

Regular Session, December 6, 2010, 9:30 a.m.  
Catawba County Board of Commissioners

**ABC**

Resolution in Support of NC Current Public ABC System 730 12/06/10

**Appointments**

Voting Delegate and Alternate of NCACC Legislative Goals Conference 716 12/06/10  
Local Emergency Planning Committee 716 12/06/10  
Parks Advisory Committee 716 12/06/10  
Board of Equalization and Review 716 12/06/10  
City of Claremont Planning Board and Board of Adjustment 716 12/06/10  
Catawba Valley Medical Center Board of Trustees 716 12/06/10  
Catawba County Board of Adjustment 716 12/06/10  
Volunteer Fire Department Board of Trustees Fireman's Relief Fund 716 12/06/10  
Juvenile Crime Prevention Council 716 12/06/10

**Board of Commissioners**

Organizational Meeting 715 12/06/10  
Oaths of Office 715 12/06/10

**Bonds**

Sheriff, Register of Deeds, Finance Officer and Tax Collector 715 12/06/10

**Catawba Valley Medical Center**

Bond Issuance, Series 2010 716 12/06/10

**Economic Development Corporation**

Pierre Foods Incentives 719 12/06/10

**Finance**

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**Oaths**

Commissioners, Sheriff, Soil and Water Conservation District Supervisor 715 12/06/10

**Parks, Planning and Development**

Clean Water Management Trust Fund Grant – Mountain Creek 728 12/06/10

**Resolutions**

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Clean Water Management Trust Fund Grant – Mountain Creek 728 12/06/10  
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**Sheriff's Office**

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**Tax**

Refund Request 729 12/06/10

The Catawba County Board of Commissioners met in regular session on Monday, December 6, 2010 at 9:30 a.m. in the Robert E. Hibbits Meeting Room of the 1924 Courthouse, 30 North College Avenue, Newton, North Carolina. The meeting followed the Board's attendance at the annual Breakfast held by Catawba County Cooperative Extension.

Present were Chair Katherine W. Barnes, Vice-Chair Lynn M. Lail and Commissioners Dan A. Hunsucker, Barbara G. Beatty and Randy Isenhower.

Also present were County Manager J. Thomas Lundy, Assistant County Manager Lee Worsley, Assistant County Manager Dewey Harris, County Attorney Debra Bechtel, Deputy County Attorney Anne Marie Pease and County Clerk Barbara Morris.

1. Chair Katherine W. Barnes called the meeting to order at 9:30 a.m.
2. Commissioner Barbara G. Beatty led the Pledge of Allegiance to the Flag.
3. Chair Barnes offered the invocation.
4. Commissioner Barbara G. Beatty made a motion to approve the minutes of the Regular Meeting of November 15, 2010. The motion carried unanimously.
5. Bond Approvals:  
County Attorney Debra Bechtel requested the Board approve bonding required by State law for the newly elected Sheriff, and for the Register of Deeds, the County's Finance Director and the County's Tax Collector. Commissioner Dan A. Hunsucker made a motion to approve these bonds. The motion carried unanimously.
6. Oaths of Office:  
Re-elected County Commissioners Katherine W. Barnes and Lynn M. Lail and newly elected Commissioner C. Randall Isenhower took their Oaths of Office from Superior Court Judge Nathaniel J. Poovey. Newly elected Sheriff Coy Reid took his Oath of Office from District Court Judge Gregory R. Hayes and newly elected Catawba County Soil and Water Conservation District Supervisor Cliff Isaac took his Oath of Office from Judge Poovey.
7. Presentations:  
Upon the motion of Commissioners Beatty and Randy Isenhower, and unanimously carried, the Board declared as surplus the service sidearm and badge of Sheriff Huffman pursuant to North Carolina General Statute 20-187.2. Then all the Commissioners moved to the podium to honor Sheriff L. David Huffman, who will retire effective January 1, 2011 after serving as Sheriff of Catawba County for 28 years., and presented those items to him. Sheriff Huffman stated it had been an honor and pleasure to serve and expressed his appreciation to the Board for their support and to the local media for the quality of their reporting.
8. Organizational Meeting of the Board of Commissioners.  
Chair Barnes turned the meeting over to County Manager J. Thomas Lundy for the election of Chair. Mr. Lundy opened the floor for nominations for Chair. Commissioner Lail nominated Commissioner Barnes as Chair, and the nomination carried unanimously. Chair Barnes then opened the floor for nominations for Vice-Chair. Commissioner Beatty nominated Commissioner Lail as Vice-Chair and the nomination carried unanimously. Chair Barnes then continued with the organization appointments:  
Finance and Personnel Subcommittee: Commissioners Beatty and Isenhower  
Policy and Public Works Subcommittee: Commissioners Lail and Hunsucker  
WPCOG Policy Board Delegate: Commissioner Barnes

WPCOG Policy Board Alternate: Commissioner Lail  
Hospital Board of Trustees: Commissioner Beatty  
Mental Health Partners Board: Commissioner Isenhower  
Public Health Board: Commissioner Hunsucker  
Social Services Board and Community Service Block Grant Advisory Board: Commissioner Lail  
Catawba County Criminal Partnership Advisory Board: Commissioner Barnes  
Catawba County Partnership for Children Board: Commissioner Lail  
Child Advocacy Center Board: Commissioner Hunsucker  
Juvenile Crime Prevention Council: Commissioner Isenhower  
Counsel to the Board – David Hood of Patrick, Harper and Dixon

