motion passed unanimously.

CONSENT AGENDA:

The Chairman called for a motion to approve the items on the consent agenda, as modified.

Motion was made by Commissioner Mills that the consent agenda be approved as modified. The motion was passed unanimously.

MINUTES: Approved minutes of the special meeting of July 23, 2007; regular meeting of July 2, 2007, special meeting of January 8, 2007; regular meeting of January 8, 2007; regular meeting of January 22, 2007, and special meeting of October 23, 2007.

CONTRACTS OVER \$5,000 AND RELATED BUDGET AMENDMENTS:

- A. Netsmart Technologies for patient scheduling, accounting, etc. in the amount of \$17,843 annually.
- B. Union County Public Schools – Memorandum of Agreement for school health services
- C. Union Smart Start –Revenue reimbursement contracts for the following programs: (1) Smart Smart Health Check - \$36,230; Smart Start Breastfeeding - \$49,199; Smart Start Smiles \$52,000; Smart Start Early Intervention Liaison \$56,797
- D. Union County Drug Treatment Court – Memorandum of agreement to provide health expertise to drug court
- E. Town of Indian Trail – Revenue contract amendment to add an additional contract deputy position (Sergeant) – Amendment #4 for fiscal year 2007-2008 maximum revenue for eight deputies and one sergeant and approval of Budget Amendment #3 to the Sheriff’s budget to increase Operating Expense by \$79,824 and Intergovernmental Receipts by the same amount
- F. Watch Systems, LLC – Sex Offender Registration and Notification Program in the amount of \$7,000, renewable annually
- G. North Carolina Highway Patrol – Memorandum of Understanding regarding Voice Interoperability Plan for Emergency Responders
- H. R. R. Bowker, web subscription in the amount of \$5,750 annually
- I. Greg Williams, Indemnification for Union County regarding easement/encroachment
- J. HDR Engineering, Inc. of the Carolinas – Water distribution system water quality action plan; Task Order #38 in the amount of \$46,391, lump sum
- K. HDR Engineering, Inc. of the Carolinas – Storm water plan review and FEMA review on-call; Task Order #36, Amendment #1 in the amount of \$15,000 lump sum
- L. CEO, Inc. – Stormwater engineering recruitment Agreement in the amount of \$25,000 lump sum amount

911 Emergency Communications: Assigned Pay Grade 64 to the position classification of “Addressing Coordinator”; revised Pay Grade assignment from 63 to Pay Grade 65 for the position classification of “E-911 Data Base Supervisor”

Homeland Security – Radio Project Grant Opportunity: Authorized the County Manager to submit grant application for a federal grant in the approximate amount of \$3.3 million to assist with infrastructure costs of the new radio system with an equal match by the County, if awarded, to be paid with the monies that would be spent for the construction of a new radio system.

Public Works Department: Accepted the bids received for the Mill Grove Road Water Main Improvements, which was part of the Secrest Short Cut/Idlewild Road CIP project, as follows: State Utility Contractors, Inc., \$299,180,000 (corrected amount is \$297,765.11); Sanders Utility Construction Co., Inc. in the amount of \$359,430.09; and Buckeye Construction Co., Inc. in the amount of \$511,203.60; awarded the contract to the low bidder in the amount of \$297,765.11, and authorized the Interim County Manager to approve the contract.

General Services: Accepted the bids received for Phase V Renovations to the Courthouse, awarded the contract to the lowest responsive bidder, Godfrey Construction Company, in the amount of \$227,800 and authorized the Interim County Manager to approve and award the contract.

Contractor	License #	Base Bid	Alternate #2	TOTAL
R. Black & Associates	60805	\$299,000	\$3,000	\$302,000.00
Carpenter Construction Co.	35725	\$233,862	-	\$233,862.00
Godfrey Construction Co.	28326	\$226,800	\$1,000	\$227,800.00
Ponder & Company, Inc.	38006	\$267,133	--	\$267,133.00
H. C. Rummage, Inc.	10526	\$267,750	--	\$267,750.00

Tax Administrator: Approved Second Motor Vehicle Billing in the Grand total amount of \$1,176,196.05

Tax Administrator: Twelfth Motor Vehicle Release Register for the period of June 1, 2007 – June 30, 2007, in the net Grand Total Amount of \$24,980.05-

Tax Administrator: Twelfth Motor Vehicle Refund Register for the period of June 1, 2007 – June 30, 2007 in the net Grand Total Amount of \$2,321.86-

Tax Administrator: Departmental monthly report for June 30, 2007; First Motor Vehicle Release/Refund Register in the amount of \$17,838.38-;

Tax Administrator: Releases July 2007

RELEASES JULY 2007

Acct #	Name	Release #	Total
2006			
H8192007	MULLIS CONNIE G & HUSBAND JAMES B	2850	90.28
H8192007	MULLIS CONNIE G & HUSBAND JAMES B	2851	45.09
03084009A	LOPEZ MANUEL	2852	73.06
50071510	BROADWAY MAURICE E & CAROLYN	2853	89.80
06102058	GORDON WALTER L	47	3,776.53
06102058	GORDON WALTER L	306	3,776.53
Totals			7,851.29

Finance Department: Report for Motor Vehicle Tax Refunds for June 2007 in the amount of \$4,704.32

Finance Department: Corrected June 2007 Releases showing a corrected grand total for all years of \$32,813.57 for a decrease of \$757.79 from the \$33,571.36 previously reported.

Finance Department: Approved the write off of eight bad checks returned to the county for non-sufficient funds in the total amount of \$353.10

Health Department: Budget Amendment #2 for Health – WIC to increase Operating Expense by \$1,892 and increase Federal Revenue by the same amount to accept EIC – Mini Grant from NCDHHS.

Register of Deeds: Refund of excise stamp to Jarvis Law Group, PLLC, in the amount of \$752 paid with a deed filed in the Register of deeds office that included a typographical error that resulted in an excise tax overpayment.

Register of Deeds: Refund of excise stamp to Iredell County Register of Deeds in the amount of \$4,046. Attorney Tenika Rudisell Hall filed a deed in Union County when it should have been filed in Iredell County and Ms. Hall requested that the refund check be issued to Iredell County.

Planning Department: Approved the re-distribution of responsibilities and duties of the Land Use Administrator as outlined with no new funding allocation required but through reallocation of resources to set forth that the re-distributed duties of the Land Use Administrator will be performed by the Senior Planner for Land Use and Public Facilities Planning and the Zoning Investigator:

- 1) Add the following position classifications to the Union County Classification Plan and Pay Plan: Planner, Pay Grade 68, Zoning Investigator – Pay Grade 62;
- 2) Approved the position reclassification and FTE transfer of the Current “Land Use Administrator” classification, Pay Grade 71 (1 FTE in Inspections Department allocation) to a “Planner” classification, Pay Grade 66 (1 FTE in the Planning Department allocation);
- 3) Approved the addition of a Zoning Investigator (.5 FTE) to the Inspections Department Position allocation;

Community Transportation Improvement Plan: Approved the Five-year Master Plan known as a Community Transportation Improvement Plan as prepared by RLS & Associates, Inc., Dayton, Ohio, and dated June 21, 2007

Reports Received as Information Only: Personnel Report for June 2007; Personnel Report for July 2007; Department of Inspections Report for June 2007.

RESOLUTION HONORING TODD W. HAGE:

The Chairman read the following resolution and offered it for adoption:

WHEREAS, Union County has lost one of its own on Saturday afternoon, August 11, 2007, when Wesley Chapel Volunteer Firefighter Todd W. Hage perished while he was responding to a fire call; and

WHEREAS, Union County recognizes the selflessness, courage, and bravery of all of our firefighters; and

WHEREAS, Union County would like to pause and recognize the specific devotion to duty of Firefighter Todd W. Hage; and

WHEREAS, Firefighter Todd W. Hage was rookie of the year in 2006 for the Wesley Chapel Volunteer Fire Department, a veteran of the U. S. Navy, a loving husband and father; and

WHEREAS, Union County understands that no one can fully experience the unique and personal loss to his wife and their two children, to the Wesley Chapel Volunteer Fire Department, and to Todd’s friends, and fellow firefighters; and

WHEREAS, Union County would like to express our sincere and heartfelt condolences on the loss of such a brave man and friend;

NOW, THEREFORE, let it be resolved that in honor of the life of Firefighter Todd W. Hage, that the Union County Board of Commissioners does hereby proclaim that flags at all Union County government buildings be flown at half staff until the day after funeral services are conducted. Furthermore, the Union County Board of Commissioners would like to encourage all our citizens to take a moment and remember the Hage family in your prayers as well as to thank our firefighters for all that they do to keep us all safe.

Motion was made by Commissioner Mills that the resolution be adopted as read. The motion passed unanimously.

DELEGATE VOTING:

The Chairman recognized Commissioner Openshaw who stated that as the Commissioners interact with these Boards there are occasions for voting and while sitting there with such boards he has questioned what is the policy of the Board for voting. He said his perspective has become that because a board member is there to represent the Board and to essentially learn facts as seen by the Committee, he personally feels the Commissioners should not be a voting member of the board. He said basically the Commissioner gets to vote twice to influence a decision and then to vote again when it comes before the Board of County Commissioners. He requested the Commissioners' thoughts on this issue.

Chairman Pressley asked the staff attorney as the Commissioners meet with the committees would it be different. Mr. Crook stated that it would be different in that some boards and/or committees are regulated by Statute. He said the staff could study the organization of the committees and boards and determine which ones the Board of Commissioners would have authority to modify.

The Vice Chairman pointed out that one of the charges to some committees, i.e. MUMPO and COG, is that the Commissioner appointed be a voting delegate. He said there may be some boards that would be appropriate for the Commissioners to be ex officio without a vote and he would be willing to have this question studied.

Mr. Crook pointed out that the rules of procedure of each board could be different. He said abstention is allowed on advisory boards, but is not on the Board of County Commissioners as established by its rules. After a few brief comments, Commissioner Openshaw moved that there be a study of the voting obligations of the Commissioners to the boards and committees on which they serve. The motion passed unanimously.

PROPERTY MANAGEMENT SERVICES REVIEW TEAM APPOINTMENTS (moved from Consent Agenda):

The Vice Chairman stated that in addition to those persons recommended by the Interim County Manager for appointment to the Property Management Services Review Team to conduct a thorough review of the services provided by the Keith Corporation and the associated costs, he would move to add by name Arnold Price, the former Garage Manager, and Jerry Simpson or his designee of the Ag Center. He further moved that the recommendations of the Interim County Manager for appointments to the Property Management Services Review Team be approved as follows: Internal Auditor, General Services Director, representatives of principal user departments as designated by the Sheriff for the Sheriff's office, the Director of Social Services, and the Library Director. The motion passed unanimously.

INFRASTRTURE MANAGEMENT GROUP, INC. – PLANNING AND PERMITTING BUSINESS PROCESS (moved from Consent Agenda):

The Chairman recognized Commissioner Openshaw who had requested this item be moved to the regular agenda.

Commissioner Openshaw requested that the staff explain what is involved in the planning and permitting process and justification of the \$185,000 fee.

The Interim County Manager explained that the firm would be doing two things. He said the first item was one the Public Works Advisory Board wanted to do which was, in addition to the overall utility assessment, looking at processes, bench marking, reorganization and those type of things. He said the members of the advisory board thought that the permitting process was such a critical piece that they wanted it to be pulled out and run parallel and also an in-depth re-engineering of that process. Mr. Black said that when that was done, it put the cost over the original budget. He said the County is still having the utility assessment completed in detail but also a re-engineering and implementation of the whole permitting process. Details provided in writing to the Board, included information that at the July 2, 2007, meeting, the Board authorized the Interim County Manager to approve an agreement with Infrastructure Management Group, Inc. However, he noted that with the additional services requested, the costs were above the amount previously discussed at that meeting.

The Chairman reminded that \$150,000 was appropriated for this project.

Motion was made by Vice Chairman Baucom moved that the Interim County Manager be authorized to execute a contract with Infrastructure Management Group, Inc. in an amount not to exceed \$185,000 to cover costs of a study project initiation, analysis, and recommendation as well as a re-engineering planning and permitting business process. The motion was passed unanimously.

DISPOSAL OF SURPLUS WELL LOT (moved from Consent Agenda):

The Chairman recognized Commissioner Openshaw for comments since he had requested this item be moved to the Regular Agenda.

Commissioner Openshaw stated that as he understood the information this resolution pertains to a lot that consists of .65 of an acre that the County will be selling. He said he understood that it was a well lot located in Waxhaw, NC. He reported an offer to purchase in the amount of \$4,000 has been received but noted the tax value on this lot was \$23,000.

