



Since 1712

HYDE COUNTY

NORTH CAROLINA

Meeting Date: 12.03.12

Presenter(s): Corrinne Gibbs

Title: Director of Finance

Agency/Dept.: Hyde County Government

Item Title: Agreement for Bond Counsel Services from Sanford Holshouser LLP

Attachments: Yes

Description: As approved by the board at their November 19, 2012 meeting, the County will re-finance several loans with U.S.D.A. that will lower the interest rate, decrease the number of years that loan payments will have to be made, and result in over \$1 million in savings when the process is complete. Approval must be given for Bond Counsel Services as directed by the Local Government Commission. Staff recommends using Sanford Holshouseer LLP.

Times Read: First

Impact on Budget: Does not increase the budget.

Recommendation: Approve agreement

			<u>Yea</u>	<u>Nay</u>
_____	A. Byrd	_____	A. Byrd	_____
_____	J. Fletcher	_____	J. Fletcher	_____
_____	E. Pugh	_____	E. Pugh	_____
_____	B. Swindell	_____	B. Swindell	_____
_____	D. Tunnell	_____	D. Tunnell	_____

Sanford Holshouser LLP

219 Lloyd St., Suite 350
Carrboro, NC 27510

November 2, 2012

By Electronic Mail

Clint Berry
Director, Public Works Department
Hyde County
Swan Quarter, NC 27885

Bond Counsel Services for Hyde County

Dear Mr. Berry:

Thank you for the invitation for me to provide Hyde County with a proposal to work as bond counsel on the County's proposed USDA bond refunding. I think I could do a great job, and I would welcome the opportunity to work with you and for the County

Our bond counsel scope of work

Our job as bond counsel will include preparing the appropriate financing documents, coordinating the financing process with the County, the LGC, the bond purchaser and all other working group members, coordinating the closing process and preparing appropriate closing documents, and at the closing delivering our legal opinions as to the legality of the bonds and as to certain customary matters of tax law.

On pages 4 and 5 you will find a somewhat more detailed outline of our scope of work and responsibilities as bond counsel. The scope of services set forth there is certainly consistent with the scope of services we have provided to our other bond counsel clients on similar engagements. Please call me if you have any questions about the scope of our work or any other aspect of our representation.

Proposed fee arrangements

I understand the County is looking to refinance approximately \$5 million of general obligation bonds currently held by USDA. I understand that the County expects to sell the refunding bonds in a private placement with Branch Banking and Trust Company that will close in the next few months. Based on these understandings, our fee for serving as bond

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Sanford Holshouser LLP

November 2, 2012

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counsel will be \$9,500. This amount includes all expenses, and will be payable to us promptly upon the closing of the refunding bonds. This fee also includes my coming down to the County in connection with a meeting for the closing of the bond issue.

If the financing cannot proceed because market conditions make the refunding uneconomic, there will be no charge from us. If for any other reason the County decides not to proceed with the bond issue, or decides to proceed with another bond counsel, we would then expect to be compensated for our time actually spent from the beginning of the process, plus our out-of-pocket expenses.

My background, experience and approach to the work

I have worked as a public finance attorney for over twenty years. I spend almost all of my time representing North Carolina counties, cities and towns on the full range of their financing needs. This includes work on general obligation bonds, revenue bonds and installment financings, as well as with other financing techniques. I also regularly represent the Governmental Finance group of BB&T on that bank's local government finance work throughout North Carolina. I have attached a slightly more detailed overview of my professional background; that appears on page 6.

I think I do some of my best work with local governments that do not borrow money frequently. I have twice been asked to give an introductory-level presentation for local government finance officials on local government borrowing (once by the UNC School of Government, and once by the North Carolina Government Finance Officers' Association). I think these invitations have resulted from a recognition of my particular expertise with these clients -- in my ability to understand the concerns of local government officials who may not have much experience in this area, and my ability to lead them comfortably and confidently through a financing process.

Among the projects I've worked on in 2012 are several in which a smaller local government entity refinanced bonds on a private placement with BB&T. I've provided you with contact information for some of those issuers on page 7.

