

**Powellville, North Carolina  
April 15, 16 & 29, 2013  
Regular Meeting**

**April 15, 2013**

The Bertie County Board of Commissioners met for a regular meeting at 7:00 PM at the Powellville Town Hall, 106 E. Main Street, Powellville with the following members present or absent:

Present: J. Wallace Perry, Chairman  
Charles L. Smith, Vice-Chairman  
Rick Harrell  
John Trent  
Ronald "Ron" Wesson

Absent: None

Staff Present: Interim County Manager John E. Whitehurst  
Assistant County Manager Misty Gibbs  
Assistant County Attorney Jonathan Huddleston

Mayor Thomas Asbell of the Town of Powellville welcomed the Board and citizens. Mayor Asbell introduced himself and the Commissioners of the Town of Powellville present.

Chairman Perry opened the meeting.

**INVOCATION & PLEDGE OF ALLEGIANCE**

Commissioner Harrell led the invocation and Pledge of Allegiance.

Chairman Perry introduced himself, Administrative staff and the other commissioners to the community members present.

**PUBLIC COMMENTS**

**MR. ERNEST "BUCK" CARTER REGARDING VICIOUS DOGS**

Mr. Carter thanked the Board for coming to Powellville and for taking on the responsibility of running the county. Mr. Carter stated that he felt that there is a problem with vicious dogs in his area. Mr. Carter stated that he was attacked by a pit bull on March 8 on his way to town. Mr. Carter stated that he knew of many others who have been attacked as well. Mr. Carter stated that he felt that the laws needed to be strengthened regarding keeping vicious dogs.

Mr. Carter asked that if there was any way possible, the Board please get the road resurfaced from Powellville to Windsor because it is a rough road.

**MAYOR THOMAS ASBELL**

Mayor Asbell asked members of the Powellsville Fire Department to stand up. The members were recognized with applause from the Board and citizens.

### **MR. WILLIE OUTLAW REGARDING VICIOUS DOGS**

Mr. Willie Outlaw stated that on Daily Road in December 2012 a pit bull jumped up on his porch at another dog. Mr. Outlaw says he understands the problem that Mr. Carter was speaking about. Mr. Outlaw stated that sometimes it made it difficult to walk down the street without protection.

### **MR. HOWARD BROWN REGARDING FIRE HYDRANT**

Mr. Howard Brown stated that there are six homes on Brown Road off of Highway 42. Mr. Brown stated that they need a fire hydrant down that road.

Fire Chief David Powell stated that the Town of Powellsville is the only fire department that utilizes the out of town hydrants. Mr. Powell stated that your insurance rating can drop if you are closer to a hydrant.

### **MR. JOHN DAVIS REGARDING COMMUNITY MEETINGS AND SOLAR ENERGY**

Mr. John Davis commended the Board for the meeting and thanked the Board for coming out to community locations. Mr. Davis stated that the Board members have worked well together and people are beginning to look at things a lot differently because of the Board's leadership.

Mr. Davis stated that the Board should talk to farmers about solar panel projects for energy.

Commissioner Trent updated the Board and citizens that the County and Town of Windsor have been in partnership to bring a 30-acre solar panel project into Bertie County. Commissioner Trent and Commissioner Wesson briefly discussed this project.

### **MS. CLARICE HOLLEY REGARDING RESPECT**

Ms. Clarice Holley stated that she was impressed by the respect the Board has shown to citizens.

Chairman Perry closed the public comments section.

## **APPOINTMENTS**

### **PUBLIC HEARING REGARDING WATER DISTRICTS REFUNDING**

Mr. Mitch Brigulio of Davenport and Company and Ms. Mary Nash Rusher of Hunton and Williams were present to discuss the water districts refunding. Ms. Kristen Kirby of Hunton and Williams was present as well.

Chairman Perry opened the public hearing.

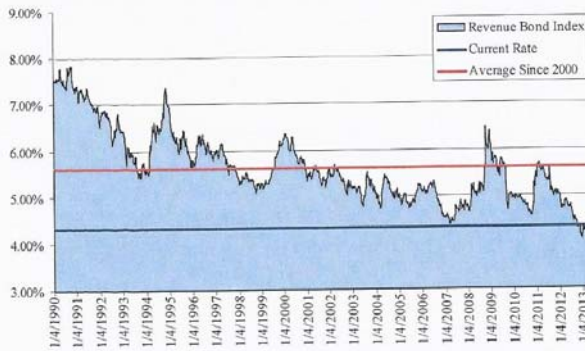
Mr. Brigulio explained the proposed water districts refunding as outlined below:

# Municipal Market Update



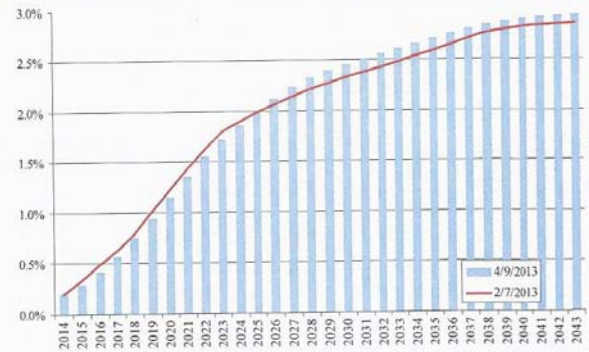
Bertie County, NC

Revenue Bond Index Since 1990



- The Revenue Bond Index is an estimate of the yield compiled by the Bond Buyer using an index of revenue bonds maturing in 30 years, with a rating equivalent to Moody's A1 and Standard and Poor's A-plus.

AAA MMD



- The Municipal Market Data Daily Rate Publication (MMD) is the benchmark for municipal yields.
- Municipal borrowers who issue public securities receive the benefit of the yield curve.

## Limited Obligation Refunding Bonds, Series 2013



Bertie County, NC

### Refunding of USDA Rural Development Water Bonds

Summary of Bonds Refunded					
Series	Coupon	Par Refunded	Call Date	Call Price	Final Maturity
USDA G.O. Water Bond, Series 1995A (District III)	5.250%	1,969,000	6/15/2013	100%	6/1/2035
USDA G.O. Water Bond, Series 1995B (District III)	5.250%	385,500	6/15/2013	100%	6/1/2035
USDA G.O. Water Bond, Series 1996A (District I)	5.125%	2,125,500	6/15/2013	100%	6/1/2036
USDA G.O. Water Bond, Series 1996B (District I)	5.125%	456,500	6/15/2013	100%	6/1/2036
USDA G.O. Water Bond, Series 1998A (District II)	4.875%	1,844,000	6/15/2013	100%	6/1/2037
USDA G.O. Water Bond, Series 1998B (District II)	4.875%	1,760,000	6/15/2013	100%	6/1/2037
USDA G.O. Water Bond, Series 2000A (District IV)	5.125%	1,484,100	6/15/2013	100%	6/1/2040
USDA G.O. Water Bond, Series 2000B (District IV)	4.750%	1,959,500	6/15/2013	100%	6/1/2040
<b>Grand Total</b>		<b>\$11,984,100</b>			

Summary of Refunding Results					
Series	Gross Savings*	Present Value Savings*	Percent Net P.V. Savings	True Interest Cost	Final Maturity
USDA G.O. Water Bond, Series 1995A (District III)	460,280	318,956	16.20%	3.49%	6/1/2035
USDA G.O. Water Bond, Series 1995B (District III)	90,445	62,074	16.10%	3.49%	6/1/2035
USDA G.O. Water Bond, Series 1996A (District I)	468,196	319,950	15.05%	3.35%	6/1/2036
USDA G.O. Water Bond, Series 1996B (District I)	100,809	68,591	15.03%	3.40%	6/1/2036
USDA G.O. Water Bond, Series 1998A (District II)	350,240	228,578	12.40%	3.41%	6/1/2037
USDA G.O. Water Bond, Series 1998B (District II)	332,711	218,513	12.42%	3.42%	6/1/2037
USDA G.O. Water Bond, Series 2000A (District IV)	359,764	228,632	15.41%	3.62%	6/1/2040
USDA G.O. Water Bond, Series 2000B (District IV)	335,523	210,007	10.72%	3.64%	6/1/2040
<b>Grand Total</b>	<b>\$2,497,969</b>	<b>\$1,655,300</b>	<b>13.81%</b>		

Debt Service Comparison			
Fiscal Year	Prior Debt Service	Refunding Debt Service	Savings
2014	896,770	795,414	101,356
2015	898,890	792,950	105,940
2016	897,152	800,650	96,502
2017	897,210	798,050	99,160
2018	897,938	786,500	111,438
2019	897,257	794,950	102,307
2020	896,696	792,800	103,896
2021	896,201	796,200	100,001
2022	896,724	798,800	97,924
2023	896,663	790,600	106,063
2024	895,995	792,000	103,995
2025	895,693	787,600	108,093
2026	893,682	787,600	106,082
2027	888,992	786,800	102,192
2028	876,706	770,200	106,506
2029	863,655	758,400	105,255
2030	845,845	741,200	104,645
2031	822,971	718,800	104,171
2032	800,353	696,400	103,953
2033	773,661	674,000	99,661
2034	745,383	636,600	108,783
2035	718,485	614,800	103,685
2036	561,398	483,000	78,398
2037	402,925	345,600	57,325
2038	197,320	168,000	29,320
2039	188,880	162,000	26,880
2040	180,440	156,000	24,440
<b>Total</b>	<b>\$20,523,883</b>	<b>\$18,025,914</b>	<b>\$2,497,969</b>

Note: Preliminary rates as of April 9, 2013; subject to change.

\* Net of estimated fixed cost of issuance of \$250,000 and estimated underwriter's discount of \$136,630.

# Limited Obligation Refunding Bonds, Series 2013



Bertie County, NC

## Estimated Savings\* By Water District

Fiscal Year	District I			District II			District III			District IV			Grand Total
	1996A	1996B	Total	1998A	1998B	Total	1995A	1995B	Total	2000A	2000B	Total	
Total	468,196	100,809	569,006	350,240	332,711	682,950	460,280	90,445	550,726	359,764	335,523	695,287	2,497,969
2014	20,881	4,128	25,009	14,738	16,110	30,848	21,150	2,142	23,292	11,171	11,036	22,207	101,356
2015	21,485	4,631	26,116	15,353	11,779	27,132	22,780	7,238	30,018	11,348	11,326	22,675	105,940
2016	17,784	4,764	22,549	16,088	12,637	28,725	18,978	2,360	21,338	11,560	12,331	23,891	96,502
2017	19,030	4,873	23,903	12,226	13,897	26,123	20,118	3,056	23,174	12,720	13,241	25,961	99,160
2018	21,372	5,605	26,977	13,943	15,585	29,528	22,850	3,350	26,200	14,177	14,556	28,733	111,438
2019	19,034	5,786	24,821	16,037	12,151	28,188	19,373	3,618	22,990	15,532	10,776	26,308	102,307
2020	21,142	6,442	27,584	12,485	13,746	26,231	21,888	4,359	26,246	11,785	12,051	23,836	103,896
2021	19,370	2,196	21,566	15,111	11,318	26,429	19,993	4,698	24,690	13,535	13,781	27,316	100,001
2022	17,593	2,599	20,193	13,091	13,944	27,036	19,088	5,510	24,598	15,182	10,916	26,098	97,924
2023	22,311	3,477	25,788	15,601	11,424	27,025	22,120	5,770	27,890	11,727	13,633	25,360	106,063
2024	20,248	4,303	24,551	13,464	14,458	27,922	20,943	6,504	27,446	13,370	10,706	24,076	103,995
2025	18,179	5,078	23,257	16,356	12,321	28,678	19,703	7,185	26,888	15,910	13,361	29,271	108,093
2026	22,105	5,802	27,907	14,578	15,214	29,792	21,400	2,814	24,214	13,296	10,874	24,170	106,082
2027	21,775	1,974	23,749	12,305	12,936	25,241	19,940	3,590	23,530	15,228	14,444	29,672	102,192
2028	20,338	2,270	22,608	15,561	16,187	31,748	23,480	4,314	27,794	12,533	11,824	24,356	106,506
2029	18,900	2,040	20,940	14,623	14,743	29,366	21,820	4,485	26,305	14,383	14,261	28,645	105,255
2030	22,463	1,810	24,273	15,640	16,280	31,920	20,160	4,130	24,290	11,606	12,556	24,162	104,645
2031	20,825	6,580	27,405	14,560	15,195	29,755	18,500	3,775	22,275	13,875	10,861	24,736	104,171
2032	19,188	6,150	25,338	13,480	14,110	27,590	21,840	3,420	25,260	11,590	14,176	25,766	103,953
2033	22,550	5,720	28,270	12,400	13,025	25,425	19,980	3,065	23,045	11,120	11,801	22,921	99,661
2034	20,713	5,290	26,003	16,320	11,940	28,260	23,120	2,710	25,830	15,230	13,460	28,690	108,783
2035	18,875	4,860	23,735	15,040	15,855	30,895	21,060	2,355	23,415	14,140	11,500	25,640	103,685
2036	22,038	4,430	26,468	13,760	14,570	28,330				13,050	10,550	23,600	78,398
2037				17,480	13,285	30,765				11,960	14,600	26,560	57,325
2038										15,870	13,450	29,320	29,320
2039										14,580	12,300	26,880	26,880
2040										13,290	11,150	24,440	24,440

Note: Preliminary rates as of April 9, 2013; subject to change.

\* Net of estimated fixed cost of issuance of \$250,000 and estimated underwriter's discount of \$136,630.

DAVENPORT & COMPANY LLC

# USDA Refinancing Structure



Bertie County, NC

## USDA Loan Payoffs

1. Bondholders purchase Limited Obligation Bonds issued by Bertie County.
2. Bertie County purchases General Obligation Refunding Bonds issued by each of the Districts.
3. Each of the Districts uses the proceeds to pay off the current loans with USDA.

## Debt Service Payments

1. Each of the Districts pays the debt service on the General Obligation Refunding Bonds to Bertie County.
2. Bertie County pays the debt service on the Limited Obligation Bonds to the Bondholders.

## Notes

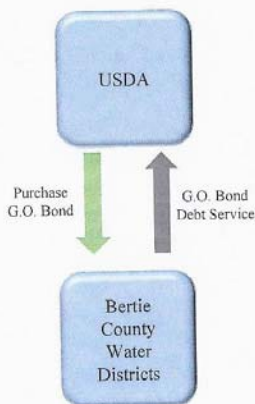
- If a district does not pay, the County has the General Obligation Refunding Bonds (and the Districts' ad valorem taxing power) as collateral.
- Limited Obligation Bonds are appropriation-backed, and require the County Board to budget for the debt service annually.

# USDA Refinancing Flow of Funds

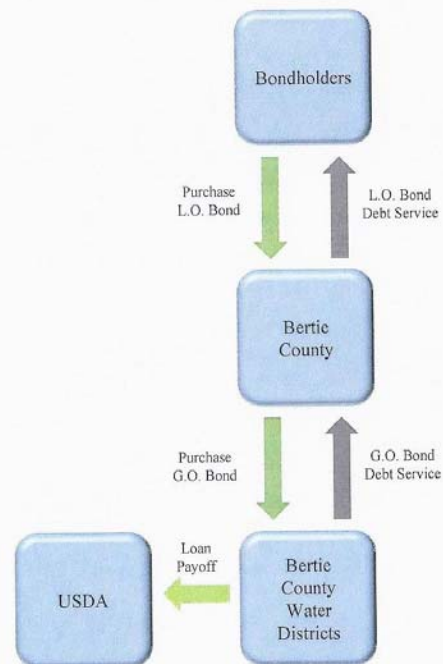


Bertie County, NC

## Current Flow of Funds



## Resulting Flow of Funds



## Next Steps



Bertie County, NC

- April 15<sup>th</sup> County Board Meeting  
Hold Public Hearing  
Adopt Bond Resolution for County LOBs and approve Financing Documents  
Adopt Bond Orders, Finding Resolutions and Bond Resolutions for Water District GO Bonds
- April 29<sup>th</sup> Rating Agency Calls
- May 7<sup>th</sup> LGC Approval
- May 10<sup>th</sup> Mail Preliminary Official Statement
- May 22<sup>nd</sup> Sell Limited Obligation Bonds
- May 30<sup>th</sup> Close on Bonds

Chairman Perry explained that by refunding the water district debt, the County could save approximately \$2.5 million.

Chairman Perry opened up the floor for public comments.

Mr. John Davis of North Shore Drive, Merry Hill asked if anyone had calculated the internal rate of return to the project. Mr. Mitch Brigulio of Davenport and Company stated that the savings would be approximately 13%, net of cost.

Ms. Becky Carter of Powellsville stated that she does not know much about the water systems and inquired as to whether or not the Board had problems with people paying their water bills. Ms. Carter stated that she felt having the water system is a great thing.

Ms. Sadie Reed of Doll Hill Road, Powellsville stated that she lives on a dead end road and there was a lot of chlorine in the water at times. Chairman Perry discussed that this sometimes happens at the end of a water line and encouraged Ms. Reed to contact the Water Department when she has this issue so they can flush the lines.

Ms. Maudester Stanley of Powellsville asked if the system changed over to the County, would this affect the water bills in the Town of Powellsville. The Board explained to Ms. Stanley that the Town of Powellsville has its own water system and is not included in the Bertie County Water System.

Powellsville Mayor Thomas Asbell stated that this project shows great diligence with the counties funds by the Board of Commissioners and noted that he would recommend moving forward with the project if the opportunity came to the Powellsville Town Board.

Chairman Perry declared the public hearing closed.

Ms. Mary Nash Rusher, Bond Council for the project stated that each of the items to approve the project had to be done in a specific way since there are four water districts and the water districts are a separate entity from the County.

Ms. Rusher explained each resolution and bond order in detail.

Commissioner Harrell introduced a **MOTION** to adopt the County's findings resolution. Commissioner Wesson **SECONDED** the motion. The **MOTION PASSED** unanimously.

## **WATER DISTRICT I**

Commissioner Trent introduced a **MOTION** to convene as the Board for Water District I. Commissioner Smith **SECONDED** the motion. The **MOTION PASSED** unanimously.

Commissioner Wesson introduced a **MOTION** to adopt the findings resolution for Water District I. Commissioner Trent **SECONDED** the motion. The **MOTION PASSED** unanimously.

Commissioner Smith introduced a **MOTION** to introduce and adopt the bond order for Water District I. Commissioner Trent **SECONDED** the motion. The **MOTION PASSED** unanimously.

Commissioner Trent introduced a **MOTION** to adopt the issuance resolution for Water District I.

Commissioner Harrell introduced a **MOTION** to adjourn as the Board for Water District I. Commissioner Wesson **SECONDED** the motion.

## **WATER DISTRICT II**

Commissioner Harrell introduced a **MOTION** to convene as the Board for Water District II. Commissioner Wesson **SECONDED** the motion. The **MOTION PASSED** unanimously.

Commissioner Harrell introduced a **MOTION** to adopt the findings resolution for Water District II. Commissioner Wesson **SECONDED** the motion. The **MOTION PASSED** unanimously.

Commissioner Harrell introduced a **MOTION** to introduce and adopt the bond order for Water District II. Commissioner Trent **SECONDED** the motion. The **MOTION PASSED** unanimously.

Commissioner Harrell introduced a **MOTION** to adopt the issuance resolution for Water District II. Commissioner Smith **SECONDED** the motion. The **MOTION PASSED** unanimously.

Commissioner Wesson introduced a **MOTION** to adjourn as the Board for Water District II. Commissioner Smith **SECONDED** the motion. The **MOTION PASSED** unanimously.

### **WATER DISTRICT III**

Commissioner Wesson introduced a **MOTION** to convene as the Board for Water District III. Commissioner Trent **SECONDED** the motion. The **MOTION PASSED** unanimously.

Commissioner Wesson introduced a **MOTION** to adopt the findings resolution for Water District III. Commissioner Trent **SECONDED** the motion. The **MOTION PASSED** unanimously.

Commissioner Wesson introduced a **MOTION** to introduce and adopt the bond order for Water District III. Commissioner Trent **SECONDED** the motion. The **MOTION PASSED** unanimously.

Commissioner Smith introduced a **MOTION** to adopt the issuance resolution for Water District III. Commissioner Trent **SECONDED** the motion. The **MOTION PASSED** unanimously.

Commissioner Smith introduced a **MOTION** to adjourn as the Board for Water District III. Commissioner Trent **SECONDED** the motion. The **MOTION PASSED** unanimously.

### **WATER DISTRICT IV**

Commissioner Harrell introduced a **MOTION** to convene as the Board for Water District IV. Commissioner Trent **SECONDED** the motion. The **MOTION PASSED** unanimously.

Commissioner Smith introduced a **MOTION** to adopt the findings resolution for Water District IV. Commissioner Wesson **SECONDED** the motion. The **MOTION PASSED** unanimously.

Commissioner Smith introduced a **MOTION** to introduce and adopt the bond order for Water District IV. Commissioner Trent **SECONDED** the motion. The **MOTION PASSED** unanimously.

Commissioner Smith introduced a **MOTION** to adopt the issuance resolution for Water District IV. Commissioner Trent **SECONDED** the motion. The **MOTION PASSED** unanimously.

Commissioner Smith introduced a **MOTION** to adjourn as the Board for Water District IV. Commissioner Trent **SECONDED** the motion. The **MOTION PASSED** unanimously.

The resolutions and bond orders are attached as Attachment A.

Chairman Perry reconvened the Board as the Board of Commissioners.

### **AUCTIONEER BILL FORBES REGARDING RESULTS FROM THE APRIL 13, 2013 COUNTY AUCTION**

Auctioneer Bill Forbes discussed the County auction held on April 13, 2013. Mr. Forbes stated that the total sales for real property equaled \$54,450.00 and the total sales for personal property equaled \$6,997.50. Mr. Forbes discussed the spreadsheets listing the real and personal property sold. Mr. Forbes stated that the Board would need to approve the sale of real property, but would not have to approve the personal property since the current contract was sufficient for that matter.



Commissioner Wesson introduced a **MOTION** to approve the sale of the following property:

<b>Parcel #</b>	<b>Property</b>	<b>Final Round Price</b>	<b>Bidder #</b>
<b>1</b>	125 Broadneck Rd., Windsor	\$ <b>100.00</b>	<b>18</b>
<b>2</b>	603 Ghent St., Windsor	\$ <b>1,100.00</b>	<b>33</b>
<b>3</b>	206 E. Church St., Kelford	\$ <b>650.00</b>	<b>41</b>
<b>4</b>	Off 1835 Indian Woods Rd, Windsor	\$ <b>1,300.00</b>	<b>45</b>
<b>5</b>	114 Ted Cherry Ln., Kelford	\$ <b>4,100.00</b>	<b>25</b>
<b>6</b>	112 Pierce St, Lewiston	\$ <b>1,200.00</b>	<b>27</b>
<b>7</b>	110 Harris Ln., Windsor	\$ <b>100.00</b>	<b>9</b>
<b>8</b>	129 Hwy 42, Colerain	\$ <b>6,100.00</b>	<b>44</b>
<b>9</b>	112 Wheel Dr # 4, Lewiston	\$ <b>5,500.00</b>	<b>33</b>
<b>10</b>	108 W. Church St., Lewiston	\$ <b>1,800.00</b>	<b>50</b>
<b>11</b>	111 S. Main St, Lewiston	\$ <b>500.00</b>	<b>26</b>
<b>12</b>	Off 452 Merry Hill Rd, Merry Hill	\$ <b>1,300.00</b>	<b>24</b>
<b>13</b>	Off 512 Jeff White Rd, Merry Hill	\$ <b>1,800.00</b>	<b>16</b>
<b>14</b>	114 Buds Ln, Windsor	\$ <b>1,200.00</b>	<b>8</b>
<b>15</b>	510 Rascoe St, Windsor	\$ <b>100.00</b>	<b>48</b>
<b>16</b>	247 Woodard Rd, Windsor	\$ <b>1,600.00</b>	<b>40</b>
<b>17</b>	238 - 240 Cow Track, Windsor	\$ <b>5,700.00</b>	<b>15</b>
<b>18</b>	120 Ted Cherry Ln, Kelford	\$ <b>2,400.00</b>	<b>22</b>
<b>19</b>	210 Cedar Landing Rd, Windsor	\$ <b>1,600.00</b>	<b>34</b>
<b>20</b>	105 Berry Ln, Windsor	\$ <b>300.00</b>	<b>22</b>
<b>21</b>	222 Perrys School Rd, Colerain	\$ <b>1,900.00</b>	<b>46</b>
<b>22</b>	111 Washington St., Lewiston	\$ <b>3,500.00</b>	<b>26</b>
<b>23</b>	107 Berry Ln, Windsor	\$ <b>500.00</b>	<b>22</b>
<b>24</b>	Off 2354 NC 45N, Colerain	\$ <b>300.00</b>	<b>17</b>
<b>25</b>	Off 2353 NC 45N, Colerain	\$ <b>300.00</b>	<b>17</b>
<b>26</b>	2443 NC 305, Aulander	\$ <b>4,800.00</b>	<b>13</b>
<b>27</b>	Off 1026 NC 305, Aulander	\$ <b>100.00</b>	<b>31</b>
<b>28</b>	517 Quitsna Rd, Windsor	\$ <b>6,600.00</b>	<b>42</b>
<b>Totals</b>		\$ <b>56,450.00</b>	

Commissioner Trent **SECONDED** the motion. The **MOTION PASSED** unanimously.

**EMERGENCY MANAGEMENT COORDINATOR MITCH COOPER REGARDING EMERGENCY MEDICAL SERVICES (EMS) REQUEST FOR PROPOSALS (RFP)**

Chairman Perry stated that the Board was looking at a proposal to privatize EMS service in Bertie County to improve services to citizens.

Emergency Management Coordinator Mitch Cooper discussed the proposed RFP for EMS services.

Commissioner Trent stated that on page 11, section 3.15 the second paragraph was supposed to have been removed.

Assistant County Attorney Huddleston stated that County Attorney Smith had reviewed the proposed RFP and had some comments and proposed changes. Mr. Huddleston stated that Mr. Smith had just had surgery and had not yet had the opportunity to convey those to him.

Chairman Perry stated that the Board had discussed recessing the meeting until the next day at 5:00 PM and asked if this would allow sufficient time to get that information. Mr. Huddleston stated that he thought it would allow sufficient time.

Commissioner Trent introduced a **MOTION** to table consideration of this matter until April 16, 2013 at 5:00 PM. Commissioner Smith **SECONDED** the motion. The **MOTION PASSED** unanimously.

### **CONSENT AGENDA**

Commissioner Smith introduced a **MOTION** to approve the minutes from March 18 and 20, 2013. Commissioner Trent **SECONDED** the motion. The **MOTION PASSED** unanimously.

Commissioner Harrell introduced a **MOTION** to approve the minutes from April 3, 2013 with changes by the County Attorney. Commissioner Wesson **SECONDED** the motion. The **MOTION PASSED** unanimously.

### **DISCUSSION AGENDA**

### **PROPOSED MEETING SCHEDULE**

Assistant County Manager Misty Gibbs presented the proposed meeting schedule for the remainder of 2013.

Commissioner Harrell introduced a **MOTION** to approve the schedule as follows:

**MEETING SCHEDULE  
BERTIE COUNTY BOARD OF COMMISSIONERS**

The Bertie County Board of Commissioners will hold meetings for the remainder of 2013 according to the schedule below:

<b>MEETING SCHEDULE</b>			
<b>Meeting Date</b>	<b>Time</b>	<b>Meeting Area</b>	<b>Meeting Location</b>
5/6/2013	10:00 AM	Commissioners Room	106 Dundee Street, Windsor, NC
5/20/2013	7:00 PM	Askeville	Askeville Town Hall, 105 S. Railroad Street, Askeville, NC
6/3/2013	10:00 AM	Commissioners Room	106 Dundee Street, Windsor, NC
6/17/2013	7:00 PM	Kelford	Kelford Community Building, 107 Broadway Street, Kelford, NC
7/1/2013	10:00 AM	Commissioners Room	106 Dundee Street, Windsor, NC
7/15/2013	7:00 PM	Colerain	Colerain Volunteer Fire Department Training Room, 106 N. Main Street, Colerain, NC
8/5/2013	10:00 AM	Commissioners Room	106 Dundee Street, Windsor, NC
8/19/2013	7:00 PM	Indian Woods	Blue Jay Fire Department, 1351 Indian Woods Road, Windsor, NC
9/3/2013 - TUESDAY	10:00 AM	Commissioners Room	106 Dundee Street, Windsor, NC
9/16/2013	7:00 PM	Aulander	Aulander Community Building, 116 S. Commerce Street, Aulander, NC
10/7/2013	10:00 AM	Commissioners Room	106 Dundee Street, Windsor, NC
10/21/2013	7:00 PM	Midway/Merry Hill	Midway Community Building, 112 NC 45 N, Merry Hill
11/4/2013	10:00 AM	Commissioners Room	106 Dundee Street, Windsor, NC
11/18/2013	7:00 PM	Snakebite	Mt Ararat Church, 305 Cowtrack Road, Windsor, NC
12/2/2013	10:00 AM	Commissioners Room	106 Dundee Street, Windsor, NC
12/16/2013	7:00 PM	Commissioners Room	106 Dundee Street, Windsor, NC

Questions can be directed to the Clerk to the Board at 252-794-6110.

Commissioner Smith **SECONDED** the motion. The **MOTION PASSED** unanimously.

**RESOLUTION OPPOSING THE DISPOSAL OF FRACKING WASTE IN EASTERN NORTH CAROLINA**

The Board, staff and citizens discussed fracking and the proposed resolution opposing disposal of fracking waste in Eastern North Carolina.

Commissioner Harrell introduced a **MOTION** to adopt the resolution. Commissioner Smith **SECONDED** the motion. The **MOTION PASSED** unanimously.