Commissioner Mills moved that the following resolution be adopted:

RESOLUTION AUTHORIZING UPSET BID PROCESS

WHEREAS, Union County is the owner of a vacant parcel of real property, approximately .65 acres in size and bounded on one side by Yamasee Road in Waxhaw, Union County Tax Parcel No. 05087050 (the “Subject Property”), as shown on the map attached as Exhibit A and incorporated herein by reference; and

WHEREAS, pursuant to N. C. G. S. 160A-269, Union County is authorized to dispose of real property by upset bid after receipt of an offer for the property; and

WHEREAS, Union County has received an offer to purchase the Subject Property in the amount of \$4,000, submitted by David F. Godfrey and Dianne B. Godfrey (the “Godfreys”); and

WHEREAS, the Godfreys have paid the required five percent (5%) deposit of their offer.

NOW, THEREFORE, BE IT RESOLVED by the Union County Board of Commissioners (the “Board”) as follows:

1. The Board purposes to accept the Godfrey’s offer and authorizes sale of the Subject Property through the upset bid procedure of N. C. G. S. 160A-269; provided that final acceptance of the final high offer shall be subject to approval by the Board. The Board reserves the right to withdraw the Subject Property from sale at any time before the final high bid is accepted and further reserves the right to withdraw the Subject Property for sale at any time before the final high bid is accepted and further reserves the right to reject at any time all bids.
2. The Clerk to the Board shall cause a notice of he proposed sale to be published. Such notice shall include a general description of the Subject Property, the amount and terms of the offer, and a statement that within ten (10) days any person may raise the bid in accordance with the procedure outlined in this Resolution.
3. Persons desiring to upset the offer that has been received shall submit a sealed bid with their offer to the office of the Clerk to the Board within ten (10) days after the notice of sale is published. Bids shall be submitted not later than 5:00 p.m. on the last

day of the 10-day period, and the Clerk shall date-stamp bids upon receipt. The mailing and physical address of the Clerk to the Board is as follows:

Ms. Lynn West, Clerk to the Board
500 N. Main Street, Room 925
Monroe, NC 28112

The envelope containing the bid shall be clearly marked “Sealed Bid for Property Located on Yamasee Road in Waxhaw.” It shall be the specific responsibility of the bidder to deliver his bid to the Clerk to the Board at the appointed place and prior to the announced time for the opening of bids. Late delivery of a bid for any reason, including delivery by United States Mail or other carrier, will disqualify the bid.

4. A qualifying higher bid is one that raises the existing offer by not less than ten percent (10%) of the first one thousand dollars (\$1,000) and five percent (5%) of the remainder. A qualifying higher bid must also be accompanied by a deposit in the amount of five percent (5%) of the bid. The deposit may be made in cash, cashier’s check, or certified check. The County will return the deposit on any bid not accepted, and will return the deposit on an offer subject to upset if a qualifying higher bid is received. If the Board agrees to sell the Subject Property, the County will return the deposit of the final high bidder at closing. If, after acceptance by the Board of the final high bid, the final high bidder fails to close the sale in accordance with the terms of this Resolution and any purchase agreement, then in such event the bid deposit of the high bidder shall be forfeited. In the event the high bidder intends to seek a rezoning of the Subject Property prior to closing, as discussed below, the County reserves the right to require an additional deposit to be held in escrow upon execution of the purchase agreement.
5. At the conclusion of the 10-day period, the Clerk to the Board shall open the bids, if any, and the highest such qualifying bid will become the new offer. If there is more than one bid in the highest amount, the first such bid received will become the new offer. If a qualifying bid is received, the Clerk to the Board shall cause a new notice of upset bid to be published, and shall continue to do so until a 10-day period has passed without any qualifying upset bid having been received. At that time, the amount of the final high bid shall be reported to the Board of Commissioners. The Board shall determine whether or not to accept the final high bid not later than ninety (90) days after the final upset bid period has passed.
6. Bidders shall not attach any conditions to their bids. Any conditions attached to bids received for purchase of the Subject Property shall render the bid nonresponsive, and such bid shall not be considered by the Board.
7. The buyer must pay with cash at the time of closing.

8. Title to the Subject Property shall be transferred to the buyer by Quitclaim Deed.

Adopted this the 13th day of August, 2007.

The motion passed unanimously.

PIEDMONT BEHAVIORAL HEALTHCARE (PBH) ANNUAL AUDIT AND LOCAL BUSINESS PLAN:

Mr. Dan Coughlin, Area Director for Piedmont Behavioral Healthcare, explained the purpose of their business and introduced Rene Snipes, Director of Finance, to present the Annual Audit report and Pam Shipman, Deputy Director, to present the Piedmont Behavioral Healthcare Local Business Plan. Mr. Coughlin explained that Piedmont Behavioral Healthcare is a five-county mental health developmental and disabilities substance abuse authority serving Union, Cabarrus, Rowan, Stanly and Davidson Counties. He stated that no action is required on the audit, but at some point the Commissioners would need to take action to approve the Local Business Plan.

Ms. Snipes thanked the Board for the opportunity to report on the Audit for the year ending June 30, 2006, for the five-county region that comprises the Piedmont Behavioral Healthcare. She presented a summary presentation and assured that the organization received from its auditors, LarsonAllen, Larson, Allen, Weishair & Co., LLP, an unqualified opinion, meaning that PBH received the highest level of assurance that could be issued by the CPA firm for the year ending.

The Commissioners thanked Ms. Snipes for the presentation.

The Chairman next recognized Pam Shipman, Deputy Director, who explained the Piedmont Behavioral Healthcare Local Business Plan. She said she led the local business plan process during the last year in the developmental process. She said this plan would be in place from 2007 through 2010. She reminded the Board of the mental health reform that has been going on in this state since 2001. Ms. Shipman said that PBH is a part of the state-wide demonstration and has more leeway to do things differently than the remainder of the State and gave brief illustrations of some of those differences.

Ms. Shipman outlined briefly the PBH vision, goals, and the changes taking place to allow those needing mental health care to receive treatment at home, in the hospital, and be guided back into the work force. She also described benefits being provided to the youths who are also experiencing needs for mental health services. It was noted in the material presented that the mission of PBH is to establish and maintain a System of Care for people in need of treatment for Mental Health, Development Disabilities, and Substance Abuse conditions who live in Cabarrus, Davidson, Rowan, Stanly and Union Counties.

In response to a question from Commissioner Lane, Ms. Shipman stated that PBH serves around 4,000 individuals in Union County.

The Chairman announced that Lucy Drake from Union County is now the Chairman of the PBH board. Mrs. Drake briefly addressed the Board and stated that she had been on the Board for eight years before being elected Chairman.

Commissioner Openshaw congratulated PBH for its savings in the 2006 audit. Ms. Shipman said this savings allows them to start programs such as Respite and support employment for consumers and PBH is excited to get these programs into operation.

Vice Chairman Baucom moved that a resolution be adopted. After realizing that a resolution had not been included in the information presented, the Chairman asked the Vice Chairman and Ms. Shipman if action could be delayed until the 20th of August. Action on the 20th was acceptable to all.

UNION COUNTY PUBLIC SCHOOLS:

Chairman recognized David Clarke, Assistant Superintendent for Auxiliary Services for Union County Public Schools, who stated he was present on behalf of Dr. Davis, who had a conflicting meeting with municipalities to talk about common zoning standards and, hopefully, reduce the cost of school construction in the future. He stated his request is for funding for middle school and high school “C” to be placed on Cuthbertson Road property. Also, he said as part of the request he would review the current status of the plans for the land on Cuthbertson Road. He briefly gave a chronology of the site. He said that later the Board of Education approved that elementary school site “L” would be constructed on the same site. In June 2007, the Board did not approve the placement of elementary school “P” on the site and in July the Board voted to retain the additional property for land banking. Dr. Clarke said that as of today, the Board of Education has not determined how to proceed with the additional land for the Cuthbertson Road site.

He provided the Board with a sketch from the Facilities, Planning and Construction Department that optimizes the design for middle school, high school “C” and elementary school “L” which maintains the integrity of the site in order to not impair the capacity of the site to accommodate four schools should the Board of Education decide to pursue that option in the future.

Dr. Clarke turned the presentation over to Don Hughes who defined the sketch and explained the illustrations as it represents the three schools. He pointed out that the middle school and high school have the largest foot print and a large quantity of fields. He pointed out that the fields are back in the lower land, closer to the flood plain. He pointed out that the 100-year flood is a no-fill, no-build region. Mr. Hughes stated there are some improvements being made along the frontage of the site, designed for the traffic impact for four schools. He explained that the traffic study was to be projected with four schools and approved by DOT in that way. He also showed the future placement of traffic lights and turn lanes. He assured that the schools have complied with all the requirements of DOT as of this time. Mr. Hughes said

that next month the Board of Education will be hiring the architect for the first school and that will better define what will be happening in an area of the tract. He said that he was proceeding with the land design for construction of four schools on this site.

Chairman Pressley asked if the Board of Education is discussing selling the land or retaining the land. He said that he had heard several versions, but noted that when the Board of Commissioners approved the purchase of this land, it was purchased for four schools. He said he had studied the minutes, and at least three times in the minutes it was stated that there would be four schools constructed on the Cuthbertson property. The Chairman stated that the County does not have the money to land bank this property.

Dr. Clarke said that the Board of Education has approved construction of three schools on this property.

Chairman Pressley again asked the status and planned use of the property.

Dr. Clarke answered that the Board of Education has agreed to land bank the remainder of the property, but no other decisions about how to proceed have been made.

The Chairman reiterated that the Board of Commissioners did not approve purchase of the property for land banking but had approved the purchase of the property for construction of four schools.

Mr. Hughes noted that the schools have designed the site for four schools.

Commissioner Mills asked if the schools wanted to report on the bids for schools that came in substantially under budget providing significant savings. Commissioner Mills said he had a good meeting with the schools, and the Board of Education did assure that 15 acres would be preserved so a fourth school could be built on this site.

The Vice Chairman stated that he understood this action to be “land banking”. He said he was present at the meeting in which the vote for funding this piece of property occurred. He said Ed Davis came forward before the Board of Commissioners and assured that the Cuthbertson site would house four schools. Mr. Hughes said he could not deny that statement, as it is a public record. He also said the property was not purchased with “land banking” funds. The Vice Chairman emphasized that the presentation did not say that it would be “land banking” but would be for four schools.

Mr. Nelson clarified the distinction. He said that the staffs use the two terms – land acquisition and land banking. He said generally land acquisition contemplates the land acquisition for the citing of schools within the five-year CIP. Mr. Nelson said the expectation is that if the County purchases property from the Land Acquisition Account the expectation is that there will be a school constructed on that land in year three, four or five of that CIP. He explained that Land Banking was intended to be site property beyond the CIP. The Finance Director

said that more to the point of this particular issue is that this Board as well as the Board of Education has a very significant policy decision to make in connection with the upcoming Capital Improvement Program. He stated that if the County is going to land bank, then what are the policies of the Board of County Commissioners as well as the Board of Education in connection with the siting of schools in close proximity to the property that the County does land bank. He gave a “what if” example of a future presentation from the Board of Education to site an elementary school within one and a half acres from the property that was previously land banked. He asked the question: When does the land banked property become the site of a new school to be constructed? Mr. Nelson said both boards will be wrestling with that question within the next 60 days. He pointed out that in the next CIP there will be O, P, Q, and R elementary schools and one of these will be located near this site.

The Vice Chairman asked the representatives from the Board of Education what was the plan for locating the elementary schools. Dr. Clark responded that their plans look at three-years out. He said at this point, the Board of Education approves target areas up through O. He stated that Schools P, Q, and R have not been approved by the Board of Education. He further stated that School M is in the Bonterra/Porter Ridge area, School N is in Cox Road area and O is in the Mineral Springs area. He briefed the Board on the approval details of the planned elementary and high schools.

The Chairman asked if these schools were not on the CIP 12 months ago. Mr. Hughes responded that they were not on the radar at that point. He explained that at the time the Cuthbertson property was purchased the school system knew a middle school and high school would go there, and it was planning for two elementary schools. The Board of Education did not know which two elementary schools would be placed on this site. He reminded that school projections change every year and gave an example of how school needs change and proposed locations change accordingly. He reported that the Cox Road site was purchased from land banking funds and that site is now Elementary School N.

Vice Chairman Baucom stated that it concerns him when he can read in the paper that the School Board said that it plans to keep the Cuthbertson land and land bank it and not sell it. He said he interpreted that as, “We will do what we want to with it.”

Mr. Hughes responded that was not what the Board of Education said. The Vice Chairman assured that was the intent that he read and his interpretation of the article. Vice Chairman Baucom said that land banking was not the intent of the previous Board of Commissioners that voted to purchase that property.

Mr. Hughes assured that the Cuthbertson property is planned for four schools including two elementary schools. He said he is continuing to plan construction for that site for a middle school, high school, and two elementary schools.

Commissioner Openshaw assured that two additional elementary schools are not needed in this area of the county at this time. He said that in four neighborhoods alone there is essentially a need for three full elementary schools in that area. He said there are developments that

are just now beginning to build out and some developments don't even have any occupied houses yet. Commissioner Openshaw assured that it is not a question of "if" the County is going to need that site, but it is a question of "when". He said there is going to be a need for several more school sites in that area and the land is not going to get any cheaper, and it is going to be more difficult to find. He said he was also at the Board of Commissioners' meeting when the Cuthbertson land was approved for purchase and that his interpretation is different than others in that he thought Dr. Davis was blindsided with the four-school project. He also noted that he questioned whether the 15 acres would be sufficient for a second elementary school. Commissioner Openshaw said that if this property appreciates and has to be sold in the future, he would be fine with that. He also asked if some of the fields are not oriented toward the sun and commented that in sports it is ideal for the sun to be going across the field so that children do not have to look directly into the sun when participating in sports.

