

Minutes  
Organizational Meeting  
Hertford County Board of Commissioners  
Multi-Purpose Room – Judicial Center  
Monday, December 5, 2016  
9:00 A.M.

Present: Ronald J. Gatling, Curtis A. Freeman, Sr., Johnnie R. Farmer, John D. Horton, and William F. Mitchell, Jr.

Absent: None

Also Present with the Board: Loria D. Williams, County Manager; M. Ray Wiggins, Assistant County Manager; Charles L. Revelle, III, County Attorney; and Shelia W. Matthews, Clerk to the Board

County Attorney Charles L. Revelle, III, called the meeting to order and provided the invocation.

**COMMISSIONERS**

Senior Resident Superior Court Judge Cy A. Grant administered the following oath of office to the newly elected Hertford County Commissioner John D. Horton:

OATH OF OFFICE

HERTFORD COUNTY

WINTON, NORTH CAROLINA

I, JOHN D. HORTON, DO SOLEMNLY SWEAR (OR AFFIRM) THAT I WILL SUPPORT AND MAINTAIN THE CONSTITUTION AND LAWS OF THE UNITED STATES, AND THE CONSTITUTION AND LAWS OF NORTH CAROLINA NOT INCONSISTENT THEREWITH, AND THAT I WILL FAITHFULLY DISCHARGE THE DUTIES OF MY OFFICE AS HERTFORD COUNTY COMMISSIONER, SO HELP ME GOD.

Senior Resident Superior Court Judge Cy A. Grant administered the following oaths of office to the newly reelected Hertford County Commissioners Ronald J. Gatling and William F. Mitchell, Jr.:

OATH OF OFFICE

HERTFORD COUNTY

WINTON, NORTH CAROLINA

I, RONALD J. GATLING, DO SOLEMNLY SWEAR (OR AFFIRM) THAT I WILL SUPPORT AND MAINTAIN THE CONSTITUTION AND LAWS OF THE UNITED STATES, AND THE CONSTITUTION AND LAWS OF NORTH CAROLINA NOT INCONSISTENT THEREWITH, AND THAT I WILL FAITHFULLY DISCHARGE THE DUTIES OF MY OFFICE AS HERTFORD COUNTY COMMISSIONER, SO HELP ME GOD.

OATH OF OFFICE

HERTFORD COUNTY

WINTON, NORTH CAROLINA

I, WILLIAM F. MITCHELL, JR., DO SOLEMNLY SWEAR (OR AFFIRM) THAT I WILL SUPPORT AND MAINTAIN THE CONSTITUTION AND LAWS OF THE UNITED

STATES, AND THE CONSTITUTION AND LAWS OF NORTH CAROLINA NOT INCONSISTENT THEREWITH, AND THAT I WILL FAITHFULLY DISCHARGE THE DUTIES OF MY OFFICE AS HERTFORD COUNTY COMMISSIONER, SO HELP ME GOD.

On a motion by Freeman and a second by Mitchell, the Board voted unanimously to appoint Ronald J. Gatling as Chairman for another year.

On a motion by Farmer and a second by Mitchell, the Board voted unanimously to appoint Curtis A. Freeman, Sr., as Vice-Chairman for the next year.

### **REGISTER OF DEEDS**

Senior Resident Superior Court Judge Cy A. Grant administered the following oath of office to the newly reelected Hertford County Register of Deeds Melanie Storey:

I, MELANIE H. STOREY, DO SOLEMNLY SWEAR THAT I WILL SUPPORT AND MAINTAIN THE CONSTITUTION AND LAWS OF THE UNITED STATES, AND THE CONSTITUTION AND LAWS OF NORTH CAROLINA NOT INCONSISTENT THEREWITH, AND THAT I WILL FAITHFULLY AND TRULY, ACCORDING TO THE BEST OF MY SKILL AND ABILITY, EXECUTE THE DUTIES OF THE OFFICE OF REGISTER OF DEEDS FOR THE COUNTY OF HERTFORD IN ALL THINGS ACCORDING TO LAW; SO HELP ME GOD.

### **COMMISSIONERS**

At this time, Chairman Gatling welcomed Commissioner Horton to the Board and congratulated Commissioner Mitchell on being reelected. He also congratulated Commissioner Freeman as being elected as Vice-Chairman and welcomed back Commissioner Farmer, who had missed the last meeting due to an illness.

The Board moved forward on the agenda until it was time for scheduled Public Hearing at 9:15 A.M.

### **CONSENT AGENDA**

On a motion by Mitchell and a second by Freeman, the Board voted unanimously to approve the consent agenda as follows:

- (1) Approval of Minutes
  - a. September 21, 2016 – Reconvened Meeting
  - b. September 26, 2016 – Reconvened Meeting
- (2) Approval of Tax Refund
- (3) Approval of Vehicle Tax Refund

The approved tax refund was as follows:

A total of \$11,025.95 to be sent to: Refund Department, Corelogic Real Estate Tax Service, Post Office Box 961250, Fort Worth, TX, 76161-9858, due to overpayment from mortgage companies on 2016 real estate tax bills. The taxpayers had paid taxes prior to receiving mortgage payment.

### **NEWS-HERALD**

Cliff Forbes with the R-C News Herald was present to request the County's participation in the Crossroads/Progress Edition. On a motion by Freeman and a second by Mitchell, the Board voted unanimously to approve the same participation as last year in the Crossroads/Progress Edition, which was the inside premium spread.

### **BUDGET AMENDMENTS/TUNIS SEWER/JUDICIAL CENTER/RESOLUTIONS**

On a motion by Freeman and a second by Farmer, the Board voted unanimously to approve the following resolution closing out the Tunis Sewer District Capital Project as presented by Robbin Stephenson, Finance Director:

**RESOLUTION FOR THE CLOSING OF TUNIS SEWER DISTRICT CAPITAL PROJECT AND TRANSFERRING UNEXPENDED BALANCE OF THE COUNTY FUNDED PROJECT TO THE ENTERPRISE FUND TUNIS SEWER DISTRICT AND THE GENERAL FUND**

**WHEREAS**, the Tunis Sewer District Capital project have been completed; and

**WHEREAS**, the USDA-RD ADDITIONAL Grant Funds of \$13,115 and the NORTH CAROLINA RURAL CENTER of \$76,615 and both of these will be transferred to the Tunis Sewer District Fund;

**WHEREAS**, the transfer from the General Fund of \$118,204 at the beginning of the project be transferred back to the General Fund;

**WHEREAS**, the sales taxes balance of \$33,158 and the balance of the tap fees of \$8,600 and the investment income of \$132 will be transferred to the Tunis Sewer District Fund;

**WHEREAS**, this resolution shall become effective upon adoption;

**NOW, THEREFORE, BE IT RESOLVED** by the County of Hertford that the Tunis Sewer District Capital Project Ordinance be closed and duly adopted this 5<sup>th</sup> day of December, 2016.

**AMENDMENT TO THE CAPITAL PROJECT ORDINANCE FOR THE TUNIS SEWER DISTRICT CENTRALIZED WASTEWATER COLLECTION SYSTEM PROJECT**

**Section 3.** of the following revenues of the above referenced capital project ordinance shall be amended as follows:

Increase/(Decrease) Revenues:

|                        |                  |
|------------------------|------------------|
| USDA – RD Additional   | \$13,115         |
| NC Rural Center        | 76,615           |
| Sales Tax Refund       | 33,158           |
| Investment Earnings    | 132              |
| User Tap Fees          | 8,600            |
| Loan from General Fund | <u>118,204</u>   |
| <b>Total</b>           | <b>\$249,824</b> |

**Section 4.** of the following expenditures of the above referenced capital project ordinance shall be amended as follows:

Increase/(Decrease) Expenditures:

|                                       |                  |
|---------------------------------------|------------------|
| Transfer to General Fund              | \$118,204        |
| Transfer to Tunis Sewer District Fund | <u>131,620</u>   |
| <b>Total</b>                          | <b>\$249,824</b> |

This amendment adjusts the budget to the final cost of the project. Remaining funds will be transferred to the General Fund and to the Tunis Sewer District Fund.

On a motion by Farmer and a second by Freeman, the Board voted unanimously to approve the following Enterprise Fund Budget Amendment #2 as presented by Robbin Stephenson, Finance Director:

BE IT ORDAINED by the Governing Board of the County of Hertford, North Carolina, that the following amendment be made to the budget ordinance for the fiscal year ending June 30, 2017:

**Sections 4, 7, 9, and 11,** amend the Enterprise Funds, the appropriations are to be changed as follows:

| Department              | Account Number  | Account Description     | Comment                  | Amount Increase  | Amount Decrease |
|-------------------------|-----------------|-------------------------|--------------------------|------------------|-----------------|
| Solid Waste             | 62-4690-5510-01 | Capital Outlay-Building | Shelter over White Goods | 25,000           |                 |
|                         |                 |                         | Pad                      |                  |                 |
|                         |                 |                         |                          | 25,000           |                 |
|                         |                 |                         |                          |                  |                 |
| Department              | Account Number  | Account Description     | Comment                  | Amount Increase  | Amount Decrease |
| Northern Water District | 65-4700-5710-03 | USDA RD Principal       | Refinancing Loan         | 2,033,000        |                 |
|                         | 65-4700-5720-03 | Interest on USDA Loan   | Refinancing Loan         | 53,492           |                 |
|                         |                 |                         |                          |                  |                 |
|                         |                 |                         |                          | 2,086,492        |                 |
| Department              | Account Number  | Account Description     | Comment                  | Amount Increase  | Amount Decrease |
| Southern Water District | 66-4710-5710-03 | USDA RD Principal       | Refinancing Loan         | 2,564,500        |                 |
|                         | 66-4710-5710-04 | USDA Prin. 2001 Loan    | Refinancing Loan         | 1,751,000        |                 |
|                         | 66-4710-5720-03 | Interest on USDA Loan   | Refinancing Loan         | 69,207           |                 |
|                         | 66-4710-5720-04 | Interest on 2001 Loan   | Refinancing Loan         | 45,129           |                 |
|                         |                 |                         |                          | 4,429,836        |                 |
| Department              | Account Number  | Account Description     | Comment                  | Amount Increase  | Amount Decrease |
| Tunis Sewer District    | 67-4714-5930-00 | Fund Reserve            | Closing of Tunis Project | 131,620          |                 |
|                         |                 |                         |                          |                  |                 |
|                         |                 |                         |                          |                  |                 |
|                         |                 |                         |                          |                  |                 |
| <b>Total Expenses</b>   |                 |                         |                          | <b>6,672,948</b> |                 |