The resolution reads as follows:



## BERTIE COUNTY

106 DUNDEE STREET  
POST OFFICE BOX 530  
WINDSOR, NORTH CAROLINA 27983  
(252) 794-5200  
FAX: (252) 794-5327  
WWW.CO.BERTIE.NC.US

BOARD OF COMMISSIONERS  
J. WALLACE PERRY, Chairman  
CHARLES L. SMITH, Vice-Chairman  
RICK HARRELL  
JOHN TRENT  
RONALD "RON" WILSON

ADMINISTRATIVE STAFF  
JOHN E. WHITEHURST, Interim County Manager  
MISTY J. GIBBS, Assistant County Manager

### RESOLUTION OPPOSING THE DISPOSAL OF FRACKING WASTE IN EASTERN NORTH CAROLINA

**WHEREAS**, hydraulic fracturing, or "fracking," is a method of extracting natural gas that involves injecting, at an extremely high pressure, a mixture of water, sand, and toxic chemicals to break up shale or other rock formations otherwise impermeable to the flow of natural gas; and

**WHEREAS**, North Carolina does not currently allow either horizontal drilling or hydraulic fracturing, and studies across the United States show conflicting results on the effects of revising this ban; and

**WHEREAS**, Senate Bill 76, which would lift the state's ban on fracking, was co-sponsored by Senator Bill Cook, was passed by the Senate, and will be considered by the House of Representatives; and

**WHEREAS**, fracking operations in North Carolina would be concentrated in Central and Western North Carolina, however it has been reported that there are no viable options for disposal of fracking waste in the western part of the state and the Eastern North Carolina might be an option for deep-well disposal of fracking waste; and

**WHEREAS**, the disposal of fracking byproducts into the aquifer could have a detrimental impact on the environment, including contamination of drinking water wells and surface waters; and

**WHEREAS**, Section 5 of the North Carolina Constitution states that "It shall be the policy of the State to conserve and protect its lands and waters for the benefit of all its citizenry, and to this end it shall be a proper function of the State of North Carolina and its political subdivisions... to control and limit the pollution of our air and water... and in every other appropriate way to preserve as part of our common heritage of this State its forests, wetlands, estuaries, beaches, historical sites, open lands, and places of beauty"; and

**NOW THEREFORE BE IT RESOLVED**, that the Bertie County Board of Commissioners is greatly opposed to the disposal in Eastern North Carolina of fracking waste and byproducts from other areas of state.

**BE IT FURTHER RESOLVED**, that the Bertie County Board of Commissioners urges the North Carolina General Assembly to take no action that would weaken existing laws barring hydraulic fracturing and horizontal drilling before a viable option for disposal of fracking waste is found that does not include Eastern North Carolina.

ADOPTED this 15<sup>th</sup> day of April, 2013.

  
Misty J. Gibbs, Clerk to the Board

  
J. Wallace Perry, Chair

## SCHEDULE BUDGET WORK SESSIONS

The Board decided to schedule these work sessions at a future date.

**RESOLUTION OPPOSING THE CLOSING AND CONSOLIDATION OF NC HIGHWAY  
PATROL COMMUNICATIONS CENTERS**

Chairman Perry discussed the proposed resolution. Chairman Perry stated that he had spoken with our local Highway Patrol office and they were in support of keeping the current communications centers.

Chairman Perry introduced a **MOTION** to adopt the resolution. Commissioner Wesson **SECONDED** the motion. The **MOTION PASSED** unanimously.

The resolution reads as follows:



## BERTIE COUNTY

106 DUNDEE STREET  
POST OFFICE BOX 530  
WINDSOR, NORTH CAROLINA 27985  
(252) 794-5300  
FAX: (252) 794-5327  
WWW.CO.BERTIE.NC.US

**BOARD OF COMMISSIONERS**  
J. WALLACE PERRY, Chairman  
CHARLES L. SMITH, Vice-Chairman  
ROCK HARRELL  
JOHN TRENT  
EDNA D'IBRON WISSON

**ADMINISTRATIVE STAFF**  
JOYNE WHITEHURST, Executive County Manager  
MISTY J. GIBBS, Assistant County Manager

### RESOLUTION OPPOSING GOVERNOR MCCRORY AND THE GENERAL ASSEMBLY CLOSING AND CONSOLIDATING NC HIGHWAY PATROL COMMUNICATIONS CENTERS

**WHEREAS**, Governor Pat McCrory proposes closing three of eight NC Highway Patrol communication centers and consolidating them with the Raleigh office; and

**WHEREAS**, in an effort to control costs, plans are to close the State Highway Patrol stations in Williamston, as well as stations in Asheville and Greensboro; and

**WHEREAS**, the State Highway Patrol has more than 1,600 troopers who cover 78,000 miles in North Carolina roadways, enforcing the state's traffic laws, guiding traffic during hurricane evacuations, rerouting traffic around hazardous chemical spills, and standing ready, should any act of terrorism occur; and

**WHEREAS**, the Williamston Highway Patrol Communication Center (Troop A), alone, processes 600 incoming calls daily (219,000 annually), serves 20 counties (Martin, Pitt, Beaufort, Washington, Tyrrell, Hyde, Dare, Currituck, Jones, Lenoir, Carteret, Craven, Pamlico, Hertford, Bertie, Gates, Chowan, Perquimans, Pasquotank, Camden) and dispatches to 180 troopers; and

**WHEREAS**, the Highway Patrol Communication Center has been remodeled and upgraded to house the latest equipment and technology; and


**WHEREAS**, the Highway Patrol Communication Center serves Bertie County; and

**WHEREAS**, although it has been suggested revenue may be saved through consolidation, a higher turnover of state jobs often occur in metropolitan areas, and the consolidation could actually end-up costing more, due to personnel costs associated with employee turnover rates; and

**WHEREAS**, there is the concern that lives will be lost due to delayed response time caused by operators in a communication center centralized in Raleigh becoming overloaded and being unfamiliar with the area.

**NOW, THEREFORE BE IT RESOLVED**, the Bertie County Board of Commissioners strongly appeal to Governor McCrory to reconsider his recommendation to members of the General Assembly to close the NC Highway Patrol communications centers in Williamston as well as in Asheville and Greensboro to balance the state budget.

**ADOPTED**, this the 15<sup>th</sup> day of April 2013.

  
Misty J. Gibbs, Clerk to the Board

  
J. Wallace Perry, Chairman



### **RESOLUTION RECOGNIZING THE SECOND ANNIVERSARY OF THE APRIL 16, 2011 TORNADOES**

Chairman Perry informed the citizens of the ceremony to be held by the General Assembly the next day in honor of the survivors and in memory of the victims of the April 16, 2011 tornadoes.

Chairman Perry discussed the proposed resolution.

Commissioner Harrell introduced a **MOTION** to adopt the resolution. Commissioner Smith **SECONDED** the motion. The **MOTION PASSED** unanimously.



## **BERTIE COUNTY**

106 DUNDEE STREET  
POST OFFICE BOX 530  
WINDSOR, NORTH CAROLINA 27983  
(252) 794-5300  
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**BOARD OF COMMISSIONERS**  
J. WALLACE PERRY, Chairman  
CHARLES L. SMITH, Vice-Chairman  
RICK HARRELL  
JOHN TRENT  
RONALD "RON" WESSON

**ADMINISTRATIVE STAFF**  
JOHN E. WHITEHURST, Interim County Manager  
MISTY J. GIBBS, Assistant County Manager

### **RESOLUTION RECOGNIZING THE SECOND ANNIVERSARY OF THE APRIL 16, 2011 TORNADOES**

WHEREAS, storms producing devastating tornadoes swept through the State of North Carolina and Bertie County on April 16, 2011; and

WHEREAS, an EF3 and an EF2 tornado ravaged the communities near Askewville and Colerain in Bertie County; and

WHEREAS, twelve deaths resulted from the tornadoes in Bertie County including Lewis Chamblee, Gayle Hinchey, Barabara Lafferty, Roy Lafferty, Jr., Peggy Leary, Dorothy Mitchell, Robert Perry, Milton Sutton, Mildred Warren, Celia White, Helen Alston White, and Mary Williams; and

WHEREAS, 67 homes were destroyed in Bertie County and over 20 homes had major damage; and

WHEREAS, the crop losses from the April 16, 2011 tornadoes were estimated at \$24 million, with \$17 million in tobacco crop loss and \$5 million in cotton crop loss; and

WHEREAS, Bertie County citizens possess a resilient spirit, coming together to help one another after this disaster; and

WHEREAS, Bertie County was blessed with superior first responders and volunteers to aid in response to the disaster, as well as excellent agencies, volunteers and nonprofits to aid in recovery following the disaster; and

WHEREAS, the survivors in Bertie County have rebuilt their homes and businesses and have shown that they can move forward following a natural disaster.

NOW THEREFORE BE IT RESOLVED, that the Bertie County Board of Commissioners memorializes the memory of the citizens that lost their lives because of the April 16, 2011 tornadoes; and

BE IT FURTHER RESOLVED, that the Bertie County Board of Commissioners honors the citizens affected by the April 16, 2013 tornadoes and recognizes the second anniversary of this tragic event.

This the 15<sup>th</sup> day of April, 2013.

\_\_\_\_\_  
J. Wallace Perry, Chairman

\_\_\_\_\_  
Misty J. Gibbs, Clerk to the Board

### **COMMISSIONERS' REPORTS**

Commissioner Wesson informed the citizens of the new process for making appointments on boards, commissions and committees and encouraged citizens to apply to serve.



## **COUNTY MANAGER'S REPORTS**

### **PRESENTATION OF BUDGET BY BERTIE COUNTY SCHOOLS**

Interim County Manager Whitehurst stated that the Bertie County Superintendent of Schools would be at the May 6, 2013 meeting of the Board of Commissioners to present the School System's budget request. Mr. Whitehurst stated that he had requested a complete line item budget from School System, outlining the specific items he had requested to be shown.

### **PRE-BID CONFERENCE FOR AUTOMATIC METER READING SYSTEMS AND WATER SYSTEM INSTALLATION AT BLACK ROCK**

Mr. Whitehurst stated that the pre-bid conference for the automatic meter reading systems and water system installation at Black Rock would be held the next day.

### **COUNTY MANAGER POSITION**

Mr. Whitehurst stated that the Board was advertising now to fill the County Manager position and had already received approximately 13 applications. Mr. Whitehurst stated that he had given a copy of the applications to the Board at this meeting to review. Mr. Whitehurst stated that May 10, 2013 was the deadline for submission of applications.

## **COUNTY ATTORNEY'S REPORTS**

There were no reports.

## **PUBLIC COMMENTS CONTINUED**

### **MR. ERNEST "BUCK" CARTER REGARDING ANIMAL CONTROL**

Mr. Carter stated that he felt that since the County has an Animal Control Officer, this would be the best person to contact regarding the vicious dog problem to see if the problem is the same countywide.

### **MS. GENE CANADA REGARDING ANIMAL CONTROL**

Ms. Gene Canada stated that every time she tries to call Animal Control, she gets the Sheriff's Office. Chairman Perry explained that Animal Control is a function under the Sheriff's Office.

Ms. Canada inquired about an article she had read about the sale of C.G. White and how the proceeds from that sale would be spent. Commissioner Wesson explained that the Board of Education owned that property and sold it. Commissioner Wesson stated that the Board of Education has the discretion to choose how those funds are spent, as long as they comply with the law.

### **MAYOR THOMAS ASBELL REGARDING BERTIE COUNTY SCHOOLS**

Mayor Thomas Asbell expressed his concern that the past history of the Board of Education had shown that they could not be trusted to spend the funds discussed by Ms. Canada.

### **MS. MONICA LASSITER REGARDING BOARD OF EDUCATION**

Ms. Monica Lassiter asked how citizens could change how the Board of Education spends funding.

Commissioner Trent informed Ms. Lassiter that citizens would have to go to the School Board meetings and discuss their concerns. Commissioner Harrell reminded the public that the Board of Education is an elected body, just as the Board of Commissioners is an elected body.

Commissioner Wesson explained the role of the Board of Commissioners and Board of Education regarding funding.

### **MR. JOHN DAVIS REGARDING ANIMAL CONTROL**

Mr. John Davis stated that he had two situations recently where he had to call animal control and they did respond, even though it did take a long time. Mr. Davis suggested that Animal Control keep reports of when calls are received and how long it takes to respond.

### **MR. DEWAYNE OUTLAW REGARDING ANIMAL CONTROL**

Mr. Dewayne Outlaw stated that he is a Sergeant in the Sheriff's Office and will take comments from the meeting back to the Sheriff. Mr. Outlaw stated that the County is 741 square miles and there is only one Animal Control Officer.

### **MS. MAUDESTER STANLEY REGARDING HUNTING DOGS AND HOUSEHOLD DEBRIS ON ROADS**

Ms. Stanley stated that during hunting season hunting dogs are turned out on her street and the dogs run in her yard.

Ms. Stanley stated that down her road people have thrown out couches, box springs and other debris.

### **CHIEF DAVID POWELL REGARDING FRACKING**

Chief David Powell stated that his wife had looked up fracking and it is an oil and gasoline refinery byproduct which he would otherwise describe as "greasy dirt."

### **RECESS**

Chairman Perry thanked the citizens for coming to the meeting. Mayor Asbell thanked the commissioners for coming and asked the citizens to give the Commissioners a hand. The citizens applauded.

Chairman Perry recessed the meeting until April 16, 2013 at 5:00 PM in the Commissioners Room, 106 Dundee Street, Windsor.

**April 16, 2013**

The Bertie County Board of Commissioners met for a regular meeting at 5:00 PM at the Commissioners Room with the following members present or absent:

Present: J. Wallace Perry, Chairman  
Charles L. Smith, Vice-Chairman  
Rick Harrell  
John Trent  
Ronald "Ron" Wesson

Absent: None

Staff Present: Interim County Manager John E. Whitehurst  
Assistant County Manager Misty Gibbs  
Assistant County Attorney Jonathan Huddleston

Chairman Perry opened the meeting.

### **CLOSED SESSION**

Commissioner Smith introduced a **MOTION** to go into closed session pursuant to N.C.G.S. § 143-318.11(a) (6) to consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee; or to hear or investigate a complaint, charge, or grievance by or against an individual public officer or employee. Commissioner Trent **SECONDED** the motion. The **MOTION PASSED** unanimously.

Commissioner Smith introduced a **MOTION** to come out of closed session. Commissioner Wesson **SECONDED** the motion. The **MOTION PASSED** unanimously.

### **OPEN SESSION**

### **RESIGNATION OF THE BERTIE COUNTY TAX ADMINISTRATOR**

Interim County Manager Whitehurst stated that Tax Administrator Hosea Wilson had resigned as Tax Administrator effective April 30, 2013.

### **EMERGENCY MANAGEMENT COORDINATOR MITCH COOPER REGARDING EMERGENCY MEDICAL SERVICES (EMS) REQUEST FOR PROPOSALS (RFP)**

The Board and staff discussed the proposed RFP. Assistant County Attorney Huddleston discussed proposed changes by County Attorney Smith.

The Board suggested that the attorney's office and Mr. Cooper make the recommended changes and bring the RFP back to the Board for approval.

### **RECESS**

Chairman Perry recessed the meeting until April 29, 2013 at 2:30 PM in the Commissioners Room, 106 Dundee Street, Windsor.

**April 29, 2013**

The Bertie County Board of Commissioners met for a regular meeting at 2:30 PM at in the Commissioners Room with the following members present or absent:

Present:	J. Wallace Perry, Chairman Charles L. Smith, Vice-Chairman Rick Harrell John Trent Ronald "Ron" Wesson
Absent:	None
Staff Present:	Interim County Manager John E. Whitehurst Assistant County Manager Misty Gibbs Assistant County Attorney Jonathan Huddleston

Chairman Perry opened the meeting.

Chairman Perry led the invocation and Pledge of Allegiance.

**RECREATION DIRECTOR DONNA MIZELLE REGARDING OPERATING HOURS AT THE BERTIE COUNTY RECREATION COMPLEX**

Mr. Perry stated that the Board would like more information about the Recreation Complex operations and hours.

Ms. Mizelle stated that the complex is open Monday through Friday from 8:30 until 5:00 PM. Ms. Mizelle stated that the park is closed on State holidays and for inclement weather. Ms. Mizelle stated that the complex is also open during scheduled events, which are held on weeknights and weekends, depending on the sport.

Commissioner Smith asked what staff member is at the park during the day. Ms. Mizelle stated that the Recreation Office is at another location so there is no staff at the park site during the day unless they are there doing maintenance or dressing of the fields.

Commissioner Wesson stated that he had been approached by parents about putting basketball goals at the complex. Ms. Mizelle stated that the next phase of PARTF would include basketball. Ms. Mizelle discussed the basketball goals used at the school sites.

Chairman Perry stated that he would like to see the complex stay open later. The Board discussed the issues that could arise since there is no supervision there.

Ms. Mizelle gave the Board the schedule of games and practices going on at this time, noting that citizens could attend the complex during those hours as well.

Ms. Mizelle discussed the sports programs offered by the Bertie County Parks and Recreation Department. Commissioner Harrell asked if there is a time when you have to reject people who are interested in playing a sport or participating in an activity. Ms. Mizelle stated that she advertises sports for a month. Ms. Mizelle stated that once teams are full, she sends out a roster and divides up teams. If you call after that, your child is put on a waiting list in case one of the other participants drops out.

Commissioner Wesson stated that he would still like to see basketball at the complex. Commissioner Harrell stated that maybe there was something that could be done before the next phase to get basketball out there.

Commissioner Harrell inquired about what steps need to be followed if a citizen would like to use the complex for a family reunion or other event. Ms. Mizelle stated that a citizen can fill out a rental application and pay the rental fee to use the facility for such events.

Interim County Manager Whitehurst stated that a mobile classroom, such as schools use, would make an adequate office to have at the complex so that a staff person could stay there when the complex is open.

Commissioner Wesson suggested that maybe volunteers could help to remain at the complex during weekends. The Board discussed having a member of law enforcement regularly patrol the complex.

The Board directed Ms. Mizelle to look into these matters and then report back to the Board. The Board asked Ms. Mizelle to investigate making an area for basketball at the complex. The Board asked Interim County Manager Whitehurst to investigate the possibility of getting a mobile unit to put at the site.

Commissioner Harrell stated that there needs to be a sign at the gate communicating the hours to citizens.

Ms. Mizelle passed out a sheet on the participation in each sport in 2012.

### **EMERGENCY MANAGEMENT COORDINATOR MITCH COOPER REGARDING EMS RFP**

Mr. Cooper discussed the changes to the draft RFP for EMS services.

The Board and staff discussed changes needed in the draft copy.

Commissioner Trent introduced a **MOTION** to approve the corrected RFP and to allow Mr. Cooper to release the RFP. Commissioner Wesson **SECONDED** the motion. The **MOTION PASSED** unanimously.

Mr. Cooper stated that Emergency Management would like to use the current Parks and Recreation Office as an Emergency Operations Center should the Parks and Recreation Department move to a new facility, since the generator is already connected to this building.

### **REQUEST FROM INTERIM COUNTY MANAGER REGARDING ASSISTANT COUNTY MANAGER/CLERK TO THE BOARD GRADE ON THE COUNTY PAY PLAN**

Chairman Perry stated that the Interim County Manager had recommended a grade 66 for the Assistant County Manager/Clerk to the Board position. The Interim County Manager had made recommendations regarding this position in a previous closed session.

Commissioner Trent stated that he felt that any decisions regarding this position should wait until a new county manager is in place so he or she could be part of the discussion. Commissioner Harrell agreed.

Commissioner Trent introduced a **MOTION** to table any decision on this matter until after a new county manager is in place. Commissioner Smith **SECONDED** the motion. The **MOTION PASSED** unanimously.

### **TAX ADMINISTRATOR POSITION**

The Board discussed how to operate the Tax Department since Tax Administrator Hosea Wilson's last day would be April 30. The Board discussed the use of in-house staff versus hiring an Interim Tax Administrator.

The Board discussed the Tax Administrator advertisement. The Board directed staff to advertise this position until May 27, 2013.

### **DISCUSSIONS REGARDING BERTIE COUNTY DEPARTMENTS**

Chairman Perry stated that the Board had reviewed and discussed in detail, the qualifications and abilities of each department head. The Board had agreed that the County needs to establish a performance evaluation system. The Board had discussed each commissioner would be assigned some department heads and work with those individuals to establish measurable goals and objectives which will be used to assist in the performance evaluation of each person.

Interim County Manager Whitehurst stated that a Water Field Technician had recently resigned so there was a vacancy in the Water Department. Mr. Whitehurst asked if the Board would like this position filled at this time. Commissioner Harrell discussed the possibility of contracting in the Water Department and stated that he would talk to the Interim County Manager regarding this possibility.

### **ADJOURN**

Chairman Perry adjourned the meeting.

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J. Wallace Perry, Chairman

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Misty J. Gibbs, Clerk to the Board

ATTACHMENT A

**BOARD OF COMMISSIONERS  
OF BERTIE COUNTY**

Excerpt of Minutes  
of Meeting on  
April 15, 2013

Present: Chairman Wallace Perry, presiding, and Commissioners Charles Smith, Rick Harrell, John Trent and Ronald Wesson

Absent: None

\* \* \* \* \*

The following resolution was discussed and its title was read:

**RESOLUTION CONCERNING FINAL APPROVAL OF THE ISSUANCE  
OF BONDS TO FINANCE THE PURCHASE OF GENERAL  
OBLIGATION BONDS ISSUED BY CERTAIN WATER DISTRICTS  
CREATED BY THE COUNTY AND AUTHORIZING THE EXECUTION  
AND DELIVERY OF DOCUMENTS IN CONNECTION THEREWITH**

WHEREAS, the County of Bertie, North Carolina (the "County") is a validly existing political subdivision of the State of North Carolina (the "State"), existing as such under and by virtue of the Constitution, statutes and laws of the State; and

WHEREAS, the County has the power, pursuant to the General Statutes of North Carolina to (1) purchase real and personal property, (2) enter into installment purchase contracts in order to finance and refinance the purchase of real and personal property used, or to be used, for public purposes, and (3) grant a security interest in some or all of the property purchased to secure repayment of the purchase price; and

WHEREAS, the Board of Commissioners of the County (the "Board") has previously determined that it is in the best interest of the County to pursue the financing of the purchase of general obligation refunding bonds (collectively, the "District Bonds") issued by certain water districts created by the County (collectively, the "Districts") in order to assist the Districts to achieve debt service savings with respect to the District Bonds, pursuant to an installment financing contract, as permitted under Section 160A-20 of the General Statutes of North Carolina, as amended (the "Act"); and

WHEREAS, the County will enter into a Trust Agreement dated as of May 1, 2013 (the "Trust Agreement"), between the County and U.S. Bank National Association, as trustee (the "Trustee") for this purpose, with the Trust Agreement being an agreement authorized under Section 160A-20 and having payments thereon by the County subject to appropriation; and

WHEREAS, financings pursuant to Section 160A-20 must be approved by the North Carolina Local Government Commission (the "LGC"); and

WHEREAS, for such financing the County has proposed to issue not to exceed \$14,000,000 in aggregate principal amount of its Limited Obligation Bonds, Series 2013 (the "2013 Bonds") pursuant to the Trust Agreement, with the County's obligations under the Trust Agreement, including the County's



obligation to make payments under such agreement, to be secured by a first priority security interest in the District Bonds; and

WHEREAS, the 2013 Bonds are expected to be sold by Robert W. Baird & Co. (the "Underwriter"), through the use of a Preliminary Official Statement to be dated on or about May 10, 2013 (the "Preliminary Official Statement"), and an Official Statement to be dated on or about the date of sale of the 2013 Bonds, which describes the 2013 Bonds, the Documents (as hereinafter defined) and the financing of the purchase of the District Bonds; and

WHEREAS, there have been presented to the Board forms of the following documents (collectively, the "Documents"), which the County proposes to use in connection with the issuance of the 2013 Bonds and the financing of the purchase of the District Bonds:

1. The form of the Trust Agreement;
2. The form of the Preliminary Official Statement;
3. The form of the Bond Purchase Agreement between the County and the Underwriter, relating to the 2013 Bonds; and
4. The forms of the Bond Purchase Agreements between the County and each of the Districts, pursuant to which the County will purchase the District Bonds from the Districts; and

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

WHEREAS, the County at its meeting on March 4, 2013, made findings with respect to the financing of the purchase of the District Bonds; and

WHEREAS, the County has today held a public hearing regarding the financing of the purchase of the District Bonds through the issuance of the 2013 Bonds and the Trust Agreement, as evidenced by the Certificate and Summary of Public Hearing attached hereto; and

WHEREAS, the LGC will consider the County's application for approval of the proposed financing at its meeting on May 7, 2013;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF BERTIE, NORTH CAROLINA, AS FOLLOWS:

1. The issuance of the 2013 Bonds and the financing of the purchase of the District Bonds pursuant to and in accordance with the terms and conditions of the Documents, in the aggregate principal amount not to exceed \$14,000,000, with true interest cost on the 2013 Bonds not to exceed 5.0% and final maturity of the 2013 Bonds not to extend beyond 2043, is hereby approved.

2. The Chairman or Vice Chairman of the Board and the County Manager, or any of them, are hereby authorized and directed to execute and deliver the Trust Agreement, the 2013 Bonds, and the Bond Purchase Agreement (collectively, the "County Documents"), which shall be in substantially the forms previously submitted, which are hereby approved, with such completions, omissions, insertions, and changes as may be approved by the Chairman, Vice Chairman or the County Manager, with the advice of the County Attorney and Bond Counsel, including such changes as may be required by the LGC, their execution to constitute conclusive evidence of their approval of any such completions,

omissions, insertions and changes. The Clerk of the Board shall attest and seal such documents as require the Clerk's attestation and the County seal.

3. The Board hereby approves the execution and delivery by the County of the Documents and any other documents or certificates that may be required in connection with the execution and delivery of the 2013 Bonds.

4. The form, terms and content of the Preliminary Official Statement are in all respects authorized, approved and confirmed, and the use of the Preliminary Official Statement by the Underwriter in connection with the sale of the 2013 Bonds is hereby in all respects authorized, approved, ratified and confirmed. The County Manager is authorized, empowered and directed to deliver the Official Statement for and on behalf of the County in substantially the form and content of the Preliminary Official Statement, presented to the Board, but with such changes, modifications, additions or deletions therein as to him seem necessary, desirable or appropriate, and the use of the Official Statement by the Underwriter in connection with the sale of the 2013 Bonds with investors is hereby authorized, approved and confirmed.

5. The Chairman, Vice Chairman, County Manager, Assistant County Manager, County Finance Officer, County Attorney, Clerk to the Board, and Deputy Clerk to the Board are hereby authorized to take any and all such further action and to execute and deliver such other documents as may be necessary or advisable to carry out the intent of this resolution and to effect the financing pursuant to the Documents. Without limiting the generality of the foregoing, the Chairman, Vice Chairman or County Manager are authorized to approve all details of the financing, including without limitation, the annual payments due under the Trust Agreement, the interest rates on the 2013 Bonds, and the term for the 2013 Bonds under the Trust Agreement. Execution of the County Documents by the Chairman, Vice Chairman or County Manager, as the case may be, shall conclusively evidence approval of all such details of the financing.

6. To the extent permitted by law, the County Manager, or such other officer or employee of the County as may be responsible from time to time for the preparation of the County's annual budget, is hereby authorized and directed to carry out the obligations imposed by the Documents on such officer or employee.

7. The County is hereby authorized and directed to purchase the District Bonds and to pledge and assign the District Bonds as set forth in the Documents. The Chairman, Vice Chairman and County Manager are hereby authorized, empowered and directed, individually and collectively, to enter into a District Bond Purchase Agreement with each District in substantially the form previously approved by the Board in its capacity as the governing body of each such District.

8. All other actions of the officers of the County which are in conformity with the purposes or intent of this resolution and in furtherance of the execution and delivery of the Documents to which the County is a party are hereby ratified, approved and confirmed. The representations of the County made in the Documents to which it is a party are hereby confirmed.

9. The following financing team members shall serve for the issuance of the 2013 Bonds:

Financial Advisor:	Davenport & Company LLC
Underwriter:	Robert W. Baird & Co.
Underwriter's Counsel:	Parker Poe Adams & Bernstein LLP
Bond Counsel:	Hunton & Williams LLP
Trustee:	U.S. Bank National Association

10. All resolutions or parts thereof in conflict herewith are hereby repealed.

11. This resolution shall take effect immediately.

Commissioner Harrell moved the passage of the foregoing resolution and Commissioner Wesson seconded the motion, and the resolution was passed by the following vote:

Ayes: Commissioners \_Wallace Perry, Charles Smith, Rick Harrell, John Trent and Ronald Wesson

Nays: None

Not Voting: None

\* \* \* \* \*

I, Misty Gibbs, Clerk for the Board of Commissioners of Bertie County, North Carolina, DO HEREBY CERTIFY that the foregoing is a true and complete copy of so much of the proceedings of the Board of Commissioners of Bertie County at a regular meeting duly called and held April 15, 2013, as it relates in any way to the resolution hereinabove set forth, and that such proceedings are recorded in Minute Book 18 of the minutes of the Board. Pursuant to N.C.G.S. § 143-318.12, a current copy of a schedule of regular meetings of the Board of Commissioners of Bertie County is on file in my office.

I DO HEREBY FURTHER CERTIFY that due notice of such meeting, stating its time and place and the subjects to be considered was posted, mailed or delivered as required by G. S. § 143-318.12(b)(2).

WITNESS my hand and the common seal of said County, this 15<sup>th</sup> day of April, 2013.

