



## Town of Angier

[www.angier.org](http://www.angier.org)

Robert K. Smith  
Mayor

Gerry Vincent  
Town Manager

Veronica Hardaway  
Town Clerk

### BOARD OF COMMISSIONERS WORKSHOP

July 20, 2021

6:30pm

**Pledge of Allegiance**

**Invocation**

**Approval of Agenda**

#### **Old Business Items:**

- |  |               |
|--|---------------|
| 1. NC HWY 210 Sidewalk Project Bid Award           | Gerry Vincent |
| 2. Pump Stations Nos.1 and 6 Replacement Bid Award | Gerry Vincent |
| 3. Bellwood Subdivision Water Pressure Update      | Jimmy Cook    |

#### **New Business Items:**

1. Presentation of the 2021 Revenue Bonds (Results of the RFP Process) Kyle Laux, Davenport & Co.
  - a. Supplemental and Amended Bond Order Authorizing the Issuance of Water & Sewer System Revenue Bonds to provide Funds to Construct Improvements to the Town's Water & Sewer System and Acquire Entitlements to Capacity in Regional Water and Sewer Systems-  
*Paul Jacobson, Bond Counsel with Sands Anderson PC*
  - b. Resolution Authorizing the Issuance of Revenue Bond of Town of Angier in Principal Amount of up to \$4M and Revenue Refunding Bond of Town of Angier in Principal Amount of up to \$3M  
*Paul Jacobson, Bond Counsel with sands Anderson, PC*



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- |  |              |
|--|--------------|
| 2. Resolution for Installment Proceeds<br>(Boom Truck Financing) | Hans Kalwitz |
| 3. Budget Amendment #2   | Hans Kalwitz |
| 4. Budget Ordinance (Booster Club)                               | Hans Kalwitz |
| 5. Angier Parks & Recreation Resolution                          | Mayor Smith  |

### *Closed Session*

*NC 143-138.11. (a) (3) Attorney-Client Privilege and (6) Personnel*

# Old Business



## Board of Commissioners Agenda Report

55 N Broad Street W.  
PO Box 278  
Angier, NC 27501  
www.angier.org

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**MEETING DATE:** July 20, 2021  
**PREPARED BY:** Gerry Vincent, Town Manager ICMA-CM *GV*  
**ISSUE** NC Highway 210 Sidewalk Extension Project-Bid Award  
**CONSIDERED:**  
**DEPARTMENT:** Administration

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**SUMMARY OF ISSUE:** As you are aware, the above-mentioned project only received two (2) bids from the original bid date; therefore, by NC state statute, the project was rebid and again only received two bids on July 2<sup>nd</sup> (Please refer to the attached memo from Bill Dreitzler). This project has been in the progress for the last five (5) years, and is located on a main entry point of the Town of Angier. The proposed improvements will significantly improve the aesthetics and drainage, with added sidewalks of NC Hwy 210 (to the west of town). Staff is committed to proceeding with the approval from the Board of Commissioners. The formal bids received are as follows:

1. Lanier Construction Co., Inc. \$1,386,488\*
2. Browe Construction, Inc. \$ 1,773,339

\*Apparent Low Bid

**FINANCIAL IMPACT:** If funding is not approved by Capital Area Metropolitan Planning Organization (CAMPO) or additional funding from the NC General Assembly, the total local match will increase from \$104,570 to \$597,548.

**RECOMMENDATION:** Authorize the Town Manager to proceed with the apparent low bid, Lanier Construction Co., Inc.

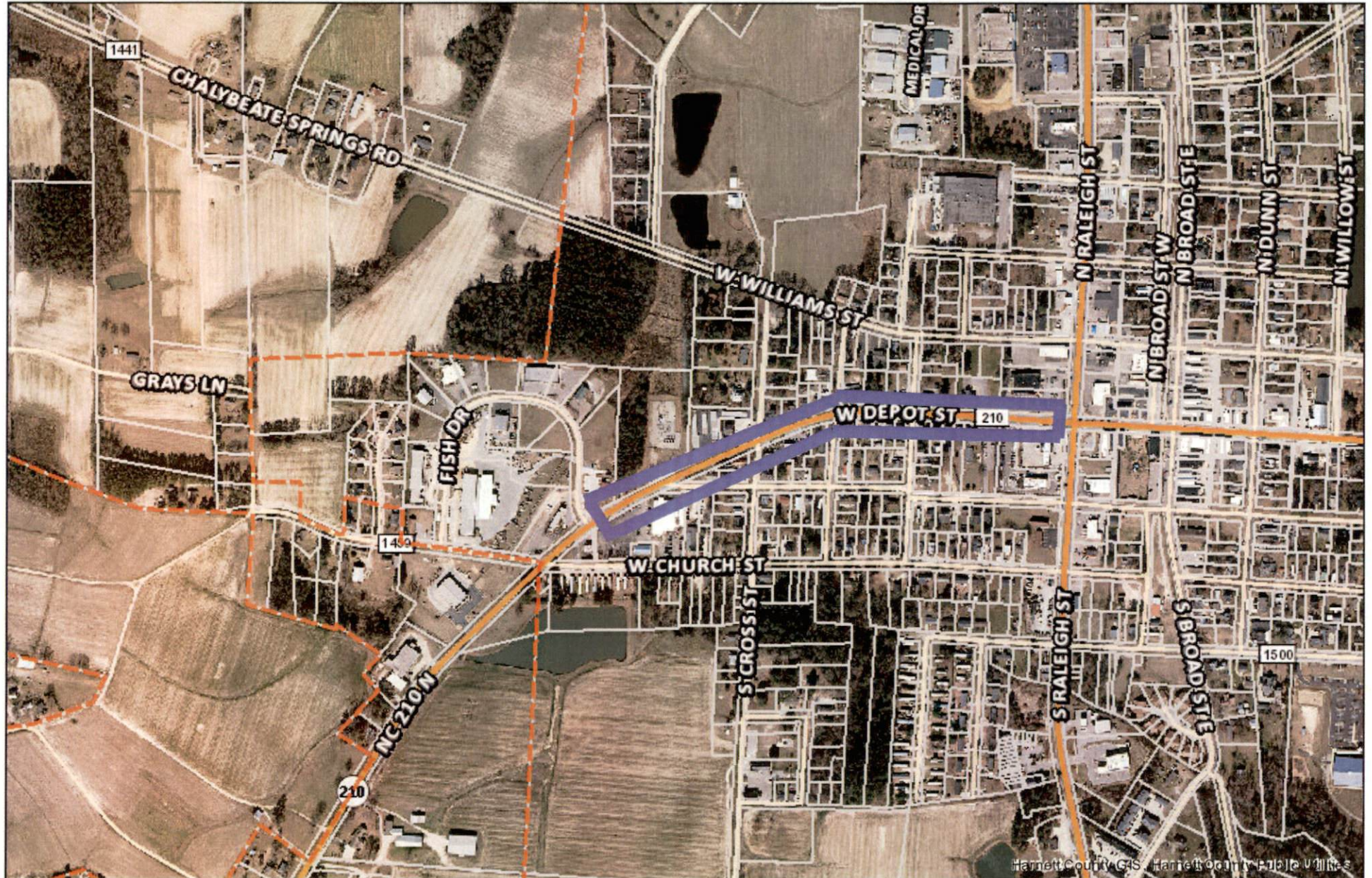
**REQUESTED MOTION:** I recommend authoring the project to the apparent low bid, Lanier Construction Co., Inc in the amount of \$1,386,488.

**REVIEWED BY TOWN MANAGER:** *Gerry Vincent*

*Attachments: Memos & Map*

# NC Hwy 210 Sidewalk Project

NOT FOR LEGAL USE



GIS/E-911 Addressing

July 16, 2021

- Recycle Center
- Landfills
- Surrounding County Boundaries
- Federal Property
- City Limits

- Harnett County Boundary
- Airport
- Major Roads**
- Interstate
- NC

- US
- Roads
- Mile\_Markers
- Railroad
- Parcels

Cape Fear River



0 335 670 1,340 Feet

1 inch = 752 feet



## Board of Commissioners Agenda Report

55 N Broad Street W.  
PO Box 278  
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[www.angier.org](http://www.angier.org)

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**MEETING DATE:** July 6, 2021  
**PREPARED BY:** Bill Dreitzler  
**ISSUE** Highway 210 Sidewalk Extension Recommendation of Award  
**CONSIDERED:**  
**DEPARTMENT:** Admin

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### **SUMMARY OF ISSUE:**

The project extends sidewalk from Walgreens along Hwy 210 to Fish Drive. This will improve aesthetics of this corridor and yield drainage improvements in an area that has experienced frequent flooding events. Sealed bids were received June 16, 2021; however, only 2 bids were submitted. In compliance with the NCGS for the formal bidding procedure on projects over \$500,000, the project was re-advertised and bids were received on June 30, 2021. We received the same 2 bids and they were publicly opened.

### **FINANCIAL IMPACT:**

Lanier Construction Co., Inc.	\$1,386,488.00
Browe construction, Inc.	\$1,773,339.00

### **RECOMMENDATION:**

Recommendation award to Lanier Co. Inc. in the amount of \$1,386,488.00

### **REQUESTED MOTION:**

I move to approve/deny the recommended award to Lanier Co. Inc.

### **REVIEWED BY TOWN MANAGER:**

### **Attachments:**

1 Memo

# Memo

**To:** Gerry Vincent, Town Manager  
**From:** Bill Dreitzler, P.E., Town Engineer  
**Date:** July 1, 2021  
**Re:** Highway 210 Sidewalk Extension Recommendation of Award

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Mr. Vincent,

Project U-5530PA (Locally Administered Project Program – LAPP) officially kicked off back in June 2016 when the Agreement with NCDOT was prepared. The project extends sidewalk from Walgreens along Hwy 210 to Fish Drive. This project is a key portion of our overall Pedestrian Plan and will also improve the aesthetics of this corridor and yield drainage improvements in an area that has experienced frequent flooding events. The project was delayed for a significant period of time when NCDOT paused the project due to funding issues. Once authorized to proceed, sealed bids were received on June 16, 2021; however, only 2 bids were submitted. In compliance with NC General Statutes for the formal bidding procedure on projects over \$500,000, the project was re-advertised and bids received on Wednesday, June 30, 2021. We received the same 2 bids and they were publicly opened. Please consider:

Lanier Construction Co., Inc: \$1,386,488.00  
Browe Construction, Inc.: \$1,773,339.00

In addition to this Recommendation of Award, please consider my Project Cost Update Memorandum dated July 1, 2021. Per the project cost evaluation, with acceptance of the low bid the Town's local match will increase from \$104,570 to \$597,548. Previous project cost updates had anticipated a local match increase to \$276,402. With acceptance of the low bid and CAMPO/NCDOT agreeing to the additional funding at a 50-50 split, the project will see be completed with 60% of the cost or \$888,548 being Grant Funds. Based on the importance of this section of sidewalk to our Pedestrian Plan, I would recommend award to Lanier Construction Co., Inc. in the amount of \$1,386,488.00.

Sincerely,



William W. Dreitzler, P.E.  
Town Engineer



## Board of Commissioners Agenda Report

55 N Broad Street W.  
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**MEETING DATE:** July 20, 2021  
**PREPARED BY:** Gerry Vincent, Town Manager ICMA-CM *GV*  
**ISSUE** Pump Stations Nos. 1 & 6 Replacement Bid Award  
**CONSIDERED:**  
**DEPARTMENT:** Administration

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**SUMMARY OF ISSUE:** Bid proposals were solicited and received for the second time, due to only one (1) bid being submitted on the original bid date. On July 6<sup>th</sup>, one (1) bid was submitted in the amount of \$3,866.083 by Temple Grading & Construction Company, Inc. The Timmons Group was hired by the Town of Angier for the construction administration of this project, and recommends awarding this project to Temple Grading & Construction Company, Inc.

**FINANCIAL IMPACT:** The financial impact would be to secure financing with First Bank at a proposed rate of 2.15% for 19 years in the amount of \$3,866,083.

**RECOMMENDATION:** Award the bid and authorize the Town Manager to proceed with signing the contract with Temple Grading & Construction Company, Inc. and securing financing from the Local Government Commission.

**REQUESTED MOTION:** I recommend award and approve the apparent low bid, Temple Grading & Construction Company, Inc. in the amount of \$3,866,083, subject to the Local Government Commission's approval of the financing on September 14<sup>th</sup>.

**REVIEWED BY TOWN MANAGER:** *Gerry Vincent*

**Attachments:** *Timmons Group Recommendation of Award & Results of the RFDP Process (Banks)*



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[www.timmons.com](http://www.timmons.com)

July 6, 2021

Town of Angier  
Jimmy Cook, Public Works Director  
594 Campbell Street  
Angier, NC 27501

**RE: Recommendation of Award – Angier Pump Station Nos. 1 and 6 Replacement**

Dear Mr. Cook:

This project advertised June 2, 2021 with a bid time and date of 2:00 PM on June 29, 2021 (as modified by Addendum One). At that time, only one bid was received, and the project was advertised for re-bid. The project was re-advertised on June 29, 2021 with a rebid date of July 6, 2021. Construction rebids for the Pump Stations Nos. 1 and 6 Replacement project were received and opened publicly at 11:00 AM on Tuesday, July 6, 2021. One responsive bid was accepted as follows:

- Temple Grading and Construction Company, Inc. \$3,866,083.00

There was one mathematical error on the bid unit prices section. The calculation of the total line item price for the 8" ductile iron pipe force main is 45 LF times a unit price of \$115.00 per linear foot. On the bid form, the total for this calculation is shown as \$7,590.00; however, the calculation actually results in a total of \$5,175.00, a difference of \$2,415.00. Reducing the listed bid price of \$3,866,083.00 by \$2,415.00 results in a new calculation of the bid price of \$3,863,668.00.

After reviewing the bids, considering past performance, and weighing the information gathered during the pre-bid conferences, Temple Grading and Construction Company, Inc. is competent and should provide good value to the Town of Angier. The nature of their questions during the bid period as well as the information they shared from their suppliers regarding material supplies and pricing highlight that they understand the project, the challenges that it faces, and are working to increase the value brought to the Town.

Temple Grading has successfully completed numerous utility projects throughout North Carolina, including projects for the Town of Angier demonstrating their capabilities and value to the Town.

As such, we recommend the Owner award this project to Temple Grading and Construction Company, Inc.. for the completion of this work in the amount of \$3,863,668.00. Please feel free to contact me directly at (919) 866-4508 with any questions or concerns.

Respectfully Submitted,

Daniel K. Peplinski, P.E.  
Senior Project Manager - Water Infrastructure

## Results of the RFP Process



- The Town received five (5) proposals from the following banks:
  1. First Bank
  2. Truist (*the bank resulting from the merger of SunTrust and BB&T*)
  3. Signature Public Funding
  4. Sterling National Bank
  5. Capital One

- The interest rates and prepayment provisions for each bank are summarized in the table and footnotes below:

Bank	2021A New Money		2021B USDA Refunding		2021C 2011 Refi	2021D 2017 Refi	Prepayment Provisions
	19 Years	15 Years	19 Years	15 Years			
First Bank	2.15% (BQ/NBQ)	2.15% (BQ/NBQ)	2.15% (BQ/NBQ)	2.15% (BQ/NBQ)	1.50%	1.50%	Anytime without penalty.
Truist	2.47% (BQ)	1.87% (BQ)	2.53% (BQ)	1.94% (BQ)	1.17%	2.04%	See Footnote 1
	2.60% (NBQ)	1.99% (NBQ)	2.66% (NBQ)	2.06% (NBQ)			
Signature	–	2.443%	–	2.443%	–	–	See Footnote 2
Sterling	2.46%	–	2.52%	–	–	–	See Footnote 3
Capital One	2.74%	–	2.79%	–	1.74%	2.54%	See Footnote 4

- 1) The 2021A, 2021B, and 2021D Bonds are prepayable in whole only either a) with a 1% penalty or b) non-callable for the first half of the term then prepayable without penalty. The 2021C Bond is prepayable in whole only with a 1% penalty.
- 2) Not prepayable prior to February 1, 2028. After this date, prepayable with a 3% penalty in 2028, a 2% penalty in 2029, a 1% penalty in 2030, and no penalty in 2031 and thereafter.
- 3) Non-callable in years 1-5, prepayable with a 1% penalty in years 6-8, and prepayable without penalty after year 8.
- 4) The 2021A, 2021B, 2021C and 2021D Bonds are non-callable until 2/1/31, 2/1/31, 2/1/24 and 2/1/27, respectively, and then callable in whole only on any interest payment date thereafter.

DAVENPORT & COMPANY

July 20, 2021

Town of Angier, North Carolina

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**New Business**



## Board of Commissioners Agenda Report

55 N Broad Street W.  
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www.angier.org

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**MEETING DATE:** July 20, 2021  
**PREPARED BY:** Gerry Vincent, Town Manager ICMA-CM  
**ISSUE** Supplemental & Amended Bond Order/Resolution Authorizing Refunding  
**CONSIDERED:** Bond  
**DEPARTMENT:** Administration

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**SUMMARY OF ISSUE:** There will be a presentation by Kyle Laux with Davenport & Company regarding the pump stations capacity improvements financing option and the refinancing/refunding option of existing USDA loans (Please see attached). The good news, local Angier banks were very aggressive with their submitted proposals, and we will continue to keep our business dealings locally.

Paul Jacobson, Bond Counsel with Sands Anderson, PC will present the Bond Order and the Resolution to refunding our existing debt.