Mr. Hughes explained the reasons. Commissioner Openshaw pointed out that the fields in the high school, middle school, and elementary school plans need to be readdressed to better accommodate the sun direction.

In response to a question, Mr. Hughes assured that there would be sufficient area for two elementary schools fitting on the site. He said that when the architect is hired for Elementary School L, it will be designed knowing that another elementary school will be going on this site as well. Mr. Hughes described the improvements to roads requested at the site and traffic lights, etc. In response to a question from Commissioner Lane, Mr. Hughes said it is his understanding that the Department of Transportation will be replacing the bridge and perhaps making other road improvements.

Commissioner Mills stated that as liaison to the Board of Education, he had a long extensive meeting with the schools and was assured that the integrity of land and site will be suitable for four schools.

The Chairman stated that the Board had heard the presentation and asked if the Board wanted to combine action on Items A and B.

Motion was made by Commissioner Mills that Capital Project Ordinance Amendment #83 which includes funds for the construction of middle and high schools "C" to be located on Cuthbertson Road be approved.

The Vice Chairman asked the motion be amended to require that design be such that acreage will be left for the fourth school site.

Commissioner Mills agreed to accept the amendment as part of his motion. The motion was passed unanimously.

CAPITAL PROJECT ORDINANCE AMENDMENT							
BUDGET	School Bond Fund -			REQUESTED BY	Kai Nelson		

Prepared By	Dhc							
Posted By								
Date						Number		CPO - 83

Mr. Clarke reported that the schools are saving \$3.3 million on this project. Commissioner Mills said this bid did not include any changes that might come forward during construction.

SOUTH PIEDMONT COMMUNITY COLLEGE:

The Chairman announced that the purpose of this item from South Piedmont Community College is to approve reprogramming of existing CIP funds for facility modifications.

Dr. John McKay, President of South Piedmont Community College, requested the Board approve reprogramming of funds in the CIP to allow SPCC to up-fit a facility on the campus to add an Advanced Machining Tooling Program to the offerings at the campus. He said that this project that has been going on for some time by working with the City of Monroe to temporarily use the old Scott site but when the proposed civic center site was moved from Skyway to Scott Health and Safety, SPCC had to find another location for the project. He said they attempted to find suitable property for leasing and, in looking at the facility on campus, it is believed that by using the funds to up-fit the facility, it would allow SPCC to have the project on campus. He said it is the long-term plans of SPCC to move the program to a new facility which was part of the CIP proposal approved earlier this year. Dr. McKay said that action would be done through a bond issue in 2008. He said if that bond issue is not approved, then there would already be a facility in place. He said if the bond issue is passed and a new facility is built, the up-fitted facility could be used as a maintenance facility for the college as it continues to grow.

The background information provided indicated that through the State of North Carolina, SPCC has secured \$250,000 for equipment and training resources and another \$60,000 for facility renovations. However, he noted the facility renovations are expected to cost \$220,000 leaving a shortfall of \$160,000 with \$70,000 for water and sewer infrastructure.

Vice Chairman Baucom moved that the request be approved and that SPCC be allowed to use \$160,000 as appropriated in the 2007-2008 CIP plan to up-fit a facility on the SPCC campus to add an Advanced Machining Tooling Program. The motion was passed unanimously.

TAX ADMINISTRATOR:

John C. Petoskey, Tax Administrator, stated the first request is to basically close the books on the prior year's collection and is called a "settlement" and the second action requested is commonly called the "Charge" which opens the books on the new year. He explained that both actions are statutory and are required by law.

Mr. Petoskey requested that the list of personal property owners be declared insolvent under the guidelines of North Carolina General Statute 105-373(a) (2) and allowed as a credit to the Collector in this settlement. However, he assured these accounts will remain in the hands of the Collector for further collection activities pursuant to the North Carolina General Statutes.

He also explained that in compliance with N. C. G. S. 105-373 (a) (3), there is a report entitled "Settlement for Current Real Estate and Personal Property Taxes for Fiscal Year 2006-2007" dated July 13, 2007, setting forth his full settlement for all delinquent real and personal property taxes for collection.

The Tax Administrator further stated that in compliance with N. C. G. S. 105-373 (a) (4) (b) is a report entitled "Fiscal Year 2006-2007 Settlement for Delinquent Real and Personal Property Taxes for Tax Year 1996-2005" dated July 13, 2007 setting forth his full settlement for all delinquent real and personal property taxes collected during the fiscal year 2006-2007.

Mr. Petoskey also reported that in compliance with N. C. G. S. 105-373 (a) (4) (b) is a report entitled Fiscal Year 2006-2007 Settlement for Delinquent Registered Motor Vehicle Tax for Tax Year 2003-2005 dated July 13, 2007.

Motion was made by Commissioner Mills that the annual settlements as presented in accordance with N. C. G. S. 105-373 (a) (2), N. C. G. S. 105-373 (a) (3); N.C.G. S. 105-373 (a) (4) (b); and N. C. G. S. 105-373 (a) (4) (b) be approved. The motion was passed unanimously.

After brief comments, Commissioner Mills moved to charge the Tax Administrator with collection of taxes and to implement all means within the Statutes to collect same. The motion was passed unanimously.

**ORDER OF COLLECTION
TAX CHARGE FOR FISCAL YEAR 2007 – 2008**

STATE OF NORTH CAROLINA
COUNTY OF UNION

TO: John C. Petoskey, Tax Administrator for the County of Union

You are hereby authorized, empowered, and commanded to collect the taxes set forth in the 2007 tax records as filed in the Office of Tax Administrator, and in the tax receipts delivered to the Tax Administrator's Office in August 2007, in the amounts and from the taxpayers likewise therein set forth. Such taxes are hereby declared to be first lien on all real property of the respective taxpayers in Union County, Hemby Bridge Fire Protection District, Stallings Volunteer Fire Protection District, Springs Fire District, Waxhaw Fire District, and Wesley Chapel Fire District. You are further authorized, empowered, and commanded to collect the 2007 taxes charged and assessed as provided for by law for adjustments, changes, and additions to the tax records and tax receipts delivered to you which are made in accordance with law.

This Order shall be a full and sufficient authority to direct, require, and enable you to levy on and sell any real or personal property and attach wages and/or other funds of such taxpayers, for and on account thereof, in accordance with the law.

The Tax Charge will be adjusted monthly according to releases, discoveries, and motor vehicle billings.

Witness my hand and official seal this 13th day of August 2007.

Kevin Pressley, Chairman
Union County Board of Commissioners

Attest:

Lynn G. West, County Clerk

Accepted:

John C. Petoskey, Tax Administrator

TAX CHARGE

Union County	\$109,903,049.88
Late List Penalty	\$ 79,911.31
County School Special Tax District	\$ -
Late List Penalty	\$ -
Monroe School Special Tax District	\$ -
Late List Penalty	\$ -
Hemby Bridge Fire Tax District	\$ 581,793.97
Late List Penalty	\$ 378.14
Stallings Tax District	\$ 386,584.37
Late List Penalty	\$ 326.87
Wesley Chapel Tax District	\$ 607,486.60
Late List Penalty	\$ 104.98
Waxhaw Fire Tax District	\$ 537,477.18
Late List Penalty	\$ 277.95
Springs Fire Tax District	\$ 217,082.08
Late List Penalty	\$ 160.26
Fire Fees	\$ 1,157,158.74
TOTAL	\$113,471,792.33

HEALTH DEPARTMENT:

The Chairman reported that the Indigent Health Care Committee has requested that a County Commissioner become a part of this committee and attend its meeting. It was reported that the members believed that a Commissioner should serve on the committee because indigent health care is a big problem in Union County and solutions to the problem includes funding issues.

Commissioner Mills moved to appoint Commissioner Lane to serve on the Indigent Health Care Committee. Commissioner Lane declined the appointment.

The Chairman stated that he served on the Health Board and would accept the appointment. By acclamation, the Chairman was appointed unanimously to serve on the Indigent Health Care Committee.

RESOLUTION SUPPORTING WAR/BOND STAMP FOR VETERANS:

The Chairman recognized Commissioner Lane who introduced Garland B. Denny who requested the Commissioners endorse a federal government initiative to implement a semi-postal stamp for veterans in need that has its net proceeds above the cost of the stamp earmarked for specified purposes, similar to the Breast Cancer Research stamp.

After brief discussion, Commissioner Lane moved that the following resolution be adopted to support the Veterans Government Bond and Stamp Program. The motion was passed unanimously.

RESOLUTION
BY THE UNION COUNTY BOARD OF COMMISSIONERS
FOR
VETERAN GOVERNMENT BOND AND STAMP PROGRAM

THAT WHEREAS, the nation is blessed with men and women who voluntarily swear an oath to defend the Constitution of the United States of America against all enemies, foreign and domestic;

THAT WHEREAS, these men and women make great personal sacrifices in the name of our Constitution thereby ensuring the perpetuation of our individual liberties;

THAT WHEREAS, these same men and women voluntarily make great personal sacrifices to carry democracy and extend the freedoms we enjoy to the underprivileged of the world;

THAT WHEREAS, some of these men and women will incur great personal hardships and catastrophic injury in the performance of their duties;

THAT WHEREAS, we feel duty bound to honor, support, and provide relief to these warriors, and their families;

NOW, THEREFORE, THE UNION COUNTY BOARD OF COMMISSIONERS does hereby resolve its total and unequivocal support of an initiative implementing a new government bond and stamp program, the proceeds from which shall be used exclusively for those warriors and their families who have born the brunt of preserving our freedoms and extending those freedoms throughout the world.

PUBLIC WORKS:

The Chairman recognized Christie Putnam, Public Works Director, who stated that the first item of business is a request for direction as it pertains to wastewater flow alternatives. Ms. Putnam stated that due to the State's decision not to permit additional discharge at the

Twelve-Mile Creek facility and the outstanding demand for sewer treatment capacity, Public Works has identified alternatives to maximize the availability of the County's remaining treatment capacity through the contract with Charlotte-Mecklenburg Utilities. She briefly summarized the County's options as follows:

Option 1 – Brookhaven Pump Station: Conveyance of existing Brookhaven PS flows to the Six Mile Creek Interceptor through a new force main.

Option 2 – South Fork Pump Station: Permanently reactivate the existing South Fork Pump Station and convey all flows to the Price Mill Creek Interceptor which flows to the Twelve Mile Creek WWTP.

Option 3 – Hawfield Lane Pump Station: Installation of a new pump station adjacent to the inactive Hawfield Lane Pump Station and conveyance of flows to Six Mile Creek Interceptor through a new force main.

Option 4 – Forest Park Gravity Sewer: Construct a 21-inch gravity sewer to convey all flows from Forest Park Pump Station service area to Poplin Road pump station and pump excess flows to Twelve Mile Creek WWTP.

Option 5 – Twelve Mile Creek Pump Station: Installation of a new pump station at the Twelve Mile Creek WWTP to pump flows to the Six Mile Creek Interceptor through the existing Millbridge/Tarkill force main. She said it is estimated that approximately one million gallons could be diverted.

At approximately 8:50 p.m. Chairman Pressley said that he had a legal question and would request a five-minute break to allow him time to consult with the attorney. He said, if necessary, he would come out and request a closed session for the Board.

Following the brief recess, the Chairman moved that the Board go into closed session to consult with an attorney in order to preserve the attorney-client privilege pursuant to G.S. § 143-318.11(a)(3). The motion was passed unanimously.

The Board members moved to the Board's Conference Room on the first floor of the Government Center where the Chairman convened the closed session. At the conclusion of the closed session, at approximately 9:28 p.m., Commissioner Openshaw moved to adjourn the closed session and reconvene the open session. The motion was passed unanimously.

The Board members then returned to the Board Room located on the first floor of the Government Center, and the Chairman reconvened the regular meeting.

Chairman Pressley moved that action on the items on the agenda brought forward by Public Works be delayed until the meeting of August 20. Commissioner Openshaw stated that he would like to support the motion but would prefer to receive the information on the Weddington elevated water storage tank tonight. After brief discussion and a determination that no action is requested on that item, the Chairman amended his motion to delay action on the Public Works Department's items – Wastewater Flow Alternatives and the Solid Waste Management Plan. The motion passed unanimously.

