

MINUTES FROM A PUBLIC FORUM ON CURBSIDE SOLID WASTE PICK-UP HELD BY THE BOARD OF COUNTY COMMISSIONERS FOR THE COUNTY OF WARREN IN THE COUNTY COURTHOUSE ON FEBRUARY 6, 2006 AT 6:15 PM.

The Public Forum was called to order by Chairman Ulysses S. Ross. Other Commissioners present: H.E. Luke Lucas and Barry M. Richardson. Absent: Commissioners Clinton G. Alston and Janet Humphries. Others in attendance: Linda T. Jones, County Manager, Susan W. Brown, Finance Officer and Michael Williams, County Attorney.

Chairman Ross read a prepared statement informing the public that he does not support either Curbside Solid Waste Pick-up proposal as advertised. He was expecting an estimate not a proposal. "Somebody dropped the ball."

Notice of public forum was read by the Clerk to the Board.

Citizen comments were as follows:

Richard Courser - as a 53 unit property owner, spoke in opposition of proposal to establish curbside solid waste pick-up. Uses a private hauler at \$2,292, as proposed his cost will increase to over \$11,000

Bob Edwards - spoke in opposition, lives in Morristown subdivision in Warren County, but drives eight miles through VA to get to Warren County, passes several dumpsters in VA before getting to one in Warren County. Keep it at the \$105 per year.

Raymond Adcock - spoke in opposition, too costly, system now working good, if it's not broken, don't fix it.

William R. Brauer - spoke in opposition, satisfied with current service. Who are the Commissioners representing? Are they representing the waste industry?

Earl Stegall - spoke in opposition, every project that an engineer does gets a cost estimate before proceeding. If too high, we turn the project down. Consider the level of service you get for your dollar, this would be a low level of service.

Ann Brown, President - Woodhaven Association - opposed, does not want trucks coming down privately maintained roads.

Norman Tweed - spoke in opposition, Whidby Cove, maintains private road, public road is a considerable distance from houses.

Doe Daugherty - spoke in opposition, good idea if you have curbs, highway does not support it.

E.J. Edmonds - spoke in opposition, we have access to six days, why give it up for one day?

Robert Alston, AARP Rep. - spoke in opposition, it's inconvenient and creates highway safety issues, etc.

Hattie Davis - spoke in opposition, not good for the wallet, I agree with everything else that's been said wholeheartedly.

Charles Jefferson, Senior Democrats of Warren County - spoke in opposition, because of cost and inconvenient. Petition with 360 signatures opposed.

Ernie Fleming - spoke in opposition, hopes the board understands the complexity of curb-side pick up. Government should help people, not hinder them.

Linda Browne - spoke in opposition

Ariel Rosa - spoke in opposition

William Lanier - spoke in opposition, if it ain't broke, don't fix it.

Randy Wall - spoke in opposition, (statement on file)

Paul Mella - spoke in opposition, drove 140 miles to speak. Seriously consider this proposal, collection points were closed on Sundays, he would take trash home but others would stack bags of trash up on the curb. Curbside would have additional bags on shoulders of road.

Pete Deschenes - spoke in opposition as former President Lake Gaston Association. Poses a safety issue.

Mora Underwood - spoke in opposition, this will cause litter and trash.

Anthony Wells - spoke in opposition, questioned the public, how many paid taxes in Warren County and if tax rate was reasonable. Halifax started at \$50 per year.

Wilbert Vaughan - spoke in opposition.

W.T. Ramey, III - spoke in opposition, has pastored in county for 30 years, lots of residents that live a long way from the road, 1 mile and 8/10 from road. Elderly cannot carry 96 gallon drum to curb. Proposal will put Warren County citizens out of work. Bring some business, some jobs into the county.

Tim Townsend - spoke in opposition. Appreciated Chairman Ross' opening comments. One point needs to be clarified; you stated that this will be dropped at this time because of the cost. I think it should be dropped entirely.

Approximately 100 e-mails were received in the County Manager's office in opposition.

On motion of Commissioner Lucas, which was second by Commissioner Richardson the public forum was adjourned at 7:05 pm.

/s/ Angelena Kearney-Dunlap
Angelena Kearney-Dunlap, Clerk

MINUTES FROM THE REGULAR MONTHLY MEETING HELD BY THE BOARD OF COUNTY COMMISSIONERS FOR THE COUNTY OF WARREN IN THE COUNTY COURTHOUSE ON FEBRUARY 6, 2006 AT 7:00 PM.

The meeting of the Board of County Commissioners was called to order by Chairman Ulysses S. Ross. The following Commissioners were present: Janet Humphries, H. E. Luke Lucas, and Barry M. Richardson. Absent: Commissioner Clinton G. Alston. Others present were Linda T. Jones, County Manager, Michael A. Williams, County Attorney, and Susan W. Brown, Finance Officer.

A moment of silence was followed by Citizen Comments:

Doc Daugherty - pleased with recently appointed County Manager Linda T. Jones, regrets Susan Brown, County Finance Officer is leaving, she will be missed.

Ray Blackmon - opposed to rezoning request (item 7A on regular agenda), facility is not needed nor is it wanted in the area.

Tim Townsend - opposed to rezoning request.

Fred Gasko - opposed to rezoning request, sees it as a reversal of zoning.

Bob Keneflic - (statement on file in Clerk's office) Spoke in opposition of rezoning request.

George Scott - group met with Bill Riggan, regarding rezoning request. Plans have been modified but there are 27 items the land can be used for.

Jimmy Rudd - opposed to rezoning request for safety reasons

Commissioner Lucas made a statement regarding an Emerging Issues Form he had attended and stated he would not support the curbside solid waste pick-up proposal.

Commissioner Richardson thanked the County Manager and staff for providing information regarding curbside solid waste pick-up. He also stated that during his campaign he heard citizen's request the service.

Commissioner Humphries stated she has never been a supporter of curbside pick-up and does not think the county should have to deal with it.

On motion of Commissioner Richardson, which was seconded by Commissioner Lucas and duly carried by unanimous vote, the suggested agenda was adopted with amendments as follows:

- Additions: 6E - Order to advertise unpaid 2005 taxes
- 23 - Armory use with fees waived for High School Prom in April
- 24 - Schedule joint meeting with Board of Education
- Delete: 9D - Earth Tech Contract for Services for Ephraim Place CDBG Project

On motion of Commissioner Richardson, which was seconded by Commissioner Humphries and duly carried by unanimous vote, consent agenda item #5A was approved - Minutes of January 9, 2006:

- Public Hearing: Rezoning Request from Edward & Edgar Hunt
- Public Hearing: Voluntary Agricultural Districting Ordinance
- Regular Meeting

On motion of Commissioner Richardson, which was seconded by Commissioner Humphries and duly carried by unanimous vote, consent agenda item #5B was approved -Tax Collector's & Interest Income Reports:

**Tax Collector's Report
to the Warren County Board of Commissioners
For the Month November, 2005**

Current Year Collections

Tax Year	Charge	Collected in November	Collected to Date	Balance Outstanding	Percentage Collected
2005	\$ 10,708,299	\$ 3,633,788	\$ 3,633,788	\$ 7,074,511	33.93%
FY 05 Nov. Comparison		\$ 888,324	\$ 2,425,555		23.22%
Delinquent Collections					
2004	661,123	\$ 216,619	216,619	444,504	32.77%
2003	293,616	\$ 49,087	49,087	244,529	16.72%
2002	317,902	\$ 36,259	36,259	281,643	11.41%
2001	257,248	\$ 18,045	18,045	239,203	7.01%
2000	144,543	\$ 8,488	8,488	136,055	5.87%
1999	70,631	\$ 5,629	5,629	65,003	7.97%
1998	61,391	\$ 3,648	3,648	57,743	5.94%
1997	51,786	\$ 3,051	3,051	48,736	5.89%
1996	39,637	\$ 1,868	1,868	37,769	4.71%
1995	31,983	\$ 1,761	1,761	30,222	5.51%
Total Delinquent Years	\$ 1,929,861	\$ 344,454	\$ 344,454	\$ 1,585,407	

Other November Receipts

County Penalties	\$ 50,276	\$ 50,276
Landfill User Fees	\$ 372,060	\$ 372,060
Municipalities	\$ 90,680	\$ 90,680
Fire District Taxes	\$ 179,296	\$ 179,296
Advance Taxes	\$ 92	\$ 92
November Grand Total	\$ 4,670,646	\$ 4,670,646

Susan W. Brown, Tax Collector Date

**INTEREST INCOME REPORT
Month Of December 2005**

FUND	DECEMBER INCOME	FISCAL YEAR TO - DATE
General	26,996.02	123,035.64
Revaluation	1,064.21	5,173.82
E 911 Telephone System	791.96	3,864.18
E 911 Wireless	644.16	3,052.77
Admin Off Bld Cap Reserve Fund	281.06	1,448.48
Buck Spring Project	878.74	4,568.26
Recreation Complex	1,027.23	1,188.26
Regional Water Enterprise Fund	776.94	4,187.82
District 1 Enterprise Fund	1,219.82	5,335.52
Solid Waste	620.51	1,772.81
District II Enterprise Fund	1,430.57	6,243.18
District III Capital Project Fund	4.74	3,061.34
District III Phase II	9.11	46.96
District III Enterprise Fund	76.98	76.98
Soul City Pump Station Improvements	88.84	706.80
District II Phase II	395.47	1,052.45
	36,306.36	164,815.27

On motion of Commissioner Richardson, which was seconded by Commissioner Humphries and duly carried by unanimous vote, consent agenda item #5C was approved -Tax Release Requests (Over \$100):

LANDFILL USER FEE RELEASES:

HAWKS, WILLIAM J	19004-310	6518	\$105.00	NO DWELLING
JORDAN, JARVIS	10983-300	10195	105.00	NO DWELLING
SEAMAN, RAYMOND J	36415-328	13981	105.00	SALVAGE VALUE ONLY
WHITE, ASHLEY	43233 -306	7675	105.00	M/H DISMANTLED
WHITE, ASHLEY	43233-304	17336	105.00	HSE TORN DOWN

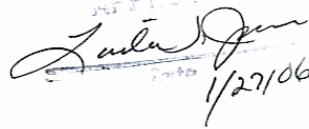
SUB-TOTAL LANDFILL USER FEE RELEASES: \$525.00

ALSTON, CHARLIE	810-311	308	\$114.20	M/H SOLD FOR 2005
ARMSTRONG, CHARLIE T	7000-200	30151	248.11	M/H MOVED IN 2002
ARMSTRONG, CHARLIE T	7000-104	53268	287.05	M/H MOVED IN 2002
ARMSTRONG, CHARLIE T	7000-103	46483	307.77	M/H MOVED IN 2002
CANNON, ROBERT S	17109-2502	67137	138.48	VEH RELEASED TO VANCE CO
EGERTON, DIANE C	1952-98	35181	508.31	M/H OWNED BY O S DAVIS
EGERTON, DIANE C	1952-99	36374	461.57	M/H OWNED BY O S DAVIS
EGERTON, DIANE C	1952-100	37741	413.85	M/H OWNED BY O S DAVIS
EGERTON, DIANE C	1952-101	39336	333.15	M/H OWNED BY O S DAVIS
EGERTON, DIANE C	1952-102	42480	307.63	M/H OWNED BY O S DAVIS
EGERTON, DIANE C	1952-103	46272	275.46	M/H OWNED BY O S DAVIS
EGERTON, DIANE C	1952-104	53026	257.98	M/H OWNED BY O S DAVIS
EGERTON, DIANE C	1952-200	26556	224.10	M/H OWNED BY O S DAVIS
FILLOTT MARY ALSTON	13214-102	42892	343.98	M/H LISTED ON D10/41

ELLIOTT, MARY ALSTON	13214-102	42892	343.98	M/H LISTED ON D10/41
ELLIOTT, MARY ALSTON	13214-103	46778	326.02	M/H LISTED ON D10/41
ELLIOTT, MARY ALSTON	13214-104	53760	305.76	M/H LISTED ON D10/41
ELLIOTT, MARY ALSTON	13214-300	3953	278.96	M/H LISTED ON D10/41
EPPS, MARY BULLOCK	27992-2577	68882	102.63	VEHICLE REPOSSESSED
GONSHOR, ROBERT L II	25417-2229	68534	160.40	VEHICLE SOLD
JACKSON, BENJAMIN L	2150-1930	66565	102.66	NOT IN CITY LIMITS
JONES, THURSTON A	23493-102	42680	305.18	M/H ASSESSED TWICE
JONES, THURSTON A	23493-103	46476	277.81	M/H ASSESSED TWICE
JONES, THURSTON A	23493-104	53258	245.59	M/H ASSESSED TWICE
JONES, THURSTON A	23493-200	30067	210.97	M/H ASSESSED TWICE
LEE, ZOLLIE R & OTHERS	23847-300	16752	114.84	ONLY OWNS 1 M/H
MANNING, ROBERT A	19269-2665	65635	103.04	VEHICLE TURNED IN
MITCHELL, ROBERT A	27713-303	9646	541.91	D/W NOT ON H6/111
MORRIS, ROBERT D	28005-1912	66547	114.16	VEHICLE WRECKED
PATTON, SUSAN G	7558-300	4846	155.63	LISTED TO H PATTON
VANN, SHIRLEY H	48339-200	30048	119.41	M/H IN VANCE COUNTY
WEST, JAMES W	3190-200	26440	188.80	1 M/H CRUSHED
SUB-TOTAL RELEASES OVER \$100:			\$7,875.41	
TOTAL RELEASES OVER \$100 :			\$8,400.41	
TOTAL RELEASE REQUEST			\$9,548.15	