**FINANCIAL IMPACT:** First Bank option will secure the new money to finance the upgrades to Pump Stations #1 & #6; and the Truist option will secure the refunding of USDA loans. The debt service has already been budgeted to cover the debt service for the new loan for FY22, and the refunding option with Truist will save the Town of Angier approximately \$1,262,944.

**RECOMMENDATION:** Authorize the Town Manager to proceed with the recommendation of Davenport & Company for the new money (First Bank) and refunding option (Truist). And, authorize approval of the Amended Bond Order and Resolution, as recommended by Paul Jacobson.

**REQUESTED MOTION:** I recommend authorizing the Town Manager to proceed with the recommendation of Davenport & Company for the new money (First Bank) and refunding option (Truist). And, authorize approval of the Amended Bond Order and Resolution, as recommended by Paul Jacobson.

**REVIEWED BY TOWN MANAGER:** *Gerry Vincent*

**Attachments:** *Presentation from Davenport & Co, Bond Order, Resolution and supplemental documents*

DAVENPORT & COMPANY

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# Town of Angier, North Carolina

## 2021 Revenue Bonds

Results of the RFP Process



July 20, 2021

Member NYSE | FINRA | SIPC

## Overview

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- Davenport analyzed the Town's existing Water and Sewer Utility debt profile for opportunities to refinance for savings purposes.
- Davenport's analysis identified the 2010 USDA Loan (4.125%) and 2012 USDA Loan (3.75%) as likely refinancing candidates in the current market.
  - In addition to lowering the interest rate on these loans, the Town also has the ability to shorten the final maturities without increasing the Town's utility debt payments versus the current loans.
- The Town has also identified the need to finance various Pump Station Projects.
- Davenport presented a proposed Plan of Finance for both the Refunding Opportunities and Pump Station Projects on May 18, 2021.
- As a follow up, Davenport, on behalf of the Town, distributed a competitive Request for Proposals (RFP) to local, regional, and national Banking Institutions to solicit proposals for a Direct Bank Loan(s) for the Refunding Opportunities and Pump Station Projects.
- In addition, the Town has received its project bids and the total construction costs associated with the Pump Station Projects are now known.

## Pump Station Projects Cost Update



- In early July, the Town received its construction bids for the Pump Station Projects. The winning bid provided for a total project cost of approximately \$3.8 million.
- The \$3.8 million project bid is approximately \$2.0 million higher than the preliminary planning estimate of \$1.8 million.
- Due to the higher project costs, Davenport and Town Staff are recommending a hybrid approach to funding the project which uses a mix of debt and expected American Rescue Plan Act ("ARPA") funding as summarized in the table below:

Pump Station Projects	
Funding Source	Amount
Loan Proceeds	\$3,241,083
ARPA Funding	\$625,000
<b>Total Funding</b>	<b>\$3,866,083</b>

- Based upon the Town's expected total ARPA funding allocation of \$1.5 million, the Town would have approximately \$875,000 in remaining ARPA dollars across the two expected tranches to use for other purposes after the above portion is used on the Pump Station Projects.

## 2021 Revenue Bond RFP



- The RFP for the 2021 Revenue Bonds requested proposals for the following:
  - Tax-Exempt Series 2021A (New Money)
    - New money financing for the Pump Station Projects
  - Tax-Exempt Series 2021B (Refunding)
    - Refunding of the 2010 (4.125% existing rate; approx. \$1.07 million outstanding) and 2012 (3.75% existing rate; approx. \$1.7 million outstanding) USDA Loans.
  - Taxable Series 2021C (Refunding)
    - Refunding of the 2011 Bond (3.57% existing rate; approx. \$520,000 outstanding).
  - Taxable Series 2021D (Refunding)
    - Refunding of the 2017 Note (2.77% existing rate; approx. \$1.2 million outstanding).

## Results of the RFP Process



- The Town received five (5) proposals from the following banks:

1. First Bank
2. Truist (the bank resulting from the merger of SunTrust and BB&T)
3. Signature Public Funding
4. Sterling National Bank
5. Capital One

- The interest rates and prepayment provisions for each bank are summarized in the table and footnotes below:

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- 4) The 2021A, 2021B, 2021C and 2021D Bonds are non-callable until 2/1/31, 2/1/31, 2/1/24 and 2/1/27, respectively, and then callable in whole only on any interest payment date thereafter.

## Recommended Borrowing Approach



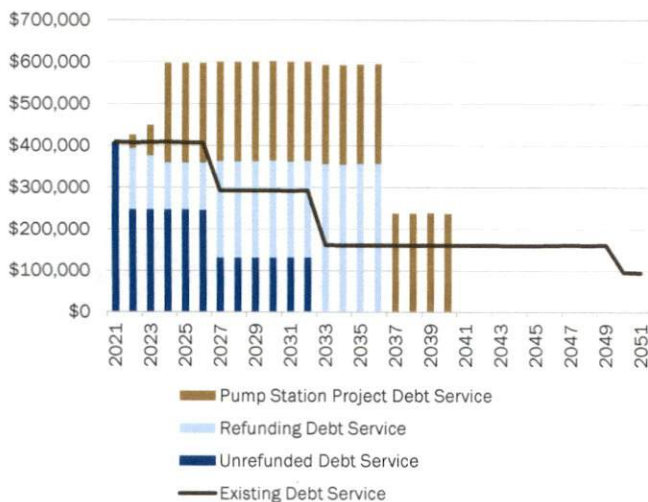
- Based upon the interest rates received, Davenport recommends that the Town proceed with the below borrowing approach for the Pump Station Project and refinancings:
  - 19 Year New Money and 15 Year Refinancing
    - 2021A – 19 Year Loan from First Bank (2.15%)
    - 2021B – 15 Year Loan from Truist (1.94%)
- The rationale for Davenport's recommended borrowing approach is as follows:
  - The 2.15% interest rate from First Bank is the lowest rate received for the 19 year New Money financing option and Truist's 1.94% interest rate is the lowest rate received for the 15 year USDA refinancing option;
  - Financing the New Money over 19 years will result in a lower budgetary cash flow impact to the Town due to the longer amortization term;
  - A 19 year borrowing term for the New Money will provide the Town greater flexibility to undertake additional borrowings in the future if necessary; and,
  - Refinancing the 2010 and 2012 USDA Loans over 15 years produces the highest total savings for the Town.
- Based on the proposals received, refundings of the 2011 Bond and 2017 Note do not produce sufficient savings (primarily due to prepayment provisions on the existing loans) so Davenport recommends that the Town forego the issuance of the 2021C and 2021D refunding bonds.

# New Money and Restructured Utility Fund Debt Service

## 19 Year New Money (First Bank) & 15 Year Refi (Truist)



Refunding Savings = \$1.26 million



### Summary of Refunded Debt

Par Amount Refunded	\$2,776,000
Average Interest Rate of Refunded Debt	3.89%
Final Maturity of Refunded Debt	6/1/2051
New All-In Interest Rate	2.32%
New Final Maturity	2/1/2036
PV Savings %	24.33%

	A	B	C	D	E = A-B+C+D	F = B - C
FY	Existing Utility Fund Debt Service	Refunded Debt Service	Refunding Debt Service	Pump Station Project Debt Service	Resulting Debt Service	Savings / Cost
Total	\$7,121,391	\$4,692,468	\$3,429,523	\$4,141,919	\$10,000,366	\$1,262,944
2021	408,516	-	-	-	408,516	-
2022	407,705	161,113	147,256	32,431	426,279	13,857
2023	408,211	161,046	129,757	72,068	448,990	31,289
2024	408,455	160,901	112,283	237,068	596,905	48,618
2025	407,438	160,678	112,119	237,521	596,400	48,559
2026	407,211	161,375	112,936	237,887	596,658	48,439
2027	292,040	160,956	231,713	237,168	599,964	(70,757)
2028	292,542	161,459	231,163	237,384	599,630	(69,704)
2029	291,928	160,845	231,555	237,514	600,152	(70,710)
2030	292,236	161,153	232,869	237,558	601,510	(71,716)
2031	291,427	160,344	231,086	237,516	599,685	(70,742)
2032	292,540	161,456	232,264	237,388	600,735	(70,808)
2033	161,411	161,411	356,345	237,174	593,519	(194,934)
2034	160,250	160,250	354,943	237,874	592,817	(194,693)
2035	161,010	161,010	356,444	237,466	593,910	(195,434)
2036	160,613	160,613	356,790	237,973	594,763	(196,178)
2037	161,099	161,099	-	237,372	237,372	161,099
2038	160,428	160,428	-	237,685	237,685	160,428
2039	160,640	160,640	-	237,890	237,890	160,640
2040	160,695	160,695	-	236,988	236,988	160,695
2041	160,593	160,593	-	-	-	160,593
2042	160,336	160,336	-	-	-	160,336
2043	159,923	159,923	-	-	-	159,923
2044	159,355	159,355	-	-	-	159,355
2045	159,630	159,630	-	-	-	159,630
2046	160,710	160,710	-	-	-	160,710
2047	161,554	161,554	-	-	-	161,554
2048	161,161	161,161	-	-	-	161,161
2049	161,574	161,574	-	-	-	161,574
2050	95,750	95,750	-	-	-	95,750
2051	94,413	94,413	-	-	-	94,413

Estimated results are preliminary and subject to change. Based on First Bank proposal of 2.15% for the 2021A Bond and Truist Proposal of 1.94% for the 2021B Bond received on June 30, 2021. Actual results may vary from these estimates.

## Next Steps



Date	Task
Tuesday, July 20	<p><u>Regularly Scheduled Meeting of the Board of Commissioners</u></p> <ul style="list-style-type: none"> <li>• <b>Recommendation of Construction Award to the Town (subject to financing).</b></li> <li>• Results of the RFP Process and recommendation are presented to the Board.</li> <li>• Board adopts Supplemental and Amended Bond Order for the Issuance of Water and Sewer Revenue Bonds.</li> <li>• Board adopts Resolution Approving Financing.</li> </ul>
Tuesday, August 3	<p><u>Regularly Scheduled Meeting of the LGC</u></p> <ul style="list-style-type: none"> <li>• The LGC approves the 2021 Revenue Bonds.</li> </ul>
On or before Friday, August 20	Close on the 2021 Revenue Bonds. Funds are available at this time.



Richmond — Headquarters

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DAVENPORT & COMPANY

July 20, 2021

Town of Angier, North Carolina 9

The Board of Commissioners for the Town of Angier, North Carolina, met in a regular meeting in the Public Library Building, 28 North Raleigh Street, Angier, North Carolina, the regular place of meeting, on July 20, 2021.

Present: \_\_\_\_\_

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

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

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

Also Present: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ introduced the following Supplemental and Amended Bond Order the title of which was read and copies of which had been previously distributed to each Commissioner:

SUPPLEMENTAL AND AMENDED BOND ORDER AUTHORIZING THE ISSUANCE OF WATER AND SEWER SYSTEM REVENUE BONDS TO PROVIDE FUNDS TO CONSTRUCT IMPROVEMENTS TO THE TOWN'S WATER AND SEWER SYSTEM AND ACQUIRE ENTITLEMENTS TO CAPACITY IN REGIONAL WATER AND SEWER SYSTEMS; PROVIDING FOR THE ISSUANCE OF ADDITIONAL REVENUE BONDS; PROVIDING FOR THE ISSUANCE OF REVENUE BOND ANTICIPATION NOTES IN ANTICIPATION OF THE ISSUANCE OF REVENUE BONDS; PROVIDING FOR THE COLLECTION OF SERVICE CHARGES FOR THE USE OF THE SYSTEM; PROVIDING FOR THE CREATION OF CERTAIN SPECIAL FUNDS; PLEDGING TO THE PAYMENT OF THE PRINCIPAL OF AND THE INTEREST ON THE REVENUE BONDS AND NOTES CERTAIN REVENUES OF THE SYSTEM; SETTING FORTH THE RIGHTS AND REMEDIES OF HOLDERS; AND SETTING FORTH THE DETAILS OF CERTAIN RELATED MATTERS

WHEREAS, the Town of Angier, North Carolina (the "Town") is authorized by The State and Local Government Revenue Bond Act to issue its revenue bonds to provide moneys for the acquisition, construction, reconstruction, extension, improvement or payment of the cost of one or more revenue bond projects, including water systems or facilities and sewage disposal systems or facilities; and

WHEREAS, the Town desires to finance and refinance the cost of acquisition, construction and renovation of improvements to the Town's water and sewer system; and

WHEREAS, the Town previously issued the Initial Bonds (as defined below) to finance the cost of the Initial Project (as defined below);

NOW, THEREFORE, BE IT ORDERED by the Town of Angier, North Carolina, as follows:

## ARTICLE I

### GENERAL PROVISIONS AND DEFINITIONS

Section 1.01. Contract with Holders. In consideration of the purchase and acceptance of the Bonds by those who shall hold the same from time to time, the provisions of this Bond Order shall be deemed to be and shall constitute a contract between the Town and the Holders from time to time of the Bonds; and the covenants and agreements herein set forth to be performed by or on behalf of the town shall be for the equal benefit, protection and security of the Holders of any and all of the Bonds so issued or to be issued, without preference, priority or distinction as to lien or otherwise, except as otherwise hereinafter provided, of any one Bond over any other Bond by reason of priority in the issue, sale or negotiation thereof, or otherwise.

Section 1.02. Definitions. The following words and terms as used in this Bond Order shall have the following meanings, unless some other meaning is manifestly intended:

"Act" means The State and Local Government Revenue Bond Act, constituting Article 5 of Chapter 159 of the General Statutes of North Carolina, as amended.

"Additional Bonds" means the Bonds referred to in Article III hereof.

"Annual Budget" means any budget or amended budget of Operating Expenses adopted or in effect pursuant to Section 7.08 of this Bond Order.

"Auditors" means the independent firm of certified public accountants that is employed by the Town to audit the Town's books and accounts at the end of each Fiscal Year.

"Board" means the Board of Commissioners of the Town of Angier, North Carolina, or the board or body in which the general legislative powers of the Town shall now or hereafter be vested.

"Bond" or "Bonds" means any bond or bonds authorized by this Bond Order and includes the bond anticipation notes authorized pursuant to Section 2.10, the Initial Bonds and any Additional Bonds issued in accordance with this Bond Order.

"Bondholder" or "Holder" or any similar term, when used with reference to a Bond or Bonds means any person who shall be the registered owner of any outstanding Bond or Bonds.

"Bond Order" means this Supplemental and Amended Bond Order, together with all orders amendatory hereof and all orders supplemental hereto as herein permitted.

"Bond Registrar" means the Finance Director of the Town or any successor as appointed by the Board.

"Clerk" means the Town Clerk or the officer succeeding to or exercising his principal functions and duties.

"Commission" means the Local Government Commission of North Carolina.

"Consulting Engineers" means an independent engineer or engineering firm at the time employed by the Town under the provisions of Section 7.06 to perform the functions and duties imposed on the Consulting Engineers by this Bond Order.

"Counsel" means an attorney or firm of attorneys selected by the Town.

"Debt Service Fund" means the fund created and so designated by Section 5.02.

"Debt Service Requirement" means with respect to Bonds in any Fiscal Year, the sum of (a) the amount required to pay the interest on the Bonds then outstanding which is payable in such Fiscal Year and (b) the amount required to pay the principal of the Bonds then outstanding which is payable in such Fiscal Year, the computation of such amount to be based on the assumption that (i) the Bonds at the time outstanding will be returned according to their stated maturities or mandatory redemption requirements, (ii) any bond anticipation notes issued pursuant to this Bond Order and maturing during such Fiscal Year will be refunded with additional bonds such that the principal amount of such bond anticipation notes is not due and payable by the Town from Net Revenues in such fiscal Year and (iii) if the Bonds bear interest at a variable rate, the rate is the ceiling rate.

"Debt Service Reserve Account" means a debt service reserve account, if any, created within the Debt Service Reserve Fund by a Series Resolution as a debt service reserve account only for the particular Bonds authorized thereby.

"Debt Service Reserve Fund" means the fund create and so designated by Section 5.02 of this Bond Order.

"Defeasance Obligations" means noncallable Government Obligations.

"Depository" means any bank or trust company duly authorized under the laws of the United States of America or the State of North Carolina to engage in the banking business with said State and designated by the Board as a depository of moneys under the provisions of this Bond Order.

"Finance Director" means the Finance Director of the Town or the officer succeeding to his principal functions and duties.

"Fiscal Year" means the period of twelve months commencing on July 1 of any year and ending on June 30 of the following year.

"Government Obligations" means direct obligations of, or obligations the principal of and the interest on which are fully and unconditionally guaranteed by, the United States of America in either certificated or book entry form.

"Identifiable Bondholder" means any Holder who shall have filed with the Bond Registrar a request in writing setting forth such Holder's name and address and the particular reports, notices or other documents which the Holder desires to receive and which shall be mailed to the Holder under the provisions of this Bond Order.

"Initial Bonds" means the Bonds authorized under Section 2.01 of the Original Bond Order.

"Initial Project" means Project as defined in the Original Bond Order.

"Mayor" means the Mayor of the Town or the officer succeeding to or exercising his or her principal functions and duties.

"Net Revenues" means the Revenues received by the Town during any period less the Operating Expenses for such Fiscal Year.