Our Firm's Relationship with BB&T

We at Sanford Holshouser have an active local government finance practice. As part of that practice, we represent BB&T Governmental Finance on an on-going basis in connection with a variety of North Carolina local government finance projects. We understand the County may work with BB&T as the lender on this proposed bond refunding. As bond counsel to Hyde County on this transaction, please know that we

Sanford Holshouser LLP

November 2, 2012

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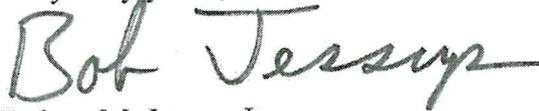
represent only the County, and not BB&T. We do not believe that our on-going work for BB&T in other transactions presents a reason for our not working for Hyde County as bond counsel on this project – but we wanted to be sure you were aware of our work, and we would be happy to talk about this with you further if you would like.

If you have any questions about our fee proposal, the scope of work or any other aspect of this proposal or our public finance business, please let me know.

Otherwise, if the County accepts the terms set out in this letter, please have the letter signed in the space indicated below, and then return a signed copy to me by email, facsimile or by regular mail. This will indicate the County's acceptance of the terms of our engagement as described in this letter.

Once again, let me say that we appreciate the chance to make this proposal, and I look forward to having a chance to work with you.

Very truly yours,



Robert M. Jessup Jr.

cc: Corrinne Gibbs, Hyde County Finance Officer (by electronic mail)

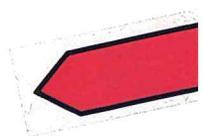
Approved:

HYDE COUNTY, NORTH CAROLINA

By: _____

Printed Name: _____

Title: _____



Bond Counsel Scope of Work on the Refunding Bonds

As bond counsel for this transaction, we expect that our responsibilities will be as follows:

1. examining the applicable law;
2. providing general advice to County representatives regarding the financing and the financing procedure;
3. drafting all necessary proceedings of the County's Board of Commissioners;
4. preparing to completion the primary financing documents for the transaction;
5. working through the financing process with all working group members, including County representatives, staff of the North Carolina Local Government Commission and with representatives of the bond purchaser;
6. analyzing appropriate state and federal tax issues;
7. preparing all documents required for the closing of the bond issue;
8. collaborating with all parties as to closing arrangements, supervising the closing, delivering our opinion upon the closing with respect to the validity of the bonds and customary tax issues, and preparing the required I.R.S. Form 8038-G and filing it with the Internal Revenue Service; and
9. preparing complete sets of financing documents for all parties.

Our work does not include preparing the LGC application, except to the extent the application requires the proposed forms of financing documents and our fee arrangement letter. In addition, please note that we are not financial advisers, and the County should not look to us, or rely on us, for financial advice.

We generally consider our engagement as concluded with the bond closing, except for the completion of miscellaneous "post-closing matters," such as completing bond transcripts or other matters we may identify at closing. For example, any work on matters of tax law compliance, responding to IRS inquiries, arbitrage rebate, post-issuance disclosure or amendments to documents would have to be the subject of a separate

Sanford Holshouser LLP

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engagement. We will ask the County to provide an evaluation of our work at the completion of the bond issue.

We represent the County as An entity. We do not represent any individual County officer or any individual governing board member. Our professional duty of confidentiality, for example, runs only to the County as an entity and not to any individual representative. In some cases the rules of professional responsibility for lawyers may require us to share information received from a County representative with other County representatives, or directly with the governing board. We will take direction for our work from the County Finance Officer and County Manager unless we are directed otherwise.

We will not review the County's financial condition, the feasibility of the financed projects or the adequacy of the security provided to bond owners, and we will express no opinion on these matters. We will not represent any other party, although we will of course explain and discuss our view of the applicable law and requirements for compliance with all parties.

As bond counsel, we represent the County, but we have a responsibility to deliver objective legal opinions upon closing. These opinions will be based, in part, upon certifications as to relevant facts by County officials and others. Our approving legal opinion expresses our professional judgment as to the legal issues explicitly addressed in the opinion. By rendering a legal opinion, we do not become an insurer or guarantor of any statement in the opinion or of any performance by any party to the transaction.