(SEAL)

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Clerk to the Board of Commissioners

**BOARD OF COMMISSIONERS  
OF THE COUNTY OF BERTIE, NORTH CAROLINA  
ACTING AS THE GOVERNING BODY OF  
COUNTY WATER DISTRICT I**

Excerpt of Minutes  
of Meeting of  
April 15, 2013

Present: Chairman \_\_\_\_\_ presiding, and Commissioners \_\_\_\_\_

---

Absent: \_\_\_\_\_

\* \* \* \* \*

The following resolution was introduced and its title was read:

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE  
COUNTY OF BERTIE, NORTH CAROLINA, SITTING AS THE  
GOVERNING BODY OF COUNTY WATER DISTRICT I, PROVIDING  
FOR THE ISSUANCE OF A NOT TO EXCEED \$3,000,000 GENERAL  
OBLIGATION REFUNDING WATER BOND, SERIES 2013 OF COUNTY  
WATER DISTRICT I**

**WHEREAS**, the Board of Commissioners (the “Board”) of the County of Bertie, North Carolina (the “County”), sitting as the governing body of County Water District I (the “District”), is considering the issuance of a not to exceed \$3,000,000 General Obligation Refunding Water Bond to pay the costs of refunding in advance of their maturities (1) \$2,125,500 aggregate principal amount of the District’s Water Bonds, Series A issued in 1996 and maturing on and after June 1, 2014, and (2) \$456,500 aggregate principal amount of the District’s Water Bonds, Series B issued in 1996 and maturing on and after June 1, 2014 (collectively, the “Refunded Bonds”);

**WHEREAS**, the Board has this day adopted a Bond Order (the “Bond Order”) entitled:

**“BOND ORDER AUTHORIZING THE ISSUANCE OF NOT TO EXCEED  
\$3,000,000 GENERAL OBLIGATION REFUNDING WATER BONDS OF  
COUNTY WATER DISTRICT I”;**

**WHEREAS**, the District desires to issue its General Obligation Refunding Water Bond, Series 2013 (the “Bond”) pursuant to the Bond Order in order to refund the Refunded Bonds, and to request that the Local Government Commission (the “Commission”) sell the Bond through a negotiated sale to the County in accordance with the terms and conditions set forth in a District Bond Purchase Agreement to be dated on or about May 30, 2013 (the “District Bond Purchase Agreement”), among the District, the Commission and the County, a copy of which has been

filed with the County and made available to the Board sitting as the governing body of the District; and

**WHEREAS**, the County will issue its limited obligation bonds (as further described below) to provide funds for the County to purchase the Bond, among other purposes;

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

**ARTICLE I  
DEFINITIONS**

Section 1.01. Meaning of Words and Terms. Unless otherwise required by the context, the following capitalized words and terms shall have the following meanings:

“1996A Bonds” means the District’s \$2,718,000 Water Bonds, Series A.

“1996B Bonds” means the District’s \$582,000 Water Bonds, Series B.

“Bond” means the District’s General Obligation Refunding Water Bond, Series 2013, authorized under the Bond Order.

“Bond Order” means the Bond Order authorizing the Bond adopted by the Board on April 15, 2013, effective on its adoption.

“Code” means the Internal Revenue Code of 1986, as amended. Each reference to a section of the Code herein will be deemed to include the United States Treasury Regulations in effect with respect thereto.

“Federal Securities” means (a) direct obligations of the United States of America for the timely payment of which the full faith and credit of the United States of America is pledged; (b) obligations issued by any agency controlled or supervised by and acting as an instrumentality of the United States of America, the timely payment of the principal of and interest on which is fully guaranteed as full faith and credit obligations of the United States of America (including any securities described in clause (a) or (b) hereof issued or held in the name of a trustee in book-entry form on the books of the Department of Treasury of the United States of America), which obligations, in either case, are held in the name of a trustee and are not subject to redemption or purchase prior to maturity at the option of anyone other than the holder; or (c) direct evidences of ownership of proportionate interests in future interest and principal payments on specified obligations described in clause (a) hereof held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor on the underlying obligations described in clause (a) hereof, and which underlying obligations are not available to satisfy any claim of the custodian or any person claiming through the custodian or to whom the custodian may be obligated.

“Holder”, “owner” or “Owner” mean the registered owner of the Bond.

“LOBs” means the County of Bertie, North Carolina Limited Obligation Bonds (Bertie Water Districts General Obligation Refunding Bonds), Series 2013, executed and delivered under the Trust Agreement.

“Pricing Certificate” means the certificate of the County’s Finance Director, delivered in connection with the issuance of the Bond which establishes with respect to the Bond the final maturity amounts, the interest payment dates, the interest rates, the provisions for redemption and the provisions for the application of proceeds, all as agreed on in the District Bond Purchase Agreement.

“Refunded Bonds” means, collectively, (1) \$2,125,500 in aggregate principal amount of the 1996A Bonds maturing on and after June 1, 2014, and (2) \$456,500 in aggregate principal amount of the 1996B Bonds maturing on and after June 1, 2014.

“Resolution” means this resolution authorizing the issuance of the Bond.

“Trust Agreement” means a Trust Agreement dated as of May 1, 2013, between the County of Bertie, North Carolina and U.S. Bank National Association, as trustee.

Section 1.02. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words used herein shall include the plural as well as the singular number. References herein to particular articles or sections are references to articles or sections of this Resolution unless some other reference is indicated.

## **ARTICLE II AUTHORIZATION, FORM, ISSUANCE AND DELIVERY OF THE BOND**

Section 2.01. Authorization and Issuance of the Bond. The District hereby authorizes the issuance of the Bond designated “General Obligation Refunding Water Bond, Series 2013” in the aggregate principal amount of not to exceed \$3,000,000 for the purpose of providing funds, together with any other available funds, to (a) refund the Refunded Bonds and (b) pay costs and expenses incurred in connection with the issuance of the Bond. The Bond shall be issued under and pursuant to the Constitution and the laws of the State of North Carolina, the Bond Order and this Resolution, subject to the conditions set forth herein and therein.

The Finance Director of the County, acting on behalf of the District, is hereby appointed as registrar for the Bond.

Section 2.02. Form of Bond. The definitive Bond shall be initially issued as one fully registered bond without coupons numbered R-1 in the aggregate principal amount not to exceed \$3,000,000. The definitive Bond shall be substantially in the form set forth in Exhibit A attached hereto and made a part hereof, with such appropriate variations, omissions and insertions as are permitted or required by this Resolution or the Pricing Certificate. The Bond shall bear the original or facsimile signatures of the Chairman of the Board or the County Manager and the Clerk to the Board, each acting on behalf of the District, and shall include the original or facsimile signature of an authorized representative of the Commission. At least one of the signatures on the Bond (which may be the signature of the representative of the Commission)

must be a manual signature. An original or facsimile of the seal of the District is to be imprinted on the Bond.

Section 2.03. Details of Bond. The Bond shall be dated its date of issuance. The Bond shall pay interest semiannually on May 25 and November 25, beginning November 25, 2013, unless the County's Finance Director establishes different dates in the Pricing Certificate. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. The Bond is payable in annual installments on May 25 in each year, unless the County's Finance Director establishes a different date or dates in the Pricing Certificate. The annual installments of principal and corresponding interest rates of the Bond will be as set forth in the Pricing Certificate.

The principal of and the interest and any redemption premium 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.

Payment of principal installments and interest when due and payable on the Bond shall be made by check or wire transfer to the registered owner of the Bond at its address as it appears on the bond registration books without the presentation or surrender thereof.

The Chairman of the Board, the County Manager, the Finance Director and the Clerk to the Board, each acting on behalf of the District, are hereby authorized and directed, individually and collectively, to cause the Bond to be prepared and, when the Bond has been duly sold by the Commission, to execute the Bond and to turn the Bond over to the registrar for delivery to the County or its assignee

Section 2.04. Transfer of Bond. The Bond, upon surrender thereof at the principal office of the registrar, together with an assignment duly executed by the registered owner or its attorney or legal representative in such form as shall be satisfactory to the registrar, may, at the option of the registered owner thereof, be exchanged for bonds, having maturities corresponding to the maturities of the installments of principal of such bond then unpaid, issuable in fully registered form and bearing interest at the same rate.

The transfer of the Bond may be registered by the registered owner thereof only upon an execution of an assignment thereof duly executed by such registered owner or its attorney or legal representative. Notice of such assignment shall be given promptly by the assignor to the registrar by registered mail, such notice to be in such form as shall be satisfactory to the registrar, and upon receipt of such notice, such Bond shall be registered as to both principal and interest on such registration books in the name of the assignee named in such notice.

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

As to any bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the



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

Section 2.05. Private Sale. The Commission is hereby requested to sell the Bond at private sale pursuant to G.S. 159-123 to the County at a true interest cost not to exceed 5.00%. The form and content of the District Bond Purchase Agreement are in all respects approved and confirmed. The Chairman of the Board, the County Manager or the Finance Director, each acting on behalf of the District, is hereby authorized, empowered and directed, individually and collectively, to execute and deliver the District Bond Purchase Agreement for and on behalf of the District, including necessary counterparts, in substantially the form and content presented to the District, but with such changes, modifications, additions or deletions therein as he or she may deem necessary, desirable or appropriate, the execution thereof to constitute conclusive evidence of the Board's approval of any and all such changes, modifications, additions or deletions therein. From and after the execution and delivery of the District Bond Purchase Agreement, the Chairman of the Board, the County Manager and the Finance Director, each acting on behalf of the District, are hereby authorized, empowered and directed, individually and collectively, to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the District Bond Purchase Agreement as executed.

Section 2.06. Proceeds of the Bond. Unless the Pricing Certificate provides otherwise, the District shall cause the portion of the proceeds of the Bond necessary to redeem the Refunded Bonds to be delivered to the USDA, as the holder of the Refunding Bonds. Any remaining portion of the proceeds of the Bond shall be deposited as set forth in the District Bond Purchase Agreement.

### **ARTICLE III REDEMPTION OF BOND**

Section 3.01. Redemption of Bond. If the Pricing Certificate designates a date on and after which the Bond is subject to redemption, then the Bond shall be subject to redemption before maturity, at the option of the District, from any money that may be made available for such purpose, either in whole or in part on any date on or after the date set forth in the Pricing Certificate, at the principal amount of the Bond to be redeemed, together with interest accrued thereon to the date fixed for redemption, with such redemption premium, if any, designated for the Bond in the Pricing Certificate. The redemption provisions relating to the Bond shall correspond to the redemption provisions of the LOBs.

If the Bond is subject to optional redemption, when the District elects to redeem the Bond, notice of such redemption of such Bond, stating the redemption date and redemption price and further stating that on such redemption date there are due and payable on the Bond the principal thereof and interest accrued to the redemption date and that from and after such date

interest thereon shall cease to accrue, is to be given not less than 15 days nor more than 60 days before the redemption date in writing to the registered owner of such Bond, by prepaid certified or registered United States mail, at the address provided to the District by the registered owner, but any failure or defect in respect of such mailing will not affect the validity of the redemption. The District will also mail or transmit by facsimile a copy of the notice of redemption within the time set forth above to the Commission.

On the date fixed for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Bond or part thereof called for redemption shall be due and payable at the redemption price provided therefor, plus accrued interest to such date. If moneys sufficient to pay the redemption price of the Bond or part thereof to be redeemed plus accrued interest thereon to the date fixed for redemption are held in trust for such purpose, interest on the Bond or part thereof called for redemption shall cease to accrue, such Bond or part thereof shall cease to be entitled to any benefits or security under this resolution or to be deemed outstanding, and the registered owners of such Bond or part thereof shall have no rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest to the date of redemption.

In the event that an installment of principal of the Bond shall be redeemed, the registrar shall direct the registered owner thereof to evidence such redemption by appropriate notation on the schedule attached to such Bond for such purpose.

Section 3.02. Discharge and Defeasance. Nothing in this Resolution precludes (a) the payment of the Bond from the proceeds of refunding bonds or (b) the payment of the Bond from any legally available funds.

If the District causes to be paid, or has made provisions to pay, on maturity or on redemption before maturity, to the owner of the Bond the principal of the Bond (including interest to become due thereon) and, premium, if any, on the Bond, through setting aside trust funds or setting apart in a reserve fund or special trust account created pursuant to this Resolution or otherwise, or through the irrevocable segregation for that purpose in some sinking fund or other fund or trust account with an escrow agent or otherwise, moneys sufficient therefor, including, but not limited to, interest earned or to be earned on Federal Securities, and the principal of the Bond (including premium, if any, and interest thereon) shall no longer be deemed to be outstanding and unpaid; provided, however, that nothing in this Resolution requires the deposit of more than such Federal Securities as may be sufficient, taking into account both the principal amount of such Federal Securities and the interest to become due thereon, to implement any such defeasance.

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

**ARTICLE IV  
DISTRICT COVENANTS**

Section 4.01. Payment of Principal, Interest and Premium. The District covenants that it will promptly pay the principal of and the interest on the Bond issued under the provisions of this Resolution at the place, on the dates and in the manner provided herein and in the Bond, according to the true intent and meaning thereof. The District further covenants that it will faithfully perform at all times all of its covenants, undertakings and agreements contained in this Resolution and the Bond Order, or in any Bond executed, authenticated and delivered hereunder or in any proceedings of the District pertaining thereto. The District represents and covenants that it is duly authorized under the Constitution and laws of the State, particularly the Act, to issue the Bond authorized hereby and to pledge its full faith and credit to the repayment of the Bond.

Section 4.02. Tax Covenants. The District covenants to do and perform all acts and things permitted by law in order to assure that interest paid on the Bond which was excludable from the gross income of its Holder for federal income taxes on the date of its issuance shall continue to be so excludable.

Section 4.03. Rule 15c2-12. The District agrees to provide the County whatever information that may be necessary for the County to comply with its undertaking with respect with Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC") and for the benefit of the Registered Owners and beneficial owners of the LOBs. The provisions of this Section shall terminate on payment, or provision having been made for payment in a manner consistent with the Rule, in full of the principal of and interest with respect to the LOBs.

**ARTICLE V  
THE TRUSTEE**

Section 5.01. Designation of Trustee. The District may at any time, with the approval of the Commission, appoint a Trustee to administer the provisions of the Bond Order and this Resolution and may adopt such supplements to the Bond Order and this Resolution as shall be necessary or desirable to effectuate such appointment. Any such Trustee shall meet the requirements set forth in Article X of the Trust Agreement.

**ARTICLE VI  
SUPPLEMENTAL RESOLUTIONS**

Section 6.01. Modification Without Consent of Holder. The District may, from time to time and at any time, without the consent of any Holder of the Bond, amend or supplement this Resolution (which supplemental resolutions shall thereafter form a part hereof) as shall be substantially consistent with the terms and provisions of this Resolution, shall not materially and adversely affect the interest of the Holder, and, in the the opinion of nationally recognized bond counsel, would not cause the interest on the Bond to be included in the gross income of a recipient thereof for federal income tax purposes:

(a) to cure any ambiguity or formal defect or omission, to correct or supplement any provision herein that may be inconsistent with any other provision herein, to make any other provisions with respect to matters or questions arising under this Resolution or to modify, alter, amend, add to or rescind, in any particular manner, any of the terms or provisions contained in this Resolution, as is substantially consistent with the terms and provisions of this Resolution and does not materially and adversely affect the interest of the Holder;

(b) to grant or to confer upon the Holder any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Holder;

(c) to add to the covenants and agreements of the District in this Resolution other covenants and agreements thereafter to be observed by the District or to surrender any right or power herein reserved to or conferred upon the District; or

(d) to permit the qualification of this Resolution under any federal statute now or hereafter in effect or under any state blue sky laws, and, in connection therewith, if the District so determines, to add to this Resolution or any supplemental resolution such other terms, conditions and provisions as may be permitted or required by such federal statute or blue sky laws.

At least thirty (30) days prior to the execution and delivery of any supplemental resolution for any of the purposes of this Section, the registrar shall cause a notice of the proposed supplemental resolution to be mailed first-class, postage prepaid, to the Commission and to the Holder of the Bond. Such notice shall briefly set forth the nature of the proposed supplemental resolution and shall state that copies thereof are on file at the principal office of the registrar for inspection by the Holder of the Bond. A failure on the part of the registrar to mail the notice required by this Section shall not affect the validity of such supplemental resolution.

Section 6.02. Modification of Resolution With Consent of Holder. No modification or amendment to the Bond or this Resolution may reduce the principal amount of the Bond, reduce the interest rate payable on the Bond, extend the Bond's maturity or the times for paying interest, change the monetary medium in which principal and interest is payable or reduce the percentage of consent required for amendment or modification without the express consent of the owner of the Bond, and the owner of the Bond shall have the right, from time to time, to consent to and approve the adoption by the District of any supplemental resolutions (other than as described in section 7.01) as shall be deemed necessary or desirable by the District for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution or the Bond.

Whenever, at any time after the date of the mailing of such notice, the District receives an instrument in writing purporting to be executed by the Holder of the Bond, which instrument shall refer to the proposed supplemental resolution described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the District may adopt such supplemental resolution in substantially such form, without liability or responsibility to such Holder.

If the Holder of the Bond has consented to and approved the adoption thereof as herein provided, to the extent permitted by law, the Holder shall have no right to object to the adoption of such supplemental resolutions, to object to any of the terms and provisions contained therein or the operation thereof, to question the propriety of the adoption thereof, or enjoin or restrain the District from adopting the same or from taking any action pursuant to the provisions thereof.

Upon the adoption of any supplemental resolution pursuant to the provisions of this Section, this Resolution shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Resolution of the District, the registrar and the Holder of the Bond shall thereafter be determined, exercised and enforced in all respects pursuant to the provisions of this Resolution, as so modified and amended.

Section 6.03. Responsibilities of District Under this Article. The District shall be entitled to exercise its discretion in determining whether or not any proposed supplemental resolution or any term or provision therein contained is desirable, after considering the purposes of such instrument, the needs of the District and the rights and interests of the Holder of the Bond.

## **ARTICLE VII MISCELLANEOUS PROVISIONS**

Section 7.01. Manner of Giving Notice. All notices, demands and requests to be given to or made hereunder by the District, the Commission or the registrar shall be given or made in writing and shall be deemed to be properly given or made if sent by United States registered or certified mail, return receipt requested, addressed as follows:

- (a) As to the District or registrar --

County Water District I  
106 Dundee Street  
Windsor, North Carolina 27983  
Attention: Finance Director

- (b) As to the Local Government Commission --

North Carolina Local Government Commission  
325 N. Salisbury Street  
Raleigh, North Carolina 27603-1385  
Attention: Secretary

- (c) As to the County--

106 Dundee Street  
Windsor, North Carolina 27983  
Attention: Finance Director

Any such notice, demand or request may also be transmitted to the appropriate above-mentioned party by electronic mail or telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

Any of such addresses may be changed at any time upon written notice of such change sent by United States registered or certified mail, postage prepaid, to the other parties by the party effecting the change.

Section 7.02. Substitute Mailing. If, because of the temporary or permanent suspension of postal service, the District, the Commission or the registrar shall be unable to mail any notice required to be given by the provisions of this Resolution, such party shall give notice in such other manner as in the judgment of such party shall most effectively approximate mailing, and the giving of notice in such manner shall for all purposes of this Resolution be deemed to be in compliance with the requirement for the mailing thereof.

Section 7.03. District, Registrar and Holder Alone Have Rights Under Resolution. Except as herein otherwise expressly provided, nothing in this Resolution, express or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the District, the registrar and the Holder of the Bond, any right, remedy or claim, legal or equitable, under or by reason of this Resolution or any provision being intended to be and being for the sole and exclusive benefit of the District, the registrar and the Holder of the Bond.

Section 7.04. Effect of Covenants; Governing Law. All covenants, stipulations, obligations and agreements of the District contained in this Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the District to the full extent permitted by the Constitution and laws of the State. This Resolution is executed and delivered with the intent that the laws of the State shall govern this construction.

Section 7.05. Headings. Any heading preceding the text of the several articles hereof, any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Resolution, nor shall they affect its meaning, construction or effect.

Section 7.06. Partial Invalidity. If any one or more of the agreements or provisions herein contained is held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or for any reason whatsoever is held invalid, then such covenants, agreements or provisions are null and void and separable from the remaining agreements and provisions and will in no way affect the validity of any of the other agreements and provisions hereof or of the Bond authorized hereunder.

Section 7.07. Previous Actions. All acts and doings of the Chairman of the Board, the County Manager, the Assistant County Manager, the Finance Director and the Clerk to the Board, each acting on behalf of the District, that are in conformity with the purposes and intent of this Resolution and in the furtherance of the issuance of the Bond and the execution, delivery and performance of the District Bond Purchase Agreement are in all respects approved and confirmed.

Section 7.08. Further Authority. The officers, attorneys, employees and other agents of the District are hereby authorized to do all acts and things required of them by this Resolution for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Bond and this Resolution.

The County Manager, the Finance Director, and the Clerk to the Board, or any of them or their deputies, acting on behalf of the District, are further authorized and directed (without limitation except as expressly provided herein) to take such action and to execute and deliver such documents, certificates, agreements or other instruments as they, with the advice of counsel, may deem necessary or appropriate to effect the transactions contemplated by the Bond Order and this Resolution.

Section 7.09. Payment Due on Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right as provided in this Resolution is not a Business Day, such payment may be made or act performed or right exercised on the next Business Day with the same force and effect as if done on the date provided in this Resolution.

Section 7.10. Resolution Effective. All resolutions or parts thereof of the Board in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed. This Resolution is effective on its adoption.

Commissioner \_\_\_\_\_ moved the passage of the foregoing resolution and Commissioner \_\_\_\_\_ seconded the motion and the resolution was passed by the following vote:

Ayes:           Commissioner \_\_\_\_\_  
Nays:           Commissioner \_\_\_\_\_  
Not voting:    Commissioner \_\_\_\_\_

\* \* \* \* \*

I, Misty Gibbs, Clerk to the Board of Commissioners for the County of Bertie, North Carolina, sitting as the governing body of County Water District I, DO HEREBY CERTIFY that the foregoing is a true and complete copy of a resolution adopted by the Board of Commissioners of the County at a regular meeting duly called and held on April 15, 2013, and that the proceedings of such meeting are recorded in the Minutes of the Board. Pursuant to G.S. § 143-318.12, a current copy of a schedule of regular meetings of the Board of Commissioners of the County is on file in my office.

WITNESS my hand and the official seal of the County this \_\_\_\_ day of April, 2013.

---

Clerk, Board of Commissioners  
County of Bertie, North Carolina

(SEAL)



**FORM OF BOND**

**No. R-1**

**\$\_\_\_\_\_**

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

**COUNTY OF BERTIE, NORTH CAROLINA  
COUNTY WATER DISTRICT I**

<u>MATURITY DATE</u>	<u>DATED DATE</u>
MAY 25, 20__	MAY __, 2013

**REGISTERED OWNER: COUNTY OF BERTIE, NORTH CAROLINA**

**PRINCIPAL SUM: \_\_\_\_\_ DOLLARS**

**GENERAL OBLIGATION REFUNDING WATER BOND, SERIES 2013**

**COUNTY WATER DISTRICT I** (the "District") acknowledges itself indebted and for value received hereby promises to pay to the Registered Owner named above, the principal sum shown above in annual installments due on May 25 in each year as set forth below, and to pay to the Registered Owner hereof interest on such annual installments from the date of this Bond until payment thereof at the interest rates per annum specified below, payable on November 25, 2013, and semiannually thereafter on May 25 and November 25 of each year. Principal of and interest on this Bond are payable in immediately available funds to the County of Bertie, North Carolina (the "County") or its nominee as registered owner of the Bond.

Principal installments are due annually on May 25 of the years and in the amounts set forth below and will bear interest (computed on the basis of a 360-day year of twelve 30-day months) as follows:

<u>MAY 25</u>	<u>PRINCIPAL</u>	<u>RATE</u>	<u>MAY 25</u>	<u>PRINCIPAL</u>	<u>RATE</u>
---------------	------------------	-------------	---------------	------------------	-------------

The portions of this Bond maturing on or after May 25, 20\_\_ may be redeemed prior to their installment payment dates at the option of the District, from any funds that may be available for such purpose, in whole or in part on any date on or after May 25, 20\_\_. The portions of this Bond so called for redemption will be redeemed at a redemption price equal to 100% of the principal amount thereof, together with accrued interest thereon to the date fixed for redemption. Notwithstanding the foregoing, this Bond may be redeemed only if the County's Limited Obligation Bonds (Bertie Water Districts General Obligation Refunding Bonds), Series 2013 (the "LOBs") are redeemed pursuant to the Trust Agreement dated as of May 1, 2013, relating to the LOBs, and only to the extent of a corresponding amount of such redemption.

This Bond is issued in accordance with the Registered Public Obligations Act, Chapter 159E of the General Statutes of North Carolina, and pursuant to the Local Government Bond Act of North Carolina, a bond order introduced and adopted by the Board of Commissioners of the County (the "Board"), sitting as the governing body of the District, on April 15, 2013, and effective on the date of its adoption. This Bond is being issued to refund in advance of their maturities (1) \$2,125,500 in aggregate principal amount of the District's Water Bonds, Series A issued in 1996 and maturing on and after June 1, 2014, and (2) \$456,500 in aggregate principal amount of the District's Water Bonds, Series B issued in 1996 and maturing on and after June 1, 2014.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of North Carolina to exist, be performed or happen precedent to or in the issuance of this Bond, exist, have been performed and have happened, and that the amount of this Bond, together with all other indebtedness of the District, is within every debt and other limit prescribed by the Constitution or statutes. THE FAITH AND CREDIT OF THE DISTRICT ARE HEREBY PLEDGED TO THE PUNCTUAL PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THIS BOND IN ACCORDANCE WITH ITS TERMS.

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

**IN WITNESS WHEREOF**, the County has caused this Bond to bear the original or facsimile of the signatures of the Chairman of the Board and the Clerk to the Board, each acting on behalf of the District, and an original or facsimile of the seal of the District to be imprinted hereon and this Bond to be dated as of the Dated Date above.

(District Seal)

---

Misty Gibbs  
Clerk to the Board of Commissioners

---

J. Wallace Perry, Chairman  
Board of Commissioners

Date of Execution: May \_\_, 2013

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

---

T. VANCE HOLLOMAN  
Secretary of the Local Government Commission

**FORM OF ASSIGNMENT**

**ASSIGNMENT**

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

---

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

---

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

---

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

Dated: \_\_\_\_\_

Signature guaranteed by:

---

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

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

**TRANSFER FEE MAY BE REQUIRED**

**BOARD OF COMMISSIONERS  
OF THE COUNTY OF BERTIE, NORTH CAROLINA  
ACTING AS THE GOVERNING BODY OF  
COUNTY WATER DISTRICT I**

Excerpt of Minutes  
of Meeting of  
April 15, 2013

Present: Chairman \_\_\_\_\_ presiding, and Commissioners \_\_\_\_\_

---

Absent: \_\_\_\_\_

\* \* \* \* \*

The following resolution was introduced and its title was read:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE  
COUNTY OF BERTIE, NORTH CAROLINA, SITTING AS THE  
GOVERNING BODY OF COUNTY WATER DISTRICT I, MAKING  
CERTAIN FINDINGS CONCERNING PROPOSED ISSUANCE OF  
GENERAL OBLIGATION REFUNDING BONDS

**WHEREAS**, the Board of Commissioners (the “Board”) of the County of Bertie (the “County”), sitting as the governing body of County Water District I (the “District”), is considering the issuance of not to exceed \$3,000,000 of General Obligation Refunding Water Bonds to pay the costs of refunding in advance of their maturities (1) \$2,125,500 aggregate principal amount of the District’s Water Bonds, Series A issued in 1996 and maturing on and after June 1, 2014 and (2) \$456,500 aggregate principal amount of the District’s Water Bonds, Series B issued in 1996 and maturing on and after June 1, 2014 (collectively, the “1996 Bonds”); and

**WHEREAS**, certain findings of fact by the Board must be presented to enable the Local Government Commission of North Carolina (the “Commission”) to make certain determinations as set forth in Section 159-52 of the North Carolina General Statutes;

**NOW, THEREFORE, BE IT RESOLVED** that the Board meeting in open session on the 15<sup>th</sup> day of April, 2013, finds as follows:

1. The proposed bonds are necessary and expedient to lower debt service costs to the District.
2. The amount of the bonds proposed to be issued is adequate but not excessive for the purpose of refinancing the 1996 Bonds and reducing the debt service costs to the District.

3. The District's debt management policies and procedures are in compliance with the law.

4. The District is not in default on any of its debt obligations.

5. The proposed issuance is not expected to require a property tax increase, since the issuance of the bonds will reduce the debt service requirements for the District.

6. The schedule for issuance of the bonds calls for issuing all of the bonds in the fiscal year ending June 30, 2013, but issuance may be delayed until such time as the District receives sufficient net present value savings from the issuance of the bonds.

7. The County Manager, Assistant County Manager, and County Finance Director, on behalf of the District, are hereby authorized and directed (1) to retain Hunton & Williams LLP, as bond counsel, and (2) to apply for approval of the proposed bonds with the Commission and to take all other actions necessary to accomplish the refunding transactions as set forth herein. The Finance Director is hereby authorized and directed to complete and file with the Clerk to the Board a sworn statement of the District's debt. All actions of the County Manager, Assistant County Manager and Finance Director, each acting on behalf of the District, that are in conformity with the purposes and intent of this Resolution are in all respects ratified, approved and confirmed.

Upon motion of Commissioner \_\_\_\_\_, the foregoing resolution entitled "A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF BERTIE, NORTH CAROLINA, SITTING AS THE GOVERNING BODY OF COUNTY WATER DISTRICT I, MAKING CERTAIN FINDINGS CONCERNING PROPOSED ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS" was adopted by the following vote:

AYES:

NAYS:

**PASSED, ADOPTED AND APPROVED** this 15<sup>th</sup> day of April, 2013.

\* \* \* \* \*

I, Misty Gibbs, Clerk to the Board of Commissioners of the County of Bertie, North Carolina, do hereby certify that the foregoing is a true and exact copy of the resolution entitled "A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF BERTIE, NORTH CAROLINA, SITTING AS THE GOVERNING BODY OF COUNTY WATER DISTRICT I, MAKING CERTAIN FINDINGS CONCERNING PROPOSED ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS" adopted by the Board of Commissioners of the County of Bertie, North Carolina, sitting as the governing body of County Water District I, in a regular meeting duly held on the 15<sup>th</sup> day of April, 2013.

*WITNESS* my hand and the seal of the District, this the \_\_ day of April, 2013.