"Operating Expenses" means the Town's reasonable and necessary current expenses of maintaining, repairing and operating the System, including, without limiting the generality of the foregoing, all administrative, general and commercial expenses, insurance and surety bond premiums, payments for the billing and collection of Service Charges, architectural and engineering expenses, fees and expenses of the Bond Registrar and the Bond Registrar, legal expenses, any taxes which may be lawfully imposed on the Town or its income or operations or the property under its control, ordinary and current rentals of equipment or other property, usual expenses of maintenance and repair, and any other current expenses required to be paid by the Town under the provision of this Bond Order or by law, all to the extent property and directly attributable to the System, but not including any reserves for operation, maintenance or repair or any allowance for depreciation, amortization, interest or similar charges.

"Original Bond Order" means the Bond Order adopted by the Town Board of Commissioners on February 9, 2009 that authorized the issuance of the Initial Bonds under Section 2.01 of the Original Bond Order.

"Qualified Investments" means any investments of political subdivisions of the state permitted under Section 159-30 of the General Statutes of North Carolina, as amended, or any successor provision.

"Revenue Bond Project" shall mean revenue bond project as defined in the Act.

"Revenue Fund" means the fund created and so designated by Section 5.02 of this Bond Order.

"Revenues" means all income received by the Town from, in connection with, or as a result of, its ownership or operation of the System, including all moneys received in payment of rates, fees and other charges for the use of and for the services furnished by the System and investment income, but excluding the proceeds of any borrowing for payment of the costs of, or grants or donations intended for, specific System Improvements.

"Secretary" means the Secretary of the Commission or his or her designated assistant.

"Series Debt Service Reserve Account Requirement" means an amount equal to the maximum Debt Service Requirement for any Fiscal Year as to any Bonds secured by a Debt Service Reserve Account.

"Series Resolution" means the resolution of the Board providing for the issuance of any Bonds or Notes and fixing the details thereof.

"Service Charges" means rates, fees and charges, including service, connection and other charges, for the use of, and for the services and facilities furnished or to be furnished by the System, as prescribed or fixed by the Board.

"State" means the State of North Carolina.

"State Treasurer" means the Treasurer of the State of North Carolina or his designated assistant.

"Subordinated Indebtedness" means indebtedness the terms of which shall provide that it shall be subordinate and junior in right of payment to the prior payment in full of the Bonds. For purposes of this Bond Order, obligations or debt instruments issued to the State as part of the State Revolving Loan Program or State Clean Water Bond Program are deemed to be Subordinated Indebtedness.

"Subordinated Indebtedness Debt Service Requirement" means, with respect to Subordinated Indebtedness in any Fiscal Year, the sum of (a) the amount required to pay the interest on the Subordinated Indebtedness then outstanding which is payable in such Fiscal Year and (b) the amount required to pay the principal of the Subordinated Indebtedness then outstanding which is payable in such Fiscal Year, the computation of such amount to be based on the assumption that (i) the Subordinated Indebtedness at the time outstanding will be retired according to its stated maturity or mandatory redemption requirements and (ii) if the Subordinated Indebtedness bears interest at a variable rate, the rate is the ceiling rate.

"Surplus Fund" means the fund created and so designated by Section 5.02 of this Bond Order.

"System" means any water and sewer system facilities and improvements owned or operated by the Town.

"System Improvements" means any construction, reconstruction, improvement, enlargement, betterment or extension of the System, including all plants, works, instrumentalities and properties used or useful in collecting, treating, pumping and distributing water or in the collection, treatment, purification or disposal of sewage.

"System Indebtedness" means all obligations other than Bonds or Subordinated Indebtedness incurred or assumed by the Town in connection with money borrowed for or a capital lease entered into for any Revenue Bond Project that is or will become a part of the System.

"Town Representative" means the person or persons designated to act on behalf of the Town by written certificate of the Board signed by the Mayor and furnished to the Bond Registrar and the Depositary containing the specimen signature of such person or persons.

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, the words "bond," "owner," "Holder" and "person" shall include corporations and associations, including public bodies, as well as natural persons.

## ARTICLE II

### AUTHORIZATION OF INITIAL PROJECT AND INITIAL BONDS; TERMS, EXECUTION, AUTHENTICATION, DELIVERY AND REGISTRATION OF BONDS

Section 2.01 Authorization of Initial Project and Initial Bonds. The Town has issued, in accordance with and pursuant to the Act and the Original Bond Order, the Initial Bonds in an aggregate principal amount of \$3,161,000 for the purpose of providing funds, together with other available funds, to finance the cost of the Initial Project. The Town anticipates issuing, in accordance with and pursuant to the Act and this Supplemental and Amended Bond Order, Additional Bonds for purposes including refunding and prepaying the Initial Bonds in full. The terms of the Original Bond Order shall apply to the Initial Bonds and the terms of this Supplemental and Amended Bond Order shall apply to such Additional Bonds and any future Additional Bonds.

Section 2.02 Character of Bonds. The Bonds shall be special obligations of the Town payable solely from the Net Revenues.

Section 2.03 Terms of Bonds. The Bonds are issuable as fully registered bonds. The Bonds shall be dated, shall bear interest until their payment, such interest to the maturity thereof being payable at such rate or rates and at such time or times, and shall be stated to mature (subject to the right of prior redemption) at such times as set forth in the Series Resolution providing for the issuance of the Bonds. Both principal of and interest on the Bonds shall be paid by check, wire transfer or other payment method as directed in writing by the Holder thereof. Each Bond shall be payable with respect to principal, redemption premium if any, and interest, in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts. The Bonds shall be redeemable prior to their respective maturities as provided in Article IV hereof and as additionally provided in the Series Resolution providing for the issuance of the Bonds.

Section 2.04. Execution of Bonds. Each Bond shall be executed in the name of the Town by manual or facsimile signatures of the mayor and the Clerk and shall have impressed or printed thereon the official seal of the Town or a facsimile thereof; provided, however, that at least one manual signature must appear on each Bond (which may be the signature of the Secretary to the Commission's certificate). Any Bond may be signed, sealed or attested on behalf of the Town by any person who, at the date of such act, shall hold the proper office, notwithstanding that at the date of such Bond or the date of delivery thereof such person shall not have held such office. In

case any officer who shall have signed or sealed any of the bonds shall cease to be such officer of the Town before the Bonds so signed or sealed shall have been delivered, such Bonds may nevertheless be delivered as herein provided as if the person who so signed or sealed such Bonds had not ceased to be such officer.

Section 2.05 Registration and Transfer of Bonds. The Town shall cause books for the registration of and for the registration of transfers of the Bonds as provided in this Bond Order to be kept by the Bond Registrar. The transfer of any Bond shall be registered upon the books kept for the registration of and registration of transfers of the Bonds upon surrender thereof to the Bond Registrar together with an assignment duly executed by the Holder or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Town shall execute and the Bond Registrar shall authenticate and deliver in exchange for such Bond a new Bond of the same series registered in the name of the transferee in an aggregate principal amount equal to the unpaid principal amount of such Bond, having maturities corresponding to the principal installments of said Bond and bearing interest at the same rate.

In all cases in which the Bonds shall be transferred hereunder, the Town shall execute, the Bond Registrar shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of this Bond Order. The Town and the Bond Registrar may make a charge for every such transfer of Bonds sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to such transfer. Neither the Town nor the Bond Registrar shall be required to make any such registration of transfer of Bonds during the fifteen (15) days immediately preceding an interest payment date on the bonds or in the case of any proposed redemption of Bonds, immediately preceding the date of mailing of notice of such redemption, or after such Bond or any portion thereof has been selected for redemption.

Any transfer of a Bond shall only be to any bank, insurance company or similar financial institution or to any other entity approved by the commission, or to a trust created to hold a pool of such obligations. Transfer of a Bond by any subsequent Holder may also only be to a bank, insurance company or similar financial institution or to any other entity approved by the Commission.

Section 2.06. Ownership of Bonds. 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 and the interest on any such Bond shall be made only to the Holder 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.

Section 2.07. Mutilated, Destroyed, Stolen or Lost Bonds. In case any outstanding Bond shall become mutilated or be destroyed, stolen or lost, the Town may prepare and cause to be executed, authenticated and delivered a new Bond of like tenor, number and amount as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond and upon surrender of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, upon the owner furnishing to the satisfaction of the Bond Registrar, the Commission and

the Town evidence that such Bond has been destroyed, stolen or lost, proof of the ownership thereof, a surety Bond or other indemnification instrument in twice the face amount of the Bond or in such other amount required by applicable law, payment of the cost of preparing and issuing any new Bonds, including the reasonable expenses and charges of the Town and the Bond Registrar in connection therewith and evidence of compliance with such other reasonable regulations as the Bond Registrar and Board may prescribe. All Bonds surrendered hereunder shall be surrendered to the Bond Registrar and shall be cancelled. All Bonds issued in accordance with this Section shall be signed by the Mayor and the Clerk who are in office at the time and shall contain a recital to the effect that they are issued in exchange for or in place of certain Bonds and are to be deemed a part of the same series as such Bonds.

Section 2.08 [Reserved]

Section 2.09. [Reserved]

Section 2.10 Issuance of Revenue Bond Anticipation Notes. The Town is authorized to issue, in anticipation of the receipt of the net proceeds of any Bonds, Revenue Bond Anticipation Notes for the purpose of providing funds to pay the cost of any System Improvements ("Bond Anticipation Notes"). The payment of the principal of, redemption premium, if any, and interest on said notes shall be secured by a pledge, charge and lien upon the proceeds of any Bonds, if and when issued, and by the pledge of the Net Revenues pursuant to Section 5.03. The Revenues, as received by the Town, shall immediately be subject to the lien of the pledge of the Net Revenues without any physical delivery thereof or further act. All covenants, obligations and agreements of the Town contained in this Bond Order shall be deemed to be covenants, obligations and agreements of the Town with the Holders of any notes hereafter issued.

## ARTICLE III

### ADDITIONAL BONDS

Section 3.01. Refunding of Outstanding Bonds. The Town may, in accordance with the Act and the provisions of this Section, issue, from time to time, bonds or bond anticipation notes (herein referred to as "Additional Bonds") which shall be payable from Net Revenues for the purpose of refunding all or any portion of the Initial Bonds, any Additional Bonds or System Indebtedness. Except as to any difference in the maturities thereof or in the rate or rates of interest or the provisions for redemption, such refunding obligations shall be on a parity with and shall be entitled to the same benefit and security of this Bond Order as other Bonds. The Bond Registrar shall not deliver any Additional Bonds for this purpose unless theretofore or simultaneously therewith there shall have been filed with the Bond Registrar the following:

(a) a copy, certified by the Clerk to be a true and correct copy, of the Series Resolution authorizing the issuance of the Additional Bonds and prescribing the details thereof;

(b) a certificate of the Commission showing the award of the Additional Bonds and specifying the interest rate or rates thereof;

(c) a copy, certified by the Clerk to be a true and correct copy, of the resolution (which may be incorporated in the Series Resolution) of the Board directing the delivery of the Additional Bonds to or upon the order of the purchasers therein named upon payment of the purchase price therein set forth;

(d) an opinion of Counsel, subject to the usual qualifications, to the effect that the issuance of the Additional Bonds has been duly authorized and that all conditions precedent to the delivery of the Additional Bonds have been fulfilled;

(e) a certificate, signed by the Town Representative stating that the Town is in compliance with all covenants and undertakings in connection with all outstanding Bonds; and

(f) such documents as shall be required by the Bond Registrar to evidence that provision has been satisfactorily made for the redemption of the Bonds to be refunded.

When the documents mentioned in clauses (a) to (f), inclusive, of this Section shall have been filed with the Bond Registrar and when said Additional Bonds shall have been executed as required by this Bond Order, the Bond Registrar shall deliver said Additional Bonds to or upon the order of the purchasers thereof, but only upon payment to the State Treasurer of the purchase price of said Additional Bonds.

Section 3.02. Financing of System Improvements. The Town may, in accordance with the Act and the provisions of this Section, issue, from time to time, bonds or bond anticipation notes (herein referred to as "Additional Bonds"), which shall be payable from Net Revenues for the purpose of financing System Improvements. Except as to any difference in the maturities thereof or in the rate or rates of interest or the provisions for redemption, such obligations shall be on a

parity with and shall be entitled to the same benefit and security of this Bond Order as all other Bonds. The Bond Registrar shall not deliver any Additional Bonds for this purpose unless theretofore or simultaneously therewith there shall have been filed with the Bond Registrar, the following:

(a) a copy, certified by the Clerk to be a true and correct copy, of the Series Resolution authorizing the issuance of the Additional Bonds and prescribing the details thereof and providing that the System Improvements to be financed with the proceeds thereof are thereby made a part of the System;

(b) a certificate of the Commission showing the award of said Additional Bonds and specifying the interest rate or rates thereof;

(c) a copy, certified by the Clerk to be a true and correct copy, of the resolution (which may be incorporated in the Series Resolution) of the Board directing the delivery of said Additional Bonds to or upon the order of the purchasers therein named upon payment of the purchase price therein set forth;

(d) an opinion of Counsel, subject to the usual qualifications, to the effect that the issuance of said Additional Bonds has been duly authorized and that all conditions precedent to the delivery of said Additional Bonds have been fulfilled;

(e) a certificate, signed by the Town Representative stating that the Town is in compliance with all covenants and undertakings in connection with all outstanding Bonds;

(f) a certificate, signed by the Town Representative stating that all payments required by Section 5.05 into the Debt Service Fund and into any Debt Service Reserve Account prior to the beginning of the month during which the Additional Bonds are issued have been made;

(g) a certificate, signed by the Town Representative, stating that the Net Revenues for each of the two complete Fiscal Years next preceding the issuance of the proposed Additional Bonds were equal to at least 110% of the average annual requirements for principal and interest on all Bonds then outstanding; and

(h) a statement, signed by the Town Representative, to the effect that the estimated Net Revenues for the first two Fiscal Years following the Fiscal Year in which the System Improvements being financed will be placed in service will be at least 110% of the average annual requirements for principal and interest on all outstanding Bonds, including the proposed Additional Bonds.

To the extent that Additional Bonds are Bond Anticipation Notes, for purposes of subsection (g) and subsection (h) above, the Town Representative may assume that the Bond Anticipation Notes are amortized over twenty-five years on a level debt service basis.

Section 3.03. Approval by Local Government Commission. Additional Bonds shall not be issued unless they are approved and sold by the Commission and until the Secretary shall have endorsed thereon a certificate evidencing approval in accordance with the Act.

## ARTICLE IV

### REDEMPTION OF BONDS BEFORE MATURITY

Section 4.01. Terms and Conditions. The Bonds, and the respective installments of principal corresponding thereto, shall be subject to redemption, both in whole and in part, at such times and prices, as may be provided by the Series Resolution authorizing the issuance of such Bonds.

Section 4.02. Notice of Redemption and Prepayment. Whenever the Town shall elect to redeem Bonds notice thereof, stating the redemption date and place of payment and identifying the Bonds by reference to their numbers and further stating that on such redemption date there shall become due and payable upon each Bond so to be redeemed the principal thereof and the redemption premium, if any, together with the interest accrued to the redemption date and that from and after such date interest thereon shall cease to accrue, shall be given as may be provided by the Series Resolution authorizing the issuance of such Bonds. Any redemption notice may state that the redemption to be effected is conditioned upon the receipt by the Town on or prior to the redemption date of moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed and that if such moneys are not so received such notice shall be of no force or effect and such Bonds shall not be required to be redeemed.

Section 4.03. Payment of Redeemed Bonds. Notice having been given in the manner provided, the Bonds so called for redemption shall become due and payable on the redemption date so designated at the redemption price set forth in said notice. Upon presentation and surrender of the Bonds so called for redemption at the place of payment specified in said notice, together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the Holder or his duly authorized attorney, such Bonds shall be paid at the aforementioned redemption price. In case part but not all of an outstanding bond shall be selected for redemption, the Holder thereof or his attorney or legal representative shall present and surrender such Bond to the Bond Registrar for payment of the applicable redemption price and the Town shall execute and the Bond Registrar shall authenticate and deliver to or upon the order of such Holder or his legal representative, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a registered Bond of the same series and maturity, bearing interest at the same rate and of any authorized denomination.

If, on the redemption date, moneys for payment of the redemption price of all the Bonds to be redeemed shall be available therefor at the place of payment specified in the notice of redemption, then from and after the redemption date, the Bonds or the installments of principal thereof so called for redemption shall cease to bear interest. All moneys held for the redemption of particular Bond or for the prepayment of particular installments thereof shall be held in trust for the account of the Holders of the Bonds so to be redeemed or prepaid.

If said moneys shall not be so available on the redemption date, said Bonds shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

Section 4.04. Cancellation of Redeemed Bonds. All Bonds redeemed prior to maturity shall be cancelled forthwith.

## ARTICLE V

### REVENUES AND FUNDS

Section 5.01. Rates and Charges. The Town covenants and agrees that, subject to any applicable requirements of law or regulations, it will fix Service Charges and from time to time to revise such Service Charges in such manner that the Net Revenues for each Fiscal Year shall not be less than one hundred ten percent (110%) of the Debt Service Requirement for such Fiscal Year and one hundred percent (100%) of the Subordinated Indebtedness Debt Service Requirement for such Fiscal Year.