9. Recognition of Special Guests.  
After a large number of spectators left after oaths of office and appointments were made, Chair Barnes recognized those who remained as special guests and thanked them for their presence.
10. Public Comments for Items Not on the Agenda:  
None.
11. Appointments:  
Chair Barnes recommended her designation as the Voting Delegate for the North Carolina Association of County Commissioners Legislative Goals Conference, the appointment of Lee Worsley as her designee to the Local Emergency Planning Committee, and the appointment of David Campbell and Jerry McCombs and the reappointment of Deborah Buchan, Paul Beatty and Thomas Jones to the Parks Advisory Committee. Vice-Chair Lail recommended the reappointment of Lynda Dehart and Linda Greenwell to the Board of Equalization and Review. These terms will expire on December 2, 2013. Vice-Chair Lail also recommended the reappointment of Franklin Harris and Robert Smith to the City of Claremont Planning Board and Board of Adjustment. The Catawba Valley Medical Center Board of Trustees recommended the reappointment of Dr. Alan Forshey, Steve Ikerd and Raymond von Drehle to the Board of Trustees. These terms will expire on December 31, 2014. Commissioner Barbara Beatty recommended the reappointment of Laban Helderman and Glenn Hunsucker to the Catawba County Board of Adjustment, with terms expiring on November 30, 2013. Commissioner Beatty also recommended the reappointment of Allan Biggerstaff, Glenn Boston, Bill Hefner, Robert Huffman, Danny Setzer, Darrell Turbyfill and Fitzhugh Young to the Volunteer Fire Department's Board of Trustees Fireman's Relief Fund. These terms will expire on December 31, 2012. Commissioner Randy Isenhower recommended the appointment of Sarah Nelson to the Juvenile Crime Prevention Council. Ms. Nelson's term will expire on June 30, 2013. These recommendations came in the form of a motion and the motion carried unanimously.
12. Departmental Reports:
  - A. Catawba Valley Medical Center:  
Catawba Valley Medical Center President J. Anthony Rose came forward and presented a request for the Board to adopt a resolution authorizing the issuance by the County of Hospital Revenue Bonds (Catawba Valley Medical Center), Series 2010. In October, the Board reviewed plans for the next phase of Catawba Valley Medical Center's construction program, which will consist of a new five level patient tower with an Outpatient Infusion Center, 16 inpatient oncology beds, a new Birthing Center and a 20 bed Special Care Nursery. While the licensed capacity of the hospital will remain at 258 beds, most patient rooms will be private following the construction.  
  
The \$33 million project will be funded with \$11 million of hospital reserves and a \$22 million revenue bond issue to be privately placed with BB&T. This bond issue will have a 20 year term with a fixed interest rate of 4.96 percent. The bond issue is being secured with hospital revenues. All bond payments (interest and principal) toward the retirement of this debt will be made by Catawba Valley Medical Center.

Mr. Rose recognized County Finance Director Rodney Miller's input and assistance in this process.

Commissioner Isenhower made a motion to adopt the resolution. The motion carried unanimously. The following resolution applies:

**RESOLUTION # 2010-26**

RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE BY THE COUNTY OF ITS HOSPITAL REVENUE BONDS (CATAWBA VALLEY MEDICAL CENTER PROJECT), SERIES 2010, IN AN AGGREGATE PRINCIPAL AMOUNT UP TO \$22,000,000 AND AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS IN CONNECTION THEREWITH

**WHEREAS**, The Board of Hospital Trustees of Catawba County, North Carolina ("CVMC") has requested the County to issue the above referenced bonds for the purpose of providing funds, together with other available funds, to (i) pay the costs of additional health care facilities, including routine capital expenditures and the acquisition and installation of health care equipment and (ii) pay certain expenses of issuing the above-referenced bonds;

**WHEREAS**, there have been submitted to this meeting draft copies of the following documents and instruments (the "Financing Documents") relating to the issuance of the Bonds;

(a) a Series Resolution relating to the County of Catawba, North Carolina Hospital Revenue Bonds (Catawba Valley Medical Center Project), Series 2010 (the "Bonds"), proposed to be adopted by the County on December 6, 2010 in connection with the authorization and issuance of the Bonds;

(b) a Covenant Agreement, proposed to be dated as of December 15, 2010 (the "Covenant Agreement"), between the County, CVMC and Branch Banking and Trust Company ("BB&T"); as initial purchaser of the Bonds; and

(c) a Bond Purchase Agreement, to be dated the date of delivery thereof (the "Purchase Agreement"), between the Local Government Commission of North Carolina ("LGC") and BB&T, and approved by the County;

**WHEREAS**, the Board of County Commissioners (the "Board") is agreeable to the terms and conditions to be imposed upon it in connection with the issuance of the Bonds and the execution and delivery of the several documents necessary to the implementation thereof; and

**WHEREAS**, the Board desires to approve the Financing Documents and to authorize other actions in connection therewith;

**NOW, THEREFORE, BE IT RESOLVED** by the Board as follows:

Section 1. The Series Resolution is hereby adopted and approved in substantially the form presented to this meeting, together with such changes, modifications and deletions as any of the Chairman or Vice-Chairman of the Board of Commissioners (the "Chairman" and the "Vice-Chairman," respectively) or the Finance Director, with the advice of counsel, may deem necessary and appropriate; and execution and delivery of the Bonds shall be conclusive evidence of the approval and authorization thereof by the County.

Section 2. The remaining Financing Documents are hereby approved in substantially the form presented to this meeting, together with such changes, modifications and deletions as any of the Chairman, the Vice-Chairman or the Finance Director, with the advice of counsel, may deem necessary and appropriate; and execution (as applicable) and delivery thereof by any of the Chairman, the Vice-Chairman or the Finance Director, as applicable, shall be conclusive evidence of the approval and authorization thereof by the County.

Section 3. The Board hereby makes the following findings: (i) the proposed issue of Bonds is necessary and expedient; (ii) the amount of the proposed issue of Bonds is adequate and not

excessive for the proposed purposes of the issue of Bonds; (iii) the projects proposed to be financed by the Bonds are feasible; (iv) the County's debt management procedures and policies are good; (v) the proposed issue of Bonds can be marketed at reasonable interest costs to CVMC and the County; (vi) that no increase in taxes will be necessary to meet the sums to fall due under the Bonds as such hospital revenue bonds will not constitute or give rise to any charge against the County's general credit or taxing power; and (vii) the County is not in default under any of its debt service obligations.

Section 4. Each of the Chairman, the Vice-Chairman and the Director of Finance are authorized to approve all details of all the financing, including, without limitation, the final par amount of the Bonds (which shall not exceed \$22,000,000), the maturities, the principal amounts and the interest amounts of the bonds and the placement agents compensation (which shall not exceed the limits set forth in the Series Resolution). Execution of the bonds as provided in the Series Resolution shall conclusively evidence such approval of all such details of said financing.

Section 5. The Chairman, the Vice-Chairman, the County Manager, the Finance Director, the County Attorney and the Clerk to the Board of Commissioners, or any of them or their deputies, are hereby authorized to take any and all such further action, and to execute and deliver for and on behalf of the County such other documents and certificates as they may deem necessary or advisable to carry out the intent of this resolution and to effect the issuance of the Bonds pursuant to the Series Resolution and the other Financing Documents. The Clerk to the Board of Commissioners is hereby authorized to affix the seal of the County to such documents and certificates as may be appropriate and to attest to the same and to execute and deliver such certificates as may be appropriate.