(District Seal)

---

Clerk to the Board of Commissioners  
County of Bertie, North Carolina

**BOARD OF COMMISSIONERS  
OF THE COUNTY OF BERTIE, NORTH CAROLINA  
ACTING AS THE GOVERNING BODY OF  
COUNTY WATER DISTRICT I**

Excerpt of Minutes  
of Meeting of  
April 15, 2013

Present: Chairman \_\_\_\_\_ presiding, and Commissioners \_\_\_\_\_

---

Absent: \_\_\_\_\_

\* \* \* \* \*

The following bond order was introduced and its title was read:

**BOND ORDER AUTHORIZING THE ISSUANCE OF NOT TO EXCEED  
\$3,000,000 GENERAL OBLIGATION REFUNDING WATER BONDS OF  
COUNTY WATER DISTRICT I**

**WHEREAS**, in 1996 County Water District I (the “District”) issued its (1) \$2,718,000 Water Bonds, Series A (the “1996A Bonds”), and (2) \$582,000 Water Bonds, Series B (the “1996B Bonds”); and

**WHEREAS**, the Board of Commissioners (the “Board”) of the County of Bertie, North Carolina (the “County”), sitting as the governing body of the District, deems it advisable to refund in advance of their maturities (1) \$2,125,500 in aggregate principal amount of the 1996A Bonds maturing on and after June 1, 2014 and (2) \$456,500 in aggregate principal amount of the 1996B Bonds maturing on and after June 1, 2014; and

**WHEREAS**, an application has been filed with the Secretary (the “Secretary”) of the Local Government Commission of North Carolina (the “Commission”) requesting the Commission’s approval of the bonds described below as required by the Local Government Bond Act of North Carolina, and the Secretary has notified the Board that the application has been accepted for submission to the Commission;

**NOW, THEREFORE, BE IT ORDERED** by the Board of Commissioners of the County of Bertie, North Carolina, sitting as the governing body of County Water District I, as follows:

1. The Board deems it advisable that the District issue its General Obligation Refunding Water Bonds to provide funds to refund in advance of their maturities \$2,125,500 in aggregate principal amount of the 1996A Bonds maturing on and after June 1, 2014, and \$456,500 in aggregate principal amount of the 1996B Bonds maturing on and after June 1, 2014.

2. The bonds shall be in an aggregate principal amount not to exceed \$3,000,000.



3. The bonds shall be general obligations of the District for the payment of principal of and interest on which its full faith and credit shall be irrevocably pledged and taxes will be levied in an amount sufficient to pay the principal of and interest on the bonds.

4. A sworn statement of the District's debt has been filed with the Clerk to the Board pursuant to G.S. §159-55 and is open to public inspection.

5. This bond order shall take effect on its adoption.

The Clerk to the Board is directed to publish a notice of adoption as prescribed by The Local Government Bond Act, of the bond order titled, "**BOND ORDER AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$3,000,000 GENERAL OBLIGATION REFUNDING WATER BONDS OF COUNTY WATER DISTRICT I**", which was introduced at the meeting of the Board held on April 15, 2013.

On motion of Commissioner \_\_\_\_\_, the foregoing order titled: "**BOND ORDER AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$3,000,000 GENERAL OBLIGATION REFUNDING WATER BONDS OF COUNTY WATER DISTRICT I**" was adopted by the following vote:

AYES:

NAYS:

**PASSED, ADOPTED AND APPROVED** this 15<sup>th</sup> day of April, 2013.

\* \* \* \* \*

I, Misty Gibbs, Clerk to the Board of Commissioners of the County of Bertie, North Carolina, do hereby certify that the foregoing is a true and exact copy of the bond order titled "**BOND ORDER AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$3,000,000 GENERAL OBLIGATION REFUNDING WATER BONDS OF COUNTY WATER DISTRICT I**," which was adopted by the Board of Commissioners of the County of Bertie, North Carolina, sitting as the governing body of County Water District I, in regular meeting duly held on the 15<sup>th</sup> day of April, 2013.

*WITNESS* my hand and the seal of the District, this the \_\_ day of April, 2013.

(District Seal)

\_\_\_\_\_  
Clerk to the Board of Commissioners  
County of Bertie, North Carolina

**BOND ORDER AUTHORIZING THE ISSUANCE OF NOT TO EXCEED  
\$3,000,000 GENERAL OBLIGATION REFUNDING WATER BONDS OF  
COUNTY WATER DISTRICT I**

**WHEREAS**, in 1996 County Water District I (the “District”) issued its (1) \$2,718,000 Water Bonds, Series A (the “1996A Bonds”), and (2) \$582,000 Water Bonds, Series B (the “1996B Bonds”); and

**WHEREAS**, the Board of Commissioners (the “Board”) of the County of Bertie, North Carolina (the “County”), sitting as the governing body of the District, deems it advisable to refund in advance of their maturities (1) \$2,125,500 in aggregate principal amount of the 1996A Bonds maturing on and after June 1, 2014, and (2) \$456,500 in aggregate principal amount of the 1996B Bonds maturing on and after June 1, 2014; and

**WHEREAS**, an application has been filed with the Secretary (the “Secretary”) of the Local Government Commission of North Carolina (the “Commission”) requesting the Commission’s approval of the bonds described below as required by the Local Government Bond Act of North Carolina, and the Secretary has notified the Board that the application has been accepted for submission to the Commission;

**NOW, THEREFORE, BE IT ORDERED** by the Board of Commissioners of the County of Bertie, North Carolina, sitting as the governing body of County Water District I, as follows:

1. The Board deems it advisable that the District issue its General Obligation Refunding Water Bonds to provide funds to refund in advance of their maturities \$2,125,500 in aggregate principal amount of the 1996A Bonds maturing on and after June 1, 2014, and \$456,500 in aggregate principal amount of the 1996B Bonds maturing on and after June 1, 2014.
2. The bonds shall be in an aggregate principal amount not to exceed \$3,000,000.
3. The bonds shall be general obligations of the District for the payment of principal of and interest on which its full faith and credit shall be irrevocably pledged and taxes will be levied in an amount sufficient to pay the principal of and interest on the bonds.
4. A sworn statement of the District’s debt has been filed with the Clerk to the Board pursuant to G.S. §159-55 and is open to public inspection.
5. This bond order shall take effect on its adoption.

The foregoing order was adopted on the 15<sup>th</sup> day of April, 2013 and is hereby published this \_\_\_ day of April, 2013. Any action or proceeding questioning the validity of the order must be begun within 30 days after the date of publication of this notice.

(District Seal)

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Clerk to the Board of Commissioners  
County of Bertie, North Carolina

**SWORN STATEMENT OF DEBT**  
Made pursuant to the Local Government Bond Act, as Amended,  
For Bertie County Water District I

I, William Roberson, Finance Director of the County of Bertie, North Carolina (the "County"), having been designated by the Board of Commissioners (the "Board") for the County, sitting as the governing body of County Water District I (the "District"), to make and to file in the office of the Clerk to the Board a statement of debt of the District pursuant to the Local Government Bond Act, as amended, **DO HEREBY CERTIFY** that the following is a true statement as shown by the books in my office relating to the District, not taking into consideration any debt incurred or to be incurred in anticipation of bonds other than funding and refunding bonds.

\_\_\_\_\_  
William Roberson, Finance Director  
County of Bertie, North Carolina

Date: \_\_\_\_\_

STATE OF NORTH CAROLINA  
COUNTY OF BERTIE

Signed and sworn to (or affirmed) before me this day by William Roberson, Finance Director.

Date: April \_\_\_\_, 2013

\_\_\_\_\_  
Signature of Notary Public

\_\_\_\_\_  
Printed or Typed Name of Notary Public

My commission expires: \_\_\_\_\_

[Official Seal or Stamp]

**BERTIE COUNTY WATER DISTRICT I  
SWORN STATEMENT OF DEBT MADE PURSUANT TO  
THE LOCAL GOVERNMENT BOND ACT, AS AMENDED**

**A. Gross Debt**

1. Outstanding debt evidenced by bonds (as of 6/15/13):	<u>\$2,582,000</u>
2. Bonds authorized by orders introduced but not yet adopted:	<u>\$3,000,000</u>
3. Unissued bonds authorized by adopted orders:	
4. Outstanding debt not evidenced by bonds (lease-purchase agreements):	
Gross Debt (being the Sum of 1, 2, 3 and 4):	<u>\$5,582,000</u>

**B. Deductions**

1. Funding and refunding bonds authorized by orders introduced but not yet adopted:	<u>\$3,000,000</u>
2. Funding and refunding bonds authorized but not issued:	<u>\$</u>
3. The amount of money held in sinking funds or otherwise for the payment of gross debt other than debt incurred for water, gas, electric light or power purposes or sanitary sewer purposes (to the extent deductible under Section 159-55[b] of the Local Government Bond Act), or two or more of these purposes:	<u>\$</u>
4. Bonded debt included in gross debt and incurred or to be incurred for water, gas or electric light or power purposes, or any two or more of these purposes:	<u>\$2,582,000</u>
5. Bonded debt included in gross debt and incurred or to be incurred for sanitary sewer system purposes (to the extent deductible under Section 159-55[b] of The Local Government Bond Act):	<u>\$</u>
6. Uncollected special assessments levied for local improvements for which gross debt (that is not otherwise deducted) was or is to be incurred, to the extent it will be applied, when collected, to the payment of such gross debt:	<u>\$</u>
7. Estimate of special assessments to be levied for local improvements for which any part of gross debt (that is not otherwise deducted) was or is to be incurred, to the extent that the special assessments when collected, will be applied to the payment of any part of gross debt:	<u>\$</u>
Total Deductions (being the Sum of 1 through 7):	<u>\$5,582,000</u>

**C. Net Debt** being the difference between Total Gross Debt (A) and Total Deductions (B): \$0

**D. Assessed Value** of property subject to taxation for County tax records and certified by the County Tax Supervisor: \$156,478,520\*

**E. Percentage that Net Debt** bears to the assessed value of property subject to taxation (C÷D): 0%

\*Estimated by the County as of June 30, 2011.

STATE OF NORTH CAROLINA )  
 ) SS:  
COUNTY OF BERTIE )

I, Misty Gibbs, Clerk to the Board of Commissioners of the County of Bertie, North Carolina, in its capacity as the governing body of County Water District I, a political subdivision validly organized and existing under the Constitution and laws of the State of North Carolina, hereby certify that the foregoing statement and accompanying affidavit were filed in my office on the 15<sup>th</sup> day of April, 2013.

(District Seal)

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Clerk to the Board of Commissioners  
County of Bertie, North Carolina

## DISTRICT BOND PURCHASE AGREEMENT AND RECEIPT

This BOND PURCHASE AGREEMENT AND RECEIPT, dated as of May \_\_, 2013 (the "District Bond Purchase Agreement"), among the County of Bertie, North Carolina (the "County"), County Water District I of the County of Bertie, North Carolina (the "District") and the Local Government Commission of the State of North Carolina (the "Commission");

### WITNESSETH:

WHEREAS, the District has requested the Commission to sell, in a private negotiated sale, and the County has agreed to purchase from the Commission, the District's \$\_\_\_\_\_ General Obligation Refunding Water Bond, Series 2013 (the "Bond"), bearing interest and maturing in installments on the dates and at the rates set forth on Exhibit A; and

WHEREAS, the proceeds of the Bond shall be used to (a) redeem (1) \$2,125,500 aggregate principal amount of the District's Water Bonds, Series A issued in 1996 and maturing on and after June 1, 2014, and (2) \$456,500 aggregate principal amount of the District's Water Bonds, Series B issued in 1996 and maturing on and after June 1, 2014 (collectively, the "Refunded 1996 Bonds"), held by the United States of America, acting by and through United States Department of Agriculture, Rural Development (formerly Farmers Home Administration) ("USDA"), and (b) pay certain costs of issuance of the Bond;

NOW, THEREFORE, in consideration of the respective covenants and agreements set forth herein, the parties hereto agree as follows:

1. The County hereby offers to purchase the Bond from the Commission at a purchase price equal to the par amount of such Bond, without discount or premium, with the annual principal installments and associated interest rates for the Bond set forth in Exhibit A hereto. The purchase price for the Bond (\$\_\_\_\_\_) represents a portion of the proceeds of the County's \$\_\_\_\_\_ Limited Obligation Bonds (Bertie Water Districts General Obligation Refunding Bonds), Series 2013 (the "LOBs") executed and delivered under a Trust Agreement dated as of May 1, 2013 (the "Trust Agreement"), between the County and U.S. Bank National Association, as trustee (the "Trustee"), for the purpose, among others, of allowing the County to purchase the Bond.

2. The purchase price for the Bond shall be delivered as follows:

(a) \$\_\_\_\_\_ shall be delivered directly to USDA in order to redeem the Refunded 1996 Bonds; and

(b) \$\_\_\_\_\_ shall be delivered to the Trustee for deposit in the Costs of Issuance Fund.

3. The Commission hereby acknowledges receipt of the purchase price by such method on the date hereof.

4. The County hereby acknowledges receipt of physical delivery of the Bond on the date hereof and, simultaneously with receipt of the Bond, has assigned the Bond to the Trustee pursuant to the Trust Agreement, to be held by the Trustee as security for the LOBs pursuant to the Trust Agreement.

5. The Trustee hereby acknowledges receipt of (a) the Bond in physical form to be held by it pursuant to the Trust Agreement and (b) the amount set forth in paragraph (2) above for deposit in the Costs of Issuance Fund.

6. Each capitalized term used but not defined herein has the meaning given to such term in the Trust Agreement.

7. This District Bond Purchase Agreement and Receipt may be executed in several counterparts, all being deemed one and the same document.

**COUNTY OF BERTIE, NORTH CAROLINA**

[Seal]

By: \_\_\_\_\_  
John E. Whitehurst  
Interim County Manager

Attest:

\_\_\_\_\_  
Clerk to the Board of Commissioners  
County of Bertie, North Carolina

**LOCAL GOVERNMENT COMMISSION**

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

**COUNTY WATER DISTRICT I OF BERTIE  
COUNTY, NORTH CAROLINA**

[District Seal]

By: \_\_\_\_\_  
William Roberson  
Finance Director of the County of Bertie, North Carolina

Attest:

\_\_\_\_\_  
Clerk to the Board of Commissioners  
County of Bertie, North Carolina

ACKNOWLEDGEMENT

**U.S. BANK NATIONAL ASSOCIATION**, as Trustee

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



**\$\_\_\_\_\_ County Water District I  
General Obligation Refunding Water Bond, Series 2013**

The schedule of annual principal installments and associated interest rates with respect to the Bond are as follows:

<u>May 25</u>	<u>Principal</u>	<u>Rate</u>	<u>May 25</u>	<u>Principal</u>	<u>Rate</u>
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**BOARD OF COMMISSIONERS  
OF THE COUNTY OF BERTIE, NORTH CAROLINA  
ACTING AS THE GOVERNING BODY OF  
COUNTY WATER DISTRICT II**

Excerpt of Minutes  
of Meeting of  
April 15, 2013

Present: Chairman \_\_\_\_\_ presiding, and Commissioners \_\_\_\_\_

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Absent: \_\_\_\_\_

\* \* \* \* \*

The following resolution was introduced and its title was read:

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE  
COUNTY OF BERTIE, NORTH CAROLINA, SITTING AS THE  
GOVERNING BODY OF COUNTY WATER DISTRICT II, PROVIDING  
FOR THE ISSUANCE OF A NOT TO EXCEED \$4,200,000 GENERAL  
OBLIGATION REFUNDING WATER BOND, SERIES 2013 OF COUNTY  
WATER DISTRICT II**

**WHEREAS**, the Board of Commissioners (the “Board”) of the County of Bertie, North Carolina (the “County”), sitting as the governing body of County Water District II (the “District”), is considering the issuance of a not to exceed \$4,200,000 General Obligation Refunding Water Bond to pay the costs of refunding in advance of their maturities (1) \$1,844,000 aggregate principal amount of the District’s Water Bonds, Series 1998A maturing on and after June 1, 2014, and (2) \$1,760,000 aggregate principal amount of the District’s Water Bonds, Series 1998B maturing on and after June 1, 2014 (collectively, the “Refunded Bonds”);

**WHEREAS**, the Board has this day adopted a Bond Order (the “Bond Order”) entitled:

**“BOND ORDER AUTHORIZING THE ISSUANCE OF NOT TO EXCEED  
\$4,200,000 GENERAL OBLIGATION REFUNDING WATER BONDS OF  
COUNTY WATER DISTRICT II”;**

**WHEREAS**, the District desires to issue its General Obligation Refunding Water Bond, Series 2013 (the “Bond”) pursuant to the Bond Order in order to refund the Refunded Bonds, and to request that the Local Government Commission (the “Commission”) sell the Bond through a negotiated sale to the County in accordance with the terms and conditions set forth in a District Bond Purchase Agreement to be dated on or about May 30, 2013 (the “District Bond Purchase Agreement”), among the District, the Commission and the County, a copy of which has been

filed with the County and made available to the Board sitting as the governing body of the District; and

**WHEREAS**, the County will issue its limited obligation bonds (as further described below) to provide funds for the County to purchase the Bond, among other purposes;

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

## **ARTICLE I DEFINITIONS**

Section 1.01. Meaning of Words and Terms. Unless otherwise required by the context, the following capitalized words and terms shall have the following meanings:

“1998A Bonds” means the District’s \$2,304,000 Water Bonds, Series 1998A.

“1998B Bonds” means the District’s \$2,196,000 Water Bonds, Series 1998B.

“Bond” means the District’s General Obligation Refunding Water Bond, Series 2013, authorized under the Bond Order.

“Bond Order” means the Bond Order authorizing the Bond adopted by the Board on April 15, 2013, effective on its adoption.

“Code” means the Internal Revenue Code of 1986, as amended. Each reference to a section of the Code herein will be deemed to include the United States Treasury Regulations in effect with respect thereto.

“Federal Securities” means (a) direct obligations of the United States of America for the timely payment of which the full faith and credit of the United States of America is pledged; (b) obligations issued by any agency controlled or supervised by and acting as an instrumentality of the United States of America, the timely payment of the principal of and interest on which is fully guaranteed as full faith and credit obligations of the United States of America (including any securities described in clause (a) or (b) hereof issued or held in the name of a trustee in book-entry form on the books of the Department of Treasury of the United States of America), which obligations, in either case, are held in the name of a trustee and are not subject to redemption or purchase prior to maturity at the option of anyone other than the holder; or (c) direct evidences of ownership of proportionate interests in future interest and principal payments on specified obligations described in clause (a) hereof held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor on the underlying obligations described in clause (a) hereof, and which underlying obligations are not available to satisfy any claim of the custodian or any person claiming through the custodian or to whom the custodian may be obligated.

“Holder”, “owner” or “Owner” mean the registered owner of the Bond.

“LOBs” means the County of Bertie, North Carolina Limited Obligation Bonds (Bertie Water Districts General Obligation Refunding Bonds), Series 2013, executed and delivered under the Trust Agreement.

“Pricing Certificate” means the certificate of the County’s Finance Director, delivered in connection with the issuance of the Bond which establishes with respect to the Bond the final maturity amounts, the interest payment dates, the interest rates, the provisions for redemption and the provisions for the application of proceeds, all as agreed on in the District Bond Purchase Agreement.

“Refunded Bonds” means, collectively, (1) \$1,844,000 in aggregate principal amount of the 1998A Bonds maturing on and after June 1, 2014, and (2) \$1,760,000 in aggregate principal amount of the 1998B Bonds maturing on and after June 1, 2014.

“Resolution” means this resolution authorizing the issuance of the Bond.

“Trust Agreement” means a Trust Agreement dated as of May 1, 2013, between the County of Bertie, North Carolina and U.S. Bank National Association, as trustee.

Section 1.02. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words used herein shall include the plural as well as the singular number. References herein to particular articles or sections are references to articles or sections of this Resolution unless some other reference is indicated.

**ARTICLE II**  
**AUTHORIZATION, FORM, ISSUANCE AND DELIVERY OF THE BOND**

Section 2.01. Authorization and Issuance of the Bond. The District hereby authorizes the issuance of the Bond designated “General Obligation Refunding Water Bond, Series 2013” in the aggregate principal amount of not to exceed \$4,200,000 for the purpose of providing funds, together with any other available funds, to (a) refund the Refunded Bonds and (b) pay costs and expenses incurred in connection with the issuance of the Bond. The Bond shall be issued under and pursuant to the Constitution and the laws of the State of North Carolina, the Bond Order and this Resolution, subject to the conditions set forth herein and therein.

The Finance Director of the County, acting on behalf of the District, is hereby appointed as registrar for the Bond.

Section 2.02. Form of Bond. The definitive Bond shall be initially issued as one fully registered bond without coupons numbered R-1 in the aggregate principal amount not to exceed \$4,200,000. The definitive Bond shall be substantially in the form set forth in Exhibit A attached hereto and made a part hereof, with such appropriate variations, omissions and insertions as are permitted or required by this Resolution or the Pricing Certificate. The Bond shall bear the original or facsimile signatures of the Chairman of the Board or the County Manager and the Clerk to the Board, each acting on behalf of the District, and shall include the original or facsimile signature of an authorized representative of the Commission. At least one of the signatures on the Bond (which may be the signature of the representative of the Commission)

must be a manual signature. An original or facsimile of the seal of the District is to be imprinted on the Bond.

Section 2.03. Details of Bond. The Bond shall be dated its date of issuance. The Bond shall pay interest semiannually on May 25 and November 25, beginning November 25, 2013, unless the County's Finance Director establishes different dates in the Pricing Certificate. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. The Bond is payable in annual installments on May 25 in each year, unless the County's Finance Director establishes a different date or dates in the Pricing Certificate. The annual installments of principal and corresponding interest rates of the Bond will be as set forth in the Pricing Certificate.

The principal of and the interest and any redemption premium 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.

Payment of principal installments and interest when due and payable on the Bond shall be made by check or wire transfer to the registered owner of the Bond at its address as it appears on the bond registration books without the presentation or surrender thereof.

The Chairman of the Board, the County Manager, the Finance Director and the Clerk to the Board, each acting on behalf of the District, are hereby authorized and directed, individually and collectively, to cause the Bond to be prepared and, when the Bond has been duly sold by the Commission, to execute the Bond and to turn the Bond over to the registrar for delivery to the County or its assignee

Section 2.04. Transfer of Bond. The Bond, upon surrender thereof at the principal office of the registrar, together with an assignment duly executed by the registered owner or its attorney or legal representative in such form as shall be satisfactory to the registrar, may, at the option of the registered owner thereof, be exchanged for bonds, having maturities corresponding to the maturities of the installments of principal of such bond then unpaid, issuable in fully registered form and bearing interest at the same rate.

The transfer of the Bond may be registered by the registered owner thereof only upon an execution of an assignment thereof duly executed by such registered owner or its attorney or legal representative. Notice of such assignment shall be given promptly by the assignor to the registrar by registered mail, such notice to be in such form as shall be satisfactory to the registrar, and upon receipt of such notice, such Bond shall be registered as to both principal and interest on such registration books in the name of the assignee named in such notice.

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

As to any bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the

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

Section 2.05. Private Sale. The Commission is hereby requested to sell the Bond at private sale pursuant to G.S. 159-123 to the County at a true interest cost not to exceed 5.00%. The form and content of the District Bond Purchase Agreement are in all respects approved and confirmed. The Chairman of the Board, the County Manager or the Finance Director, each acting on behalf of the District, is hereby authorized, empowered and directed, individually and collectively, to execute and deliver the District Bond Purchase Agreement for and on behalf of the District, including necessary counterparts, in substantially the form and content presented to the District, but with such changes, modifications, additions or deletions therein as he or she may deem necessary, desirable or appropriate, the execution thereof to constitute conclusive evidence of the Board's approval of any and all such changes, modifications, additions or deletions therein. From and after the execution and delivery of the District Bond Purchase Agreement, the Chairman of the Board, the County Manager and the Finance Director, each acting on behalf of the District, are hereby authorized, empowered and directed, individually and collectively, to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the District Bond Purchase Agreement as executed.

Section 2.06. Proceeds of the Bond. Unless the Pricing Certificate provides otherwise, the District shall cause the portion of the proceeds of the Bond necessary to redeem the Refunded Bonds to be delivered to the USDA, as the holder of the Refunding Bonds. Any remaining portion of the proceeds of the Bond shall be deposited as set forth in the District Bond Purchase Agreement.

### **ARTICLE III REDEMPTION OF BOND**

Section 3.01. Redemption of Bond. If the Pricing Certificate designates a date on and after which the Bond is subject to redemption, then the Bond shall be subject to redemption before maturity, at the option of the District, from any money that may be made available for such purpose, either in whole or in part on any date on or after the date set forth in the Pricing Certificate, at the principal amount of the Bond to be redeemed, together with interest accrued thereon to the date fixed for redemption, with such redemption premium, if any, designated for the Bond in the Pricing Certificate. The redemption provisions relating to the Bond shall correspond to the redemption provisions of the LOBs.

If the Bond is subject to optional redemption, when the District elects to redeem the Bond, notice of such redemption of such Bond, stating the redemption date and redemption price and further stating that on such redemption date there are due and payable on the Bond the principal thereof and interest accrued to the redemption date and that from and after such date

interest thereon shall cease to accrue, is to be given not less than 15 days nor more than 60 days before the redemption date in writing to the registered owner of such Bond, by prepaid certified or registered United States mail, at the address provided to the District by the registered owner, but any failure or defect in respect of such mailing will not affect the validity of the redemption. The District will also mail or transmit by facsimile a copy of the notice of redemption within the time set forth above to the Commission.

On the date fixed for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Bond or part thereof called for redemption shall be due and payable at the redemption price provided therefor, plus accrued interest to such date. If moneys sufficient to pay the redemption price of the Bond or part thereof to be redeemed plus accrued interest thereon to the date fixed for redemption are held in trust for such purpose, interest on the Bond or part thereof called for redemption shall cease to accrue, such Bond or part thereof shall cease to be entitled to any benefits or security under this resolution or to be deemed outstanding, and the registered owners of such Bond or part thereof shall have no rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest to the date of redemption.

In the event that an installment of principal of the Bond shall be redeemed, the registrar shall direct the registered owner thereof to evidence such redemption by appropriate notation on the schedule attached to such Bond for such purpose.

Section 3.02. Discharge and Defeasance. Nothing in this Resolution precludes (a) the payment of the Bond from the proceeds of refunding bonds or (b) the payment of the Bond from any legally available funds.

If the District causes to be paid, or has made provisions to pay, on maturity or on redemption before maturity, to the owner of the Bond the principal of the Bond (including interest to become due thereon) and, premium, if any, on the Bond, through setting aside trust funds or setting apart in a reserve fund or special trust account created pursuant to this Resolution or otherwise, or through the irrevocable segregation for that purpose in some sinking fund or other fund or trust account with an escrow agent or otherwise, moneys sufficient therefor, including, but not limited to, interest earned or to be earned on Federal Securities, and the principal of the Bond (including premium, if any, and interest thereon) shall no longer be deemed to be outstanding and unpaid; provided, however, that nothing in this Resolution requires the deposit of more than such Federal Securities as may be sufficient, taking into account both the principal amount of such Federal Securities and the interest to become due thereon, to implement any such defeasance.

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

**ARTICLE IV  
DISTRICT COVENANTS**

Section 4.01. Payment of Principal, Interest and Premium. The District covenants that it will promptly pay the principal of and the interest on the Bond issued under the provisions of this Resolution at the place, on the dates and in the manner provided herein and in the Bond, according to the true intent and meaning thereof. The District further covenants that it will faithfully perform at all times all of its covenants, undertakings and agreements contained in this Resolution and the Bond Order, or in any Bond executed, authenticated and delivered hereunder or in any proceedings of the District pertaining thereto. The District represents and covenants that it is duly authorized under the Constitution and laws of the State, particularly the Act, to issue the Bond authorized hereby and to pledge its full faith and credit to the repayment of the Bond.

Section 4.02. Tax Covenants. The District covenants to do and perform all acts and things permitted by law in order to assure that interest paid on the Bond which was excludable from the gross income of its Holder for federal income taxes on the date of its issuance shall continue to be so excludable.

Section 4.03. Rule 15c2-12. The District agrees to provide the County whatever information that may be necessary for the County to comply with its undertaking with respect with Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC") and for the benefit of the Registered Owners and beneficial owners of the LOBs. The provisions of this Section shall terminate on payment, or provision having been made for payment in a manner consistent with the Rule, in full of the principal of and interest with respect to the LOBs.

**ARTICLE V  
THE TRUSTEE**

Section 5.01. Designation of Trustee. The District may at any time, with the approval of the Commission, appoint a Trustee to administer the provisions of the Bond Order and this Resolution and may adopt such supplements to the Bond Order and this Resolution as shall be necessary or desirable to effectuate such appointment. Any such Trustee shall meet the requirements set forth in Article X of the Trust Agreement.

**ARTICLE VI  
SUPPLEMENTAL RESOLUTIONS**

Section 6.01. Modification Without Consent of Holder. The District may, from time to time and at any time, without the consent of any Holder of the Bond, amend or supplement this Resolution (which supplemental resolutions shall thereafter form a part hereof) as shall be substantially consistent with the terms and provisions of this Resolution, shall not materially and adversely affect the interest of the Holder, and, in the the opinion of nationally recognized bond counsel, would not cause the interest on the Bond to be included in the gross income of a recipient thereof for federal income tax purposes:



(a) to cure any ambiguity or formal defect or omission, to correct or supplement any provision herein that may be inconsistent with any other provision herein, to make any other provisions with respect to matters or questions arising under this Resolution or to modify, alter, amend, add to or rescind, in any particular manner, any of the terms or provisions contained in this Resolution, as is substantially consistent with the terms and provisions of this Resolution and does not materially and adversely affect the interest of the Holder;

(b) to grant or to confer upon the Holder any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Holder;

(c) to add to the covenants and agreements of the District in this Resolution other covenants and agreements thereafter to be observed by the District or to surrender any right or power herein reserved to or conferred upon the District; or

(d) to permit the qualification of this Resolution under any federal statute now or hereafter in effect or under any state blue sky laws, and, in connection therewith, if the District so determines, to add to this Resolution or any supplemental resolution such other terms, conditions and provisions as may be permitted or required by such federal statute or blue sky laws.

