

**PITT COUNTY BOARD OF COMMISSIONERS  
GREENVILLE, NORTH CAROLINA  
JANUARY 20, 1999**

The Pitt County Board of Commissioners met in a workshop session on Wednesday, January 20, 1999, at 8:30 a.m. in the Auditorium of the Agricultural Building, located at the Pitt County Office Park at 403 Old Creek Road, Greenville, North Carolina with the following commissioners present:

Eugene James, Chairman  
Jeffrey E. Savage, Vice Chairman  
Glenn Bowen, Commissioner  
Charles P. Gaskins, Commissioner  
David Hammond, Commissioner  
Thomas H. Johnson, Sr., Commissioner  
Mark W. Owens, Jr., Commissioner  
M. Theresa Shank, Commissioner  
Beth B. Ward, Commissioner

Also present were:

Thomas B. Robinson, County Manager  
JoAnne Burgdorff, County Attorney  
Susan J. Banks, Clerk to the Board  
Arlen Holt, PIO and Cable Coordinator  
John K. Bulow, Assistant Manager  
Melonie Bryan, Director of Financial Services  
James Rhodes, Planning Director  
Planning Department staff  
Loretta Lewellyn, Budget Administrator

**Call to Order** and welcome by Chairman James.

Prayer by Vice Chairman Savage.  
Pledge was led by Commissioner Ward.

**APPROVAL OF AGENDA**

Chairman James welcomed everyone and thanked them for attending.

**APPROVAL OF AGENDA**

Chairman James stated that there would be a need to add a closed session at the end of the meeting. He also stated that at the end of this meeting the Board would need to discuss time when that they could meet to discuss the priorities for the joint meeting with the Board of Education. Commissioner Savage stated that this could be down without a formal meeting by each commissioner writing their items done and having the County Manager assimilate them for the Board. Discussion continued

concerning this process. Commissioner Owens noted that the Board of Education should also be setting their own priorities for this joint meeting.

**UPON MOTION** by Commissioner Gaskins, seconded by Commissioner Savage, the Board voted unanimously to approve the agenda as amended.

### **County Manager comments**

Mr. Robinson welcomed everyone and noted that this was the first meeting with the all four of the new commissioners. He noted that Pitt County is a growing county but that it also has limited resources so that planning for the future is essential. Mr. Robinson reviewed the dates for each of the planning sessions and their specific purposes.

Mr. Robinson introduced Al Delia, Associate Vice Chancellor for Regional Development, Regional Development Services, East Carolina University and Mack Simpson, Acting Director of the Regional Development Institute at East Carolina University who were the facilitators for the meeting. Mr. Delia presented a list of ground rules for the meeting and future planning sessions. He expressed the necessity to keep on track, prioritize issues, and summarize priorities in an effort to work towards a strategic plan.

**“State of the County Presentation”** - Tom Robinson assisted by Loretta Lewellyn.

Mr. Robinson stated that the purpose of this meeting was to discuss future needs and plans for water and sewer; growth management and land use planning; transportation; environment; and coordinated permitting process.

Pitt County has had a 14.5% population growth since 1990; 41% since 1970. Mr. Robinson provided statistics to make the following points:

- Pitt County has a growing population which is expected to be progressively more senior in composition – increasing our special needs population.
- Pitt County has racial diversity.
- Special needs population is growing with 258% increase in Hispanic population since 1990.
- Need to build trust and work together to solve problems.
- Pitt County has more families at each end of the income spectrum than in the center.
- Not only is Pitt County a low wealth county, it also has a low tax rate.
- Five out of top seven employer’s in Pitt County are tax exempt.
- The major source of controllable local revenue is property tax.
- School enrollment is increasing annually by 250-300 students. Room for an estimated 1,170 more students needed by 2004-05.
- 62% of Pitt County’s Tax Levy goes to support schools
- Pitt County is a fast growing, low wealth county.

It was also noted that \$1.3 million comes back to the County because of it being a low wealth county. Farm income exceeded \$170 million in 1997.

The Board discussed how statistics are only indications of patterns and needs.

Commissioner Savage stated that the Board should look carefully at State averages to see if there are any correlation's that the County should take into consideration. Commissioner Shank stated that this County is paying more in Social Services than in Education, and it seems that if the County paid more in education in the long run the County would not have to pay as much for social services programs. Commissioner Savage stated that this County needs to keep gage on the tobacco progress because the crop is drying up and needs to be monitored.

### **Ground Rules for Meeting - Facilitator Al Delia**

Mr. Delia reviewed the ground rules and the goals that were set to be accomplished with this meeting.

The plans for the meeting were as follows:

1. To keep the Board on tract by sticking to the ground rules because there is a lot to be accomplished in this meeting.

The following goals were set for this meeting:

1. Prioritize water and sewer for county
2. Prioritize Planning and development issues of county
3. Consider other priorities, list and rank them.

### **WATER AND SEWER ISSUES - Presentation by Gary McGill**

Mr. Robinson introduced Gary McGill, McGill and Associates who has been working with the Water and Sewer committee for two years.

Mr. McGill presented a summary of materials for the commissioners. He pointed out that the water needs in the county are covered fairly well but the sewer services have lagged behind and now there is a serious problem. He stated the Board needs to consider the impacts of providing sewer in segmented areas. The water service areas are coming together and this is causing conflicts. He stated that the water corporations and the municipalities need to work together and establish work areas. Mr. McGill stated that the water service areas have expanded to the point where they are in close proximity to each other in many locations and in some areas are contiguous or overlapping. He stated that the County needs to develop a long term vision for water and sewer infrastructure in Pitt County or there will be continual conflicts. The County must provide for economic and environmental public health.

Mr. McGill noted that there are a lot of failing septic systems in residential subdivisions in the County with only 43% of the land area suitable for septic systems. There are many marginal areas that will support systems for a while and then fail. Currently, there are repairs on an average of 22 drain fields a month. He stated with

these problems we must recognize that we must rely on our natural resources which are finite. He stated that this is a major concern that there be a sufficient supply of water to receive our wastewater discharges. He said that the parties involved must work together now more than ever to protect our natural resources.

Mr. McGill shared maps of the existing water system service areas and water sources in the county, proposed water sources for the county and the existing sewer systems in and proposed sewer systems for the county. The following Planning Goals and Objectives for water and sewer needs were proposed:

- Create an atmosphere of communication and subsequent understanding of the common needs for water and/or sewer services in all areas of the County.
- Protect and enhance the economic and environmental health of the community with a positive and proactive program for the provision of public water and sewer services.
- Coordinate water and sewer services with other integral segments of the community infrastructure such as transportation, schools, land use patterns and the natural environment.
- Provide the best quality service at the most reasonable cost through sound economic decisions and cost efficiencies as a part of public stewardship.
- Structure all future intergovernmental agreements with a more comprehensive purpose related to overall planning goals rather than a singular focus.
- Develop a natural resource management plan that achieves long term sustainability where practical; and planned long term utilization where sustainability is not possible.
- Create an intergovernmental management structure to plan and implement the needed water and sewer infrastructure to meet the common needs for the future.
- Develop an intergovernmental financing plan to provide the financial resources at the needed intervals to meet the common needs.