The Town covenants that it will not reduce the Service Charges unless the Revenues after any such reduction of Service Charges will, in the opinion of the Consulting Engineers, be not less in each subsequent Fiscal Year than the total of the amounts referred to in subdivision (c) of this Section and further that it will not reduce the Service Charges unless:

(a) all deposits shall have been made to the credit of the Debt Service Fund or with respect to debt service which are required by this Article to have been made prior to the time of such reduction;

(b) the amount then on deposit to the credit of any Debt Service Reserve Account shall be not less than the applicable Series Debt Service Reserve Account Requirement;

(c) the total amount of the Revenues during the preceding Fiscal Year shall have been not less than the total of the following:

(1) the Operating Expenses during the current Fiscal Year as shown by the Annual Budget for such Fiscal Year, and

(2) one hundred ten per centum (110%) of the maximum Debt Service Requirement for any Fiscal Year thereafter; and

(3) one hundred per centum (100%) of the maximum Subordinated Indebtedness Debt Service Requirement for any Fiscal Year thereafter;

(d) the Revenues after any such reduction of Service Charges will, in the opinion of the Consulting Engineers, be not less in the then current Fiscal Year and in each subsequent Fiscal Year than the total of the amounts referred to in subdivision (c) of this Section.

Forthwith upon the adoption of any revision of the Service Charges, the Town will cause certified copies thereof to be filed with the Consulting Engineers and the Commission and mailed, upon request, to each Identifiable Bondholder.

The Town further covenants that if the Revenues in any Fiscal Year shall be less than the total amount set forth in the first paragraph of this Section, the Town will immediately request the Consulting Engineers to make their recommendations regarding revision of the schedule of Service Charges and improvements in the operation of or services rendered by the System, and

copies of such request and of the recommendations of the Consulting Engineers shall be filed with the Commission and mailed by the Clerk, upon request, to each Identifiable Bondholder. Anything in this Bond Order to the contrary notwithstanding, if the Town shall substantially comply with all the recommendations, of the Consulting Engineers respecting the schedule of Service Charges and improvements in the operation of or services rendered by the System, it will not constitute an event of default under this Bond Order if the Net Revenues shall be less than the amount set forth in the first paragraph of the Section; provided, however, that such Net Revenues are sufficient to meet the Debt Service Requirement.

Section 5.02. Creation of Funds and Accounts. There are hereby created the following designated special funds and accounts: (a) Town of Angier Sanitary Sewer System Revenue Fund (hereinafter called the "Revenue Fund"); (b) Town of Angier Sanitary Sewer System Debt Service Fund (hereinafter called the "Debt Service Fund"); (c) Town of Angier Sanitary Sewer System Debt Service Reserve Fund (hereinafter called the "Debt Service Reserve Fund"); and (d) Town of Angier Sanitary Sewer System Surplus Fund (hereinafter called the "Surplus Fund"). The moneys in each Fund and Account shall be held by the Town in trust with a Depositary and applied as hereinafter provided in this Article. A Debt Service Reserve Account shall be created within the Debt Service Reserve Fund only if authorized by a particular Series Resolution. Each Fund and Account shall be maintained as long as any of the Bonds are outstanding.

Section 5.03. Pledge of Net Revenues. The Town hereby pledges the Net Revenues to secure the payment of the principal of, redemption premium, if any, and interest on the Bonds. The Revenues, as received by the Town, shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act and the lien of this pledge shall have priority over any or all other obligations and liabilities of the Town, including any general obligation bonds, or notes issued in anticipation thereof, heretofore or hereafter issued by the Town for the purpose of providing sewer systems or facilities and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Town irrespective of whether such parties have notice thereof.

Section 5.04. Application of Revenues Received by the Town. All Revenues collected by or on behalf of the Town shall be deposited by the Town as soon as practicable following the receipt thereof and held by the Depositary in the Revenue Fund. The Town shall pay from the moneys in the Revenue Fund, among other things, Operating Expenses in accordance with the Annual Budget, Debt Service Requirements with respect to the Bonds in each Fiscal Year, and the purchase or redemption price of the Bonds. The Town shall also deposit to any Debt Service Reserve Account an amount in each month equal to the deposits to any Debt Service Reserve Account required pursuant to Section 5.05(b) hereof.

Section 5.05. Withdrawals from the Revenue Fund. Operating Expenses shall be paid by the Town from the Revenue Fund as the same become due and payable in conformity with the applicable budgetary and payment procedures of the Town. Additionally, the Town shall, on or before the 20th day of each month, withdraw from the Revenue Fund an amount equal to the amount of all moneys held for the credit of said Fund on the last day of the preceding month and deposit such sum to the credit of the following Funds in the following order:

(a) to the credit of the Debt Service Fund, such amount thereof (or the entire sum so withdrawn if less than the required amount) as may be required to make the total amount then to the credit of such Fund equal to the amount of interest then or to become within the next ensuing twelve (12) months due and payable on the Bonds then outstanding and the amount of principal of the Bonds then or to become within the next ensuing twelve (12) months due and payable;

(b) to the credit of any Debt Service Reserve Account, until the amount on deposit therein is equal to the applicable Series Debt Service Reserve Account Requirement, an amount equal to 1/12 of the applicable Series Debt Service Reserve Requirement; and

(c) to the credit of the Surplus Fund the balance, if any, remaining after making the deposits under clauses (a) and (b) above;

Provided, however, that if the amount so deposited in any month to the credit of any Fund or Account mentioned in Section 5.05 hereof shall be less than the required amount, the requirement therefor shall nevertheless be cumulative and the amount of any deficiency in any month shall be added to the amount otherwise required to be deposited to the credit of such Fund or Account in each month thereafter until such time as such deficiency shall be made up.

Section 5.06. Application of Moneys in Debt Service Fund. All moneys in the Debt Service Fund shall be held in trust for the payment of the principal of and the interest on the Bonds and no amount shall be withdrawn from or paid out of such Fund except as provided herein. The Town shall, from time to time, withdraw from the Debt Service Fund and (1) remit by mail or wire transfer to the Holder of each Bond the amount required for paying interest upon such Bond as such interest becomes due, and (2) set aside in trust an amount equal to the amount of, and for the sole and exclusive purpose of thereafter paying the principal of all Bonds as such principal becomes due.

Section 5.07. Application of Moneys in Debt Service Reserve Account. Moneys held for the credit of any Debt Service Reserve Account shall be used for the purpose of paying interest on the applicable Bonds and maturing principal of applicable Bonds whenever and to the extent that the moneys held for the credit of the Debt Service Fund shall be insufficient for such purpose, and the Town shall transfer funds from the applicable Debt Service Reserve Account to the Debt Service Fund as necessary to make such payments. Any moneys so withdrawn from such Account shall be restored from available moneys in the Revenue Fund, subject to the same conditions as are prescribed for deposits to the credit of such Account under the provisions of Section 5.05 hereof. If at any time the moneys held for the credit of any Debt Service Reserve Account shall exceed the requirement for such Fund under the provisions of clause (b) of Section 5.05 hereof, such excess may be transferred by the credit of the Surplus Fund.

Section 5.08. Application of Surplus Fund. If, at any time, the amount available in the Revenue Fund is or has been insufficient to make required payments into the Debt Service Fund or any Debt Service Reserve Account, the Town shall withdraw from the Surplus Fund, to the extent the moneys therein are available, and pay into the Revenue Fund, such amount as is required to remedy such deficiency.

Moneys held for the credit of the Surplus Fund and not at the time required to be so withdrawn from such Fund may be withdrawn and applied by the Town, without accounting therefor to the Holders, for any lawful purpose, including, without limitation, to pay debt service on general obligation indebtedness of the Town.

Section 5.09. Unclaimed Moneys. All moneys which the Town shall have withdrawn from the Debt Service Fund and any Debt Service Reserve Account or shall have received from any other source and set aside for the purpose of paying any of the Bonds hereby secured, either at the maturity thereof or upon call for redemption shall be held in trust for the respective Holders of such Bonds. Any moneys which shall be set aside and which shall remain unclaimed by the Holders of such Bonds for the period of five years after the date on which such Bonds shall have become payable shall be treated as abandoned property pursuant to the provisions of G.S. 116B-53, and the Town shall report and remit this property to the Escheat Fund according to the requirements of Article 1 of Chapter 116B of the North Carolina General Statutes. Thereafter the Holders of such Bonds shall look only to the Escheat Fund for payment and then only to the extent of the amounts so received without any interest thereon, and the Town shall have no responsibility with respect to such moneys.

Section 5.10. Cancellation. All Bonds paid, redeemed or purchased either at or before maturity, shall, at the direction of the Town, be delivered to the Bond Registrar or to the Town when such payment, redemption or purchase is made and such Bonds shall thereupon be cancelled. All Bonds cancelled under any of the provisions of this Bond Order shall be destroyed by the Bond Registrar which shall execute a certificate in duplicate describing the Bonds so destroyed, and one executed certificate shall be filed with the Town and the second executed certificate shall be retained by the Bond Registrar.

## ARTICLE VI

### SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 6.01. Security for Deposits. All moneys deposited with the Town or any other Depositary designated by the Board hereunder in excess of the amount guaranteed by the Federal Deposit Insurance Corporation or other Federal agency shall be continuously secured, for the benefit of the Town and the Holders of the Bonds, in such manner as may then be required or permitted by applicable state or Federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds, including applicable regulations of the Commission.

Section 6.02. Investment of Funds. Moneys held for the credit of the Revenue Fund, the Debt Service Fund and the Surplus Fund shall, as nearly as may be practicable, be continuously invested and reinvested in Qualified Investments which shall mature, or which shall be subject to redemption by the holder thereof at the option of such holder, not later than the respective dates when the moneys held for the credit of each such Fund or Account will be required for the purposes intended. Moneys held for the credit of the Debt Service Reserve Fund shall, as nearly as may be practicable, be continuously invested and reinvested in Qualified Investments which shall mature, or which shall be subject to redemption by the holder thereof at the option of such holder, not later than three years after the date of such investment. Obligations and certificates of deposit purchased as investments of moneys in any such Fund or Account shall be deemed at all times to be part of such Fund or Account, and the interest accruing thereon and any profit realized therefrom shall be credited to such Fund or Account, and any loss resulting therefrom shall be charged to such Fund or Account. The Town shall sell at the best price obtainable or present for redemption any obligations so purchased whenever it shall be necessary so to do in order to provide moneys to meet any payment or transfer from any such Fund or Account. Neither the Town nor the Town Representative shall be liable or responsible for any loss resulting from any such investment. For the purpose of determining the amount on deposit to the credit of any such Fund or Account, obligations in which moneys in such Fund or Account have been invested shall be valued at the lower of cost or market.

## ARTICLE VII

### PARTICULAR COVENANTS

Section 7.01. Payment of Bonds and Observance of Covenants. The Town covenants that it will promptly pay the principal of and the interest on every Bond issued under the provisions of this Bond Order at the places, on the dates and in the manner provided herein and in said Bonds and any premium required for the retirement of said Bonds by purchase or redemption, according to the true intent and meaning thereof. Except as in this Bond Order otherwise provided, the principal, interest and premiums are payable solely from Net Revenues, which are hereby pledged to the payment thereof in the manner and to the extent hereinabove particularly specified, and nothing in the Bonds or in this Bond Order shall be construed as obligating the Town to pay the Bonds or the interest thereon except from Net Revenues or as pledging the faith and credit of the Town or as obligating the Town, directly or indirectly or contingently, to levy or to pledge any form of ad valorem tax whatever therefor. The Town covenants that it shall faithfully do and perform and at all times fully observe any and all covenants, undertakings, stipulations and provisions contained herein or in the Bonds.

Section 7.02. Construction of System Improvements. The Town covenants that it will forthwith diligently proceed to complete any System Improvements in accordance with plans and specifications which shall have been approved by the Consulting Engineers and in conformity with law and all requirements of all governmental authorities having jurisdiction thereover, and that it will complete such construction with all expedition practicable.

The Town further covenants and agrees that it will require each person, firm or corporation with whom it may contract for labor or materials in connection with the construction of any System Improvements to furnish a performance bond as required by law to insure completion and performance of such contract, or, in lieu thereof, to deposit with the Depositary marketable securities having a market value equal to the amount of such contract and eligible as security for the deposit of trust funds under regulations of the Comptroller of the Currency of the United States, and to carry such workmen's compensation or employers' liability insurance as may be required by law and such builders, risk insurance, if any, as may be required by the Consulting Engineers. The Town further covenants and agrees that in the event of any default under any such contract and the failure of the surety to complete the contract, the proceeds of any such performance bond or securities shall forthwith, upon receipt of such proceeds, be applied toward the completion of the contract in connection with which such performance bond or securities shall have been furnished.

Section 7.03. Operation and Maintenance of System. The Town covenants that it shall at all times operate the System properly and in a sound and economical manner, and shall maintain, preserve and keep the same properly or cause the same to be so maintained, preserved and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make or cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation of the System may be properly and advantageously conducted.

Section 7.04. Rules, Regulations and Other Details. The Town covenants that it shall establish and shall enforce reasonable rules and regulations governing the operation, use and services of the System and that all compensations, salaries, fees and wages paid by the Town in connection with the maintenance, repair and operation of the System shall be reasonable. The Town shall observe and perform or shall cause to be observed and performed all of the terms and conditions contained in the Act, and shall comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the System or the Town.

The Town further covenants that:

(a) it may require the owner, tenant or occupant of each lot or parcel of land within the Town who is obligated to pay rates, fees or charges for the services and facilities furnished by the System to make a reasonable deposit with the Town in advance to insure the payment of such rates, fees or charges and to be subject to application to the payment thereof if and when delinquent;

(b) if any rates, fees or charges for the services and facilities furnished by the System shall not be paid within thirty days after the same shall become due and payable, the Town shall at the expiration of such thirty day period disconnect the premises from the System, and the Town may proceed to recover by appropriate legal action the amount of any such delinquent rates, fees or charges;

(c) it will not render, or cause to be rendered, any free services of any nature by the System nor will preferential rates be established for users of the same class; and

(d) to the extent legally allowed, it will not consent to the furnishing of, or permit any person whatsoever to furnish, water services within the Town except in those municipalities which on the date of adoption of the Bond Order operate their own sewer systems or in areas wherein the System is unable economically to serve the occupants and properties.

Section 7.05. Payment of Lawful Charges; Liens on the System. The Town covenants that, from Revenues, it will pay all taxes and assessments or other municipal or governmental charges lawfully levied or assessed upon or in respect of the System or upon any part and that, from such Revenues, it will pay or cause to be discharged, or will make adequate provision to satisfy and discharge, within sixty days after the same shall accrue, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the System or any part thereof or upon such Revenues; provided, however, that nothing in this Section contained shall require the Town to pay or cause to be discharged, or make provision for, any such lien or charge so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings. Notwithstanding the foregoing, the Town may create or permit to be created a lien on a portion or portions of the System in order to secure the issuance of System Indebtedness as long as the Finance Director certifies at the time of the creation of the lien that (1) loss of the property secured by the lien will not materially adversely affect the ability of the Town to meet its financial obligations under this Bond Order, including the ability of the Town to meet its rate covenant set forth in Article V herein, and (2) the current value of all parts of the System subject to a lien securing System Indebtedness, including property which may be added to the

System as a result of issuance of the proposed System Indebtedness, does not exceed 25% of the current value of the System's tangible assets. The Town will not otherwise create or permit to be created any lien or charge on the System.

Section 7.06 Insurance and Reconstruction. The Town covenants that it will obtain and maintain insurance, with reasonable terms, conditions, provisions and costs, which the Town Representative determines will afford adequate protection against such risks as are customarily insured against in connection with the operation of sewer systems of type and size comparable to the System. All such insurance policies shall be carried in an insurance company or companies authorized and qualified under the laws of the State of North Carolina to assume the risks thereof.

The proceeds of all such insurance covering damage to or destruction of the System shall be deposited with the Town and shall be available for and shall, to the extent necessary, be applied to the repair, replacement or reconstruction of the damaged or destroyed property, and shall be paid out in the manner determined by the Town. If such proceeds are more than sufficient for such purpose, the balance remaining shall be deposited to the credit of the Surplus Fund. If such proceeds shall be insufficient for such purpose, the deficiency may be supplied out of any moneys in the Surplus Fund. The proceeds of all insurance covering loss of Revenues shall be deposited to the credit of the Revenue Fund.

Section 7.07. Annual Budget of Operating Expenses. The Town covenants that it shall develop an Annual Budget for each Fiscal Year consistent with the budget preparation schedule set forth in the State's applicable fiscal control statutes. If for any reason the Board shall not have adopted the Annual Budget before the first day of any Fiscal Year, the budget for the preceding Fiscal Year shall, until the adoption of the Annual Budget, be deemed to be in force.

The Board may at any time adopt an amended or supplemental Annual Budget for the remainder of the then current Fiscal Year, but no such amended or supplemental budget shall be effective until it shall be approved in the manner hereinbefore prescribed for the Annual Budget.

The Town covenants that the Operating Expenses incurred in any Fiscal Year will not exceed the reasonable and necessary amount thereof and that it will not expend any amount or incur any obligations for maintenance, repair and operation in excess of the amounts provided for Operating Expenses in the appropriate budget. Nothing in this Section contained shall limit the amount which the Town may expend for Operating Expenses in any Fiscal Year provided any amounts expended therefor in excess of the appropriate budget shall be received by the Town from some source other than Revenues and the Town shall not make any reimbursement therefor from such Revenues.

Section 7.08. Records, Books and Audits. The Town covenants that it will keep each of the funds of the System separate from all other funds of the Town and that it will keep accurate records and accounts of all items of cost and of all expenditures relating to the System and of the Revenues collected and the application of such Revenues. Such records and accounts shall at all times during normal business hours be open to the inspection of the Commission and the Holders of the Bonds.