At least thirty (30) days prior to the execution and delivery of any supplemental resolution for any of the purposes of this Section, the registrar shall cause a notice of the proposed supplemental resolution to be mailed first-class, postage prepaid, to the Commission and to the Holder of the Bond. Such notice shall briefly set forth the nature of the proposed supplemental resolution and shall state that copies thereof are on file at the principal office of the registrar for inspection by the Holder of the Bond. A failure on the part of the registrar to mail the notice required by this Section shall not affect the validity of such supplemental resolution.

Section 6.02. Modification of Resolution With Consent of Holder. No modification or amendment to the Bond or this Resolution may reduce the principal amount of the Bond, reduce the interest rate payable on the Bond, extend the Bond's maturity or the times for paying interest, change the monetary medium in which principal and interest is payable or reduce the percentage of consent required for amendment or modification without the express consent of the owner of the Bond, and the owner of the Bond shall have the right, from time to time, to consent to and approve the adoption by the District of any supplemental resolutions (other than as described in section 7.01) as shall be deemed necessary or desirable by the District for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution or the Bond.

Whenever, at any time after the date of the mailing of such notice, the District receives an instrument in writing purporting to be executed by the Holder of the Bond, which instrument shall refer to the proposed supplemental resolution described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the District may adopt such supplemental resolution in substantially such form, without liability or responsibility to such Holder.

If the Holder of the Bond has consented to and approved the adoption thereof as herein provided, to the extent permitted by law, the Holder shall have no right to object to the adoption of such supplemental resolutions, to object to any of the terms and provisions contained therein or the operation thereof, to question the propriety of the adoption thereof, or enjoin or restrain the District from adopting the same or from taking any action pursuant to the provisions thereof.

Upon the adoption of any supplemental resolution pursuant to the provisions of this Section, this Resolution shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Resolution of the District, the registrar and the Holder of the Bond shall thereafter be determined, exercised and enforced in all respects pursuant to the provisions of this Resolution, as so modified and amended.

Section 6.03. Responsibilities of District Under this Article. The District shall be entitled to exercise its discretion in determining whether or not any proposed supplemental resolution or any term or provision therein contained is desirable, after considering the purposes of such instrument, the needs of the District and the rights and interests of the Holder of the Bond.

## **ARTICLE VII MISCELLANEOUS PROVISIONS**

Section 7.01. Manner of Giving Notice. All notices, demands and requests to be given to or made hereunder by the District, the Commission or the registrar shall be given or made in writing and shall be deemed to be properly given or made if sent by United States registered or certified mail, return receipt requested, addressed as follows:

- (a) As to the District or registrar --

County Water District II  
106 Dundee Street  
Windsor, North Carolina 27983  
Attention: Finance Director

- (b) As to the Local Government Commission --

North Carolina Local Government Commission  
325 N. Salisbury Street  
Raleigh, North Carolina 27603-1385  
Attention: Secretary

- (c) As to the County--

106 Dundee Street  
Windsor, North Carolina 27983  
Attention: Finance Director

Any such notice, demand or request may also be transmitted to the appropriate above-mentioned party by electronic mail or telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

Any of such addresses may be changed at any time upon written notice of such change sent by United States registered or certified mail, postage prepaid, to the other parties by the party effecting the change.

Section 7.02. Substitute Mailing. If, because of the temporary or permanent suspension of postal service, the District, the Commission or the registrar shall be unable to mail any notice required to be given by the provisions of this Resolution, such party shall give notice in such other manner as in the judgment of such party shall most effectively approximate mailing, and the giving of notice in such manner shall for all purposes of this Resolution be deemed to be in compliance with the requirement for the mailing thereof.

Section 7.03. District, Registrar and Holder Alone Have Rights Under Resolution. Except as herein otherwise expressly provided, nothing in this Resolution, express or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the District, the registrar and the Holder of the Bond, any right, remedy or claim, legal or equitable, under or by reason of this Resolution or any provision being intended to be and being for the sole and exclusive benefit of the District, the registrar and the Holder of the Bond.

Section 7.04. Effect of Covenants; Governing Law. All covenants, stipulations, obligations and agreements of the District contained in this Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the District to the full extent permitted by the Constitution and laws of the State. This Resolution is executed and delivered with the intent that the laws of the State shall govern this construction.

Section 7.05. Headings. Any heading preceding the text of the several articles hereof, any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Resolution, nor shall they affect its meaning, construction or effect.

Section 7.06. Partial Invalidity. If any one or more of the agreements or provisions herein contained is held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or for any reason whatsoever is held invalid, then such covenants, agreements or provisions are null and void and separable from the remaining agreements and provisions and will in no way affect the validity of any of the other agreements and provisions hereof or of the Bond authorized hereunder.

Section 7.07. Previous Actions. All acts and doings of the Chairman of the Board, the County Manager, the Assistant County Manager, the Finance Director and the Clerk to the Board, each acting on behalf of the District, that are in conformity with the purposes and intent of this Resolution and in the furtherance of the issuance of the Bond and the execution, delivery and performance of the District Bond Purchase Agreement are in all respects approved and confirmed.

Section 7.08. Further Authority. The officers, attorneys, employees and other agents of the District are hereby authorized to do all acts and things required of them by this Resolution for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Bond and this Resolution.

The County Manager, the Finance Director, and the Clerk to the Board, or any of them or their deputies, acting on behalf of the District, are further authorized and directed (without limitation except as expressly provided herein) to take such action and to execute and deliver such documents, certificates, agreements or other instruments as they, with the advice of counsel, may deem necessary or appropriate to effect the transactions contemplated by the Bond Order and this Resolution.

Section 7.09. Payment Due on Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right as provided in this Resolution is not a Business Day, such payment may be made or act performed or right exercised on the next Business Day with the same force and effect as if done on the date provided in this Resolution.

Section 7.10. Resolution Effective. All resolutions or parts thereof of the Board in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed. This Resolution is effective on its adoption.

Commissioner \_\_\_\_\_ moved the passage of the foregoing resolution and Commissioner \_\_\_\_\_ seconded the motion and the resolution was passed by the following vote:

Ayes:           Commissioner \_\_\_\_\_  
Nays:           Commissioner \_\_\_\_\_  
Not voting:    Commissioner \_\_\_\_\_

\* \* \* \* \*

I, Misty Gibbs, Clerk to the Board of Commissioners for the County of Bertie, North Carolina, sitting as the governing body of County Water District II, DO HEREBY CERTIFY that the foregoing is a true and complete copy of a resolution adopted by the Board of Commissioners of the County at a regular meeting duly called and held on April 15, 2013, and that the proceedings of such meeting are recorded in the Minutes of the Board. Pursuant to G.S. § 143-318.12, a current copy of a schedule of regular meetings of the Board of Commissioners of the County is on file in my office.

WITNESS my hand and the official seal of the County this \_\_\_\_ day of April, 2013.

---

Clerk, Board of Commissioners  
County of Bertie, North Carolina

(SEAL)

**FORM OF BOND**

**No. R-1**

**\$ \_\_\_\_\_**

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

**COUNTY OF BERTIE, NORTH CAROLINA  
COUNTY WATER DISTRICT II**

<u>MATURITY DATE</u>	<u>DATED DATE</u>
MAY 25, 20__	MAY __, 2013

**REGISTERED OWNER: COUNTY OF BERTIE, NORTH CAROLINA**

**PRINCIPAL SUM: \_\_\_\_\_ DOLLARS**

**GENERAL OBLIGATION REFUNDING WATER BOND, SERIES 2013**

**COUNTY WATER DISTRICT II** (the "District") acknowledges itself indebted and for value received hereby promises to pay to the Registered Owner named above, the principal sum shown above in annual installments due on May 25 in each year as set forth below, and to pay to the Registered Owner hereof interest on such annual installments from the date of this Bond until payment thereof at the interest rates per annum specified below, payable on November 25, 2013, and semiannually thereafter on May 25 and November 25 of each year. Principal of and interest on this Bond are payable in immediately available funds to the County of Bertie, North Carolina (the "County") or its nominee as registered owner of the Bond.

Principal installments are due annually on May 25 of the years and in the amounts set forth below and will bear interest (computed on the basis of a 360-day year of twelve 30-day months) as follows:

<u>MAY 25</u>	<u>PRINCIPAL</u>	<u>RATE</u>	<u>MAY 25</u>	<u>PRINCIPAL</u>	<u>RATE</u>
---------------	------------------	-------------	---------------	------------------	-------------

The portions of this Bond maturing on or after May 25, 20\_\_ may be redeemed prior to their installment payment dates at the option of the District, from any funds that may be available for such purpose, in whole or in part on any date on or after May 25, 20\_\_. The portions of this Bond so called for redemption will be redeemed at a redemption price equal to 100% of the principal amount thereof, together with accrued interest thereon to the date fixed for redemption. Notwithstanding the foregoing, this Bond may be redeemed only if the County's Limited Obligation Bonds (Bertie Water Districts General Obligation Refunding Bonds), Series 2013 (the "LOBs") are redeemed pursuant to the Trust Agreement dated as of May 1, 2013 relating to the LOBs, and only to the extent of a corresponding amount of such redemption.

This Bond is issued in accordance with the Registered Public Obligations Act, Chapter 159E of the General Statutes of North Carolina, and pursuant to the Local Government Bond Act of North Carolina, a bond order introduced and adopted by the Board of Commissioners of the County (the "Board"), sitting as the governing body of the District, on April 15, 2013, and effective on the date of its adoption. This Bond is being issued to refund in advance of their maturities (1) \$1,844,000 in aggregate principal amount of the District's Water Bonds, Series 1998A maturing on and after June 1, 2014, and (2) \$1,760,000 in aggregate principal amount of the District's Water Bonds, Series 1998B maturing on and after June 1, 2014.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of North Carolina to exist, be performed or happen precedent to or in the issuance of this Bond, exist, have been performed and have happened, and that the amount of this Bond, together with all other indebtedness of the District, is within every debt and other limit prescribed by the Constitution or statutes. THE FAITH AND CREDIT OF THE DISTRICT ARE HEREBY PLEDGED TO THE PUNCTUAL PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THIS BOND IN ACCORDANCE WITH ITS TERMS.

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

**IN WITNESS WHEREOF**, the County has caused this Bond to bear the original or facsimile of the signatures of the Chairman of the Board and the Clerk to the Board, each acting on behalf of the District, and an original or facsimile of the seal of the District to be imprinted hereon and this Bond to be dated as of the Dated Date above.

(District Seal)

---

Misty Gibbs  
Clerk to the Board of Commissioners

---

J. Wallace Perry, Chairman  
Board of Commissioners

Date of Execution: May \_\_, 2013

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

---

T. VANCE HOLLOMAN  
Secretary of the Local Government Commission



**FORM OF ASSIGNMENT**

**ASSIGNMENT**

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

---

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

---

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

---

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

Dated: \_\_\_\_\_

Signature guaranteed by:

---

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

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

**TRANSFER FEE MAY BE REQUIRED**

**BOARD OF COMMISSIONERS  
OF THE COUNTY OF BERTIE, NORTH CAROLINA  
ACTING AS THE GOVERNING BODY OF  
COUNTY WATER DISTRICT II**

Excerpt of Minutes  
of Meeting of  
April 15, 2013

Present: Chairman \_\_\_\_\_ presiding, and Commissioners \_\_\_\_\_

---

Absent: \_\_\_\_\_

\* \* \* \* \*

The following resolution was introduced and its title was read:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE  
COUNTY OF BERTIE, NORTH CAROLINA, SITTING AS THE  
GOVERNING BODY OF COUNTY WATER DISTRICT II, MAKING  
CERTAIN FINDINGS CONCERNING PROPOSED ISSUANCE OF  
GENERAL OBLIGATION REFUNDING BONDS

**WHEREAS**, the Board of Commissioners (the “Board”) of the County of Bertie (the “County”), sitting as the governing body of County Water District II (the “District”), is considering the issuance of not to exceed \$4,200,000 of General Obligation Refunding Water Bonds to pay the costs of refunding in advance of their maturities (1) \$1,844,000 principal amount of the District’s Water Bonds, Series 1998A maturing on and after June 1, 2014, and (2) \$1,760,000 aggregate principal amount of the District’s Water Bonds, Series 1998B maturing on and after June 1, 2014 (collectively, the “1998 Bonds”); and

**WHEREAS**, certain findings of fact by the Board must be presented to enable the Local Government Commission of North Carolina (the “Commission”) to make certain determinations as set forth in Section 159-52 of the North Carolina General Statutes;

**NOW, THEREFORE, BE IT RESOLVED** that the Board meeting in open session on the 15<sup>th</sup> day of April, 2013, finds as follows:

1. The proposed bonds are necessary and expedient to lower debt service costs to the District.
2. The amount of the bonds proposed to be issued is adequate but not excessive for the purpose of refinancing the 1998 Bonds and reducing the debt service costs to the District.
3. The District’s debt management policies and procedures are in compliance with the law.

4. The District is not in default on any of its debt obligations.

5. The proposed issuance is not expected to require a property tax increase, since the issuance of the bonds will reduce the debt service requirements for the District.

6. The schedule for issuance of the bonds calls for issuing all of the bonds in the fiscal year ending June 30, 2013, but issuance may be delayed until such time as the District receives sufficient net present value savings from the issuance of the bonds.

7. The County Manager, Assistant County Manager, and County Finance Director, on behalf of the District, are hereby authorized and directed (1) to retain Hunton & Williams LLP, as bond counsel, and (2) to apply for approval of the proposed bonds with the Commission and to take all other actions necessary to accomplish the refunding transactions as set forth herein. The Finance Director is hereby authorized and directed to complete and file with the Clerk to the Board a sworn statement of the District's debt. All actions of the County Manager, Assistant County Manager and Finance Director, each acting on behalf of the District, that are in conformity with the purposes and intent of this Resolution are in all respects ratified, approved and confirmed.

Upon motion of Commissioner \_\_\_\_\_, the foregoing resolution entitled "A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF BERTIE, NORTH CAROLINA, SITTING AS THE GOVERNING BODY OF COUNTY WATER DISTRICT II, MAKING CERTAIN FINDINGS CONCERNING PROPOSED ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS" was adopted by the following vote:

Ayes:

Nays:

**Passed, Adopted And Approved** this 15<sup>th</sup> day of April, 2013.

\* \* \* \* \*

I, Misty Gibbs, Clerk to the Board of Commissioners of the County of Bertie, North Carolina, do hereby certify that the foregoing is a true and exact copy of the resolution entitled "A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF BERTIE, NORTH CAROLINA, SITTING AS THE GOVERNING BODY OF COUNTY WATER DISTRICT II, MAKING CERTAIN FINDINGS CONCERNING PROPOSED ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS" adopted by the Board of Commissioners of the County of Bertie, North Carolina, sitting as the governing body of County Water District II, in a regular meeting duly held on the 15<sup>th</sup> day of April, 2013.

*WITNESS* my hand and the seal of the District, this the \_\_\_\_ day of April, 2013.

(District Seal)

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Clerk to the Board of Commissioners  
County of Bertie, North Carolina

**BOARD OF COMMISSIONERS  
OF THE COUNTY OF BERTIE, NORTH CAROLINA  
ACTING AS THE GOVERNING BODY OF  
COUNTY WATER DISTRICT II**

Excerpt of Minutes  
of Meeting of  
April 15, 2013

Present: Chairman \_\_\_\_\_ presiding, and Commissioners \_\_\_\_\_

---

Absent: \_\_\_\_\_

\* \* \* \* \*

The following bond order was introduced and its title was read:

**BOND ORDER AUTHORIZING THE ISSUANCE OF NOT TO EXCEED  
\$4,200,000 GENERAL OBLIGATION REFUNDING WATER BONDS OF  
COUNTY WATER DISTRICT II**

**WHEREAS**, in 1998 County Water District II (the “District”) issued its (1) \$2,304,000 Water Bonds, Series 1998A (the “1998A Bonds”), and (2) \$2,196,000 Water Bonds, Series 1998B (the “1998B Bonds”); and

**WHEREAS**, the Board of Commissioners (the “Board”) of the County of Bertie, North Carolina (the “County”), sitting as the governing body of the District, deems it advisable to refund in advance of their maturities (1) \$1,844,000 in aggregate principal amount of the 1998A Bonds maturing on and after June 1, 2014 and (2) \$1,760,000 in aggregate principal amount of the 1998B Bonds maturing on and after June 1, 2014; and

**WHEREAS**, an application has been filed with the Secretary (the “Secretary”) of the Local Government Commission of North Carolina (the “Commission”) requesting the Commission’s approval of the bonds described below as required by the Local Government Bond Act of North Carolina, and the Secretary has notified the Board that the application has been accepted for submission to the Commission;

**NOW, THEREFORE, BE IT ORDERED** by the Board of Commissioners of the County of Bertie, North Carolina, sitting as the governing body of County Water District II, as follows:

1. The Board deems it advisable that the District issue its General Obligation Refunding Water Bonds to provide funds to refund in advance of their maturities \$1,844,000 in aggregate principal amount of the 1998A Bonds maturing on and after June 1, 2014, and \$1,760,000 in aggregate principal amount of the 1998B Bonds maturing on and after June 1, 2014.

2. The bonds shall be in an aggregate principal amount not to exceed \$4,200,000.

3. The bonds shall be general obligations of the District for the payment of principal of and interest on which its full faith and credit shall be irrevocably pledged and taxes will be levied in an amount sufficient to pay the principal of and interest on the bonds.

4. A sworn statement of the District's debt has been filed with the Clerk to the Board pursuant to G.S. §159-55 and is open to public inspection.

5. This bond order shall take effect on its adoption.

The Clerk to the Board is directed to publish a notice of adoption as prescribed by The Local Government Bond Act, of the bond order titled, "**BOND ORDER AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$4,200,000 GENERAL OBLIGATION REFUNDING WATER BONDS OF COUNTY WATER DISTRICT II**", which was introduced at the meeting of the Board held on April 15, 2013.

On motion of Commissioner \_\_\_\_\_, the foregoing order titled: "**BOND ORDER AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$4,200,000 GENERAL OBLIGATION REFUNDING WATER BONDS OF COUNTY WATER DISTRICT II**" was adopted by the following vote:

Ayes:

Nays:

**Passed, Adopted And Approved** this 15th day of April, 2013.

\* \* \* \* \*

I, Misty Gibbs, Clerk to the Board of Commissioners of the County of Bertie, North Carolina, do hereby certify that the foregoing is a true and exact copy of the bond order titled "**BOND ORDER AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$4,200,000 GENERAL OBLIGATION REFUNDING WATER BONDS OF COUNTY WATER DISTRICT II,**" which was adopted by the Board of Commissioners of the County of Bertie, North Carolina, sitting as the governing body of County Water District II, in regular meeting duly held on the 15<sup>th</sup> day of April, 2013.

*WITNESS* my hand and the seal of the District, this the \_\_\_\_ day of April, 2013.

(District Seal)

\_\_\_\_\_  
Clerk to the Board of Commissioners  
County of Bertie, North Carolina

**BOND ORDER AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$4,200,000 GENERAL OBLIGATION REFUNDING WATER BONDS OF COUNTY WATER DISTRICT II**

**WHEREAS**, in 1998 County Water District II (the “District”) issued its (1) \$2,304,000 Water Bonds, Series 1998A (the “1998A Bonds”), and (2) \$2,196,000 Water Bonds, Series 1998B (the “1998B Bonds”); and

**WHEREAS**, the Board of Commissioners (the “Board”) of the County of Bertie, North Carolina (the “County”), sitting as the governing body of the District, deems it advisable to refund in advance of their maturities (1) \$1,844,000 in aggregate principal amount of the 1998A Bond maturing on and after June 1, 2014 and (2) \$1,760,000 in aggregate principal amount of the 1998B Bond maturing on and after June 1, 2014; and

**WHEREAS**, an application has been filed with the Secretary (the “Secretary”) of the Local Government Commission of North Carolina (the “Commission”) requesting the Commission’s approval of the bonds described below as required by the Local Government Bond Act of North Carolina, and the Secretary has notified the Board that the application has been accepted for submission to the Commission;

**NOW, THEREFORE, BE IT ORDERED** by the Board of Commissioners of the County of Bertie, North Carolina, sitting as the governing body of County Water District II, as follows:

1. The Board deems it advisable that the District issue its General Obligation Refunding Water Bonds to provide funds to refund in advance of their maturities \$1,844,000 in aggregate principal amount of the 1998A Bonds maturing on and after June 1, 2014, and \$1,760,000 in aggregate principal amount of the 1998B Bonds maturing on and after June 1, 2014.
2. The bonds shall be in an aggregate principal amount not to exceed \$4,200,000.
3. The bonds shall be general obligations of the District for the payment of principal of and interest on which its full faith and credit shall be irrevocably pledged and taxes will be levied in an amount sufficient to pay the principal of and interest on the bonds.
4. A sworn statement of the District’s debt has been filed with the Clerk to the Board pursuant to G.S. §159-55 and is open to public inspection.
5. This bond order shall take effect on its adoption.

The foregoing order was adopted on the 15<sup>th</sup> day of April, 2013 and is hereby published this \_\_\_ day of April, 2013. Any action or proceeding questioning the validity of the order must be begun within 30 days after the date of publication of this notice.

(District Seal)

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Clerk to the Board of Commissioners  
County of Bertie, North Carolina

**SWORN STATEMENT OF DEBT**  
Made pursuant to the Local Government Bond Act, as Amended,  
For Bertie County Water District II

I, William Roberson, Finance Director of the County of Bertie, North Carolina (the "County"), having been designated by the Board of Commissioners (the "Board") for the County, sitting as the governing body of County Water District II (the "District"), to make and to file in the office of the Clerk to the Board a statement of debt of the District pursuant to the Local Government Bond Act, as amended, **DO HEREBY CERTIFY** that the following is a true statement as shown by the books in my office relating to the District, not taking into consideration any debt incurred or to be incurred in anticipation of bonds other than funding and refunding bonds.

\_\_\_\_\_  
William Roberson, Finance Director  
County of Bertie, North Carolina

Date: \_\_\_\_\_

STATE OF NORTH CAROLINA  
COUNTY OF BERTIE

Signed and sworn to (or affirmed) before me this day by William Roberson, Finance Director.

Date: April \_\_\_\_, 2013

\_\_\_\_\_  
Signature of Notary Public

\_\_\_\_\_  
Printed or Typed Name of Notary Public

My commission expires: \_\_\_\_\_

[Official Seal or Stamp]



**BERTIE COUNTY WATER DISTRICT II  
SWORN STATEMENT OF DEBT MADE PURSUANT TO  
THE LOCAL GOVERNMENT BOND ACT, AS AMENDED**

**A. Gross Debt**

1. Outstanding debt evidenced by bonds (as of 6/15/13):	<u>\$3,604,000</u>
2. Bonds authorized by orders introduced but not yet adopted:	<u>\$4,200,000</u>
3. Unissued bonds authorized by adopted orders:	
4. Outstanding debt not evidenced by bonds (lease-purchase agreements):	
Gross Debt (being the Sum of 1, 2, 3 and 4):	<u>\$7,804,000</u>

**B. Deductions**

1. Funding and refunding bonds authorized by orders introduced but not yet adopted:	<u>\$4,200,000</u>
2. Funding and refunding bonds authorized but not issued:	<u>\$</u>
3. The amount of money held in sinking funds or otherwise for the payment of gross debt other than debt incurred for water, gas, electric light or power purposes or sanitary sewer purposes (to the extent deductible under Section 159-55[b] of the Local Government Bond Act), or two or more of these purposes:	<u>\$</u>
4. Bonded debt included in gross debt and incurred or to be incurred for water, gas or electric light or power purposes, or any two or more of these purposes:	<u>\$3,604,000</u>
5. Bonded debt included in gross debt and incurred or to be incurred for sanitary sewer system purposes (to the extent deductible under Section 159-55[b] of The Local Government Bond Act):	<u>\$</u>
6. Uncollected special assessments levied for local improvements for which gross debt (that is not otherwise deducted) was or is to be incurred, to the extent it will be applied, when collected, to the payment of such gross debt:	<u>\$</u>
7. Estimate of special assessments to be levied for local improvements for which any part of gross debt (that is not otherwise deducted) was or is to be incurred, to the extent that the special assessments when collected, will be applied to the payment of any part of gross debt:	<u>\$</u>
Total Deductions (being the Sum of 1 through 7):	<u>\$7,804,000</u>

**C. Net Debt** being the difference between Total Gross Debt (A) and Total Deductions (B): \$0

**D. Assessed Value** of property subject to taxation for County tax records and certified by the County Tax Supervisor: \$354,258,710\*

**E. Percentage that Net Debt** bears to the assessed value of property subject to taxation (C÷D): 0%

\*Estimated by the County as of June 30, 2011.

STATE OF NORTH CAROLINA )  
 ) SS:  
COUNTY OF BERTIE )

I, Misty Gibbs, Clerk to the Board of Commissioners of the County of Bertie, North Carolina, in its capacity as the governing body of County Water District II, a political subdivision validly organized and existing under the Constitution and laws of the State of North Carolina, hereby certify that the foregoing statement and accompanying affidavit were filed in my office on the 15<sup>th</sup> day of April, 2013.

(District Seal)

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Clerk to the Board of Commissioners  
County of Bertie, North Carolina

## DISTRICT BOND PURCHASE AGREEMENT AND RECEIPT

This BOND PURCHASE AGREEMENT AND RECEIPT, dated as of May \_\_, 2013 (the "District Bond Purchase Agreement"), among the County of Bertie, North Carolina (the "County"), County Water District II of the County of Bertie, North Carolina (the "District") and the Local Government Commission of the State of North Carolina (the "Commission");

### WITNESSETH:

WHEREAS, the District has requested the Commission to sell, in a private negotiated sale, and the County has agreed to purchase from the Commission, the District's \$\_\_\_\_\_ General Obligation Refunding Water Bond, Series 2013 (the "Bond"), bearing interest and maturing in installments on the dates and at the rates set forth on Exhibit A; and

WHEREAS, the proceeds of the Bond shall be used to (a) redeem (1) \$1,844,000 aggregate principal amount of the District's Water Bonds, Series 1998A maturing on and after June 1, 2014, and (2) \$1,760,000 aggregate principal amount of the District's Water Bonds, Series 1998B maturing on and after June 1, 2014 (collectively, the "Refunded 1998 Bonds"), held by the United States of America, acting by and through United States Department of Agriculture, Rural Development (formerly Farmers Home Administration) ("USDA"), and (b) pay certain costs of issuance of the Bond;

NOW, THEREFORE, in consideration of the respective covenants and agreements set forth herein, the parties hereto agree as follows:

1. The County hereby offers to purchase the Bond from the Commission at a purchase price equal to the par amount of such Bond, without discount or premium, with the annual principal installments and associated interest rates for the Bond set forth in Exhibit A hereto. The purchase price for the Bond (\$\_\_\_\_\_) represents a portion of the proceeds of the County's \$\_\_\_\_\_ Limited Obligation Bonds (Bertie Water Districts General Obligation Refunding Bonds), Series 2013 (the "LOBs") executed and delivered under a Trust Agreement dated as of May 1, 2013 (the "Trust Agreement"), between the County and U.S. Bank National Association, as trustee (the "Trustee"), for the purpose, among others, of allowing the County to purchase the Bond.

2. The purchase price for the Bond shall be delivered as follows:

(a) \$\_\_\_\_\_ shall be delivered directly to USDA in order to redeem the Refunded 1998 Bonds; and

(b) \$\_\_\_\_\_ shall be delivered to the Trustee for deposit in the Costs of Issuance Fund.

3. The Commission hereby acknowledges receipt of the purchase price by such method on the date hereof.

4. The County hereby acknowledges receipt of physical delivery of the Bond on the date hereof and, simultaneously with receipt of the Bond, has assigned the Bond to the Trustee pursuant to the Trust Agreement, to be held by the Trustee as security for the LOBs pursuant to the Trust Agreement.

5. The Trustee hereby acknowledges receipt of (a) the Bond in physical form to be held by it pursuant to the Trust Agreement and (b) the amount set forth in paragraph (2) above for deposit in the Costs of Issuance Fund.

6. Each capitalized term used but not defined herein has the meaning given to such term in the Trust Agreement.

7. This District Bond Purchase Agreement and Receipt may be executed in several counterparts, all being deemed one and the same document.