PUBLIC WORKS – WEDDINGTON ELEVATED STORAGE TANK:

Ms. Putnam explained that the Weddington elevated storage tank project was identified in the 2005 Wastewater Master Plan Update. She noted that the project involves the construction of a 1,500,000 gallon elevated storage tank to enhance the ability of the County's water distribution system to maintain water pressure during peak summer demands and to meet fire flow demands when required. She stated all of the original sites have been identified and the elevations are being studied. She pointed out that the higher the ground elevations, the less cost there is to constructing a tank site. She said that in reviewing the sites, all the property owners have been contacted. She explained that one of these sites is on school property on Rae Road and the tank could fit on the school site also; it's just not hydraulically optimal. Ms. Putnam said that still in contention is a site next to Site 1 on Old Mill Road. She said the other site that is still up for discussion is site 4 which is across the street from the Town Hall. The Public Works Director reported that this site has a willing seller if the price is right and the 5.46 acres is purchased. She said the price is a little outside the budget.

She said she wanted to inform the Board that all property owners had been contacted if any of the owners should contact the Board members. She assured that she and her staff are working toward a site with a willing seller that is hydraulically usable.

Commissioner Mills said he had previously learned while serving as a Commissioner that one of the hardest things to locate is a water tank. He said that was why he thought the school site seemed to be a good option.

The Board thanked Ms. Putnam for the presentation.

Commissioner Mills moved that the information be accepted. The motion passed unanimously.

FIRE SERVICES:

The Chairman stated the next item is a recommendation from the Fire Commission that the County direct staff to proceed with pursuing Class 9E certification for fire districts.

Neil Speer, Fire Commissioner, stated that insurance companies give better rates on fire insurance premiums when structures are located within five road miles of fire stations. He said currently there are 15 fire districts that have areas in their response district that are beyond five road miles. The Fire Marshal said the North Carolina Department of Insurance has a procedure that will allow the county to extend the current five-mile insurance districts up to six miles by changing the current 9-S districts to 9-E districts. Mr. Speer said this would allow the County to place those areas beyond five road miles up to six road miles into a fire insurance district and those areas would respectively receive a protection class of 9-S.

Motion was made by Commissioner Mills to direct staff to pursue Class 9E fire districts for fifteen of the county's fire departments. The motion was passed unanimously.

SCHOOL GENERAL OBLIGATION BONDS:

The Chairman stated the next item of business was to adopt the Resolution Providing for the Issuance of Variable rate General Obligation Bonds and to Adopt Resolution Providing for the Issuance of \$90,000,000 General Obligation Bonds, series 2007D.

a. Adopt Resolution Providing for the Issuance of Variable Rate General Obligation Bonds

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF UNION, NORTH CAROLINA PROVIDING FOR THE ISSUANCE OF VARIABLE RATE GENERAL OBLIGATION BONDS, OF THE COUNTY OF UNION, NORTH CAROLINA

WHEREAS, the Bond Orders have been adopted, and it is desirable to make provision for the issuance of the Bonds authorized by said Bond Orders;

WHEREAS, the County of Union, North Carolina (the "*County*") desires to execute and deliver a Bond Purchase Agreement to be dated on or about September 5, 2007 (the "*Bond Purchase Agreement*") among the County, the Local Government Commission (the "*Commission*") and Banc of America Securities LLC on its own behalf and on behalf of Wachovia Bank, National Association and Citigroup Global Markets Inc. (the "*Underwriters*"), pursuant to which the County and the Commission will sell the Bonds to the Underwriters in accordance with the terms and conditions set forth therein; and

WHEREAS, copies of the forms of the following documents relating to the transactions described above have been filed with the County and have been made available to the Board of Commissioners of the County (the "*Board*"):

1. the Bond Purchase Agreement;

2. the Standby Bond Purchase Agreement dated as of September 1, 2007 (the “*Standby Agreement*”) among the County, Dexia Crédit Local, acting through its New York Branch, as liquidity provider, and Regions Bank, as paying agent;
3. the Remarketing and Interest Services Agreement dated as of September 1, 2007 (the “*2007A Remarketing Agreement*”) between the County and Banc of America Securities LLC, as remarketing agent for the 2007A Bonds (the “*2007A Remarketing Agent*”); and
4. the Remarketing and Interest Services Agreement dated as of September 1, 2007 (the “*2007B Remarketing Agreement*”) between the County and Wachovia Bank, National Association, as remarketing agent for the 2007B Bonds (the “*2007B Remarketing Agent*”); and
5. the Remarketing and Interest Services Agreement dated as of September 1, 2007 (the “*2007C Remarketing Agreement*” and collectively with the 2007A Remarketing Agreement and the 2007B Remarketing Agreement, the “*Remarketing Agreements*”) between the County and Citigroup Global Markets Inc., as remarketing agent for the 2007C Bonds (the “*2007C Remarketing Agent*” and collectively with the 2007A Remarketing Agent and the 2007B Remarketing Agent, the “*Remarketing Agents*”); and
6. the Official Statement to be dated on or about August 28, 2007 (the “*Official Statement*”) with respect to the Bonds.

WHEREAS, the Board considered and recognized that variable interest rate debt instruments may subject the County to the risk of higher interest rates with respect to the Bonds in the future and that in addition to the variable interest cost, the County must pay the fees of the provider of a liquidity facility and the remarketing agents for the Bonds, which fees will increase the variable interest cost to the County, and has entered into interest rate swap agreements with respect to a portion of the Bonds to limit the risk of higher interest rates;

WHEREAS, the Board believes that variable rate debt financing and entering into interest rate hedging instruments with respect to a portion of the Bonds is superior to a fixed rate debt financing because it will lower the County’s overall cost of capital;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the County of Union, North Carolina, as follows:

Section 1. For purposes of this Bond Resolution, all capitalized, undefined words have the meanings ascribed to them in Appendix A hereto.

Section 2. The County shall issue not to exceed \$65,365,000 in total aggregate principal amount of its 2007A Bonds, not to exceed \$39,220,000 in total aggregate principal amount of its 2007B Bonds; and not to exceed \$26,145,000 in total aggregate principal amount of its 2007C Bonds.

Section 3. The Bonds shall be dated as of their date of issuance and pay interest as set forth in Appendix A hereto. The Bonds are being issued to provide funds to discharge all or a portion of the County’s General Obligation Commercial Paper Bond Anticipation Notes, Series 2006, the

proceeds of which were used to pay the capital costs of acquisition, construction, renovation and equipping of public school facilities in the County (the “Project”) and to provide additional funds for the Project, pursuant to and in accordance with the Bond Orders.

Section 4. The Board has ascertained and hereby determines that the average period of usefulness of the capital projects being financed or refinanced by the proceeds of the Bonds is not less than 25 years computed from the date of issuance of the Bonds.

Section 5. The Bonds are payable in annual installments on March 1 in each year, as set forth in Section 2.18(b) of Appendix A. The Finance Director of the County may establish the principal of each maturity of the Bonds so long as the aggregate principal amount does not exceed \$130,730,000.

Section 6. The County covenants to take such action as may be required in the Opinion of Bond Counsel to cause the Bonds and all actions of the County with respect to the proceeds thereof to comply with Internal Revenue Code of 1986, as amended (the “Code”). The Finance Director of the County is hereby authorized to execute a no-arbitrage certificate in order to comply with Section 148 of the Code and the applicable Income Tax Regulations thereunder.

Section 7. The Finance Director is hereby directed to create and establish a special fund to be designated “*County of Union, North Carolina Variable Rate General Obligation Bonds, Series 2007 Project Fund*” (the “*Project Fund*”). A portion of the proceeds from the sale of the Bonds shall be deposited in the Project Fund as provided in Section 4.5 of Appendix A. Any moneys held in the Project Fund shall be invested and reinvested by the Finance Director as permitted by the laws of the State of North Carolina and the income, to the extent permitted by the Code, shall be retained in the Project Fund and applied with the proceeds of the Bonds to pay costs of the Project, as directed by the Finance Director. The Finance Director shall keep and maintain adequate records pertaining to the Project Fund and all disbursements therefrom so as to satisfy the requirements of the laws of the State of North Carolina and to assure that the County maintains its covenants with respect to the exclusion of the interest on the Bonds from gross income for purposes of federal income taxation. A portion of the proceeds of the sale of the Bonds shall be deposited in the CP Fund as provided in Section 4.5 of Appendix A. Other funds and accounts shall be established and applied as set forth in Appendix A.

Section 8. The Local Government Commission is hereby requested to sell the Bonds through a negotiated sale to the Underwriters pursuant to the terms of the Bond Purchase Agreement. The form and content of the Bond Purchase Agreement is in all respects approved and confirmed, and the Chairman, the County Manager or the Finance Director of the County is hereby authorized, empowered and directed to execute and deliver the Bond Purchase Agreement for and on behalf of the County, including necessary counterparts, in substantially the form and content presented to the County, but with such changes, modifications, additions or deletions therein as shall to him or her seem necessary, desirable or appropriate, his execution thereof to constitute conclusive evidence of his or her approval of any and all such changes, modifications, additions or deletions therein, and that from and after the execution and delivery of the Bond Purchase Agreement, the Chairman, the County Manager and the Finance Director of the County are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Bond Purchase Agreement as executed.

Section 9. The form and content of the Standby Agreement and the Remarketing Agreements be and the same hereby are in all respects approved and confirmed, and the Chairman, the County Manager or the Finance Director of the County be and they hereby are authorized, empowered,

and directed to execute and deliver the Standby Agreement and the Remarketing Agreements for and on behalf of the County, including necessary counterparts, in substantially the form and content presented to the County, but with such changes, modifications, additions or deletions therein as shall to them seem necessary, desirable or appropriate, the execution thereof to constitute conclusive evidence of his or her approval of any and all such changes, modifications, additions or deletions therein, and that from and after the execution and delivery of the Standby Agreement and the Remarketing Agreements, the Chairman, the County Manager and the Finance Director of the County are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Standby Agreement and the Remarketing Agreements as executed.

Section 10. The form, terms and content of the Official Statement are in all respects authorized, approved and confirmed, and the use of the Official Statement by the Underwriters and the Remarketing Agents in connection with the sale and remarketing of the Bonds is hereby in all respects authorized, approved and confirmed. The Chairman, the County Manager or Finance Director of the County is authorized to execute the Official Statement and the Official Statement on behalf of the County.

Section 11. The County agrees, in accordance with Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission (the “SEC”) and for the benefit of the Registered Owners and beneficial owners of the Bonds, as follows:

(1) by not later than seven months after the end of each Fiscal Year, beginning with the Fiscal Year ended June 30, 2007, to provide to each nationally recognized municipal securities information repository (“NRMSIR”) and to the state information depository (“SID”), if any, for the State, in each case as designated by the SEC, the audited financial statements of the County 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 are not then available, unaudited financial statements of the County for such Fiscal Year to be replaced subsequently by audited financial statements of the County to be delivered within 15 days after such audited financial statements become available for distribution;

(2) by not later than seven months after the end of each Fiscal Year, beginning with the Fiscal Year ended June 30, 2007, to provide to each NRMSIR and to the SID, if any, in each case as designated by the SEC, (a) the financial and statistical data as of a date not earlier than the end of the preceding Fiscal Year for the type of information included under the captions “**THE COUNTY--DEBT INFORMATION**” and “**--TAX INFORMATION**” (excluding information on overlapping units) in the Official Statement referred to in Section 10 and (b) the combined budget of the County for the current Fiscal Year to the extent such items are not included in the audited financial statements referred to in clause (1) above;

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

- (a). principal and interest payment delinquencies;
- (b). non-payment related defaults;

- (c) unscheduled draws on the debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on any credit enhancements reflecting financial difficulties;
- (e) substitution of any credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions or events affecting the status of the Bonds;
- (g) modification to the rights of the beneficial owners of the Bonds;
- (h) call of any of the Bonds for redemption, other than mandatory sinking fund redemptions;
- (i) defeasance of any of the Bonds;
- (j) release, substitution or sale of any property securing repayment of the Bonds;
- (k) rating changes; and

(4) to provide in a timely manner to each NRMSIR or to the MSRB, and to the SID, if any, notice of a failure of the County to provide required annual financial information described in (1) or (2) above on or before the date specified.

The County may comply with the undertaking described above by transmitting the required filings and notices to DisclosureUSA in accordance with its rules and procedures so long as that method for discharging such undertaking satisfies the Rule.

The County agrees that its undertaking under this Paragraph is intended to be for the benefit of the registered owners and the beneficial owners of the Bonds and is enforceable by any of the registered owners and the beneficial owners of the Bonds, including an action for specific performance of the County's obligations under this Paragraph, but a failure to comply will not be an event of default and will not result in acceleration of the payment of the Bonds. An action must be instituted, had and maintained in the manner provided in this Paragraph for the benefit of all of the registered owners and beneficial owners of the Bonds.

The County may modify from time to time, consistent with the Rule, the information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the County, but:

(1) 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 County;

(2) the information to be provided, as modified, would have complied with the requirements of the Rule as of the date of the Official Statement, after taking into account any amendments or interpretations of the Rule as well as any changes in circumstances;

(3) any such modification does not materially impair the interest of the registered owners or the beneficial owners, as determined by nationally recognized bond counsel or by the approving vote of the registered owners of a majority in principal amount of the Bonds.

Any annual financial information containing modified operating data or financial information will 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 Paragraph terminate on payment, or provision having been made for payment in a manner consistent with the Rule, in full of the principal of and interest on the Bonds.