**Sections 5, 8, 10, and 12,** amend the Enterprise Funds, the revenues are to be changed as follows:

| Department              | Account Number  | Account Description    | Comment                  | Amount Increase  | Amount Decrease |
|-------------------------|-----------------|------------------------|--------------------------|------------------|-----------------|
| Solid Waste             | 62-0117-4445-03 | White Goods Grant      | Shelter over White Goods | 25,000           |                 |
|                         |                 |                        | Pad                      |                  |                 |
| Northern Water District | 65-0118-4160-03 | Proceeds on Loan       | Refinancing Loan         | 2,086,492        |                 |
| Southern Water District | 66-0119-4160-03 | Proceeds on Loan       | Refinancing Loan         | 4,429,836        |                 |
| Tunis Sewer District    | 67-0120-4159-44 | Trans. From Sewer Proj | Closing of Tunis Project | 131,620          |                 |
| <b>Total Revenues</b>   |                 |                        |                          | <b>6,672,948</b> |                 |

This will result in a net increase/decrease of \$6,672,948 in the expenditures of the Enterprise Fund. To provide the additional revenue for these expenditures, the revenues will increase/decrease by the same amount of \$6,672,948.

Adopted this 5th day of December, 2016.

On a motion by Freeman and a second by Farmer, the Board voted unanimously to approve the following resolution closing out the Hertford County Judicial Center/County Government Center Capital Project as presented by Robbin Stephenson, Finance Director:

**RESOLUTION CLOSING HERTFORD COUNTY JUDICIAL CENTER/COUNTY GOVERNMENT CENTER CAPITAL PROJECT AND TRANSFERRING UNEXPENDED BALANCE OF THE COUNTY FUNDED PROJECT TO THE GENERAL FUND**

**Whereas**, the Judicial Center/County Government Center Capital Project have been completed; and

**Whereas**, the project balance of \$315,761 in the Acquisition and Construction Fund must be transferred to the Bond Fund with US Bank to be applied in accordance with Section 3.5 of the Indenture as a credit against the Installment Payments in the order in which they are due;

**WHEREAS**, the remaining balance of \$78,930 sales tax refund and the balance of \$4,214 investment earnings shall be transferred to the General Fund;

**WHEREAS**, the transfer from the General Fund of \$234,095 at the beginning of the project be transferred back to the General Fund;

**WHEREAS**, the project was funded by Installment Financing Proceeds (Local Funds) must be formally closed;

**WHEREAS**, this resolution shall become effective upon adoption;

**NOW, THEREFORE BE IT RESOLVED** by the County of Hertford that the Judicial Center/County Government Center Capital Project Ordinance be closed and duly adopted this 5<sup>th</sup> day of December, 2016.

**AMENDMENT TO THE CAPITAL PROJECT ORDINANCE FOR THE HERTFORD COUNTY JUDICIAL CENTER/COUNTY GOVERNMENT CENTER PROJECT**

**Section 3.** of the following revenues of the above referenced capital project ordinance shall be amended as follows:

Increase/Decrease) Revenues:

|  |                  |
|--|------------------|
| Installment Financing Proceeds (Local Funds) | \$317,957        |
| Sales Tax Refund                             | 78,930           |
| Investment Earnings                          | 4,214            |
| Transfer from the General Fund               | <u>234,095</u>   |
| <b>Total</b>                                 | <b>\$635,196</b> |

**Section 4.** of the following expenditures of the above referenced capital project ordinance shall be amended as follows:

Increase/Decrease) Expenditures:

|                              |                  |
|------------------------------|------------------|
| Reserve Funds (In US Bank)   | \$137,723        |
| Transfer to the General Fund | <u>497,473</u>   |
| <b>Total</b>                 | <b>\$635,196</b> |

This amendment adjusts the budget to the final cost of the project. Remaining funds will be transferred to the General Fund and to the Bond Fund established by US Bank for Hertford County.

On a motion by Freeman and a second by Mitchell, the Board voted unanimously to approve the following General Fund Budget Amendment #4 as presented by Robbin Stephenson, Finance Director:

HERTFORD COUNTY BUDGET ORDINANCE  
Amendment 4

BE IT ORDAINED by the Governing Board of the County of Hertford, North Carolina, that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2017:

**Section 1** to amend the General Fund by functions, the appropriations are to be changed as follows:

**General Government**

| Department            | Account Number  | Account Description   | Comment                                       | Amount Increase | Amount Decrease |
|-----------------------|-----------------|-----------------------|---|-----------------|-----------------|
| Public Buildings      | 10-4260-5352-02 | Main and Repair Bldg. | Proceeds from Project                         | 35,000          |                 |
| Administration        | 10-4120-5930-00 | Fund Reserve          | Proceeds from Project                         | 400,443         |                 |
|                       |                 |                       |   |                 |                 |
|                       | <b>Total</b>    |                       |   | 435,443         |                 |
| <b>Debt Services</b>  |                 |                       |   |                 |                 |
| Department            | Account Number  | Account Description   | Comment                                       | Amount Increase | Amount Decrease |
| Courthouse/Gen. Gov't | 10-4625-5720-01 | Interest on Bonds     | To pay debt on Courthouse and Gov't Ctr. Bond | 317,957         |                 |
|                       |                 |                       |   |                 |                 |
|                       | <b>Total</b>    |                       |   | 317,957         |                 |
| <b>Econ/Phy Dev.</b>  |                 |                       |   |                 |                 |
| Department            | Account Number  | Account Description   | Comment                                       | Amount Increase | Amount Decrease |
|                       |                 |                       |   |                 |                 |
|                       | <b>Total</b>    |                       |   |                 |                 |
| <b>Human Services</b> |                 |                       |   |                 |                 |
| Department            | Account Number  | Account Description   | Comment                                       | Amount Increase | Amount Decrease |
|                       |                 |                       |   |                 |                 |
|                       | <b>Total</b>    |                       |   |                 |                 |
| <b>Education</b>      |                 |                       |   |                 |                 |

| Department                | Account Number | Account Description | Comment | Amount Increase     | Amount Decrease |
|---------------------------|----------------|---------------------|---------|---------------------|-----------------|
|                           | <b>Total</b>   |                     |         |                     |                 |
| <b>Other</b>              |                |                     |         |                     |                 |
| Department                | Account Number | Account Description | Comment | Amount Increase     | Amount Decrease |
|                           | <b>Total</b>   |                     |         |                     |                 |
| <b>Total Expenditures</b> |                |                     |         | <b>\$753,400.00</b> |                 |

**Section 2** to amend the General Fund by functions, the revenues are to be changed as follows:

| Department            | Account Number  | Account Description                           | Comment  | Amount Increase     | Amount Decrease |
|-----------------------|-----------------|---|--|---------------------|-----------------|
| General Government    | 10-0102-4159-44 | Transfer from Tunis Proj                      | To repay the Gen. Fund and close Tunis Project             | 118,204             |                 |
|                       | 10-0102-4159-41 | Transfer from Judicial and Gov't Ctr. Project | To close Project and reserve funds in US Bank of \$315,761 | 635,196             |                 |
|                       |                 |   |  |                     |                 |
|                       |                 |   |  |                     |                 |
|                       |                 |   |  |                     |                 |
|                       |                 |   |  |                     |                 |
|                       |                 |   |  |                     |                 |
|                       |                 |   |  |                     |                 |
| <b>Total Revenues</b> |                 |   |  | <b>\$753,400.00</b> |                 |

This will result in a net increase/decrease of \$753,400 in the expenditures of the General Fund. To provide the additional revenue for these expenditures, the revenues will increase/decrease by the same amount of \$753,400. These additional revenues have already been received.

Adopted this 5th day of December, 2016.

On a motion by Freeman and a second by Mitchell, the Board voted unanimously to recess Regular Session to into a scheduled Public Hearing as advertised below:

**NOTICE OF PUBLIC HEARING BY THE BOARD OF COMMISSIONERS FOR THE COUNTY OF HERTFORD, NORTH CAROLINA REGARDING TAX-EXEMPT BONDS TO BE ISSUED BY THE PUBLIC FINANCE AUTHORITY FOR THE BENEFIT OF THE FOUNDATION FOR AFFORDABLE HOUSING, INC.**

NOTICE IS HEREBY GIVEN to all interested persons that the Board of Commissioners for the County of Hertford, North Carolina (the "County") will hold a public hearing in the Multipurpose Room on the 2<sup>nd</sup> floor of the Hertford County Courthouse located at 119 Justice Drive, Winton, North Carolina 27986, the regular place of meeting, at 9:15a.m., on December 5, 2016, as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), at which time any person may be heard

regarding affordable housing facilities proposed to be financed and refinanced by the Authority (as defined below) with proceeds from the issuance of its revenue bonds in one or more series (collectively, the "Bonds"), in an aggregate amount not expected to exceed \$72,000,000.

The Bonds are expected to be issued pursuant to 66.0304 of the Wisconsin Statutes, as amended, by the Public Finance Authority (the "Authority"), a commission organized under and pursuant to the provisions of Sections 66.0301, 66.0303 and 66.0304 of the Wisconsin Statutes, as amended, and will be loaned to the Foundation for Affordable Housing, Inc., a nonprofit corporation (the "Borrower").