Section 6. The County hereby represents that it reasonably expects that the County, all subordinate entities thereof and all entities that issue obligations on behalf of the County, will not issue in the aggregate more than \$30,000,000 of tax-exempt obligations (not counting (i) private activity bonds except for qualified 501(c)(3) bonds as defined in the Code and (ii) "deemed designated" tax-exempt refunding obligations within the meaning of Section 265(b)(3)(D)(ii) of the Code) during calendar year 2010. In addition, the County hereby designates each of the Bonds as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code.

Section 7. The Board hereby requests the LGC to sell the Bonds at private sale and without advertisement in accordance with the provisions of Section 159-123 of the General Statutes of North Carolina.

Section 8. All actions heretofore taken by the officers or other representatives of CVMC, the Board of Trustees of CVMC and the County to effectuate the proposed financing including, but not limited to, (a) the selection of (i) McGuireWoods LLP, as bond counsel to the County for the issuance of the Bonds and matters related thereto and (ii) Scott & Stringfellow, LLC, t/a BB&T Capital Markets, as structuring agent for the Bonds and (b) the actions of the Board of Trustees of CVMC in adopting their resolution dated November 22, 2010 relating to the proposed financing, are hereby ratified, approved and authorized pursuant to and in accordance with the transactions contemplated by the Financing Documents.

Section 9. This Resolution shall take effect immediately upon its passage.

Upon motion of Commissioner C. Randall Isenhower, and unanimously carried, the Board approved the passage of the foregoing resolution entitled "AUTHORIZING AND APPROVING THE ISSUANCE BY THE COUNTY OF ITS HOSPITAL REVENUE BONDS (CATAWBA VALLEY MEDICAL CENTER PROJECT), SERIES 2010, IN AN AGGREGATE PRINCIPAL AMOUNT UP TO \$22,000,000 AND AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS IN CONNECTION THEREWITH."

I, Barbara Morris, Clerk to the Board of Commissioners for the County of Catawba, 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 December 6, 2010, as relates in any way to the passage of a resolution (No. 2010-26) authorizing the issuance of hospital revenue bonds of said County and that said proceedings are recorded in Minute Book No.51 of the minutes of said Board, beginning at page 714.

I DO HEREBY FURTHER CERTIFY that a schedule of regular meetings of said Board, stating that regular meetings of said Board are held on the first and third Mondays of each month at 9:30 a.m. and 7:30 p.m., respectively, (with such exceptions applicable thereto) in the Robert E. Hibbits Meeting Room of the 1924 County Courthouse in Newton, North Carolina, has been on file in my office as of a date not less than seven before the day of said meeting in accordance with G. S. §143-318.12.

#### B. Economic Development Corporation

Nathan Huret, Existing Industry Coordination for the EDC presented a request for Board approval of economic incentives to retain Pierre Foods' current 717 employees and create 500 new jobs and \$16.8 million in new investment in the county, and prominently position the Claremont facility for all future growth opportunities. After an evaluation of its existing manufacturing facilities in Ohio, South Carolina, Georgia and North Carolina in early 2010, Pierre Foods selected its existing Claremont facility for a major expansion. If the Claremont facility had not been selected, there was potential for its closure and the loss of 717 jobs currently in Catawba County.

Since 1979, the Claremont facility has produced a broad line of fully cooked beef, pork, chicken and bakery products for the food service, school, military, warehouse club, vending and convenience store markets. During the past three decades, the Claremont facility has grown to its current 717 employees and is Pierre's most efficient facility. The project will create 500 new jobs with a total average wage of \$26,461. Sixteen of the 500 positions would pay more than \$32,500, well above the County's average wage. At 1217 employees, Pierre Foods would be one of the top five private employers in the County.

Pierre Foods will invest \$6 million in real property investment. It will continue to occupy its existing 125,000 square foot facility (with a current real property valuation of \$4 million) and add an additional 35,000 square feet in cold storage and 10,000 square feet in dry storage warehousing to the eastern edge of the current facility, for a total of 45,000 square feet. The project will further cause \$10.8 million in new personal property investment, in addition to maintaining the Claremont facility's existing personal property (valued at approximately \$7.2 million).

In order to retain Pierre Foods' current 717 employees and create 500 new jobs and \$16.8 million in new investment in the county, a 5 year, 67% grant was proposed. New County tax receipts over five years ( $\$16.8 \text{ million} \times \$0.00535 \times 5$ ) would equal \$449,400. The grant amount (67% x actual receipts x 5 years) equals a maximum of \$301,098. The investment will net a positive payback to the County immediately, similar to paybacks used to determine grants for other County projects. As with all County incentives, the incentives will be based on a contractual performance agreement which requires Pierre Foods to meet minimum thresholds of investment and job creation each year prior to incentive payment by the County. The agreement requires repayment should the investment and/or job creation amounts not be sustained.

Commissioner Isenhower asked when the jobs and equipment would be required to be in place and Mr. Huret stated it would be required by December 2012. Chair Barnes clarified that 16 of the new jobs would be above the County average salary. Commissioner Hunsucker made a motion to adopt the required resolution and approve the incentive agreement. The motion carried unanimously. The following resolution and agreement apply:

Resolution No. 2010-

Resolution Authorizing Economic Development Incentives for Pierre Foods, Inc.

**WHEREAS**, Pierre Foods, Inc. requested incentives to cause investments, equal to or exceeding \$16,800,000 in the Claremont Pierre Foods facility by December 31, 2012 and the creation, maintenance and availability of a minimum of 500 new net jobs, in addition to maintaining the existing 717 jobs, with a preference or goal to not hire anyone without a minimum of a high school diploma for anyone 25 years of age or below and a high school diploma or GED for anyone 25 years of age or above in Catawba County, and that a minimum of 16 jobs will pay wages that are above the average wage requirement in Catawba County under the North Carolina Department of Commerce, which is \$15.63 per hour or \$32,500 per year.

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

1. The Board of Commissioners approves an economic grant equal to 67% of new tax revenues received over a five-year period, up to a maximum of \$301,098. This would maintain an existing 717 jobs and create 500 new net jobs and an investment of a minimum of \$16,800,000. This grant will be a maximum of \$60,220 a year for five years to be used to reimburse Company expenditures as eligible under North Carolina General Statute 158-7.1. The Board of Commissioners also directs the County to execute a contract and any necessary resolutions or addenda between the Company and the County under these terms and conditions and authorizes the Chair to execute any documents related to this incentive.