He stated that the planning process needs to be technical, methodical and cover the financial means to implement the plans.

Mr. McGill reviewed the technical planning strategies for long term planning. He stated his concerns for the future need for additional surface water supply because the needs will exceed what the Tar River and possibly what the Contentnea Creek can provide. He stated that the groundwater aquifer concerns and the limited surface water supply need to be part of the long range plans. The Black Creek and Upper Cape Fear Acquifer are being drawn down too quickly. He provided information on the groundwater wells in the county. He stated that the groundwater capacity is dropping by five feet each year and that the North Carolina Division of Water Resources has recommended that a Capacity Use Area designation be extended to a 15 county area which includes Pitt County. This will regulate groundwater withdrawals in Pitt County and will probably require more reliance on surface water. He discussed the need to work and plan with the surrounding counties which are also in the Capacity Use Area designation. He recommended joint management of groundwater resources and to develop extensive cross connections between the existing water system in the County. Mr. McGill also suggested the evaluation of the possible utilization of the Pee Dee aquifer for new non-public water.

He stated that Eastern Pines Water system is fighting a flouride problem. Commissioner Shank stated that there was also a problem with salt seeping into some of the water supplies. Mr. McGill said that Greenville Utilities Commission is researching aquifer storage and he noted that conservation programs would also be helpful.

Commissioner James said Texas Gulf sulfur drops the County's water table. He referred to the Army Corp of Engineers testing and said that they suggested that big lakes need to be built in Penny Hill to store water over 30 years ago. Mr. McGill said that would be extremely difficult to do. Pitt County must plan years ahead, at least five to ten years ahead.

Mr. McGill said the integrity of the existing systems are at stake and the County needs to plan ahead whether it is mandated or not as well as work with other counties in this Capacity Use Area because efforts may not work if they are not coordinated.

Mr. McGill said that not many of the systems are effective for sharing and crossconnecting currently. The water systems have grown together and are going to have to work together because they will have to share the water eventually.

As for sewer issues, Mr. McGill said that the key issue in wastewater is how it can be treated. Three plants that can maintain the county's needs are the Contentnea Creek, Greenville Utilities Commission, and Farmville plants. The County must plan to utilize these three locations. He said they are at two-thirds capacity currently for wastewater treatment.

Mr. McGill said that he has Identified areas of highest need for sewer service which is a reactive position. The most potential problems are west of Eastern Pines, north of Greenville towards Falkland, and the Bell Arthur community area. Municipalities do not want to extend sewer because of the expense and this has been a stumbling block. If they provide sewer they want to be the water provider also. The entities are going to have to make an agreement . Municipalities are going to need to be more flexible and provide sewer now and water when it is needed. He said that sewer is the most critical issue. He stated that the municipalities need to work with the water corporations because the sewer will eventually have to come back to the municipalities. It was noted that Greenville and Eastern Pines are the leaders in trying to work towards a solution.

### **Water and Sewer Management Strategy**

Mr. McGill stated that the County needs something concrete to get started on. Of the nine options available to work out a water and sewer management plan, he narrowed his recommendations down to three. He recommended pursuing either the Joint Management Agency, which the State has offered as an option, the Metropolitan District or the Water and Sewer Authority. He stated that those three do not require a

separate elected body and they are appointed by the participants. They each have varying systems and powers.

Mr. McGill recommended that the Water and Sewer Committee needs to meet and discuss which one of the three they should work towards and they need to move quickly to formalize an agreement which will help them to get over the existing obstacles. He stated that currently there is \$50 million in water and sewer debt in Pitt County spread over 40,000 to 50,000 investors.

The Financial strategy cannot be determined until the committee decides which management strategy is the best option. Following that, there needs to be a capital improvement plan approved and a financial model for predictions. He stated that the County's role will be to provide funding and recommended an annual revolving funding program. The funding would be determined on the basis of where the services will be located. He recommended land use planning and stated that for this to be effective, it is required.

Mr. Robinson said that there needs to be an understanding and a vision of the County's role. Within next 90-120 days, the Water and Sewer Committee should come back and present a plan. Mr. McGill said that good zoning and planning goes a long way with providing water and sewer as well as financing. Commissioner Savage said that the County's role is to bring the leadership to this process. Mr. McGill stated that fairness and consistency in funding is paramount. The existing programs have been reactive and this county just cannot afford to do this any longer.

Commissioner Hammond discussed that the sewer along the NC Hwy. 11 corridor is already not adequate.

Mr. Delia asked the Board for their priorities on this project. The following were offered by the Commissioners:

- Manager to pursue working with the committee in developing agreement
- Include Water and Sewer in name of agency or committee.
- "Pitt" needs to be included.
- Existing committee return to BCC with recommendation on which management system should be used.
- pursue land use planning
- Cities should pay the bill or if County provides water and sewer service, then the City should not be allowed to annex.
- consider grant funding
- work with adjacent counties
- bring everyone into the fold, include municipalities and water corporations

Commissioners were asked to set their priorities by using colored dots.

Mr. Glenn Hardee, President of Eastern Pines Water Corporation, agreed that something needed to be worked out among these corporations and municipalities especially with the non-profits. He stated that he had served on this committee years

ago, but because the Commissioners did not provide backing or enough support, it did not get completed. He thanked the Board for being pro-active on this project.

Ron Elks, Greenville Utilities Commission, said he was on the committee and thanked the Board for planning.

List priorities\*\*\*

### **Planning and Development Issues - James Rhodes, Planning Director**

Mr. Rhodes introduced his staff that were present and noted that he had invited others that were affected by these issues to attend this meeting. The following were present: John Chaffee, Bobby Joyner, Alice Keene, Phil Dickerson, Tim Etheridge, Wilbert Futrell, Planning Board, Thomas Bess, Vice Chairman of Planning Board, and staff, Eddy Davis, Glen Moore, Beth Buck, Tracy Belch, Tracy Cash, Wayne Harrison, and David McGowan.

Mr. Rhodes did a review of the areas which the Planning Department considers their priorities. He provided the Board with copies of the 1997 Annual Report, the Departmental work program, Comprehensive Land Use Plan, and the Departmental Structure including the Planning Board. He noted that their priorities are subject to change based on commissioners priorities. He also noted the work this department performed on the Special Census last year and provided a fact sheet, fact and trend information for the public.