County Manager approved Tax Release Requests Under \$100 were presented for Board of Commissioner's information:

TAX RELEASE REQUEST UNDER \$100
JANUARY 27, 2006



MOTOR VEHICLE RELEASE:

NAME	ACCT #	REC#	AMT	REASON
ALSTON, MIRIAM	1244-1869	61271	\$ 38.82	VEHICLE STOLEN
ANZURES, ORLANDO P	27236-2604	65574	41.31	LIVES IN RUTHRFORD CO
BELLO LOUIS P JR	16840-300	20686	70.98	BT VALUE CORR
BRAXTON, THOMAS H	26996-2179	68484	54.11	VEHICLE VALUE ADJ
BROWN, BETTY JEAN	21310-300	5518	39.48	DOESN'T OWN OTHP
CAPPS, PAMELA M	20397-2290	61692	80.83	NOT IN CITY LIMITS
COLLINS, JENNIFER M	20765-2692	63900	44.70	GAVE VEHICLE AWAY
DAVIS, WILLIAM S JR	11621-2491	67126	25.87	VEHICLE VALUE ADJ
ELLIOTT, ANTHONY C	13218-2403	57019	56.64	SOLD VEHICLE
FITTS, HENRY APPLE	14427-1113	58748	1.92	GAVE VEHICLE AWAY
GARZA, LEIGH ANN	680-1838	64808	29.89	SOLD VEHICLE
GLOVA, VANESSA	19444-1950	61352	12.65	SOLD VEHICLE
HARGROVE, CALVIN	27924-1133	67438	19.57	RELEASED TO VANCE
HAWKINS, CHARLOTTE	25985-2231	68536	43.34	RELEASED TO VANCE
HENDERSON, HELEN W	18590-104	50315	8.40	GAVE TO BROTHER
HENDERSON BETTY J	19403-104	52091	5.88	VEHICLE TOTAL LOSS
HOFFMAN, DORIS I	10644-2081	68386	21.48	SOLD VEHICLE
JENKINS, JEFFREY A	21725-2044	71630	36.25	SOLD VEHICLE
JOHNSON, JEAN ANTHONY	21480-2063	66698	27.68	SOLD VEHICLE
JONES, PHILLIP J	14090-1742	66377	40.16	VEHICLE REPOSSESSED
LANGLOIS, NANCY C	25027-1082	67387	17.16	VEHICLE JUNKED
LONG, ROY E III	25704-1197	67502	37.00	NOT ANTIQUE STATUS
LONG, STEVEN PATRICK	2379-2103	66738	34.24	VEHICLE TRADED
MOSELEY, HERBERT G	28027-2041	66676	18.78	TRUCK VALUE ADJ
NISSAN INFINITI LT	13644-2714	73903	9.21	VEHICLE SOLD
PARKER, MICHAEL M JR	24885-2623	67258	3.78	PD IN HALIFAX CO
POPE, CATHIA	32030-2400	57016	8.42	VEHICLE SOLD
RUDD, GRACE FLEMING	35523-1291	67596	4.08	GAVE VEHICLE AWAY
SMITH, JEFFREY VANN	17850-1558	60960	12.70	VEHICLE SOLD
SPARKS, ROGER WAYNE	13561-2197	63405	29.48	VEHICLE WRECKED
TALLEY, PATRICIA A	5662-2080	61482	3.06	GAVE CAR AWAY
TOWNSEND, TIMOTHY	24097-2045	68350	10.89	VEHICLE SOLD
VITALE, VITO A	26402-104	52225	56.21	VEHICLE SOLD
RICHARDSON, LARRY W	33819-1065	67370	61.05	VEHICLE SOLD
YORK, JAMES F JR	6234-2407	65377	88.00	TAXPAYER IN SERVICE
SUB-TOTAL				

MOTOR VEHICLE CORRECTIONS: \$1,094.02

HARMON, TOMMY	8863-300	15305	\$53.72	VALUE ADJ PER ASSESSOR
TOTAL VALUES UNDER \$100 RELEASED			\$1,147.74	

On motion of Commissioner Richardson, which was seconded by Commissioner Humphries and duly carried by unanimous vote, it was ordered to approve for submission to the NC Department of Transportation (DOT) Division of Highways, a petition request to add Bell Johnson Lane in the Ridgeway Community to the state maintained system.

Mr. Jim Winston of Winston, Williams & Creech, LLP CPA, presented an overview of Warren County audit ending June 30, 2005:

Statement of Net Assets - Primary Government		
	2005	2004
Total assets	\$49,313,041	\$46,517,665
Total Liabilities	<u>\$20,253,151</u>	<u>\$18,299,395</u>
Net Assets	\$29,059,890	\$28,218,270

Statement of Governmental Activities		
Revenues	\$22,579,995	\$22,059,255
Expenditures	<u>\$20,626,514</u>	<u>\$19,713,366</u>
Change in Net Assets	\$ 1,953,481	\$ 2,345,889
Restatement	(85,953)	(45,500)
Beginning Net Assets	<u>9,026,698</u>	<u>6,726,309</u>
Ending Net Assets	\$10,894,226	\$ 9,026,698

Statement of Business-Type Activities		
Revenues	\$ 2,594,000	\$ 3,703,646
Expenditures	<u>\$ 3,619,908</u>	<u>\$ 2,838,134</u>
Change in Net Assets	(1,025,908)	865,512
Beginning Net Assets	<u>\$19,191,572</u>	<u>\$18,326,060</u>
Ending Net Assets	\$18,165,664	\$19,191,572

Mr. Winston's largest concern was total income from Proprietary Funds.

On motion of Commissioner Humphries, which was seconded by Commissioner Richardson and duly carried by unanimous vote, it was ordered to adopt Grant Project Ordinance Infrastructure Hook-Up Demonstration Project:

GRANT PROJECT ORDINANCE

INFRASTRUCTURE HOOKUP DEMONSTRATION PROJECT

Be it ordained by the Warren County Board of Commissioners that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following Grant Project Ordinance is hereby adopted:

Section 1. The project authorized is the Infrastructure Hookup Demonstration Project. Said project shall be in accordance with the County's Community Development Block Grant Application as approved by the North Carolina Department of Commerce.

Section 2. The officers of this unit are hereby directed to proceed with the grant project within the terms of the grant documents executed with the North Carolina Department of Commerce and within the funds appropriated herein.

Section 3. The following revenues are anticipated to be available to the County of Warren to complete the project:

State of North Carolina, Department of Commerce, CDBG Grant	\$ 75,000
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Section 4. The following amounts are appropriated for the project:

Administration	\$ 9,000
Water Improvements	<u>66,000</u>
Total	\$ 75,000

Section 5. The Finance Officer is hereby directed to maintain within the Grant Project Fund sufficient detailed accounting records to provide the accounting to the grantor agency required by the grant agreement and federal and state regulations.

Section 6. Funds may be advanced from the General Fund for the purpose of making payments as due. Reimbursement requests should be made to the grantor agency in an orderly and timely manner.

Section 7. The Finance Officer is directed to report monthly to the Board of Commissioners on the financial status of each project element in Section 4 and on the total grant revenues received or claimed.

Section 8. Copies of this grant ordinance shall be entered into the minutes of the Governing Board, made available to the Finance Officer, and the Clerk to the Board for direction in carrying out the project.

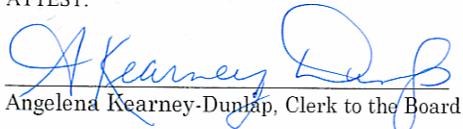
Adopted, this 6th day of February 2006.

Warren County Board of Commissioners



Ulysses S. Ross, Chairman

ATTEST:



Angelena Kearney-Dunlap, Clerk to the Board

On motion of Commissioner Humphries, which was seconded by Commissioner Richardson and duly carried by unanimous vote, it was ordered to adopt Amendment # 9 to the FY 2005-06 Warren County Budget Ordinance:

**AMENDMENT TO THE WARREN COUNTY BUDGET
ORDINANCE
2005/2006
(Amendment No. 9)**

Section 1 of the Warren County Budget Ordinance, pertaining to the General Fund operations of the County, shall be amended as follows:

Increase Appropriations:

Board of Elections	<u>\$ 254,025</u>
Total	\$ 254,025

Section 2 of the Warren County Budget Ordinance, pertaining to the General Fund operations of the County, shall be amended as follows:

Increase Revenues:

Restricted Intergovernmental - Other	\$ 190,000
Fund Balance Appropriated	<u>64,025</u>
Total	\$ 254,025

This amendment:

- Appropriates funds to Board of Elections for the purchase of Direct Record Voting Equipment as required by NC Session Law 2005-333. This appropriation was approved at the January 9, 2006 meeting.

Source of funding:	Fund Balance Appropriated	\$ 64,025
	State Board of Elections	<u>190,000</u>
	Total	\$ 254,025

Respectfully Submitted 02/06/06



Susan W. Brown, Finance Officer

Chairman Ulysses S. Ross introduced the following resolution, a copy of which had been provided to each Commissioner and which was read by title and summarized by Finance Officer Susan W. Brown.

**RESOLUTION PROVIDING FOR THE ISSUANCE OF
\$2,900,000 WATER BONDS, SERIES 2006A**

BE IT RESOLVED BY the Board of Commissioners for Warren County Water and Sewer District III, Warren County, North Carolina (the "District"):

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

(a) That an order authorizing not exceeding \$12,000,000 Water Bonds of Warren County Water and Sewer District III, Warren County, North Carolina, was adopted by said Board of Commissioners on November 21, 2001 (the "Bond Order"), which Bond Order was approved by the vote of a majority of the qualified voters of said District who voted thereon at a referendum duly called and held January 30, 2002.

(b) That none of said bonds have been issued and that there are outstanding \$3,581,000 Water Bond Anticipation Notes of said District, which notes are dated June 21, 2005, mature on March 15, 2006, bear interest at the rate of 3.50% per annum and were issued in anticipation of the receipt of the proceeds of the sale of a like amount of Water Bonds.

(c) That it is necessary at this time to issue \$2,900,000 Water Bonds, Series 2006A, all of the proceeds thereof to be applied to the payment of a like amount of said outstanding notes at their maturity.

(d) That the maximum period of usefulness of the improvements to the water system of said District to be provided with the proceeds of said bonds to be issued as hereinafter provided is estimated as a period of forty (40) years from March 13, 2006, the date of the bonds authorized hereby, and that such period expires on March 13, 2046.

Section 2. Pursuant to said order there shall be issued bonds of the District, in the aggregate principal amount of \$2,900,000 designated "Water Bonds, Series 2006A" and dated March 13, 2006 (unless said bonds shall be awarded to the United States of America, in which event said bonds shall be dated as of the date of delivery thereof).

Said bonds (the "bonds") shall be stated to mature (subject to the right of prior redemption as hereinafter set forth) annually, June 1, \$31,000 2008, \$33,000 2009, \$34,000 2010, \$36,000 2011, \$37,000 2012, \$39,000 2013, \$41,000 2014, \$43,000 2015, \$45,000 2016, \$47,000 2017, \$49,000 2018, \$51,000 2019, \$53,000 2020, \$56,000 2021, \$58,000 2022, \$61,000 2023, \$64,000 2024, \$66,000 2025, \$69,000 2026, \$72,000 2027, \$76,000 2028, \$79,000 2029, \$83,000 2030, \$86,000 2031, \$90,000 2032, \$94,000 2033, \$99,000 2034, \$103,000 2035, \$108,000 2036, \$112,000 2037, \$118,000 2038, \$123,000 2039, \$124,000 2040 to 2045, inclusive, unless the bonds shall be awarded to the United States of America, in which event the bonds shall be stated to mature as hereinafter set forth. The bonds shall be issuable in fully registered form in the denomination of \$1,000 or any multiple thereof and shall be numbered.

The bonds shall bear interest at a rate or rates to be determined by the Local Government Commission of North Carolina at the time the bonds are sold, which interest to the respective maturities thereof shall be payable semiannually on June 1 and December 1 of each year; provided, however, that the interest on any bond awarded to the United States of America to the respective maturities of the installments of the principal thereof shall be payable on June 1, 2006 and annually thereafter on the 1st day of June each year. Each bond shall bear interest from the interest payment date next preceding the date on which it is authenticated unless it is (a) authenticated upon an interest payment date in which event it shall bear interest from such interest payment date or (b) authenticated prior to the first interest payment date in which event it shall bear interest from its date; provided, however, that if at the time of authentication interest is in default, such bond shall bear interest from the date to which interest has been paid.