This the 6<sup>th</sup> day of December, 2010.

<u>STATE OF NORTH CAROLINA</u>	<u>JOINT ECONOMIC DEVELOPMENT</u>
<b>COUNTY OF CATAWBA</b>	<b>AGREEMENT</b>

This **JOINT ECONOMIC DEVELOPMENT AGREEMENT** (this "Agreement") is made and entered into this \_\_\_ day of \_\_\_\_\_, 2010, by and between **Catawba County**, (the "County") a North Carolina Body Politic Corporate in Nature, having a mailing address of **P.O. Box 389, Newton, North Carolina 28658**, and **Pierre Foods, Inc.** ("Pierre"), a Delaware corporation qualified to do business under the laws of the State of Ohio and having a mailing address of 9990 Princeton Road, Cincinnati, Ohio 45246. All material transactions regarding this Agreement shall be deemed to have occurred in Catawba County, North Carolina.

**WITNESSETH:**

**WHEREAS, the County is desirous of fostering joint economic development within its boundaries; and**

WHEREAS, North Carolina General Statutes Section 158-7.1(a) authorizes the County to make appropriations for the purpose of aiding and encouraging the location of business enterprises and industrial and commercial plants in or near its boundaries; and

WHEREAS, Pierre is a Delaware corporation, registered with the State of North Carolina, lawfully authorized to do business within the State of North Carolina; and

WHEREAS, Pierre is engaged in manufacturing fully cooked beef, pork, chicken and bakery products within the meaning of North Carolina General Statutes Section 158-7.1; and

WHEREAS, Pierre intends to improve and equip an existing industrial facility (the "Facility") located within the limits of the County at 3437 East Main Street, Claremont, NC 28610, for the purpose of manufacturing packaged food products; and

WHEREAS, in order to engage in such enterprise, Pierre intends to improve and occupy a building or buildings thereon for use as the Facility, acquire and/or relocate equipment, and install the same therein; and undertake such other work as may be appropriate to accomplish the improvement described herein (collectively, the "Improvements"); and

WHEREAS, Pierre anticipates that the total cost of the Improvements, including the cost of real property and inclusive of any equipment or fixtures, during the improvement period, as defined below, will equal or exceed **Sixteen Million Eight Hundred Thousand (\$16,800,000) Dollars**; and

WHEREAS, the Improvements are expected to increase the tax base of the County by a related amount and will create a minimum of 500 new net jobs; and

WHEREAS, in an effort to encourage and maintain the highest educational attainment, Pierre will enroll and actively participate in Education Matters (as more fully described on Exhibit C hereto); and, for this and future projects, will agree to make it a goal or preference to not hire anyone without a minimum of a high school diploma for anyone 25 years of age or below and a high school diploma or GED for anyone 25 years of age or above; and

WHEREAS, as an inducement to Pierre, and to assist Pierre in connection with the Improvements, the County is willing to appropriate and expend County funds to provide certain economic development incentives for the creation of jobs, as provided in this Agreement, all such appropriations and expenditures to be made pursuant to the terms and conditions of this Agreement and N.C.G.S. Section 158-7.1(a); and

WHEREAS, the County has approved the appropriation and expenditure as hereinafter set forth for the specific purpose of making economic development grants based on the value of the property improvement and the Improvements to be made; and

WHEREAS, Pierre, acknowledges that but for the County's provision of economic development grants, it would not have agreed to enter into this enterprise; and

WHEREAS, Pierre is expected to be a community-oriented company and intends to participate in philanthropy, community events and programs intended to increase the health and happiness of its employees and the greater community as a whole; and

WHEREAS, in consideration of these economic development incentives, Pierre agrees to comply with the covenants and conditions binding upon it as set forth in this Agreement; and

WHEREAS, the parties are desirous of reducing their agreement to written form;

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

The County and Pierre agree that this Agreement shall apply only with respect to Improvements undertaken or payments for such improvements by Pierre between January 1, 2010 and December 31, 2012 (the "improvement period") unless, after appropriate notice and public hearing as required by law, if any, the parties shall agree in writing to extend the same. In no event shall the amounts established herein be increased due to any extension of time for fulfillment of the terms and conditions of this Agreement.

1. This Agreement is executed subject to the fulfillment, on or before January 15, 2011, of each of the following conditions precedent, except to the extent that Pierre may, in its absolute discretion, waive one or more thereof in whole or in part (except Section 1.1):

1.1 The County shall deliver to Pierre an Opinion of Counsel for the County, in form and substance reasonably satisfactory to Pierre, that this Agreement has been duly authorized, executed and delivered by the County;

1.2 The County shall deliver to Pierre, in form and substance reasonably satisfactory to Pierre, evidence in the form of a Resolution or Resolutions, or official minutes, of the County duly adopted authorizing the economic development incentives set forth in this Agreement; and

1.3 The County shall deliver to Pierre an Opinion of Counsel for the County, in form and substance reasonably satisfactory to Pierre, stating that this Agreement complies with the terms and requirements of N.C.G.S. Section 158-7.1(a) and is binding upon and enforceable against the County with its terms.

County agrees to use its best efforts to cause such conditions to be satisfied on or before January 15, 2011.

2. This Agreement is executed subject to the fulfillment, on or before January 15, 2011, of each of the following conditions precedent, except to the extent that the County may, in its absolute discretion, waive one or more thereof in whole or in part (except Section 2.1):

2.1 Pierre shall deliver to the County a certificate confirming that it has acquired for this project the real property and that the construction and/or installation of the Improvements will result in the creation, maintenance and availability of a minimum of 500 new net jobs with a preference or goal to not hire anyone without a minimum of a high school diploma for anyone 25 years of age or below and a high school diploma or GED for anyone 25 years of age or above in Catawba County, and that a minimum of 16 jobs will pay wages that are above the average wage requirement in Catawba County under the North Carolina Department of Commerce, which is \$15.63 per hour or \$32,500 per year. Pierre agrees to enroll in and utilize the guidelines of Education Matters in the creation, maintenance and availability of these 500 new net jobs in Catawba County, and Pierre agrees to annually provide human and capital resources in support of employees' educational attainment. The 2009 estimated hourly entry wage for all Catawba County occupations as reported by the North Carolina Employment Security Commission is \$8.83 (the "Estimated Hourly Entry Wage"). Pierre agrees to pay a minimum of 110% of the Estimated Hourly Entry Wage (including earned bonuses) for other positions (aside from the 16 positions referenced above) within the facility excluding the time during which an individual is under a 90 day probationary or training period. Such certificate shall be in the form or substantially in the form of the certificate attached to this Agreement as Exhibit "A".

