

**EXTRACT FROM MINUTES OF BOARD OF COMMISSIONERS**

A regular meeting of the Board of Commissioners of the Town of Huntersville, North Carolina (the “*Board*”) was held at the Town Hall, 101 Huntersville-Concord Road, Huntersville, North Carolina 28078, at 6:30 p.m. on August 1, 2016, after proper notice, and was called to order by Mayor John Aneralla, and on the roll being called, the following members of the Board answered present: \_\_\_\_\_

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The following members of the Board were absent: \_\_\_\_\_

Also present: \_\_\_\_\_

Commissioner \_\_\_\_\_ introduced the following resolution, a summary of which had been provided to each Commissioner, a copy of which was available with the Town Clerk and which was read by title:

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE TOWN OF HUNTERSVILLE, NORTH CAROLINA, AUTHORIZING THE ISSUANCE OF \$865,000 GENERAL OBLIGATION BONDS, SERIES 2016A; NOT TO EXCEED \$3,750,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016B AND \$7,810,000 GENERAL OBLIGATION BONDS, SERIES 2016C**

*WHEREAS*, the Bond Orders described below have been adopted, and it is desirable to make provision for the issuance of the Bonds (as defined below) authorized by the Bond Orders;

*NOW, THEREFORE, BE IT RESOLVED* by the Board of Commissioners (the “*Board*”) of the Town of Huntersville, North Carolina (the “*Town*”), as follows:

**Section 1.** For purposes of this Resolution, the following words will have the meanings ascribed to them below:

“*Arbitrage and Tax Regulatory Agreement*” means the Arbitrage and Tax Regulatory Agreement executed by the Town related to the Bonds.

“*Board*” means the Board of Commissioners of the Town.

“*Bond Orders*” means, collectively, the Parks and Recreation Bond Order, the Street Bond Order, the Public Improvement Bond Order, the Two-Thirds’ Bond Order and the Refunding Bond Order.

“*Bonds*” means, collectively, the 2016A Bonds, the 2016B Bonds and the 2016C Bonds.

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

“*Escrow Agent*” means U.S. Bank National Association and any successor thereto.

*“Escrow Agreement”* means the Escrow Agreement dated as of August 1, 2016 between the Town and the Escrow Agent, and any amendments thereto.

*“Federal Securities”* means obligations permitted by Section 159-72 of the General Statutes of North Carolina, as may be amended from time-to-time, or any successor statute thereto.

*“Moody’s”* means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns and, if such corporation for any reason no longer performs the functions of a securities rating agency, *“Moody’s”* will be deemed to refer to any other nationally recognized rating agency other than S&P designated by the Town.

*“Parks and Recreation Bond Order”* means the bond order authorizing the Town to issue general obligation bonds to finance certain parks and recreation projects adopted by the Board on July 16, 2012 and effective on its approval by the voters of the Town at a referendum on November 6, 2012.

*“Parks and Recreation Projects”* means, collectively, (1) the construction, acquisition, equipping and furnishing of a new multi-court recreation center located at the existing Huntersville Athletic Park and (2) related improvements authorized under the Parks and Recreation Bond Order.

*“Pricing Certificate”* means the certificate of the Finance Officer of the Town delivered in connection with the issuance of the Bonds which establishes, with respect to the Bonds, the final maturity amounts, deposits of the Bond proceeds and, if determined by the Finance Officer, redemption provisions different from those provided for in Section 9.

*“Public Improvement Bond Order”* means the bond order authorizing the Town to issue general obligation bonds to finance certain public improvements adopted by the Board on July 16, 2012 and effective on its approval by the voters of the Town at a referendum on November 6, 2012.

*“Public Improvement Projects”* means (1) the construction, acquisition, equipping and furnishing of West Huntersville Fire Station Number 4 and (2) related improvements authorized under the Public Improvement Bond Order.

*“Refunding Bond Order”* means the bond order authorizing the Town to issue general obligation refunding bonds to refund the Refunded Bonds adopted by the Board on June 20, 2016 and effective 30 days after its publication during which period no petition to a vote of the people is filed with the Town Clerk under Section 159-60 of the General Statutes of North Carolina.

*“Refunded Bonds”* means the 2008 Bonds maturing on and after June 1, 2019.

*“S&P”* means S&P Global Ratings, its successors and their assigns and, if such corporation for any reason no longer performs the functions of a securities rating agency, *“S&P”* will be deemed to refer to any other nationally recognized rating agency other than Moody’s designated by the Town.

*“Street Bond Order”* means the bond order authorizing the Town to issue general obligation bonds to finance certain street improvements adopted by the Board on July 16, 2012 and effective on its approval by the voters of the Town at a referendum on November 6, 2012.

*“Street Projects”* means, collectively, various improvements to the intersection of U.S. Highway 21 and Gilead Road, the upgrading of Main Street and provision of connections to NC 115 at Mount Holly-Huntersville Road and Fourth Street in the Town and related improvements authorized under the Street Bond Order and the Two-Thirds’ Bond Order.