The proceeds from the sale of the Bonds will be loaned to the Borrower and used to (1) construct, reconstruct, renovate and equip (i) approximately 150 multi-family housing units, including affordable housing units, located at 1113 Richards Street, Southern Pines, North Carolina 28387 (the "Southern Pines Project"), (ii) approximately 100 multi-family housing units, including affordable housing units, located at 1611 Icemorlee Street, Monroe, North Carolina 28110 (the "Monroe Project"), (iii) approximately 50 multi-family housing units, including affordable housing units, located at 610 S. Peachtree Street, Ahoskie, North Carolina 27910 (the "Ahoskie Project"), (iv) approximately 80 multi-family housing units, including affordable housing units, located at 1400 Trinity Drive, Columbia, South Carolina 29209 (the "Columbia Project") and (v) approximately 68 multi-family housing units, including affordable housing units, at 1333 Coronet Court, Rock Hill, SC 29730 (the "Rock Hill Project" and collectively with the Southern Pines Project, the Monroe Project, the Ahoskie Project and the Columbia Project, the "Projects") and (2) pay certain expenses in connection with the authorization and issuance of the Bonds.

The Projects will be initially owned and operated by the Borrower.

The Bonds will be special limited obligations of the Authority payable solely from the loan repayments to be made by the Borrower to the Authority, and certain funds and accounts established by the bond indenture for the Bonds. **The principal of, premium, if any, and interest on the Bonds will not constitute an indebtedness or liability of the County, the State of North Carolina, or any political subdivision of the State of North Carolina, or a charge against their general credit or any taxing powers.**

Any person wishing to comment in writing on the Ahoskie Project or the issuance of the Bonds should do so prior to such meeting to the Board of Commissioners for the County of Hertford, North Carolina, 115 Justice Drive, Suite 1, Winton, North Carolina 27986, Attention: Clerk to the Board.

Dated: November 22, 2016

### **PUBLIC HEARING/AFFORDABLE HOUSING**

Mr. Brandon Lofton, attorney with Robinson, Bradshaw & Hinson, P.A., representing The Foundation for Affordable Housing was present to answer any questions.

There was no one to speak during the Public Hearing.

On a motion by Freeman and a second by Mitchell, the Board voted unanimously to leave the Public Hearing.

### **REGULAR SESSION**

#### **RESOLUTIONS/AFFORDABLE HOUSING**

On a motion by Freeman and a second by Farmer, the Board voted unanimously to approve the following resolution:

The Board of Commissioners for the County of Hertford, North Carolina (the "County") held a regular meeting in the Multipurpose Room on the 2<sup>nd</sup> floor of the Hertford County Courthouse located at 119 Justice Drive, Winton, North Carolina 27986, the regular place of



meeting, at 9:00 a.m. on December 5, 2016. The following members of the Board of Commissioners were:

Present: Ronald J. Gatling, Curtis A. Freeman, Sr., Johnnie R. Farmer, John D. Horton, and William F. Mitchell, Jr.

Absent: None

\* \* \* \* \*

Motion was made by Commissioner Curtis A. Freeman, Sr., seconded by Commissioner William F. Mitchell, Jr., and carried unanimously, to open the public hearing.

**WHEREAS**, at 9:15 A.M., the Chairman announced that the Board of Commissioners (the “Board”) would proceed to hold a public hearing and would hear anyone who wished to be heard on the proposed issuance by the Public Finance Authority (the “Authority”), a unit of government and a body corporate and politic of the State of Wisconsin, of its revenue bonds in one or more series (collectively, the “Bonds”), in an aggregate amount not expected to exceed \$72,000,000;

**WHEREAS**, the Authority has been requested to issue the Bonds and to lend the proceeds from the sale thereof to the Foundation for Affordable Housing, Inc., a nonprofit corporation (the “Borrower”);

**WHEREAS**, the Borrower will use such proceeds to (1) construct, reconstruct, renovate and equip (i) approximately 150 multi-family housing units, including affordable housing units, located at 1113 Richards Street, Southern Pines, North Carolina 28387 (the “Southern Pines Project”), (ii) approximately 100 multi-family housing units, including affordable housing units, located at 1611 Icemorlee Street, Monroe, North Carolina 28110 (the “Monroe Project”), (iii) approximately 50 multi-family housing units, including affordable housing units, located at 610 S. Peachtree Street, Ahoskie, North Carolina 27910 (the “Ahoskie Project”), (iv) approximately 80 multi-family housing units, including affordable housing units, located at 1400 Trinity Drive, Columbia, South Carolina 29209 (the “Columbia Project”) and (v) approximately 68 multi-family housing units, including affordable housing units, at 1333 Coronet Court, Rock Hill, South Carolina 29730 (the “Rock Hill Project” and collectively with the Southern Pines Project, the Monroe Project, the Ahoskie Project and the Columbia Project, the “Projects”) and (2) pay certain expenses in connection with the authorization and issuance of the Bonds;

**WHEREAS**, pursuant to Section 66.0304(11)(a) of the Wisconsin Statutes, prior to their issuance, bonds issued by the Authority must be approved by the governing body or highest ranking executive or administrator of the political jurisdiction within whose boundaries a project is located, which with respect to the Ahoskie Project is the County;

**WHEREAS**, the Borrower has requested that the Board approve the financing and refinancing of the Projects, and the issuance of the Bonds in an amount not to exceed \$72,000,000 in order to satisfy the public approval requirement of Section 147(f) of the Code and the requirements of Section 4 of the Amended and Restated Joint Exercise of Powers Agreement Relating to the Public Finance Authority, dated as of September 28, 2010, and Section 66.0304(11)(a) of the Wisconsin Statutes;

**WHEREAS**, on November 22, 2016 a notice of public hearing was published in *TheRoanoke-Chowan News-Herald*, setting forth a general, functional description of the type and use of the facilities to be financed and refinanced, the maximum principal amount of the Bonds, the initial owner, operator or manager of the facilities and the location of the facilities, among other things;

**WHEREAS**, the names, address and testimony of the persons who were present and who offered comments on the proposed issuance of the Bonds or who responded in writing to the notice of public hearing are as follows:

**[None.]**

**WHEREAS**, the Chairman inquired elsewhere in and around the meeting room to determine whether there were any other persons who wished to speak at the public hearing and the Chairman determined that no other persons who wished to speak at the public hearing were found; and

**WHEREAS**, the purpose of the above-described public hearing and this resolution is to satisfy the public approval requirement of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), in order to qualify the interest on the Bonds for exclusion from the gross income of the owners thereof for federal income tax purposes pursuant to the applicable provisions of the Code;

After the Council had heard all persons who had requested to be heard, Commissioner Curtis A. Freeman, Sr., moved that the public hearing be closed. The motion was adopted unanimously.

Commissioner Curtis A. Freeman, Sr., introduced the following resolution, a copy of which had been distributed to each Commissioner:

RESOLUTION APPROVING THE ISSUANCE OF NOT TO EXCEED \$72,000,000 OF TAX-EXEMPT BONDS TO BE ISSUED BY THE PUBLIC FINANCE AUTHORITY TO FINANCE AND REFINANCE CERTAIN COSTS OF VARIOUS PROJECTS ON BEHALF OF THE FOUNDATION FOR AFFORDABLE HOUSING, INC..

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS FOR THE COUNTY OF HERTFORD, NORTH CAROLINA:**

Section 1. For the sole purpose of qualifying the interest on the Bonds for exclusion from the gross income of the owners thereof for federal income tax purposes pursuant to the applicable provisions of the Code, the Board hereby approves the issuance of the Bonds by the Authority for the purpose of providing funds to finance and refinance the Projects, *provided that* in no event shall the County, the State of North Carolina or any political subdivision thereof be liable for such Bonds nor shall the Bonds constitute a debt of the County, the State of North Carolina or any political subdivision thereof. It is the purpose and intent of the Board that this resolution constitute approval of the issuance of the Bonds by the applicable elected representative of the Project Jurisdiction for the Ahoskie Project, which is the governmental unit having jurisdiction over the area in which the Ahoskie Project is located, in accordance with Section 147(f) of the Code and Section 66.0304(11(a) of the Wisconsin Statutes and Section 4 of the Joint Exercise Agreement.

Section 2. This resolution shall take effect immediately upon its passage.

Commissioner Johnnie R. Farmer seconded the motion and the motion was adopted by the following vote:

AYES: Ronald J. Gatling, Curtis A. Freeman, Sr., Johnnie R. Farmer, John D. Horton, and William F. Mitchell, Jr.

NAYS: None

\* \* \* \* \*

**TAX**

Sylvia Anderson, Tax Assessor, reviewed the Specifications for the 2019 Revaluation and presented the proposed schedule for completion of reappraisal.

On a motion by Freeman and a second by Mitchell, the Board voted unanimously to recess Regular Session to enter into a meeting of the Northern Rural Water District Governing Board.

**NORTHERN RURAL WATER DISTRICT GOVERNING BOARD**

The Board of Commissioners for the County of Hertford, North Carolina, in its capacity as the governing body of the Hertford County Northern Rural Water District, held a regular meeting in the Multi-Purpose Room of the Judicial Center located at 119 Justice Drive in Winton, North Carolina, the regular place of meeting, at 9:00 a.m. on December 5, 2016.

Present: Chairman Ronald J. Gatling, presiding, and Commissioners Curtis A. Freeman, Sr., Johnnie R. Farmer, John D. Horton, and William F. Mitchell, Jr.

Absent: None

Also present: Loria D. Williams, County Manager; M. Ray Wiggins, Assistant County Manager; Charles L. Revelle, III, County Attorney; and Shelia W. Matthews, Clerk to the Board

\* \* \* \* \*

Commissioner Johnnie R. Farmer introduced the following resolution the title of which was read and a copy of which had been previously distributed to each Commissioner:

**RESOLUTION PROVIDING FOR THE SALE AND ISSUANCE OF A \$2,050,350 HERTFORD COUNTY NORTHERN RURAL WATER DISTRICT GENERAL OBLIGATION REFUNDING BOND, SERIES 2016**

BE IT RESOLVED by the Board of Commissioners (the “Board”) for the County of Hertford, North Carolina, in its capacity as the governing body of Hertford County Northern Rural Water District (the “District”):

Section 1. The Board has determined and does hereby find and declare as follows:

(a) An order authorizing \$2,250,000 General Obligation Refunding Bonds was adopted by the Board on November 7, 2016, which order has taken effect.

(b) None of said bonds have been issued, no notes have been issued in anticipation of the receipt of the proceeds of the sale of said bonds and it is necessary to issue \$2,050,350 of said bonds at this time.