Mr. Rhodes stated that their main issues currently since 1997 are to supplement and move forward with land use planning, transportation planning and a revised permitting process. He stated that the County is growing at about 2% or 2500 people per year. He reviewed the County's planning jurisdiction and noted that the towns have zoning regulations in extraterritorial jurisdiction. He stated that in the unincorporated area the County is growing by about 1000 people per year.

Mr. Rhodes expressed the need to update the Land Use Plan and revise subdivision and mobile home ordinances. In 1994, the Board looked at zoning and now with the NC Highway 11 corridor planning, it highlights the need for zoning with sewer being provided. This will make the area prime for development. He said a new land use plan needs to be completed prior to considering partial zoning or countywide zoning. He said that the County needs to protect its investment in sewer with zoning. Mr. Rhodes discussed the Northwest Planning Area which takes in NC Hwy. 33, Belvoir, Old River Road area, and down to the Tar River. This issue involves mobile home parks, spotted development. The deadlines provided for the progress on NC Hwy. 11 corridor is six months for the draft plan and the zoning will be a year long process. He stated that he hoped to have land use controls in place when sewer line begins to be installed. He also reminded the Board that the Wooten Company will be helping with land use controls but the County staff will be primarily doing the mapping.

Mr. Rhodes stated that the Planning staff looked at six areas for land use controls in the County. He provided a map and reviewed each area and the importance

of deciding on how to proceed. He stated that placement of new schools is a major investment and there needs to be planning for them as well as plans for county recreation.

Recommendations from Planning staff were:

- Have Wooten Company move forward with two planning areas, support and provide input on those plans, NC 11.
- Move forward as soon as possible with Comprehensive Land Use Plan.
- Land use plan needs controls. Zoning is imperative to carry out the controls.

Mr. Rhodes reviewed some of the following statistics from 1997 as indicative of the growth of the County:

- 56 new preliminary plats (631 new building lots) 2.4 people per housing unit.
- 114 mobile homes approved.
- Over 200 mobile home parks approved. Need planning.
- 60 final plats and 500 lots approved.

He stated that the trends are consistent and they are continuing to see development further out in the unincorporated parts of the County.

### **Transportation Issues**

Mr. Rhodes discussed the appointment of Commissioner Tom Johnson to the Transportation Advisory Committee and that they had met and had already started meeting with the municipality representatives.

He stated that the Thoroughfare Planning areas need review because the plan was developed in 1993. He stated that the transportation priorities for Pitt County are set by the Board of Commissioners which includes the southwest bypass. He noted that the US 17 bypass will just barely fall within Pitt County. He also noted that the State has gone to a two year cycle of transportation priorities.

Mr. Rhodes presented the current Highway Projects for Pitt County and provided the Board with a comparison between 1998-2004 and 2000-2006 Transportation Improvement Program, and a new schedule. He reviewed details of the comparison for the new commissioners information.

Mr. Rhodes informed the Board that a proposed study for transit in Pitt County, is being looked into, which would bring together the GREAT Bus System, ECU's Transit system, and PATS, into any transportation system. He informed the Board that he would need any comments on draft TIP before June should they wish to offer any.

### **Environment**

Mr. Rhodes stated that Environment is a priority of the Planning Department.

Pitt County Water Supply Watershed Ordinance must meet all the rules and requirements of the State and it has been in place since January, 1994. There are not many constraints but other requirements will be coming down from the State or federal governments. He said the Neuse River Watershed has been looked at for soil erosion and the Tar Basin is being looked at and will probably have more restrictive regulations than the Neuse River.

Mr. Rhodes stated that local administration of soil and sedimentation regulations is what the citizens prefer. There is a lot of field work required and that during the last year there were 400 site visits. With the changing rules on the State level, more field checks are required.

Mr. Rhodes stated that they are currently working with the Health Department on intensive livestock operations. The Committee is meeting again and there is a moratorium on livestock operations currently. Commissioner James mentioned the Alpines area.

Mr. Rhodes said that there needs to be some parameters developed for off-site septic systems. He also noted that they are responsible for the 100 year flood plain implementation. He stated that there is a perpetual draining maintenance problem in subdivisions which needs to be addressed.

Mr. Rhodes stated that if and when zoning comes to Pitt County, a coordinated permitting process will be needed. A lot of the information is not easily accessed at this time on the geographic information system. Mike Taylor reviewed this recently with the GIS steering committee. He said they need to hire a consultant to come in and work with them on the GIS system so they will have the final product that they need.

A few more items that he noted as priorities were:

Growth Management (which would take care of urban sprawl)  
 Transportation Planning  
 Recreation  
 Rule on environmental issues.  
 Rails to Trails efforts

### **Planning and Development**

Items determined as priorities by the Commissioners were:

- Revisit remaining areas for zoning
- Northwest planning area.
- Look at each planning area
- look at ordinances
- do zoning in mandated areas
  
- calendar/time frame for activities
- consider environmental concerns for land useage
- GIS

- Transit study
- must know where southwest bypass is going to be located
- Highway 33 realignment
- Industrial sites? And how they need to be coordinated with water and sewer.
- Coordinate with school board on locating new schools

Mr. Robinson stated that the Board needs to schedule a meeting to discuss school priorities or discuss them at the February 1 meeting.

**UPON MOTION** by Commissioner Bowen, seconded by Commissioner Hammond, the Board voted to discuss the school priorities at the February 1<sup>st</sup> meeting and to send their priorities to the Manager prior to that meeting. The motion passed with an eight to one vote. Commissioner Savage opposed the motion.

#### **Sheriffs Grant Application - Melonie Bryan**

**UPON MOTION** by Commissioner Savage, seconded by Commissioner Owens, the Board voted unanimously to authorize the Sheriff's Grant Application for Domestic Violence funds.

#### **Pitt Community College Resolutions - Melonie Bryan**

Ms. Bryan presented two resolutions for general obligation bonds for Pitt Community College for \$500,000 and a resolution for refinancing existing debt.

**UPON MOTION** by Commissioner Savage, seconded by Commissioner Owens, the Board voted unanimously to approve both Pitt Community College resolutions as follows:

The Board of Commissioners for the County of Pitt, North Carolina, met in a rescheduled regular meeting in the Commissioners' Auditorium, Pitt County Office Building, Greenville, North Carolina, the regular place of meeting, at 8:30 a.m. on January 20, 1999.

Present: Chairman Eugene James, presiding, and Commissioners Glenn Bowen,

Charles P. Gaskins, David Hammond, Tom Johnson, Sr., Mark W. Owens, Jr., Jeffrey E.

Savage, Theresa Shank, and Beth B. Ward.

Absent: None.

Also Present: Thomas B. Robinson, County Manager, JoAnne Burgdorff, County Attorney, Melonie T. Bryan, Director of Financial Services, John K. Bulow, Assistant Manager and Susan J. Banks, Clerk to the Board.