2.2 An Opinion of Counsel for Pierre, in form and substance reasonably satisfactory to the County, that this Agreement has been duly authorized, executed and delivered by Pierre; and

2.3 An Opinion of Counsel for Pierre, in form and substance reasonably satisfactory to the County, stating that this Agreement is binding upon and enforceable, both in Pierre's registered state of incorporation and in North Carolina, against Pierre in accordance with its terms.

Pierre agrees to use its best efforts to cause such conditions to be satisfied on or before January 15, 2011.

3. In order to induce the County to enter into this Agreement and to appropriate and expend monies for payment of economic development incentives pursuant to this Agreement, Pierre represents and warrants to the County that as of the execution date hereof:

3.1 It is a corporate company duly organized and existing under the laws of the State of Delaware, has a place of business within the State of North Carolina, and is in good standing and authorized to do business in the State of North Carolina;

3.2 It has the corporate power and authority to own its properties and assets and to carry on its business as now being conducted and has the corporate power and authority to execute and perform this Agreement;

3.3 This Agreement (i) is the valid and binding instrument and agreement of Pierre, enforceable against Pierre in accordance with its terms; (ii) does not violate any order of any court or other agency of government binding on Pierre, the charter documents or operating agreement of Pierre or any provision of any indenture, agreement or other instrument to which Pierre is a party; and (iii) does not conflict with, result in a breach of, or constitute an event of default, or an event which, with notice or lapse of time, or both, would constitute an event of default, under any indenture, agreement or other instrument to which Pierre is a party;

3.4 There is no suit, claim, action or litigation pending, or to the best knowledge of Pierre threatened, relating to the Improvements or the use of the Improvements for their intended purpose;

3.5 To the best of Pierre's knowledge, there is no impediment to the use of the Property for the purposes contemplated by this Agreement.

3.6 Pierre is not engaged in a business that would be exempt from property taxes.

4. Subject to satisfaction of the conditions set forth in Sections 1, 2 and 3 above, Pierre covenants and agrees with the County that in consideration of the appropriation and expenditure by the County of such economic development incentives, Pierre shall make substantial improvements to the Facility during the investment period. Cumulative expenditures will meet or exceed Sixteen Million Eight Hundred Thousand (\$16,800,000) Dollars by December 31, 2012, all of which will qualify and result in additional value for ad valorem (including without limitation business personal and real property) tax purposes as determined by the Catawba County tax office. Pierre further covenants and agrees it will maintain, in good condition (ordinary wear and tear excepted), in place said improvements through December 31, 2020.

5. Also subject to satisfaction of the conditions set forth in Sections 1, 2 and 3 above, Pierre covenants and agrees with the County that in consideration of the appropriation and expenditure by the County of such economic development incentives, Pierre shall create a minimum of 500 net new jobs, these 500 jobs are in addition to the 717 jobs already in place at the time of this Agreement, by December 31, 2012 and maintain or make available these 500 additional new net jobs in place through December 31, 2020.

6. Payment of economic development incentives will be made as provided in this Section 6. The County will provide annual payments equal to 67% of the ad valorem taxes associated with the additional value as paid to the County for a five year period, commencing with the taxes payable for the tax values on January 1, 2011, and January 1 of the succeeding four years. In no event will the cumulative payments by the County exceed three hundred one thousand ninety eight dollars (\$301,098). Said amount shall be payable in five (5) annual installments, beginning in calendar year 1 and payable through calendar year 5. For purposes of this Agreement, "CY 1" means calendar year 2012 and "CY 2" through "CY 5" means the succeeding four (4) calendar years. Upon payment of ad valorem taxes by Pierre to the County for each of CY 1 through CY 5, and certification by Pierre in the form or substantially in the form of the certificate attached hereto as Exhibit B, of improvements made to the date of such certification with proof of taxes paid by Pierre and verification that Pierre has created and maintained jobs as outlined in the schedule above, the County will, within sixty (60) days, pay to Pierre an economic development incentive payment, the amount of which is calculated by multiplying by .67 the total ad valorem tax revenue received by the County attributable to the value of the improvements made by Pierre pursuant to this Agreement in excess of the amount attributable to improvements already in place and taxed on the site as of January 1, 2010. This same process will be followed by the County and Pierre in each of the immediately following four (4) years. Regardless of the calculation, or amount invested, the maximum amount the County would pay in each of the calendar years 1 through 5 will be \$60,220. No incentives will be paid by the County after the fifth year pursuant to this Agreement, but nothing in this Agreement precludes the County and Pierre from entering into a subsequent agreement pertaining to other economic development incentives. Pierre shall furnish to the County on or before December 31 of each calendar year the certification required by this Section 6. If requested, Pierre shall provide the County, at the County's expense, independent certification as to such expenditures.

7. Notwithstanding the provisions of Paragraph 8, in the event Pierre is unable to meet the requirements of Paragraphs 4,5 and 6 as a result of (i) an event of force majeure, including but not limited to fires, explosions, acts of God, acts of public enemy, insurrections, riots, terrorism, embargoes, labor disputes, including strikes, lockouts and job actions, or boycotts; (ii) the inability to obtain the governmental permits or approvals (including zoning) necessary for the acquisition of the land or undertaking and operating the Improvements after a good faith effort to obtain same has been made; (iii) shortages of materials or energy; (iv) changes in laws; or (v) other causes beyond the control of and arising without the fault or negligence of Pierre; then, in such event, the improvement period shall be extended for a period equal to the delay caused by any of the foregoing events so long as Pierre shall (a) have furnished the County on a timely basis, upon the occurrence of such event, a notice thereof, and (b) take all commercially reasonable steps necessary to relieve the effect of such event and to resume completion of the Improvements.