(c) The shortest period of time in which the District’s Series A Water Bond, dated October 27, 1997 (the “1997A Bond”) and Series B Water Bond, dated October 27, 1997 (the “1997B Bond” and, together with the 1997A Bond, the “Refunded Bonds”), to be refunded by said bonds can be finally paid without making it unduly burdensome on the taxpayers of the District as determined by the Local Government Commission of North Carolina is a period which expires on June 1, 2037, and the end of the unexpired period of usefulness of the projects financed by the 1997A Bond and the 1997B Bond is estimated as a period of 40 years from October 27, 1997, the date of said 1997A Bond and 1997B Bond, and such period expires on October 27, 2037.

Section 2. Pursuant to said order there shall be issued a bond in the aggregate principal amount of \$2,050,350 designated “Hertford County Northern Rural Water District General Obligation Refunding Bond, Series 2016” (the “Bond”) and dated the date of delivery thereof. The Bond shall be stated to mature in annual principal installments, subject to prior redemption,

on December 15 of each year as follows: \$113,511.01 2017, \$116,462.30 2018, \$119,490.32 2019, \$122,597.07 2020, \$125,784.59 2021, \$129,054.99 2022, \$132,410.42 2023, \$135,853.09 2024, \$139,385.27 2025, \$143,009.29 2026, \$146,727.53 2027, \$150,542.45 2028, \$154,456.55 2029, \$158,472.42 2030 and \$162,592.70 2031, and shall bear interest on the outstanding principal amount (computed on the basis of a 360-day year consisting of twelve 30-day months) at a rate of 2.60% per annum, which interest shall be payable annually in arrears on each December 15, beginning December 15, 2017, until payment of such principal sum.

In the event of a Determination of Taxability (hereinafter defined), the interest rate on the Bond, from and after the effective date that the interest on the Bond is includable in the gross income of the owner thereof as a result of a Determination of Taxability (the "Inclusion Date"), shall be adjusted to preserve the owner's after-tax economic yield with respect to the interest paid on the Bond. In addition, the District shall pay to the owner or any prior owner of the Bond (a) an amount necessary to reimburse such owner or prior owner for any interest, penalties or other charges assessed by the Internal Revenue Service and the Department of Revenue by reason of such owner's or prior owner's failure to include the interest on the Bond in its gross income for income tax purposes, and (b) upon request of the owner or any prior owner of the Bond, additional interest as a result of the increase in the interest rate on the Bond for all previous interest payments made by the District on the Bond after the Inclusion Date. In the event of a Determination of Taxability, the registered owner of the Bond shall provide the District with a new debt service schedule for the Bond which reflects the new interest rate which will replace the debt service schedule set forth in Exhibit A to the Bond.

For purposes of the preceding paragraph, "Determination of Taxability" means and shall be deemed to have occurred on the date when (a) the District shall receive notice from the owner of the Bond that the Internal Revenue Service has assessed as includable in gross income the interest on the Bond due to the occurrence of an Event of Taxability (hereinafter defined) or (b) the District or the owner of the Bond shall receive notice from the Commissioner or any District Director of the Internal Revenue Service that the interest on the Bond is includable in the gross income of such owner for federal income tax purposes due to the occurrence of an Event of Taxability. "Event of Taxability" means the occurrence or existence of any fact, event or circumstance caused by the failure of the District to comply with any covenants in this resolution or the Bond or any document or certificate executed by the District in connection with the transactions contemplated by this resolution or the Bond which has the effect of causing the interest on the Bond to be includable in the gross income of the owner of the Bond for federal income tax purposes.

The 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 interest on the Bond 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 definitive Bond shall be initially issued as one fully-registered bond, without coupons, numbered R-1 and shall be initially registered in the name of "Branch Banking and Trust Company," as the initial purchaser of the Bond (the "Purchaser").

Section 3. The Bond shall bear the manual or facsimile signatures of the Chairman and the Clerk of the District and the official seal or a facsimile of the official seal of the District shall be impressed or imprinted, as the case may be, on the Bond.

The certificate of the Local Government Commission of North Carolina to be endorsed on the Bond shall bear the manual or facsimile signature of the Secretary of said Commission and the certificate of authentication of the Bond Registrar (hereinafter defined) to be endorsed on the Bond shall be executed as hereinafter provided.

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

The Bond shall not 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 Bond and the endorsements thereon shall be in substantially the following form:

No. R-\_\_ \$2,050,350

United States of America  
State of North Carolina

HERTFORD COUNTY NORTHERN RURAL WATER DISTRICT  
GENERAL OBLIGATION REFUNDING BOND  
SERIES 2016

| <u>Final Maturity Date</u> | <u>Interest Rate</u> |
|----------------------------|----------------------|
| December 15, 2031          | 2.60%                |

The Hertford County Northern Rural Water District (the "District"), a political subdivision of the State of North Carolina, is justly indebted and for value received hereby promises to pay to

BRANCH BANKING AND TRUST COMPANY

or its registered assigns or legal representative the principal sum of \$2,050,350 in annual principal installments as set forth in Exhibit A attached hereto and made a part hereof (each, a "Principal Payment Date"), with a Final Maturity Date as specified above, and to pay interest from the date hereof on the unpaid portion of said principal sum until payment thereof (computed on the basis of a 360-day year consisting of twelve 30-day months) at the Interest Rate specified above, such interest being payable annually on each December 15, beginning December 15, 2017, as set forth in Exhibit A attached hereto (each, an "Interest Payment Date").

In the event of a Determination of Taxability (hereinafter defined), the interest rate on this Bond, from and after the effective date that the interest on this Bond is includable in the gross income of the owner hereof as a result of a Determination of Taxability (the "Inclusion Date"), shall be adjusted to preserve the owner's after-tax economic yield with respect to the interest paid on this Bond. In addition, the District shall pay to the owner or any prior owner of this Bond (a) an amount necessary to reimburse such owner or prior owner for any interest, penalties or other charges assessed by the Internal Revenue Service and the Department of Revenue by reason of such owner's or prior owner's failure to include the interest on this Bond in its gross income for income tax purposes, and (b) upon request of the owner or any prior owner of this Bond, additional interest as a result of the increase in the interest rate on this Bond for all previous interest payments made by the District on this Bond after the Inclusion Date. In the event of a Determination of Taxability, the registered owner of this Bond shall provide the District with a new debt service schedule for this Bond which reflects the new interest rate which will replace the debt service schedule set forth in Exhibit A to this Bond.

For purposes of the preceding paragraph, "Determination of Taxability" means and shall be deemed to have occurred on the date when (a) the District shall receive notice from the owner of this Bond that the Internal Revenue Service has assessed as includable in gross income the interest on this Bond due to the occurrence of an Event of Taxability (hereinafter defined) or (b) the District or the owner of this Bond shall receive notice from the Commissioner or any District Director of the Internal Revenue Service that the interest on this Bond is includable in the gross income of such owner for federal income tax purposes due to the occurrence of an Event of

Taxability. "Event of Taxability" means the occurrence or existence of any fact, event or circumstance caused by the failure of the District to comply with any covenants in this resolution or this Bond or any document or certificate executed by the District in connection with the transactions contemplated by this resolution or this Bond which has the effect of causing the interest on this Bond to be includable in the gross income of the owner of this Bond for federal income tax purposes.

This 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 the date hereof; provided, however, that if at the time of authentication interest is in default, this Bond shall bear interest from the date to which interest has been paid.

The principal of and the interest on this Bond 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. Upon payment in full of the principal of and interest on this Bond, the owner of this Bond shall promptly cancel and surrender this Bond at the office of the Finance Director of the District in Winton, North Carolina (the "Bond Registrar"). For the prompt payment hereof, both principal and interest as the same shall become due, the faith and credit of the District are hereby irrevocably pledged.

This Bond is being issued by the District for the purpose of providing funds, together with other available funds, to (a) refund certain outstanding general obligation bonds of the District and (b) pay certain fees and expenses relating to the sale and issuance of this Bond. This Bond is being 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 adopted by the Board of Commissioners (the "Board") for the County of Hertford, North Carolina, in its capacity as the governing body of the District, which order has taken effect, and a resolution duly adopted by the Board (the "Resolution").

The principal installments of this Bond are subject to redemption prior to their stated Principal Payment Dates, at the option of the District, from any moneys that may be available for such purpose, in whole, but not in part, on any date at a redemption price equal to 101% of the principal amount of this Bond to be so redeemed, plus accrued interest, if any, thereon to the redemption date.

At least ten (10) days but not more than sixty (60) days prior to the redemption date of any principal amount of this Bond to be redeemed, the Bond Registrar shall cause a notice of any such redemption to be mailed, first class, postage prepaid, to the registered owner of this Bond.

Any notice of redemption may state that the redemption to be effected is conditioned upon the receipt by the Bond Registrar on or prior to the redemption date of moneys sufficient to pay the principal of and interest on the principal installments of this Bond to be redeemed and that if such moneys are not so received, such notice shall be of no force or effect and such principal installments shall not be required to be redeemed. In the event that such notice contains such a condition and moneys sufficient to pay the principal of and interest on such principal installments of this Bond to be redeemed are not received by the Bond Registrar on or prior to the redemption date, the redemption shall not be made, and the Bond Registrar shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

On the date designated for redemption, notice having been given as aforesaid, the principal installments of this Bond so called for redemption shall become due and payable at the redemption price provided for redemption of such principal installments on such date plus accrued interest to such date.

The Bond Registrar shall keep at his or her office the books of the District for the registration of transfer of this Bond. 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 registered in the name of the transferee in an aggregate principal amount equal to the principal amount of this Bond, containing the same principal installments and bearing interest at the same rate. This Bond may not be exchanged for any denomination other than the outstanding principal amount thereof. Notwithstanding the foregoing, the Bond Registrar shall not register the transfer of this Bond to any person or entity other than a bank, insurance company or similar financial institution or any other person or entity approved by the Local Government Commission of North Carolina.

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, without limitation as to rate or amount, upon all taxable property within the 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 the District, including this Bond, does not exceed any constitutional or statutory limitation thereon.