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Commissioner Savage introduced the following resolution the title of which was read and copies of which had been previously distributed to each Commissioner:

**RESOLUTION PROVIDING FOR THE ISSUANCE OF  
COMMUNITY COLLEGE REFUNDING BONDS, SERIES 1999**

BE IT RESOLVED by the Board of Commissioners for the County of Pitt, North Carolina (the "County"):

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

(a) An order authorizing \$8,800,000 Community College Refunding Bonds was adopted by the Board of Commissioners on December 7, 1998, which order has taken effect.

(b) None of said bonds has been issued, that no notes have been issued in anticipation of the receipt of the proceeds of the sale of said bonds and that it is necessary to issue \$8,505,000 of said bonds at this time, subject to adjustment as provided below.

(c) The shortest period of time in which the outstanding Community College Bonds, Series 1992 of said County, dated June 1, 1992, to be refunded by said bonds can be finally paid without making it unduly burdensome on the taxpayers of the County as determined by the Local Government Commission of North Carolina, is a period which expires on June 1, 2010, and that the end of the unexpired usefulness of the projects financed by said Community College Bonds, is estimated as a period of forty (40) years from June 1, 1992, the date of said Community College Bonds, and that such period expires on June 1, 2032.

Section 2. Pursuant to said order, there shall be issued bonds of the County in the aggregate principal amount of \$8,505,000 (subject to adjustment as hereinafter provided), designated "Community College Refunding Bonds, Series 1999" and dated February 1, 1999 (the "Bonds"). The Bonds shall be stated to mature (subject to adjustment as hereinafter provided) annually, June 1, \$500,000 1999, \$440,000 2000, \$480,000 2001, \$515,000 2002, \$530,000 2003, \$590,000 2004, \$685,000 2005, \$790,000 2006, \$820,000 2007, \$910,000 2008, \$1,215,000 2009 and \$1,030,000 2010 and shall bear interest at a rate or rates to be determined by the Local Government Commission of North Carolina at the time the Bonds are sold, which interest to the respective maturities thereof

shall be payable on semiannually on each June 1 and December 1, beginning June 1, 1999, until payment of such principal sum.

The County reserves the right to increase or decrease the principal amount of each maturity of the Bonds by an amount not to exceed \$150,000 per maturity and the aggregate principal amount of the Bonds by an amount not to exceed \$1,000,000 following the opening of bids, all as provided in the Official Statement. In the event of such increase or decrease, the principal amount of each maturity shall be increased or decreased proportionately to the extent practicable. Any such increase or decrease shall be made only to the extent necessary to effect the refunding of the bonds for which the Bonds are being issued.

Each Bond shall bear interest from the interest payment date next preceding the date on which it is authenticated unless it is (a) authenticated upon an interest payment date, in which event it shall bear interest from such interest payment date or (b) authenticated prior to the first interest payment date, in which event it shall bear interest from its date; provided, however, that if at the time of authentication interest is in default, such Bond shall bear interest from the date to which interest has been paid.

The principal of and the interest on the Bonds shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

The Bonds shall be issued by means of a book-entry system with no physical distribution of Bond certificates to be made except as hereinafter provided. One Bond certificate with respect to each date on which the Bonds are stated to mature, in the aggregate principal amount of the Bonds stated to mature on such date and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), shall be issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in the principal amount of \$5,000 or any whole multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. The principal of each Bond shall be payable to Cede & Co. or any other person appearing on the registration books of the County hereinafter provided for as the registered owner of such Bond or his registered assigns or legal representative, at such office of the Bond Registrar (hereinafter mentioned) or such other place as the County may determine upon the presentation and surrender thereof as the same shall become due and payable. Payment of the interest on each Bond shall be made by said Bond Registrar on each interest payment date to the registered owner of such Bond (or the previous Bond or Bonds evidencing the same debt as that evidenced by such Bond) at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by check mailed to such person at his address as it appears on such registration books; provided, however, that for so long as the Bonds are deposited with DTC, the payment of the principal of and interest on the Bonds shall be made to DTC in same-day funds by 2:30 p.m. or otherwise as determined by the rules and procedures

established by DTC. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. The County shall not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing records maintained by DTC, its participants or persons acting through such participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds or (b) the Director of Financial Services of the County determines that continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect the interests of the beneficial owners of the Bonds, the County shall discontinue the book-entry system with DTC. If the County identifies another qualified securities depository to replace DTC, the County shall make arrangements with DTC and such other depository to effect such replacement and deliver replacement Bonds registered in the name of such other depository or its nominee in exchange for the outstanding Bonds, and the references to DTC or Cede & Co. in this resolution shall thereupon be deemed to mean such other depository or its nominee. If the County fails to identify another qualified securities depository to replace DTC, the County shall deliver replacement Bonds in the form of fully-registered certificates in denominations of \$5,000 or any whole multiple thereof ("Certificated Bonds") in exchange for the outstanding Bonds as required by DTC and others. Upon the request of DTC, the County may also deliver one or more Certificated Bonds to any participant of DTC in exchange for Bonds credited to its account with DTC.

Unless indicated otherwise, the provisions of this resolution that follow shall apply to all Bonds issued or issuable hereunder, whether initially or in replacement thereof.

Section 3. The Bonds shall bear the manual or facsimile signatures of the Chairman of the Board of Commissioners and the Clerk to the Board of the County and the official seal or a facsimile of the official seal of the County shall be impressed or imprinted, as the case may be, on the Bonds.

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

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

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

The Bonds and the endorsements thereon shall be in substantially the following form:

No. R-\_\_\_\_\_ \$\_\_\_\_\_

United States of America  
State of North Carolina

COUNTY OF PITT  
COMMUNITY COLLEGE REFUNDING BOND, SERIES 1999

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP</u>
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June 1, _____	_____ %	
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The County of Pitt, in the State of North Carolina, is justly indebted and for value received hereby promises to pay to

CEDE & CO.

or registered assigns or legal representative on the date specified above, upon the presentation and surrender hereof, at the office of the Director of Financial Services of said County (the "Bond Registrar"), in Pitt County, North Carolina, the principal sum of

\_\_\_\_\_ DOLLARS

and to pay interest on such principal sum from the date hereof or from the June 1 or December 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is a June 1 or December 1 to which interest shall have been paid, in which case from such date, such interest to the maturity hereof being payable semiannually on June 1 and December 1, beginning June 1, 1999, at the rate per annum specified above, until payment of such principal sum. The interest so payable on any such interest payment date will be paid to the person in whose name this bond (or the previous bond or bonds evidencing the same debt as that evidenced by this bond) is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by check mailed to such person at his address as it appears on the bond registration books of said County; provided, however, that for so long as the Bonds (hereinafter defined) are deposited with The Depository Trust Company, New York, New York ("DTC"), the payment of the principal of and interest on the Bonds shall be made to DTC in same day funds by 2:30 p.m. or otherwise as determined by the rules and procedures established by DTC. Both the principal of and the interest on this Bond shall be paid in any coin or currency of the United States of America that is legal tender for the

payment of public and private debts on the respective dates of payment thereof. For the prompt payment hereof, both principal and interest as the same shall become due, the faith and credit of said County are hereby irrevocably pledged.