8. It shall be an Event of Default if any one or more of the following events shall occur for any reason whatsoever (and whether such occurrence shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

a. If Pierre, except in the event of force majeure, shall commit a material breach of a material covenant or obligation hereunder (including without limitation, the obligation to meet the investment goals and maintaining the minimum number (500) of net newly created jobs, in addition to the 717 jobs in place at the time this Agreement was executed, as set forth herein) and such breach shall continue for a period of sixty (60) or more days following the receipt of written notice from the County;

b. If Pierre fails to timely file Exhibit A, or Exhibit B within the same calendar year that any taxes are paid and any qualifying incentive would be due to Pierre, this shall be deemed a breach of the Agreement and the sole remedy will be that County will not owe Pierre any incentive that may have otherwise been due;

c. If any material representation, warranty or other statement of fact contained in this Agreement or in any writing, certificate, report or statement furnished by Pierre to the County in connection with the transaction described in this Agreement, shall be false or misleading in any material respect when given;

d. If Pierre shall be unable to pay its debts generally as they become due; files a petition to take advantage of any insolvency statute; makes an assignment for the benefit of creditors; commences a proceeding for the appointment of a receiver, trustee, liquidator or conservator of itself or of the whole or any substantial part of its property; files a petition or answer seeking reorganization or arrangement of similar relief under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state;

e. If a Court of competent jurisdiction shall enter an order, judgment, or decree appointing a custodian, receiver, trustee, liquidator, or conservator of Pierre or of the whole or any substantial part of its properties, or approve a petition filed against Pierre seeking reorganization or arrangement of similar relief under the federal bankruptcy laws or any other applicable law or statute; or if, under the provisions of any other law for the relief or aid of debtors, a court of competent jurisdiction shall assume custody or control of Pierre or of the whole or any substantial part of its properties or

f. If Pierre shall allow its taxable assets, employment and payroll amounts to fall below the minimum values agreed upon in this Agreement, as each of the same pertain to the Facility contemplated by this Agreement;

g. The State of North Carolina has committed up to \$600,000 in One NC incentives which will be paid to Pierre under job creation performance criteria, and are payable in years 1-4 of the Agreement. One NC grant awards require a 100% local match. Combined local incentives are expected to include a local grant by Duke Energy's Carolinas Investment Fund and grants based on 5 years of performance from Catawba County/City of Claremont, which could lead to a shortfall of matching funds in years if Pierre fails to meet the performance criteria as established herein. Should Pierre fail to reach and maintain the performance criteria as established herein, and, the cumulative total local government incentives to Pierre over 5 years fail to match \$600,000 or the total cumulative One NC incentive grant payments, whichever is less, and should the State of North

Carolina pursue payments by local sources to match One NC grants made in years 1-4, Pierre will agree to either refund payments to the State or will agree to provide payment equal to the shortfall in order to hold the local governments harmless on earlier One NC payments received by the company; provided, however, Pierre shall not be responsible for any refunds or shortfall payments if the County fails to pay any local incentives in breach of its obligations hereunder.

Notwithstanding Section 8(a) or Section 8(f), Pierre shall not be in default under Section 8(a) or Section 8(f) if a position is temporarily vacant due to normal employee turnover so long as the position has not been eliminated, Pierre is actively seeking to fill the position, and Pierre in fact fills the position within a reasonable period of time.

9. Remedy: If an Event of Default occurs, the obligation of the County as set out herein shall terminate, and Pierre shall immediately refund to the County all economic development incentive payments paid to Pierre prior to the date of the Event of Default plus interest at the rate of prime plus one percent (1%). The date the prime interest rate shall be determined shall be the date the County sends to Pierre notice of the Event of Default.

10. Both Pierre and the County acknowledge that any and all monies appropriated and expended by the County for economic development incentives, as provided in this Agreement, are for a bona fide public purpose and are expended in good faith reliance on North Carolina General Statute 158-7.1. In the event a Court of competent jurisdiction, after final appeal, rules in a lawsuit to which either Pierre or the County is a party, that all monies expended by the County pursuant to this Agreement were not offered and accepted in good faith and pursuant to and in compliance with North Carolina General Statute 158-7.1 and, further, that such monies must be repaid, then Pierre agrees to make such repayment. Further, if any elected officials, officers agents or employees of the County are found by a Court of competent jurisdiction, after final appeal, to be personally liable for any of the monies so expended, and such liability is not covered by the County's public officials' liability insurance, then Pierre will indemnify such elected officials, officers, agents or employees individually to the extent of the monies expended by the County pursuant to this Agreement, including all court costs and reasonable attorney fees; provided, however, such indemnification obligation of Pierre shall not apply if the liability of such elected officials, officers, agents or employees resulted from intentional or criminal misconduct or a breach of fiduciary obligations to the County. The County agrees to maintain adequate public official liability coverage. In the event one or more lawsuits are brought against the County or any County elected official, officer, agent or employee challenging the legality of this Agreement, then the County, in the exercise of sole discretion, shall defend against any and all such lawsuits.

11. All notices, certificates or other communications required or permitted to be given or served hereunder shall be deemed given or served in accordance with the provisions of this Agreement if the notice is (i) mailed in a sealed wrapper and is deposited in the United States mail, certified mail, return receipt requested, postage prepaid, or (ii) deposited with a national overnight courier service that retains receipts for its deliveries, properly addressed as follows:

Catawba County: Catawba County  
100-A S.W. Blvd.  
Newton, NC 28658  
Attn: J. Thomas Lundy, County Manager

Copy to: Catawba County Attorney's Office  
100-A S.W. Blvd.  
Newton, NC 28658  
Attn: Debra Bechtel, County Attorney

Company: Pierre Foods, Inc.  
9990 Princeton Road  
Cincinnati, Ohio 45246  
Attn: Chief Financial Officer

Catawba County or Pierre may, by notice given to the other, designate any further or different addresses to which notices, certificates, requests or other communications shall be sent.

12. This Agreement shall inure to the benefit of, and is binding upon, County and Pierre and their respective successors and assigns. However, neither this Agreement, nor any rights, privileges, or claims created by this Agreement may be transferred by Pierre without the prior, written approval of the County, which approval will not be unreasonably withheld, conditioned or delayed. Notwithstanding anything to the contrary, Pierre may assign in writing this Agreement to an affiliate upon written notice to the County, provided that such affiliate agree to abide by all of the terms and conditions of this Agreement.

13. Except as otherwise provided in this Agreement, this Agreement may not be amended, changed, modified or altered except by written agreement of the parties.

14. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions of this Agreement.

15. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such fully-executed counterpart.