Section 12. No stipulation, obligation or agreement herein contained or contained in the Bonds, this Bond Resolution, the Bond Purchase Agreement, the Standby Agreement, the Remarketing Agreements or any other instrument related to the issuance of the Bonds shall be deemed to be a stipulation, obligation or agreement of any officer, agent or employee of the County in his or her individual capacity, and no such officer, agent or employee shall be personally liable on the Bonds or be subject to personal liability or accountability by reason of the issuance thereof.

Section 13. The County Manager and the Finance Director of the County are hereby authorized, empowered and directed to do any and all other acts and to execute any and all other documents, which they, in their discretion, deem necessary and appropriate in order to consummate the transactions contemplated by (1) this Bond Resolution and (2) the other documents presented to this meeting; except that neither of the above is authorized or empowered to do anything or execute any document which is in contravention, in any way, of (a) the specific provisions of this Bond Resolution, (b) any agreement to which the County is bound or (c) any applicable law, statute, ordinance, rule or regulation of the United States of America or the State of North Carolina.

From the adoption of this Bond Resolution until the date the Bonds are issued, the County Manager and the Finance Director of the County are hereby authorized, empowered and directed to make any changes, modifications, additions or deletions to Appendix A hereto as shall to them seem necessary, desirable or appropriate that may be requested by the rating agencies rating the Bonds or other technical changes to the provisions of the Bonds necessary to implement the intent of this Bond Resolution. Such changes, modifications, additions or deletions to Appendix A shall be set forth in a certificate executed by the County Manager or the Finance Director of the County on the date the Bonds are issued.

Section 14. From and after the execution and delivery of the documents hereinabove authorized, the Chairman, the County Manager, the Finance Director and the Clerk to the Board of the County are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of said documents as executed, and are further authorized to take any and all further actions to execute and deliver any and all other documents as may be necessary in the issuance of the Bonds and the execution and delivery of the Bond Purchase Agreement.

The Chairman, the County Manager, the Finance Director and the Clerk to the Board of the County are hereby authorized and directed to prepare and furnish, when the Bonds are issued, certified copies of all the proceedings and records of the County Board of Commissioners relating to the Bonds, and such other affidavits, certificates and documents as may be required to show the facts relating to the legality and marketability of the Bonds as such facts appear on the books and records in such party's custody and control or as otherwise known to them; and all such certified copies, certificates, affidavits and documents, including any heretofore furnished, shall constitute representations of the County as to the truth of all statements contained therein.

Section 15. All acts and doings of the Chairman, the County Manager, the Finance Director and the Clerk to the Board of the County that are in conformity with the purposes and intents of this Resolution and in the furtherance of the issuance of the Bonds and the execution, delivery and performance of the Bond Purchase Agreements are in all respects approved and confirmed.

Section 16. If any one or more of the agreements or provisions herein contained is held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or for any reason whatsoever is held invalid, then such covenants, agreements or provisions are null and void and separable from the remaining agreements and provisions and will in no way affect the validity of any of the other agreements and provisions hereof or of the Bonds authorized hereunder.

Section 17. All resolutions or parts thereof of the Board in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

Section 18. This Bond Resolution is effective on its adoption.

Upon motion of Commissioner Mills, the foregoing order entitled: **“RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF UNION, NORTH CAROLINA PROVIDING FOR THE ISSUANCE OF VARIABLE RATE GENERAL OBLIGATION BONDS OF THE COUNTY OF UNION, NORTH CAROLINA”** was adopted by the following vote:

AYES: Chairman Kevin Pressley, Vice Chairman Allan Baucom, Commissioner Roger Lane, Commissioner A. Parker Mills, Jr., and Commissioner Lanny Openshaw

NAYS: None

PASSED, ADOPTED AND APPROVED this 13th day of August, 2007.

b. Adopt Resolution Providing for the Issuance of \$90,000,000 General Obligation School Bonds, Series 2007D

Commissioner Mills moved that the following resolution, copies of which having been made available to the Board of Commissioners, be adopted:

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF UNION, NORTH CAROLINA PROVIDING FOR THE ISSUANCE OF \$90,000,000 GENERAL OBLIGATION SCHOOL BONDS, SERIES 2007D OF THE COUNTY OF UNION, NORTH CAROLINA

WHEREAS, the Bond Order hereinafter-described have been adopted, and it is desirable to make provision for the issuance of the Bonds authorized by said Bond Order;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners (the “*Board*”) of the County of Union, North Carolina (the “*County*”), as follows:

1. For purposes of this Resolution, the following words will have the meanings ascribed to them below:

“*Bond Order*” means the Bond Order relating to the School Projects (as defined herein), which was adopted by the Board on August 14, 2006 and approved by the vote of a majority of the voters who voted thereon at a referendum duly called and held.

“*Federal Securities*” means (a) direct obligations of the United States of America for the timely payment of which the full faith and credit of the United States of America is pledged; (b) obligations issued by any agency controlled or supervised by and acting as an instrumentality of the United States of America, the timely payment of the principal of and interest on which is fully guaranteed as full faith and credit obligations of the United States of America (including any securities described in (a) or (b) issued or held in the name of the Trustee in book-entry form on the books of the Department of Treasury of the United States of America), which obligations, in either case, are held in the name of a trustee and are not subject to redemption or purchase prior to maturity at the option of anyone other than the holder; (c) any bonds or other obligations of the State of North Carolina or of any agency, instrumentality or local governmental unit of the State of North Carolina which are (1) not callable prior to maturity or (2) as to which irrevocable instructions have been given to the trustee or escrow agent with respect to such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified, and which are rated by Moody’s, if the 2007D Bonds are rated by Moody’s, and S&P, if the 2007D Bonds are rated by S&P, within the highest rating category and which are secured as to principal, redemption premium, if any, and interest by a fund consisting only of cash or bonds or other obligations of the character described in clause (a) or (b) hereof which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate; or (d) direct evidences of ownership of proportionate interests in future interest and principal payments on

specified obligations described in (a) held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor on the underlying obligations described in (a), and which underlying obligations are not available to satisfy any claim of the custodian or any person claiming through the custodian or to whom the custodian may be obligated.

“*Moody’s*” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns and, if such corporation for any reason no longer performs the functions of a securities rating agency, “*Moody’s*” will be deemed to refer to any other nationally recognized rating agency other than S&P designed by the County.

“*S&P*” means Standard & Poor’s Ratings Services, a Division of The McGraw-Hill Companies, Inc., its successors and their assigns and, if such corporation for any reason no longer performs the functions of a securities rating agency, “*S&P*” will be deemed to refer to any other nationally recognized rating agency other than Moody’s designed by the County.

“*2007D Bonds*” means the County’s General Obligation School Bonds, Series 2007D authorized under the Bonds Orders.

2. The County shall issue \$90,000,000 in total aggregate principal amount of its 2007D Bonds.

3. The 2007D Bonds shall be dated their date of issuance and pay interest semiannually on March 1 and September 1, beginning March 1, 2008. The 2007D Bonds are being issued to provide funds to pay the capital costs incurred in connection with the construction, renovation, improvement, equipping and furnishing of public school facilities within the County, including the acquisition of land or rights-of-way therefore (the “*School Projects*”), pursuant to and in accordance with the Bond Order.

4. The Board has ascertained and hereby determines that the average period of usefulness of the School Projects being financed by the proceeds of the 2007D Bonds is not less than 25 years computed from the date of issuance of the 2007D Bonds.

5. The 2007D Bonds are payable in annual installments on March 1 in each year, as follows:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
2009	\$3,000,000	2020	\$6,000,000
2010	3,000,000	2021	6,000,000
2011	3,000,000	2022	6,000,000
2012	4,000,000	2023	6,000,000
2013	4,000,000	2024	3,000,000
2014	5,000,000	2025	3,000,000
2015	6,000,000	2026	2,000,000
2016	6,000,000	2027	2,000,000
2017	6,000,000	2028	2,000,000
2018	6,000,000	2029	2,000,000
2019	6,000,000		

6. The 2007D Bonds are to be numbered from “RD-1” consecutively and upward. All 2007D Bonds shall bear interest from their date at a rate or rates which are determined on the sale thereof, computed on the basis of a 360-day year of twelve 30-day months.

7. The 2007D Bonds are to be registered as to principal and interest, and the Finance Director of the County is directed to maintain the registration records with respect thereto. The 2007D Bonds shall bear the original or facsimile signatures of the Chairman and Clerk to the Board of the County. An original or facsimile of the seal of the County is to be imprinted on each of the 2007D Bonds.

8. The 2007D Bonds will initially be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. One bond certificate for each maturity of each series will be issued to The Depository Trust Company, New York, New York (“DTC”), and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the 2007D Bonds in principal amounts of \$5,000 or integral multiples thereof, with transfers of beneficial ownership affected on the records of DTC and its participants pursuant to rules and procedures established by DTC. Interest on the 2007D Bonds will be payable to DTC or its nominee as registered owner of the 2007D Bonds in immediately available funds. The principal of and interest on the 2007D Bonds will be payable to owners of 2007D Bonds shown on the records of DTC at the close of business on the 15th day of the month preceding an interest payment date or a bond payment date. 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.

If (a) DTC determines not to continue to act as securities depository for the 2007D Bonds or (b) the Finance Director for the County determines that the continuation of the book-entry system of evidence and transfer of ownership of the 2007D Bonds would adversely affect the interests of the beneficial owners of the 2007D Bonds, the County will discontinue the book-entry system with DTC. If the County fails to identify another qualified securities depository to replace DTC, the County will authenticate and deliver replacement bonds in accordance with the rules and procedures of DTC.

9. The 2007D Bonds maturing on or before March 1, 2017 will not be subject to redemption prior to maturity. The 2007D Bonds maturing after March 1, 2017 will be subject to redemption prior to maturity, at the option of the County, from any moneys that may be made available for such purpose, either in whole or in part on any date on or after March 1, 2017, at the redemption price of the principal amount of 2007D Bonds to be so redeemed, plus accrued interest to the redemption date.

If less than all of the 2007D Bonds are called for redemption, the County shall select the maturity or maturities of the 2007D Bonds to be redeemed in such manner as the County in its discretion may determine and DTC and its participants shall determine which of the 2007D Bonds within a maturity are to be redeemed by lot; provided, however, that the portion of any 2007D Bonds to be redeemed shall be in principal amount of \$5,000 or integral multiples thereof and that, in selecting 2007D Bonds for redemption, each 2007D Bonds shall be considered as representing that number of 2007D Bonds which is obtained by dividing the principal amount of such 2007D Bonds by \$5,000. Whenever the County elects to redeem 2007D Bonds, notice of such redemption of 2007D Bonds, stating the redemption date, redemption price and identifying the 2007D Bonds or portions thereof to be redeemed by reference to their numbers and further stating that on such redemption date there shall become due and payable on each 2007D Bonds or portion thereof so to be redeemed, the principal thereof, and interest accrued to the redemption date and that from and after such date interest thereon shall cease to accrue, shall be given not less than 30 days nor more than 60 days before the redemption date in writing to DTC or its nominee as the registered owner of the 2007D Bonds, by prepaid certified or registered United States mail, at the address provided to the County by DTC, but any failure or defect in respect of such mailing will not affect the validity of the redemption. If DTC is not the registered owner of the 2007D Bonds, the County will give notice at the time set forth above by prepaid first class United States mail, to the then-registered owners of the 2007D Bonds or portions thereof to be redeemed at the last address shown on the registration books kept by the County. The County will also mail or transmit by facsimile a copy of the notice of redemption within the time set forth above (1) to the Local Government Commission of North Carolina (the "*Local Government Commission*"), (2) to each of the then-existing securities depositories and (3) to at least two of the then-existing national information services.

10. The 2007D Bonds and the provisions for the registration of the 2007D Bonds and for the approval of the 2007D Bonds by the Secretary of the Local Government Commission are to be in substantially the form set forth in Exhibit A hereto.