The Town further covenants that promptly after the close of each Fiscal Year it will cause an audit to be made of its books and accounts relating to the System by a firm of independent certified public accountants to be chosen by the Board and will cause an annual report of operations of the System to be prepared, such annual report to cover the matters usually contained in annual reports for similar systems. Within a reasonable time thereafter, reports of each such audit and copies of each such annual report shall be mailed by the Clerk to the Consulting Engineers, the Commission, and, upon request, to each Identifiable Bondholder. Each such audit report shall be in accordance with generally accepted accounting principles and shall set forth in respect of the preceding Fiscal Year, among other matters, the Revenues and Operating Expenses of the System, all deposits or transfers to the credit of and all withdrawals from each special fund created hereunder, the amounts on deposit at the end of such Fiscal Year to the credit of each such special fund including the details of any investment thereof a balance sheet and also the findings of such certified public accountants whether the moneys received by the Town under this Bond Order have been applied in accordance with the provisions of this Bond Order, whether any obligations for Operating Expenses were incurred in excess of the amounts appropriated in the Annual Budget and whether the Town is in default in the performance of any of the covenants contained in Article V hereof. Included in each such audit shall be a calculation of the rate covenant described in Section 5.01 for such Fiscal Year.

Section 7.09. Sale or Encumbrance. The Town covenants that it will not sell, lease or otherwise dispose of or encumber the System or any part thereof except with the consent of one hundred percent of the Holders. Notwithstanding the foregoing, the Board may, from time to time, sell or otherwise dispose of such property forming part of the System, including machinery, fixtures, apparatus, tools, instruments or other movable property, as the Board may determine is not needed in connection with the maintenance and operation of such System. The proceeds from any sale, lease or disposition of the System, in whole or in part, shall be applied to the replacement of the properties so sold or otherwise disposed of or shall be deposited as provided in Section 5.05.

Section 7.10. Creation of Liens on Net Revenues. The Town covenants that it will not create or permit to be created any charge or lien on the Net Revenues ranking equally with or prior to the charge or lien on the Net Revenues of the Bonds issued and secured hereunder unless otherwise required by applicable law.

Section 7.11. Instruments of Further Assurance. The Town covenants that at any and all times it shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver all and every such further orders, resolutions, acts, conveyances, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting and confirming all and singular the rights, Revenues and other funds hereby pledged or intended so to be, or which the Town may hereafter become bound to pledge or as may be reasonable and required to carry out the purposes of the Bond Order and comply with the Act. The Town further covenants that it shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Net Revenues and all the rights of the Holders against all claims and demands of all persons whomsoever.

## ARTICLE VIII

### DEFAULTS AND REMEDIES

Section 8.01. Each of the following events is hereby declared an "event of default;" that is to say, if:

(a) payment of the principal and premium, if any, of any of the Bonds shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(b) payment of any installment of interest shall not be made when the same shall become due; or

(c) the Town shall for any reason be rendered incapable of fulfilling its obligations hereunder; or

(d) any substantial part of the System, necessary for its efficient operation, shall be destroyed or damaged and shall not be promptly repaired, replaced or reconstructed (whether such failure promptly to repair, replace or reconstruct the same be occasioned by the impracticability of such repair replacement or reconstruction or the lack of funds therefor or any other reason); or

(e) an order or decree shall be entered, with the consent or acquiescence of the Town, appointing a receiver or receivers of the System or of the Revenues, or if such order or decree, having been entered without the consent or acquiescence of the Town shall not be vacated or discharged or stayed on appeal within sixty (60) days after the entry thereof; or

(f) any proceeding shall be instituted, with the consent or acquiescence of the Town, for the purpose of effecting a composition or agreement between the Town and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are under any circumstances payable out of Revenues; or

(g) the Town shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Bond Order on the part of the Town to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Town by the Holders of not less than twenty per centum (20%) in principal amount of the Bonds then outstanding.

Section 8.02. Bonds Declared Due and Payable. Upon the happening and continuance of any event of default specified in Section 8.01 of this Bond Order, then and in every such case the Holders of a majority in principal amount of the Bonds then outstanding may, by a notice in writing to the Town, declare the principal of all of the Bonds then outstanding (if not then due and payable) to be due and payable immediately, and upon such declaration the same shall become and be immediately due and payable, anything contained in the Bonds or in this Bond Order to the

contrary notwithstanding; provided, however, that if at any time after the principal of the Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Bond Order, moneys shall become available to pay the principal of all matured Bonds and all arrears of interest, if any, upon all the Bonds then outstanding (except the principal of any Bonds not then due by their terms and the interest accrued on such Bonds since the last interest payment date), and all other amounts then payable by the Town hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with a Depository, and every other default in the observance or performance of any covenant, condition or agreement contained in the Bonds or in this Bond Order (other than a default in the payment of the principal of such Bonds then due only because of a declaration under this Section), shall have been remedied to the satisfaction of the Holders, then and in every such case the Holders may, and upon the written request of the Holders of a majority in principal amount of the Bonds not then due by their terms and then outstanding shall, by written notice to the Town, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

If at any time moneys are insufficient to pay the interest on or the principal of the Bonds as the same become due and payable, all moneys in the Debt Service Fund and Debt Service Reserve Fund, together with any moneys then available or thereafter becoming available for such purpose, shall be applied as provided in Section 11.02.

Section 8.03. Additional Remedies. Upon the happening and continuance of any event of default specified in Section 8.01 of this Bond Order, then and in every case the Holders may proceed to protect and enforce their rights hereunder and under the laws of the State of North Carolina, including the Act, by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as the Holders, shall deem most effectual to protect and enforce such rights.

Section 8.04. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Holders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 8.05. Waiver of Default. No delay or omission of the Holders of the Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Article to the Holders of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

The Holders of a majority of the Bonds may waive any default which shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Bond Order or before the completion of the enforcement of any other remedy under this Bond Order, but no such waiver shall extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon.

Section 8.06. Notice of Default. The Town shall mail to the Commission and to the Holder of each Bond then outstanding written notice of the occurrence of any event of default set forth in Section 8.01 hereof as soon as practical, but in no event later than thirty (30) days, after the Town shall have notice that any such event of default has occurred.

## ARTICLE IX

### THE TRUSTEE

Section 9.01. Designation of Trustee. The Town may at any time, with the approval of the Commission, appoint a Trustee to administer the provisions of this Bond Order and may adopt such supplements to this Bond Order as shall be necessary or desirable to effectuate such appointment.

Any Trustee appointed shall be capable of exercising trust powers in the State, which must be a bank or trust company with a combined capital (exclusive of borrowed capital) and surplus of at least \$100,000,000, and subject to supervision or examination by federal or state authority, so long as any Bonds are outstanding hereunder. If such bank or trust company publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

## ARTICLE X

### SUPPLEMENTAL ORDERS

Section 10.01. Without Consent of Holders. The Board may amend this Bond Order in any respect prior to the delivery of the Initial Bonds.

The Board may from time to time and at any time following delivery of the Initial Bonds, adopt such orders supplemental hereto as shall not be inconsistent with the terms and provisions hereof (which supplemental orders shall thereafter form a part hereof):

(a) to cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Bond Order or in any supplemental order, or

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

(c) to add to the conditions, limitations and restrictions on the issuance of Bonds under the provisions of this Bond Order other conditions, limitations and restrictions thereafter to be observed, or

(d) to add to the covenants and agreements of the Town in this Bond Order other covenants and agreements thereafter to be observed by the Town or to surrender any right or power herein reserved to or conferred upon the Town.

At least thirty (30) days prior to the adoption of any supplemental order for any of the purposes set forth in the immediately preceding paragraph of this Section, the Bond Registrar, at the expense of the Town, shall cause a notice of the proposed adoption of such supplemental order to be mailed, postage prepaid, to the owner of each Bond at the address appearing on the registration books and to the Commission. Such notice shall briefly set forth the nature of the proposed supplemental order and shall state that copies thereof are on file at the principal office of the Bond Registrar for inspection by all Holders.

Section 10.02. With Consent of Holders. Subject to the terms and provisions contained in this Section, and not otherwise, the Holders of not less than a majority in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time following delivery of any Bonds, anything contained in this Bond Order to the contrary notwithstanding, to consent to and approve the adoption, of such order or orders supplemental hereto as shall be deemed necessary or desirable by the Board for the purpose of modifying, altering, amending, adding to or rescinding, in particular, any of the terms or provisions contained in this Bond Order or in any supplemental order; provided, however, that nothing herein contained shall permit, or be construed as permitting, (a) an extension of the maturity of the principal of or the interest on any Bond issued hereunder without the consent of the Holder of such Bond, or (b) a reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon without the consent of the Holder of such Bond, or (c) the creation of a lien upon or a pledge of Revenues other than the lien and pledge created by this Bond Order without the consent of the Holders of all Bonds

outstanding, or (d) a preference or priority of any Bond over any other Bond without the consent of the Holders of all Bonds outstanding, or (e) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental order without the consent of the Holders of all Bonds outstanding or (f) any change to the rate covenant provisions of Section 5.01 or the Additional Bonds provisions of Article III without the consent of the Holders of all Bonds outstanding.

Section 10.03. Obtaining Consent of Holders. If at any time the Board shall determine that it is necessary or desirable to adopt any supplemental order for any of the purposes of Section 10.02, the Bond Registrar, at the expense of the Town, shall cause notice of the proposed adoption of such supplemental order to be mailed, postage prepaid, to each Holder of Bonds at the addresses appearing on the registration books. Such notice shall briefly set forth the nature of the proposed supplemental order and shall state that copies thereof are on file at the principal corporate trust office of the Bond Registrar for inspection by all Holders. The Bond Registrar shall not, however, be subject to any liability to any Holder by reason of its failure to cause the notice required by this Section to be mailed and any such failure shall not affect the validity of such supplemental order when consented to and approved as provided in this Section.

Whenever, at any time within one year after the date of the first mailing of such notice, the Town shall deliver to the Bond Registrar an instrument or instruments in writing purporting to be executed by the Holders of not less than a majority in aggregate principal amount of the Bonds then outstanding, which instrument or instruments shall refer to the proposed supplemental order 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 Board may adopt such supplemental order in substantially such form, without liability or responsibility to any Holder of any Bond, whether or not such Holder shall have consented thereto.

If the Holders of not less than a majority in aggregate principal amount of the Bonds outstanding at the time of the adoption of such supplemental order shall have consented to and approved the adoption thereof as herein provided, no Holder of any Bond shall have any right to object to the adoption of such supplemental order, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Board from adopting the same or from taking any action pursuant to the provisions thereof

Upon the adoption of any supplemental order pursuant to the provisions of this Section, this Bond Order shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Bond Order of the Town, the Bond Registrar and all Holders of Bonds then outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Bond Order as so modified and amended.

Bonds owned or held by or for the account of the Town shall not be deemed outstanding and shall be excluded for the purpose of any consent or any calculation provided for in this Article.

Bonds delivered after the effective date of any action taken as in this Article provided may bear a notation by endorsement or otherwise in form approved by the Town and Bond Registrar

as to such action. If the Town and Bond Registrar shall so determine, new Bonds modified to conform to any such action shall be prepared and delivered to the Holder of any Bond then outstanding without cost to such Holder in exchange for and upon surrender of such outstanding Bonds.

Section 10.04. Unanimous Consent of Holders. Notwithstanding anything contained in the foregoing provisions of this Article, the terms and provisions of this Bond Order or any order supplemental hereto and the rights and obligations of the Town and of the Holders of the Bonds may be modified or amended in any respect upon the adoption by the Board of an order to that effect, approved by the Bond Registrar, and the filing with the Board of the written consent of the Commission and the Holders of all the Bonds. No notice to Holders shall be required.

## ARTICLE XI

### MISCELLANEOUS PROVISIONS

#### Section 11.01. Discharge of Bond Order. When:

- (a) the Bonds secured hereby shall have become due and payable in accordance with their terms or otherwise as provided in this Bond Order, and the whole amount of the principal and the interest and premium, if any, so due and payable upon all Bonds shall be paid, and
- (b) if the Bonds shall not have become due and payable in accordance with their terms, a Depositary appointed by the Town shall hold, sufficient (i) money or (ii) Defeasance Obligations or a combination of (i) and (ii) of this clause (b), the principal of and the interest on which, when due and payable, will provide sufficient money to pay the principal of, and the interest and redemption premium, if any, on all Bonds then Outstanding to the maturity date or dates of such Bonds or to the date or dates specified for the redemption thereof, as verified by a verification agent or independent certified public accountant approved by the Local Government Commission, and
- (c) if Bonds are to be called for redemption, irrevocable instructions to call the Bonds for redemption shall have been given by the Town to the Bond Registrar, and
- (d) sufficient funds shall also have been provided or provision made for paying all other obligations payable hereunder by the Town;

then and in that case the right, title and interest of the Holders of the Bonds in the funds, accounts and subaccounts mentioned in this Bond Order shall thereupon cease, determine and become void, and, upon being furnished with an opinion, in form and substance satisfactory to the Town or the Trustee if a Trustee has been appointed hereunder, to the effect that all conditions precedent to the release of this Bond Order have been satisfied, this Bond Order shall be released, and any surplus in, and all balances remaining in, all funds, accounts and subaccounts other than money held for the redemption or payment of Bonds shall be released to the Town. Otherwise, this Bond Order shall be, continue and remain in full force and effect; provided, however, that in the event Defeasance Obligations shall be deposited with and held by the Bond Registrar as hereinabove provided, (i) in addition to the requirements set forth in Article V, the Bond Registrar, within thirty (30) days after such Defeasance Obligations shall have been deposited with it, shall cause a notice signed by or on behalf of the Bond Registrar to be mailed, postage prepaid, to all Owners setting forth (a) the date or dates, if any, designated for the redemption of the Bonds, (b) a description of the Defeasance Obligations so held by it, and (c) that this Bond Order has been released in accordance with the provisions of this Section, and (ii) (a) the Bond Registrar shall nevertheless retain such rights, powers and privileges under this Bond Order as may be necessary and convenient in respect of the Bonds for the payment of the principal, interest and any premium for which such Defeasance Obligations have been deposited and (b) each Bond Registrar shall retain such rights, powers and privileges under this Bond Order as may be necessary and convenient for the registration, transfer and exchange of Bonds; provided, however, that failure to mail such

notice to any Owner or to the Owners, or to any such Holder or to such Holders, or any defect in such notice so mailed, shall not affect the validity of the release of this Bond Order.

All money and Defeasance Obligations held by the Bond Registrar pursuant to this Section shall be held in trust and applied to the payment, when due, of the obligations payable therewith.

Section 11.02. Payments When Funds are Insufficient. Anything in this Bond Order to the contrary notwithstanding, if at any time moneys are insufficient to pay the interest on or the principal of the Bonds as the same become due and payable (either by their terms or by acceleration of maturities), all moneys in the Debt Service Fund and any Debt Service Reserve Account, together with any moneys then available or thereafter becoming available for such purpose, shall be applied as follows:

(a) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied

first: to the payment to the persons entitled thereto of all installments of interest then due, in the order of the maturity of the installments of such interest, and if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds;

second: to the payment to the persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Bond Order), in the order of their due dates, with interest on such Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or preference; and

third: to the payment of the interest on and the principal of the Bonds, to the purchase and retirement of Bonds and to the redemption of Bonds, all in accordance with the provisions of Article IV hereof;

provided, however, moneys in any Debt Service Reserve Account shall be applied only to the Bonds authorized by the applicable Series Resolution.

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

(c) If the principal of all of the Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled, then the moneys then remaining in and thereafter accruing to the Debt Service Fund and any Debt Service Reserve Account shall be applied in accordance with the provisions of paragraph (a) of this Section.

Section 11.03. Effect of Town's Undertakings. All of the covenants, stipulations, obligations and agreements contained in this Bond Order shall be deemed to be covenants, stipulations, obligations and agreements of the Town and of the Board to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall be binding upon the successor or successors thereof from time to time, and upon any officer, board, commission, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

The Board shall have the right to enter into a contract with any public or private agency for the maintenance, operation and improvement of the System for such periods of time and under such terms and conditions which are not inconsistent with the provisions of this Bond Order as the Board shall determine to be in the best interests of the Town and of the Holders of Bonds issued pursuant to the provisions of this Bond Order.

Section 11.04. Notices. Any notice, demand, direction, request or other instrument authorized or required by this Bond Order to be given to or filed with the Town or the Bond Registrar shall be deemed to have been sufficiently given or filed for all purposes of this Bond Order if and when sent by registered mail, return receipt requested to the Town or to the Board if addressed to 55 N. Broad Street West, Post Office Box 278, Angier, North Carolina 27501, Attention: Finance Director; to the Bond Registrar, if addressed to the address set forth in the applicable Series Resolution; and to the Commission, if addressed to the Secretary, Local Government Commission, State and Local Government Finance Division, 3200 Atlantic Avenue, Raleigh, North Carolina 27604.

Section 11.05. Execution of Instruments by Holders and Proof of Ownership of Bonds. Any request, direction, consent or other instrument in writing required or permitted by this Bond Order to be signed or executed by Holders may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Holders in person or by agent appointed by an instrument in writing. Proof of the execution of any such instrument and of the ownership of Bonds shall be sufficient for any purpose of this Bond Order, and shall be conclusive in favor of the Bond Registrar with regard to any action taken by it under such instrument, if in accordance with the registration books.

Any request or consent of the Holder of any Bond shall bind every future Holder of the same Bond in respect of anything done by the Bond Registrar in pursuance of such request or consent.