16. This Agreement is governed by and shall be construed in accordance with the laws of the State of North Carolina, venue in Catawba County.

17. The term of this Agreement shall commence on the date of execution and expire upon payment by the County of all payments due to Pierre hereunder, unless earlier terminated as provided herein.

18. Both Pierre and County acknowledge and stipulate that this Agreement is the product of mutual negotiation and bargaining and that it has been drafted by Counsel for both Pierre and County. As such, the doctrine of construction against the drafter shall have no application to this Agreement.

Executed the date first set forth above.

**Catawba County,**  
A North Carolina Body Politic

**Attest:**  
**(SEAL)**

\_\_\_\_\_  
Clerk Commissioners

By: \_\_\_\_\_  
Katherine W. Barnes, Chair  
Catawba County, Board of

**Pierre Foods, Inc.**

**Attest:**  
**(SEAL)**

\_\_\_\_\_  
Secretary

By: \_\_\_\_\_  
\_\_\_\_\_

C. Finance:

1. Finance Director Rodney Miller presented a request for the Board to approve a conceptual design for a Justice Center/Public Safety expansion project and authorize staff to proceed with schematic design. Four action items were approved: combining the two buildings/projects into one instead of two separate buildings; approving a two-wing concept for expansion as opposed to a single structure on the front or side of the existing building; pursuing shell space for future growth and a parking deck to accommodate parking requirements; and submitting a master plan to the City of Newton for zoning approval.

The Justice Center was built more than 30 years ago. Since that time there have been only minor interior renovations and one expansion to the building, the jail expansion of 2005. Courtroom space is no longer adequate to accommodate growing caseloads. A new 911 Communications Center is needed due to inadequate space for equipment, lack of electrical power and limited options to remodel. The existing Emergency Operations Center is inadequate when it is activated for emergency situations. In fact, the County was cited by FEMA in 2006 for inadequate space. Catawba County voters approved a ¼ cent sales tax increase in 2007, with a portion of these funds, approximately \$2.7 million a year, dedicated to a Justice Center/Public Safety expansion project. It is estimated that funds in the amount of \$14.3 million will be available at the end of fiscal year 2012 to be used for the project, which includes 911 funds set aside for a new communications center. Annual revenues of \$2.7 million will retire approximately \$28 million in debt over a 15-year period.

The Board approved an architectural services contract with Little Diversified Architectural Consulting, partnering with HOK and McGill Associates of Hickory, in May of this year. The contract included two phases, beginning with a concept development phase to determine the best option for the building design and the integration of all functions necessary on the site. The second phase would be a move into schematic design, including architectural drawings of the Justice Center Expansion/Public Safety Facility. It is anticipated that this process will take approximately 12 months. At that time, the Board of Commissioners will be asked to approve the final design before proceeding with construction bidding. The County intends to pre-qualify contractors to insure the necessary experience and capability are achieved.

In early 2011, staff will present an interim report to the Board on the progress of the project for their review. This will include responses to issues such as accessible parking for the disabled, Greenway Transportation bus routes and operating expenses associated with the project, and a detailed look at planned functions in the new building.

Commissioner Isenhower made a motion to approve the conceptual design and authorize staff to proceed with the schematic design. The motion carried unanimously.

2. Bryan Starnes of Martin Starnes & Associates presented a report on the County's independent audit for fiscal year 2009-2010 and on the County's Comprehensive Annual Finance Report for FY 2009-2010. Bryan Starnes of Martin, Starnes and Associates reported that the County continued to deliver services in a sound fiscal manner in spite of the severe economic recession.

Rodney Miller presented an overview of the County's Annual Financial Report for the fiscal year that ended on June 30, 2010 showing the County continued to deliver services in a prudent fiscal manner in spite of a severe economic recession, which led to \$1.5 million in cuts by the County government in May 2010. These cuts were necessitated by a continued decline in major revenue sources and from State action negatively impacting the County.

Mr. Miller also reported on the steps taken by the County during the last two fiscal years to respond to the impact of the declining revenues. Cuts totaling \$1 million were made two years ago and approximately \$7 million in cuts were made in the last fiscal year, which ended on June 30, 2010.

39.1 Full Time Equivalent (FTEs) were impacted by being eliminated, through a reduction in hours or by being frozen for a period of time in the last fiscal year. Training and travel has been reduced, some capital projects were delayed or cancelled, and fund balance was used to help fund some projects. School projects tied to a reduction in State funding were eliminated, with the loss of Average Daily Membership (ADM) funds from the State. A 2% across the board reduction by County departments in March 2009 resulted in \$1 million in cuts. Schools and outside agencies were held harmless.

Further budget reductions between July and November 2009, in response to actions by the State of North Carolina, cut approximately \$5.5 million more. Finally, County departments, schools and outside agencies made a 2% across the board reduction in May 2010, approximately \$1.5 million in further cuts, as revenue collections did not improve by year-end.

Catawba County has traditionally had a goal to keep two months' worth of operating expenses in its reserve, in part because of cash flow issues since property tax bills are sent to taxpayers in July but revenues are slow to come in as most taxpayers wait until near the January deadline to make payments. The reserve is also kept in case of emergency circumstances, and to insure adequate funds are available to meet urgent economic development opportunities that may arise during the course of the year. The audit report showed that the county maintained this two months reserve for fiscal year 2009-10 in spite of the economic conditions the County faced.

Commissioner Beatty made a motion to accept these reports. The motion carried unanimously.

#### D. Planning, parks and Development:

Assistant Planning Director Mary George presented a request for the Board to adopt a resolution which acknowledges that the County will use a Clean Water Management Trust Fund grant to acquire a 589-acre "Mountain Creek" tract. During the Duke Energy relicensing process, Catawba County identified a 589-acre tract of land on the Mountain Creek arm of Lake Norman, owned by Carolina Centers/Crescent Resources, that would be suitable for the County's third passive recreation park. As part of the relicensing agreement, Duke Energy agreed to provide financial assistance up to \$1.14 million to acquire the tract. In order to secure the remaining funding necessary to acquire the tract, the County negotiated a development agreement with Crescent Resources as part of the rezoning of the Village Center at Highway 150 and Slanting Bridge Road. The development agreement requires Crescent Resources to act in good faith to secure funding through public sources, such as the Clean Water Management Trust Fund, to acquire the Mountain Creek tract. A Clean Water grant application for additional funds to acquire the tract was approved by the Trust Fund in November 2008. As part of a match requirement for the grant, the County committed \$150,000 for the purchase of the land, which is allocated in the Planning Department's current budget. Clean Water was unable to execute the grant agreement until April 2010 due to the State's budget shortfall.