The principal of and the interest and any redemption premium on the bonds shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof. The principal of and any redemption premium on each bond, other than a bond registered in the name of the United States of America, shall be payable to the registered owner thereof or his registered assigns or legal representative at the corporate trust office of the Bond Registrar mentioned hereinafter upon the presentation and surrender thereof as the same shall become due and payable.

Payment of the interest on each bond shall be made by the Bond Registrar on each interest payment date to the person appearing on the registration books of the District hereinafter provided for as the registered owner of such bond (or the previous bond or bonds evidencing the same debt as that evidenced by such bond) at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by check mailed to such person at his address as it appears on such registration books or, in the case of a bond registered in the name of the United States of America, as hereinafter provided. If the United States of America is the registered owner of the bonds, payment of the installments of principal and interest with respect thereto shall be made at the office of such fiscal agent as the United States of America shall designate without presentation or surrender thereof.

Section 3. The bonds maturing prior to June 1, 2017 will not be subject to redemption prior to maturity. The bonds maturing on June 1, 2017 and thereafter will be redeemable, at the option of the District, from any moneys that may be made available for such purpose, either in whole or in part on any date not earlier than June 1, 2016, at the principal amount of the bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption, plus a redemption premium of 1/2 of 1% of the principal amount of each bond to be redeemed for each period of 12 months or part thereof between the redemption date and the maturity date of such bond, such premium not to exceed 2% of such principal amount. If less than all of the bonds of any one maturity shall be called for redemption, the particular bonds or portions of bonds of such maturity to be redeemed shall be selected by lot in such manner as the District in its discretion may determine; provided, however, that the portion of any bond to be redeemed shall be in the principal amount of \$1,000 or some multiple thereof and that, in selecting bonds for redemption, the Bond Registrar shall treat each bond as representing that number of bonds which is obtained by dividing the principal amount of such bond by \$1,000. If less than all of the bonds stated to

mature on different dates shall be called for redemption, the particular bonds or portions thereof to be redeemed shall be called in the inverse order of their maturities.

Not more than sixty (60) nor less than thirty (30) days before the redemption date of any bonds to be redeemed, whether such redemption be in whole or in part, the District shall cause a notice of such redemption to be filed with the Bond Registrar and to be mailed, postage prepaid, to the registered owner of each bond to be redeemed in whole or in part at his address appearing upon the registration books of the District. Each such notice shall set forth the date designated for redemption, the redemption price to be paid, the maturities of the bonds to be redeemed and, if less than all of the bonds of any one maturity then outstanding shall be called for redemption, the distinctive numbers and letters, if any, of such bonds to be redeemed and, in the case of any bond to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such bond, a new bond or bonds in principal amount equal to the unredeemed portion of such bond will be issued.

The preceding provisions of this Section shall not apply to bonds awarded to the United States of America. If the United States of America is the purchaser of the bonds there will be issued a single registered bond as hereinafter provided, which bond may be redeemed, at the option of the District, at any time prior to the maturity of any installment of the principal thereof, either in whole or in part in the inverse order of the maturity dates of the installments of principal, from any moneys that may be made available for such purpose, at the aggregate principal amount of the installments of principal to be redeemed, together with the interest accrued thereon to the date fixed for redemption, but without any premium.

In case of a redemption of all or any part of a bond awarded to the United States of America, a notice of redemption shall be sent by registered mail, mailed at least forty (40) days prior to the date fixed for redemption, addressed as the United States of America shall initially direct in connection with the issuance of the bonds or to such other address as the United States of America may designate by registered or certified mail forwarded to the District at least fifty (50) days prior to any interest payment date. On the date fixed for redemption, notice having been given in the manner and under the conditions hereinabove provided, the bonds or portions thereof called for redemption shall be due and payable at the redemption price provided therefor, plus accrued interest to such date. If moneys sufficient to pay the redemption price of the bonds or portions thereof to be redeemed, plus accrued interest thereon to the date fixed for redemption, are held by the Bond Registrar, or at such place as the United States of America may designate in the case of a bond registered in the name of the United States of America, in trust for the registered owners of bonds or portions thereof to be redeemed, interest on the bonds or portions thereof called for redemption shall cease to accrue, such bonds or portions thereof shall cease to be entitled to any benefits or security under this resolution or to be deemed outstanding, and the registered owners of such bonds or portions thereof shall have no rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest to the date of redemption.

If a portion of a bond, other than a bond awarded to the United States of America, shall be selected for redemption, the registered owner thereof or his attorney or legal representative shall present and surrender such bond to the Bond Registrar for payment of the principal amount thereof so called for redemption and the redemption premium, if any, on such principal amount, and the Bond Registrar shall authenticate and deliver to or upon the order of such registered owner or his legal representative, without charge therefore, for the unredeemed portion of the principal amount of the bond so surrendered, a bond or bonds of the same maturity, of any denomination or denominations authorized by this resolution and bearing interest at the same rate.

In the event that an installment of principal of a bond awarded to the United States of America shall be redeemed, the Bond Registrar shall direct the registered owner thereof to evidence such redemption by appropriate notation on the schedule attached to such bond for such purpose.

Section 4. Bonds, upon surrender thereof at the corporate trust office of the Bond Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of bonds of the same maturity (or, in the case of a bond awarded to the United States of America, of bonds having maturities corresponding to the maturities of the installments of principal of such bond then unpaid), of any denomination or denominations authorized by this resolution and bearing interest at the same rate.

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

executed by such registered owner or his attorney or legal representative. Notice of such assignment shall be given promptly by the assignor to the Bond Registrar by registered mail, such notice to be in such form as shall be satisfactory to the Bond Registrar, and upon receipt of such notice such bond shall be registered as to both principal and interest on such registration books in the name of the assignee named in such notice.

In all cases in which bonds shall be exchanged or the transfer of bonds shall be registered hereunder and a new bond or bonds are to be delivered in exchange therefor, the Bond Registrar shall authenticate and deliver at the earliest practicable time bonds in accordance with the provisions of this resolution. All bonds surrendered in any such exchange or registration of transfer shall forthwith be cancelled by the Bond Registrar. The Bond Registrar shall not be required to make any such exchange or registration of transfer of (i) any bond during a period beginning at the opening of business fifteen (15) days before the day of the mailing of a notice of redemption of bonds or any portion thereof and ending at the close of business on the day of such mailing or (ii) any bond called for redemption in whole or in part pursuant to Section 3 of this resolution.

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

The District shall appoint such registrars, transfer agents, depositaries or other agents as may be necessary for the registration, registration of transfer and exchange of bonds within a reasonable time according to then current commercial standards and for the timely payment of principal, interest and any redemption premium with respect to the bonds. Branch Banking and Trust Company, in the Town of Wilson, North Carolina, is hereby appointed the registrar, transfer agent and paying agent (the "Bond Registrar") for the bonds, subject to the right of the governing body of the District to appoint another Bond Registrar and except as hereinafter provided, and as such shall keep at its corporate trust office the books of the District for the registration, registration of transfer, exchange and payment of the bonds as provided in this resolution. If the United States of America is the purchaser of the bonds, then the Finance Officer of the District shall be the Bond Registrar; provided, however, that, in the event that a bond registered in the name of the United States of America is assigned, the paying agent with respect to such bond shall be Branch Banking and Trust Company, in the Town of Wilson, North Carolina.

Section 5. The bonds shall bear the facsimile signatures of or be executed by the Chairman or Vice-Chairman and the Clerk of the District and the seal of the District shall be impressed or a facsimile thereof shall be imprinted on the bonds. The certificate of the Local Government Commission of North Carolina to be endorsed on all bonds shall bear the facsimile signature of or be executed by the Secretary of said Commission and the certificate of authentication of the Bond Registrar to be endorsed on all bonds shall be executed as provided hereinafter.

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

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

The bonds, other than a bond registered in the name of the United States of America, and the endorsements thereon shall be in substantially the following forms:

[Front Side of Bond]

No....		\$.....
	United States of America State of North Carolina County of Warren WARREN COUNTY WATER AND SEWER DISTRICT III Water Bond, Series 2006A	

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Cusip</u>
.....

Warren County Water and Sewer District III, a body politic and corporate in the County of Warren, North Carolina, is justly indebted and for value received hereby promises to pay to

or registered assigns or legal representative on the date specified above, upon the presentation and surrender hereof, at the corporate trust office of Branch Banking and Trust Company (the "Bond Registrar"), in the Town of Wilson, North Carolina, the principal sum of DOLLARS

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

ADDITIONAL PROVISIONS OF THIS BOND ARE SET FORTH ON THE REVERSE HEREOF AND SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH HERE.

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

IN WITNESS WHEREOF, said Warren County Water and Sewer District III, in Warren County, by resolution of its Board of Commissioners, has caused this bond to bear the facsimile signatures of its Chairman or Vice-Chairman and its Clerk and a facsimile of its seal to be imprinted hereon, all as of the ___ day of March, 2006.

[Facsimile signature]
Chairman/Vice-Chairman

[Facsimile signature]
Clerk

CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

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

Timothy L. Romocki
Acting Secretary, Local Government Commission

By: _____ [Facsimile signature]

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds designated herein and described in the within-mentioned Resolution.

BRANCH BANKING AND TRUST COMPANY
as Bond Registrar

By: _____ [Manual signature]
Authorized Signatory

Date of authentication: _____

[Reverse Side of Bond]

United States of America
 State of North Carolina
 County of Warren
 WARREN COUNTY WATER AND SEWER DISTRICT III
Water Bond, Series 2006A

This bond is one of an issue of bonds designated "Water Bonds, Series 2006A" (the "Bonds") and issued by said District for the purpose of providing funds, with any other available funds, for the design and construction of a water system for said District, and this bond is issued under and pursuant to The Local Government Bond Act, as amended, Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina, an order which was adopted by the Board of Commissioners for said District on November 21, 2001, which order was approved by the qualified voters of said District at a referendum thereon held on January 30, 2002, and a resolution duly passed by said Board of Commissioners for said District (the "Resolution").

The bonds at the time outstanding maturing prior to June 1, 2017 are not subject to redemption prior to maturity. The bonds maturing on June 1, 2017 and thereafter may be redeemed, at the option of said District, from any moneys that may be made available for such purpose, either in whole or in part on any date not earlier than June 1, 2016, at the principal amount of the bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption, plus a redemption premium of 1/2 of 1% of the principal amount of each bond to be redeemed for each period of 12 months or part thereof between the redemption date and the maturity date of such bond, such premium not to exceed 2% of such principal amount.

If less than all of the bonds of any one maturity shall be called for redemption, the particular bonds or portions of bonds of such maturity to be redeemed shall be selected by lot in such manner as said District in its discretion may determine; provided, however, that the portion of any bond to be redeemed shall be in the principal amount of \$1,000 or some multiple thereof and that, in selecting bonds for redemption, the Bond Registrar shall treat each Bond as representing that number of bonds which is obtained by dividing the principal amount of such bond by \$1,000. If less than all of the bonds stated to mature on different dates shall be called for redemption, the particular bonds or portions thereof to be redeemed shall be called in the inverse order of their maturities.

Not more than sixty (60) nor less than thirty (30) days before the redemption date of any bonds to be redeemed, whether such redemption be in whole or in part, said District shall cause a notice of such redemption to be filed with the Bond Registrar and mailed, postage prepaid, to the registered owner of each bond to be redeemed in whole or in part at his address appearing upon the registration books of said District. On the date fixed for redemption, notice having been given as aforesaid, the bonds or portions thereof so called for redemption shall be due and payable at the redemption price provided for the redemption of such bonds or portions thereof on such date and, if moneys for payment of such redemption price and the accrued interest are held by the Bond Registrar as provided in the Resolution, interest on the bonds or the portions thereof so called for redemption shall cease to accrue. If a portion of this bond shall be called for redemption, a new bond or bonds in principal amount equal to the unredeemed portion hereof will be issued to the registered owner hereof or his legal representative upon the surrender hereof.

The bonds are issuable in fully registered form in the denomination of \$1,000 or any integral multiple thereof. At the corporate trust office of the Bond Registrar, in the manner and subject to the conditions provided in the Resolution, bonds may be exchanged for an equal aggregate principal amount of bonds of the same maturity, of authorized denominations and bearing interest at the same rate.

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

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

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of North Carolina to happen, exist and be performed precedent to and in the issuance of this bond have happened, exist and have been performed in regular and due form and time as so required; that provision has been made for the levy and collection of a direct

annual tax upon all taxable property within said District sufficient to pay the principal of and the interest on this bond as the same shall become due; and that the total indebtedness of said District, including this bond, does not exceed any constitutional or statutory limitation thereon.

ASSIGNMENT

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

the within bond and all rights thereunder and hereby irrevocably constitutes and appoints _____ attorney to register the transfer of said bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

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

Section 6. If the United States of America is the initial purchaser of the bonds, there will be issued a single registered bond of the District in the denomination of \$2,900,000 numbered R-IA and maturing in annual installments on the 1st day of June in the following years and in the following amounts, respectively:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>
2008	\$ 31,000	2027	\$ 72,000
2009	33,000	2028	76,000
2010	34,000	2029	79,000
2011	36,000	2030	83,000
2012	37,000	2031	86,000
2013	39,000	2032	90,000
2014	41,000	2033	94,000
2015	43,000	2034	99,000
2016	45,000	2035	103,000
2017	47,000	2036	108,000
2018	49,000	2037	112,000
2019	51,000	2038	118,000
2020	53,000	2039	123,000
2021	56,000	2040	124,000
2022	58,000	2041	124,000
2023	61,000	2042	124,000
2024	64,000	2043	124,000
2025	66,000	2044	124,000
2026	69,000	2045	124,000

and bearing interest on the unpaid part of such principal at the rate of four and fifty hundredths per centum (4.50%) per annum until payment thereof.