11. The County covenants to take such action as may be required in the opinion of nationally recognized bond counsel to cause the 2007D Bonds and all actions of the County with respect to the proceeds thereof to comply with Internal Revenue Code of 1986, as amended (the "*Code*"). In particular, the County covenants as follows:

(a) At least one of the following two conditions will be satisfied for the 2007D Bonds: (1) less than 10% of the proceeds of the 2007D Bonds, reduced by costs of issuance, will be used directly or indirectly in the business of a person other than a state or local governmental unit or (2) less than 10% of the principal or interest on the 2007D Bonds will be (under the terms of such issue or any underlying arrangement) directly or indirectly (A) secured by an interest in property used or to be used in a private business or any interest in payments made with respect to such property or (B) to be derived from payments made with respect to property, or borrowed money, used or to be used in a private business;

(b) Less than 5% of the proceeds of the 2007D Bonds, reduced by costs of issuance, will be used by nongovernmental persons for a use unrelated to the purposes for which the 2007D Bonds are being issued;

(c) It will not loan directly or indirectly more than 5% of the proceeds of the 2007D Bonds to nongovernmental persons;

(d) It will not enter into any management contract with respect to the School Projects financed with the proceeds of the 2007D Bonds unless it obtains an opinion of nationally recognized bond counsel that such management contract will not impair the exclusion from a recipient's gross income for federal income tax purposes of the interest on the 2007D Bonds;

(e) The County acknowledges that the continued exclusion of interest on the 2007D Bonds from a recipient's gross income for federal income tax purposes depends, in part, on compliance with the arbitrage limitations imposed by Section 148 of the Code. The County covenants to comply with all the requirements of Section 148 of the Code, including the rebate requirements, and it shall not permit at any time any of the proceeds of the 2007D Bonds or other funds of the County to be used, directly or indirectly, to acquire any asset or obligation, the acquisition of which would cause the 2007D Bonds to be "*arbitrage bonds*" for purposes of Section 148 of the Code;

(f) The 2007D Bonds shall not be "*federally guaranteed*" as defined in Section 149(b) of the Code;

(g) The County covenants to file or cause to be filed Form 8038G in accordance with Section 149(e) of the Code.

12. The Finance Director is hereby directed to create and establish a special fund to be designated "*County of Union, North Carolina General Obligation School Bonds, Series 2007D Project Fund*" (the "*Project Fund*"). The Finance Director shall deposit the proceeds from the sale of the 2007D Bonds in the Project Fund. The Finance Director shall invest and reinvest any moneys held in the Project Fund as permitted by the laws of the State of North Carolina and the income, to the extent permitted by the Code, is to be retained in the Project Fund and applied with the proceeds of the 2007D Bonds to pay the costs of the School Projects, as directed by the Finance Director. The Finance Director shall keep and

maintain adequate records pertaining to the Project Fund and all disbursements there from so as to satisfy the requirements of the laws of the State of North Carolina and to assure that the County maintains its covenants with respect to the exclusion of the interest on the 2007D Bonds from gross income for purposes of federal income taxation.

13. Actions taken by officials of the County to select paying and transfer agents, and a bond registrar, or alternate or successor agents and registrars pursuant to Section 159E-8 of the Registered Public Obligations Act, Chapter 159E of the General Statutes of North Carolina, are hereby authorized and approved.

14. The Local Government Commission is hereby requested to sell the 2007D Bonds through a competitive sale to the bidder whose bid results in the lowest interest cost to the County, determined on the basis of the net interest cost method.

15. The Chairman, the County Manager, the Clerk to the Board and the Finance Director of the County are hereby authorized and directed to cause the 2007D Bonds to be prepared and, when they shall have been duly sold by the Local Government Commission, to execute the 2007D Bonds and to turn the 2007D Bonds over to the registrar and transfer agent of the County for delivery through the facilities of DTC to the purchaser or purchasers to whom they may be sold by the Local Government Commission.

16. The form and content of the Preliminary Official Statement to be dated on or about August 3, 2007 together with the final Official Statement to be dated on or about August 15, 2007 and the Notice of Sale with respect to the 2007D Bonds are in all respects authorized, approved and confirmed, and the Chairman, the County Manager, the Clerk to the Board and the Finance Director of the County are authorized, empowered and directed to execute and deliver the Official Statement in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as shall to the Chairman, the County Manager, the Clerk to the Board and the Finance Director of the County seem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of the approval of the Board of any and all changes, modifications, additions or deletions therein from the form and content of the Official Statement presented to the Board.

17. The Chairman, the County Manager, the Clerk to the Board and the Finance Director of the County are authorized and directed to execute and deliver for and on behalf of the County any and all additional certificates, documents, opinions or other papers and perform all other acts as may be required by the documents contemplated hereinabove or as may be deemed necessary or appropriate in order to implement and carry out the intent and purposes of this Resolution.

18. The County agrees, in accordance with Rule 15c2-12 (the "*Rule*") promulgated by the Securities and Exchange Commission (the "*SEC*") and for the benefit of the Registered Owners and beneficial owners of the 2007D Bonds, as follows:

- (1) by not later than seven months after the end of each Fiscal Year, beginning with the Fiscal Year ending June 30, 2007, to provide to each nationally recognized municipal securities information repository ("*NRMSIR*") and to the state

information depository (“*SID*”), if any, for the State, in each case as designated by the SEC, the audited financial statements of the County 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 are not then available, unaudited financial statements of the County for such Fiscal Year to be replaced subsequently by audited financial statements of the County to be delivered within 15 days after such audited financial statements become available for distribution;

(2) by not later than seven months after the end of each Fiscal Year, beginning with the Fiscal Year ending June 30, 2007, to provide to each NRMSIR and to the *SID*, if any, in each case as designated by the SEC, (a) the financial and statistical data as of a date not earlier than the end of the preceding Fiscal Year for the type of information included under the captions “**THE COUNTY--DEBT INFORMATION**” and “**--TAX INFORMATION**” (excluding information on overlapping units) in the Official Statement referred to in Section 16 and (b) the combined budget of the County for the current Fiscal Year to the extent such items are not included in the audited financial statements referred to in clause (1) above;

(3) to provide in a timely manner to each NRMSIR or to the Municipal Securities Rulemaking Board (the “*MSRB*”), and to the *SID*, if any, notice of any of the following events with respect to the 2007D Bonds, if material:

- (a). principal and interest payment delinquencies;
- (b). non-payment related defaults;
- (c). unscheduled draws on the debt service reserves reflecting financial difficulties;
- (d). unscheduled draws on any credit enhancements reflecting financial difficulties;
- (e). substitution of any credit or liquidity providers, or their failure to perform;
- (f). adverse tax opinions or events affecting the tax-exempt status of the 2007D Bonds;
- (g). modification to the rights of the beneficial owners of the 2007D Bonds;
- (h). call of any of the 2007D Bonds for redemption;
- (i). defeasance of any of the 2007D Bonds;

- (j) release, substitution or sale of any property securing repayment of the 2007D Bonds;
- (k) rating changes; and
- (4) to provide in a timely manner to each NRMSIR or to the MSRB, and to the SID, if any, notice of a failure of the County to provide required annual financial information described in (1) or (2) above on or before the date specified.

The County agrees that its undertaking under this Paragraph is intended to be for the benefit of the registered owners and the beneficial owners of the 2007D Bonds and is enforceable by any of the registered owners and the beneficial owners of the 2007D Bonds, including an action for specific performance of the County's obligations under this Paragraph, but a failure to comply will not be an event of default and will not result in acceleration of the payment of the 2007D Bonds. An action must be instituted, had and maintained in the manner provided in this Paragraph for the benefit of all of the registered owners and beneficial owners of the 2007D Bonds.

The County may meet the continuing disclosure filing requirements described above either by providing the required information directly to the NRMSIRs and SID, if any, or by providing such information to DisclosureUSA for subsequent transmission to the NRMSIRs and SID, if any, without separately providing such information to such NRMSIRs or SID.

The County may modify from time to time, consistent with the Rule, the information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the County, but:

- (1) 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 County;
- (2) the information to be provided, as modified, would have complied with the requirements of the Rule as of the date of the Official Statement, after taking into account any amendments or interpretations of the Rule as well as any changes in circumstances;
- (3) any such modification does not materially impair the interest of the registered owners or the beneficial owners, as determined by nationally recognized bond counsel or by the approving vote of the registered owners of a majority in principal amount of the 2007D Bonds.

Any annual financial information containing modified operating data or financial information will 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 Paragraph terminate on payment, or provision having been made for payment in a manner consistent with the Rule, in full of the principal of and interest on the 2007D Bonds.

19. Those portions of this Resolution other than Paragraph 18 may be amended or supplemented, from time to time, without the consent of the owners of the 2007D Bonds if in the opinion of nationally recognized bond counsel, such amendment or supplement would not adversely affect the interests of the owners of the 2007D Bonds and would not cause the interest on the 2007D Bonds to be included in the gross income of a recipient thereof for federal income tax purposes. This Resolution may be amended or supplemented with the consent of the owners of a majority in aggregate principal amount of the outstanding 2007D Bonds, exclusive of 2007D Bonds, if any, owned by the County, but a modification or amendment (1) may not, without the express consent of any owner of 2007D Bonds, reduce the principal amount of any 2007D Bonds, reduce the interest rate payable on it, extend its maturity or the times for paying interest, change the monetary medium in which principal and interest is payable, or reduce the percentage of consent required for amendment or modification and (2) as to an amendment to Paragraph 18, must be limited as described therein.

Any act done pursuant to a modification or amendment consented to by the owners of the 2007D Bonds is binding on all owners of the 2007D Bonds and will not be deemed an infringement of any of the provisions of this Resolution, whatever the character of the act may be, and may be done and performed as fully and freely as if expressly permitted by the terms of this Resolution, and after consent has been given, no owner of a 2007D Bonds has any right or interest to object to the action, to question its propriety or to enjoin or restrain the County from taking any action pursuant to a modification or amendment.

If the County proposes an amendment or supplemental resolution to this Resolution requiring the consent of the owners of the 2007D Bonds, the Registrar shall, on being satisfactorily indemnified with respect to expenses, cause notice of the proposed amendment to be sent to each owner of the 2007D Bonds then outstanding by first-class mail, postage prepaid, to the address of such owner as it appears on the registration books; but the failure to receive such notice by mailing by any owner, or any defect in the mailing thereof, will not affect the validity of any proceedings pursuant hereto. Such notice shall briefly set forth the nature of the proposed amendment and shall state that copies thereof are on file at the principal office of the Registrar for inspection by all owners of the 2007D Bonds. If, within 60 days or such longer period as shall be prescribed by the County following the giving of such notice, the owners of a majority in aggregate principal amount of 2007D Bonds then outstanding have consented to the proposed amendment, the amendment will be effective as of the date stated in the notice.

20. Nothing in this Resolution precludes (a) the payment of the 2007D Bonds from the proceeds of refunding bonds or (b) the payment of the 2007D Bonds from any legally available funds.

If the County causes to be paid, or has made provisions to pay, on maturity or on redemption before maturity, to the owners of the 2007D Bonds the principal of the 2007D Bonds (including interest to become due thereon), through setting aside trust funds or setting apart in a reserve fund or special trust account created pursuant to this Resolution or otherwise, or through the irrevocable segregation for that purpose in some

sinking fund or other fund or trust account with an escrow agent or otherwise, moneys sufficient therefore, including, but not limited to, interest earned or to be earned on Federal Securities, the County shall so notify Moody's and S&P, and then the such 2007D Bonds shall be considered to have been discharged and satisfied, and the principal of the 2007D Bonds (including and interest thereon) shall no longer be deemed to be outstanding and unpaid; provided, however, that nothing in this Resolution requires the deposit of more than such Federal Securities as may be sufficient, taking into account both the principal amount of such Federal Securities and the interest to become due thereon, to implement any such defeasance.

If such a defeasance occurs and after the County receives an opinion of a nationally recognized accounting firm that the segregated moneys or Federal Securities together with interest earnings thereon are sufficient to effect a defeasance, the County shall execute and deliver all such instruments as may be necessary to effect such a defeasance and desirable to evidence such release, discharge and satisfaction. The County shall make provisions for the mailing of a notice to the owners of the 2007D Bonds that such moneys are so available for such payment.

Upon motion of Commissioner Mills, the foregoing order entitled: **“RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF UNION, NORTH CAROLINA PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION SCHOOL BONDS, SERIES 2007D OF THE COUNTY OF UNION, NORTH CAROLINA”** was adopted by the following vote:

AYES: Chairman Kevin Pressley, Vice Chairman Allan Baucom, Commissioner Roger Lane, Commissioner A. Parker Mills, Jr., and Commissioner Lanny Openshaw

NAYS: None

PASSED, ADOPTED AND APPROVED this 13th day of August, 2007.

APPENDIX A

FORM OF 2007D BONDS

No. RD-

\$

**UNITED STATES OF AMERICA
STATE OF NORTH CAROLINA**

COUNTY OF UNION

<u>INTEREST</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP</u>
<u>RATE</u>	MARCH 1,	SEPTEMBER 6, 2007	906395[]

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: DOLLARS

GENERAL OBLIGATION SCHOOL BOND, SERIES 2007D

THE COUNTY OF UNION, NORTH CAROLINA (the “*County*”) acknowledges itself indebted and for value received hereby promises to pay to the Registered Owner named above, on the Maturity Date specified above, upon surrender hereof, the Principal Sum shown above and to pay to the Registered Owner hereof interest thereon from the date of this 2007D Bonds until it shall mature at the Interest Rate per annum specified above, payable on March 1, 2008 and semiannually thereafter on September 1 and March 1 of each year. Principal of and interest on this 2007D Bonds are payable in immediately available funds to The Depository Trust Company (“*DTC*”) or its nominee as registered owner of the 2007D Bonds and is payable to the owner of the 2007D Bonds shown on the records of *DTC* at the close of business on the 15th day of the month preceding an interest payment date or a bond payment date. The County is not responsible or liable for maintaining, supervising or reviewing the records maintained by *DTC*, its participants or persons acting through such participants.