Upon receipt of the grant agreement, staff began working to complete the Mountain Creek transaction. To date, surveying, appraisals, environmental reports, baseline reports and draft conservation easements have been prepared and submitted to Clean Water for review. As part of the grant agreement, the Mountain Creek tract will be placed under two separate conservation easements. The buffer area along Lake Norman and the interior creeks, consisting of 282.274 acres, will be covered by a Clean Water conservation easement. The remaining 306.983 acres of upland area will be covered by a Catawba Lands Conservancy easement. Both easements allow the County to use the land for its passive recreational park with associated amenities, such as a park office, access roads, trails, swimming, passive camping, etc. These easements will be recorded with the closing documents and run in perpetuity. The financial commitments associated with the acquisition of the Mountain Creek tract require the property to be closed by December 31, 2010. As part of the closing documentation for Clean Water, a resolution must be adopted by the County indicating that it will use the grant funds to acquire the property. The resolution also authorizes the Chair of the Board of Commissioners to execute all documents relating to the closing, including the conservation easements to Clean Water and the Catawba Lands Conservancy.

Commissioner Beatty made a motion to adopt the required resolution and commended Mary George on her efforts in this project. The motion carried unanimously. The following resolution applies:

**RESOLUTION #2010-  
TO ACQUIRE THE 589-ACRE MOUNTAIN CREEK TRACT ON LAKE NORMAN USING A  
CLEAN WATER MANAGEMENT TRUST FUND GRANT AND TO AUTHORIZE THE CHAIR TO  
EXECUTE ALL RELATED CLOSING DOCUMENTS**

**WHEREAS**, Catawba County applied to the North Carolina Clean Water Management Trust Fund (“Clean Water”) for grant funds to acquire the 589-acre Mountain Creek tract on Lake Norman (“the Property”) for a future regional passive recreation park; and

**WHEREAS**, the North Carolina Clean Water Management Trust Fund approved funding of the grant in the amount of \$2,128,272 to facilitate the acquisition of the Property and subsequently executed a Grant Agreement in April 2010; and

**WHEREAS**, the Grant Agreement specifies the terms and conditions under which Clean Water shall provide the grant funding; and

**WHEREAS**, the Grant Agreement requires that the County grant conservation easements with respect to the Property to Clean Water and to Catawba Lands Conservancy on terms specified therein; and

**WHEREAS**, a request for funds has been submitted to Clean Water in order to close on the property by December 31, 2010; and

**WHEREAS**, the County in receiving the property will be required to execute all necessary documents, including the granting of conservation easements on the Property in accordance with the Grant Agreement.

**NOW, THEREFORE, BE IT RESOLVED**, that Catawba County shall use the Clean Water Trust Fund Grant to purchase the Property.

**FURTHER BE IT RESOLVED**, that the Chair of the Board of Commissioners is hereby authorized to grant and convey to Clean Water and to Catawba Lands Conservancy all such easements with respect to the Property as may be required by the Grant Agreement and to execute any easement agreements, affidavits, closing statement, and any and all other documents that may be necessary or desirable to effectuate this transaction.

**FURTHER BE IT RESOLVED**, that the actions of the Chair, including the execution and delivery of such other certificates, instruments, and documents which such Board members deem necessary, appropriate or desirable in connection with this resolution and transactions contemplated thereby, are hereby affirmed and ratified in all respects.

This the 6<sup>th</sup> day of December, 2010

**E. Tax**

Ona Scruggs presented a request for a tax refund. One refund request totaling \$ 494.29 had been made to the Tax Office. Mr. Clark Fincher listed and paid taxes for 2009 for a boat located at The Boat Rack Marina. He moved the boat to North Bridge Marina in June of 2009. Unaware that this marina was located in Iredell County, he paid the 2010 Catawba County taxes. He was subsequently contacted by Iredell County and informed he owed them taxes on this boat for 2010. Mr. Fincher requested a refund for the amount he paid to Catawba County in error. Iredell County had sent a copy of his boat listing, and the information has been verified by the Tax Collector's Office According to General Statute 105-381, a Taxpayer who has paid his taxes may request a refund (in writing) for the amount that was paid through error. Vice-Chair Lail made a motion to approve the tax refund. The motion carried unanimously.

13. Other Items of Business:  
On the motion of Vice-Chair Lail, which unanimously carried, The Board adopted a resolution in support of the continuance of the Alcoholic Beverage Control System and opposing any efforts to privatize the ABC system, diminish local control or diminish the local government revenue stream afforded from local ABC store profits. The following resolution applies:

Resolution No. 2010-

RESOLUTION IN SUPPORT OF NORTH CAROLINA'S CURRENT  
PUBLIC ALCOHOLIC BEVERAGE CONTROL SYSTEM

WHEREAS, Chapter 18B of the North Carolina General Statutes addresses the regulation of alcoholic beverages in our state; and

WHEREAS, current North Carolina law establishes a uniform system of control over the sale, purchase, transportation, manufacture, consumption and possession of alcoholic beverages in North Carolina; and

WHEREAS, local government control is central to the current alcoholic beverage control system; it is a local decision to establish and operate ABC stores, and local government, acting through an appointed local ABC Board, balances the control, profits and availability of spirits in its jurisdiction; and

WHEREAS, when local voters approved liquor sales for off-premises consumption, the voters did not vote to allow liquor to be sold in private retail establishments, but only through publicly controlled local ABC stores; and

WHEREAS, current law provides that profits from ABC store sales are returned to local government, and this revenue stream is a critical source of local government funding; and

WHEREAS, it is a priority to maintain current sources of revenue, especially in the current challenging economic times; and

NOW, THEREFORE, BE IT RESOLVED that the Catawba County Board of Commissioners does hereby support the continuance of the Alcoholic Beverage Control System, and opposes any efforts to privatize the ABC system, diminish local control or to diminish the local government revenue stream afforded from local ABC store profits.

Adopted this 6th day of December, 2010.

14. Attorney's Report: None.  
15. Manager's Report. None.  
16. The meeting adjourned at 11:45 a.m.

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Katherine W. Barnes, Chair  
Catawba County Board of Commissioners

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Barbara E. Morris  
County Clerk