This bond is one of an issue of bonds designated "Community College Refunding Bonds, Series 1999" (the "Bonds") and issued by said County for the purpose of providing funds, with any other available funds, for refunding all of the County's outstanding Community College Bonds, Series 1992, dated June 1, 1992. The Bonds are issued under and pursuant to The Local Government Bond Act, as amended, Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina, an order adopted by the Board of Commissioners of said County, which order has taken effect, and a resolution duly passed by said Board of Commissioners (the "Resolution").

The Bonds are not subject to redemption prior to their maturity.

The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Resolution. One Bond certificate with respect to each date on which the Bonds are stated to mature, in the aggregate principal amount of the Bonds stated to mature on such date and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), is being issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in the principal amount of \$5,000 or any whole multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. Said County will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In certain events, said County will be authorized to deliver replacement Bonds in the form of fully-registered certificates in the denomination of \$5,000 or any whole multiple thereof in exchange for the outstanding Bonds as provided in the Resolution.

At the office of the Bond Registrar, in the manner and subject to the conditions provided in the Resolution, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of authorized denominations and bearing interest at the same rate.

The Bond Registrar shall keep at his office the books of said County for the registration of transfer of Bonds. The transfer of this bond may be registered only upon such books and as otherwise provided in the Resolution upon the surrender hereof to the Bond Registrar together with an assignment duly executed by the registered owner hereof or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall deliver in

exchange for this bond a new Bond or Bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the principal amount of this bond, of the same maturity and bearing interest at the same rate.

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

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

IN WITNESS WHEREOF, the County of Pitt, North Carolina, by resolution duly passed by its Board of Commissioners, has caused this bond to be manually signed by the Chairman of the Board of Commissioners and the Clerk to the Board of said County and its official seal to be impressed hereon, all as of the 1st day of February, 1999.

\_\_\_\_\_  
Chairman

[SEAL]

\_\_\_\_\_  
Clerk to the Board

CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

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

\_\_\_\_\_  
Secretary of the Local Government  
Commission of North Carolina

CERTIFICATE OF AUTHENTICATION

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

---

\_\_\_\_\_  
Director of Financial Services, as Bond  
Registrar

Date of authentication: February \_\_, 1999.

ASSIGNMENT

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

\_\_\_\_\_

\_\_\_\_\_

the within bond and all rights thereunder and hereby irrevocably constitutes and appoints

\_\_\_\_\_

attorney to register the transfer of said bond on the books kept for registration thereof, with full power of substitution in the premises.

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

In the presence of:

\_\_\_\_\_

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

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

Certificated Bonds issuable hereunder shall be in substantially the form of the Bonds registered in the name of Cede & Co. with such changes as are necessary to reflect the provisions of this resolution that are applicable to Certificated Bonds.

Section 4. The Bonds shall not be subject to redemption prior to their maturity.

Section 5. Bonds, upon surrender thereof at the office of the Bond Registrar, together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of any denomination or denominations authorized by this resolution and bearing interest at the same rate.

The transfer of any Bond may be registered only upon the registration books of the County upon the surrender thereof to the Bond Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall authenticate and deliver in exchange for such Bond a new Bond or Bonds, registered in the name of the transferee, of any denomination or denominations

authorized by this resolution, in an aggregate principal amount equal to the principal amount of such Bond so surrendered, of the same maturity and bearing interest at the same rate.

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

As to any Bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal 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 interest thereon, to the extent of the sum or sums so paid.

The County shall appoint such registrars, transfer agents, depositories or other agents as may be necessary for the registration, registration of transfer and exchange of Bonds within a reasonable time according to then current commercial standards and for the timely payment of principal and interest with respect to the Bonds. The Director of Financial Services of the County, or any person at anytime acting in such capacity, is hereby appointed the registrar, transfer agent and paying agent for the Bonds (collectively, the "Bond Registrar"), subject to the right of the Board of Commissioners of the County to appoint another Bond Registrar, and as such shall keep at his office in the County, the books of the County for the registration, registration of transfer, exchange and payment of the Bonds as provided in this resolution.

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

Section 7. The action of the Chairman of the Board of Commissioners, the County Manager, the Director of Financial Services and the Clerk to the Board of the County in applying to the Local Government Commission of North Carolina to advertise and sell the Bonds is hereby ratified and confirmed, and the Local Government Commission of North Carolina is hereby requested to ask for sealed bids for the Bonds by publishing notices and printing and distributing an Official Statement relating to the sale of the Bonds. Such

Official Statement, dated on or about January 15, 1999, in substantially the form presented at this meeting, is hereby ratified and approved. The execution and delivery of such Official Statement by the Chairman of the Board of Commissioners, the County Manager and the Director of Financial Services is hereby approved, ratified and confirmed.

The preparation of a supplement to the Official Statement (the "Supplement"), which will include certain pricing and other information to be made available to the successful bidder for the Bonds by the Local Government Commission of North Carolina, which supplement together with the Official Statement will constitute the "Final Official Statement," is hereby approved, and the Chairman of the Board of Commissioners, the County Manager and the Director of Financial Services of the County are hereby authorized to execute such Final Official Statement for and on the behalf of the County, and such execution shall be conclusive evidence of the approval of the Board of Commissioners of the Supplement.

Section 8. The County hereby undertakes, for the benefit of the beneficial owners of the Bonds, to provide:

(a) by not later than seven months from the end of each fiscal year of the County, beginning with the fiscal year ending June 30, 1999, to each nationally recognized municipal securities information repository ("NRMSIR") and to the state information depository for the State of North Carolina ("SID"), if any, audited financial statements of the County for such Fiscal Year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or, if such audited financial statements of the County are not available by seven months from the end of such fiscal year, unaudited financial statements of the County for such fiscal year to be replaced subsequently by audited financial statements of the County to be delivered within fifteen (15) days after such audited financial statements become available for distribution;

(b) by not later than seven months from the end of each fiscal year of the County, beginning with the fiscal year ending June 30, 1999, to each NRMSIR, and to the SID, if any, (i) the financial and statistical data as of a date not earlier than the end of the preceding fiscal year for the type of information included under the headings "The County - Debt Information and - Tax Information" (excluding any information on underlying units) in the Final Official Statement relating to the Bonds and (ii) the combined budget of the County for the current fiscal year, to the extent such items are not included in the audited financial statements referred to in (a) above;

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

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;

- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- (7) modification to the rights of the beneficial owners of the Bonds;
- (8) bond calls;
- (9) defeasances;
- (10) release, substitution or sale of any property securing repayment of the Bonds; and
- (11) rating changes; and

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

If the County fails to comply with the undertaking described above, any beneficial owner of the Bonds may take action to protect and enforce the rights of all beneficial owners with respect to such undertaking, including an action for specific performance; provided, however, that failure to comply with such undertaking shall not be an event of default and shall not result in any acceleration of payment of the Bonds. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all beneficial owners of the Bonds.