Section 11.06. Parties Interested Herein. Except as herein otherwise expressly provided, nothing in this Bond Order expressed or implied is intended or shall be construed to confer upon

any person, firm or corporation other than the Town, the Bond Registrar and the Holders of the Bonds issued under and secured by this Bond Order any right, remedy or claim, legal or equitable, under or by reason of this Bond Order or any provision hereof, this Bond Order and all its provisions being intended to be and being for the sole and exclusive benefit of the parties hereto and the Holders from time to time of the Bonds issued hereunder.

Section 11.07. Limited Obligations on Bonds. Nothing in the Bonds or in this Bond Order shall be construed as pledging either the faith and credit or the taxing power of the Town for their payment, or to create any debt against the Town, or as conveying or mortgaging the System or any part thereof.

Section 11.08. No Recourse Against Members, Officers or Employees of Town or the Commission. No recourse under, or upon, any statement, obligation, covenant or agreement contained in this Bond Order, or in any Bond or bond anticipation note hereby secured, or in any document or certification whatsoever, or under any judgment obtained against the Town or the Commission, or by the enforcement of any assessment, or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, shall be had against any member, officer or employee of the Town or the Commission, either directly or through the Town for the payment for or to, the Town or the Commission or any receiver of either of them, or for, or to, any owner or holder of Bonds or bond anticipation notes or otherwise, of any sum that may be due and unpaid upon any such Bond or bond anticipation note. Any and all personal liability of every nature, whether at common law or in equity or by statute or by constitution or otherwise, of any such member, officer or employee to respond by reason of any act or omission on his or her part or otherwise, for the payment for, or to, the Town or the Commission or any receiver of either of them, or for, or to, any owner or holder of Bonds, bond anticipation notes or otherwise, of any sum that may remain due and unpaid upon the Bonds or bond anticipation notes hereby secured or any of them, is hereby expressly waived and released as an express condition of, and in consideration for, the adoption of this Bond Order and the issuance of the Bonds.

Section 11.09. Severability of Invalid Provisions. In case any one or more of the provisions of this Bond Order or of the Bonds issued hereunder shall for any reason be held to be illegal or valid, such illegality or invalidity shall not affect any other provision of this Bond Order or of said Bonds, but this Bond Order and said Bonds shall be construed and enforced as of such illegal or invalid provision had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in the Bonds or in this Bond Order shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Town to the full extent permitted by law.

Section 11.10. Issuance of Subordinate Obligations and Expenditures for System Improvements. Nothing in this Bond Order express or implied shall be construed as preventing the Town from financing System Improvements by the issuance of System Indebtedness or other obligations which are not secured under the provisions of this Bond Order or from making expenditures for System Improvements from moneys received by the Town solely for such purpose.

Section 11.11. Applicable Law. This Bond Order is adopted with the intent that the laws of the State of North Carolina shall govern its construction.

Section 11.12. Headings, etc. Any headings preceding the texts hereof and 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 Bond Order, nor shall they affect its meaning, construction or effect.

Section 11.13. Officers' Authority. The officers and agents of the Town are hereby authorized and directed to do all the acts and things required of them by the Bonds and this Bond Order for the full, punctual and complete performance of all of the terms, covenants, provisions and agreements contained in the Bonds and this Bond Order.

Section 11.14. Inconsistent Matters. All orders and resolutions and parts thereof, which are in conflict or inconsistent with any provisions of this Bond Order are hereby repealed and declared to be inapplicable to the provisions of this Bond Order.

Section 11.15. Effective Date. This Bond Order shall be effective immediately upon its adoption .

Upon motion of Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, the foregoing resolution was passed by the following vote:

Ayes: \_\_\_\_\_

Noes: \_\_\_\_\_

I, \_\_\_\_\_, Town Clerk of the Town of Angler, North Carolina, DO HEREBY CERTIFY that the foregoing has been carefully copied from the actually recorded minutes of the Board of Commissioners for said Town at a meeting held on July 20, 2021, the record having been made in the minutes of said Board of Commissioners, and is a true copy of so much of said minutes as relates in any way to the passage of the foregoing resolutions.

I DO HEREBY FURTHER CERTIFY that proper notice of such meeting was given as required by North Carolina law and that the minutes of said meeting have been duly recorded in the minute books kept by me in accordance with law for the purpose of recording the minutes of said Board of Commissioners.

WITNESS my hand and the official seal of said Town this \_\_ day of \_\_\_\_\_, 2021.

---

Town Clerk

[SEAL]

**TOWN OF ANGIER**  
**BOARD OF COMMISSIONERS**

Excerpt of Minutes  
of Meeting of  
July 20, 2021

A regular meeting of the Board of Commissioners of the Town of Angier, North Carolina, was held in the Public Library Building, 28 North Raleigh Street Street, Angier, North Carolina, on July 20, 2021.

Present: \_\_\_\_\_.

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

\* \* \* \* \*

\_\_\_\_\_ introduced the following resolution, a copy of which had been provided to each member of the Board of Commissioners and which was read by its title:

**RESOLUTION AUTHORIZING THE ISSUANCE OF A REVENUE BOND OF TOWN OF ANGIER IN A PRINCIPAL AMOUNT OF UP TO \$4,000,000 AND REVENUE REFUNDING BOND OF TOWN OF ANGIER IN A PRINCIPAL AMOUNT OF UP TO \$3,000,000, PURSUANT TO A SUPPLEMENTAL AND AMENDED BOND ORDER HERETOFORE APPROVED, AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF.**

**WHEREAS**, the Town of Angier, North Carolina, a municipal corporation in the State of North Carolina (**the "Town"**), owns and operates a water and wastewater system, providing Town water and sewer services (**the "System"**); and

**WHEREAS**, the Town is empowered, under the Constitution and laws of the State of North Carolina, particularly the State and Local Government Revenue Bond Act (being Section 159-80 et seq. of the General Statutes of North Carolina), as the same may be amended from time to time (**the "Act"**), to issue its revenue bonds to finance or refinance the costs of extensions, additions and capital improvements to, or the acquisition, renewal or replacement of capital assets of, or purchasing and installing new equipment for the System; and

**WHEREAS**, the Board of Commissioners for the Town (**the "Board of Commissioners"**), on July 20, 2021, adopted a Supplemental and Amended Bond Order (**the "Bond Order"**) which authorizes and secures System revenue notes and bonds of the Town; and

**WHEREAS**, the Board of Commissioners has determined to finance certain System Improvements (as defined in the Bond Order), specifically the design, acquisition, construction, improvement, expansion, renovation and equipping of Town sewer system facilities, including new pump stations, sewer lines and related facilities (**the "Project"**) through the issuance of the Series A Revenue Bonds (as defined below) to be payable from the operating revenues of the Town's water and sewer System (as defined in the Bond Order); and

**WHEREAS**, the Town has previously entered into obligations to pay capital costs of the improvement and expansion of the System, specifically the Town's (a) \$1,240,000 Sanitary Sewer System Revenue Bond, Series 2010A (**the "2010 Bond"**) and (b) \$1,921,000 Sanitary Sewer System Revenue Bond, Series 2012 (**the "2012 Bond" and, together with the 2010 Bond, the "Refunded Bonds"**); and

**WHEREAS**, the Board of Commissioners has determined that to achieve debt service savings the Town will refund and refinance the Refunded Bonds, in accordance with the provisions of this Resolution, through the issuance of Town revenue refunding bonds, to be payable from the operating revenues of the Town's water and sewer System, in order to achieve debt service savings for the Town (**the "Refunding"**) which Refunded Bonds are Town obligations that were entered into to pay capital costs of the improvement and expansion of the System; and

**WHEREAS**, in order to obtain funds to finance the costs of the Project the Town will authorize and approve the issuance of the "Town of Angier, Water and Sewer Revenue Bond, Series 2021A" (**the "Series A Bond"**) in a principal amount not to exceed \$4,000,000; and

**WHEREAS**, in order to obtain funds to refund and refinance the 2010 Bond and the 2012 Bond the Town will authorize and approve the issuance of the "Town of Angier, Water and Sewer Revenue Refunding Bond, Series 2021B" (**the "Series B Bond" and, together with the Series A Bond, the "Revenue Bonds"**) in a principal amount of not to exceed \$3,000,000; and

**WHEREAS**, the Town's financial advisor, Davenport & Company LLC (**the "Financial Advisor"**) has recommended that the Town approve the portion of the proposal dated June 29, 2021 for financing the Project, as it may be amended (**the "First Bank Proposal"**) from First Bank (**"First Bank"**) for First Bank's purchase of the Series A Bond; and

**WHEREAS**, the Town's financial advisor, Davenport & Company LLC (**the "Financial Advisor"**) has recommended that the Town approve the portion of the proposal dated June 30, 2021, as it may be amended, to accomplish the Refunding (**the "Truist Bank Proposal"**) from Truist Bank, formerly known as BB&T (**"Truist Bank"**) for Truist Bank's purchase of the Series B Bond.

**BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE TOWN OF ANGIER, NORTH CAROLINA:**

1. **Determination to Sell Series A Bond and Findings and Determinations.** The Board of Commissioners, pursuant to the Act and the Bond Order, authorizes the issuance and sale of a single Series A Bond to be dated its date of issuance. The Board of Commissioners

finds and determines that issuance of the Series A Bond will be for public purposes of the Town and for the welfare of citizens of the Town for purposes that will serve the Town and its citizens pursuant to the authority of the Town to provide funds to pay the capital costs of providing water distribution and sewer and sewage treatment facilities. Proceeds of the Series A Bond (including investment proceeds, if any) shall be utilized for payment of the costs of the Project and costs of issuance of the Series A Bond (**together, the "Project Costs"**). The final maturity date for the Series A Bond, which shall be not later than February 1, 2041, does not exceed the maximum period of usefulness of the capital project to be financed by the Series A Bond, which maximum period of usefulness is found and determined to be not earlier than February 1, 2041.

2. **Determination to Sell Series B Bond and Findings and Determinations.** The Board of Commissioners, pursuant to the Act and the Bond Order, authorizes the issuance and sale of a single Series B Bond to be dated its date of issuance. The Board of Commissioners finds and determines that issuance of the Series B Bond will be for public purposes of the Town and for the welfare of citizens of the Town for purposes that will serve the Town and its citizens pursuant to the authority of the Town to provide funds to pay the capital costs of providing water distribution and sewer and sewage treatment facilities. Notwithstanding the foregoing, the Series B Bond shall not be sold and issued unless the aggregate net present value debt service savings resulting from refunding of the 2010 Bond and the 2012 Bond is at least 3% of the par amount of the refunded portions of the 2010 Bond and the 2012 Bond being refunded. Proceeds of the Series B Bond (including investment proceeds, if any) shall be utilized for payment of the costs of refunding the 2010 Bond and the 2012 Bond, and costs of issuance of the Series B Bond (**the "Series B Refunding Costs"**). The final maturity date for the Series B Bond, which shall be not later than February 1, 2037, does not exceed the maximum period of usefulness of the capital project to be refinanced by the Series B Bond, which maximum period of usefulness is found and determined to be not earlier than February 1, 2037.

3. **Sale of Revenue Bonds to Banks.** The Board of Commissioners hereby requests the Local Government Commission to sell the Revenue Bonds at private sale and without advertisement in accordance with the provisions of Section 159-123 of the General Statutes of North Carolina. The Series A Bond shall be sold to First Bank pursuant to the First Bank Proposal and the Series B Bond shall be sold to Truist Bank pursuant to the Truist Bank Proposal. The First Bank Proposal and the Truist Bank Proposal are each approved, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the Town Manager, his execution of a writing regarding the same to constitute conclusive evidence of his approval of any such completions, omissions, insertions and changes, including but not limited to changes in payment dates, rates, principal amounts, principal amortization amounts and maturity dates.

4. **Form and Details of Revenue Bonds.** The Revenue Bonds will each be issued as a single fully registered bond, in the denominations not to exceed the amounts set forth above, will be designated "Water and Sewer Revenue Bond, Series 2021" with an appropriate designation as to Series A or B, as applicable, will be dated the date of its issuance and delivery to First Bank or Truist Bank, as applicable, or such other date agreeable to First Bank and Trust Bank and the Town (**the "Closing Date"**) and each will be numbered R-1. The Series A Bond will be in substantially the form of Exhibit A, with such changes not inconsistent with this

Resolution as may be approved by the Town Manager or the officers signing the Series A Bond, and First Bank. Such approval will be evidenced conclusively by First Bank's payment as described in Section 6. The Series B Bond will be in substantially the form of Exhibit B, with such changes not inconsistent with this Resolution as may be approved by the Town Manager or the officers signing the Bond, and Truist Bank. Such approval will be evidenced conclusively by Truist Bank's payment as described in Section 6.

**5. Payments.** (a) The Town will pay principal of and interest on the Revenue Bonds on the payment dates and in amounts as provided herein and in said Revenue Bonds, subject to prepayment as provided in this Resolution and subject to adjustment depending on the actual day of the Closing Date. Interest on the Series A Bond is payable from its date until payment of the entire principal sum at the annual rate of 2.15% (subject to change in the event of default or an event of taxability) and interest on the Series B Bond is payable from its date until payment of the entire principal sum at the annual rate of 1.94% (subject to change in the event of default or an event of taxability), in each case calculated on the basis of a 360-day year consisting of twelve 30-day months. Principal and interest on the Revenue Bonds will be payable in lawful money of the United States. In all events, (i) all payments on the Revenue Bonds will be applied first to interest accrued and unpaid to the payment date and then to principal, and (ii) if not sooner paid, the entire principal of and interest on the Series A Bond will be due and payable no later than February 1, 2041, the entire principal of and interest on the Series B Bond will be due and payable no later than February 1, 2037, in each case upon payment of the same to the holder of the applicable Revenue Bond, and the holder of each Revenue Bond shall thereafter promptly return the original of such Revenue Bond to the Town marked as paid in full.

(b) As provided in the Bond Order, all Net Revenues (as defined in the Bond Order) are pledged to the payment of the principal of, premium, if any, and interest on the Revenue Bonds, and the Town agrees to apply the Net Revenues to the payment of principal of, premium, if any, and interest on the Revenue Bonds as the same become due. The Revenue Bonds, together with any other obligations secured on a parity therewith pursuant to the provisions of the Bond Order, shall be secured on a parity basis by a pledge, charge and lien upon the Net Revenues except to the extent payable, as applicable, from the respective proceeds of the Revenue Bonds or investment earnings on such proceeds. No Debt Service Reserve Account (as defined in the Bond Order) is established for either the Series A Bond or the Series B Bond.

**6. Payment of Proceeds of Revenue Bonds; Use of Proceeds.** First Bank will pay the purchase price for the Series A Bond by making a deposit in that amount on the Closing Date with the LGC or as otherwise directed by LGC to be used for the Project Costs, provided that the Town may direct First Bank to pay certain costs of issuance of the Series A Bond directly from proceeds of the Series A Bond. The Town shall use proceeds of the Series A Bond to finance certain System Improvements (as defined in the Bond Order), specifically the design, acquisition, construction, improvement, expansion, renovation and equipping of the Project, and such System Improvements and Project shall be part of the System (as defined in the Bond Order). Truist Bank will pay the purchase price for the Series B Bond by making a deposit or deposits in the applicable amount or amounts on the Closing Date with the LGC or as otherwise directed by LGC to be used for the applicable Refunding Costs, provided that the Town may direct Truist Bank to pay certain costs of issuance of the Series B Bond directly from proceeds of such bonds.

7. **Execution of Revenue Bonds.** The Revenue Bonds will be signed by the manual or facsimile signature of the Town's Mayor, Mayor Pro Tem or Town Manager, and the Town's seal (or a facsimile thereof) will be affixed thereto and attested by the manual or facsimile signature of the Town Clerk (or any Deputy Clerk or Assistant Clerk). In addition, the Revenue Bonds will carry a certificate of the LGC as provided by the Act. Any Revenue Bond will not be valid, however, unless at least one of the signatures appearing on such Revenue Bond (which may be the signature of the LGC's representative) is manually applied or until such Revenue Bond has been authenticated by the manual signature of an authorized officer or employee of an independent bond registrar selected by the Town.

8. **Prepayment of Revenue Bonds.** Principal of the Series A Bond is subject to prepayment in whole or in part at the Town's option at any time, upon payment of the principal amount to be prepaid plus interest accrued to the prepayment date. Principal of the Series B Bond is subject to prepayment in whole at the Town's option at any time, upon payment of the principal amount to be prepaid plus interest accrued to the prepayment date, plus a prepayment premium of 1% of the outstanding principal amount.

9. **Town Finance Officer as Registrar; Payments to Registered Owners.** The Town Finance Officer is appointed Registrar for the Revenue Bonds. As Registrar, the Town Finance Officer will maintain appropriate books and records of the ownership of the Revenue Bonds. The Town will treat the registered owner of any Revenue Bond as the person exclusively entitled to payment of principal, premium, if any, and interest and the exercise of all rights and powers of the owner, except that debt service payments will be made to the person shown as owner on the registration books on the 15th day of the month preceding each interest payment date.

10. **Registration and Exchange of Revenue Bonds.** The transfer of any Revenue Bond may be registered upon books maintained for that purpose by the Registrar. The Registrar will treat the registered owner of any Revenue Bond as the person exclusively entitled to payment of principal and interest and the exercise of all other rights and powers of the owner, except that the Town will pay interest to the registered owner as shown on the Record Date next preceding each respective payment date.

In no event will the Registrar register the transfer of any Revenue Bond to any person other than a bank, an insurance company or a similar financial institution unless the LGC has previously approved such transfer.