**COUNTY OF BERTIE, NORTH CAROLINA**

[Seal]

By: \_\_\_\_\_  
John E. Whitehurst  
Interim County Manager

Attest:

\_\_\_\_\_  
Clerk to the Board of Commissioners  
County of Bertie, North Carolina

**LOCAL GOVERNMENT COMMISSION**

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

**COUNTY WATER DISTRICT II OF BERTIE  
COUNTY, NORTH CAROLINA**

[District Seal]

By: \_\_\_\_\_  
William Roberson  
Finance Director of the County of Bertie, North Carolina

Attest:

\_\_\_\_\_  
Clerk to the Board of Commissioners  
County of Bertie, North Carolina

ACKNOWLEDGEMENT

**U.S. BANK NATIONAL ASSOCIATION**, as Trustee

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

**\$\_\_\_\_\_ County Water District II  
General Obligation Refunding Water Bond, Series 2013**

The schedule of annual principal installments and associated interest rates with respect to the Bond are as follows:

<u>May 25</u>	<u>Principal</u>	<u>Rate</u>	<u>May 25</u>	<u>Principal</u>	<u>Rate</u>
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**BOARD OF COMMISSIONERS  
OF THE COUNTY OF BERTIE, NORTH CAROLINA  
ACTING AS THE GOVERNING BODY OF  
COUNTY WATER DISTRICT III**

Excerpt of Minutes  
of Meeting of  
April 15, 2013

Present: Chairman \_\_\_\_\_ presiding, and Commissioners \_\_\_\_\_

---

Absent: \_\_\_\_\_

\* \* \* \* \*

The following resolution was introduced and its title was read:

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE  
COUNTY OF BERTIE, NORTH CAROLINA, SITTING AS THE  
GOVERNING BODY OF COUNTY WATER DISTRICT III, PROVIDING  
FOR THE ISSUANCE OF A NOT TO EXCEED \$2,800,000 GENERAL  
OBLIGATION REFUNDING WATER BOND, SERIES 2013 OF COUNTY  
WATER DISTRICT III**

**WHEREAS**, the Board of Commissioners (the “Board”) of the County of Bertie, North Carolina (the “County”), sitting as the governing body of County Water District III (the “District”), is considering the issuance of a not to exceed \$2,800,000 General Obligation Refunding Water Bond to pay the costs of refunding in advance of their maturities (1) \$1,969,000 aggregate principal amount of the District’s Water Bonds, Series A issued in 1995 and maturing on and after June 1, 2014, and (2) \$385,500 aggregate principal amount of the District’s Water Bonds, Series B issued in 1995 and maturing on and after June 1, 2014 (collectively, the “Refunded Bonds”);

**WHEREAS**, the Board has this day adopted a Bond Order (the “Bond Order”) entitled:

**“BOND ORDER AUTHORIZING THE ISSUANCE OF NOT TO EXCEED  
\$2,800,000 GENERAL OBLIGATION REFUNDING WATER BONDS OF  
COUNTY WATER DISTRICT III”;**

**WHEREAS**, the District desires to issue its General Obligation Refunding Water Bond, Series 2013 (the “Bond”) pursuant to the Bond Order in order to refund the Refunded Bonds, and to request that the Local Government Commission (the “Commission”) sell the Bond through a negotiated sale to the County in accordance with the terms and conditions set forth in a District Bond Purchase Agreement to be dated on or about May 30, 2013 (the “District Bond Purchase Agreement”), among the District, the Commission and the County, a copy of which has been

filed with the County and made available to the Board sitting as the governing body of the District; and

**WHEREAS**, the County will issue its limited obligation bonds (as further described below) to provide funds for the County to purchase the Bond, among other purposes;

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

## **ARTICLE I DEFINITIONS**

Section 1.01. Meaning of Words and Terms. Unless otherwise required by the context, the following capitalized words and terms shall have the following meanings:

“1995A Bonds” means the District’s \$2,582,000 Water Bonds, Series A.

“1995B Bonds” means the District’s \$500,000 Water Bonds, Series B.

“Bond” means the District’s General Obligation Refunding Water Bond, Series 2013, authorized under the Bond Order.

“Bond Order” means the Bond Order authorizing the Bond adopted by the Board on April 15, 2013, effective on its adoption.

“Code” means the Internal Revenue Code of 1986, as amended. Each reference to a section of the Code herein will be deemed to include the United States Treasury Regulations in effect with respect thereto.

“Federal Securities” means (a) direct obligations of the United States of America for the timely payment of which the full faith and credit of the United States of America is pledged; (b) obligations issued by any agency controlled or supervised by and acting as an instrumentality of the United States of America, the timely payment of the principal of and interest on which is fully guaranteed as full faith and credit obligations of the United States of America (including any securities described in clause (a) or (b) hereof issued or held in the name of a trustee in book-entry form on the books of the Department of Treasury of the United States of America), which obligations, in either case, are held in the name of a trustee and are not subject to redemption or purchase prior to maturity at the option of anyone other than the holder; or (c) direct evidences of ownership of proportionate interests in future interest and principal payments on specified obligations described in clause (a) hereof held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor on the underlying obligations described in clause (a) hereof, and which underlying obligations are not available to satisfy any claim of the custodian or any person claiming through the custodian or to whom the custodian may be obligated.

“Holder”, “owner” or “Owner” mean the registered owner of the Bond.



“LOBs” means the County of Bertie, North Carolina Limited Obligation Bonds (Bertie Water Districts General Obligation Refunding Bonds), Series 2013, executed and delivered under the Trust Agreement.

“Pricing Certificate” means the certificate of the County’s Finance Director, delivered in connection with the issuance of the Bond which establishes with respect to the Bond the final maturity amounts, the interest payment dates, the interest rates, the provisions for redemption and the provisions for the application of proceeds, all as agreed on in the District Bond Purchase Agreement.

“Refunded Bonds” means, collectively, (1) \$1,969,000 in aggregate principal amount of the 1995A Bonds maturing on and after June 1, 2014, and (2) \$385,500 in aggregate principal amount of the 1995B Bonds maturing on and after June 1, 2014.

“Resolution” means this resolution authorizing the issuance of the Bond.

“Trust Agreement” means a Trust Agreement dated as of May 1, 2013, between the County of Bertie, North Carolina and U.S. Bank National Association, as trustee.

Section 1.02. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words used herein shall include the plural as well as the singular number. References herein to particular articles or sections are references to articles or sections of this Resolution unless some other reference is indicated.

**ARTICLE II**  
**AUTHORIZATION, FORM, ISSUANCE AND DELIVERY OF THE BOND**

Section 2.01. Authorization and Issuance of the Bond. The District hereby authorizes the issuance of the Bond designated “General Obligation Refunding Water Bond, Series 2013” in the aggregate principal amount of not to exceed \$2,800,000 for the purpose of providing funds, together with any other available funds, to (a) refund the Refunded Bonds and (b) pay costs and expenses incurred in connection with the issuance of the Bond. The Bond shall be issued under and pursuant to the Constitution and the laws of the State of North Carolina, the Bond Order and this Resolution, subject to the conditions set forth herein and therein.

The Finance Director of the County, acting on behalf of the District, is hereby appointed as registrar for the Bond.

Section 2.02. Form of Bond. The definitive Bond shall be initially issued as one fully registered bond without coupons numbered R-1 in the aggregate principal amount not to exceed \$2,800,000. The definitive Bond shall be substantially in the form set forth in Exhibit A attached hereto and made a part hereof, with such appropriate variations, omissions and insertions as are permitted or required by this Resolution or the Pricing Certificate. The Bond shall bear the original or facsimile signatures of the Chairman of the Board or the County Manager and the Clerk to the Board, each acting on behalf of the District, and shall include the original or facsimile signature of an authorized representative of the Commission. At least one of the signatures on the Bond (which may be the signature of the representative of the Commission)

must be a manual signature. An original or facsimile of the seal of the District is to be imprinted on the Bond.

Section 2.03. Details of Bond. The Bond shall be dated its date of issuance. The Bond shall pay interest semiannually on May 25 and November 25, beginning November 25, 2013, unless the County's Finance Director establishes different dates in the Pricing Certificate. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. The Bond is payable in annual installments on May 25 in each year, unless the County's Finance Director establishes a different date or dates in the Pricing Certificate. The annual installments of principal and corresponding interest rates of the Bond will be as set forth in the Pricing Certificate.

The principal of and the interest and any redemption premium 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.

Payment of principal installments and interest when due and payable on the Bond shall be made by check or wire transfer to the registered owner of the Bond at its address as it appears on the bond registration books without the presentation or surrender thereof.

The Chairman of the Board, the County Manager, the Finance Director and the Clerk to the Board, each acting on behalf of the District, are hereby authorized and directed, individually and collectively, to cause the Bond to be prepared and, when the Bond has been duly sold by the Commission, to execute the Bond and to turn the Bond over to the registrar for delivery to the County or its assignee

Section 2.04. Transfer of Bond. The Bond, upon surrender thereof at the principal office of the registrar, together with an assignment duly executed by the registered owner or its attorney or legal representative in such form as shall be satisfactory to the registrar, may, at the option of the registered owner thereof, be exchanged for bonds, having maturities corresponding to the maturities of the installments of principal of such bond then unpaid, issuable in fully registered form and bearing interest at the same rate.

The transfer of the Bond may be registered by the registered owner thereof only upon an execution of an assignment thereof duly executed by such registered owner or its attorney or legal representative. Notice of such assignment shall be given promptly by the assignor to the registrar by registered mail, such notice to be in such form as shall be satisfactory to the registrar, and upon receipt of such notice, such Bond shall be registered as to both principal and interest on such registration books in the name of the assignee named in such notice.

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

As to any bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the

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

Section 2.05. Private Sale. The Commission is hereby requested to sell the Bond at private sale pursuant to G.S. 159-123 to the County at a true interest cost not to exceed 5.00%. The form and content of the District Bond Purchase Agreement are in all respects approved and confirmed. The Chairman of the Board, the County Manager or the Finance Director, each acting on behalf of the District, is hereby authorized, empowered and directed, individually and collectively, to execute and deliver the District Bond Purchase Agreement for and on behalf of the District, including necessary counterparts, in substantially the form and content presented to the District, but with such changes, modifications, additions or deletions therein as he or she may deem necessary, desirable or appropriate, the execution thereof to constitute conclusive evidence of the Board's approval of any and all such changes, modifications, additions or deletions therein. From and after the execution and delivery of the District Bond Purchase Agreement, the Chairman of the Board, the County Manager and the Finance Director, each acting on behalf of the District, are hereby authorized, empowered and directed, individually and collectively, to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the District Bond Purchase Agreement as executed.

Section 2.06. Proceeds of the Bond. Unless the Pricing Certificate provides otherwise, the District shall cause the portion of the proceeds of the Bond necessary to redeem the Refunded Bonds to be delivered to the USDA, as the holder of the Refunding Bonds. Any remaining portion of the proceeds of the Bond shall be deposited as set forth in the District Bond Purchase Agreement.

### **ARTICLE III REDEMPTION OF BOND**

Section 3.01. Redemption of Bond. If the Pricing Certificate designates a date on and after which the Bond is subject to redemption, then the Bond shall be subject to redemption before maturity, at the option of the District, from any money that may be made available for such purpose, either in whole or in part on any date on or after the date set forth in the Pricing Certificate, at the principal amount of the Bond to be redeemed, together with interest accrued thereon to the date fixed for redemption, with such redemption premium, if any, designated for the Bond in the Pricing Certificate. The redemption provisions relating to the Bond shall correspond to the redemption provisions of the LOBs.

If the Bond is subject to optional redemption, when the District elects to redeem the Bond, notice of such redemption of such Bond, stating the redemption date and redemption price and further stating that on such redemption date there are due and payable on the Bond the principal thereof and interest accrued to the redemption date and that from and after such date

interest thereon shall cease to accrue, is to be given not less than 15 days nor more than 60 days before the redemption date in writing to the registered owner of such Bond, by prepaid certified or registered United States mail, at the address provided to the District by the registered owner, but any failure or defect in respect of such mailing will not affect the validity of the redemption. The District will also mail or transmit by facsimile a copy of the notice of redemption within the time set forth above to the Commission.

On the date fixed for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Bond or part thereof called for redemption shall be due and payable at the redemption price provided therefor, plus accrued interest to such date. If moneys sufficient to pay the redemption price of the Bond or part thereof to be redeemed plus accrued interest thereon to the date fixed for redemption are held in trust for such purpose, interest on the Bond or part thereof called for redemption shall cease to accrue, such Bond or part thereof shall cease to be entitled to any benefits or security under this resolution or to be deemed outstanding, and the registered owners of such Bond or part thereof shall have no rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest to the date of redemption.

In the event that an installment of principal of the Bond shall be redeemed, the registrar shall direct the registered owner thereof to evidence such redemption by appropriate notation on the schedule attached to such Bond for such purpose.

Section 3.02. Discharge and Defeasance. Nothing in this Resolution precludes (a) the payment of the Bond from the proceeds of refunding bonds or (b) the payment of the Bond from any legally available funds.

If the District causes to be paid, or has made provisions to pay, on maturity or on redemption before maturity, to the owner of the Bond the principal of the Bond (including interest to become due thereon) and, premium, if any, on the Bond, through setting aside trust funds or setting apart in a reserve fund or special trust account created pursuant to this Resolution or otherwise, or through the irrevocable segregation for that purpose in some sinking fund or other fund or trust account with an escrow agent or otherwise, moneys sufficient therefor, including, but not limited to, interest earned or to be earned on Federal Securities, and the principal of the Bond (including premium, if any, and interest thereon) shall no longer be deemed to be outstanding and unpaid; provided, however, that nothing in this Resolution requires the deposit of more than such Federal Securities as may be sufficient, taking into account both the principal amount of such Federal Securities and the interest to become due thereon, to implement any such defeasance.

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

**ARTICLE IV  
DISTRICT COVENANTS**

Section 4.01. Payment of Principal, Interest and Premium. The District covenants that it will promptly pay the principal of and the interest on the Bond issued under the provisions of this Resolution at the place, on the dates and in the manner provided herein and in the Bond, according to the true intent and meaning thereof. The District further covenants that it will faithfully perform at all times all of its covenants, undertakings and agreements contained in this Resolution and the Bond Order, or in any Bond executed, authenticated and delivered hereunder or in any proceedings of the District pertaining thereto. The District represents and covenants that it is duly authorized under the Constitution and laws of the State, particularly the Act, to issue the Bond authorized hereby and to pledge its full faith and credit to the repayment of the Bond.

Section 4.02. Tax Covenants. The District covenants to do and perform all acts and things permitted by law in order to assure that interest paid on the Bond which was excludable from the gross income of its Holder for federal income taxes on the date of its issuance shall continue to be so excludable.

Section 4.03. Rule 15c2-12. The District agrees to provide the County whatever information that may be necessary for the County to comply with its undertaking with respect with Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC") and for the benefit of the Registered Owners and beneficial owners of the LOBs. The provisions of this Section shall terminate on payment, or provision having been made for payment in a manner consistent with the Rule, in full of the principal of and interest with respect to the LOBs.

**ARTICLE V  
THE TRUSTEE**

Section 5.01. Designation of Trustee. The District may at any time, with the approval of the Commission, appoint a Trustee to administer the provisions of the Bond Order and this Resolution and may adopt such supplements to the Bond Order and this Resolution as shall be necessary or desirable to effectuate such appointment. Any such Trustee shall meet the requirements set forth in Article X of the Trust Agreement.

**ARTICLE VI  
SUPPLEMENTAL RESOLUTIONS**

Section 6.01. Modification Without Consent of Holder. The District may, from time to time and at any time, without the consent of any Holder of the Bond, amend or supplement this Resolution (which supplemental resolutions shall thereafter form a part hereof) as shall be substantially consistent with the terms and provisions of this Resolution, shall not materially and adversely affect the interest of the Holder, and, in the the opinion of nationally recognized bond counsel, would not cause the interest on the Bond to be included in the gross income of a recipient thereof for federal income tax purposes:

(a) to cure any ambiguity or formal defect or omission, to correct or supplement any provision herein that may be inconsistent with any other provision herein, to make any other provisions with respect to matters or questions arising under this Resolution or to modify, alter, amend, add to or rescind, in any particular manner, any of the terms or provisions contained in this Resolution, as is substantially consistent with the terms and provisions of this Resolution and does not materially and adversely affect the interest of the Holder;

(b) to grant or to confer upon the Holder any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Holder;

(c) to add to the covenants and agreements of the District in this Resolution other covenants and agreements thereafter to be observed by the District or to surrender any right or power herein reserved to or conferred upon the District; or

(d) to permit the qualification of this Resolution under any federal statute now or hereafter in effect or under any state blue sky laws, and, in connection therewith, if the District so determines, to add to this Resolution or any supplemental resolution such other terms, conditions and provisions as may be permitted or required by such federal statute or blue sky laws.

At least thirty (30) days prior to the execution and delivery of any supplemental resolution for any of the purposes of this Section, the registrar shall cause a notice of the proposed supplemental resolution to be mailed first-class, postage prepaid, to the Commission and to the Holder of the Bond. Such notice shall briefly set forth the nature of the proposed supplemental resolution and shall state that copies thereof are on file at the principal office of the registrar for inspection by the Holder of the Bond. A failure on the part of the registrar to mail the notice required by this Section shall not affect the validity of such supplemental resolution.

Section 6.02. Modification of Resolution With Consent of Holder. No modification or amendment to the Bond or this Resolution may reduce the principal amount of the Bond, reduce the interest rate payable on the Bond, extend the Bond's maturity or the times for paying interest, change the monetary medium in which principal and interest is payable or reduce the percentage of consent required for amendment or modification without the express consent of the owner of the Bond, and the owner of the Bond shall have the right, from time to time, to consent to and approve the adoption by the District of any supplemental resolutions (other than as described in section 7.01) as shall be deemed necessary or desirable by the District for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution or the Bond.

Whenever, at any time after the date of the mailing of such notice, the District receives an instrument in writing purporting to be executed by the Holder of the Bond, which instrument shall refer to the proposed supplemental resolution described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the District may adopt such supplemental resolution in substantially such form, without liability or responsibility to such Holder.

If the Holder of the Bond has consented to and approved the adoption thereof as herein provided, to the extent permitted by law, the Holder shall have no right to object to the adoption of such supplemental resolutions, to object to any of the terms and provisions contained therein or the operation thereof, to question the propriety of the adoption thereof, or enjoin or restrain the District from adopting the same or from taking any action pursuant to the provisions thereof.

Upon the adoption of any supplemental resolution pursuant to the provisions of this Section, this Resolution shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Resolution of the District, the registrar and the Holder of the Bond shall thereafter be determined, exercised and enforced in all respects pursuant to the provisions of this Resolution, as so modified and amended.

Section 6.03. Responsibilities of District Under this Article. The District shall be entitled to exercise its discretion in determining whether or not any proposed supplemental resolution or any term or provision therein contained is desirable, after considering the purposes of such instrument, the needs of the District and the rights and interests of the Holder of the Bond.

## **ARTICLE VII MISCELLANEOUS PROVISIONS**

Section 7.01. Manner of Giving Notice. All notices, demands and requests to be given to or made hereunder by the District, the Commission or the registrar shall be given or made in writing and shall be deemed to be properly given or made if sent by United States registered or certified mail, return receipt requested, addressed as follows:

- (a) As to the District or registrar --

County Water District III  
106 Dundee Street  
Windsor, North Carolina 27983  
Attention: Finance Director

- (b) As to the Local Government Commission --

North Carolina Local Government Commission  
325 N. Salisbury Street  
Raleigh, North Carolina 27603-1385  
Attention: Secretary

- (c) As to the County--

106 Dundee Street  
Windsor, North Carolina 27983  
Attention: Finance Director

Any such notice, demand or request may also be transmitted to the appropriate above-mentioned party by electronic mail or telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

Any of such addresses may be changed at any time upon written notice of such change sent by United States registered or certified mail, postage prepaid, to the other parties by the party effecting the change.

Section 7.02. Substitute Mailing. If, because of the temporary or permanent suspension of postal service, the District, the Commission or the registrar shall be unable to mail any notice required to be given by the provisions of this Resolution, such party shall give notice in such other manner as in the judgment of such party shall most effectively approximate mailing, and the giving of notice in such manner shall for all purposes of this Resolution be deemed to be in compliance with the requirement for the mailing thereof.

Section 7.03. District, Registrar and Holder Alone Have Rights Under Resolution. Except as herein otherwise expressly provided, nothing in this Resolution, express or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the District, the registrar and the Holder of the Bond, any right, remedy or claim, legal or equitable, under or by reason of this Resolution or any provision being intended to be and being for the sole and exclusive benefit of the District, the registrar and the Holder of the Bond.

Section 7.04. Effect of Covenants; Governing Law. All covenants, stipulations, obligations and agreements of the District contained in this Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the District to the full extent permitted by the Constitution and laws of the State. This Resolution is executed and delivered with the intent that the laws of the State shall govern this construction.

Section 7.05. Headings. Any heading preceding the text of the several articles hereof, any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Resolution, nor shall they affect its meaning, construction or effect.

Section 7.06. Partial Invalidity. If any one or more of the agreements or provisions herein contained is held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or for any reason whatsoever is held invalid, then such covenants, agreements or provisions are null and void and separable from the remaining agreements and provisions and will in no way affect the validity of any of the other agreements and provisions hereof or of the Bond authorized hereunder.

Section 7.07. Previous Actions. All acts and doings of the Chairman of the Board, the County Manager, the Assistant County Manager, the Finance Director and the Clerk to the Board, each acting on behalf of the District, that are in conformity with the purposes and intent of this Resolution and in the furtherance of the issuance of the Bond and the execution, delivery and performance of the District Bond Purchase Agreement are in all respects approved and confirmed.



Section 7.08. Further Authority. The officers, attorneys, employees and other agents of the District are hereby authorized to do all acts and things required of them by this Resolution for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Bond and this Resolution.

The County Manager, the Finance Director, and the Clerk to the Board, or any of them or their deputies, acting on behalf of the District, are further authorized and directed (without limitation except as expressly provided herein) to take such action and to execute and deliver such documents, certificates, agreements or other instruments as they, with the advice of counsel, may deem necessary or appropriate to effect the transactions contemplated by the Bond Order and this Resolution.

Section 7.09. Payment Due on Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right as provided in this Resolution is not a Business Day, such payment may be made or act performed or right exercised on the next Business Day with the same force and effect as if done on the date provided in this Resolution.

Section 7.10. Resolution Effective. All resolutions or parts thereof of the Board in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed. This Resolution is effective on its adoption.

Commissioner \_\_\_\_\_ moved the passage of the foregoing resolution and Commissioner \_\_\_\_\_ seconded the motion and the resolution was passed by the following vote:

Ayes:           Commissioner \_\_\_\_\_  
Nays:           Commissioner \_\_\_\_\_  
Not voting:    Commissioner \_\_\_\_\_

\* \* \* \* \*

I, Misty Gibbs, Clerk to the Board of Commissioners for the County of Bertie, North Carolina, sitting as the governing body of County Water District III, DO HEREBY CERTIFY that the foregoing is a true and complete copy of a resolution adopted by the Board of Commissioners of the County at a regular meeting duly called and held on April 15, 2013, and that the proceedings of such meeting are recorded in the Minutes of the Board. Pursuant to G.S. § 143-318.12, a current copy of a schedule of regular meetings of the Board of Commissioners of the County is on file in my office.

WITNESS my hand and the official seal of the County this \_\_\_\_ day of April, 2013.

---

Clerk, Board of Commissioners  
County of Bertie, North Carolina

(SEAL)

**FORM OF BOND**

**No. R-1**

**\$ \_\_\_\_\_**

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

**COUNTY OF BERTIE, NORTH CAROLINA  
COUNTY WATER DISTRICT III**

<u>MATURITY DATE</u>	<u>DATED DATE</u>
MAY 25, 20__	MAY __, 2013

**REGISTERED OWNER: COUNTY OF BERTIE, NORTH CAROLINA**

**PRINCIPAL SUM: \_\_\_\_\_ DOLLARS**

**GENERAL OBLIGATION REFUNDING WATER BOND, SERIES 2013**

**COUNTY WATER DISTRICT III** (the "District") acknowledges itself indebted and for value received hereby promises to pay to the Registered Owner named above, the principal sum shown above in annual installments due on May 25 in each year as set forth below, and to pay to the Registered Owner hereof interest on such annual installments from the date of this Bond until payment thereof at the interest rates per annum specified below, payable on November 25, 2013, and semiannually thereafter on May 25 and November 25 of each year. Principal of and interest on this Bond are payable in immediately available funds to the County of Bertie, North Carolina (the "County") or its nominee as registered owner of the Bond.

Principal installments are due annually on May 25 of the years and in the amounts set forth below and will bear interest (computed on the basis of a 360-day year of twelve 30-day months) as follows:

<u>MAY 25</u>	<u>PRINCIPAL</u>	<u>RATE</u>	<u>MAY 25</u>	<u>PRINCIPAL</u>	<u>RATE</u>
---------------	------------------	-------------	---------------	------------------	-------------

The portions of this Bond maturing on or after May 25, 20\_\_ may be redeemed prior to their installment payment dates at the option of the District, from any funds that may be available for such purpose, in whole or in part on any date on or after May 25, 20\_\_. The portions of this Bond so called for redemption will be redeemed at a redemption price equal to 100% of the principal amount thereof, together with accrued interest thereon to the date fixed for redemption. Notwithstanding the foregoing, this Bond may be redeemed only if the County's Limited Obligation Bonds (Bertie Water Districts General Obligation Refunding Bonds), Series 2013 (the "LOBs") are redeemed pursuant to the Trust Agreement dated as of May 1, 2013, relating to the LOBs, and only to the extent of a corresponding amount of such redemption.

This Bond is issued in accordance with the Registered Public Obligations Act, Chapter 159E of the General Statutes of North Carolina, and pursuant to the Local Government Bond Act of North Carolina, a bond order introduced and adopted by the Board of Commissioners of the County (the "Board"), sitting as the governing body of the District, on April 15, 2013, and effective on the date of its adoption. This Bond is being issued to refund in advance of their maturities (1) \$1,969,000 in aggregate principal amount of the District's Water Bonds, Series A issued in 1995 and maturing on and after June 1, 2014, and (2) \$385,500 in aggregate principal amount of the District's Water Bonds, Series B issued in 1995 and maturing on and after June 1, 2014.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of North Carolina to exist, be performed or happen precedent to or in the issuance of this Bond, exist, have been performed and have happened, and that the amount of this Bond, together with all other indebtedness of the District, is within every debt and other limit prescribed by the Constitution or statutes. THE FAITH AND CREDIT OF THE DISTRICT ARE HEREBY PLEDGED TO THE PUNCTUAL PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THIS BOND IN ACCORDANCE WITH ITS TERMS.

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

**IN WITNESS WHEREOF**, the County has caused this Bond to bear the original or facsimile of the signatures of the Chairman of the Board and the Clerk to the Board, each acting on behalf of the District, and an original or facsimile of the seal of the District to be imprinted hereon and this Bond to be dated as of the Dated Date above.

(District Seal)

---

Misty Gibbs  
Clerk to the Board of Commissioners

---

J. Wallace Perry, Chairman  
Board of Commissioners

Date of Execution: May \_\_, 2013

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

---

T. VANCE HOLLOMAN  
Secretary of the Local Government Commission

**FORM OF ASSIGNMENT**

**ASSIGNMENT**

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

---

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

---

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

---

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

Dated: \_\_\_\_\_

Signature guaranteed by:

---

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

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

**TRANSFER FEE MAY BE REQUIRED**

**BOARD OF COMMISSIONERS  
OF THE COUNTY OF BERTIE, NORTH CAROLINA  
ACTING AS THE GOVERNING BODY OF  
COUNTY WATER DISTRICT III**

Excerpt of Minutes  
of Meeting of  
April 15, 2013

Present: Chairman \_\_\_\_\_ presiding, and Commissioners \_\_\_\_\_

---

Absent: \_\_\_\_\_

\* \* \* \* \*

The following resolution was introduced and its title was read:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE  
COUNTY OF BERTIE, NORTH CAROLINA, SITTING AS THE  
GOVERNING BODY OF COUNTY WATER DISTRICT III, MAKING  
CERTAIN FINDINGS CONCERNING PROPOSED ISSUANCE OF  
GENERAL OBLIGATION REFUNDING BONDS

**WHEREAS**, the Board of Commissioners (the “Board”) of the County of Bertie (the “County”), sitting as the governing body of County Water District III (the “District”), is considering the issuance of not to exceed \$2,800,000 of General Obligation Refunding Water Bonds to pay the costs of refunding in advance of their maturities (1) \$1,969,000 aggregate principal amount of the District’s Water Bonds, Series A issued in 1995 and maturing on and after June 1, 2014, and (2) \$385,500 aggregate principal amount of the District’s Water Bonds, Series B issued in 1995 and maturing on and after June 1, 2014 (collectively, the “1995 Bonds”); and

**WHEREAS**, certain findings of fact by the Board must be presented to enable the Local Government Commission of North Carolina (the “Commission”) to make certain determinations as set forth in Section 159-52 of the North Carolina General Statutes;

**NOW, THEREFORE, BE IT RESOLVED** that the Board meeting in open session on the 15<sup>th</sup> day of April, 2013, finds as follows:

1. The proposed bonds are necessary and expedient to lower debt service costs to the District.
2. The amount of the bonds proposed to be issued is adequate but not excessive for the purpose of refinancing the 1995 Bonds and reducing the debt service costs to the District.

3. The District's debt management policies and procedures are in compliance with the law.

4. The District is not in default on any of its debt obligations.

5. The proposed issuance is not expected to require a property tax increase, since the issuance of the bonds will reduce the debt service requirements for the District.

6. The schedule for issuance of the bonds calls for issuing all of the bonds in the fiscal year ending June 30, 2013, but issuance may be delayed until such time as the District receives sufficient net present value savings from the issuance of the bonds.

7. The County Manager, Assistant County Manager, and County Finance Director, on behalf of the District, are hereby authorized and directed (1) to retain Hunton & Williams LLP, as bond counsel, and (2) to apply for approval of the proposed bonds with the Commission and to take all other actions necessary to accomplish the refunding transactions as set forth herein. The Finance Director is hereby authorized and directed to complete and file with the Clerk to the Board a sworn statement of the District's debt. All actions of the County Manager, Assistant County Manager and Finance Director, each acting on behalf of the District, that are in conformity with the purposes and intent of this Resolution are in all respects ratified, approved and confirmed.

Upon motion of Commissioner \_\_\_\_\_, the foregoing resolution entitled "A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF BERTIE, NORTH CAROLINA, SITTING AS THE GOVERNING BODY OF COUNTY WATER DISTRICT III, MAKING CERTAIN FINDINGS CONCERNING PROPOSED ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS" was adopted by the following vote:

Ayes:

Nays:

**Passed, Adopted And Approved** this 15<sup>th</sup> day of April, 2013.

\* \* \* \* \*



I, Misty Gibbs, Clerk to the Board of Commissioners of the County of Bertie, North Carolina, do hereby certify that the foregoing is a true and exact copy of the resolution entitled "A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF BERTIE, NORTH CAROLINA, SITTING AS THE GOVERNING BODY OF COUNTY WATER DISTRICT III, MAKING CERTAIN FINDINGS CONCERNING PROPOSED ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS" adopted by the Board of Commissioners of the County of Bertie, North Carolina, sitting as the governing body of County Water District III, in a regular meeting duly held on the 15<sup>th</sup> day of April, 2013.