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

IN WITNESS WHEREOF, the County of Hertford, North Carolina, by resolution duly adopted by the Board, in its capacity as the governing body of the Hertford County Northern Rural Water District has caused this Bond to be signed by its Chairman and Clerk to the Board and its official seal to be impressed hereon, all as of the \_\_\_\_ day of December, 2016.

\_\_\_\_\_  
Chairman

[SEAL]

\_\_\_\_\_  
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.

\_\_\_\_\_  
Secretary, Local Government Commission

**CERTIFICATE OF AUTHENTICATION**

This Bond is the Bond of the series designated herein and issued under the provisions of the within-mentioned Resolution.

\_\_\_\_\_  
Finance Director, as Bond Registrar

Date of authentication: \_\_\_\_\_

**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: \_\_\_\_\_

In the presence of:

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

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

#### EXHIBIT A

##### DEBT SERVICE SCHEDULE

| <u>Payment Date</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------|------------------|-----------------|--------------|
| December 15, 2017   | \$113,511.01     | \$53,309.10     | \$166,820.11 |
| December 15, 2018   | 116,462.30       | 50,357.81       | 166,820.11   |
| December 15, 2019   | 119,490.32       | 47,329.79       | 166,820.11   |
| December 15, 2020   | 122,597.07       | 44,223.05       | 166,820.11   |
| December 15, 2021   | 125,784.59       | 41,035.52       | 166,820.11   |
| December 15, 2022   | 129,054.99       | 37,765.12       | 166,820.11   |
| December 15, 2023   | 132,410.42       | 34,409.69       | 166,820.11   |
| December 15, 2024   | 135,853.09       | 30,967.02       | 166,820.11   |
| December 15, 2025   | 139,385.27       | 27,434.84       | 166,820.11   |
| December 15, 2026   | 143,009.29       | 23,810.82       | 166,820.11   |
| December 15, 2027   | 146,727.53       | 20,092.58       | 166,820.11   |
| December 15, 2028   | 150,542.45       | 16,277.67       | 166,820.11   |
| December 15, 2029   | 154,456.55       | 12,363.56       | 166,820.11   |
| December 15, 2030   | 158,472.42       | 8,347.69        | 166,820.11   |
| December 15, 2031   | 162,592.70       | 4,227.41        | 166,820.11   |

Section 4. The principal installments of the Bond are subject to redemption prior to their stated Principal Payment Dates, at the option of the District, from any moneys that may be available for such purpose, in whole, but not in part, on any date at a redemption price equal to 101% of the principal amount of the Bond to be so redeemed, plus accrued interest, if any, thereon to the redemption date.

At least ten (10) days but not more than sixty (60) days prior to the redemption date of any principal amount of the Bond to be redeemed, the Bond Registrar shall cause a notice of any such redemption to be mailed, first class, postage prepaid, to the registered owner of the Bond. A copy of such notice shall also be given by first class mail, postage prepaid, to the Local Government Commission; provided, however, that failure to give such notice to the Local Government Commission or any defect therein shall not affect the sufficiency of the proceedings for redemption.

Each such notice shall set forth the designation and date of the Bond, the date fixed for redemption, the principal amount of the Bond to be redeemed, the redemption price to be paid, the address and phone number of the Bond Registrar and the date of the redemption notice.



Any notice of redemption may state that the redemption to be effected is conditioned upon the receipt by the Bond Registrar on or prior to the redemption date of moneys sufficient to pay the principal of and interest on the principal installments of the Bond to be redeemed and that if such moneys are not so received, such notice shall be of no force or effect and such principal installments shall not be required to be redeemed. In the event that such notice contains such a condition and moneys sufficient to pay the principal of and interest on such principal installments of the Bond to be redeemed are not received by the Bond Registrar on or prior to the redemption date, the redemption shall not be made, and the Bond Registrar shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

Section 5. The Bond Registrar shall keep at his or her office the books of the District for the registration of transfer of the Bond. The transfer of the Bond may be registered only upon such books and as otherwise provided in this resolution upon the surrender hereof to the Bond Registrar, together with an assignment duly executed by the registered owner thereof 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 the Bond a new Bond registered in the name of the transferee in an aggregate principal amount equal to the principal amount of the Bond, containing the same principal installments and bearing interest at the same rate. The Bond may not be exchanged for any denomination other than the outstanding principal amount thereof. Notwithstanding the foregoing, the Bond Registrar shall not register the transfer of the Bond to any person or entity other than a bank, insurance company or similar financial institution or any other person or entity approved by the Local Government Commission of North Carolina.

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

The person or entity in whose name the Bond 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 interest on the 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 the Bond 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 and registration of transfer of the Bond within a reasonable time according to then current commercial standards and for the timely payment of principal and interest with respect to the Bond. The Finance Director of the District, or any person at any time acting in such capacity, is hereby appointed the registrar, transfer agent and paying agent for the Bond (collectively the "Bond Registrar"), subject to the right of the Board of the District to appoint another Bond Registrar, and as such shall keep at his or her office in the District, the books of the District for the registration, registration of transfer and payment of the Bond as provided in this resolution.

Section 6. The District covenants that, to the extent permitted by the Constitution and laws of the State of North Carolina, it will comply with the requirements of the Internal Revenue Code of 1986, as amended or as may be amended from time to time (the "Code"), and any Treasury regulations now or hereafter promulgated thereunder, to the extent necessary so that interest on the Bond will not be included in gross income of the owner thereof for purposes of federal income taxation.

Section 7. The District hereby represents that it reasonably expects that the District, all entities issuing obligations on behalf of the District and all subordinate entities of the 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 by the Code) and not

counting certain current refunding obligations as provided in Section 265(b)(3)(C)(ii)(III) of the Code) during the calendar year 2016. The District hereby designates the Bond as “qualified tax-exempt obligation” for purposes of Section 265(b)(3) of the Code.

Section 8. The proposal set forth in the Bond Purchase Agreement, to be dated as of the date of delivery thereof (the “Bond Purchase Agreement”), among the Local Government Commission of North Carolina, the District and the Purchaser, the form of which is presented at this meeting, providing for the purchase of the Bond by the Purchaser at a purchase price equal to 100% of the principal amount of the Bond, subject to the approval thereof by the Local Government Commission, is hereby approved. The Local Government Commission is hereby requested to sell and award the Bond to the Purchaser on behalf of the District, subject to the approval of the District, in accordance with the terms of the Bond Purchase Agreement. The Chairman, the Vice Chairman, the District Manager and the Finance Director of the District are each hereby authorized to approve on behalf of the District the sale of the Bond to the Purchaser for such purchase price and upon such terms and conditions as the officer approving the sale shall determine, subject to the provisions of this resolution. The Chairman, the Vice Chairman, the District Manager and the Finance Director of the District are each authorized and directed in the name and on behalf of the District to execute and deliver the Bond Purchase Agreement in substantially the form presented, together with such modifications as the officer executing and delivering the Bond Purchase Agreement, with the advice of counsel, may deem necessary and appropriate, such execution and delivery to be conclusive evidence of the approval and authorization in all respects of the form and content thereof.

Section 9. The Refunded Bonds are hereby irrevocably called for redemption on December 15, 2016, in accordance with the provisions of the Refunded Bonds, the resolutions authorizing the issuance of the Refunded Bonds and this resolution.

Section 10. The Chairman, the Vice Chairman, the District Manager and the Finance Director of the District are each hereby authorized and directed, on behalf of the District, to execute and deliver such closing and other documents necessary for the purpose of facilitating the sale and issuance of the Bond in a manner consistent with the terms of this resolution. All actions heretofore taken by the Chairman, the Vice Chairman, the District Manager and the Finance Director of the District for the purpose of facilitating the sale and issuance of the Bond and the redemption of the Refunded Bonds in a manner consistent with the terms of this resolution is hereby authorized, ratified and approved.

The officers of the District and the agents and employees of the District are hereby authorized and directed to do all acts and things required of them by the provisions of this resolution, the Bond and the Bond Purchase Agreement for the full, punctual and complete performance of the terms, covenants, provisions and agreements of the same.

Section 11. This resolution shall take effect upon its passage, except that the provisions in Section 9 of this resolution calling the Refunded Bonds for redemption shall only become effective upon the issuance of the Bond.

Upon motion of Commissioner Johnnie R. Farmer, seconded by Commissioner Curtis A. Freeman, Sr., the foregoing resolution entitled “RESOLUTION PROVIDING FOR THE SALE AND ISSUANCE OF A \$2,050,350 HERTFORD COUNTY NORTHERN RURAL WATER DISTRICT GENERAL OBLIGATION REFUNDING BOND, SERIES 2016” was adopted by the following vote:

Ayes: Ronald J. Gatling, Curtis A. Freeman, Sr., Johnnie R. Farmer, John D. Horton, and William F. Mitchell, Jr.

Noes: None

\* \* \* \* \*

On a motion by Freeman and a second by Farmer, the Board voted unanimously to return to Regular Session.

**REGULAR SESSION**

On a motion by Freeman and a second by Mitchell, the Board voted unanimously to recess Regular Session to go into a meeting of the Southern Rural Water District Governing Board.

**SOUTHERN RURAL WATER DISTRICT GOVERNING BOARD**

The Board of Commissioners for the County of Hertford, North Carolina, in its capacity as the governing body of the Hertford County Southern Rural Water District, held a regular meeting in the Multi-Purpose Room of the Judicial Center located at 119 Justice Drive in Winton, North Carolina, the regular place of meeting, at 9:00 a.m. on December 5, 2016.

Present: Chairman Ronald J. Gatling, presiding, and Commissioners Curtis A. Freeman, Sr., Johnnie R. Farmer, John D. Horton, and William F. Mitchell, Jr.