“*Town*” means the Town of Huntersville, North Carolina, and its successors or assigns.

“*Two-Thirds’ Bond Order*” means the bond order authorizing the Town to issue general obligation street bonds to finance certain street improvements adopted by the Board on June 20, 2016 and effective on its adoption.

“*2008 Bonds*” means \$5,000,000 aggregate principal amount of the Town’s General Obligation Bonds, Series 2008, of which \$3,425,000 is currently outstanding.

“*2016A Bonds*” means the Town’s General Obligation Bonds, Series 2016A authorized under the Two-Thirds Bond Order.

“*2016B Bonds*” means the Town’s General Obligation Refunding Bonds, Series 2016B authorized under the Refunding Bond Order.

“*2016C Bonds*” means the Town’s General Obligation Bonds, Series 2016C authorized under the Street Bond Order, the Public Improvement Bond Order and the Parks and Recreation Bond Order.

**Section 2.** The Town shall issue \$865,000 in total aggregate principal amount of its 2016A Bonds; not to exceed \$3,750,000 in total aggregate principal amount of its 2016B Bonds; and \$7,810,000 in total aggregate principal amount of its 2016C Bonds.

**Section 3.** The Bonds shall be dated their date of issuance and pay interest semiannually on June 1 and December 1, beginning June 1, 2017. The 2016A Bonds are being issued to finance all or a portion of the capital costs of the portion of the Street Projects, described in and in accordance with the Two-Thirds’ Bond Order. The 2016B Bonds are being issued to provide funds to refund all or a portion of the Refunded Bonds, described in and in accordance with the Refunding Bond Order. The 2016C Bonds are being issued to finance all or a portion of the capital costs of (a) the Parks and Recreation Projects, described in and in accordance with the Parks and Recreation Bond Order; (b) the Public Improvement Projects, described in and in accordance with the Public Improvement Bond Order and (c) the portion of the Street Projects, described in and in accordance with the Street Bond Order.

**Section 4.** The Board has ascertained and hereby determines that the average period of usefulness of the capital projects being financed by the proceeds of the Bonds is not less than 25 years computed from the date of issuance of the Bonds.

**Section 5.** The Bonds are payable in annual installments on June 1 and as set forth in the Pricing Certificate.

**Section 6.** The 2016A Bonds are to be numbered from “RA-1” consecutively and upward. The 2016B Bonds are to be numbered from “RB-1” consecutively and upward. The 2016C Bonds are to be numbered from “RC-1” consecutively and upward. All Bonds shall bear interest from their date at a rate or rates which shall be hereafter determined on the sale thereof computed on the basis of a 360-day year of twelve 30-day months.

**Section 7.** The Bonds shall be registered as to principal and interest, and the Finance Officer is directed to maintain the registration records with respect thereto. The Bonds shall bear the original or facsimile signatures of the Mayor or Town Manager and the Town Clerk. An original or facsimile of the seal of the Town shall be imprinted on each of the Bonds.

**Section 8.** The Bonds will initially be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. One bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York (“DTC”), and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 or integral multiples thereof, with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC. Interest on the Bonds will be payable to DTC or its nominee as registered owner of the Bonds in immediately available funds. The principal of and interest on the Bonds will be payable to owners of Bonds shown on the records of DTC at the close of business on the 15th day of the month preceding an interest payment date or a bond payment date. The Town will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

If (a) DTC determines not to continue to act as securities depository for the Bonds or (b) the Finance Officer for the Town determines that the continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect the interests of the beneficial owners of the Bonds, the Town will discontinue the book-entry system with DTC in accordance with DTC’s rules and procedures. If the Town fails to identify another qualified securities depository to replace DTC, the Town will authenticate and deliver replacement Bonds in accordance with DTC’s rules and procedures.

**Section 9.** The Bonds maturing on or before June 1, 2026 are not subject to redemption before maturity. The Bonds maturing on and after June 1, 2027 are subject to redemption prior to maturity, at the option of the Town, from any money that may be made available for such purpose, either in whole or in part on or after June 1, 2026, at the redemption price of 100% of the principal amount of Bonds to be redeemed, plus accrued interest thereon to the redemption date. The Town may change the foregoing redemption provisions pursuant to the Pricing Certificate.