Such bond will not be defeased without the written consent of the United States of America during such time as the United States of America shall remain the registered owner of such bond.

Such bond and the endorsements thereon shall be in substantially the following forms:

No. R-IA \$2,900,000

REGISTERED BOND WITHOUT COUPONS
 (Registered as to both principal and interest)
 United States of America
 State of North Carolina
 County of Warren
WARREN COUNTY WATER AND SEWER DISTRICT III
Water Bond, Series 2006A

Warren County Water and Sewer District III, a body politic and corporate in the County of Warren, North Carolina, is justly indebted and for value received hereby promises to pay to the

UNITED STATES OF AMERICA, ACTING BY AND THROUGH
RURAL UTILITIES SERVICE, AN AGENCY OF THE UNITED STATES
DEPARTMENT OF AGRICULTURE

or registered assigns or legal representative, the principal sum of

TWO MILLION NINE HUNDRED THOUSAND DOLLARS

in annual installments on the 1st day of June in the following years and amounts:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>
2008	\$ 31,000	2027	\$ 72,000
2009	33,000	2028	76,000
2010	34,000	2029	79,000
2011	36,000	2030	83,000
2012	37,000	2031	86,000
2013	39,000	2032	90,000
2014	41,000	2033	94,000
2015	43,000	2034	99,000
2016	45,000	2035	103,000
2017	47,000	2036	108,000
2018	49,000	2037	112,000
2019	51,000	2038	118,000
2020	53,000	2039	123,000
2021	56,000	2040	124,000
2022	58,000	2041	124,000
2023	61,000	2042	124,000
2024	64,000	2043	124,000
2025	66,000	2044	124,000
2026	69,000	2045	124,000

and to pay interest from the date hereof on the unpaid part of such principal sum at the rate of four and fifty hundredths per centum (4.50%) per annum until payment thereof, such interest to the maturity hereof being payable on June 1, 2006 and annually thereafter on June 1 in each year. The interest so payable on any such interest payment date will be paid to the person in whose name this bond is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date. Both the principal of and the interest on this bond are payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts.

During the time that the United States of America is the registered owner of this bond, payment of the installments of principal and interest when due and payable on this bond shall be made at the office of such fiscal agent as the United States of America shall designate without presentation or surrender hereof and, during any such time as an assignee hereof is the registered owner of this bond, payment of the installments of principal when due and payable on this bond shall be made at the corporate trust office of Branch Banking and Trust Company, in the Town of Wilson, North Carolina, upon the presentation and surrender hereof and payment of the interest when due and payable on this bond shall be made by check mailed to such assignee at his address as it appears on the bond registration books of said District hereinafter mentioned without the presentation or surrender hereof. Upon receipt of said payments of principal and interest, written acknowledgment of the receipt thereof shall be given promptly to the Bond Registrar hereinafter mentioned and said District shall be fully discharged of its obligation on this bond to the extent of the payment so made. Upon final payment this bond shall be surrendered to the Bond Registrar for cancellation.

For the prompt payment hereof, both principal and interest as the same shall become due, the faith and credit of said Warren County Water and Sewer District III are hereby irrevocably pledged.

This bond is duly authorized and issued under and pursuant to The Local Government Bond Act, as amended, Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina, an order which was adopted by the Board of Commissioners for said District on November 21, 2001 which order was approved by the qualified voters of said District at a referendum thereon held on January 30, 2002, and a resolution duly passed by the Board of Commissioners for said District, for the purpose of providing funds, with any other available funds, for the design and construction of a water system for said District (the "Resolution").

At the office of the Bond Registrar, in the manner and subject to the conditions provided in said resolution, this bond may be exchanged for an equal aggregate principal amount of bonds having maturities corresponding to the maturities of the installments of principal of this bond then unpaid, issuable in fully registered form in the denomination of \$1,000 or any integral multiple thereof and bearing interest at the same rate.

This bond is registered as to both principal and interest in the name of the United States of America on books of said District kept by the Finance Officer of said District as Bond Registrar, and the transfer hereof may hereafter be registered by the registered owner hereof only upon an execution of an assignment hereon duly executed by such registered owner or his attorney or legal representative. Notice of such assignment shall be given promptly by the assignor to the Bond Registrar by registered mail, such notice to be in such form as shall be satisfactory to the Bond Registrar, and upon receipt of such notice this bond shall be registered as to both principal and interest on such registration books in the name of the assignee named in such notice.

This bond or any part hereof at the time outstanding may be redeemed, at the option of said District, at any time prior to the maturity of any installment of the principal hereof, either in whole or in part in the inverse order of the maturity dates of the installments of principal, from any moneys that may be made available for such purpose, at the aggregate principal amount of the installments of principal to be redeemed, together with the interest accrued thereon to the date fixed for redemption, but without any premium.

On the date designated for redemption, notice having been given and moneys for payment of the redemption price being held in trust for such purpose, all as provided in said resolution, this bond or part hereof shall become and be due and payable, and the interest on this bond or part hereof so redeemed shall cease to accrue.

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

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

IN WITNESS WHEREOF, said Warren County Water and Sewer District III, by resolution of its Board of Commissioners, has caused this bond to be executed by its Chairman or Vice-Chairman and its Clerk and the seal of said District to be impressed hereon, all as of the 13th day of March, 2006.

[Manual signature]
Chairman/Vice-Chairman

[Manual signature]
Clerk

CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

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

Timothy L. Romocki
Acting Secretary, Local Government Commission

By: [Manual signature]
[Designated Assistant]

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds designated herein and described in the within-mentioned resolution.

Finance Officer, as Bond Registrar

By: [Manual signature]

Date of authentication: March 13, 2006

ASSIGNMENT

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

_____ the within bond and all rights thereunder and hereby irrevocably constitutes and appoints _____ attorney to register the transfer of said bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

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

[The following is to be on a separate sheet.]

SCHEDULE "A"

Principal Installments Paid
in Advance of Maturity Dates

<u>Principal Date</u>	<u>Due Amount</u>	<u>Principal Payment</u>	<u>Balance</u>	<u>Date Paid</u>	<u>Name of Bond Registrar, Authorized Official and Title</u>
_____	\$ _____	\$ _____	\$ _____	_____	_____
_____	\$ _____	\$ _____	\$ _____	_____	_____
_____	\$ _____	\$ _____	\$ _____	_____	_____

Section 7. Said District covenants that, to the extent permitted by the Constitution and laws of the State of North Carolina, it will do and perform all acts and things to comply with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and any related regulations and procedures in order to assure that interest paid on said bonds will not be includable in the gross income of the owners thereof for purposes of federal income taxation, except to the extent that said District obtains an opinion of bond counsel to the effect that noncompliance would not result in interest on said bonds being includable in the gross income of the owners of said bonds for purposes of federal income taxation.

Section 8. Said District hereby represents that it reasonably expects that said District, all subordinate entities thereof and all entities that issue obligations on behalf of said District, will not issue in the aggregate more than \$10,000,000 of tax-exempt obligations (not counting private-activity bonds except for qualified 501(c)(3) bonds as defined in the Code) during calendar year 2006. In addition, said District hereby designates each of said bonds as a "qualified tax-exempt obligation" for the purposes of Section 265(b)(3) of the Code.

Section 9. As necessary or appropriate in connection with the issuance of said bonds, all officers, employees and agents of said District are authorized and directed to provide certification of material facts and estimates as to the reasonable expectations of said District as of the date said bonds are delivered and on behalf of said District to sign agreements or acknowledge instructions regarding compliance with the requirements of the Code and any related regulations and procedures relating to said bonds.

Section 10. There are hereby created, as may be needed, appropriate capital project funds and/or accounts of said District for the receipt and expenditure of the proceeds of said bonds and appropriate debt service funds and/or accounts of said District for the receipt and disbursement of debt service payments on said bonds.

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

Section 12. The Local Government Commission of North Carolina is hereby requested to sell the bonds at private sale without advertisement to any purchaser or purchasers thereof, at such prices as said Commission determines to be in the best interest of the District, subject to the approval of the Chairman of the District; provided, however, that the purchase price of the bonds is at least \$2,900,000 plus 100% of any accrued interest, and that the maximum interest rate does not exceed six per centum (6%) per annum.

Section 13. The Chairman or Vice-Chairman of the District is hereby authorized to approve the purchase price of the bonds and the rate of interest on the bonds in connection with the private sale of the bonds, subject to the provisions of Section 12 of this resolution.

Section 14. If the bonds are awarded to a purchaser other than the United States of America, the bonds will be delivered in such authorized denominations and registered in such names as the purchaser may request no later than five days prior to the date of their delivery. If the purchaser fails to submit such information by the required time, then a single bond will be issued for each maturity date registered in the name of the purchaser or the senior manager of the bidding group constituting the purchaser.

Section 15. If the bonds are awarded to a purchaser other than the United States of America, there shall be printed on the reverse of each of the bonds the legal opinion of Helms Mulliss & Wicker, PLLC, bond counsel to the District, with respect to the validity of the bonds, and there shall be printed immediately following such legal opinion a certificate bearing the facsimile signature of the Chairman or Vice-Chairman of the District, said certificate to be in substantially the following form:

I HEREBY CERTIFY that the foregoing is a true and correct copy of the legal opinion on the bonds therein described which was manually signed by Helms Mulliss & Wicker, PLLC, Charlotte, North Carolina and was dated as of the date of delivery of and payment for said bonds.

[Facsimile signature]
Chairman/Vice-Chairman
Warren County Water and Sewer District III, North Carolina

Section 16. This resolution shall take effect upon its passage.

Thereupon Commissioner Barry Richardson move the passage of the foregoing resolution entitled: "RESOLUTION PROVIDING FOR THE ISSUANCE OF \$2,900,000 WATER BONDS, SERIES 2006A", and Commissioner Janet Humphries seconded the motion and the resolution was passed by the following vote:

Ayes: Commissioners Ulysses S. Ross, Janet Humphries, H.E. Luke Lucas and Barry Richardson

Noes: None
* * * * *

Thereupon, Chairman Ulysses S. Ross introduced the following resolution, a copy of which had been provided to each Commissioner and which was read by title and summarized by Susan W. Brown, Finance Officer.

**RESOLUTION PROVIDING FOR THE ISSUANCE OF
\$681,000 WATER BONDS, SERIES 2006B**

BE IT RESOLVED BY the Board of Commissioners for Warren County Water and Sewer District III, Warren County, North Carolina (the "District"):

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

(a) That an order authorizing not exceeding \$12,000,000 Water Bonds of Warren County Water and Sewer District III, Warren County, North Carolina, was adopted by said Board of Commissioners on November 21, 2001 (the "Bond Order"), which Bond Order was approved by the vote of a majority of the qualified voters of said District who voted thereon at a referendum duly called and held January 30, 2002.

(b) That none of said bonds have been issued and that there are outstanding \$3,581,000 Water Bond Anticipation Notes of said District, which notes are dated June 21, 2005, mature on March 15, 2006, bear interest at the rate of 3.50% per annum and were issued in anticipation of the receipt of the proceeds of the sale of a like amount of Water Bonds.

(c) That it is necessary at this time to issue \$681,000 Water Bonds, Series 2006B, all of the proceeds thereof to be applied to the payment of a like amount of said outstanding notes at their maturity.

(d) That the maximum period of usefulness of the improvements to the water system of said District to be provided with the proceeds of said bonds to be issued as hereinafter provided is estimated as a period of forty (40) years from March 13, 2006, the date of the bonds authorized hereby, and that such period expires on March 13, 2046.

Section 2. Pursuant to said order there shall be issued bonds of the District, in the aggregate principal amount of \$681,000 designated "Water Bonds, Series 2006B" and dated March 13, 2006 (unless said bonds shall be awarded to the United States of America, in which event said bonds shall be dated as of the date of delivery thereof).

Said bonds (the "bonds") shall be stated to mature (subject to the right of prior redemption as hereinafter set forth) annually, June 1, \$7,000 2008, \$8,000 2009, \$8,000 2010, \$8,000 2011, \$9,000 2012, \$9,000 2013, \$10,000 2014, \$10,000 2015, \$11,000 2016, \$11,000 2017, \$12,000 2018, \$12,000 2019, \$13,000 2020, \$13,000 2021, \$14,000 2022, \$14,000 2023, \$15,000 2024, \$16,000 2025, \$17,000 2026, \$17,000 2027, \$18,000 2028, \$19,000 2029, \$20,000 2030, \$21,000 2031, \$22,000 2032, \$22,000 2033, \$23,000 2034, \$25,000 2035,

\$26,000 2036, \$27,000 2037, \$28,000 2038 to 2045, inclusive, unless the bonds shall be awarded to the United States of America, in which event the bonds shall be stated to mature as hereinafter set forth. The bonds shall be issuable in fully registered form in the denomination of \$1,000 or any multiple thereof and shall be numbered.