This 2007D Bonds 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, the Bond Order adopted by the Board of Commissioners of the County on August 14, 2006 which was approved by the vote of a majority of the voters who voted thereon at a referendum duly called and held. The 2007D Bonds are being issued to provide funds to pay the capital costs incurred in connection with construction, renovation, improvement, equipping and furnishing of public school facilities within the County, including the acquisition of land or rights-of-way therefore.

The 2007D Bonds maturing on or before March 1, 2017 will not be subject to redemption prior to maturity. The 2007D Bonds maturing after March 1, 2017 will be subject to redemption prior to maturity, at the option of the County, from any moneys that may be made available for such purpose, either in whole or in part on any date on or after March 1, 2017. 2007D Bonds called for redemption will be redeemed at the redemption price of the principal amount of 2007D Bonds to be so redeemed, plus accrued interest to the redemption date.

If less than all of the 2007D Bonds are called for redemption, the County shall select the maturity or maturities of the 2007D Bonds to be redeemed in such manner as the County in its discretion may determine and DTC and its participants shall determine which of the 2007D Bonds within a maturity are to be redeemed by lot; provided, however, that the portion of any 2007D Bonds to be redeemed shall be in principal amount of \$5,000 or integral multiples thereof and that, in selecting 2007D Bonds for redemption, each 2007D Bonds shall be considered as representing that number of 2007D Bonds which is obtained by dividing the principal amount of such 2007D Bonds by \$5,000. Whenever the County elects to redeem 2007D Bonds, notice of such redemption of 2007D Bonds, stating the redemption date, redemption price and identifying the 2007D Bonds or portions thereof to be redeemed by reference to their numbers and further stating that on such redemption date there shall become due and payable on each 2007D Bonds or portion thereof so to be redeemed, the principal thereof and interest accrued to the redemption date and that from and after such date interest thereon shall cease to accrue, shall be given not less than 30 days nor more than 60 days before the redemption date in writing to DTC or its nominee as the registered owner of the 2007D Bonds, by prepaid certified or register United States mail, at the address provided to the County by DTC, but any failure or defect in respect of such mailing will not affect the validity of the redemption. If DTC is not the registered owner of the 2007D Bonds, the County will give notice at the time set forth above by prepaid first class United States mail to the then-registered owners of the 2007D Bonds or portions thereof to be redeemed at the last address shown on the registration books kept by the County.

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 2007D Bonds, exist, have been performed and have happened, and that the amount of this 2007D Bonds, 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 2007D Bonds in accordance with its terms.

This 2007D Bonds is not valid or obligatory for any purpose until the certification hereon has been signed by an authorized representative of the Local Government Commission.

IN WITNESS WHEREOF, the County has caused this 2007D Bonds to bear the original or facsimile of the signatures of the Chairman of the Board of the County and the Clerk to the Board of the County and an original or facsimile of the seal of the County to be imprinted hereon and this 2007D Bonds to be dated their date of issuance.

(SEAL)

Clerk to the Board

Chairman of the Board

Date of Execution: September 6, 2007

The issue hereof has been approved under the provisions of The Local Government Bond Act.

Secretary of the Local Government Commission

FORM OF ASSIGNMENT

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please print or typewrite Name and Address,
including Zip Code, and Federal Taxpayer Identification or
Social Security Number of Assignee)

the within 2007D Bonds and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney to register the transfer of the within 2007D Bonds on the books kept for registration thereof,
with full power of substitution in the premises.

Dated: _____
Signature guaranteed by:

NOTICE: Signature must be guaranteed by a Participant in the Securities Transfer Agent Medallion Program (“*Stamp*”) or similar program.

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

TRANSFER FEE MAY BE REQUIRED

Commissioner Mills moved that the following resolution, copies of which having been made available to the Board of Commissioners, be adopted:

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF UNION, NORTH CAROLINA PROVIDING FOR THE ISSUANCE OF VARIABLE RATE GENERAL OBLIGATION BONDS, OF THE COUNTY OF UNION, NORTH CAROLINA

WHEREAS, the Bond Orders have been adopted, and it is desirable to make provision for the issuance of the Bonds authorized by said Bond Orders;

WHEREAS, the County of Union, North Carolina (the “*County*”) desires to execute and deliver a Bond Purchase Agreement to be dated on or about September 5, 2007 (the “*Bond Purchase Agreement*”) among the County, the Local Government Commission (the “*Commission*”) and Banc of America Securities LLC on its own behalf and on behalf of Wachovia Bank, National Association and Citigroup Global Markets Inc. (the “*Underwriters*”), pursuant to which the County and the Commission will sell the Bonds to the Underwriters in accordance with the terms and conditions set forth therein; and

WHEREAS, copies of the forms of the following documents relating to the transactions described above have been filed with the County and have been made available to the Board of Commissioners of the County (the “*Board*”):

1. the Bond Purchase Agreement;
2. the Standby Bond Purchase Agreement dated as of September 1, 2007 (the “*Standby Agreement*”) among the County, Dexia Crédit Local, acting through its New York Branch, as liquidity provider, and Regions Bank, as paying agent;
3. the Remarketing and Interest Services Agreement dated as of September 1, 2007 (the “*2007A Remarketing Agreement*”) between the County and Banc of America Securities LLC, as remarketing agent for the 2007A Bonds (the “*2007A Remarketing Agent*”); and

4. the Remarketing and Interest Services Agreement dated as of September 1, 2007 (the “*2007B Remarketing Agreement*”) between the County and Wachovia Bank, National Association, as remarketing agent for the 2007B Bonds (the “*2007B Remarketing Agent*”); and

5. the Remarketing and Interest Services Agreement dated as of September 1, 2007 (the “*2007C Remarketing Agreement*” and collectively with the 2007A Remarketing Agreement and the 2007B Remarketing Agreement, the “*Remarketing Agreements*”) between the County and Citigroup Global Markets Inc., as remarketing agent for the 2007C Bonds (the “*2007C Remarketing Agent*” and collectively with the 2007A Remarketing Agent and the 2007B Remarketing Agent, the “*Remarketing Agents*”); and

6. the Official Statement to be dated on or about August 28, 2007 (the “*Official Statement*”) with respect to the Bonds.

WHEREAS, the Board considered and recognized that variable interest rate debt instruments may subject the County to the risk of higher interest rates with respect to the Bonds in the future and that in addition to the variable interest cost, the County must pay the fees of the provider of a liquidity facility and the remarketing agents for the Bonds, which fees will increase the variable interest cost to the County, and has entered into interest rate swap agreements with respect to a portion of the Bonds to limit the risk of higher interest rates;

WHEREAS, the Board believes that variable rate debt financing and entering into interest rate hedging instruments with respect to a portion of the Bonds is superior to a fixed rate debt financing because it will lower the County’s overall cost of capital;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the County of Union, North Carolina, as follows:

Section 1. For purposes of this Bond Resolution, all capitalized, undefined words have the meanings ascribed to them in Appendix A hereto.

Section 2. The County shall issue not to exceed \$65,365,000 in total aggregate principal amount of its 2007A Bonds, not to exceed \$39,220,000 in total aggregate principal amount of its 2007B Bonds; and not to exceed \$26,145,000 in total aggregate principal amount of its 2007C Bonds.

Section 3. The Bonds shall be dated as of their date of issuance and pay interest as set forth in Appendix A hereto. The Bonds are being issued to provide funds to discharge all or a portion of the County’s General Obligation Commercial Paper Bond Anticipation Notes, Series

2006, the proceeds of which were used to pay the capital costs of acquisition, construction, renovation and equipping of public school facilities in the County (the “*Project*”) and to provide additional funds for the Project, pursuant to and in accordance with the Bond Orders.

Section 4. The Board has ascertained and hereby determines that the average period of usefulness of the capital projects being financed or refinanced by the proceeds of the Bonds is not less than 25 years computed from the date of issuance of the Bonds.

Section 5. The Bonds are payable in annual installments on March 1 in each year, as set forth in Section 2.18(b) of Appendix A. The Finance Director of the County may establish the principal of each maturity of the Bonds so long as the aggregate principal amount does not exceed \$130,730,000.

Section 6. The County covenants to take such action as may be required in the Opinion of Bond Counsel to cause the Bonds and all actions of the County with respect to the proceeds thereof to comply with Internal Revenue Code of 1986, as amended (the “*Code*”). The Finance Director of the County is hereby authorized to execute a no-arbitrage certificate in order to comply with Section 148 of the Code and the applicable Income Tax Regulations thereunder.

Section 7. The Finance Director is hereby directed to create and establish a special fund to be designated “*County of Union, North Carolina Variable Rate General Obligation Bonds, Series 2007 Project Fund*” (the “*Project Fund*”). A portion of the proceeds from the sale of the Bonds shall be deposited in the Project Fund as provided in Section 4.5 of Appendix A. Any moneys held in the Project Fund shall be invested and reinvested by the Finance Director as permitted by the laws of the State of North Carolina and the income, to the extent permitted by the Code, shall be retained in the Project Fund and applied with the proceeds of the Bonds to pay costs of the Project, as directed by the Finance Director. The Finance Director shall keep and maintain adequate records pertaining to the Project Fund and all disbursements therefrom so as to satisfy the requirements of the laws of the State of North Carolina and to assure that the County maintains its covenants with respect to the exclusion of the interest on the Bonds from gross income for purposes of federal income taxation. A portion of the proceeds of the sale of the Bonds shall be deposited in the CP Fund as provided in Section 4.5 of Appendix A. Other funds and accounts shall be established and applied as set forth in Appendix A.

Section 8. The Local Government Commission is hereby requested to sell the Bonds through a negotiated sale to the Underwriters pursuant to the terms of the Bond Purchase Agreement. The form and content of the Bond Purchase Agreement is in all respects approved and confirmed, and the Chairman, the County Manager or the Finance Director of the County is hereby authorized, empowered and directed to execute and deliver the Bond Purchase Agreement for and on behalf of the County, including necessary counterparts, in substantially the form and content presented to the County, but with such changes, modifications, additions or deletions therein as shall to him or her seem necessary, desirable or appropriate, his execution thereof to constitute conclusive evidence of his or her approval of any and all such changes, modifications, additions or deletions therein, and that from and after the execution and delivery of the Bond Purchase Agreement, the Chairman, the County Manager and the

Finance Director of the County are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Bond Purchase Agreement as executed.

Section 9. The form and content of the Standby Agreement and the Remarketing Agreements be and the same hereby are in all respects approved and confirmed, and the Chairman, the County Manager or the Finance Director of the County be and they hereby are authorized, empowered, and directed to execute and deliver the Standby Agreement and the Remarketing Agreements for and on behalf of the County, including necessary counterparts, in substantially the form and content presented to the County, but with such changes, modifications, additions or deletions therein as shall to them seem necessary, desirable or appropriate, the execution thereof to constitute conclusive evidence of his or her approval of any and all such changes, modifications, additions or deletions therein, and that from and after the execution and delivery of the Standby Agreement and the Remarketing Agreements, the Chairman, the County Manager and the Finance Director of the County are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Standby Agreement and the Remarketing Agreements as executed.

Section 10. The form, terms and content of the Official Statement are in all respects authorized, approved and confirmed, and the use of the Official Statement by the Underwriters and the Remarketing Agents in connection with the sale and remarketing of the Bonds is hereby in all respects authorized, approved and confirmed. The Chairman, the County Manager or Finance Director of the County is authorized to execute the Official Statement and the Official Statement on behalf of the County.

Section 11. The County agrees, in accordance with Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission (the “SEC”) and for the benefit of the Registered Owners and beneficial owners of the Bonds, as follows:

(1) by not later than seven months after the end of each Fiscal Year, beginning with the Fiscal Year ended June 30, 2007, to provide to each nationally recognized municipal securities information repository (“NRMSIR”) and to the state information depository (“SID”), if any, for the State, in each case as designated by the SEC, the audited financial statements of the County 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 are not then available, unaudited financial statements of the County for such Fiscal Year to be replaced subsequently by audited financial statements of the County to be delivered within 15 days after such audited financial statements become available for distribution;

(2) by not later than seven months after the end of each Fiscal Year, beginning with the Fiscal Year ended June 30, 2007, to provide to each NRMSIR and to the SID, if any, in each case as designated by the SEC, (a) the financial and statistical data as of a date not earlier than the end of the preceding Fiscal Year for the type of information included under the captions “THE COUNTY--DEBT INFORMATION” and “--TAX INFORMATION” (excluding information on overlapping units) in the

Official Statement referred to in Section 10 and (b) the combined budget of the County for the current Fiscal Year to the extent such items are not included in the audited financial statements referred to in clause (1) above;

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

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults;
- (c) unscheduled draws on the debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on any credit enhancements reflecting financial difficulties;
- (e) substitution of any credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions or events affecting the status of the Bonds;
- (g) modification to the rights of the beneficial owners of the Bonds;
- (h) call of any of the Bonds for redemption, other than mandatory sinking fund redemptions;
- (i) defeasance of any of the Bonds;
- (j) release, substitution or sale of any property securing repayment of the Bonds;
- (k) rating changes; and

(4) to provide in a timely manner to each NRMSIR or to the MSRB, and to the SID, if any, notice of a failure of the County to provide required annual financial information described in (1) or (2) above on or before the date specified.