If less than all of the Bonds of a series are called for redemption, the Town shall select the series of the Bonds to be redeemed and the maturity or maturities of the Bonds within a series to be redeemed in such manner as the Town in its discretion may determine, and DTC and its participants shall determine which of the Bonds within a maturity are to be redeemed by lot; provided, however, that the portion of any Bond to be redeemed shall be in principal amount of \$5,000 or integral multiples thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000. If the Town elects to redeem Bonds, notice of such redemption of Bonds, stating the redemption date, redemption price and identifying the Bonds or portions thereof to be redeemed by reference to their numbers and further stating that on such redemption date there shall become due and payable on each Bond or portion thereof so to be redeemed, the principal thereof, and interest accrued to the redemption date and that from and after such date interest thereon shall cease to accrue, shall be given not less than 30 days nor more than 60 days before the redemption date in writing to DTC or its nominee as the registered owner of the Bonds, by prepaid certified or registered United States mail, at the address provided to the Town by DTC (or otherwise in accordance with DTC’s then-existing rules and procedures), but any failure or defect in respect of such mailing will not affect the validity of the redemption. If DTC is not the registered owner of the Bonds, the Town will give notice at the time set forth above by prepaid first class United States mail, to the then-registered owners of the Bonds or portions thereof to be redeemed at the last address shown on the registration books kept by the Town. The Town will also send the notice of redemption within the time set forth above (1) to the Local Government Commission of North Carolina (the “LGC”) by mail or electronic mail (with receipt confirmed by the recipient) and (2) to the Municipal Securities Rule Making Board (the “MSRB”) in an electronic format as prescribed by the MSRB.

If at the time of mailing of notice of redemption there is not on deposit money sufficient to redeem the Bonds called for redemption, such notice may state that it is conditional on the deposit of

money for the redemption on the date of redemption as set forth in the notice. Any notice, once given, may be withdrawn by notice delivered in the same manner as the notice of redemption was given.

**Section 10.** The Bonds and the provisions for the registration of the Bonds and for the approval of the Bonds by the Secretary of the LGC are to be in substantially the form set forth in Appendices hereto.

**Section 11.** The Town covenants that it will not take or permit, or omit to take or cause to be taken, any action that would adversely affect the exclusion from gross income of the recipient thereof for federal income tax purposes of the interest on the Bonds, and, if it should take or permit, or omit to take or cause to be taken, any such action, the Town will take or cause to be taken all lawful actions within its power necessary to rescind or correct such actions or omissions promptly upon having knowledge thereof. The Town acknowledges that the continued exclusion of interest on the Bonds from the owner's gross income for federal income tax purposes depends, in part, on compliance with the arbitrage limitations imposed by Section 148 of the Code. The Town covenants that it will comply with all the requirements of Section 148 of the Code, including the rebate requirements, and that it will not permit at any time any of the proceeds of the Bonds or other funds under its control be used, directly or indirectly, to acquire any asset or obligation, the acquisition of which would cause the Bonds to be "arbitrage bonds" for purposes of Section 148 of the Code. The Finance Officer is hereby authorized to execute an Arbitrage and Tax Regulatory Agreement with respect to the Bonds.

**Section 12.** The Finance Officer is hereby directed to create and establish a special fund to be designated "*Town of Huntersville, North Carolina General Obligation Bonds, Series 2016 Project Fund*" (the "*Project Fund*") and, within the Project Fund, to designate a 2016A Bonds Account, a 2016B Bonds Account and a 2016C Bonds Account. The Finance Officer shall deposit the proceeds from the sale of the 2016A Bonds in the 2016A Bonds Account and the proceeds from the sale of the 2016C Bonds in the 2016C Bonds Account. From the proceeds of the 2016B Bonds, the State Treasurer shall transfer an amount as provided in the Pricing Certificate to the Escrow Agent for deposit in the Escrow Fund (as defined in the Escrow Agreement) created under the Escrow Agreement in accordance with the terms of the Escrow Agreement and transfer the balance of the proceeds from the sale of the 2016B Bonds to the 2016B Bonds Account. The Town Manager and the Finance Officer of the Town are hereby authorized and directed to enter into the Escrow Agreement, a form of which has been made available to the Board, but with such changes, modifications, additions or deletions therein as to them seem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of the Board's approval of any and all changes, modifications, additions or deletions therein from the form and content of the Escrow Agreement presented to the Board, and that from and after the execution and delivery of the Escrow Agreement, the Town Manager and the Finance Officer of the Town are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Escrow Agreement as executed.

The Finance Officer shall invest and reinvest any money held in the Project Fund as permitted by the laws of the State of North Carolina, and the income, to the extent permitted by the Code, is to be retained in the corresponding account of the Project Fund and applied with the proceeds of the Bonds to pay the applicable costs described in Section 3, as directed by the Finance Officer. The Finance Officer shall keep and maintain adequate records pertaining to the Project Fund and all disbursements therefrom so as to satisfy the requirements of the laws of the State of North Carolina and to assure that the Town maintains its covenants with respect to the exclusion of the interest on the Bonds from gross income for purposes of federal income taxation. To the extent any funds remain in the 2016B Bonds Account on November 15, 2016, the Finance Officer shall apply them to pay interest on the 2016B Bonds.

**Section 13.** Actions taken by officials of the Town to select paying and transfer agents, and a bond registrar, or alternate or successor agents and registrars pursuant to Section 159E-8 of the Registered Public Obligations Act, Chapter 159E of the General Statutes of North Carolina, are hereby authorized and approved.