Absent: None

Also present: Loria D. Williams, County Manager; M. Ray Wiggins, Assistant County Manager; Charles L. Revelle, III, County Attorney; and Shelia W. Matthews, Clerk to the Board

\* \* \* \* \*

Commissioner Curtis A. Freeman, Sr., introduced the following resolution the title of which was read and a copy of which had been previously distributed to each Commissioner:

**RESOLUTION PROVIDING FOR THE SALE AND ISSUANCE OF A  
\$4,332,850 HERTFORD COUNTY SOUTHERN RURAL WATER  
DISTRICT GENERAL OBLIGATION REFUNDING BOND, SERIES 2016**

BE IT RESOLVED by the Board of Commissioners (the "Board") for the County of Hertford, North Carolina, in its capacity as the governing body of Hertford County Southern Rural Water District (the "District"):

Section 1. The Board has determined and does hereby find and declare as follows:

(a) An order authorizing \$4,500,000 General Obligation Refunding Bonds was adopted by the Board on November 7, 2016, which order has taken effect.

(b) None of said bonds have been issued, no notes have been issued in anticipation of the receipt of the proceeds of the sale of said bonds and it is necessary to issue \$4,332,850 of said bonds at this time.

(c) The shortest period of time in which the District's Water Bond, dated June 23, 1997 (the "1997 Bond") to be refunded by said bonds can be finally paid without making it unduly burdensome on the taxpayers of the District as determined by the Local Government Commission of North Carolina is a period which expires on June 1, 2037, and the end of the unexpired period of usefulness of the projects financed by the 1997 Bond is estimated as a period of 40 years from June 23, 1997, the date of said 1997 Bond, and such period expires on June 23, 2037.

(d) The shortest period of time in which the District's Water Bond, Series 2001A, dated July 23, 2001 (the "2001A Bond"), and Water Bond, Series 2001B, dated July 23, 2001 (the "2001B Bond" and, together with the 1997 Bond and 2001A Bond, the "Refunded Bonds"), to be refunded by said bonds can be finally paid without making it unduly burdensome on the taxpayers of the District as determined by the Local Government Commission of North Carolina is a period which expires on June 1, 2041, and the end of the unexpired period of usefulness of the projects financed by the 2001A Bond and the 2001B Bond is estimated as a period of 40 years from July 23, 2001, the date of said 2001A Bond and 2001B Bond, and such period expires on July 23, 2041.

Section 2. Pursuant to said order, there shall be issued a bond in the aggregate principal amount of \$4,332,850 designated “Hertford County Southern Rural Water District General Obligation Refunding Bond, Series 2016” (the “Bond”) and dated the date of delivery thereof. The Bond shall be stated to mature in annual principal installments, subject to prior redemption, on December 15 of each year as follows: \$239,874.26 2017, \$246,110.99 2018, \$252,509.88 2019, \$259,075.14 2020, \$265,811.09 2021, \$272,722.18 2022, \$279,812.95 2023, \$287,088.09 2024, \$294,552.38 2025, \$302,210.74 2026, \$310,068.22 2027, \$318,130.00 2028, \$326,401.38 2029, \$334,887.81 2030 and \$343,594.89 2031, and shall bear interest on the outstanding principal amount (computed on the basis of a 360-day year consisting of twelve 30-day months) at a rate of 2.60% per annum, which interest shall be payable annually in arrears on each December 15, beginning December 15, 2017, until payment of such principal sum.

In the event of a Determination of Taxability (hereinafter defined), the interest rate on the Bond, from and after the effective date that the interest on the Bond is includable in the gross income of the owner thereof as a result of a Determination of Taxability (the “Inclusion Date”), shall be adjusted to preserve the owner’s after-tax economic yield with respect to the interest paid on the Bond. In addition, the District shall pay to the owner or any prior owner of the Bond (a) an amount necessary to reimburse such owner or prior owner for any interest, penalties or other charges assessed by the Internal Revenue Service and the Department of Revenue by reason of such owner’s or prior owner’s failure to include the interest on the Bond in its gross income for income tax purposes, and (b) upon request of the owner or any prior owner of the Bond, additional interest as a result of the increase in the interest rate on the Bond for all previous interest payments made by the District on the Bond after the Inclusion Date. In the event of a Determination of Taxability, the registered owner of the Bond shall provide the District with a new debt service schedule for the Bond which reflects the new interest rate which will replace the debt service schedule set forth in Exhibit A to the Bond.

For purposes of the preceding paragraph, “Determination of Taxability” means and shall be deemed to have occurred on the date when (a) the District shall receive notice from the owner of the Bond that the Internal Revenue Service has assessed as includable in gross income the interest on the Bond due to the occurrence of an Event of Taxability (hereinafter defined) or (b) the District or the owner of the Bond shall receive notice from the Commissioner or any District Director of the Internal Revenue Service that the interest on the Bond is includable in the gross income of such owner for federal income tax purposes due to the occurrence of an Event of Taxability. “Event of Taxability” means the occurrence or existence of any fact, event or circumstance caused by the failure of the District to comply with any covenants in this resolution or the Bond or any document or certificate executed by the District in connection with the transactions contemplated by this resolution or the Bond which has the effect of causing the interest on the Bond to be includable in the gross income of the owner of the Bond for federal income tax purposes.

The 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 interest on the Bond 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 definitive Bond shall be initially issued as one fully-registered bond, without coupons, numbered R-1 and shall be initially registered in the name of “Branch Banking and Trust Company,” as the initial purchaser of the Bond (the “Purchaser”).

Section 3. The Bond shall bear the manual or facsimile signatures of the Chairman and the Clerk of the District and the official seal or a facsimile of the official seal of the District shall be impressed or imprinted, as the case may be, on the Bond.

The certificate of the Local Government Commission of North Carolina to be endorsed on the Bond shall bear the manual or facsimile signature of the Secretary of said Commission

and the certificate of authentication of the Bond Registrar (hereinafter defined) to be endorsed on the Bond shall be executed as hereinafter provided.

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

The Bond shall not 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 Bond and the endorsements thereon shall be in substantially the following form:

No. R-\_\_\_ \$4,332,850

United States of America  
State of North Carolina

HERTFORD COUNTY SOUTHERN RURAL WATER DISTRICT  
GENERAL OBLIGATION REFUNDING BOND  
SERIES 2016

| <u>Final Maturity Date</u> | <u>Interest Rate</u> |
|----------------------------|----------------------|
| December 15, 2031          | 2.60%                |

The Hertford County Southern Rural Water District (the "District"), a political subdivision of the State of North Carolina, is justly indebted and for value received hereby promises to pay to

BRANCH BANKING AND TRUST COMPANY

or its registered assigns or legal representative the principal sum of \$4,332,850 in annual principal installments as set forth in Exhibit A attached hereto and made a part hereof (each, a "Principal Payment Date"), with a Final Maturity Date as specified above, and to pay interest from the date hereof on the unpaid portion of said principal sum until payment thereof (computed on the basis of a 360-day year consisting of twelve 30-day months) at the Interest Rate specified above, such interest being payable annually on each December 15, beginning December 15, 2017, as set forth in Exhibit A attached hereto (each, an "Interest Payment Date").

In the event of a Determination of Taxability (hereinafter defined), the interest rate on this Bond, from and after the effective date that the interest on this Bond is includable in the gross income of the owner hereof as a result of a Determination of Taxability (the "Inclusion Date"), shall be adjusted to preserve the owner's after-tax economic yield with respect to the interest paid on this Bond. In addition, the District shall pay to the owner or any prior owner of this Bond (a) an amount necessary to reimburse such owner or prior owner for any interest, penalties or other charges assessed by the Internal Revenue Service and the Department of Revenue by reason of such owner's or prior owner's failure to include the interest on this Bond in its gross income for income tax purposes, and (b) upon request of the owner or any prior owner of this Bond, additional interest as a result of the increase in the interest rate on this Bond for all previous interest payments made by the District on this Bond after the Inclusion Date. In the event of a Determination of Taxability, the registered owner of this Bond shall provide the District with a new debt service schedule for this Bond which reflects the new interest rate which will replace the debt service schedule set forth in Exhibit A to this Bond.

For purposes of the preceding paragraph, "Determination of Taxability" means and shall be deemed to have occurred on the date when (a) the District shall receive notice from the owner of this Bond that the Internal Revenue Service has assessed as includable in gross income the interest on this Bond due to the occurrence of an Event of Taxability (hereinafter defined) or (b)

the District or the owner of this Bond shall receive notice from the Commissioner or any District Director of the Internal Revenue Service that the interest on this Bond is includable in the gross income of such owner for federal income tax purposes due to the occurrence of an Event of Taxability. "Event of Taxability" means the occurrence or existence of any fact, event or circumstance caused by the failure of the District to comply with any covenants in this resolution or this Bond or any document or certificate executed by the District in connection with the transactions contemplated by this resolution or this Bond which has the effect of causing the interest on this Bond to be includable in the gross income of the owner of this Bond for federal income tax purposes.

This 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 the date hereof; provided, however, that if at the time of authentication interest is in default, this Bond shall bear interest from the date to which interest has been paid.

The principal of and the interest on this Bond 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. Upon payment in full of the principal of and interest on this Bond, the owner of this Bond shall promptly cancel and surrender this Bond at the office of the Finance Director of the District in Winton, North Carolina (the "Bond Registrar"). For the prompt payment hereof, both principal and interest as the same shall become due, the faith and credit of the District are hereby irrevocably pledged.

This Bond is being issued by the District for the purpose of providing funds, together with other available funds, to (a) refund certain outstanding general obligation bonds of the District and (b) pay certain fees and expenses relating to the sale and issuance of this Bond. This Bond is being 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 adopted by the Board of Commissioners (the "Board") for the County of Hertford, North Carolina, in its capacity as the governing body of the District, which order has taken effect, and a resolution duly adopted by the Board (the "Resolution").

The principal installments of this Bond are subject to redemption prior to their stated Principal Payment Dates, at the option of the District, from any moneys that may be available for such purpose, in whole, but not in part, on any date at a redemption price equal to 101% of the principal amount of this Bond to be so redeemed, plus accrued interest, if any, thereon to the redemption date.

At least ten (10) days but not more than sixty (60) days prior to the redemption date of any principal amount of this Bond to be redeemed, the Bond Registrar shall cause a notice of any such redemption to be mailed, first class, postage prepaid, to the registered owner of this Bond.