The bonds shall bear interest at a rate or rates to be determined by the Local Government Commission of North Carolina at the time the bonds are sold, which interest to the respective maturities thereof shall be payable semiannually on June 1 and December 1 of each year; provided, however, that the interest on any bond awarded to the United States of America to the respective maturities of the installments of the principal thereof shall be payable on June 1, 2006 and annually thereafter on the 1st day of June each year. Each bond shall bear interest from the interest payment date next preceding the date on which it is authenticated unless it is (a) authenticated upon an interest payment date in which event it shall bear interest from such interest payment date or (b) authenticated prior to the first interest payment date in which event it shall bear interest from its date; provided, however, that if at the time of authentication interest is in default, such bond shall bear interest from the date to which interest has been paid.

The principal of and the interest and any redemption premium on the bonds shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof. The principal of and any redemption premium on each bond, other than a bond registered in the name of the United States of America, shall be payable to the registered owner thereof or his registered assigns or legal representative at the corporate trust office of the Bond Registrar mentioned hereinafter upon the presentation and surrender thereof as the same shall become due and payable.

Payment of the interest on each bond shall be made by the Bond Registrar on each interest payment date to the person appearing on the registration books of the District hereinafter provided for as the registered owner of such bond (or the previous bond or bonds evidencing the same debt as that evidenced by such bond) at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by check mailed to such person at his address as it appears on such registration books or, in the case of a bond registered in the name of the United States of America, as hereinafter provided. If the United States of America is the registered owner of the bonds, payment of the installments of principal and interest with respect thereto shall be made at the office of such fiscal agent as the United States of America shall designate without presentation or surrender thereof.

Section 3. The bonds maturing prior to June 1, 2017 will not be subject to redemption prior to maturity. The bonds maturing on June 1, 2017 and thereafter will be redeemable, at the option of the District, from any moneys that may be made available for such purpose, either in whole or in part on any date not earlier than June 1, 2016, at the principal amount of the bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption, plus a redemption premium of 1/2 of 1% of the principal amount of each bond to be redeemed for each period of 12 months or part thereof between the redemption date and the maturity date of such bond, such premium not to exceed 2% of such principal amount. If less than all of the bonds of any one maturity shall be called for redemption, the particular bonds or portions of bonds of such maturity to be redeemed shall be selected by lot in such manner as the District in its discretion may determine; provided, however, that the portion of any bond to be redeemed shall be in the principal amount of \$1,000 or some multiple thereof and that, in selecting bonds for redemption, the Bond Registrar shall treat each bond as representing that number of bonds which is obtained by dividing the principal amount of such bond by \$1,000. If less than all of the bonds stated to mature on different dates shall be called for redemption, the particular bonds or portions thereof to be redeemed shall be called in the inverse order of their maturities.

Not more than sixty (60) nor less than thirty (30) days before the redemption date of any bonds to be redeemed, whether such redemption be in whole or in part, the District shall cause a notice of such redemption to be filed with the Bond Registrar and to be mailed, postage prepaid, to the registered owner of each bond to be redeemed in whole or in part at his address appearing upon the registration books of the District. Each such notice shall set forth the date designated for redemption, the redemption price to be paid, the maturities of the bonds to be redeemed and, if less than all of the bonds of any one maturity then outstanding shall be called for redemption, the distinctive numbers and letters, if any, of such bonds to be redeemed and, in the case of any bond to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such bond, a new bond or bonds in principal amount equal to the unredeemed portion of such bond will be issued.

The preceding provisions of this Section shall not apply to bonds awarded to the United States of America. If the United States of America is the purchaser of the bonds there will be issued a single registered bond as hereinafter provided, which bond may be redeemed, at the option of the District, at any time prior to the maturity of any installment of the principal thereof, either in whole or in part in the inverse order of the maturity dates of the installments of principal, from any moneys that may be made available for such purpose, at the aggregate principal amount of the installments of principal to be redeemed, together with the interest accrued thereon to the date fixed for redemption, but without any premium.

In case of a redemption of all or any part of a bond awarded to the United States of America, a notice of redemption shall be sent by registered mail, mailed at least forty (40) days prior to the date fixed for redemption, addressed as the United States of America shall initially direct in connection with the issuance of the bonds or to such other address as the United States of America may designate by registered or certified mail forwarded to the District at least fifty (50) days prior to any interest payment date. On the date fixed for redemption, notice having been given in the manner and under the conditions hereinabove provided, the bonds or portions thereof called for redemption shall be due and payable at the redemption price provided therefor, plus accrued interest to such date. If moneys sufficient to pay the redemption price of the bonds or portions thereof to be redeemed, plus accrued interest thereon to the date fixed for redemption, are held by the Bond Registrar, or at such place as the United States of America may designate in the case of a bond registered in the name of the United States of America, in trust for the registered owners of bonds or portions thereof to be redeemed, interest on the bonds or portions thereof called for redemption shall cease to accrue, such bonds or portions thereof shall cease to be entitled to any benefits or security under this resolution or to be deemed outstanding, and the registered owners of such bonds or portions thereof shall have no rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest to the date of redemption.

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

In the event that an installment of principal of a bond awarded to the United States of America shall be redeemed, the Bond Registrar shall direct the registered owner thereof to evidence such redemption by appropriate notation on the schedule attached to such bond for such purpose.

Section 4. Bonds, upon surrender thereof at the corporate trust office of the Bond Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of bonds of the same maturity (or, in the case of a bond awarded to the United States of America, of bonds having maturities corresponding to the maturities of the installments of principal of such bond then unpaid), of any denomination or denominations authorized by this resolution and bearing interest at the same rate.

Except as hereinafter otherwise provided, the transfer of any bond may be registered only upon the registration books of the District upon the surrender thereof to the Bond Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall authenticate and deliver in exchange for such bond a new bond or bonds, registered in the name of the transferee, of any denomination or denominations authorized by this resolution, in an aggregate principal amount equal to the unredeemed principal amount of such bond so surrendered, of the same maturity and bearing interest at the same rate. The transfer of a bond awarded to the United States of America may be registered by the registered owner thereof only upon an execution of an assignment thereof duly executed by such registered owner or his attorney or legal representative. Notice of such assignment shall be given promptly by the assignor to the Bond Registrar by registered mail, such notice to be in such form as shall be satisfactory to the Bond Registrar, and upon receipt of such notice such bond shall be registered as to both principal and interest on such registration books in the name of the assignee named in such notice.

In all cases in which bonds shall be exchanged or the transfer of bonds shall be registered hereunder and a new bond or bonds are to be delivered in exchange therefor, the Bond Registrar shall authenticate and deliver at the earliest practicable time bonds in accordance with the provisions of this resolution. All bonds surrendered in any such exchange or registration of transfer shall forthwith be cancelled by the Bond Registrar. The Bond Registrar shall not be required to make any such exchange or registration of transfer of (i) any bond during a period beginning at the opening of business fifteen (15) days before the day of the mailing of a notice of redemption of bonds or any portion thereof and ending at the close of business on the day of such mailing or (ii) any bond called for redemption in whole or in part pursuant to Section 3 of this resolution.

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

The District shall appoint such registrars, transfer agents, depositaries or other agents as may be necessary for the registration, registration of transfer and exchange of bonds within a reasonable time according to then current commercial standards and for the timely payment of principal, interest and any redemption premium with respect to the bonds. Branch Banking and Trust Company, in the Town of Wilson, North Carolina, is hereby appointed the registrar, transfer agent and paying agent (the "Bond Registrar") for the bonds, subject to the right of the governing body of the District to appoint another Bond Registrar and except as hereinafter provided, and as such shall keep at its corporate trust office the books of the District for the registration, registration of transfer, exchange and payment of the bonds as provided in this resolution. If the United States of America is the purchaser of the bonds, then the Finance Officer of the District shall be the Bond Registrar; provided, however, that, in the event that a bond registered in the name of the United States of America is assigned, the paying agent with respect to such bond shall be Branch Banking and Trust Company, in the Town of Wilson, North Carolina.

Section 5. The bonds shall bear the facsimile signatures of or be executed by the Chairman or Vice-Chairman and the Clerk of the District and the seal of the District shall be impressed or a facsimile thereof shall be imprinted on the bonds. The certificate of the Local Government Commission of North Carolina to be endorsed on all bonds shall bear the facsimile signature of or be executed by the Secretary of said Commission and the certificate of authentication of the Bond Registrar to be endorsed on all bonds shall be executed as provided hereinafter.

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

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

The bonds, other than a bond registered in the name of the United States of America, and the endorsements thereon shall be in substantially the following forms:

[Front Side of Bond]

No....	United States of America State of North Carolina County of Warren WARREN COUNTY WATER AND SEWER DISTRICT III Water Bond, Series 2006B	\$.....
--------	--	---------

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Cusip</u>
.....

Warren County Water and Sewer District III, a body politic and corporate in the County of Warren, North Carolina, is justly indebted and for value received hereby promises to pay to

or registered assigns or legal representative on the date specified above, upon the presentation and surrender hereof, at the corporate trust office of Branch Banking and Trust Company (the "Bond Registrar"), in the Town of Wilson, North Carolina, the principal sum of DOLLARS

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

ADDITIONAL PROVISIONS OF THIS BOND ARE SET FORTH ON THE REVERSE HEREOF AND SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH HERE.

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

IN WITNESS WHEREOF, said Warren County Water and Sewer District III, in Warren County, by resolution of its Board of Commissioners, has caused this bond to bear the facsimile signatures of its Chairman or Vice-Chairman and its Clerk and a facsimile of its seal to be imprinted hereon, all as of the ___ day of March, 2006.

[Facsimile signature]
Chairman/Vice-Chairman

[Facsimile signature]
Clerk

CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

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

Timothy L. Romocki
Acting Secretary, Local Government Commission

By: _____ [Facsimile signature]

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds designated herein and described in the within-mentioned Resolution.

BRANCH BANKING AND TRUST COMPANY
as Bond Registrar

By: _____ [Manual signature]
Authorized Signatory

Date of authentication: _____

[Reverse Side of Bond]

United States of America
State of North Carolina

County of Warren
WARREN COUNTY WATER AND SEWER DISTRICT III

Water Bond, Series 2006B

This bond is one of an issue of bonds designated "Water Bonds, Series 2006B" (the "Bonds") and issued by said District for the purpose of providing funds, with any other available funds, for the design and construction of a water system for said District, and this bond is issued under and pursuant to The Local Government Bond Act, as amended, Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina, an order which was adopted by the Board of Commissioners for said District on November 21, 2001, which order was approved by the qualified voters of said District at a referendum thereon held on January 30, 2002, and a resolution duly passed by said Board of Commissioners for said District (the "Resolution").

The bonds at the time outstanding maturing prior to June 1, 2017 are not subject to redemption prior to maturity. The bonds maturing on June 1, 2017 and thereafter may be redeemed, at the option of said District, from any moneys that may be made available for such purpose, either in whole or in part on any date not earlier than June 1, 2016, at the principal amount of the bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption, plus a redemption premium of 1/2 of 1% of the principal amount of each bond to be redeemed for each period of 12 months or part thereof between the redemption date and the maturity date of such bond, such premium not to exceed 2% of such principal amount.

If less than all of the bonds of any one maturity shall be called for redemption, the particular bonds or portions of bonds of such maturity to be redeemed shall be selected by lot in such manner as said District in its discretion may determine; provided, however, that the portion of any bond to be redeemed shall be in the principal amount of \$1,000 or some multiple thereof

and that, in selecting bonds for redemption, the Bond Registrar shall treat each Bond as representing that number of bonds which is obtained by dividing the principal amount of such bond by \$1,000. If less than all of the bonds stated to mature on different dates shall be called for redemption, the particular bonds or portions thereof to be redeemed shall be called in the inverse order of their maturities.

Not more than sixty (60) nor less than thirty (30) days before the redemption date of any bonds to be redeemed, whether such redemption be in whole or in part, said District shall cause a notice of such redemption to be filed with the Bond Registrar and mailed, postage prepaid, to the registered owner of each bond to be redeemed in whole or in part at his address appearing upon the registration books of said District. On the date fixed for redemption, notice having been given as aforesaid, the bonds or portions thereof so called for redemption shall be due and payable at the redemption price provided for the redemption of such bonds or portions thereof on such date and, if moneys for payment of such redemption price and the accrued interest are held by the Bond Registrar as provided in the Resolution, interest on the bonds or the portions thereof so called for redemption shall cease to accrue. If a portion of this bond shall be called for redemption, a new bond or bonds in principal amount equal to the unredeemed portion hereof will be issued to the registered owner hereof or his legal representative upon the surrender hereof.

The bonds are issuable in fully registered form in the denomination of \$1,000 or any integral multiple thereof. At the corporate trust office of the Bond Registrar, in the manner and subject to the conditions provided in the Resolution, bonds may be exchanged for an equal aggregate principal amount of bonds of the same maturity, of authorized denominations and bearing interest at the same rate.