*WITNESS* my hand and the seal of the District, this the \_\_\_\_ day of April, 2013.

(District Seal)

---

Clerk to the Board of Commissioners  
County of Bertie, North Carolina

**BOARD OF COMMISSIONERS  
OF THE COUNTY OF BERTIE, NORTH CAROLINA  
ACTING AS THE GOVERNING BODY OF  
COUNTY WATER DISTRICT III**

Excerpt of Minutes  
of Meeting of  
April 15, 2013

Present: Chairman \_\_\_\_\_ presiding, and Commissioners \_\_\_\_\_

---

Absent: \_\_\_\_\_

\* \* \* \* \*

The following bond order was introduced and its title was read:

**BOND ORDER AUTHORIZING THE ISSUANCE OF NOT TO EXCEED  
\$2,800,000 GENERAL OBLIGATION REFUNDING WATER BONDS OF  
COUNTY WATER DISTRICT III**

**WHEREAS**, in 1995 County Water District III (the “District”) issued its (1) \$2,582,000 Water Bonds, Series A (the “1995A Bonds”), and (2) \$500,000 Water Bonds, Series B (the “1995B Bonds”); and

**WHEREAS**, the Board of Commissioners (the “Board”) of the County of Bertie, North Carolina (the “County”), sitting as the governing body of the District, deems it advisable to refund in advance of their maturities (1) \$1,969,000 in aggregate principal amount of the 1995A Bonds maturing on and after June 1, 2014 and (2) \$385,500 in aggregate principal amount of the 1995B Bonds maturing on and after June 1, 2014; and

**WHEREAS**, an application has been filed with the Secretary (the “Secretary”) of the Local Government Commission of North Carolina (the “Commission”) requesting the Commission’s approval of the bonds described below as required by the Local Government Bond Act of North Carolina, and the Secretary has notified the Board that the application has been accepted for submission to the Commission;

**NOW, THEREFORE, BE IT ORDERED** by the Board of Commissioners of the County of Bertie, North Carolina, sitting as the governing body of County Water District III, as follows:

1. The Board deems it advisable that the District issue its General Obligation Refunding Water Bonds to provide funds to refund in advance of their maturities \$1,969,000 in aggregate principal amount of the 1995A Bonds maturing on and after June 1, 2014, and \$385,500 in aggregate principal amount of the 1995B Bonds maturing on and after June 1, 2014.

2. The bonds shall be in an aggregate principal amount not to exceed \$2,800,000.

3. The bonds shall be general obligations of the District for the payment of principal of and interest on which its full faith and credit shall be irrevocably pledged and taxes will be levied in an amount sufficient to pay the principal of and interest on the bonds.

4. A sworn statement of the District's debt has been filed with the Clerk to the Board pursuant to G.S. §159-55 and is open to public inspection.

5. This bond order shall take effect on its adoption.

The Clerk to the Board is directed to publish a notice of adoption as prescribed by The Local Government Bond Act, of the bond order titled, "**BOND ORDER AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$2,800,000 GENERAL OBLIGATION REFUNDING WATER BONDS OF COUNTY WATER DISTRICT III**", which was introduced at the meeting of the Board held on April 15, 2013.

On motion of Commissioner \_\_\_\_\_, the foregoing order titled: "**BOND ORDER AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$2,800,000 GENERAL OBLIGATION REFUNDING WATER BONDS OF COUNTY WATER DISTRICT III**" was adopted by the following vote:

Ayes:

Nays:

**Passed, Adopted And Approved** this 15th day of April, 2013.

\* \* \* \* \*

I, Misty Gibbs, Clerk to the Board of Commissioners of the County of Bertie, North Carolina, do hereby certify that the foregoing is a true and exact copy of the bond order titled "**BOND ORDER AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$2,800,000 GENERAL OBLIGATION REFUNDING WATER BONDS OF COUNTY WATER DISTRICT III**," which was adopted by the Board of Commissioners of the County of Bertie, North Carolina, sitting as the governing body of County Water District III, in regular meeting duly held on the 15<sup>th</sup> day of April, 2013.

*WITNESS* my hand and the seal of the District, this the \_\_\_\_ day of April, 2013.

(District Seal)

\_\_\_\_\_  
Clerk to the Board of Commissioners  
County of Bertie, North Carolina

**BOND ORDER AUTHORIZING THE ISSUANCE OF NOT TO EXCEED  
\$2,800,000 GENERAL OBLIGATION REFUNDING WATER BONDS OF  
COUNTY WATER DISTRICT III**

**WHEREAS**, in 1995 County Water District III (the “District”) issued its (1) \$2,582,000 Water Bonds, Series A (the “1995A Bonds”), and (2) \$500,000 Water Bonds, Series B (the “1995B Bonds”); and

**WHEREAS**, the Board of Commissioners (the “Board”) of the County of Bertie, North Carolina (the “County”), sitting as the governing body of the District, deems it advisable to refund in advance of their maturities (1) \$1,969,000 in aggregate principal amount of the 1995A Bonds maturing on and after June 1, 2014 and (2) \$385,500 in aggregate principal amount of the 1995B Bonds maturing on and after June 1, 2014; and

**WHEREAS**, an application has been filed with the Secretary (the “Secretary”) of the Local Government Commission of North Carolina (the “Commission”) requesting the Commission’s approval of the bonds described below as required by the Local Government Bond Act of North Carolina, and the Secretary has notified the Board that the application has been accepted for submission to the Commission;

**NOW, THEREFORE, BE IT ORDERED** by the Board of Commissioners of the County of Bertie, North Carolina, sitting as the governing body of County Water District III, as follows:

1. The Board deems it advisable that the District issue its General Obligation Refunding Water Bonds to provide funds to refund in advance of their maturities \$1,969,000 in aggregate principal amount of the 1995A Bonds maturing on and after June 1, 2014, and \$385,500 in aggregate principal amount of the 1995B Bonds maturing on and after June 1, 2014.
2. The bonds shall be in an aggregate principal amount not to exceed \$2,800,000.
3. The bonds shall be general obligations of the District for the payment of principal of and interest on which its full faith and credit shall be irrevocably pledged and taxes will be levied in an amount sufficient to pay the principal of and interest on the bonds.
4. A sworn statement of the District’s debt has been filed with the Clerk to the Board pursuant to G.S. §159-55 and is open to public inspection.
5. This bond order shall take effect on its adoption.

The foregoing order was adopted on the 15<sup>th</sup> day of April, 2013 and is hereby published this \_\_\_ day of April, 2013. Any action or proceeding questioning the validity of the order must be begun within 30 days after the date of publication of this notice.

(District Seal)

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Clerk to the Board of Commissioners  
County of Bertie, North Carolina

**SWORN STATEMENT OF DEBT**  
Made pursuant to the Local Government Bond Act, as Amended,  
For Bertie County Water District III

I, William Roberson, Finance Director of the County of Bertie, North Carolina (the "County"), having been designated by the Board of Commissioners (the "Board") for the County, sitting as the governing body of County Water District III (the "District"), to make and to file in the office of the Clerk to the Board a statement of debt of the District pursuant to the Local Government Bond Act, as amended, **DO HEREBY CERTIFY** that the following is a true statement as shown by the books in my office relating to the District, not taking into consideration any debt incurred or to be incurred in anticipation of bonds other than funding and refunding bonds.

\_\_\_\_\_  
William Roberson, Finance Director  
County of Bertie, North Carolina

Date: \_\_\_\_\_

STATE OF NORTH CAROLINA  
COUNTY OF BERTIE

Signed and sworn to (or affirmed) before me this day by William Roberson, Finance Director.

Date: April \_\_\_\_, 2013

\_\_\_\_\_  
Signature of Notary Public

\_\_\_\_\_  
Printed or Typed Name of Notary Public

My commission expires: \_\_\_\_\_

[Official Seal or Stamp]

**BERTIE COUNTY WATER DISTRICT III  
SWORN STATEMENT OF DEBT MADE PURSUANT TO  
THE LOCAL GOVERNMENT BOND ACT, AS AMENDED**

**A. Gross Debt**

1. Outstanding debt evidenced by bonds (as of 6/15/13):	<u>\$2,354,500</u>
2. Bonds authorized by orders introduced but not yet adopted:	<u>\$2,800,000</u>
3. Unissued bonds authorized by adopted orders:	
4. Outstanding debt not evidenced by bonds (lease-purchase agreements):	
Gross Debt (being the Sum of 1, 2, 3 and 4):	<u>\$5,154,500</u>

**B. Deductions**

1. Funding and refunding bonds authorized by orders introduced but not yet adopted:	<u>\$2,800,000</u>
2. Funding and refunding bonds authorized but not issued:	<u>\$</u>
3. The amount of money held in sinking funds or otherwise for the payment of gross debt other than debt incurred for water, gas, electric light or power purposes or sanitary sewer purposes (to the extent deductible under Section 159-55[b] of the Local Government Bond Act), or two or more of these purposes:	<u>\$</u>
4. Bonded debt included in gross debt and incurred or to be incurred for water, gas or electric light or power purposes, or any two or more of these purposes:	<u>\$2,354,500</u>
5. Bonded debt included in gross debt and incurred or to be incurred for sanitary sewer system purposes (to the extent deductible under Section 159-55[b] of The Local Government Bond Act):	<u>\$</u>
6. Uncollected special assessments levied for local improvements for which gross debt (that is not otherwise deducted) was or is to be incurred, to the extent it will be applied, when collected, to the payment of such gross debt:	<u>\$</u>
7. Estimate of special assessments to be levied for local improvements for which any part of gross debt (that is not otherwise deducted) was or is to be incurred, to the extent that the special assessments when collected, will be applied to the payment of any part of gross debt:	<u>\$</u>
Total Deductions (being the Sum of 1 through 7):	<u>\$5,154,500</u>

**C. Net Debt** being the difference between Total Gross Debt (A) and Total Deductions (B): \$0

**D. Assessed Value** of property subject to taxation for County tax records and certified by the County Tax Supervisor: \$315,125,687\*

**E. Percentage that Net Debt** bears to the assessed value of property subject to taxation (C÷D): 0%

\*Estimated by the County as of June 30, 2011.

STATE OF NORTH CAROLINA )  
 ) SS:  
COUNTY OF BERTIE )

I, Misty Gibbs, Clerk to the Board of Commissioners of the County of Bertie, North Carolina, in its capacity as the governing body of County Water District III, a political subdivision validly organized and existing under the Constitution and laws of the State of North Carolina, hereby certify that the foregoing statement and accompanying affidavit were filed in my office on the 15<sup>th</sup> day of April, 2013.

(District Seal)

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Clerk to the Board of Commissioners  
County of Bertie, North Carolina

## DISTRICT BOND PURCHASE AGREEMENT AND RECEIPT

This BOND PURCHASE AGREEMENT AND RECEIPT, dated as of May \_\_, 2013 (the "District Bond Purchase Agreement"), among the County of Bertie, North Carolina (the "County"), County Water District III of the County of Bertie, North Carolina (the "District") and the Local Government Commission of the State of North Carolina (the "Commission");

### WITNESSETH:

WHEREAS, the District has requested the Commission to sell, in a private negotiated sale, and the County has agreed to purchase from the Commission, the District's \$\_\_\_\_\_ General Obligation Refunding Water Bond, Series 2013 (the "Bond"), bearing interest and maturing in installments on the dates and at the rates set forth on Exhibit A; and

WHEREAS, the proceeds of the Bond shall be used to (a) redeem (1) \$1,969,000 aggregate principal amount of the District's Water Bonds, Series A issued in 1995 and maturing on and after June 1, 2014, and (2) \$385,500 aggregate principal amount of the District's Water Bonds, Series B issued in 1995 and maturing on and after June 1, 2014 (collectively, the "Refunded 1995 Bonds"), held by the United States of America, acting by and through United States Department of Agriculture, Rural Development (formerly Farmers Home Administration) ("USDA"), and (b) pay certain costs of issuance of the Bond;

NOW, THEREFORE, in consideration of the respective covenants and agreements set forth herein, the parties hereto agree as follows:

1. The County hereby offers to purchase the Bond from the Commission at a purchase price equal to the par amount of such Bond, without discount or premium, with the annual principal installments and associated interest rates for the Bond set forth in Exhibit A hereto. The purchase price for the Bond (\$\_\_\_\_\_) represents a portion of the proceeds of the County's \$\_\_\_\_\_ Limited Obligation Bonds (Bertie Water Districts General Obligation Refunding Bonds), Series 2013 (the "LOBs") executed and delivered under a Trust Agreement dated as of May 1, 2013 (the "Trust Agreement"), between the County and U.S. Bank National Association, as trustee (the "Trustee"), for the purpose, among others, of allowing the County to purchase the Bond.

2. The purchase price for the Bond shall be delivered as follows:

(a) \$\_\_\_\_\_ shall be delivered directly to USDA in order to redeem the Refunded 1995 Bonds; and

(b) \$\_\_\_\_\_ shall be delivered to the Trustee for deposit in the Costs of Issuance Fund.

3. The Commission hereby acknowledges receipt of the purchase price by such method on the date hereof.

4. The County hereby acknowledges receipt of physical delivery of the Bond on the date hereof and, simultaneously with receipt of the Bond, has assigned the Bond to the Trustee pursuant to the Trust Agreement, to be held by the Trustee as security for the LOBs pursuant to the Trust Agreement.

5. The Trustee hereby acknowledges receipt of (a) the Bond in physical form to be held by it pursuant to the Trust Agreement and (b) the amount set forth in paragraph (2) above for deposit in the Costs of Issuance Fund.



6. Each capitalized term used but not defined herein has the meaning given to such term in the Trust Agreement.

7. This District Bond Purchase Agreement and Receipt may be executed in several counterparts, all being deemed one and the same document.

**COUNTY OF BERTIE, NORTH CAROLINA**

[Seal]

By: \_\_\_\_\_  
John E. Whitehurst  
Interim County Manager

Attest:

\_\_\_\_\_  
Clerk to the Board of Commissioners  
County of Bertie, North Carolina

**LOCAL GOVERNMENT COMMISSION**

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

**COUNTY WATER DISTRICT III OF BERTIE  
COUNTY, NORTH CAROLINA**

[District Seal]

By: \_\_\_\_\_  
William Roberson  
Finance Director of the County of Bertie, North Carolina

Attest:

\_\_\_\_\_  
Clerk to the Board of Commissioners  
County of Bertie, North Carolina

ACKNOWLEDGEMENT

**U.S. BANK NATIONAL ASSOCIATION**, as Trustee

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

**\$\_\_\_\_\_ County Water District III  
General Obligation Refunding Water Bond, Series 2013**

The schedule of annual principal installments and associated interest rates with respect to the Bond are as follows:

<u>May 25</u>	<u>Principal</u>	<u>Rate</u>	<u>May 25</u>	<u>Principal</u>	<u>Rate</u>
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**BOARD OF COMMISSIONERS  
OF THE COUNTY OF BERTIE, NORTH CAROLINA  
ACTING AS THE GOVERNING BODY OF  
COUNTY WATER DISTRICT IV**

Excerpt of Minutes  
of Meeting of  
April 15, 2013

Present: Chairman \_\_\_\_\_ presiding, and Commissioners \_\_\_\_\_

---

Absent: \_\_\_\_\_

\* \* \* \* \*

The following resolution was introduced and its title was read:

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE  
COUNTY OF BERTIE, NORTH CAROLINA, SITTING AS THE  
GOVERNING BODY OF COUNTY WATER DISTRICT IV, PROVIDING  
FOR THE ISSUANCE OF A NOT TO EXCEED \$4,000,000 GENERAL  
OBLIGATION REFUNDING WATER BOND, SERIES 2013 OF COUNTY  
WATER DISTRICT IV**

**WHEREAS**, the Board of Commissioners (the “Board”) of the County of Bertie, North Carolina (the “County”), sitting as the governing body of County Water District IV (the “District”), is considering the issuance of a not to exceed \$4,000,000 General Obligation Refunding Water Bond to pay the costs of refunding in advance of their maturities (1) \$1,484,100 aggregate principal amount of the District’s Water Bonds, Series A issued in 2000 and maturing on and after June 1, 2014, and (2) \$1,959,500 aggregate principal amount of the District’s Water Bonds, Series B issued in 2000 and maturing on and after June 1, 2014 (collectively, the “Refunded Bonds”);

**WHEREAS**, the Board has this day adopted a Bond Order (the “Bond Order”) entitled:

**“BOND ORDER AUTHORIZING THE ISSUANCE OF NOT TO EXCEED  
\$4,000,000 GENERAL OBLIGATION REFUNDING WATER BONDS OF  
COUNTY WATER DISTRICT IV”;**

**WHEREAS**, the District desires to issue its General Obligation Refunding Water Bond, Series 2013 (the “Bond”) pursuant to the Bond Order in order to refund the Refunded Bonds, and to request that the Local Government Commission (the “Commission”) sell the Bond through a negotiated sale to the County in accordance with the terms and conditions set forth in a District Bond Purchase Agreement to be dated on or about May 30, 2013 (the “District Bond Purchase Agreement”), among the District, the Commission and the County, a copy of which has been

filed with the County and made available to the Board sitting as the governing body of the District; and

**WHEREAS**, the County will issue its limited obligation bonds (as further described below) to provide funds for the County to purchase the Bond, among other purposes;

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

## **ARTICLE I DEFINITIONS**

Section 1.01. Meaning of Words and Terms. Unless otherwise required by the context, the following capitalized words and terms shall have the following meanings:

“2000A Bonds” means the District’s \$1,730,600 Water Bonds, Series A.

“2000B Bonds” means the District’s \$2,300,000 Water Bonds, Series B.

“Bond” means the District’s General Obligation Refunding Water Bond, Series 2013, authorized under the Bond Order.

“Bond Order” means the Bond Order authorizing the Bond adopted by the Board on April 15, 2013, effective on its adoption.

“Code” means the Internal Revenue Code of 1986, as amended. Each reference to a section of the Code herein will be deemed to include the United States Treasury Regulations in effect with respect thereto.

“Federal Securities” means (a) direct obligations of the United States of America for the timely payment of which the full faith and credit of the United States of America is pledged; (b) obligations issued by any agency controlled or supervised by and acting as an instrumentality of the United States of America, the timely payment of the principal of and interest on which is fully guaranteed as full faith and credit obligations of the United States of America (including any securities described in clause (a) or (b) hereof issued or held in the name of a trustee in book-entry form on the books of the Department of Treasury of the United States of America), which obligations, in either case, are held in the name of a trustee and are not subject to redemption or purchase prior to maturity at the option of anyone other than the holder; or (c) direct evidences of ownership of proportionate interests in future interest and principal payments on specified obligations described in clause (a) hereof held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor on the underlying obligations described in clause (a) hereof, and which underlying obligations are not available to satisfy any claim of the custodian or any person claiming through the custodian or to whom the custodian may be obligated.

“Holder”, “owner” or “Owner” mean the registered owner of the Bond.

“LOBs” means the County of Bertie, North Carolina Limited Obligation Bonds (Bertie Water Districts General Obligation Refunding Bonds), Series 2013, executed and delivered under the Trust Agreement.

“Pricing Certificate” means the certificate of the County’s Finance Director, delivered in connection with the issuance of the Bond which establishes with respect to the Bond the final maturity amounts, the interest payment dates, the interest rates, the provisions for redemption and the provisions for the application of proceeds, all as agreed on in the District Bond Purchase Agreement.

“Refunded Bonds” means, collectively, (1) \$1,484,100 in aggregate principal amount of the 2000A Bonds maturing on and after June 1, 2014, and (2) \$1,959,500 in aggregate principal amount of the 2000B Bonds maturing on and after June 1, 2014.

“Resolution” means this resolution authorizing the issuance of the Bond.

“Trust Agreement” means a Trust Agreement dated as of May 1, 2013, between the County of Bertie, North Carolina and U.S. Bank National Association, as trustee.

Section 1.02. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words used herein shall include the plural as well as the singular number. References herein to particular articles or sections are references to articles or sections of this Resolution unless some other reference is indicated.

## **ARTICLE II AUTHORIZATION, FORM, ISSUANCE AND DELIVERY OF THE BOND**

Section 2.01. Authorization and Issuance of the Bond. The District hereby authorizes the issuance of the Bond designated “General Obligation Refunding Water Bond, Series 2013” in the aggregate principal amount of not to exceed \$4,000,000 for the purpose of providing funds, together with any other available funds, to (a) refund the Refunded Bonds and (b) pay costs and expenses incurred in connection with the issuance of the Bond. The Bond shall be issued under and pursuant to the Constitution and the laws of the State of North Carolina, the Bond Order and this Resolution, subject to the conditions set forth herein and therein.

The Finance Director of the County, acting on behalf of the District, is hereby appointed as registrar for the Bond.

Section 2.02. Form of Bond. The definitive Bond shall be initially issued as one fully registered bond without coupons numbered R-1 in the aggregate principal amount not to exceed \$4,000,000. The definitive Bond shall be substantially in the form set forth in Exhibit A attached hereto and made a part hereof, with such appropriate variations, omissions and insertions as are permitted or required by this Resolution or the Pricing Certificate. The Bond shall bear the original or facsimile signatures of the Chairman of the Board or the County Manager and the Clerk to the Board, each acting on behalf of the District, and shall include the original or facsimile signature of an authorized representative of the Commission. At least one of the signatures on the Bond (which may be the signature of the representative of the Commission)

must be a manual signature. An original or facsimile of the seal of the District is to be imprinted on the Bond.

Section 2.03. Details of Bond. The Bond shall be dated its date of issuance. The Bond shall pay interest semiannually on May 25 and November 25, beginning November 25, 2013, unless the County's Finance Director establishes different dates in the Pricing Certificate. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. The Bond is payable in annual installments on May 25 in each year, unless the County's Finance Director establishes a different date or dates in the Pricing Certificate. The annual installments of principal and corresponding interest rates of the Bond will be as set forth in the Pricing Certificate.

The principal of and the interest and any redemption premium 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.

Payment of principal installments and interest when due and payable on the Bond shall be made by check or wire transfer to the registered owner of the Bond at its address as it appears on the bond registration books without the presentation or surrender thereof.

The Chairman of the Board, the County Manager, the Finance Director and the Clerk to the Board, each acting on behalf of the District, are hereby authorized and directed, individually and collectively, to cause the Bond to be prepared and, when the Bond has been duly sold by the Commission, to execute the Bond and to turn the Bond over to the registrar for delivery to the County or its assignee

Section 2.04. Transfer of Bond. The Bond, upon surrender thereof at the principal office of the registrar, together with an assignment duly executed by the registered owner or its attorney or legal representative in such form as shall be satisfactory to the registrar, may, at the option of the registered owner thereof, be exchanged for bonds, having maturities corresponding to the maturities of the installments of principal of such bond then unpaid, issuable in fully registered form and bearing interest at the same rate.

The transfer of the Bond may be registered by the registered owner thereof only upon an execution of an assignment thereof duly executed by such registered owner or its attorney or legal representative. Notice of such assignment shall be given promptly by the assignor to the registrar by registered mail, such notice to be in such form as shall be satisfactory to the registrar, and upon receipt of such notice, such Bond shall be registered as to both principal and interest on such registration books in the name of the assignee named in such notice.

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

As to any bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the

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

Section 2.05. Private Sale. The Commission is hereby requested to sell the Bond at private sale pursuant to G.S. 159-123 to the County at a true interest cost not to exceed 5.00%. The form and content of the District Bond Purchase Agreement are in all respects approved and confirmed. The Chairman of the Board, the County Manager or the Finance Director, each acting on behalf of the District, is hereby authorized, empowered and directed, individually and collectively, to execute and deliver the District Bond Purchase Agreement for and on behalf of the District, including necessary counterparts, in substantially the form and content presented to the District, but with such changes, modifications, additions or deletions therein as he or she may deem necessary, desirable or appropriate, the execution thereof to constitute conclusive evidence of the Board's approval of any and all such changes, modifications, additions or deletions therein. From and after the execution and delivery of the District Bond Purchase Agreement, the Chairman of the Board, the County Manager and the Finance Director, each acting on behalf of the District, are hereby authorized, empowered and directed, individually and collectively, to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the District Bond Purchase Agreement as executed.

Section 2.06. Proceeds of the Bond. Unless the Pricing Certificate provides otherwise, the District shall cause the portion of the proceeds of the Bond necessary to redeem the Refunded Bonds to be delivered to the USDA, as the holder of the Refunding Bonds. Any remaining portion of the proceeds of the Bond shall be deposited as set forth in the District Bond Purchase Agreement.

### **ARTICLE III REDEMPTION OF BOND**

Section 3.01. Redemption of Bond. If the Pricing Certificate designates a date on and after which the Bond is subject to redemption, then the Bond shall be subject to redemption before maturity, at the option of the District, from any money that may be made available for such purpose, either in whole or in part on any date on or after the date set forth in the Pricing Certificate, at the principal amount of the Bond to be redeemed, together with interest accrued thereon to the date fixed for redemption, with such redemption premium, if any, designated for the Bond in the Pricing Certificate. The redemption provisions relating to the Bond shall correspond to the redemption provisions of the LOBs.

If the Bond is subject to optional redemption, when the District elects to redeem the Bond, notice of such redemption of such Bond, stating the redemption date and redemption price and further stating that on such redemption date there are due and payable on the Bond the principal thereof and interest accrued to the redemption date and that from and after such date



interest thereon shall cease to accrue, is to be given not less than 15 days nor more than 60 days before the redemption date in writing to the registered owner of such Bond, by prepaid certified or registered United States mail, at the address provided to the District by the registered owner, but any failure or defect in respect of such mailing will not affect the validity of the redemption. The District will also mail or transmit by facsimile a copy of the notice of redemption within the time set forth above to the Commission.

On the date fixed for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Bond or part thereof called for redemption shall be due and payable at the redemption price provided therefor, plus accrued interest to such date. If moneys sufficient to pay the redemption price of the Bond or part thereof to be redeemed plus accrued interest thereon to the date fixed for redemption are held in trust for such purpose, interest on the Bond or part thereof called for redemption shall cease to accrue, such Bond or part thereof shall cease to be entitled to any benefits or security under this resolution or to be deemed outstanding, and the registered owners of such Bond or part thereof shall have no rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest to the date of redemption.

In the event that an installment of principal of the Bond shall be redeemed, the registrar shall direct the registered owner thereof to evidence such redemption by appropriate notation on the schedule attached to such Bond for such purpose.

Section 3.02. Discharge and Defeasance. Nothing in this Resolution precludes (a) the payment of the Bond from the proceeds of refunding bonds or (b) the payment of the Bond from any legally available funds.

If the District causes to be paid, or has made provisions to pay, on maturity or on redemption before maturity, to the owner of the Bond the principal of the Bond (including interest to become due thereon) and, premium, if any, on the Bond, through setting aside trust funds or setting apart in a reserve fund or special trust account created pursuant to this Resolution or otherwise, or through the irrevocable segregation for that purpose in some sinking fund or other fund or trust account with an escrow agent or otherwise, moneys sufficient therefor, including, but not limited to, interest earned or to be earned on Federal Securities, and the principal of the Bond (including premium, if any, and interest thereon) shall no longer be deemed to be outstanding and unpaid; provided, however, that nothing in this Resolution requires the deposit of more than such Federal Securities as may be sufficient, taking into account both the principal amount of such Federal Securities and the interest to become due thereon, to implement any such defeasance.

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

**ARTICLE IV  
DISTRICT COVENANTS**

Section 4.01. Payment of Principal, Interest and Premium. The District covenants that it will promptly pay the principal of and the interest on the Bond issued under the provisions of this Resolution at the place, on the dates and in the manner provided herein and in the Bond, according to the true intent and meaning thereof. The District further covenants that it will faithfully perform at all times all of its covenants, undertakings and agreements contained in this Resolution and the Bond Order, or in any Bond executed, authenticated and delivered hereunder or in any proceedings of the District pertaining thereto. The District represents and covenants that it is duly authorized under the Constitution and laws of the State, particularly the Act, to issue the Bond authorized hereby and to pledge its full faith and credit to the repayment of the Bond.

Section 4.02. Tax Covenants. The District covenants to do and perform all acts and things permitted by law in order to assure that interest paid on the Bond which was excludable from the gross income of its Holder for federal income taxes on the date of its issuance shall continue to be so excludable.

Section 4.03. Rule 15c2-12. The District agrees to provide the County whatever information that may be necessary for the County to comply with its undertaking with respect with Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC") and for the benefit of the Registered Owners and beneficial owners of the LOBs. The provisions of this Section shall terminate on payment, or provision having been made for payment in a manner consistent with the Rule, in full of the principal of and interest with respect to the LOBs.

**ARTICLE V  
THE TRUSTEE**

Section 5.01. Designation of Trustee. The District may at any time, with the approval of the Commission, appoint a Trustee to administer the provisions of the Bond Order and this Resolution and may adopt such supplements to the Bond Order and this Resolution as shall be necessary or desirable to effectuate such appointment. Any such Trustee shall meet the requirements set forth in Article X of the Trust Agreement.

**ARTICLE VI  
SUPPLEMENTAL RESOLUTIONS**

Section 6.01. Modification Without Consent of Holder. The District may, from time to time and at any time, without the consent of any Holder of the Bond, amend or supplement this Resolution (which supplemental resolutions shall thereafter form a part hereof) as shall be substantially consistent with the terms and provisions of this Resolution, shall not materially and adversely affect the interest of the Holder, and, in the the opinion of nationally recognized bond counsel, would not cause the interest on the Bond to be included in the gross income of a recipient thereof for federal income tax purposes:

(a) to cure any ambiguity or formal defect or omission, to correct or supplement any provision herein that may be inconsistent with any other provision herein, to make any other provisions with respect to matters or questions arising under this Resolution or to modify, alter, amend, add to or rescind, in any particular manner, any of the terms or provisions contained in this Resolution, as is substantially consistent with the terms and provisions of this Resolution and does not materially and adversely affect the interest of the Holder;

(b) to grant or to confer upon the Holder any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Holder;

(c) to add to the covenants and agreements of the District in this Resolution other covenants and agreements thereafter to be observed by the District or to surrender any right or power herein reserved to or conferred upon the District; or

(d) to permit the qualification of this Resolution under any federal statute now or hereafter in effect or under any state blue sky laws, and, in connection therewith, if the District so determines, to add to this Resolution or any supplemental resolution such other terms, conditions and provisions as may be permitted or required by such federal statute or blue sky laws.