Any notice of redemption may state that the redemption to be effected is conditioned upon the receipt by the Bond Registrar on or prior to the redemption date of moneys sufficient to pay the principal of and interest on the principal installments of this Bond to be redeemed and that if such moneys are not so received, such notice shall be of no force or effect and such principal installments shall not be required to be redeemed. In the event that such notice contains such a condition and moneys sufficient to pay the principal of and interest on such principal installments of this Bond to be redeemed are not received by the Bond Registrar on or prior to the redemption date, the redemption shall not be made, and the Bond Registrar shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

On the date designated for redemption, notice having been given as aforesaid, the principal installments of this Bond so called for redemption shall become due and payable at the redemption price provided for redemption of such principal installments on such date plus accrued interest to such date.

The Bond Registrar shall keep at his or her office the books of the District for the registration of transfer of this Bond. 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 registered in the name of the transferee in an aggregate principal amount equal to the principal amount of this Bond, containing the same principal installments and bearing interest at the same rate. This Bond may not be exchanged for any denomination other than the outstanding principal amount thereof. Notwithstanding the foregoing, the Bond Registrar shall not register the transfer of this Bond to any person or entity other than a bank, insurance company or similar financial institution or any other person or entity approved by the Local Government Commission of North Carolina.

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, without limitation as to rate or amount, upon all taxable property within the 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 the District, including this Bond, does not exceed any constitutional or statutory limitation thereon.

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

IN WITNESS WHEREOF, the County of Hertford, North Carolina, by resolution duly adopted by the Board, in its capacity as the governing body of the Hertford County Southern Rural Water District, has caused this Bond to be signed by its Chairman and Clerk to the Board and its official seal to be impressed hereon, all as of the \_\_\_ day of December, 2016.

\_\_\_\_\_  
Chairman

[SEAL]

\_\_\_\_\_  
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.

\_\_\_\_\_  
Secretary, Local Government Commission

**CERTIFICATE OF AUTHENTICATION**

This Bond is the Bond of the series designated herein and issued under the provisions of the within-mentioned Resolution.

\_\_\_\_\_  
Finance Director, as Bond Registrar

Date of authentication: \_\_\_\_\_

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: \_\_\_\_\_

In the presence of:

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

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

EXHIBIT A

DEBT SERVICE SCHEDULE

| <u>Payment Date</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------|------------------|-----------------|--------------|
| December 15, 2017   | \$239,874.26     | \$112,654.10    | \$352,528.36 |
| December 15, 2018   | 246,110.99       | 106,417.37      | 352,528.36   |
| December 15, 2019   | 252,509.88       | 100,018.48      | 352,528.36   |
| December 15, 2020   | 259,075.14       | 93,453.23       | 352,528.36   |
| December 15, 2021   | 265,811.09       | 86,717.27       | 352,528.36   |
| December 15, 2022   | 272,722.18       | 79,806.18       | 352,528.36   |
| December 15, 2023   | 279,812.95       | 72,715.41       | 352,528.36   |
| December 15, 2024   | 287,088.09       | 65,440.27       | 352,528.36   |
| December 15, 2025   | 294,552.38       | 57,975.98       | 352,528.36   |
| December 15, 2026   | 302,210.74       | 50,317.62       | 352,528.36   |
| December 15, 2027   | 310,068.22       | 42,460.14       | 352,528.36   |
| December 15, 2028   | 318,130.00       | 34,398.37       | 352,528.36   |
| December 15, 2029   | 326,401.38       | 26,126.99       | 352,528.36   |
| December 15, 2030   | 334,887.81       | 17,640.55       | 352,528.36   |
| December 15, 2031   | 343,594.89       | 8,933.47        | 352,528.36   |

Section 4. The principal installments of the Bond are subject to redemption prior to their stated Principal Payment Dates, at the option of the District, from any moneys that may be available for such purpose, in whole, but not in part, on any date at a redemption price equal to 101% of the principal amount of the Bond to be so redeemed, plus accrued interest, if any, thereon to the redemption date.

At least ten (10) days but not more than sixty (60) days prior to the redemption date of any principal amount of the Bond to be redeemed, the Bond Registrar shall cause a notice of any such redemption to be mailed, first class, postage prepaid, to the registered owner of the Bond. A copy of such notice shall also be given by first class mail, postage prepaid, to the Local Government Commission; provided, however, that failure to give such notice to the Local Government Commission or any defect therein shall not affect the sufficiency of the proceedings for redemption.



Each such notice shall set forth the designation and date of the Bond, the date fixed for redemption, the principal amount of the Bond to be redeemed, the redemption price to be paid, the address and phone number of the Bond Registrar and the date of the redemption notice.

Any notice of redemption may state that the redemption to be effected is conditioned upon the receipt by the Bond Registrar on or prior to the redemption date of moneys sufficient to pay the principal of and interest on the principal installments of the Bond to be redeemed and that if such moneys are not so received, such notice shall be of no force or effect and such principal installments shall not be required to be redeemed. In the event that such notice contains such a condition and moneys sufficient to pay the principal of and interest on such principal installments of the Bond to be redeemed are not received by the Bond Registrar on or prior to the redemption date, the redemption shall not be made, and the Bond Registrar shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

Section 5. The Bond Registrar shall keep at his or her office the books of the District for the registration of transfer of the Bond. The transfer of the Bond may be registered only upon such books and as otherwise provided in this resolution upon the surrender hereof to the Bond Registrar, together with an assignment duly executed by the registered owner thereof 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 the Bond a new Bond registered in the name of the transferee in an aggregate principal amount equal to the principal amount of the Bond, containing the same principal installments and bearing interest at the same rate. The Bond may not be exchanged for any denomination other than the outstanding principal amount thereof. Notwithstanding the foregoing, the Bond Registrar shall not register the transfer of the Bond to any person or entity other than a bank, insurance company or similar financial institution or any other person or entity approved by the Local Government Commission of North Carolina.

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

The person or entity in whose name the Bond 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 interest on the 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 the Bond 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 and registration of transfer of the Bond within a reasonable time according to then current commercial standards and for the timely payment of principal and interest with respect to the Bond. The Finance Director of the District, or any person at any time acting in such capacity, is hereby appointed the registrar, transfer agent and paying agent for the Bond (collectively the "Bond Registrar"), subject to the right of the Board of the District to appoint another Bond Registrar, and as such shall keep at his or her office in the District, the books of the District for the registration, registration of transfer and payment of the Bond as provided in this resolution.

Section 6. The District covenants that, to the extent permitted by the Constitution and laws of the State of North Carolina, it will comply with the requirements of the Internal Revenue Code of 1986, as amended or as may be amended from time to time (the "Code"), and any Treasury regulations now or hereafter promulgated thereunder, to the extent necessary so that interest on the Bond will not be included in gross income of the owner thereof for purposes of federal income taxation.

Section 7. The District hereby represents that it reasonably expects that the District, all entities issuing obligations on behalf of the District and all subordinate entities of the 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 by the Code) and not counting certain current refunding obligations as provided in Section 265(b)(3)(C)(ii)(III) of the Code) during the calendar year 2016. The District hereby designates the Bond as “qualified tax-exempt obligation” for purposes of Section 265(b)(3) of the Code.

Section 8. The proposal set forth in the Bond Purchase Agreement, to be dated as of the date of delivery thereof (the “Bond Purchase Agreement”), among the Local Government Commission of North Carolina, the District and the Purchaser, the form of which is presented at this meeting, providing for the purchase of the Bond by the Purchaser at a purchase price equal to 100% of the principal amount of the Bond, subject to the approval thereof by the Local Government Commission, is hereby approved. The Local Government Commission is hereby requested to sell and award the Bond to the Purchaser on behalf of the District, subject to the approval of the District, in accordance with the terms of the Bond Purchase Agreement. The Chairman, the Vice Chairman, the District Manager and the Finance Director of the District are each hereby authorized to approve on behalf of the District the sale of the Bond to the Purchaser for such purchase price and upon such terms and conditions as the officer approving the sale shall determine, subject to the provisions of this resolution. The Chairman, the Vice Chairman, the District Manager and the Finance Director of the District are each authorized and directed in the name and on behalf of the District to execute and deliver the Bond Purchase Agreement in substantially the form presented, together with such modifications as the officer executing and delivering the Bond Purchase Agreement, with the advice of counsel, may deem necessary and appropriate, such execution and delivery to be conclusive evidence of the approval and authorization in all respects of the form and content thereof.

Section 9. The Refunded Bonds are hereby irrevocably called for redemption on December 15, 2016, in accordance with the provisions of the Refunded Bonds, the resolutions authorizing the issuance of the Refunded Bonds and this resolution.

Section 10. The Chairman, the Vice Chairman, the District Manager and the Finance Director of the District are each hereby authorized and directed, on behalf of the District, to execute and deliver such closing and other documents necessary for the purpose of facilitating the sale and issuance of the Bond in a manner consistent with the terms of this resolution. All actions heretofore taken by the Chairman, the Vice Chairman, the District Manager and the Finance Director of the District for the purpose of facilitating the sale and issuance of the Bond and the redemption of the Refunded Bonds in a manner consistent with the terms of this resolution is hereby authorized, ratified and approved.

The officers of the District and the agents and employees of the District are hereby authorized and directed to do all acts and things required of them by the provisions of this resolution, the Bond and the Bond Purchase Agreement for the full, punctual and complete performance of the terms, covenants, provisions and agreements of the same.

Section 11. This resolution shall take effect upon its passage, except that the provisions in Section 9 of this resolution calling the Refunded Bonds for redemption shall only become effective upon the issuance of the Bond.

Upon motion of Commissioner Curtis A. Freeman, Sr., seconded by Commissioner William F. Mitchell, Jr., the foregoing resolution entitled “RESOLUTION PROVIDING FOR THE SALE AND ISSUANCE OF A \$4,332,850 HERTFORD COUNTY SOUTHERN RURAL WATER DISTRICT GENERAL OBLIGATION REFUNDING BOND, SERIES 2016” was adopted by the following vote:

Ayes: Ronald J. Gatling, Curtis A. Freeman, Sr., Johnnie R. Farmer, John D. Horton, and William F. Mitchell, Jr.