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

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

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

ASSIGNMENT

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

_____ the within bond and all rights thereunder and hereby irrevocably constitutes and appoints _____ attorney to register the transfer of said bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

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

Section 6. If the United States of America is the initial purchaser of the bonds, there will be issued a single registered bond of the District in the denomination of \$681,000 numbered R-IA and maturing in annual installments on the 1st day of June in the following years and in the following amounts, respectively:

[Schedule begins here]

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>
2008	\$ 7,000	2027	\$ 17,000
2009	8,000	2028	18,000
2010	8,000	2029	19,000
2011	8,000	2030	20,000
2012	9,000	2031	21,000
2013	9,000	2032	22,000
2014	10,000	2033	22,000
2015	10,000	2034	23,000
2016	11,000	2035	25,000
2017	11,000	2036	26,000
2018	12,000	2037	27,000
2019	12,000	2038	28,000
2020	13,000	2039	28,000
2021	13,000	2040	28,000
2022	14,000	2041	28,000
2023	14,000	2042	28,000
2024	15,000	2043	28,000
2025	16,000	2044	28,000
2026	17,000	2045	28,000

and bearing interest on the unpaid part of such principal at the rate of four and fifty hundredths per centum (4.50%) per annum until payment thereof.

Such bond will not be defeased without the written consent of the United States of America during such time as the United States of America shall remain the registered owner of such bond.

[Bond form begins here]

Such bond and the endorsements thereon shall be in substantially the following forms:

No. R-IA \$681,000

REGISTERED BOND WITHOUT COUPONS
(Registered as to both principal and interest)

United States of America
State of North Carolina

County of Warren
WARREN COUNTY WATER AND SEWER DISTRICT III

Water Bond, Series 2006B

Warren County Water and Sewer District III, a body politic and corporate in the County of Warren, North Carolina, is justly indebted and for value received hereby promises to pay to the

UNITED STATES OF AMERICA, ACTING BY AND THROUGH
RURAL UTILITIES SERVICE, AN AGENCY OF THE UNITED STATES
DEPARTMENT OF AGRICULTURE

or registered assigns or legal representative, the principal sum of

SIX HUNDRED EIGHTY-ONE THOUSAND DOLLARS

in annual installments on the 1st day of June in the following years and amounts:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>
2008	\$ 7,000	2027	\$ 17,000
2009	8,000	2028	18,000
2010	8,000	2029	19,000
2011	8,000	2030	20,000
2012	9,000	2031	21,000

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>
2013	9,000	2032	22,000
2014	10,000	2033	22,000
2015	10,000	2034	23,000
2016	11,000	2035	25,000
2017	11,000	2036	26,000
2018	12,000	2037	27,000
2019	12,000	2038	28,000
2020	13,000	2039	28,000
2021	13,000	2040	28,000
2022	14,000	2041	28,000
2023	14,000	2042	28,000
2024	15,000	2043	28,000
2025	16,000	2044	28,000
2026	17,000	2045	28,000

and to pay interest from the date hereof on the unpaid part of such principal sum at the rate of four and fifty hundredths per centum (4.50%) per annum until payment thereof, such interest to the maturity hereof being payable on June 1, 2006 and annually thereafter on June 1 in each year. The interest so payable on any such interest payment date will be paid to the person in whose name this bond is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date. Both the principal of and the interest on this bond are payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts.

During the time that the United States of America is the registered owner of this bond, payment of the installments of principal and interest when due and payable on this bond shall be made at the office of such fiscal agent as the United States of America shall designate without presentation or surrender hereof and, during any such time as an assignee hereof is the registered owner of this bond, payment of the installments of principal when due and payable on this bond shall be made at the corporate trust office of Branch Banking and Trust Company, in the Town of Wilson, North Carolina, upon the presentation and surrender hereof and payment of the interest when due and payable on this bond shall be made by check mailed to such assignee at his address as it appears on the bond registration books of said District hereinafter mentioned without the presentation or surrender hereof. Upon receipt of said payments of principal and interest, written acknowledgment of the receipt thereof shall be given promptly to the Bond Registrar hereinafter mentioned and said District shall be fully discharged of its obligation on this bond to the extent of the payment so made. Upon final payment this bond shall be surrendered to the Bond Registrar for cancellation.

For the prompt payment hereof, both principal and interest as the same shall become due, the faith and credit of said Warren County Water and Sewer District III are hereby irrevocably pledged.

This bond is duly authorized and issued under and pursuant to The Local Government Bond Act, as amended, Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina, an order which was adopted by the Board of Commissioners for said District on November 21, 2001 which order was approved by the qualified voters of said District at a referendum thereon held on January 30, 2002, and a resolution duly passed by the Board of Commissioners for said District, for the purpose of providing funds, with any other available funds, for the design and construction of a water system for said District (the "Resolution").

At the office of the Bond Registrar, in the manner and subject to the conditions provided in said resolution, this bond may be exchanged for an equal aggregate principal amount of bonds having maturities corresponding to the maturities of the installments of principal of this bond then unpaid, issuable in fully registered form in the denomination of \$1,000 or any integral multiple thereof and bearing interest at the same rate.

This bond is registered as to both principal and interest in the name of the United States of America on books of said District kept by the Finance Officer of said District as Bond Registrar, and the transfer hereof may hereafter be registered by the registered owner hereof only upon an execution of an assignment hereon duly executed by such registered owner or his attorney or legal representative. Notice of such assignment shall be given promptly by the assignor to the Bond Registrar by registered mail, such notice to be in such form as shall be satisfactory to the Bond Registrar, and upon receipt of such notice this bond shall be registered as to both principal and interest on such registration books in the name of the assignee named in such notice.

This bond or any part hereof at the time outstanding may be redeemed, at the option of said District, at any time prior to the maturity of any installment of the principal hereof, either in whole or in part in the inverse order of the maturity dates of the installments of principal, from any moneys that may be made available for such purpose, at the aggregate principal amount of the installments of principal to be redeemed, together with the interest accrued thereon to the date fixed for redemption, but without any premium.

On the date designated for redemption, notice having been given and moneys for payment of the redemption price being held in trust for such purpose, all as provided in said resolution, this bond or part hereof shall become and be due and payable, and the interest on this bond or part hereof so redeemed shall cease to accrue.

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

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

IN WITNESS WHEREOF, said Warren County Water and Sewer District III, by resolution of its Board of Commissioners, has caused this bond to be executed by its Chairman or Vice-Chairman and its Clerk and the seal of said District to be impressed hereon, all as of the 13th day of March, 2006.

[Manual signature]
Chairman/Vice-Chairman

[Manual signature]
Clerk

CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

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

Timothy L. Romocki
Acting Secretary, Local Government Commission

By: [Manual signature]
[Designated Assistant]

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds designated herein and described in the within-mentioned resolution.

Finance Officer, as Bond Registrar

By: [Manual signature]

Date of authentication: March 13, 2006

ASSIGNMENT

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

the within bond and all rights thereunder and hereby irrevocably constitutes and appoints _____ attorney to register the transfer of said bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

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

[The following is to be on a separate sheet.]

SCHEDULE "A"

Principal Installments Paid
in Advance of Maturity Dates

<u>Principal Date</u>	<u>Due Amount</u>	<u>Principal Payment</u>	<u>Balance</u>	<u>Date Paid</u>	<u>Name of Bond Registrar, Authorized Official and Title</u>
_____	\$ _____	\$ _____	\$ _____	_____	_____
_____	\$ _____	\$ _____	\$ _____	_____	_____
_____	\$ _____	\$ _____	\$ _____	_____	_____

Section 7. Said District covenants that, to the extent permitted by the Constitution and laws of the State of North Carolina, it will do and perform all acts and things to comply with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and any related regulations and procedures in order to assure that interest paid on said bonds will not be includable in the gross income of the owners thereof for purposes of federal income taxation, except to the extent that said District obtains an opinion of bond counsel to the effect that noncompliance would not result in interest on said bonds being includable in the gross income of the owners of said bonds for purposes of federal income taxation.

Section 8. Said District hereby represents that it reasonably expects that said District, all subordinate entities thereof and all entities that issue obligations on behalf of said District, will not issue in the aggregate more than \$10,000,000 of tax-exempt obligations (not counting private-activity bonds except for qualified 501(c)(3) bonds as defined in the Code) during calendar year 2006. In addition, said District hereby designates each of said bonds as a "qualified tax-exempt obligation" for the purposes of Section 265(b)(3) of the Code.

Section 9. As necessary or appropriate in connection with the issuance of said bonds, all officers, employees and agents of said District are authorized and directed to provide certification of material facts and estimates as to the reasonable expectations of said District as of the date said bonds are delivered and on behalf of said District to sign agreements or acknowledge instructions regarding compliance with the requirements of the Code and any related regulations and procedures relating to said bonds.

Section 10. There are hereby created, as may be needed, appropriate capital project funds and/or accounts of said District for the receipt and expenditure of the proceeds of said bonds and appropriate debt service funds and/or accounts of said District for the receipt and disbursement of debt service payments on said bonds.

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

Section 12. The Local Government Commission of North Carolina is hereby requested to sell the bonds at private sale without advertisement to any purchaser or purchasers thereof, at such prices as said Commission determines to be in the best interest of the District, subject to the approval of the Chairman of the District; provided, however, that the purchase price of the bonds is at least \$681,000 plus 100% of any accrued interest, and that the maximum interest rate does not exceed six per centum (6%) per annum.

Section 13. The Chairman or Vice-Chairman of the District is hereby authorized to approve the purchase price of the bonds and the rate of interest on the bonds in connection with the private sale of the bonds, subject to the provisions of Section 12 of this resolution.

Section 14. If the bonds are awarded to a purchaser other than the United States of America, the bonds will be delivered in such authorized denominations and registered in such names as the purchaser may request no later than five days prior to the date of their delivery. If the purchaser fails to submit such information by the required time, then a single bond will be issued for each maturity date registered in the name of the purchaser or the senior manager of the bidding group constituting the purchaser.

Section 15. If the bonds are awarded to a purchaser other than the United States of America, there shall be printed on the reverse of each of the bonds the legal opinion of Helms Mulliss & Wicker, PLLC, bond counsel to the District, with respect to the validity of the bonds, and there shall be printed immediately following such legal opinion a certificate bearing the facsimile signature of the Chairman or Vice-Chairman of the District, said certificate to be in substantially the following form:

I HEREBY CERTIFY that the foregoing is a true and correct copy of the legal opinion on the bonds therein described which was manually signed by Helms Mulliss & Wicker, PLLC, Charlotte, North Carolina and was dated as of the date of delivery of and payment for said bonds.

[Facsimile signature]
Chairman/Vice-Chairman
Warren County Water and Sewer District III, North Carolina

Section 16. This resolution shall take effect upon its passage.

Thereupon Commissioner Barry Richardson moved the passage of the foregoing resolution entitled: "RESOLUTION PROVIDING FOR THE ISSUANCE OF \$681,000 WATER BONDS, SERIES 2006B", and Commissioner Janet Humphries seconded the motion and the resolution was passed by the following vote:

Ayes: Commissioners Ulysses S. Ross, Janet Humphries, H.E. Luke Lucas and Barry Richardson

Noes: None

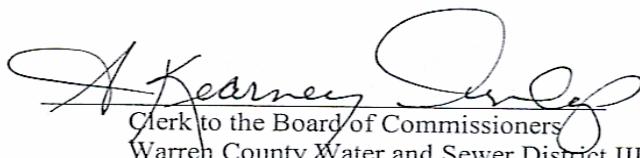
* * * * *

I, Angelena Kearney-Dunlap, Clerk to the Board of Commissioners for Water and Sewer District III, in Warren County, North Carolina, DO HEREBY CERTIFY that the foregoing is a true copy of so much of the proceedings of said Board at a regular meeting held on February 6, 2006, as relates in any way to the issuance of \$2,900,000 Water Bonds, Series 2006A and \$681,000 Water Bonds, Series 2006B of said District and that said proceedings are recorded in Minute Book No. 9 of the minutes of the Board of said District, beginning at page ___ and ending at page ___.

I DO HEREBY FURTHER CERTIFY that the schedule of regular meetings of said Board has been on file in my office pursuant to North Carolina General Statutes §143-318.12 as of a date not less than seven (7) days before said meeting.

WITNESS my hand and the seal of said District, this 7th day of February, 2006.




Clerk to the Board of Commissioners
Warren County Water and Sewer District III

Tax Collector Susan W. Brown made the following request:

North Carolina General Statute 105-369 states that each year the Tax Collector shall report to the Board of Commissioners the total amount of unpaid taxes for the current fiscal year that are liens on real property, and that the Board shall thereupon order the Collector to advertise such tax liens.

The total amount of unpaid taxes, which constitute a lien on real property, is \$896,826. Upon your order, these liens will be advertised in the month of March. A detailed listing is available for your inspection if you so wish.

On motion of Commissioner Richardson, which was seconded by Commissioner Lucas and duly carried by unanimous vote, Tax Collector was ordered in accordance with NC GS 105-369, to advertise unpaid 2005 taxes that are liens on real property.