At least thirty (30) days prior to the execution and delivery of any supplemental resolution for any of the purposes of this Section, the registrar shall cause a notice of the proposed supplemental resolution to be mailed first-class, postage prepaid, to the Commission and to the Holder of the Bond. Such notice shall briefly set forth the nature of the proposed supplemental resolution and shall state that copies thereof are on file at the principal office of the registrar for inspection by the Holder of the Bond. A failure on the part of the registrar to mail the notice required by this Section shall not affect the validity of such supplemental resolution.

Section 6.02. Modification of Resolution With Consent of Holder. No modification or amendment to the Bond or this Resolution may reduce the principal amount of the Bond, reduce the interest rate payable on the Bond, extend the Bond's maturity or the times for paying interest, change the monetary medium in which principal and interest is payable or reduce the percentage of consent required for amendment or modification without the express consent of the owner of the Bond, and the owner of the Bond shall have the right, from time to time, to consent to and approve the adoption by the District of any supplemental resolutions (other than as described in section 7.01) as shall be deemed necessary or desirable by the District for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution or the Bond.

Whenever, at any time after the date of the mailing of such notice, the District receives an instrument in writing purporting to be executed by the Holder of the Bond, which instrument shall refer to the proposed supplemental resolution described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the District may adopt such supplemental resolution in substantially such form, without liability or responsibility to such Holder.

If the Holder of the Bond has consented to and approved the adoption thereof as herein provided, to the extent permitted by law, the Holder shall have no right to object to the adoption of such supplemental resolutions, to object to any of the terms and provisions contained therein or the operation thereof, to question the propriety of the adoption thereof, or enjoin or restrain the District from adopting the same or from taking any action pursuant to the provisions thereof.

Upon the adoption of any supplemental resolution pursuant to the provisions of this Section, this Resolution shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Resolution of the District, the registrar and the Holder of the Bond shall thereafter be determined, exercised and enforced in all respects pursuant to the provisions of this Resolution, as so modified and amended.

Section 6.03. Responsibilities of District Under this Article. The District shall be entitled to exercise its discretion in determining whether or not any proposed supplemental resolution or any term or provision therein contained is desirable, after considering the purposes of such instrument, the needs of the District and the rights and interests of the Holder of the Bond.

## **ARTICLE VII MISCELLANEOUS PROVISIONS**

Section 7.01. Manner of Giving Notice. All notices, demands and requests to be given to or made hereunder by the District, the Commission or the registrar shall be given or made in writing and shall be deemed to be properly given or made if sent by United States registered or certified mail, return receipt requested, addressed as follows:

- (a) As to the District or registrar --

County Water District IV  
106 Dundee Street  
Windsor, North Carolina 27983  
Attention: Finance Director

- (b) As to the Local Government Commission --

North Carolina Local Government Commission  
325 N. Salisbury Street  
Raleigh, North Carolina 27603-1385  
Attention: Secretary

- (c) As to the County--

106 Dundee Street  
Windsor, North Carolina 27983  
Attention: Finance Director

Any such notice, demand or request may also be transmitted to the appropriate above-mentioned party by electronic mail or telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

Any of such addresses may be changed at any time upon written notice of such change sent by United States registered or certified mail, postage prepaid, to the other parties by the party effecting the change.

Section 7.02. Substitute Mailing. If, because of the temporary or permanent suspension of postal service, the District, the Commission or the registrar shall be unable to mail any notice required to be given by the provisions of this Resolution, such party shall give notice in such other manner as in the judgment of such party shall most effectively approximate mailing, and the giving of notice in such manner shall for all purposes of this Resolution be deemed to be in compliance with the requirement for the mailing thereof.

Section 7.03. District, Registrar and Holder Alone Have Rights Under Resolution. Except as herein otherwise expressly provided, nothing in this Resolution, express or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the District, the registrar and the Holder of the Bond, any right, remedy or claim, legal or equitable, under or by reason of this Resolution or any provision being intended to be and being for the sole and exclusive benefit of the District, the registrar and the Holder of the Bond.

Section 7.04. Effect of Covenants; Governing Law. All covenants, stipulations, obligations and agreements of the District contained in this Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the District to the full extent permitted by the Constitution and laws of the State. This Resolution is executed and delivered with the intent that the laws of the State shall govern this construction.

Section 7.05. Headings. Any heading preceding the text of the several articles hereof, any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Resolution, nor shall they affect its meaning, construction or effect.

Section 7.06. Partial Invalidity. If any one or more of the agreements or provisions herein contained is held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or for any reason whatsoever is held invalid, then such covenants, agreements or provisions are null and void and separable from the remaining agreements and provisions and will in no way affect the validity of any of the other agreements and provisions hereof or of the Bond authorized hereunder.

Section 7.07. Previous Actions. All acts and doings of the Chairman of the Board, the County Manager, the Assistant County Manager, the Finance Director and the Clerk to the Board, each acting on behalf of the District, that are in conformity with the purposes and intent of this Resolution and in the furtherance of the issuance of the Bond and the execution, delivery and performance of the District Bond Purchase Agreement are in all respects approved and confirmed.

Section 7.08. Further Authority. The officers, attorneys, employees and other agents of the District are hereby authorized to do all acts and things required of them by this Resolution for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Bond and this Resolution.

The County Manager, the Finance Director, and the Clerk to the Board, or any of them or their deputies, acting on behalf of the District, are further authorized and directed (without limitation except as expressly provided herein) to take such action and to execute and deliver such documents, certificates, agreements or other instruments as they, with the advice of counsel, may deem necessary or appropriate to effect the transactions contemplated by the Bond Order and this Resolution.

Section 7.09. Payment Due on Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right as provided in this Resolution is not a Business Day, such payment may be made or act performed or right exercised on the next Business Day with the same force and effect as if done on the date provided in this Resolution.

Section 7.10. Resolution Effective. All resolutions or parts thereof of the Board in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed. This Resolution is effective on its adoption.

Commissioner \_\_\_\_\_ moved the passage of the foregoing resolution and Commissioner \_\_\_\_\_ seconded the motion and the resolution was passed by the following vote:

Ayes:           Commissioner \_\_\_\_\_  
Nays:           Commissioner \_\_\_\_\_  
Not voting:    Commissioner \_\_\_\_\_

\* \* \* \* \*

I, Misty Gibbs, Clerk to the Board of Commissioners for the County of Bertie, North Carolina, sitting as the governing body of County Water District IV, DO HEREBY CERTIFY that the foregoing is a true and complete copy of a resolution adopted by the Board of Commissioners of the County at a regular meeting duly called and held on April 15, 2013, and that the proceedings of such meeting are recorded in the Minutes of the Board. Pursuant to G.S. § 143-318.12, a current copy of a schedule of regular meetings of the Board of Commissioners of the County is on file in my office.

WITNESS my hand and the official seal of the County this \_\_\_\_ day of April, 2013.

---

Clerk, Board of Commissioners  
County of Bertie, North Carolina

(SEAL)

**FORM OF BOND**

**No. R-1**

**\$ \_\_\_\_\_**

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

**COUNTY OF BERTIE, NORTH CAROLINA  
COUNTY WATER DISTRICT IV**

<u>MATURITY DATE</u>	<u>DATED DATE</u>
MAY 25, 20__	MAY __, 2013

**REGISTERED OWNER: COUNTY OF BERTIE, NORTH CAROLINA**

**PRINCIPAL SUM: \_\_\_\_\_ DOLLARS**

**GENERAL OBLIGATION REFUNDING WATER BOND, SERIES 2013**

**COUNTY WATER DISTRICT IV** (the "District") acknowledges itself indebted and for value received hereby promises to pay to the Registered Owner named above, the principal sum shown above in annual installments due on May 25 in each year as set forth below, and to pay to the Registered Owner hereof interest on such annual installments from the date of this Bond until payment thereof at the interest rates per annum specified below, payable on November 25, 2013 and semiannually thereafter on May 25 and November 25 of each year. Principal of and interest on this Bond are payable in immediately available funds to the County of Bertie, North Carolina (the "County") or its nominee as registered owner of the Bond.

Principal installments are due annually on May 25 of the years and in the amounts set forth below and will bear interest (computed on the basis of a 360-day year of twelve 30-day months) as follows:

<u>MAY 25</u>	<u>PRINCIPAL</u>	<u>RATE</u>	<u>MAY 25</u>	<u>PRINCIPAL</u>	<u>RATE</u>
---------------	------------------	-------------	---------------	------------------	-------------



The portions of this Bond maturing on or after May 25, 20\_\_ may be redeemed prior to their installment payment dates at the option of the District, from any funds that may be available for such purpose, in whole or in part on any date on or after May 25, 20\_\_. The portions of this Bond so called for redemption will be redeemed at a redemption price equal to 100% of the principal amount thereof, together with accrued interest thereon to the date fixed for redemption. Notwithstanding the foregoing, this Bond may be redeemed only if the County's Limited Obligation Bonds (Bertie Water Districts General Obligation Refunding Bonds), Series 2013 (the "LOBs") are redeemed pursuant to the Trust Agreement dated as of May 1, 2013, relating to the LOBs, and only to the extent of a corresponding amount of such redemption.

This Bond is issued in accordance with the Registered Public Obligations Act, Chapter 159E of the General Statutes of North Carolina, and pursuant to the Local Government Bond Act of North Carolina, a bond order introduced and adopted by the Board of Commissioners of the County (the "Board"), sitting as the governing body of the District, on April 15, 2013, and effective on the date of its adoption. This Bond is being issued to refund in advance of their maturities (1) \$1,484,100 in aggregate principal amount of the District's Water Bonds, Series A issued in 2000 and maturing on and after June 1, 2014, and (2) \$1,959,500 in aggregate principal amount of the District's Water Bonds, Series B issued in 2000 and maturing on and after June 1, 2014.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of North Carolina to exist, be performed or happen precedent to or in the issuance of this Bond, exist, have been performed and have happened, and that the amount of this Bond, together with all other indebtedness of the District, is within every debt and other limit prescribed by the Constitution or statutes. THE FAITH AND CREDIT OF THE DISTRICT ARE HEREBY PLEDGED TO THE PUNCTUAL PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THIS BOND IN ACCORDANCE WITH ITS TERMS.

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

**IN WITNESS WHEREOF**, the County has caused this Bond to bear the original or facsimile of the signatures of the Chairman of the Board and the Clerk to the Board, each acting on behalf of the District, and an original or facsimile of the seal of the District to be imprinted hereon and this Bond to be dated as of the Dated Date above.

(District Seal)

---

Misty Gibbs  
Clerk to the Board of Commissioners

---

J. Wallace Perry, Chairman  
Board of Commissioners

Date of Execution: May \_\_, 2013

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

---

T. VANCE HOLLOMAN  
Secretary of the Local Government Commission

**FORM OF ASSIGNMENT**

**ASSIGNMENT**

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

---

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

---

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

---

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

Dated: \_\_\_\_\_

Signature guaranteed by:

---

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

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

**TRANSFER FEE MAY BE REQUIRED**

**BOARD OF COMMISSIONERS  
OF THE COUNTY OF BERTIE, NORTH CAROLINA  
ACTING AS THE GOVERNING BODY OF  
COUNTY WATER DISTRICT IV**

Excerpt of Minutes  
of Meeting of  
April 15, 2013

Present: Chairman \_\_\_\_\_ presiding, and Commissioners \_\_\_\_\_

---

Absent: \_\_\_\_\_

\* \* \* \* \*

The following resolution was introduced and its title was read:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE  
COUNTY OF BERTIE, NORTH CAROLINA, SITTING AS THE  
GOVERNING BODY OF COUNTY WATER DISTRICT IV, MAKING  
CERTAIN FINDINGS CONCERNING PROPOSED ISSUANCE OF  
GENERAL OBLIGATION REFUNDING BONDS

**WHEREAS**, the Board of Commissioners (the “Board”) of the County of Bertie (the “County”), sitting as the governing body of County Water District IV (the “District”), is considering the issuance of not to exceed \$4,000,000 of General Obligation Refunding Water Bonds to pay the costs of refunding in advance of their maturities (1) \$1,484,100 aggregate principal amount of the District’s Water Bonds, Series A issued in 2000 and maturing on and after June 1, 2014, and (2) \$1,959,500 aggregate principal amount of the District’s Water Bonds, Series B issued in 2000 and maturing on and after June 1, 2014 (collectively, the “2000 Bonds”); and

**WHEREAS**, certain findings of fact by the Board must be presented to enable the Local Government Commission of North Carolina (the “Commission”) to make certain determinations as set forth in Section 159-52 of the North Carolina General Statutes;

**NOW, THEREFORE, BE IT RESOLVED** that the Board meeting in open session on the 15<sup>th</sup> day of April, 2013, finds as follows:

1. The proposed bonds are necessary and expedient to lower debt service costs to the District.
2. The amount of the bonds proposed to be issued is adequate but not excessive for the purpose of refinancing the 2000 Bonds and reducing the debt service costs to the District.

3. The District's debt management policies and procedures are in compliance with the law.

4. The District is not in default on any of its debt obligations.

5. The proposed issuance is not expected to require a property tax increase, since the issuance of the bonds will reduce the debt service requirements for the District.

6. The schedule for issuance of the bonds calls for issuing all of the bonds in the fiscal year ending June 30, 2013, but issuance may be delayed until such time as the District receives sufficient net present value savings from the issuance of the bonds.

7. The County Manager, Assistant County Manager, and County Finance Director, on behalf of the District, are hereby authorized and directed (1) to retain Hunton & Williams LLP, as bond counsel, and (2) to apply for approval of the proposed bonds with the Commission and to take all other actions necessary to accomplish the refunding transactions as set forth herein. The Finance Director is hereby authorized and directed to complete and file with the Clerk to the Board a sworn statement of the District's debt. All actions of the County Manager, Assistant County Manager and Finance Director, each acting on behalf of the District, that are in conformity with the purposes and intent of this Resolution are in all respects ratified, approved and confirmed.

Upon motion of Commissioner \_\_\_\_\_, the foregoing resolution entitled "A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF BERTIE, NORTH CAROLINA, SITTING AS THE GOVERNING BODY OF COUNTY WATER DISTRICT IV, MAKING CERTAIN FINDINGS CONCERNING PROPOSED ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS" was adopted by the following vote:

Ayes:

Nays:

**Passed, Adopted And Approved** this 15<sup>th</sup> day of April, 2013.

\* \* \* \* \*

I, Misty Gibbs, Clerk to the Board of Commissioners of the County of Bertie, North Carolina, do hereby certify that the foregoing is a true and exact copy of the resolution entitled "A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF BERTIE, NORTH CAROLINA, SITTING AS THE GOVERNING BODY OF COUNTY WATER DISTRICT IV, MAKING CERTAIN FINDINGS CONCERNING PROPOSED ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS" adopted by the Board of Commissioners of the County of Bertie, North Carolina, sitting as the governing body of County Water District IV, in a regular meeting duly held on the 15<sup>th</sup> day of April, 2013.

*WITNESS* my hand and the seal of the District, this the \_\_\_\_ day of April, 2013.

(District Seal)

---

Clerk to the Board of Commissioners  
County of Bertie, North Carolina

**BOARD OF COMMISSIONERS  
OF THE COUNTY OF BERTIE, NORTH CAROLINA  
ACTING AS THE GOVERNING BODY OF  
COUNTY WATER DISTRICT IV**

Excerpt of Minutes  
of Meeting of  
April 15, 2013

Present: Chairman \_\_\_\_\_ presiding, and Commissioners \_\_\_\_\_

---

Absent: \_\_\_\_\_

\* \* \* \* \*

The following bond order was introduced and its title was read:

**BOND ORDER AUTHORIZING THE ISSUANCE OF NOT TO EXCEED  
\$4,000,000 GENERAL OBLIGATION REFUNDING WATER BONDS OF  
COUNTY WATER DISTRICT IV**

**WHEREAS**, in 2000 County Water District IV (the “District”) issued its (1) \$1,730,600 Water Bonds, Series A (the “2000A Bonds”), and (2) \$2,300,000 Water Bonds, Series B (the “2000B Bonds”); and

**WHEREAS**, the Board of Commissioners (the “Board”) of the County of Bertie, North Carolina (the “County”), sitting as the governing body of the District, deems it advisable to refund in advance of their maturities (1) \$1,484,100 in aggregate principal amount of the 2000A Bonds maturing on and after June 1, 2014 and (2) \$1,959,500 in aggregate principal amount of the 2000B Bonds maturing on and after June 1, 2014; and

**WHEREAS**, an application has been filed with the Secretary (the “Secretary”) of the Local Government Commission of North Carolina (the “Commission”) requesting the Commission’s approval of the bonds described below as required by the Local Government Bond Act of North Carolina, and the Secretary has notified the Board that the application has been accepted for submission to the Commission;

**NOW, THEREFORE, BE IT ORDERED** by the Board of Commissioners of the County of Bertie, North Carolina, sitting as the governing body of County Water District IV, as follows:

1. The Board deems it advisable that the District issue its General Obligation Refunding Water Bonds to provide funds to refund in advance of their maturities \$1,484,100 in aggregate principal amount of the 2000A Bonds maturing on and after June 1, 2014, and \$1,959,500 in aggregate principal amount of the 2000B Bonds maturing on and after June 1, 2014.

2. The bonds shall be in an aggregate principal amount not to exceed \$4,000,000.

3. The bonds shall be general obligations of the District for the payment of principal of and interest on which its full faith and credit shall be irrevocably pledged and taxes will be levied in an amount sufficient to pay the principal of and interest on the bonds.

4. A sworn statement of the District's debt has been filed with the Clerk to the Board pursuant to G.S. §159-55 and is open to public inspection.

5. This bond order shall take effect on its adoption.

The Clerk to the Board is directed to publish a notice of adoption as prescribed by The Local Government Bond Act, of the bond order titled, "**BOND ORDER AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$4,000,000 GENERAL OBLIGATION REFUNDING WATER BONDS OF COUNTY WATER DISTRICT IV**", which was introduced at the meeting of the Board held on April 15, 2013.

On motion of Commissioner \_\_\_\_\_, the foregoing order titled: "**BOND ORDER AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$4,000,000 GENERAL OBLIGATION REFUNDING WATER BONDS OF COUNTY WATER DISTRICT IV**" was adopted by the following vote:

Ayes:

Nays:

**Passed, Adopted And Approved** this 15th day of April, 2013.

\* \* \* \* \*

I, Misty Gibbs, Clerk to the Board of Commissioners of the County of Bertie, North Carolina, do hereby certify that the foregoing is a true and exact copy of the bond order titled "**BOND ORDER AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$4,000,000 GENERAL OBLIGATION REFUNDING WATER BONDS OF COUNTY WATER DISTRICT IV,**" which was adopted by the Board of Commissioners of the County of Bertie, North Carolina, sitting as the governing body of County Water District IV, in regular meeting duly held on the 15<sup>th</sup> day of April, 2013.

*WITNESS* my hand and the seal of the District, this the \_\_\_\_ day of April, 2013.

(District Seal)

\_\_\_\_\_  
Clerk to the Board of Commissioners  
County of Bertie, North Carolina



**BOND ORDER AUTHORIZING THE ISSUANCE OF NOT TO EXCEED  
\$4,000,000 GENERAL OBLIGATION REFUNDING WATER BONDS OF  
COUNTY WATER DISTRICT IV**

**WHEREAS**, in 2000 County Water District IV (the “District”) issued its (1) \$1,730,600 Water Bonds, Series A (the “2000A Bonds”), and (2) \$2,300,000 Water Bonds, Series B (the “2000B Bonds”); and

**WHEREAS**, the Board of Commissioners (the “Board”) of the County of Bertie, North Carolina (the “County”), sitting as the governing body of the District, deems it advisable to refund in advance of their maturities (1) \$1,484,100 in aggregate principal amount of the 2000A Bonds maturing on and after June 1, 2014 and (2) \$1,959,500 in aggregate principal amount of the 2000B Bonds maturing on and after June 1, 2014; and

**WHEREAS**, an application has been filed with the Secretary (the “Secretary”) of the Local Government Commission of North Carolina (the “Commission”) requesting the Commission’s approval of the bonds described below as required by the Local Government Bond Act of North Carolina, and the Secretary has notified the Board that the application has been accepted for submission to the Commission;

**NOW, THEREFORE, BE IT ORDERED** by the Board of Commissioners of the County of Bertie, North Carolina, sitting as the governing body of County Water District IV, as follows:

1. The Board deems it advisable that the District issue its General Obligation Refunding Water Bonds to provide funds to refund in advance of their maturities \$1,484,100 in aggregate principal amount of the 2000A Bonds maturing on and after June 1, 2014, and \$1,959,500 in aggregate principal amount of the 2000B Bonds maturing on and after June 1, 2014.

2. The bonds shall be in an aggregate principal amount not to exceed \$4,000,000.

3. The bonds shall be general obligations of the District for the payment of principal of and interest on which its full faith and credit shall be irrevocably pledged and taxes will be levied in an amount sufficient to pay the principal of and interest on the bonds.

4. A sworn statement of the District’s debt has been filed with the Clerk to the Board pursuant to G.S. §159-55 and is open to public inspection.

5. This bond order shall take effect on its adoption.

The foregoing order was adopted on the 15<sup>th</sup> day of April, 2013 and is hereby published this \_\_\_ day of April, 2013. Any action or proceeding questioning the validity of the order must be begun within 30 days after the date of publication of this notice.

(District Seal)

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Clerk to the Board of Commissioners  
County of Bertie, North Carolina

**SWORN STATEMENT OF DEBT**

Made pursuant to the Local Government Bond Act, as Amended,  
For Bertie County Water District IV

I, William Roberson, Finance Director of the County of Bertie, North Carolina (the "County"), having been designated by the Board of Commissioners (the "Board") for the County, sitting as the governing body of County Water District IV (the "District"), to make and to file in the office of the Clerk to the Board a statement of debt of the District pursuant to the Local Government Bond Act, as amended, **DO HEREBY CERTIFY** that the following is a true statement as shown by the books in my office relating to the District, not taking into consideration any debt incurred or to be incurred in anticipation of bonds other than funding and refunding bonds.

\_\_\_\_\_  
William Roberson, Finance Director  
County of Bertie, North Carolina

Date: \_\_\_\_\_

STATE OF NORTH CAROLINA  
COUNTY OF BERTIE

Signed and sworn to (or affirmed) before me this day by William Roberson, Finance Director.

Date: April \_\_\_\_, 2013

\_\_\_\_\_  
Signature of Notary Public

\_\_\_\_\_  
Printed or Typed Name of Notary Public

My commission expires: \_\_\_\_\_

[Official Seal or Stamp]

**BERTIE COUNTY WATER DISTRICT IV  
SWORN STATEMENT OF DEBT MADE PURSUANT TO  
THE LOCAL GOVERNMENT BOND ACT, AS AMENDED**

**A. Gross Debt**

1. Outstanding debt evidenced by bonds (as of 6/15/13):	<u>\$3,443,600</u>
2. Bonds authorized by orders introduced but not yet adopted:	<u>\$4,000,000</u>
3. Unissued bonds authorized by adopted orders:	
4. Outstanding debt not evidenced by bonds (lease-purchase agreements):	
Gross Debt (being the Sum of 1, 2, 3 and 4):	<u>\$7,443,600</u>

**B. Deductions**

1. Funding and refunding bonds authorized by orders introduced but not yet adopted:	<u>\$4,000,000</u>
2. Funding and refunding bonds authorized but not issued:	<u>\$</u>
3. The amount of money held in sinking funds or otherwise for the payment of gross debt other than debt incurred for water, gas, electric light or power purposes or sanitary sewer purposes (to the extent deductible under Section 159-55[b] of the Local Government Bond Act), or two or more of these purposes:	<u>\$</u>
4. Bonded debt included in gross debt and incurred or to be incurred for water, gas or electric light or power purposes, or any two or more of these purposes:	<u>\$3,443,600</u>
5. Bonded debt included in gross debt and incurred or to be incurred for sanitary sewer system purposes (to the extent deductible under Section 159-55[b] of The Local Government Bond Act):	<u>\$</u>
6. Uncollected special assessments levied for local improvements for which gross debt (that is not otherwise deducted) was or is to be incurred, to the extent it will be applied, when collected, to the payment of such gross debt:	<u>\$</u>
7. Estimate of special assessments to be levied for local improvements for which any part of gross debt (that is not otherwise deducted) was or is to be incurred, to the extent that the special assessments when collected, will be applied to the payment of any part of gross debt:	<u>\$</u>
Total Deductions (being the Sum of 1 through 7):	<u>\$7,443,600</u>

**C. Net Debt** being the difference between Total Gross Debt (A) and Total Deductions (B): \$0

**D. Assessed Value** of property subject to taxation for County tax records and certified by the County Tax Supervisor: \$263,717,423\*

**E. Percentage that Net Debt** bears to the assessed value of property subject to taxation (C÷D): 0%

\*Estimated by the County as of June 30, 2011.

STATE OF NORTH CAROLINA )  
 )                    SS:  
COUNTY OF BERTIE                    )

I, Misty Gibbs, Clerk to the Board of Commissioners of the County of Bertie, North Carolina, in its capacity as the governing body of County Water District IV, a political subdivision validly organized and existing under the Constitution and laws of the State of North Carolina, hereby certify that the foregoing statement and accompanying affidavit were filed in my office on the 15<sup>th</sup> day of April, 2013.

(District Seal)

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Clerk to the Board of Commissioners  
County of Bertie, North Carolina

## DISTRICT BOND PURCHASE AGREEMENT AND RECEIPT

This BOND PURCHASE AGREEMENT AND RECEIPT, dated as of May \_\_, 2013 (the "District Bond Purchase Agreement"), among the County of Bertie, North Carolina (the "County"), County Water District IV of the County of Bertie, North Carolina (the "District") and the Local Government Commission of the State of North Carolina (the "Commission");

### WITNESSETH:

WHEREAS, the District has requested the Commission to sell, in a private negotiated sale, and the County has agreed to purchase from the Commission, the District's \$\_\_\_\_\_ General Obligation Refunding Water Bond, Series 2013 (the "Bond"), bearing interest and maturing in installments on the dates and at the rates set forth on Exhibit A; and

WHEREAS, the proceeds of the Bond shall be used to (a) redeem (1) \$1,484,100 aggregate principal amount of the District's Water Bonds, Series A issued in 2000 and maturing on and after June 1, 2014, and (2) \$1,959,500 aggregate principal amount of the District's Water Bonds, Series B issued in 2000 and maturing on and after June 1, 2014 (collectively, the "Refunded 2000 Bonds"), held by the United States of America, acting by and through United States Department of Agriculture, Rural Development (formerly Farmers Home Administration) ("USDA"), and (b) pay certain costs of issuance of the Bond;

NOW, THEREFORE, in consideration of the respective covenants and agreements set forth herein, the parties hereto agree as follows:

1. The County hereby offers to purchase the Bond from the Commission at a purchase price equal to the par amount of such Bond, without discount or premium, with the annual principal installments and associated interest rates for the Bond set forth in Exhibit A hereto. The purchase price for the Bond (\$\_\_\_\_\_) represents a portion of the proceeds of the County's \$\_\_\_\_\_ Limited Obligation Bonds (Bertie Water Districts General Obligation Refunding Bonds), Series 2013 (the "LOBs") executed and delivered under a Trust Agreement dated as of May 1, 2013 (the "Trust Agreement"), between the County and U.S. Bank National Association, as trustee (the "Trustee"), for the purpose, among others, of allowing the County to purchase the Bond.

2. The purchase price for the Bond shall be delivered as follows:

(a) \$\_\_\_\_\_ shall be delivered directly to USDA in order to redeem the Refunded 2000 Bonds; and

(b) \$\_\_\_\_\_ shall be delivered to the Trustee for deposit in the Costs of Issuance Fund.

3. The Commission hereby acknowledges receipt of the purchase price by such method on the date hereof.

4. The County hereby acknowledges receipt of physical delivery of the Bond on the date hereof and, simultaneously with receipt of the Bond, has assigned the Bond to the Trustee pursuant to the Trust Agreement, to be held by the Trustee as security for the LOBs pursuant to the Trust Agreement.

5. The Trustee hereby acknowledges receipt of (a) the Bond in physical form to be held by it pursuant to the Trust Agreement and (b) the amount set forth in paragraph (2) above for deposit in the Costs of Issuance Fund.

6. Each capitalized term used but not defined herein has the meaning given to such term in the Trust Agreement.

7. This District Bond Purchase Agreement and Receipt may be executed in several counterparts, all being deemed one and the same document.

**COUNTY OF BERTIE, NORTH CAROLINA**

[Seal]

By: \_\_\_\_\_  
John E. Whitehurst  
Interim County Manager

Attest:

\_\_\_\_\_  
Clerk to the Board of Commissioners  
County of Bertie, North Carolina

**LOCAL GOVERNMENT COMMISSION**

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

**COUNTY WATER DISTRICT IV OF BERTIE  
COUNTY, NORTH CAROLINA**

[District Seal]

By: \_\_\_\_\_  
William Roberson  
Finance Director of the County of Bertie, North Carolina

Attest:

\_\_\_\_\_  
Clerk to the Board of Commissioners  
County of Bertie, North Carolina

ACKNOWLEDGEMENT

**U.S. BANK NATIONAL ASSOCIATION**, as Trustee

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

**\$\_\_\_\_\_ County Water District IV  
General Obligation Refunding Water Bond, Series 2013**

The schedule of annual principal installments and associated interest rates with respect to the Bond are as follows:

<u>May 25</u>	<u>Principal</u>	<u>Rate</u>	<u>May 25</u>	<u>Principal</u>	<u>Rate</u>
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