11. **Town Officers to Complete Closing.** Upon or after the sale of the Revenue Bonds, the Town Manager and all other Town officers, employees and representatives are authorized and directed to take all proper steps to have the Revenue Bonds prepared and executed in accordance with their terms and to deliver the Revenue Bonds to the respective purchaser upon payment for the Revenue Bonds.

The Town Manager is authorized and directed to hold the executed Revenue Bonds, and any other documents authorized or permitted by this resolution, in escrow on the Town's behalf

until the conditions for the delivery of the Revenue Bonds, including payment of the purchase price, and other documents have been completed to the Town Manager's satisfaction, and thereupon to release the executed Revenue Bonds and other documents for delivery to the appropriate persons or organizations.

Without limiting the generality of the foregoing, this authorization and direction is specifically extended to authorize the Town Manager (a) to enter into such agreements or take such other actions as such officer may deem appropriate in connection with obtaining a credit rating or credit ratings for any Revenue Bond, if deemed prudent, and (b) to approve changes to any documents or closing certifications previously signed by Town officers or employees, provided that any Revenue Bond will be in substantially the form approved by this resolution and that any such changes will not substantially alter the intent of such certificates from that expressed in the forms of such certificates as executed by such officers or employees. The Town Manager's authorization of the release of any such document for delivery will constitute conclusive evidence of such officer's approval of any such changes.

**12. Resolutions and Covenants As To Tax Matters.** The Town will not take or omit to take any action the taking or omission of which will cause the Revenue Bonds to be "arbitrage bonds," within the meaning of Section 148 of the United States Internal Revenue Code of 1986, as amended (**the "Code"**), or "private activity bonds" within the meaning of Code Section 141, or otherwise cause interest on the Revenue Bonds to be includable in gross income for federal income tax purposes. Without limiting the generality of the foregoing, the Town will comply with any Code provision that may require the Town at any time to pay to the United States any part of the earnings derived from the investment of the proceeds of the Revenue Bonds (**the "Revenue Bond Proceeds"**), and the Town will pay any such required rebate from its general funds.

The Town's officers, agents and representatives are hereby authorized and directed to execute, deliver and file all certificates and documents and to take all such further action as they may consider necessary or desirable in connection with the sale of the Revenue Bonds, including without limitation, executing and delivering a certificate setting forth the expected use and investment of the Revenue Bond Proceeds to show that such expected use and investment will not violate the provisions of Section 148 of the Code, making any elections such officers deem desirable regarding any provision requiring rebate of earnings to the United States for purposes of complying with the provisions of the Code applicable to "arbitrage bonds," providing for the Town to pay any such rebate amount and filing Internal Revenue Service Form 8038-G.

The Town covenants that it shall not permit the Revenue Bond Proceeds to be used in any manner that would result in (i) 5% or more of the debt service on the Series A Bond or Series B Bond being directly or indirectly (A) secured by an interest in property, or (B) derived from payments in respect of property or borrowed money, being in either case used in a trade or business carried on by any person other than a governmental unit, as provided in Code Section 141(b), (ii) 5% or more of such Series A and B Proceeds being used with respect to any "output facility" (other than a facility for the furnishing of water), within the meaning of Code Section 141(b)(4), or (iii) 5% or more of such Series A and B Proceeds being used directly or indirectly to make or finance loans to any persons other than a governmental unit, as provided in Code

Section 141(c); provided, however, that if the Town receives an opinion of nationally-recognized bond counsel that compliance with any such covenant is not required to prevent the interest on the Series A Bond or the Series B Bond from being includable in the gross income for Federal income tax purposes of the owners of the Series A Bond or the Series B Bond under existing law, the Town need not comply with such covenant.

The Board of Commissioners, on behalf of the Town, certifies by this resolution that it does not reasonably anticipate the issuance by it or its subordinate entities of more than \$10,000,000 in "qualified tax-exempt obligations" (excluding private activity bonds) during the calendar year 2021 and will not designate (excluding any bonds deemed designated pursuant to the provisions of § 265(b)(3)(D)(ii) of the Code), or permit the designation by any of its subordinate entities of any bonds during the calendar year 2021 which would cause the \$10,000,000 limitation of Section 265(b)(3)(D) of the Code to be violated, and hereby designates the Series A Bond in the maximum principal amount of \$4,000,000 and the Series B Bond in the maximum principal amount of \$3,000,000 as "qualified tax-exempt obligations" for the purpose of § 265(b)(3) of the Code.

**13. Ratification of Professionals.** The Board of Commissioners confirms the selection of Sands Anderson PC, to serve as the Town's bond counsel and Davenport and Company LLC to serve as the Town's financial advisor with respect to the Revenue Bonds.

**14. Contract with Bondholders.** The provisions of this resolution shall constitute a contract between the Town and holders of the Revenue Bonds, as applicable, for so long as the applicable Revenue Bond and interest thereon are outstanding.

**15. Investment of Proceeds.** The proceeds of the Revenue Bonds shall be held and invested in accordance with the requirements of the Local Government Budget and Fiscal Control Act, Article 3 of Chapter 159, General Statutes of North Carolina, as amended.

**16. Miscellaneous Provisions.** The Mayor, Mayor Pro Tem, the Town Manager, Town Finance Officer and the Town Attorney and their designees are hereby authorized and directed to take such other actions and to execute and deliver such other documents, certificates, undertakings, agreements (a bond purchase agreement or agreements as may be required) or other instruments as may be necessary or appropriate to effectuate the issuance of the Revenue Bonds. The Post-Issuance Compliance Procedures for Tax Exempt Governmental Bonds prepared by Bond Counsel and reviewed by Town staff are hereby approved. The Town covenants and agrees to provide First Bank and Truist Bank each with a copy of its audited financial statements within 270 days after the end of the Town's fiscal year, commencing with the fiscal year ended June 30, 2021. All other acts of the Mayor, Mayor Pro Tem, Town Manager, Town Finance Officer, Town Attorney, Bond Counsel, the Financial Advisor and other officers, agents and representatives of the Town that are in conformity with the purposes and intent of this resolution and in furtherance of the plan of financing and refinancing set forth in this resolution and the issuance of sale of the Revenue Bonds are hereby approved and ratified.

**17. Effective Date.** This resolution shall take effect immediately upon its passage.

Upon Motion of \_\_\_\_\_, seconded by \_\_\_\_\_, the foregoing resolution entitled:

RESOLUTION AUTHORIZING THE ISSUANCE OF A REVENUE BOND OF TOWN OF ANGIER IN A PRINCIPAL AMOUNT OF UP TO \$4,000,000 AND REVENUE REFUNDING BOND OF TOWN OF ANGIER IN A PRINCIPAL AMOUNT OF UP TO \$3,000,000, PURSUANT TO A SUPPLEMENTAL AND AMENDED BOND ORDER HERETOFORE APPROVED, AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF

was passed by the following vote:

Ayes: \_\_\_\_\_ [List names] \_\_\_\_\_

Noes: \_\_\_\_\_ [List names] \_\_\_\_\_

\* \* \* \* \*

I, \_\_\_\_\_, Clerk of the Town of Angier, North Carolina, DO HEREBY CERTIFY that he foregoing has been carefully copied from the actually recorded minutes of the Board of Commissioners of the Town of Angier, North Carolina at a regular meeting held on July 20, 2021, the record having been made in Minute Book of the minutes of said Board of Commissioners, and is a true copy of so much of said minutes as relates in any way to the passage of such resolution.

I DO HEREBY FURTHER CERTIFY that a schedule of regular meetings of said Board, stating that regular meetings of said Board are held in the Public Library Building, 28 North Raleigh Street Street, Angier, North Carolina on the first Tuesday and third Tuesday of each month at 6:30 pm has been on file in my office as of a date not less than seven days before the date of said meeting in accordance with G.S. § 143-318.12.

WITNESS my hand and the corporate seal of said Town, this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Town Clerk

**EXHIBIT A - Form of Series A Bond**



R-1

\_\_\_\_\_, 2021

\$ \_\_\_\_\_

**UNITED STATES OF AMERICA**

**STATE OF NORTH CAROLINA**

**TOWN OF ANGIER**

**Water and Sewer Revenue Bond, Series 2021A**

**THE TOWN OF ANGIER, NORTH CAROLINA (the "Town")**, a municipal corporation in the State of North Carolina, for value received, promises to pay, solely from the Net Revenues and other funds described below and pledged to the payment hereof, to

FIRST BANK

or registered assigns (the "Bondholder"), the principal sum of

\_\_\_\_\_ **DOLLARS**  
( \$ \_\_\_\_\_ .00 )

in \_\_\_\_\_ installments in the amounts set forth in Schedule I attached hereto payable on \_\_\_\_\_, \_\_\_\_\_ and on every \_\_\_\_\_ thereafter to and including \_\_\_\_\_, together with interest on the unpaid principal from the date hereof until payment of the entire principal sum at the annual rate of 2.15h%, subject to prepayment as described below, as shown on Schedule I. All amounts due hereunder shall be due and payable in full on \_\_\_\_\_, 20\_\_ (the "Maturity Date"). If at any time there is a Determination of Taxability or Event of Taxability, (each as defined below), the outstanding principal portion of the indebtedness of the Town to the Bondholder on this Bond shall, from and after the Date of Taxability (as defined below), bear interest at the rate of four percent (4%) per annum (the "Alternative Rate of Interest"), payable from the Date of Taxability to such time. In such event, the Town also shall be required to pay to the Bondholder all amounts, if any, which may be necessary to reimburse the Bondholder for any interest, penalties or other charges assessed by the Internal Revenue Service and the Department of Revenue of the State of North Carolina, as applicable against the Bondholder by reason of the Bondholder's failure to include the interest paid on this Bond in its gross income for income tax purposes. Payment amounts under this Bond shall be increased as a result of the increased interest rate and additional interest as a result of such rate increase on all previous payments as to which such rate increase applies shall be paid to the Bondholder upon demand therefor. The Town shall pay to the Bondholder the interest calculated at the above-mentioned Alternative Rate of Interest notwithstanding any transfer by the Bondholder or payment or prepayment by the Town prior to the date such Determination of Taxability was made.

An "Event of Taxability" shall mean any event, occurrence or situation, resulting from an action, or failure to act, by the Town, the effect of which is to cause the some or all of the interest on the principal amount of this Bond to be includible in the gross income of the Bondholder for federal income tax purposes. A "Determination of Taxability" shall mean a determination that such interest is included in gross income of the Bondholder for federal income tax purposes, which determination shall be deemed to have been made upon the occurrence of the first to occur of the following: (a) the date on which the Bondholder is advised in writing by the Commissioner or any District Director of the Internal Revenue Service that, as a consequence of an action, or failure to act, by the Town, such interest is included in the gross income of the Bondholder for federal income tax purposes; (b) the date on which the Town receives notice from the Bondholder that the Bondholder has been advised (i) in writing that the Internal Revenue Service has issued a statutory notice of deficiency or similar notice to the Bondholder which asserts, in effect, that interest on the Bond received by the Bondholder is included in the gross income of the Bondholder for federal income tax purposes, as a result of an action, or failure to act, by the Town, or (ii) by an opinion of counsel received by the Bondholder which concludes, in effect, that interest on the Bond is included in the gross income of the Bondholder for federal income tax purposes as a result of an action, or failure to act, by the Town; (c) the day on which the Town is advised in writing by the Commissioner or any District Director of the Internal Revenue Service that there has been issued a public or private ruling of the Internal Revenue Service that interest on the Bond is included in the gross income of the Bondholder for federal income tax purposes as a result of an action, or failure to act, by the Town; or (d) the day on which the Town is advised in writing by counsel to the Bondholder that a final determination, from which no further right of appeal exists, has been made by a court of competent jurisdiction in the United States of America in a proceeding with respect to which the Town has been given written notice and an opportunity to participate and defend that the interest on the Bond is included in the gross income of the Bondholder for federal income tax purposes, as a result of an action, or failure to act, by the Town.

The Date of Taxability shall mean the first date upon which interest on the Bond is included in the gross income of the Bondholder for federal income tax purposes as a result of an Event of Taxability or a Determination of Taxability. The Town shall give prompt written notice to the Bondholder upon the Town's receipt of any oral or written notice or information from any source whatsoever to the effect that an Event of Taxability or a Determination of Taxability has occurred.

Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Principal and interest are payable in lawful money of the United States of America by federal reserve wire transfer (or other transfer of immediately available funds) sent to the Bondholder on the payment date, to such account in the United States as the Bondholder may designate for the Town from time to time.

In all events, (1) all payments on this Bond will be applied first to interest accrued and unpaid to the payment date and then to principal, and (2) the entire principal of and interest on this Bond will be due and payable on the Maturity Date, by payment of the same to the holder of the Bond, and the holder of the Bond shall thereafter promptly return the original of the Bond to

the Town marked as paid in full.

This Bond is issued pursuant to a Supplemental and Amended Bond Order adopted by the Town Council on July 20, 2021 (the "Bond Order") and a Resolution adopted by the Town Council on July 20, 2021 (the "Resolution"). Reference is hereby made to the Bond Order and the Resolution, and all amendments and supplements thereto, for a description of the provisions, among others, with respect to the nature and extent of the security, the Town's rights, duties and obligations, the Bondholder's rights and the terms upon which this Bond is issued, to all of which provisions each Bondholder, by the acceptance hereof, agrees.

This Bond is a special obligation of the Town, payable solely from the revenues and other funds pledged therefor as provided in the Bond Order and the Resolution. The principal of and interest on the Bond will be payable solely from the sources of payment set forth in the Bond Order and the Resolution (the "Net Revenues"), except to the extent payable from the proceeds of this Bond or investment earnings on such proceeds or on the Net Revenues. Neither the faith and credit nor the taxing power of the Town are pledged for the payment of the principal of or interest on this Bond, and no owner of this Bond has the right to compel the exercise of the Town's taxing power in connection with any default thereon.

Additional notes and bonds secured by a lien on Net Revenues on a parity with the lien on Net Revenues securing this Bond may be issued under the terms and conditions set forth in the Bond Order.

Principal of this Bond may be prepaid in whole or in part at any time at a prepayment price of 100% of the principal amount to be prepaid together with unpaid accrued interest on this Bond to the date of such prepayment.

This Bond is fully registered as to both principal and interest. Transfer of this Bond may be registered upon books maintained for that purpose by the Registrar. Prior to due presentment for registration of transfer, the Registrar will treat the registered owner of this Bond as the person exclusively entitled to payment of principal of and interest on this Bond and the exercise of all other rights and powers of the owner hereof, except that interest will be payable to the person shown as the registered owner at the close of business on the 15<sup>th</sup> day (whether or not a business day) of the month preceding the interest payment date.

This Bond has been designated as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The Town intends that North Carolina law will govern the interpretation of this Bond.

All acts, conditions and things required by the Constitution and laws of the State of North Carolina to happen, exist or be performed precedent to and in the issuance of this Bond have happened, exist and have been performed.

**IN WITNESS WHEREOF**, the Town has caused this Bond to be signed by its Mayor, its seal to be affixed hereto and attested by the Town Clerk, and this Bond to be dated as of the date first set forth above.

(SEAL)

**ATTEST:**

**TOWN OF ANGIER,  
NORTH CAROLINA**

By: \_\_\_\_\_  
Town Clerk

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

**CERTIFICATE OF LOCAL GOVERNMENT COMMISSION**

The issuance of the within Bond has been approved under the provisions of The Local Government Revenue Bond Act.

**LOCAL GOVERNMENT COMMISSION  
OF NORTH CAROLINA**

\_\_\_\_\_  
Sharon G. Edmundson, Secretary

L.G.C. No. \_\_\_\_\_

## TRANSFER OF BOND

Transfer of this Bond may be registered by the registered owner or his duly authorized attorney upon presentation hereof to the Registrar, who will note such transfer in books kept by the Registrar for that purpose and in the registration blank below.

**Date of Re-  
Registration**

**Name of New  
Registered Owner**

**Signature  
of Registrar**

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R-1

\_\_\_\_\_, 2021

\$ \_\_\_\_\_

**UNITED STATES OF AMERICA**

**STATE OF NORTH CAROLINA**

**TOWN OF ANGIER**

**Water and Sewer Revenue Refunding Bond, Series 2021B**

**THE TOWN OF ANGIER, NORTH CAROLINA (the "Town")**, a municipal corporation in the State of North Carolina, for value received, promises to pay, solely from the Net Revenues and other funds described below and pledged to the payment hereof, to

TRUIST BANK

or registered assigns (the "Bondholder"), the principal sum of

\_\_\_\_\_ **DOLLARS**  
( \$ \_\_\_\_\_ .00 )

in \_\_\_\_\_ installments in the amounts set forth in Schedule I attached hereto payable on \_\_\_\_\_, \_\_\_\_\_ and on every \_\_\_\_\_ thereafter to and including \_\_\_\_\_, together with interest on the unpaid principal from the date hereof until payment of the entire principal sum at the annual rate of 1.94%, subject to prepayment as described below, as shown on Schedule I. All amounts due hereunder shall be due and payable in full on \_\_\_\_\_, 20\_\_ (the "Maturity Date"). In the event of a Taxable Event (as defined below), the interest rate payable on this Bond from and after the date of the Taxable Event shall be adjusted to preserve the Bondholder's after-tax economic yield with respect to the interest on this Bond, taking into account any interest expense deductions lost by the Bondholder plus an amount equal to any interest, penalties on overdue interest and additions to tax (as referred to in Subchapter A of Chapter 68 of the Internal Revenue Code of 1986, as amended) owed by the Bondholder as a result of the occurrence of a Taxable Event with respect to this Bond. In the event of a Taxable Event, the Bondholder shall promptly provide the Town with prior written notice of the interest rate to be applied to this Bond and the methodology of determining such interest rate. In the event of an Event of Default (as defined in the Bond Order) the interest rate payable on this Bond from and after the date of the Event of Default shall be the Default Rate. "Default Rate" shall mean the Base Rate plus 3.00%; provided, however, the Default Rate shall not exceed the maximum rate allowable by law. "Base Rate" shall mean the highest of (i) the Prime Rate (as defined below) and (ii) the sum of the Federal Funds Open Rate (as defined below) plus 0.50% per annum. If the Prime Rate or the Federal Funds Open Rate at any time is a negative number, the Prime Rate or the Federal Funds Open Rate, as the case may be, will be deemed to be zero.]

Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Principal and interest are payable in lawful money of the United States of America by federal reserve wire transfer (or other transfer of immediately available funds) sent to the Bondholder on the payment date, to such account in the United States as the Bondholder may designate for the Town from time to time.

In all events, (1) all payments on this Bond will be applied first to interest accrued and unpaid to the payment date and then to principal, and (2) the entire principal of and interest on this Bond will be due and payable on the Maturity Date, by payment of the same to the holder of the Bond, and the holder of the Bond shall thereafter promptly return the original of the Bond to the Town marked as paid in full.

This Bond is issued pursuant to a Supplemental and Amended Bond Order adopted by the Town Council on July 20, 2021 (the "Bond Order") and a Resolution adopted by the Town Council on July 20, 2021 (the "Resolution"). Reference is hereby made to the Bond Order and the Resolution, and all amendments and supplements thereto, for a description of the provisions, among others, with respect to the nature and extent of the security, the Town's rights, duties and obligations, the Bondholder's rights and the terms upon which this Bond is issued, to all of which provisions each Bondholder, by the acceptance hereof, agrees.

This Bond is a special obligation of the Town, payable solely from the revenues and other funds pledged therefor as provided in the Bond Order and the Resolution. The principal of and interest on the Bond will be payable solely from the sources of payment set forth in the Bond Order and the Resolution (the "Net Revenues"), except to the extent payable from the proceeds of this Bond or investment earnings on such proceeds or on the Net Revenues. Neither the faith and credit nor the taxing power of the Town are pledged for the payment of the principal of or interest on this Bond, and no owner of this Bond has the right to compel the exercise of the Town's taxing power in connection with any default thereon.

"Taxable Event" means the occurrence after the issuance of this Bond of a final decree or judgment of any Federal court or a final action by the Internal Revenue Service determining that interest paid or payable on all or a portion of this Bond is or was includable in the gross income of the Bondholder of this Bond for federal income tax purposes; provided, that no such decree, judgment or action will be considered final for this purpose, however, unless the Town has been given written notice and, if it is so desired and legally allowed, has been afforded the opportunity to contest the same, either directly or in the name of the Bondholder and until the conclusion of any appellate review, if sought; and provided, further, that such Taxable Event is caused by the failure of the Town to comply with any covenants or any document or certificate executed by the Town in connection with this Bond which has the effect of causing the interest on this Bond to be includable in the gross income of the Bondholder for federal income tax purposes and in no case by a change in law that causes the interest on this Bond to be includable in the gross income of the Bondholder for federal income tax purposes.

"Prime Rate" means the rate publicly announced by the Bondholder from time to time as its prime rate. The Prime Rate is determined from time to time by the Bondholder as a means of pricing loans to its borrowers. The Prime Rate is not tied to any external rate of interest or index, and does not necessarily reflect the lowest rate of interest actually charged by the Bondholder to any particular class or category of customers.

"Federal Funds Open Rate" means, for any day, the rate per annum (based on a year of 360 days and actual days elapsed) which is the daily federal funds open rate as quoted by ICAP North America, Inc. (or any successor) as set forth on the Bloomberg Screen BTMM for that day opposite the caption "OPEN" (or on such other substitute Bloomberg Screen that displays such rate), or as set forth on such other recognized electronic source used for the purpose of displaying such rate as selected by the Lender (an "Alternate Source") (or if such rate for such day does not appear on the Bloomberg Screen BTMM (or any substitute screen) or on any Alternate Source, or if there shall at any time, for any reason, no longer exist a Bloomberg Screen BTMM (or any substitute screen) or any Alternate Source, a comparable replacement rate determined by the Lender at such time (which determination shall be conclusive absent manifest error); provided however, that if such day is not a Business Day, the Federal Funds Open Rate for such day shall be the "open" rate on the immediately preceding Business Day. The rate of interest charged shall be adjusted as of each Business Day based on changes in the Federal Funds Open Rate.

Additional notes and bonds secured by a lien on Net Revenues on a parity with the lien on Net Revenues securing this Bond may be issued under the terms and conditions set forth in the Bond Order.

Principal of this Bond may be prepaid in full at any time with a prepayment price of 101% of outstanding principal amount of this Bond together with unpaid accrued interest on this Bond to the date of such prepayment.

This Bond is fully registered as to both principal and interest. Transfer of this Bond may be registered upon books maintained for that purpose by the Registrar. Prior to due presentment for registration of transfer, the Registrar will treat the registered owner of this Bond as the person exclusively entitled to payment of principal of and interest on this Bond and the exercise of all other rights and powers of the owner hereof, except that interest will be payable to the person shown as the registered owner at the close of business on the 15<sup>th</sup> day (whether or not a business day) of the month preceding the interest payment date.

This Bond has been designated as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The Town intends that North Carolina law will govern the interpretation of this Bond.

All acts, conditions and things required by the Constitution and laws of the State of North Carolina to happen, exist or be performed precedent to and in the issuance of this Bond have happened, exist and have been performed.

**IN WITNESS WHEREOF**, the Town has caused this Bond to be signed by its Mayor, its seal to be affixed hereto and attested by the Town Clerk, and this Bond to be dated as of the date first set forth above.

(SEAL)

**ATTEST:**

**TOWN OF ANGIER,  
NORTH CAROLINA**

By: \_\_\_\_\_  
Town Clerk

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

**CERTIFICATE OF LOCAL GOVERNMENT COMMISSION**

The issuance of the within Bond has been approved under the provisions of The Local Government Revenue Bond Act.

**LOCAL GOVERNMENT COMMISSION  
OF NORTH CAROLINA**

\_\_\_\_\_  
Sharon G. Edmundson, Secretary

L.G.C. No. \_\_\_\_\_

## TRANSFER OF BOND

Transfer of this Bond may be registered by the registered owner or his duly authorized attorney upon presentation hereof to the Registrar, who will note such transfer in books kept by the Registrar for that purpose and in the registration blank below.

**Date of Re-  
Registration**

**Name of New  
Registered Owner**

**Signature  
of Registrar**

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## Board of Commissioners Agenda Report

55 N Broad Street W.  
PO Box 278  
Angier, NC 27501  
[www.angier.org](http://www.angier.org)

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**MEETING DATE:** July 20, 2021  
**PREPARED BY:** Hans Kalwitz  
**ISSUE** Resolution for Financing Boom Truck  
**CONSIDERED:**  
**DEPARTMENT:** Finance

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### **SUMMARY OF ISSUE:**

The Street & Sanitary Department as well as the Water & Sewer Departments are in need of a Boom Truck. This purchase will be financed, for which, a Resolution Approving Financing Terms is presented. This resolution states that First Bank has offered a proposal that is offering the lowest interest rate compared to the two other financial institutions (1.50%).

### **FINANCIAL IMPACT:**

The financial impact is the acceptance of the loan, amounting to \$162,212.10; regarding which, the Budget Amendment #2 is prepared to receive the loan proceeds.

**RECOMMENDATION:** N/A

### **REQUESTED MOTION:**

Motion to adopt the Resolution for Financing Boom Truck

### **REVIEWED BY TOWN MANAGER:**

This has been reviewed by the Town Manager.

**Attachments:** Resolution Approving Financing Terms

**Resolution Approving Financing Terms**

**WHEREAS:** The Town of Angier (the "Town") has previously determined to undertake a project for the financing of vehicle and equipment, (the "Project"), and the Finance Officer has now presented a proposal for the financing of such Project.

**BE IT THEREFORE RESOLVED, as follows:**

1. The Town hereby determines to finance the Project through First Bank, in accordance with the proposal dated July 7, 2021. The amount financed shall not exceed \$162,212.10, the annual interest rate shall not exceed 1.50%, and the financing term shall not exceed seven (7) years from closing.

2. All financing contracts and all related documents for the closing of the financing (the "Financing Documents") shall be consistent with the foregoing terms. The Mayor, Town Manager, and the Finance Officer of the Town are hereby authorized and directed to execute and deliver any Financing Documents approved by Attorney in Attorney's office, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution.

3. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer's satisfaction. The Finance Officer is authorized to approve changes to any Financing Documents previously signed by Town officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Finance Officer shall approve, with the Finance Officer's release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document's final form.

4. The Town shall not take or omit to take any action the taking or omission of which shall cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. The Town hereby designates its obligations to make principal and interest payments under the Financing Documents as "qualified tax-exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3).

5. The Town intends that the adoption of this resolution will be a declaration of the Town's official intent to reimburse expenditures for the project that is to be financed from the proceeds of the LGFCU Financial Partners, LLC financing described above. The Town intends that funds that have been advanced, or that may be advanced, from the Town's general fund, or any other Town fund related to the project, for project costs may be reimbursed from the financing proceeds.

6. All prior actions of Town officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

Approved this 20<sup>th</sup> day of July, 2021.

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

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

Title: \_\_\_\_\_  
SEAL

Title: \_\_\_\_\_



## Board of Commissioners Agenda Report

55 N Broad Street W.  
PO Box 278  
Angier, NC 27501  
[www.angier.org](http://www.angier.org)

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**MEETING DATE:** July 20, 2021  
**PREPARED BY:** Hans Kalwitz  
**ISSUE** Budget Amendment #2  
**CONSIDERED:**  
**DEPARTMENT:** Finance

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### **SUMMARY OF ISSUE:**

This budget amendment pertains to the Police Department as well as Public Works. During Fiscal Year 2021, the Police Department was not able to purchase necessary ammunition for training due to the pandemic. The funds were available and, once the FY 2021 audit is complete, these funds will go back into the Fund Balance of the General Fund.

Public Works will acquire a Boom Truck for which a loan has been solicited. As best practice, the Town has requested proposal from three (3) banks, of which First Bank offered the best interest rate (1.50%). The Boom Truck will be used by the General Fund and the Water & Sewer Fund.

### **FINANCIAL IMPACT:**

This budget amendment will increase the General Fund by \$86,114 and the Water & Sewer Fund by \$81,106. The Police Department will purchase \$5,008 worth of ammunition and the First Bank loan amounts to \$162,212.

**RECOMMENDATION:** N/A

### **REQUESTED MOTION:**

Motion to adopt the

### **REVIEWED BY TOWN MANAGER:**

This has been reviewed by the Town Manager.

**Attachments:** Budget Amendment #2



## *Town of Angier*

### Board Approved Budget Amendment # 2

Be it hereby ordained by the Town Council of the Town of Angier that the following amendments be made to the Budget Ordinance adopted on the 15<sup>th</sup> day of June, 2021 (as well as subsequent amendments) as follows:

General Fund (10 Fund)				
General Fund Revenue	Line Item	Budget	Change	Amended Budget
LOAN PROCEEDS	10-3010-8315	-	↑ 81,106	81,106
FUND BALANCE APPROPRIATED	10-3010-9999	412,840	↑ 5,008	417,848
<b>Total Revenue Budget</b>		<b>5,076,384</b>	<b>86,114</b>	<b>5,162,498</b>
Police Department	Line Item	Budget	Change	Amended Budget
TRAINING MUNITIONS	10-5100-3060	10,000	↑ 5,008	15,008
<b>Total Budget Expenditures for Dept 5100</b>		<b>1,562,045</b>	<b>5,008</b>	<b>1,567,053</b>
Streets & Sanitation Department	Line Item	Budget	Change	Amended Budget
CAPITAL OUTLAY	10-5600-5000	10,000	↑ 81,106	91,106
<b>Total Budget Expenditures for Dept 5600</b>		<b>1,007,684</b>	<b>81,106</b>	<b>1,088,790</b>
Water & Sewer Fund (30 Fund)				
Water & Sewer Revenue	Line Item	Budget	Change	Amended Budget
LOAN PROCEEDS	30-3030-8315	-	↑ 81,106	81,106
<b>Total Revenue Budget</b>		<b>4,133,799</b>	<b>81,106</b>	<b>4,214,905</b>
Water Department	Line Item	Budget	Change	Amended Budget
CAPITAL OUTLAY	30-8100-5000	170,000	↑ 40,553	210,553
<b>Total Budget Expenditures for Dept 8100</b>		<b>1,641,756</b>	<b>40,553</b>	<b>1,682,309</b>
Sewer Department	Line Item	Budget	Change	Amended Budget
CAPITAL OUTLAY	30-8300-5000	201,500	↑ 40,553	242,053
<b>Total Budget Expenditures for Dept 8300</b>		<b>1,150,403</b>	<b>40,553</b>	<b>1,190,956</b>

Motion to adopt FY 2022 Board Approved Budget Amendment #2

Adopted this the 20<sup>th</sup> day of July, 2021

Robert K. Smith, Mayor

Attest:

Veronica Hardaway, Town Clerk



## Board of Commissioners Agenda Report

55 N Broad Street W.  
PO Box 278  
Angier, NC 27501  
[www.angier.org](http://www.angier.org)

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**MEETING DATE:** July 20, 2021  
**PREPARED BY:** Hans Kalwitz  
**ISSUE** Booster Club Budget Ordinance  
**CONSIDERED:**  
**DEPARTMENT:** Finance

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### **SUMMARY OF ISSUE:**

The Booster Club has transferred their funds to the Town of Angier and, in so doing, manage intended goals within Fiscal Year 2022.

### **FINANCIAL IMPACT:**

The transfer of funds will be placed in a separate Fund within the Town of Angier's accounting/financial system. The total amount received is \$30,985 and will be spent within Fiscal Year 2022; thereby depleting and closing this established Fund by June 30, 2022.

**RECOMMENDATION:** N/A

### **REQUESTED MOTION:**

Motion to adopt Booster Club Budget Ordinance

### **REVIEWED BY TOWN MANAGER:**

This has been reviewed by the Town Manager.

**Attachments:** Booster Club Budget Ordinance



**Booster Club  
Budget Ordinance  
FY 2022**

**BE IT ORDAINED** by the Board of Commissioners of the Town of Angier, Harnett County, North Carolina in accordance with G.S. 159-13 of the North Carolina General Statutes that:

**Section 1:** The following revenue is hereby appropriated to the Booster Club Fund to be used, in accordance to provisions and guidance, during the fiscal years beginning July 1, 2021, and ending June 30, 2022:

<b>Booster Club Proceeds</b>	<u>\$</u>	<b>30,985</b>
<b>TOTAL</b>	<b>\$</b>	<b>30,985</b>

**Section 2:** The following expenditures are hereby appropriated in the Booster Club Fund to be used, in accordance to provisions and guidance, during the fiscal years beginning July 1, 2021, and ending June 30, 2022:

<b>Booster Club Department</b>		
Professional Services	<b>\$</b>	<b>10,000</b>
Contract Services		<u><b>20,985</b></u>
<b>TOTAL</b>	<b>\$</b>	<b>30,985</b>

Adopted this 20<sup>th</sup> day of July, 2021.

Town of Angier Board of Commissioners

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Robert K. Smith, Mayor

ATTEST:

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Veronica Hardaway, Town Clerk

# **PROCLAMATION**

## ***Designation of July as Park and Recreation Month***

**WHEREAS**, parks and recreation programs are an integral part of communities throughout this country, including the Town of Angier; and

**WHEREAS**, our parks and recreation are vitally important to establishing and maintaining the quality of life in our communities, ensuring the health of all citizens, and contributing to the economic and environmental well-being of a community and region; and

**WHEREAS**, parks and recreation programs build healthy, active communities that aid in the prevention of chronic disease, provide therapeutic recreation services for those who are mentally and physically disabled, and also improve the mental and emotional health of all citizens; and

**WHEREAS**, parks and recreation programs increase a community's economic prosperity through increased property values, expansion of local tax base, increased tourism, the attraction and retention of businesses, and crime reduction; and

**WHEREAS**, parks and recreation areas are fundamental to the environment well-being of our community; and

**WHEREAS**, parks and natural recreation areas improve water quality, protect groundwater, prevent flooding, improve the quality of the air we breathe, provide vegetative buffers to development, and produce habitat for wildlife; and

**WHEREAS**, our parks and natural recreation areas ensure the ecological beauty of our community and provide a place for children and adults to connect with nature and recreate outdoors; and

**WHEREAS**, the U.S. House of Representatives has designated July as Parks and Recreation Month; and

**WHEREAS**, the Town of Angier recognizes the benefits derived from parks and recreation resources

**NOW, THEREFORE**, be it resolved that I **Robert K. Smith**, Mayor of the Town of Angier proclaim July as Parks and Recreation Month in the Town of Angier.

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Robert K. Smith, Mayor

**IN WITNESS WHEREOF**, I have hereunto set my hand and caused to be affixed the Great Seal of the Town of Angier on this twentieth day of July in the year of our Lord Two Thousand Twenty-One.