The County may comply with the undertaking described above by transmitting the required filings and notices to DisclosureUSA in accordance with its rules and procedures so long as that method for discharging such undertaking satisfies the Rule.

The County agrees that its undertaking under this Paragraph is intended to be for the benefit of the registered owners and the beneficial owners of the Bonds and is enforceable by any of the registered owners and the beneficial owners of the Bonds, including an action for specific performance of the County's obligations under this Paragraph, but a failure to comply will not be an event of default and will not result in acceleration of the payment of the Bonds. An action must be instituted, had and maintained in the manner provided in this Paragraph for the benefit of all of the registered owners and beneficial owners of the Bonds.

The County may modify from time to time, consistent with the Rule, the information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the County, but:

- (1) 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 County;
- (2) the information to be provided, as modified, would have complied with the requirements of the Rule as of the date of the Official Statement, after taking into account any amendments or interpretations of the Rule as well as any changes in circumstances;
- (3) any such modification does not materially impair the interest of the registered owners or the beneficial owners, as determined by nationally recognized bond counsel or by the approving vote of the registered owners of a majority in principal amount of the Bonds.

Any annual financial information containing modified operating data or financial information will 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 Paragraph terminate on payment, or provision having been made for payment in a manner consistent with the Rule, in full of the principal of and interest on the Bonds.

Section 12. No stipulation, obligation or agreement herein contained or contained in the Bonds, this Bond Resolution, the Bond Purchase Agreement, the Standby Agreement, the Remarketing Agreements or any other instrument related to the issuance of the Bonds shall be deemed to be a stipulation, obligation or agreement of any officer, agent or employee of the County in his or her individual capacity, and no such officer, agent or employee shall be personally liable on the Bonds or be subject to personal liability or accountability by reason of the issuance thereof.

Section 13. The County Manager and the Finance Director of the County are hereby authorized, empowered and directed to do any and all other acts and to execute any and all other documents, which they, in their discretion, deem necessary and appropriate in order to

consummate the transactions contemplated by (1) this Bond Resolution and (2) the other documents presented to this meeting; except that neither of the above is authorized or empowered to do anything or execute any document which is in contravention, in any way, of (a) the specific provisions of this Bond Resolution, (b) any agreement to which the County is bound or (c) any applicable law, statute, ordinance, rule or regulation of the United States of America or the State of North Carolina.

From the adoption of this Bond Resolution until the date the Bonds are issued, the County Manager and the Finance Director of the County are hereby authorized, empowered and directed to make any changes, modifications, additions or deletions to Appendix A hereto as shall to them seem necessary, desirable or appropriate that may be requested by the rating agencies rating the Bonds or other technical changes to the provisions of the Bonds necessary to implement the intent of this Bond Resolution. Such changes, modifications, additions or deletions to Appendix A shall be set forth in a certificate executed by the County Manager or the Finance Director of the County on the date the Bonds are issued.

Section 14. From and after the execution and delivery of the documents hereinabove authorized, the Chairman, the County Manager, the Finance Director and the Clerk to the Board of the County are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of said documents as executed, and are further authorized to take any and all further actions to execute and deliver any and all other documents as may be necessary in the issuance of the Bonds and the execution and delivery of the Bond Purchase Agreement.

The Chairman, the County Manager, the Finance Director and the Clerk to the Board of the County are hereby authorized and directed to prepare and furnish, when the Bonds are issued, certified copies of all the proceedings and records of the County Board of Commissioners relating to the Bonds, and such other affidavits, certificates and documents as may be required to show the facts relating to the legality and marketability of the Bonds as such facts appear on the books and records in such party's custody and control or as otherwise known to them; and all such certified copies, certificates, affidavits and documents, including any heretofore furnished, shall constitute representations of the County as to the truth of all statements contained therein.

Section 15. All acts and doings of the Chairman, the County Manager, the Finance Director and the Clerk to the Board of the County that are in conformity with the purposes and intents of this Resolution and in the furtherance of the issuance of the Bonds and the execution, delivery and performance of the Bond Purchase Agreements are in all respects approved and confirmed.

Section 16. If any one or more of the agreements or provisions herein contained is held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or for any reason whatsoever is held invalid, then such covenants, agreements or provisions are null and void and separable from the remaining agreements and provisions and will in no way affect the validity of any of the other agreements and provisions hereof or of the Bonds authorized hereunder.

Section 17. All resolutions or parts thereof of the Board in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

Section 18. This Bond Resolution is effective on its adoption.

Upon motion of Commissioner Mills, the foregoing order entitled: **“RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF UNION, NORTH CAROLINA PROVIDING FOR THE ISSUANCE OF VARIABLE RATE GENERAL OBLIGATION BONDS OF THE COUNTY OF UNION, NORTH CAROLINA”** was adopted by the following vote:

AYES: Chairman Kevin Pressley, Vice Chairman Allan Baucom, Commissioner Roger Lane, Commissioner A. Parker Mills, Jr., and Commissioner Lanny Openshaw

NAYS: None

PASSED, ADOPTED AND APPROVED this 13th day of August, 2007.

ANNOUNCEMENTS OF VACANCIES ON BOARDS AND COMMITTEES:

The chairman announced there the following vacancies on the Juvenile Crime Prevention Council (1) District Attorney or his designee; (2) Substance Abuse Professional; (3) Two persons under the age of 18; (4) Juvenile Defense Attorney (5) Member of the Business Community; (6) representative of United Way or other non-profit and (7) County Commissioner appointees.

He also announced that there are three vacancies on the Nursing Home Advisory Committee.

REVENUE AUTHORITY:

Kai Nelson, Finance Director, stated his power point presentation will focus on several areas surrounding the recent authority that was granted by the State to allow counties to enact alternative financing options including information on potential numbers, and the importance of earmarking revenues to certain capital activities and APFO, subject to voters' approval at a referendum.

He reminded the Board that when the State budget was adopted the last few days of July, two of the North Carolina Association of County Commissioners' critical policy initiatives for many years—one being Medicaid relief and the other being additional revenue authority—were included in that budget. He said that the County was granted authority to either levy a local sales tax or a land transfer tax, subject to voters' approval at a non-binding referendum. He said that in the land transfer tax, it is authorized for up to .4 percent while the sales tax is authorized at .25 percent.

He also noted that the referendum will have to be approved by the U. S. Justice Department prior to the election in November, which would require a letter to be sent to the Justice Department prior to the 31st of August. He said that the Board of Elections has told him that to comply with that time line, the Board of Commissioners would need to make a decision prior to August 17 and he requested an extension until after the Board's meeting on August 20th. The Finance Director explained that if the voters approve either one or both of these initiatives, there is not a requirement that the board must enact either. The Board could by resolution approve it, if it chooses to do so, after approval is granted by the voters. He further explained there is no required earmarking of these funds but the staff would recommend the Board do so.

The Finance Director stated that if either or both of these questions failed, the Board of Commissioners could call another special election or it could wait until the May primary. He again reiterated if the Board places both on the ballot and both passes, the Board is not obligated by resolution to enact one or the other.

He said if the Land Transfer Tax is approved by the voters, it can be imposed the first day of the second calendar month following the Board's adoption of a resolution levying the tax. If the tax passes in November and the Board passes a resolution stating it desires to impose this tax, the earliest time that it could be imposed would be January 1. Mr. Nelson said that if the sales tax were to pass in November, it could not be enacted until April 1 because it is more complicated to enact.

He demonstrated with his power point presentation the values of land and showed the funds that could be generated with the imposition of the Land Transfer Tax.

Mr. Nelson further detailed the sales tax legislation and noted that this is a point of sale origin tax. He reminded the Board that Union County does better economically with a value sales tax distributed on a per capital basis rather than point of origin.

The Finance Director referred to the 2006-2007 CIP and described the number of schools that are projected to open in 2007, 2008, and 2009 and the funding projections that are included within the plan. He said the CIP totals \$645 million through 2011. He explained that after next summer, the Board will have only \$64 million left in General Obligation bonds that have been authorized and not sold.

Mr. Nelson said that he was sharing the information so the Board could get an understanding of the debt that is coming for school construction and the amount that the Board would have to increase taxes to cover the schools' debt service payments. He said that taxes would be required to be increased by another 4 ½ cents in 2009, 4 ½ cents in 2010 and 4 ¼ cents 2011 and that takes into account growth from new construction and sales tax. He said that if the Board wanted to erase the 2009 tax increase in connection with the CIP, the Board would need \$7.6 million dollars and would need an additional \$7.6 million each and every year for the life of the bonds. He explained that these figures are based on what a penny is worth today.

NCACC ANNUAL CONFERENCE:

Commissioner Openshaw moved to appoint Commissioner Lane as the voting delegate for the 100th Annual Conference of the North Carolina Association of County Commissioners to be held in Cumberland County, North Carolina, August 16-19, 2007. The motion passed unanimously.

MANAGER'S COMMENTS:

The Interim County Manager reported that Mr. Mercer is present and is ready to conduct a work session with the Board on recruitment of a County Manager. He asked the Board to be ready on Monday, August 20, for this process between 5 p.m. and 7 p.m. He said the Board would also need to determine other meeting times as well.

The Vice Chairman suggested that the Board consider a closed session on the 21st of August from 11:00 a.m. to 1:00 p.m.

Mr. Black further announced that the Public Works Director has reported that water usage on Saturday, August 11, was 19.5 million gallons and that there have been many violations.

The Interim County Manager stated that he had requested the Public Works Advisory Board to list items that it wants to discuss with the Commissioners at the work session and requested that if there are items that the Commissioners want to discuss with the Public Works Advisory Board, that the list of these items be given to him by Thursday of this week.

Mr. Black reported that Commissioner Openshaw and Chairman Pressley were at the COG meeting last meeting and announced that there is a Summit on Growth, sponsored by the Centralina Economic Development Commission, to be at the Civic Center in Concord on September 20, 2007, from 2:00 p.m.– 7:30 p.m. He said he thought this would be a worthwhile conference for any Commissioner to attend. He said he had reserved tickets for the Commissioners.

COMMISSIONERS' COMMENTS:

Commissioner Lane stated that in reviewing the statistics provided by the Department of Inspection, the County had a down turn in building permits issued in May but that has reversed itself some in this month. He said that about 40 percent of the permits this month were for commercial construction.

Commissioner Lane thanked everyone who gave him support when his wife of 49 years passed away in July and was glad that time has lapsed to give him strength to discuss it. He said that the first two weeks after her death, he could not discuss it. He praised his wife Jan and assured that his thoughts and prayers are with Arnold Mills and Commissioner Mills in the tragic loss of Barbara Mills. He said he hoped that everyone would continue to support him in his actions relating to his elected positions as well as his actions in his private life.

Commissioner Openshaw said that he was shocked Saturday night to learn of the death of the local firefighter and that when he learned the name, he was tremendously concerned because he personally knows Mrs. Hage. He extended his sympathy to her and offered his support.

Commissioner Openshaw further stated that he attended the funeral of Mrs. Mills and was appreciative of the personal remarks of the gentlemen who gave the eulogy.

Commissioner Openshaw congratulated Cub Scout Pack 175 from New Salem who won Cub Pack of the Year in the State of North Carolina. He further congratulated WCWAA's Nine and Ten Year old baseball team that won the State Championship this year and competed well in the tournament in West Virginia.

He stated that a sore point of the evening is that it seems that North Carolina is still ethically challenged in the State Legislature, and that he was very distressed last week to learn that Representative Pryor Gibson has been trying, and successfully at that, to require a vote for district representation in Union County and to increase the number of Commissioners from five to seven. He said what was very discouraging is that three out of five members would be appointed by this Board and their terms extended for two years. Commissioner Openshaw stated that what was to increase the representation all of a sudden becomes a case where the citizens do not get to vote on this. He said it was his opinion that was un-American, un-democratic –regardless of which party a citizen might be from. He said, unfortunately, he voted to negotiate with Representative Gibson and later questioned why he had agreed to negotiate. Commissioner Openshaw said gerrymandering of district lines is wrong. He said Representative Gibson was only trying to accomplish something in the legislature that he and his special interest group had not been able to do in the election box.

Commissioner Mills thanked his fellow Commissioners for delaying the meeting of August 6 in respect to his Mother's death. He said that he and his Mother had been very close and that his Father is having a very hard time, and he appreciates the prayers and support.

Vice Chairman Baucom also congratulated Cub Scout 175 as others have said. He also extended his sympathies and condolences to the Hage family, the volunteers of the Wesley Chapel VFD, as well as other firefighters in Union County, and to the family of Barbara Mills. He also announced that Robin Hayes' mother passed away also.

The Chairman also extended his sympathies to Commissioner Mills and his family.

At 10:30 p.m., motion was made by Commissioner Mills that the meeting be adjourned. The motion passed unanimously.