The County reserves the right to modify from time to time the information to be provided to the extent necessary or appropriate in the judgment of the County, provided that:

- (a) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the County;
- (b) the information to be provided, as modified, would have complied with the requirements of Rule 15c2-12 issued under the Securities Exchange Act of 1934 (“Rule 15c2-12”) as of the date of the Official Statement, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any changes in circumstances; and
- (c) any such modification does not materially impair the interests of the beneficial owners of the Bonds, as determined either by parties unaffiliated with the County (such as bond counsel), or by the approving vote of the registered owners of a majority in principal amount of the Bonds pursuant to the terms of this resolution, as this resolution may be amended from time to time, at the time of such amendment.

In the event that the County makes such a modification, the annual financial information containing the modified operating data or financial information shall explain,

in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

The provisions of this Section shall terminate upon payment, or provision having been made for payment in a manner consistent with Rule 15c2-12, in full of the principal of and interest on all of the Bonds.

Section 9. First-Citizens Bank & Trust Company, in the City of Raleigh, North Carolina, is hereby appointed as escrow agent (the “Escrow Agent”) in connection with the refunding of the bonds to be refunded mentioned in Section 1 above, subject to the right of the Board of Commissioners of the County to appoint another Escrow Agent as provided in the Escrow Deposit Agreement (hereinafter mentioned), and as such shall perform its responsibilities as provided in the Escrow Deposit Agreement. The Escrow Deposit Agreement, to be dated February 1, 1999 (the “Escrow Deposit Agreement”), between the County and the Escrow Agent, in substantially the form presented at this meeting, and the creation of the Escrow Fund thereunder and the other arrangements to accomplish such refunding, is hereby approved, and the Chairman of the Board of Commissioners and the Clerk to the Board of the County are each hereby authorized to execute and deliver the Escrow Deposit Agreement for and on behalf of the County with such additions, deletions and changes as they deem necessary.

Section 10. The appointment of Wachovia Capital Markets, Inc., Winston-Salem, North Carolina, as financial advisor to the County in connection with the issuance of the Bonds, as described under the caption “Financial Advisor” in the Official Statement, is hereby approved, ratified and confirmed. Wachovia Capital Markets, Inc. is hereby given permission to submit a competitive bid at the public sale for the Bonds, and may acquire as principal or as a participant in a syndicate of underwriters, all or a portion of the Bonds.

Section 11. The outstanding Community College Bonds, Series 1992 of the County, dated June 1, 1992, and stated to mature on June 1, 2003 to 2010, inclusive, are hereby irrevocably called for redemption on June 1, 2002, in accordance with the resolution authorizing the issuance of said bonds, this resolution and the Escrow Deposit Agreement. The Escrow Agent is hereby directed to provide notices of such redemption at the times and in the manner set forth in the resolution authorizing the issuance of said bonds and the Escrow Deposit Agreement.

Section 12. This resolution shall take effect upon its passage, except for Section 11 of this resolution which shall become effective only upon the issuance of the Bonds..

Upon motion of Commissioner Savage, seconded by Commissioner Owens, the foregoing resolution entitled “RESOLUTION PROVIDING FOR THE ISSUANCE OF COMMUNITY COLLEGE REFUNDING BONDS, SERIES 1999” was passed by the following vote:

Ayes: Chairman Eugene James, and Commissioners Glenn Bowen, Charles P. Gaskins, David Hammond, Tom Johnson, Sr., Mark W. Owens, Jr., Jeffrey E. Savage, Theresa Shank, and Beth B. Ward.

Noes: None

Thereupon, Commissioner Savage introduced the following resolution the title of which was read and copies of which had been previously distributed to each Commissioner:

**RESOLUTION PROVIDING FOR THE ISSUANCE OF  
\$500,000 COMMUNITY COLLEGE BONDS, SERIES 1999**

BE IT RESOLVED by the Board of Commissioners of the County of Pitt, North Carolina (the "County"):

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

(a) An order authorizing \$1,500,000 Community College Bonds was adopted by the Board of Commissioners of the County on December 7, 1998, which order has taken effect.

(b) None of said bonds has been issued, no notes have been issued in anticipation of the receipt of the proceeds of the sale of said bonds and it is necessary to issue \$500,000 of said bonds at this time.

(c) The maximum period of usefulness of the parking facility to be provided with the proceeds of said bonds is estimated as a period of forty (40) years from February 1, 1999, the date of the bonds authorized hereby, and that such period expires on February 1, 2039.

Section 2. Pursuant to said order there shall be issued bonds of the County in the aggregate principal amount of \$500,000 designated "Community College Bonds, Series 1999" and dated February 1, 1999 (the "Bonds"). The Bonds shall be stated to mature (subject to adjustment as hereinafter provided) annually, June 1, \$40,000 2000 to 2003, inclusive, \$45,000 2004 to 2006, inclusive, \$50,000 2007 to 2009, inclusive, and \$55,000 2010 and shall bear interest at a rate or rates to be determined by the Local Government Commission of North Carolina at the time the Bonds are sold, which interest to the respective maturities thereof shall be payable on semiannually on each June 1 and December 1, beginning June 1, 1999, until payment of such principal sum.

Each Bond shall bear interest from the interest payment date next preceding the date on which it is authenticated, unless it is (a) authenticated upon an interest payment date, in which event it shall bear interest from such interest payment date or (b)

authenticated prior to the first interest payment date, in which event it shall bear interest from its date; provided, however, that if at the time of authentication interest is in default, such Bond shall bear interest from the date to which interest has been paid.