**Section 14.** The LGC is hereby requested to sell the Bonds through a competitive sale to the bidder whose bid results in the lowest interest cost to the Town.

**Section 15.** The Mayor, the Town Manager, the Finance Officer and the Town Clerk are hereby authorized and directed to cause the Bonds to be prepared and, when they shall have been duly sold by the LGC, to execute the Bonds and to turn the Bonds over to the registrar and transfer agent of the Town for delivery through the facilities of DTC to the purchaser or purchasers to whom they may be sold by the LGC.

**Section 16.** The form and content of the Preliminary Official Statement to be dated on or about August 19, 2016, together with the final Official Statement to be dated on or about August 30, 2016, are in all respects authorized, approved and confirmed, and the Mayor, the Town Manager, the Finance Officer and the Town Clerk are authorized, empowered and directed to execute and deliver the Official Statement in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as the Mayor, Town Manager or the Finance Officer may deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of the Board's approval of any and all changes, modifications, additions or deletions therein from the form and content of the Official Statement presented to the Board.

The form and content of the Notice of Sale and Bid Form with respect to the sale of each series of the Bonds are in all respects authorized, approved and confirmed.

**Section 17.** The Mayor, the Town Manager, the Finance Officer and the Town Clerk are authorized and directed to execute and deliver for and on behalf of the Town any and all additional certificates, documents, opinions or other papers and perform all other acts as may be required by the documents contemplated in this Resolution or as may be deemed necessary or appropriate in order to implement and carry out the intent and purposes of this Resolution.

**Section 18.** The Town agrees, in accordance with Rule 15c2-12 (the "*Rule*") promulgated by the Securities and Exchange Commission (the "*SEC*") and for the benefit of the Registered Owners and beneficial owners of the Bonds, as follows:

(1) by not later than seven months after the end of each Fiscal Year to the MSRB in an electronic format as prescribed by the MSRB, the audited financial statements of the Town for the preceding Fiscal Year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or if such audited financial statements are not then available, unaudited financial statements of the Town for such Fiscal Year to be replaced subsequently by audited financial statements of the Town to be delivered within 15 days after such audited financial statements become available for distribution;

(2) by not later than seven months after the end of each Fiscal Year to the MSRB, the financial and statistical data as of a date not earlier than the end of the preceding Fiscal Year for the type of information included under the captions "**THE TOWN--DEBT INFORMATION**" and "**--TAX INFORMATION**" (excluding information on

overlapping units) in the Official Statement referred to in Section 16 above;

(3) in a timely manner not in excess of 10 business days after the occurrence of the event, to the MSRB, notice of any of the following events with respect to the Bonds:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on the debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on any credit enhancements reflecting financial difficulties;
- (e) substitution of any credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (g) modification of the rights of the beneficial owners of the Bonds, if material;
- (h) call of any of the Bonds, if material, and tender offers;
- (i) defeasance of any of the Bonds;
- (j) release, substitution or sale of any property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Town;
- (m) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material; and
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material; and

(4) in a timely manner to the MSRB, notice of the failure by the Town to provide the required annual financial information described in (1) and (2) above on or

before the date specified.

The Town agrees that its undertaking under this Section is intended to be for the benefit of the registered owners and the beneficial owners of the Bonds and is enforceable by any of the registered owners and the beneficial owners of the Bonds, including an action for specific performance of the Town's obligations under this Section, but a failure to comply will not be an event of default and will not result in acceleration of the payment of the Bonds. An action must be instituted, had and maintained in the manner provided in this Section for the benefit of all of the registered owners and beneficial owners of the Bonds.

All documents provided to the MSRB as described in this Section shall be provided in an electronic format as prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB. The Town may discharge its undertaking described above by providing such information in a manner the SEC subsequently authorizes in lieu of the manner described above.

The Town may modify from time to time, consistent with the Rule, the information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Town, but:

- (1) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Town;
- (2) the information to be provided, as modified, would have complied with the requirements of the Rule as of the date of the Official Statement, after taking into account any amendments or interpretations of the Rule as well as any changes in circumstances;
- (3) any such modification does not materially impair the interest of the registered owners or the beneficial owners of the Bonds, as determined by nationally recognized bond counsel or by the approving vote of the registered owners of a majority in principal amount of the Bonds.

Any annual financial information containing modified operating data or financial information will explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

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

**Section 19.** Those portions of this Resolution other than Section 18 may be amended or supplemented, from time to time, without the consent of the owners of the Bonds if in the opinion of nationally recognized bond counsel, such amendment or supplement would not adversely affect the interests of the owners of the Bonds and would not cause the interest on the Bonds to be included in the gross income of a recipient thereof for federal income tax purposes. This Resolution may be amended or supplemented with the consent of the owners of a majority in aggregate principal amount of the outstanding Bonds, exclusive of Bonds, if any, owned by the Town, but a modification or amendment (a) may not, without the express consent of any owner of Bonds, reduce the principal amount of any Bond, reduce the interest rate payable on it, extend its maturity or the times for paying interest, change the monetary medium in which principal and interest is payable, or reduce the percentage of consent required



for amendment or modification and (b) as to an amendment to Section 18, must be limited as described therein.