Having held a required public hearing on Monday, January 9, 2006 at 6:30 pm to hear citizen comments regarding a rezoning request as follows:

Edward & Edgar Hunt requests the rezoning of a tract of land located on state road 1362 (Lizard Creek Road) in Roanoke Township, in Warren County, North Carolina from Residential (R) to neighborhood business (NB) for development by LG Ventures, LLC. The tract of land consists of 17 +/- acres and is recorded in Plat Cabinet 1 Slide 234-A in the office of the Warren County Register of Deeds.

Motion was made by Commissioner Richardson to approve rezoning request provided William Riggan, Project Developer, installs a buffer between business establishment and residents, consider safety issues raised by the public and limit access.

Commissioner Richardson withdrew his motion.

On motion of Commissioner Richardson, which was seconded by Commissioner Humphries, it was ordered to refer rezoning request back to the Planning Board for further consideration and citizen involvement.

Chairman Ross made a statement and questioned if Mr. Riggan had complied with all requirements and citizen requests. Answer was yes.

Chairman Ross called a ten (10) minute recess. Meeting was called back to order at 7:45 pm.

Commissioner Richardson withdrew his motion.

On motion of Commissioner Lucas, which was seconded by Commissioner Richardson and duly carried, it was ordered to approve rezoning request:

Edward & Edgar Hunt requests the rezoning of a tract of land located on state road 1362 (Lizard Creek Road) in Roanoke Township, in Warren County, North Carolina from Residential (R) to neighborhood business (NB) for development by LG Ventures, LLC. The tract of land consists of 17 +/- acres and is recorded in Plat Cabinet 1 Slide 234-A in the office of the Warren County Register of Deeds.

Votes were as follows: Ayes: Lucas, Richardson and Ross
Nays: Humphries

Motion carried, rezoning request was approved.

Having held a public forum on Monday, February 6, 2006 at 6:15 pm to hear citizen comments regarding Solid Waste Disposal Bids, the following options were presented for consideration:

Convenience Center Solid Waste Disposal - Option 1

The total annual cost to the county for this service would be \$1,157,962, which includes hauling/disposal of solid waste, convenience centers waste collection, and our landfill operating costs. The \$105 annual solid waste fee would be sufficient for this year to cover this option; however, we may need to look at increasing this fee in the very near future to ensure the solid waste fund is self-sustaining.

Countywide Curbside Solid Waste Disposal - Option 2

The total annual cost to the county for this service would be \$2,284,253, which includes hauling/disposal of solid waste, four recycling convenience centers, curbside solid waste pickup, and our landfill operating costs. An annual fee of \$220 would be required to fund this option. This would equate to a monthly cost of \$ 18.33 to taxpayers for this service.

Countywide Curbside Solid Waste Disposal - Option 3

The total annual cost to the county for this service would be \$2,560,250, which includes hauling/disposal of solid waste, curbside solid waste disposal and curbside recycling, and our landfill operating costs. An annual fee of \$250 would be required to fund this option. This would equate to a monthly cost of \$20.83 to taxpayers for this service.

On motion of Commissioner Lucas, which was seconded by Commissioner Humphries, it was ordered to reject bids for solid waste removal.

Commissioner Lucas withdrew his motion.

On motion of Commissioner Lucas, which was seconded by Commissioner Richardson and duly carried by unanimous vote, it was ordered to adopt:

Convenience Center Solid Waste Disposal - Option 1:

Annual cost to the county	\$ 1,157,962
Annual household fee (may increase in future)	\$ 105.00

On motion of Commissioner Richardson, which was seconded by Commissioner Humphries and duly carried by unanimous vote, it was ordered to re-appoint William A. Kearney to serve a 2nd term on the Recreation Commission. Term expires February 2009.

On motion of Commissioner Richardson, which was seconded by Commissioner Humphries and duly carried by unanimous vote, it was ordered to appoint William A. Kearney to serve a two year term on the Juvenile Crime Prevention Council (JCPC) as Recreation Commission representative, in accordance with NC Juvenile Justice Reform Act, SL 1998-202.

Motion was made by Commissioner Lucas to table appointments to the Board of Health.

Commissioner Lucas withdrew his motion.

Motion was made by Commissioner Humphries to re-appoint Roland Beauchaine to the Health Board for a 2nd term.

Motion died for lack of second.

On motion of Commissioner Richardson, which was seconded by Commissioner Lucas and duly carried by unanimous vote, it was ordered to re-appoint Michael Kilian, Professional Engineer, to a second term on the Board of Health, term expires December 2008.

On motion of Commissioner Richardson, which was seconded by Commissioner Lucas and duly carried by unanimous vote, it was ordered to appoint Melissa S. Richardson to fill the unexpired term of Pearlean Whitly on the Board of Health. Term expires December 2007.

On motion of Commissioner Richardson, which was seconded by Commissioner Lucas and duly carried by unanimous vote, it was ordered to table to the March 13, 2006 Board of Commissioners meeting, appointment to the remaining vacancy on the Board of Health.

On motion of Commissioner Richardson, which was seconded by Commissioner Humphries and duly carried by unanimous vote, Sharon H. Berrun was appointed to serve a three year term on the Nursing Home Advisory Council. Term expires January 2009.

On motion of Commissioner Richardson, which was seconded by Commissioner Humphries and duly carried by unanimous vote, it was ordered to adopt "Residential Anti-Displacement & Relocation Assistance Plan" for Warren County related to CDBG Ephraim Place Housing Project administered through Warren Family Institute.

On motion of Commissioner Richardson, which was seconded by Commissioner Lucas and duly carried by unanimous vote, it was ordered to adopt "Citizen Participation Plan" and the "Fair Housing Plan" for Warren County related to CDBG Ephraim Place Housing Project.

On motion of Commissioner Humphries, which was seconded by Commissioner Lucas and duly carried by unanimous vote, it was ordered to adopt "Section 3 Plan for Employment Opportunities for Business and Lower Income Persons" for Warren County related to CDBG Ephraim Place Housing Project.

On motion of Commissioner Humphries, which was seconded by Commissioner Lucas and duly carried by unanimous vote, a request from Citizens for Animal Protection (CAPS) for authorization to contact Warren County Schools to conduct contest to name Warren County Animal Shelter was approved. CAPS will provide \$100 prize award.

On motion of Commissioner Lucas, which was seconded by Commissioner Richardson and duly carried by unanimous vote, a "Three Party Right of Way Encroachment" presented by Richard Gardner of Lakehouse Restaurant/JAG was approved subject to:

- * **Entering into a "Three Party Right of Way Encroachment Agreement on Primary & Secondary System"**
- * **Final execution is subject to county attorney review, approval and inclusion of restrictive covenant.**
- * **Deed will state that all current owners and any future owners of this property are monetarily responsible to maintain and operate all pipe installed under this agreement.**

Bids were received for timber on a three (3) acre tract of land at the Warren County Law Enforcement Center, as follows:

- | | |
|--|-----------|
| 1) Greer Brothers, Inc., PO Box 404, Warrenton | \$6,100 * |
| 2) Louisburg Hardwood, Inc., PO Box 951, Louisburg | \$4,500 |
| 3) Robert Stallings, 208 Harristown Rd, Macon - estimate of a value to be at least | \$3,500 |

On motion of Commissioner Richardson, which was seconded by Commissioner Lucas and duly carried by unanimous vote, it was ordered to award bid for timber on a three (3) acre tract of land at the Warren County Law Enforcement Center to Greer Brothers, Inc. of Warrenton at the stated bid of \$6,100.

Ron Sapp, Health Director & Linda Johns, Home Health Supervisor requested authorization to purchase six (6) tablet lap-top computers and contract for Home Health web-based, point of care software system.

On motion of Commissioner Richardson, which was seconded by Commissioner Lucas and duly carried by majority vote, it was ordered to deny request for authorization to purchase lap-top computers for Home Health through Warren County Health Department. Said purchase was referred for consideration during 2006-07 budget process.

Votes were as follows: Ayes: Richardson, Lucas and Ross
 Nays: Humphries

Motion carried, purchase of lap-tops and software for Home Health was referred to 2006-07 budget process.

Public Works Director, Macon Robertson, appeared before the Board with the following requests:

- 1) Consider appointment of alternate to Water Committee
- 2) Approve USDA Rural Development Loan documents – District III, Phase I
- 3) District III, Phase I Change Order

On motion of Commissioner Lucas, which was seconded by Commissioner Humphries and duly carried by unanimous vote, Commissioner Barry Richardson was appointed to the Water Committee in Commissioner Alston's absence.

On motion of Commissioner Richardson, which was seconded by Commissioner Lucas and duly carried by unanimous vote, USDA loan documents related to Water & Sewer District III, Phase I Project in the amount of \$681,000 were approved:

- * Form 17809-27 Loan Resolution
- * Form 400-1 Equal Opportunity Agreement
- * Form 400-4 Assurance Agreement

County Manager and Chairman to the Board were authorized to sign USDA Loan and related documentation.

On motion of Commissioner Lucas, which was seconded by Commissioner Humphries and duly carried by unanimous vote, Change Order # 2 to Water & Sewer District III, Phase I was adopted.

On motion of Commissioner Humphries, which was seconded by Commissioner Lucas and duly carried by unanimous vote, Dr. Richard Perren, MD was appointed as interim EMS Medical Director, effective February 15, 2006, without compensation.

The Town of Norlina Board of Commissioners requested an appropriation of funds for the Norlina Satellite Park (per Warren County Recreation Master Plan) to enable the Town of Norlina to have all the responsibility of the Satellite Park, including upkeep of equipment, liability insurance, and responsibility of maintaining the park.

On motion of Commissioner Lucas, which was seconded by Commissioner Humphries and duly carried by unanimous vote, an allocation of \$20,000 was authorized to the Town of Norlina to build, maintain and operate a playground site located at railroad junction, with restrictions.

Shelley Fearn, Chief Librarian presented proposed changes to the Warren County Memorial Library Borrower's Card Service Policy: 1) limit reciprocal borrowers to adjacent NC counties only: Vance, Franklin and Halifax Counties, 2) allow residents of NC counties not specified previously and residents in the Lake Gaston area of Virginia to apply for a borrower's card after making a payment equal to the cost per capita for Warren County citizens for the operation of the library - \$15.00.

On motion of Commissioner Richardson, which was seconded by Commissioner Lucas and duly carried by unanimous vote, Warren County Memorial Library was ordered to:

- 1) limit reciprocal borrowers to adjacent NC counties only: Vance, Franklin and Halifax
- 2) allow residents of NC counties not specified previously and residents in the Lake Gaston area of the state of Virginia to apply for a borrower's card after making a payment of \$15.00.

On motion of Commissioner Lucas, which was seconded by Commissioner Humphries and duly carried by unanimous vote, it was ordered to declare surplus property four (4) Department of Social Services vehicles:

Vehicle #	Year/Model	Make
IP3AA466K4RF279058	1994 ACCLAIM	PLYMOUTH
1G2JB54HON750179	1992 SUNBIRD	PONTIAC
1P3AA46KXRF216885	1994 ACCLAIM	PLYMOUTH
1G11D5546TY217139	1996 CORSICA	CHEVROLET

Clerk to the Board was authorized to dispose of all surplus property at sealed bid auction.

On motion of Commissioner Humphries, which was seconded by Commissioner Lucas and duly carried by unanimous vote, Resolution - Solicitation of Support from State & Federal Legislative Representatives was adopted:



WARREN COUNTY BOARD OF COMMISSIONERS

POST OFFICE BOX 619
 WARRENTON, NORTH CAROLINA 27589
 Telephone: (252) 257-3115 Fax: (252) 257-5971
 www.warrencountync.com

STATE OF NORTH CAROLINA
 COUNTY OF WARREN

Ulysses S. Ross, Chairman
 H.E. Luke Lucas, Vice Chairman
 Clinton G. Alston
 Janet W. Humphries
 Barry Richardson

Linda T. Jones
 County Manager

Angelena Kearney-Dunlap
 Clerk to the Board

RESOLUTION

**WARREN COUNTY BOARD OF COMMISSIONERS
 SOLICITATION OF SUPPORT FROM
 STATE AND FEDERAL LEGISLATIVE REPRESENTATIVES**

WHEREAS, Warren County is a Tier I county with limited resources to fund many of the pressing needs of its citizenry; and

WHEREAS, Warren County is endeavoring to meet the growing needs of its citizens by providing recreational outlets, sufficient library services, much needed governmental office space that meets today’s safety and efficiency standards, educational opportunities for all citizens, decent and affordable housing, and economic development initiatives to name a few; and

WHEREAS, Warren County is making a good faith effort to meet the increasing financial demands presented by these and many other statutorily mandated challenges including funding the increasing costs associated with the Medicaid program;

NOW, THEREFORE, BE IT RESOLVED that the Warren County Board of Commissioners respectfully requests Warren County's State and Federal Legislative Delegation to assist our county by identifying resources and/or appropriating monies to whatever extent possible to help fund the following programs and initiatives:

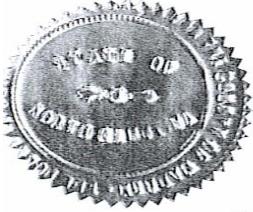
- 1) The Science, Engineering, Mathematics & Aerospace Academy (SEMAA) Program has not yet been funded for the current fiscal year in the NASA budget. This excellent educational program encourages youth to matriculate in the mathematics and science fields. It is in jeopardy of being discontinued if funding is not forthcoming;
- 2) A JROTC Program is needed and requested in Warren County to instill pride for our country and promote discipline in our youth.