The principal of and the interest on the Bonds shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

The Bonds shall be issued by means of a book-entry system with no physical distribution of Bond certificates to be made except as hereinafter provided. One Bond certificate with respect to each date on which the Bonds are stated to mature, in the aggregate principal amount of the Bonds stated to mature on such date and registered in the name of Cede & Co., a nominee of The Depository Trust Company, New York, New York ("DTC"), shall be issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in the principal amount of \$5,000 or any whole multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. The principal of each Bond shall be payable to Cede & Co. or any other person appearing on the registration books of the County hereinafter provided for as the registered owner of such Bond or his registered assigns or legal representative at such office of the Bond Registrar mentioned hereinafter or such other place as the County may determine upon the presentation and surrender thereof as the same shall become due and payable. Payment of the interest on each Bond shall be made by said Bond Registrar on each interest payment date to the registered owner of such Bond (or the previous Bond or Bonds evidencing the same debt as that evidenced by such Bond) at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by check mailed to such person at his address as it appears on such registration books; provided, however, that for so long as the Bonds are deposited with DTC, the payment of the principal of and interest on the Bonds shall be made to DTC in same-day funds by 2:30 p.m. or otherwise as determined by the rules and procedures established by DTC. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. The County shall not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing records maintained by DTC, its participants or persons acting through such participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds or (b) the Director of Financial Services of the County determines that continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect the interests of the beneficial owners of the Bonds, the County will discontinue the book-entry system with DTC. If the County identifies another qualified securities depository to replace DTC, the County will make arrangements with DTC and such other depository to effect such replacement and deliver replacement Bonds registered

in the name of such other depository or its nominee in exchange for the outstanding Bonds, and the references to DTC or Cede & Co. in this resolution shall thereupon be deemed to mean such other depository or its nominee. If the County fails to identify another qualified securities depository to replace DTC, the County shall deliver replacement Bonds in the form of fully-registered certificates in denominations of \$5,000 or any whole multiple thereof ("Certificated Bonds") in exchange for the outstanding Bonds as required by DTC and others. Upon the request of DTC, the County may also deliver one or more Certificated Bonds to any participant of DTC in exchange for Bonds credited to its account with DTC.

Unless indicated otherwise, the provisions of this resolution that follow shall apply to all Bonds issued or issuable hereunder, whether initially or in replacement thereof.

Section 3. The Bonds shall bear the manual or facsimile signatures of the Chairman of the Board of Commissioners and the Clerk to the Board of the County and the corporate seal or a facsimile of the corporate seal of the County shall be impressed or imprinted, as the case may be, on the Bonds.

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

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

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

The Bonds to be registered in the name of Cede & Co. and the endorsements thereon shall be in substantially the following form:

No. R-..... \$.....

United States of America  
State of North Carolina

COUNTY OF PITT  
COMMUNITY COLLEGE BOND, SERIES 1999

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP</u>
June 1, _____	_____ %	

The County of Pitt, in the State of North Carolina, is justly indebted and for value received hereby promises to pay to

CEDE & CO.

or registered assigns or legal representative on the date specified above, upon the presentation and surrender hereof, at the office of the Director of Financial Services of said County (the "Bond Registrar"), in Pitt County, North Carolina, the principal sum of

\_\_\_\_\_ DOLLARS

and to pay interest on such principal sum from the date hereof or from June 1 or December 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is June 1 or December 1 to which interest shall have been paid, in which case from such date, such interest to the maturity hereof being payable semiannually on each June 1 and December 1, beginning June 1, 1999, at the rate per annum specified above, until payment of such principal sum. The interest so payable on any such interest payment date will be paid to the person in whose name this bond (or the previous bond or bonds evidencing the same debt as that evidenced by this bond) is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by check mailed to such person at his address as it appears on the bond registration books of said County; provided, however, that for so long as the Bonds (hereinafter defined) are deposited with The Depository Trust Company, New York, New York ("DTC"), the payment of the principal of and interest on the Bonds shall be made to DTC in same day funds by 2:30 p.m. or otherwise as determined by the rules and procedures established by DTC. Both the principal of and the interest on this bond shall be paid in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof. For the prompt payment hereof, both principal and interest as the same shall become due, the faith and credit of said County are hereby irrevocably pledged.

This bond is one of an issue of bonds designated "Community College Bonds, Series 1999" (the "Bonds") and issued by said County for the purpose of providing funds, with any other available funds, for improving the facilities of Pitt Community College, and this bond is issued under and pursuant to The Local Government Bond Act, as amended, Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina an order adopted by the Board of Commissioners for said County, which order has taken effect, and a resolution duly passed by said Board of Commissioners (the "Resolution").

The Bonds are not subject to redemption prior to their maturity.

The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Resolution. One bond certificate with respect to each date on which the Bonds are stated to mature, in the aggregate principal amount of the Bonds stated to mature on such date and registered in the name of Cede & Co., a nominee of DTC, is being issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in the principal amount of \$5,000 or any whole multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. Said County will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In certain events, said County will be authorized to deliver replacement Bonds in the form of fully-registered certificates in the denomination of \$5,000 or any whole multiple thereof in exchange for the outstanding Bonds as provided in the Resolution.

At the office of the Bond Registrar, in the manner and subject to the conditions provided in the Resolution, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of authorized denominations and bearing interest at the same rate.

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

The Bond Registrar shall not be required to exchange or register the transfer of 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 of any Bond called for redemption in whole or in part pursuant to the Resolution.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of North Carolina to happen, exist and be performed precedent to and in the issuance of this bond have happened, exist and have been performed in regular

and due form and time as so required; that provision has been made for the levy and collection of a direct annual tax upon all taxable property within said County sufficient to pay the principal of and the interest on this bond as the same shall become due; and that the total indebtedness of said County, including this bond, does not exceed any constitutional or statutory limitation thereon.

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

IN WITNESS WHEREOF, the County of Pitt, North Carolina, by resolution duly passed by its Board of Commissioners, has caused this bond to be manually signed by the Chairman of the Board of Commissioners of the County and the Clerk to the Board and its corporate seal to be impressed hereon, all as of the 1st day of February, 1999.

\_\_\_\_\_  
Chairman of the Board of Commissioners

[SEAL]

\_\_\_\_\_  
Clerk to the Board

CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

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

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

CERTIFICATE OF AUTHENTICATION

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

\_\_\_\_\_  
Director of Financial Services, as  
Bond Registrar

Date of authentication: February \_\_, 1999

ASSIGNMENT

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

\_\_\_\_\_

attorney to register the transfer of said bond on the books kept for registration thereof, with full power of substitution in the premises.

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

In the presence of:

\_\_\_\_\_

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

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

Certificated Bonds issuable hereunder shall be in substantially the form of the Bonds registered in the name of Cede & Co. with such changes as are necessary to reflect the provisions of this resolution that are applicable to Certificated Bonds.

Section 4. The Bonds shall not be subject to redemption prior to their maturity.

Section 5. Bonds, upon surrender thereof at the office of the Bond Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of any denomination or denominations authorized by this resolution and bearing interest at the same rate.

The transfer of any Bond may be registered only upon the registration books of the County upon the surrender thereof to the Bond Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as

shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall authenticate and deliver in exchange for such Bond a new Bond or Bonds, registered in the name of the transferee, of any denomination or denominations authorized by this resolution, in an aggregate principal amount equal to the unredeemed principal amount of such Bond so surrendered, of the same maturity and bearing interest at the same rate.