Any act done pursuant to a modification or amendment consented to by the owners of the Bonds is binding on all owners of the Bonds and will not be deemed an infringement of any of the provisions of this Resolution, whatever the character of the act may be, and may be done and performed as fully and freely as if expressly permitted by the terms of this Resolution, and after consent has been given, no owner of a Bond has any right or interest to object to the action, to question its propriety or to enjoin or restrain the Town from taking any action pursuant to a modification or amendment.

If the Town proposes an amendment or supplemental resolution to this Resolution requiring the consent of the owners of the Bonds, the Registrar shall, on being satisfactorily indemnified with respect to expenses, cause notice of the proposed amendment to be sent to each owner of the Bonds then outstanding by first-class mail, postage prepaid, to the address of such owner as it appears on the registration books; but the failure to receive such notice by mailing by any owner, or any defect in the mailing thereof, will not affect the validity of any proceedings pursuant hereto. Such notice shall briefly set forth the nature of the proposed amendment and shall state that copies thereof are on file at the principal office of the Registrar for inspection by all owners of the Bonds. If, within 60 days or such longer period as shall be prescribed by the Town following the giving of such notice, the owners of a majority in aggregate principal amount of Bonds then outstanding have consented to the proposed amendment, the amendment will be effective as of the date stated in the notice.

**Section 20.** Nothing in this Resolution precludes (a) the payment of the Bonds from the proceeds of refunding bonds or (b) the payment of the Bonds from any legally available funds.

If the Town causes to be paid, or has made provisions to pay, on maturity or on redemption before maturity, to the owners of the Bonds the principal of the Bonds (including interest to become due thereon), through setting aside trust funds or setting apart in a reserve fund or special trust account created pursuant to this Resolution or otherwise, or through the irrevocable segregation for that purpose in some sinking fund or other fund or trust account with an escrow agent or otherwise, money sufficient therefor, including, but not limited to, interest earned or to be earned on Federal Securities, the Town shall so notify Moody's and S&P, and then such Bonds shall be considered to have been discharged and satisfied, and the principal of the Bonds (including any interest thereon) shall no longer be deemed to be outstanding and unpaid; provided, however, that nothing in this Resolution requires the deposit of more than such Federal Securities as may be sufficient, taking into account both the principal amount of such Federal Securities and the interest to become due thereon, to implement any such defeasance.

If such a defeasance occurs and after the Town receives an opinion of a nationally recognized firm specializing in verification of defeasance escrow funds that the segregated money or Federal Securities together with interest earnings thereon are sufficient to effect a defeasance, the Town shall execute and deliver all such instruments as may be necessary to effect such a defeasance and desirable to evidence such release, discharge and satisfaction. The Town shall make provisions for the mailing of a notice to the owners of the Bonds that such money is so available for such payment.

**Section 21.** All acts and doings of the Mayor, the Town Manager, the Finance Officer and the Town Clerk that are in conformity with the purposes and intents of this Resolution and in the furtherance of the issuance of the Bonds are in all respects approved and confirmed.

**Section 22.** If any one or more of the agreements or provisions contained in this Resolution is held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or for any reason whatsoever is held invalid, then such

covenants, agreements or provisions are null and void and separable from the remaining agreements and provisions and will in no way affect the validity of any of the other agreements and provisions of this Resolution or of the Bonds authorized hereunder.

**Section 23.** All resolutions or parts thereof of the Board in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby superseded and repealed.

**Section 24.** This Resolution is effective on its adoption.

Upon motion of Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, the foregoing order titled **“A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE TOWN OF HUNTERVILLE, NORTH CAROLINA, AUTHORIZING THE ISSUANCE OF \$865,000 GENERAL OBLIGATION BONDS, SERIES 2016A; NOT TO EXCEED \$3,750,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016B AND \$7,810,000 GENERAL OBLIGATION BONDS, SERIES 2016C”** was adopted by the following vote:

AYES:

NAYS:

*PASSED, ADOPTED AND APPROVED* this 1<sup>st</sup> day of August, 2016.