Noes: None

\* \* \* \* \*

On a motion by Freeman and a second by Mitchell, the Board voted unanimously to return to Regular Session.

### **REGULAR SESSION**

#### **COUNTY PROPERTY/TAX FORECLOSURES**

On a motion by Mitchell and a second by Farmer, the Board voted unanimously to approve the bid offer in the amount of \$6,820 from Daniel Batista da Silva and Emmeline M. Albuquerque on the Elizabeth Dickens tax foreclosure property (PIN #5943-39-9982). The County Attorney had advertised for upset bids, and none were received.

#### **COMMISSIONERS**

On a motion by Mitchell and a second by Freeman, the Board voted unanimously to approve the following 2017 Holiday Closings:

### 2017 HOLIDAY CLOSINGS HERTFORD COUNTY OFFICES

|                             |   |
|-----------------------------|---|
| New Year's Day              | Monday, January 2   |
| Martin Luther King, Jr. Day | Monday, January 16  |
| Good Friday                 | Friday, April 14  |
| Memorial Day                | Monday, May 29  |
| Independence Day            | Tuesday, July 4   |
| Labor Day                   | Monday, September 4   |
| Veteran's Day               | Friday, November 10   |
| Thanksgiving                | Thursday, November 23<br>Friday, November 24                          |
| Christmas                   | Monday, December 25<br>Tuesday, December 26<br>Wednesday, December 27 |

On a motion by Mitchell and a second by Freeman, the Board voted unanimously to approve the following 2017 Commissioners' Meeting Calendar:

### Meeting Calendar for 2017 Hertford County Board of Commissioners

|                     |           |  |
|---------------------|-----------|--|
| Tuesday, January 3  | 9:00 A.M. | Rescheduled Meeting<br>(Due to New Year's Day Holiday) |
| Tuesday, January 17 | 7:00 P.M. | Rescheduled Meeting<br>(Due to ML King, Jr. Holiday)   |
| Monday, February 6  | 9:00 A.M. | Regular Meeting  |
| Monday, February 20 | 7:00 P.M. | Regular Meeting  |
| Monday, March 6     | 9:00 A.M. | Regular Meeting  |
| Monday, March 20    | 7:00 P.M. | Regular Meeting  |
| Monday, April 3     | 9:00 A.M. | Regular Meeting  |
| Monday, April 17    | 7:00 P.M. | Regular Meeting  |

|                      |           |   |
|----------------------|-----------|---|
| Monday, May 1        | 9:00 A.M. | Regular Meeting                                   |
| Monday, May 15       | 7:00 P.M. | Regular Meeting                                   |
| Monday, June 5       | 9:00 A.M. | Regular Meeting                                   |
| Monday, June 19      | 7:00 P.M. | Regular Meeting                                   |
| Monday, July 3       | 9:00 A.M. | Regular Meeting                                   |
| Monday, July 17      | 7:00 P.M. | Regular Meeting                                   |
| Monday, August 7     | 9:00 A.M. | Regular Meeting                                   |
| Monday, August 21    | 7:00 P.M. | Regular Meeting                                   |
| Tuesday, September 5 | 9:00 A.M. | Rescheduled Meeting<br>(Due to Labor Day Holiday) |
| Monday, September 18 | 7:00 P.M. | Regular Meeting                                   |
| Monday, October 2    | 9:00 A.M. | Regular Meeting                                   |
| Monday, October 16   | 7:00 P.M. | Regular Meeting                                   |
| Monday, November 6   | 9:00 A.M. | Regular Meeting                                   |
| Monday, November 20  | 7:00 P.M. | Regular Meeting                                   |
| Monday, December 4   | 9:00 A.M. | Regular Meeting                                   |
| Monday, December 18  | 7:00 P.M. | Regular Meeting                                   |

On a motion by Farmer and a second by Mitchell, the Board voted unanimously to cancel the next Commissioners' Meeting scheduled for December 19, 2016.

### **BOARD APPOINTMENTS**

Commissioner Horton asked for a listing of all boards that each Commissioner serves on, and the Clerk was directed to pull this information together.

#### **Hertford County E-911 Governance Board**

On a motion by Freeman and a second by Mitchell, the Board voted unanimously to reappoint Maurice Vann to the Hertford County E-911 Governance Board for another three-year term to expire on December 30, 2019.

#### **Northern Regional Advisory Board**

On a motion by Freeman and a second by Farmer, the Board voted unanimously to appoint Commissioner Bill Mitchell to replace Garry Lewter on the Northern Regional Advisory Board.

#### **Hertford County Economic Development Commission**

On a motion by Freeman and a second by Mitchell, the Board voted unanimously to reappoint Commissioner Ronald Gatling to the Hertford County Economic Development Commission for another three-year term to expire on January 1, 2020.

On a motion by Farmer and a second by Freeman, the Board voted unanimously to reappoint Carolyn Bazemore to the Hertford County Economic Development Commission for another three-year term to expire on January 1, 2020.

On a motion by Freeman and a second by Mitchell, the Board voted unanimously to appoint Leroy Douglas II to the Hertford County Economic Development Commission for a three-year term to expire on January 1, 2020.

#### **Industrial Facilities & Pollution Control Financing Authority**

On a motion by Freeman and a second by Mitchell, the Board voted unanimously to reappoint Wendy Ruffin-Barnes to the Industrial Facilities & Pollution Control Financing Authority for another six-year term to expire on December 1, 2022.

On a motion by Mitchell and a second by Freeman, the Board voted unanimously to appoint Commissioner Ronald Gatling to the Industrial Facilities & Pollution Control Financing Authority for a six-year term to expire on December 1, 2022.

#### **Joint Community Advisory Committee**

On a motion by Farmer and a second by Mitchell, the Board voted unanimously to reappoint Patrise Godwin to the Joint Community Advisory Committee for an additional three-year term to expire on February 28, 2020.

#### **Mid-East Board**

On a motion by Freeman and a second by Farmer, the Board voted unanimously to reappoint Quinton Turman to the Mid-East Board for another two-year term to expire on January 1, 2019.

On a motion by Gatling and a second by Farmer, the Board voted unanimously to appoint Leroy Douglas II to the Mid-East Board in the minority representative position for a one-year term to expire on January 1, 2018.

#### **Hertford County Planning Board & Zoning Board of Adjustment**

On a motion by Freeman and a second by Farmer, the Board voted unanimously to reappoint Mark Jones to the Hertford County Planning Board and the Hertford County Zoning Board of Adjustment (as Alternate #1) for another three-year term to expire on January 1, 2020.

On a motion by Freeman and a second by Horton, the Board voted unanimously to reappoint David Shields to the Hertford County Planning Board and the Hertford County Zoning Board of Adjustment for another three-year term to expire on January 1, 2020.

#### **Veterans Advisory Council**

On a motion by Farmer and a second by Mitchell, the Board voted unanimously to appoint Axem Bracy to the Veterans Advisory Council.

On a motion by Farmer and a second by Freeman, the Board voted unanimously to appoint Anthony R. Marra to the Veterans Advisory Council.

On a motion by Freeman and a second by Mitchell, the Board voted unanimously to appoint Commissioner Johnnie Farmer to the Veterans Advisory Council.

The Veterans Advisory Council is a newly formed board. Once all the positions have been filled, the Commissioners will then assign term limits to the positions.

#### **COUNTY MANAGER'S UPDATE**

Loria D. Williams, County Manager, explained to the Board that cost-of-living raises had been implemented the past several years in January. Due to the recent change of implementing bi-monthly payroll and the transition involved with that process, she requested approval of a 3.5% cost-of-living increase effective December 16, 2016. On a motion by Freeman and a second by Mitchell, the Board voted unanimously to approve a cost-of-living increase in the amount of 3.5% effective December 16, 2016.

Ms. Williams reminded the Board that Employee Recognition would be held December 8<sup>th</sup> at 10:00 a.m. followed by distribution of longevity checks at 12:30 p.m. all being held in the Cooperative Extension Conference Room.

Assistant County Manager Ray Wiggins updated the Board sharing that staff located in the old section of the DSS Building will be relocated to the new section today and tomorrow. Also, the furniture will be delivered today for this facility.

#### **COMMISSIONERS' COMMENTS**

- Commissioner Farmer shared and explained the final design drawings for Tri-County Airport

- Commissioner Horton would like the Board to possibly consider changing the seating order of the Commissioners (think about seating the Manager next to the Chairman)
- Vice-Chairman Freeman congratulated Commissioner Horton and welcomed him to the Board. Freeman also expressed his displeasure once again about the police departments in Ahoskie and Murfreesboro closing at 5:00 P.M. He also asked Bill Early, who was present at the meeting, to present an update on EDC events at the next Board meeting
- Chairman Gatling welcomed Commissioner Horton to the Board. He thanked everyone who participated in the Tree Lighting Ceremony last night. He thanked his fellow Board members for electing him as Chairman. Chairman Gatling shared these events for the upcoming year – Easter Egg Hunt (April), Halloween Festival (October), and Lighting of Christmas Tree (First Sunday in December)

### **COUNTY PROPERTY**

On a motion by Farmer and a second by Freeman, the Board voted unanimously to approve closing the 11/21/16 Offer to Purchase and Contract with M. Scott Edwards for the purchase of real estate at 418 Everett Street, Ahoskie, NC, for the total sum of \$425,000.00, with \$150,000.00 down payment and Seller financing at 3.75% of \$275,000.00, paid by 36 monthly payments of \$8,088.55 each, beginning thirty days after closing, secured by a purchase money deed of trust.

On a motion by Freeman and a second by Mitchell, the Board voted unanimously to go into a Closed Session as allowed under G. S. 143-318.11 (a) (3) to consult with the County Attorney and (6) to discuss personnel matters.

### **CLOSED SESSION**

Minutes of Closed Session are on file in the office of the Clerk to the Board.

### **REGULAR SESSION**

### **PERSONNEL/ADMINISTRATION**

On a motion by Mitchell and a second by Farmer, the Board voted unanimously to approve a performance bonus in the amount of \$3,000 to the County Manager.

On a motion by Freeman and a second by Mitchell, the Board voted unanimously to adjourn the meeting.