In all cases in which Bonds shall be exchanged or the transfer of Bonds shall be registered hereunder, the Bond Registrar shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of this resolution. All Bonds surrendered in any such exchange or registration of transfer shall forthwith be canceled by the Bond Registrar. The County or the Bond Registrar may make a charge for shipping and out-of-pocket costs for every such exchange or registration of transfer of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be made by the County or the Bond Registrar for exchanging or registering the transfer of Bonds under this resolution. The Bond Registrar shall not be required to exchange or register the transfer of any Bond during a period beginning at the opening of business fifteen (15) days before the date 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 of any Bond called for redemption in whole or in part pursuant to Section 4 of this resolution.

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

The County shall appoint such registrars, transfer agents, depositories or other agents as may be necessary for the registration, registration of transfer and exchange of Bonds within a reasonable time according to then current commercial standards and for the timely payment of principal, interest and any redemption premium with respect to the Bonds. The Director of Finance of the County, or any person at any time acting in such capacity, is hereby appointed the registrar, transfer agent and paying agent for the Bonds (collectively the "Bond Registrar"), subject to the right of the Board of Commissioners of the County to appoint another Bond Registrar, and as such shall keep at his office in the County, the books of the County for the registration, registration of transfer, exchange and payment of the Bonds as provided in this resolution.

Section 6. The County covenants that, to the extent permitted by the Constitution and laws of the State of North Carolina, it will comply with the requirements of the Internal Revenue Code of 1986 (the "Code"), as amended or as may be amended from time to time, and any Treasury regulations now or hereafter promulgated thereunder, to

the extent necessary so that interest on the bond will not be included in gross income of the owners of the bonds for purposes of federal income tax.

Section 7. The action of the Chairman of the Board of Commissioners, the County Manager, the Director of Financial Services and the Clerk to the Board of the County in applying to the Local Government Commission of North Carolina to advertise and sell the Bonds is hereby ratified and confirmed, and the Local Government Commission of North Carolina is hereby requested to ask for sealed bids for the Bonds by publishing notices and printing and distributing an Official Statement relating to the sale of the Bonds. Such Official Statement, dated on or about January 15, 1999, in substantially the form presented at this meeting, is hereby ratified and approved. The execution and delivery of such Official Statement by the Chairman of the Board of Commissioners, the County Manager and the Director of Financial Services is hereby approved, ratified and confirmed.

Section 8. The County hereby undertakes, for the benefit of the beneficial owners of the Bonds, to provide:

(a) by not later than seven months from the end of each fiscal year of the County, beginning with the fiscal year ending June 30, 1999, to each nationally recognized municipal securities information repository ("NRMSIR") and to the state information depository for the State of North Carolina ("SID"), if any, audited financial statements of the County for such Fiscal Year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or, if such audited financial statements of the County are not available by seven months from the end of such fiscal year, unaudited financial statements of the County for such fiscal year to be replaced subsequently by audited financial statements of the County to be delivered within fifteen (15) days after such audited financial statements become available for distribution;

(b) by not later than seven months from the end of each fiscal year of the County, beginning with the fiscal year ending June 30, 1999, to each NRMSIR, and to the SID, if any, (i) the financial and statistical data as of a date not earlier than the end of the preceding fiscal year for the type of information included under the headings "The County - Debt Information and - Tax Information" (excluding any information on underlying units) in the Final Official Statement relating to the Bonds and (ii) the combined budget of the County for the current fiscal year, to the extent such items are not included in the audited financial statements referred to in (a) above;

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

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;

- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- (7) modification to the rights of the beneficial owners of the Bonds;
- (8) bond calls;
- (9) defeasances;
- (10) release, substitution or sale of any property securing repayment of the Bonds; and
- (11) rating changes; and

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

If the County fails to comply with the undertaking described above, any beneficial owner of the Bonds may take action to protect and enforce the rights of all beneficial owners with respect to such undertaking, including an action for specific performance; provided, however, that failure to comply with such undertaking shall not be an event of default and shall not result in any acceleration of payment of the Bonds. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all beneficial owners of the Bonds.

The County reserves the right to modify from time to time the information to be provided to the extent necessary or appropriate in the judgment of the County, provided that:

(a) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the County;

(b) the information to be provided, as modified, would have complied with the requirements of Rule 15c2-12 issued under the Securities Exchange Act of 1934 (“Rule 15c2-12”) as of the date of the Official Statement, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any changes in circumstances; and

(c) any such modification does not materially impair the interests of the beneficial owners of the Bonds, as determined either by parties unaffiliated with the County (such as bond counsel), or by the approving vote of the registered owners of a majority in principal amount of the Bonds pursuant to the terms of this resolution, as this resolution may be amended from time to time, at the time of such amendment.

In the event that the County makes such a modification, the annual financial information containing the modified operating data or financial information shall explain,

in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

The provisions of this Section shall terminate upon payment, or provision having been made for payment in a manner consistent with Rule 15c2-12, in full of the principal of and interest on all of the Bonds.

Section 9. This resolution shall take effect upon its passage.

Upon motion of Commissioner Savage, seconded by Commissioner Owens, the foregoing resolution entitled "RESOLUTION PROVIDING FOR THE ISSUANCE OF \$500,000 COMMUNITY COLLEGE BONDS, SERIES 1999" was passed by the following vote:

Ayes: Chairman Eugene James, and Commissioners Glenn Bowen, Charles P. Gaskins, David Hammond, Tom Johnson, Sr., Mark W. Owens, Jr., Jeffrey E. Savage, Theresa Shank, and Beth B. Ward.

Noes: None.

Mr. Delia reviewed the Planning and Development priorities as established by the Board.

Planning Priorities were determined by the Board.

Commissioner Savage mentioned a Letter to Legislators about moving Pitt County down on the State priorities on projects.

Commissioner Bowen informed everyone of a roundtable discussion on school which will be January 25<sup>th</sup>.

#### **Closed Session - JoAnne Burgdorff**

Mrs. Burgdorff stated that the Board needed to go into closed session as authorized by G.S. 143-318.11(a)(3 and 6) to consult with attorney and discuss personnel matters.

**UPON MOTION** by Commissioner Bowen, seconded by Commissioner Hammond, the Board voted unanimously to go into closed session as instructed by the County Attorney.

**UPON MOTION** by Commissioner Savage, seconded by Commissioner Hammond, the Board voted to return to open session.

**UPON MOTION** by Commissioner Hammond, seconded by Commissioner Savage, the Board voted unanimously to adjourn the meeting, at approximately 12:50 p.m.

Respectfully submitted,

Susan J. Banks, CMC  
Clerk to the Board