\* \* \* \*

STATE OF NORTH CAROLINA                    )  
  )  
TOWN OF HUNTERSVILLE                    )           ss:

I, Janet Pierson, Town Clerk of the Town of Huntersville, North Carolina, ***DO HEREBY CERTIFY*** that the foregoing is a true and exact copy of the resolution titled “**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE TOWN OF HUNTERSVILLE, NORTH CAROLINA, AUTHORIZING THE ISSUANCE OF \$865,000 GENERAL OBLIGATION BONDS, SERIES 2016A; NOT TO EXCEED \$3,750,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016B AND \$7,810,000 GENERAL OBLIGATION BONDS, SERIES 2016C” adopted by the Board of Commissioners of the Town of Huntersville, North Carolina in regular session convened on the 1<sup>st</sup> day of August, 2016, as recorded in the minutes of the Board of Commissioners of the Town of Huntersville, North Carolina.**

***WITNESS*** my hand and the seal of the Town of Huntersville, North Carolina, this the \_\_\_ day of August, 2016.

(SEAL)

\_\_\_\_\_  
Janet Pierson, Town Clerk  
Town of Huntersville, North Carolina

**EXHIBIT A**

**FORM OF 2016A BOND**

No. RA-

\$

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

**INTEREST**

**RATE**

**MATURITY DATE**

**JUNE 1, \_\_\_\_\_**

**DATED DATE**

**SEPTEMBER 21, 2016**

**CUSIP**

**REGISTERED OWNER: CEDE & CO.**

**PRINCIPAL SUM:**

**DOLLARS**

**GENERAL OBLIGATION BOND, SERIES 2016A**

*THE TOWN OF HUNTERSVILLE, NORTH CAROLINA* (the “Town”) acknowledges itself indebted and for value received hereby promises to pay to the Registered Owner named above, on the Maturity Date specified above, upon surrender hereof, the Principal Sum shown above and to pay to the Registered Owner hereof interest thereon from the date of this Bond until it shall mature at the Interest Rate per annum specified above, payable on June 1, 2017 and semiannually thereafter on June 1 and December 1 of each year. Principal of and interest on this Bond are payable in immediately available funds to The Depository Trust Company (“DTC”) or its nominee as registered owner of the Bonds and is payable to the owner of the Bonds shown on the records of DTC at the close of business on the 15<sup>th</sup> day of the month preceding an interest payment date or a bond payment date. The Town is not responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

This Bond is issued in accordance with the Registered Public Obligations Act, Chapter 159E of the General Statutes of North Carolina, and pursuant to The Local Government Finance Act and the bond order (the “Bond Order”) authorizing the Town to issue general obligation bonds general obligation street bonds to finance certain street improvements adopted by the Board on June 20, 2016 and effective on its adoption.

The Bonds are being issued to finance all or a portion of the capital costs of (1) the upgrading of Main Street and provision of connections to NC 115 at Mount Holly-Huntersville Road and Fourth Street in the Town and (2) related improvements authorized under the Bond Order.

The Bonds maturing on or before June 1, 2026 are not subject to redemption before maturity. The Bonds maturing on and after June 1, 2027 are subject to redemption prior to maturity, at the option of the Town, from any money that may be made available for such purpose, either in whole or in part on or after June 1, 2026, at the redemption price of 100% of the principal amount of Bonds to be redeemed, plus accrued interest thereon to the redemption date.

If less than all of the Bonds are called for redemption, the Town shall select the maturity or maturities of the Bonds to be redeemed in such manner as the Town in its discretion may determine, and

DTC and its participants shall determine which of the Bonds within a maturity are to be redeemed by lot; provided, however, that the portion of any Bond to be redeemed shall be in principal amount of \$5,000 or integral multiples thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000. Whenever the Town elects to redeem Bonds, notice of such redemption of Bonds, stating the redemption date, redemption price and identifying the Bonds or portions thereof to be redeemed by reference to their numbers and further stating that on such redemption date there shall become due and payable on each Bond or portion thereof so to be redeemed, the principal thereof, and interest accrued to the redemption date and that from and after such date interest thereon shall cease to accrue, shall be given not less than 30 days nor more than 60 days before the redemption date in writing to DTC or its nominee as the registered owner of the Bonds, by prepaid certified or registered United States mail, at the address provided to the Town by DTC (or otherwise in accordance with DTC's then-existing rules and procedures), but any failure or defect in respect of such mailing will not affect the validity of the redemption. If DTC is not the registered owner of the Bonds, the Town will give notice at the time set forth above by prepaid first class United States mail, to the then-registered owners of the Bonds or portions thereof to be redeemed at the last address shown on the registration books kept by the Town.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of North Carolina to exist, be performed or happen precedent to or in the issuance of this Bond, exist, have been performed and have happened, and that the amount of this Bond, together with all other indebtedness of the Town, is within every debt and other limit prescribed by said Constitution or statutes. The faith and credit of the Town are hereby pledged to the punctual payment of the principal of and interest on this Bond in accordance with its terms.

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

*IN WITNESS WHEREOF*, the Town has caused this Bond to bear the original or facsimile of the signatures of the Mayor and the Town Clerk and an original or facsimile of the seal of the Town to be imprinted hereon and this Bond to be dated as of the Dated Date above.