The Warren County Board of Education is supportive of including a JROTC program in the high school curriculum;

- 3) USDA grant funds or other available funds are needed to help pay for necessary repairs and renovations to the National Guard Armory that has been deeded to Warren County. Funds to facilitate the repairs and renovations are estimated to be \$50,000. This facility will be used as a meeting and activity center for our citizenry;
- 4) USDA grant funds or other available funds are needed to help finance the costs associated with the construction of a new County Library Building and Animal Shelter, and renovations to our historical Courthouse Annex Buildings. The cost to fund these capital projects is estimated to be at least \$3,200,000;
- 5) Assistance with reducing counties mandated share of the costs to fund the Medicaid program is respectfully requested;
- 6) Grant funds or other resources to address the lack of adequate and affordable housing in Warren County are respectfully requested;

- 7) Grant funds or other resources to help increase Warren County's tax base by enhancing our efforts to attract industry and commercial development through economic development activities and initiatives are respectfully requested;
- 8) Grant funds or other funding assistance from the Department of Transportation or other appropriate agency to assist with costs associated with paving the access road to our County Law Enforcement Center, Cooperative Extension Service and proposed Animal Shelter Facility located on county owned property.

ADOPTED this 6th day of February, 2006.



Warren County Board of Commissioners

Ulysses S. Ross
Ulysses S. Ross, Chairman

ATTEST:

Angelena Kearney-Dunlap
Angelena Kearney-Dunlap, Clerk

On motion of Commissioner Lucas, which was seconded by Commissioner Humphries and duly carried by unanimous vote, Resolution - Opposing Gas Tax Increases for Warren County Citizens & Businesses was adopted:



WARREN COUNTY BOARD OF COMMISSIONERS
POST OFFICE BOX 619
WARRENTON, NORTH CAROLINA 27589
Telephone: (252) 257-3115 Fax: (252) 257-5971
www.warrencountync.com

State of North Carolina
County of Warren

Ulysses S. Ross, Chairman
H.E. Luke Lucas, Vice Chairman
Clinton G. Alston
Janet W. Humphries
Barry Richardson

Linda T. Jones
County Manager

Angelena Kearney-Dunlap
Clerk to the Board

RESOLUTION OPPOSING GAS TAX INCREASES FOR WARREN COUNTY CITIZENS AND BUSINESS

WHEREAS, the Warren County Board of Commissioners strive to keep the cost of living low in our County as well as promote business and

WHEREAS, an element of that goal is helping keep tax rates low or eliminating them when possible. In addition, many of our residents commute long distances to work, school, and church; and

WHEREAS, North Carolina drivers are paying \$300 million a year in extra gas tax. Warren County residents are included in shouldering this cost. The state's gas tax is the sixth-highest in the country, and the highest in the Southeast.

THEREFORE, BE IT RESOLVED, the Warren County Board of Commissioners recommends the repeal of the newly imposed 2006 gas tax and lowering the pre-existing tax rate. In addition, we encourage the Legislature to strengthen the Highway Trust Fund which they have raided for approximately \$1 billion dollars over the last few years; and

BE IT ALSO RESOLVED, the Warren County Board of Commissioners opposes any future tax increase in North Carolina's gas tax.

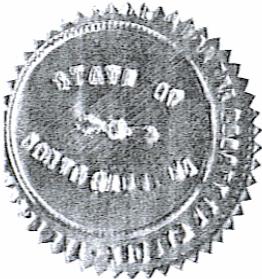
Adopted this 6th day of February, 2006.

Warren County Board of Commissioners

Ulysses S. Ross
Ulysses S. Ross, Chairman

ATTEST:

Angelena Kearney-Dunlap
Angelena Kearney-Dunlap
Clerk to the Board



On motion of Commissioner Lucas, which was seconded by Commissioner Richardson and duly carried by unanimous vote, Resolution in Support of Legislation Authorizing Warren County to Fund School Construction & Other Needs was adopted:



WARREN COUNTY BOARD OF COMMISSIONERS

POST OFFICE BOX 619
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STATE OF NORTH CAROLINA
 COUNTY OF WARREN

Ulysses S. Ross, Chairman
 H.E. Luke Lucas, Vice Chairman
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 Janet W. Humphries
 Barry Richardson

Linda T. Jones
 County Manager

Angelena Kearney-Dunlap
 Clerk to the Board

RESOLUTION IN SUPPORT OF LEGISLATION AUTHORIZING WARREN COUNTY TO FUND SCHOOL CONSTRUCTION & OTHER NEEDS

WHEREAS, Warren County has significant school construction needs; and

WHEREAS, limitations on the state's debt capacity and current state laws make it unlikely that the state will help fund school construction needs for charter schools; and,

WHEREAS, the state lottery does not earmark lottery proceeds for construction of charter schools; and

NOW, THEREFORE, BE IT RESOLVED that the Warren County Board of County Commissioners hereby expresses support for legislation that will allow Warren County government to earmark funds to directly fund charter schools serving residents of Warren County or that are physically located in Warren County for facilities construction and other needs in the same manner as Warren County government may provide funding to other public schools in Warren County; and

FURTHER BE IT RESOLVED that copies of this resolution be forwarded to each member of the county's legislative delegation.

Adopted this the 6th day of February, 2006.

Warren County Board of Commissioners

Ulysses Ross, Chairman
 Warren County Board of Commissioners

ATTEST:

Angelena Kearney-Dunlap, Clerk

By Board consensus, February 15, 2006 joint meeting with State and Federal Warren County representatives was rescheduled to Monday, March 13, 2006 at 6:00 pm. February 15th Commissioner's work session was not rescheduled.

On motion of Commissioner Richardson, which was seconded by Commissioner Lucas and duly carried by unanimous vote, it was ordered to adopt Amendment to Warren County Boards/Commissions Policy Statement (items #6 & #7):

POLICY STATEMENT FOR BOARD APPOINTMENT/REAPPOINTMENT FOR WARREN COUNTY, NC

The following policy will govern the appointment/reappointment of members to serve on the various boards and commissions appointed by the Warren County Board of Commissioners:

1. The N. C. General Statutes and/or By-Laws governing boards and commissions will take precedence in determining the manner in which the Board of Commissioners will make appointments or reappointments of individuals to serve on the various boards and commissions.
2. All board and commission vacancies that are filled by the Board of Commissioners will be advertised quarterly by the Clerk to the Board in a local newspaper having general circulation in Warren County.
3. Statements of interest received from citizens desiring to serve on a board or commission will remain active for a period of six (6) months from the date they are received by the Clerk to the Board.
4. If no response is received for an advertised vacancy on a board or commission, the Board of Commissioners shall have the following options to address the vacancy:

- a. If the board member currently holding a seat on a board or commission is eligible for reappointment and is desirous of continuing to serve, he or she may be reappointed by the Board of Commissioners to serve an additional term.
- b. If the board member currently holding a seat on a board or commission is ineligible for reappointment, having served the maximum number of terms allowed by the N. C. General Statutes, By-Laws or Board of Commissioners, the Board of Commissioners and/or its representatives will make every effort to identify a willing person or persons to be considered for appointment. If permissible, until such time as a suitable replacement is found, the sitting Board member may remain on the board or commission if he or she is desirous of continuing to serve.
- c. If a board or commission vacancy is designated for a specific representative from the community, i.e. a licensed Physician, Pharmacist, Veterinarian, Optometrist, professional Engineer, etc., and no such individual is available for appointment, the Clerk to the Board will consult the N. C. General Statutes or By-Laws governing the board or commission to determine if a general public representative may be appointed to fill the vacancy.

If appointment of a general public representative in lieu of a specific representative is permissible, the Board of Commissioners may appoint such an individual to fill the vacancy. If the N. C. General Statutes or By-Laws governing the board or commission do not allow a general public representative to fill a specific representative vacancy, the vacancy will continue on the board or commission until such time as the specific representative is found.

5. Individuals being considered for appointment to serve on a board or commission must be present at the Board of Commissioners' meeting at which time action will be taken on the appointment. This requirement may be waived at the discretion of the Board of Commissioners due to extenuating circumstances.
6. *For those boards and/or commissions that are appointed by the Warren County Board of Commissioners whose terms of office are not otherwise prescribed by North Carolina General Statutes, no appointee may serve more than two (2) consecutive terms.*
7. *Individuals may serve on only two (2) boards or commissions at any given time, unless the individual is required by the N. C. General Statutes or By-Laws governing a board or commission to serve as a specific representative.*

This policy is effective as of the 6th day of September 2005. Amended: February 6, 2006

On motion of Commissioner Lucas, which was seconded by Commissioner Richardson and duly carried by unanimous vote, it was ordered to adopt Tax Administrator and Finance Director job descriptions as presented by HR Director, both positions are at Grade 29.

County Manager's Report was given by memo:

Following is a recap of my work activities for the month of January 2006: Administration

- Attended Court Hearing in Nolan vs. Warren Co. Case (1/3/06)
- Attended Housing Meeting (1/5/05)
- Met with David Latowski, of Armstrong Environmental, and Macon Robertson to discuss potential grant funds for Wastewater Treatment & Stormwater Management (1/5/06)
- Attended E-911 Task Force Meeting (1/5/06)
- Meeting with William Roberts of Allcare Ambulance, and Dennis Paschall of Warren Co. EMS (1/6/06)
- Attended Solid Waste Disposal Bid Opening (1/6/06)
- Met with Sam Bentley, Vice President of BB&T Bank (1/6/05)
- Met with Marshall Brothers to review solid waste bids (1/9/06)
- Met with Cathy Alston-Kearney, Tyrrell Evans, and Angelena Kearney-Dunlap to prepare for Ephraim Place Monitoring Visit (1/9/06)
- Prepared for and attended Board of Commissioners Public Hearings : and Regular Monthly Meeting. Also attended Board of Elections Public Forum (1/9/06)
- Met with Susan Brown and Marshall Brothers to calculate annual solid waste costs based on bids received (1/9/06)
- Attended Homeland Security Grant Meeting with Dennis Paschall and other County Officials (1/17/06)
- Met with Thurman Murphy and Chuck Sadler, of USDA, and June Gibbs & Gail Wells, of CAP, to discuss potential grant funding for the proposed Animal Shelter Capital Project (1/18/06)
- Met with Warren County HUB Delegation (1/18/06)
- Attended Kerr-Tar Rural EDC Meeting (1/19/06)
- Conducted Department Head Meeting (1/19/06)
- Attended Transportation Planning Committee Meeting (1/20/06)
- Met with Dennis Paschall to discuss EMS Issues (1/20/06)
- Met with Dickie Williams to discuss Recreation Issues (1/20/06)
- Attended Housing Meeting (1/24/06)
- " Attended Regional Water System Meeting (1/25/06)

- Prepared for and Attended Board of County Commissioners Work Session (1/25/06) " Participated in Kerr-Tar RPO Conference Call on Vehicle Emissions Budgets (1/25/06)
- Met with Dr. Ray Spain to discuss education issues and county budget process (1/26/06)
- Met with Bob Singletary, new CEO at Maria Parham Hospital, and Cindy Faulkner, Nurse Supervisor, to discuss EMS Issues (1/27/06)
- Met with Peter Hight, Cooperative Extension Director, and Dr. Donald Cobb, District Extension Director, to discuss Cooperative Extension issues (1/27/06)
- Met with Senior Management Executive Committee to discuss progress of GSII Committees (1/30/06)
- Met with Representatives of HAMS and the Health Department to discuss possibility of sharing space in Trivedi Office Bldg (1/30/06)
- Met with Wan-en County HUB Delegation (1 /3 0/06)
- Attended District 3 Water Project Monthly Progress Meeting (1/30/06)

Activities

- Attended Capital Planning, Budgeting and Finance Workshop for Local Governments at the School of Government (1/10-13/06)
- Attended Whole Village Dancers Dr. M. L. King, Jr. Program (1/14/06)
- Attended Dr. M. L. King, Jr. Program at Coley Springs Baptist Church - Was Recipient of Dr. M. L. King, Jr. Trailblazer Award (1/15/06)
- Attended Public Forum Sponsored by Legislative Delegation at VGCC(1/17/06)
- Attended Congressman G. K. Butterfield's State of the District Forum (1/23/06)

On motion of Commissioner Lucas, which was seconded by Commissioner Humphries and duly carried by unanimous vote, Warren County High School was authorized to use the National Guard Armory with fees waived on Monday, April 24 through Saturday, April 29, 2006.

On motion of Commissioner Richardson, which was seconded by Commissioner Lucas and duly carried by unanimous vote, joint meeting with Warren County Board of Education was scheduled for March 20, 2006 at 6:00 pm.

With no further business to discuss and on motion of Commissioner Richardson, which was seconded by Commissioner Lucas, the February 6, 2006 Board of Commissioners meeting was adjourned.

/s/ Angelena Kearney-Dunlap
Angelena Kearney-Dunlap, Clerk