(SEAL)

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Town Clerk

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Mayor

Date of Execution: September 21, 2016

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

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GREG C. GASKINS  
Secretary of the Local Government Commission

FORM OF ASSIGNMENT

ASSIGNMENT

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

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

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

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

Dated: \_\_\_\_\_  
Signature guaranteed by:

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

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

**TRANSFER FEE MAY BE REQUIRED**

**EXHIBIT B**

**FORM OF 2016B BOND**

No. RB-

\$

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

**INTEREST**

**RATE**

**MATURITY DATE**

**JUNE 1, \_\_\_\_\_**

**DATED DATE**

**SEPTEMBER 22, 2016**

**CUSIP**

**REGISTERED OWNER: CEDE & CO.**

**PRINCIPAL SUM:**

**DOLLARS**

**GENERAL OBLIGATION REFUNDING BOND, SERIES 2016B**

*THE TOWN OF HUNTERSVILLE, NORTH CAROLINA* (the “Town”) acknowledges itself indebted and for value received hereby promises to pay to the Registered Owner named above, on the Maturity Date specified above, upon surrender hereof, the Principal Sum shown above and to pay to the Registered Owner hereof interest thereon from the date of this Bond until it shall mature at the Interest Rate per annum specified above, payable on June 1, 2017 and semiannually thereafter on June 1 and December 1 of each year. Principal of and interest on this Bond are payable in immediately available funds to The Depository Trust Company (“DTC”) or its nominee as registered owner of the Bonds and is payable to the owner of the Bonds shown on the records of DTC at the close of business on the 15<sup>th</sup> day of the month preceding an interest payment date or a bond payment date. The Town is not responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

This Bond is issued in accordance with the Registered Public Obligations Act, Chapter 159E of the General Statutes of North Carolina, and pursuant to The Local Government Finance Act and the bond order (the “Bond Order”) authorizing the Town to issue general obligation bonds to refund the Town’s General Obligation Bonds, Series 2008 maturing on and after June 1, 2019. The Bond Order was adopted by the Board on June 20, 2016 and was effective 30 days after its publication during which period no petition to a vote of the people is filed with the Town Clerk under Section 159-60 of the General Statutes of North Carolina.

The Bonds maturing on or before June 1, 2026 are not subject to redemption before maturity. The Bonds maturing on and after June 1, 2027 are subject to redemption prior to maturity, at the option of the Town, from any money that may be made available for such purpose, either in whole or in part on or after June 1, 2026, at the redemption price of 100% of the principal amount of Bonds to be redeemed, plus accrued interest thereon to the redemption date.

If less than all of the Bonds are called for redemption, the Town shall select the maturity or maturities of the Bonds to be redeemed in such manner as the Town in its discretion may determine, and DTC and its participants shall determine which of the Bonds within a maturity are to be redeemed by lot; provided, however, that the portion of any Bond to be redeemed shall be in principal amount of \$5,000 or

integral multiples thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000. Whenever the Town elects to redeem Bonds, notice of such redemption of Bonds, stating the redemption date, redemption price and identifying the Bonds or portions thereof to be redeemed by reference to their numbers and further stating that on such redemption date there shall become due and payable on each Bond or portion thereof so to be redeemed, the principal thereof, and interest accrued to the redemption date and that from and after such date interest thereon shall cease to accrue, shall be given not less than 30 days nor more than 60 days before the redemption date in writing to DTC or its nominee as the registered owner of the Bonds, by prepaid certified or registered United States mail, at the address provided to the Town by DTC (or otherwise in accordance with DTC's then-existing rules and procedures), but any failure or defect in respect of such mailing will not affect the validity of the redemption. If DTC is not the registered owner of the Bonds, the Town will give notice at the time set forth above by prepaid first class United States mail, to the then-registered owners of the Bonds or portions thereof to be redeemed at the last address shown on the registration books kept by the Town.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of North Carolina to exist, be performed or happen precedent to or in the issuance of this Bond, exist, have been performed and have happened, and that the amount of this Bond, together with all other indebtedness of the Town, is within every debt and other limit prescribed by said Constitution or statutes. The faith and credit of the Town are hereby pledged to the punctual payment of the principal of and interest on this Bond in accordance with its terms.

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

*IN WITNESS WHEREOF*, the Town has caused this Bond to bear the original or facsimile of the signatures of the Mayor and the Town Clerk and an original or facsimile of the seal of the Town to be imprinted hereon and this Bond to be dated as of the Dated Date above.

(SEAL)

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Town Clerk

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Mayor

Date of Execution: September 22, 2016



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

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GREG C. GASKINS

FORM OF ASSIGNMENT

ASSIGNMENT

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

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

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

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

Dated: \_\_\_\_\_  
Signature guaranteed by:

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

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

**TRANSFER FEE MAY BE REQUIRED**

**EXHIBIT C**

**FORM OF 2016C BOND**

No. RC-

\$

UNITED STATES OF AMERICA  
STATE OF NORTH CAROLINA  
TOWN OF HUNTERSVILLE

**INTEREST**

**RATE**

**MATURITY DATE**

**JUNE 1, \_\_\_\_\_**

**DATED DATE**

**SEPTEMBER 22, 2016**

**CUSIP**

**REGISTERED OWNER: CEDE & CO.**

**PRINCIPAL SUM:**

**DOLLARS**

**GENERAL OBLIGATION BOND, SERIES 2016C**

*THE TOWN OF HUNTERSVILLE, NORTH CAROLINA* (the “Town”) acknowledges itself indebted and for value received hereby promises to pay to the Registered Owner named above, on the Maturity Date specified above, upon surrender hereof, the Principal Sum shown above and to pay to the Registered Owner hereof interest thereon from the date of this Bond until it shall mature at the Interest Rate per annum specified above, payable on June 1, 2017 and semiannually thereafter on June 1 and December 1 of each year. Principal of and interest on this Bond are payable in immediately available funds to The Depository Trust Company (“DTC”) or its nominee as registered owner of the Bonds and is payable to the owner of the Bonds shown on the records of DTC at the close of business on the 15<sup>th</sup> day of the month preceding an interest payment date or a bond payment date. The Town is not responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

This Bond is issued in accordance with the Registered Public Obligations Act, Chapter 159E of the General Statutes of North Carolina, and pursuant to The Local Government Finance Act and the following bond orders (collectively, the “*Bond Orders*”):

- (a) the bond order authorizing the Town to issue general obligation bonds to finance certain parks and recreation projects adopted by the Board on July 16, 2012 and effective on its approval by the voters of the Town at a referendum on November 6, 2012;
- (b) the bond order authorizing the Town to issue general obligation bonds to finance certain street improvements adopted by the Board on July 16, 2012 and effective on its approval by the voters of the Town at a referendum on November 6, 2012; and
- (c) the bond order authorizing the Town to issue general obligation bonds to finance certain public improvement projects adopted by the Board on July 16, 2012 and effective on its approval by the voters of the Town at a referendum on November 6, 2012.

The Bonds are being issued to finance all or a portion of the capital costs of (1) the construction, acquisition, equipping and furnishing of West Huntersville Fire Station Number 4, (2) various improvements to the intersection of U.S. Highway 21 and Gilead Road, (3) the upgrading of Main Street and provision of connections to NC 115 at Mount Holly-Huntersville Road and Fourth Street in the Town, (4) non-motorized transportation improvements, (5) the construction, acquisition, equipping and furnishing of a new multi-court recreation center located at the existing Huntersville Athletic Park and (6) related improvements authorized under each applicable Bond Order.

The Bonds maturing on or before June 1, 2026 are not subject to redemption before maturity. The Bonds maturing on and after June 1, 2027 are subject to redemption prior to maturity, at the option of the Town, from any money that may be made available for such purpose, either in whole or in part on or after June 1, 2026, at the redemption price of 100% of the principal amount of Bonds to be redeemed, plus accrued interest thereon to the redemption date.

If less than all of the Bonds are called for redemption, the Town shall select the maturity or maturities of the Bonds to be redeemed in such manner as the Town in its discretion may determine, and DTC and its participants shall determine which of the Bonds within a maturity are to be redeemed by lot; provided, however, that the portion of any Bond to be redeemed shall be in principal amount of \$5,000 or integral multiples thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000. Whenever the Town elects to redeem Bonds, notice of such redemption of Bonds, stating the redemption date, redemption price and identifying the Bonds or portions thereof to be redeemed by reference to their numbers and further stating that on such redemption date there shall become due and payable on each Bond or portion thereof so to be redeemed, the principal thereof, and interest accrued to the redemption date and that from and after such date interest thereon shall cease to accrue, shall be given not less than 30 days nor more than 60 days before the redemption date in writing to DTC or its nominee as the registered owner of the Bonds, by prepaid certified or registered United States mail, at the address provided to the Town by DTC (or otherwise in accordance with DTC's then-existing rules and procedures), but any failure or defect in respect of such mailing will not affect the validity of the redemption. If DTC is not the registered owner of the Bonds, the Town will give notice at the time set forth above by prepaid first class United States mail, to the then-registered owners of the Bonds or portions thereof to be redeemed at the last address shown on the registration books kept by the Town.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of North Carolina to exist, be performed or happen precedent to or in the issuance of this Bond, exist, have been performed and have happened, and that the amount of this Bond, together with all other indebtedness of the Town, is within every debt and other limit prescribed by said Constitution or statutes. The faith and credit of the Town are hereby pledged to the punctual payment of the principal of and interest on this Bond in accordance with its terms.

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

*IN WITNESS WHEREOF*, the Town has caused this Bond to bear the original or facsimile of the signatures of the Mayor and the Town Clerk and an original or facsimile of the seal of the Town to be imprinted hereon and this Bond to be dated as of the Dated Date above.

(SEAL)

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Town Clerk

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Mayor

Date of Execution: September 22, 2016

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

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GREG C. GASKINS  
Secretary of the Local Government Commission

FORM OF ASSIGNMENT

ASSIGNMENT

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

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

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

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

Dated: \_\_\_\_\_  
Signature guaranteed by:

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

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

**TRANSFER FEE MAY BE REQUIRED**