Please let us know if you have any questions or if we can in any way clarify our role.

-- Sanford Holshouser LLP

Bob Jessup's Background and Experience

Bob Jessup has worked as a public finance lawyer since he began to practice law in 1985. In that time he has served as bond counsel for local governments on a full range of public finance transactions, including general obligation bonds and notes, revenue bonds and installment financings.

Bob Jessup's bond counsel clients include the following local governments:

Orange County	Town of Chapel Hill
Granville County	Pender County
Richmond County	Town of Burgaw
Lenoir County	Town of Fuquay-Varina
Town of Carrboro	Town of Holly Springs

In addition, Bob has served as primary outside counsel to the Governmental Finance group of BB&T on its North Carolina local finance matters for over ten years.

He has spoken at events sponsored by the North Carolina School of Government and the North Carolina Government Finance Officers' Association, particularly on matters of interest to new finance officers or to finance officers for units that are infrequent borrowers.

Bob Jessup has also worked on a wide variety of innovative economic development projects that involve local government financial transactions, including working on agreements for establishing several multi-jurisdictional industrial parks.

Bob Jessup is a 1982 graduate of Cornell University and a 1985 graduate of the University of North Carolina School of Law.

Sanford Holshouser LLP

November 2, 2012

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2012 USDA Refinancings with BB&T

If what you are looking for includes finding a lawyer who is easy to talk to, responsive to your needs, available to you in-person when that's what you want, and is respectful of you as an individual, as a customer and as a representative of your constituents, then you simply have to talk to other clients of the lawyers you are considering. Nothing else can tell you what you want to know.

Here are some clients for which Sanford Holshouser acted as bond counsel on USDA refinancings with BB&T that have been completed in 2012.

Town of Ramseur

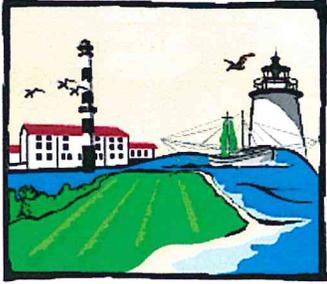
Kevin Franklin, Town Administrator
kfranklin@townoframseur.org

Town of Vanceboro

Renee Ipock, Finance Officer
reneeip@vanceboronc.com

Harkers Island Sanitary District

Travis Davis, Finance Officer
travisd@ccemc.com



Since 1712

HYDE COUNTY

NORTH CAROLINA

Meeting Date: 12.03.12

Presenter(s): Corrinne Gibbs

Title: Director of Finance

Agency/Dept.: Hyde County Government

Item Title: Resolution for the Sale of General Obligation Refunding Bonds

Attachments: Yes

Description: As approved by the board at their November 19, 2012 meeting, the County will re-finance several loans with U.S.D.A. that will lower the interest rate, decrease the number of years that loan payments will have to be made, and result in over \$1 million in savings when the process is complete. A resolution to see the refunding bonds is needed as the next step of this process.

Times Read: First

Impact on Budget: Does not increase the budget.

Recommendation: Approve resolution

			<u>Yea</u>	<u>Nay</u>
_____	A. Byrd	_____	A. Byrd	_____
_____	J. Fletcher	_____	J. Fletcher	_____
_____	E. Pugh	_____	E. Pugh	_____
_____	B. Swindell	_____	B. Swindell	_____
_____	D. Tunnell	_____	D. Tunnell	_____

**Resolution for the Sale of General Obligation
Refunding Bonds in the Maximum Amount of \$5,000,000**

WHEREAS --

Hyde County has previously approved the issuance of general obligation refunding bonds (the "Bonds") to refinance all or a portion of the County's general obligation bonds originally issued in 1991, 1995, 1999 and 2006 and currently held by the United States – Department of Agriculture (the "Prior Bonds").

Branch Banking and Trust Company (the "Bank") has submitted a proposal for the purchase of the Bonds, and the County has determined to accept the proposal.

BE IT RESOLVED by the Board of Commissioners of Hyde County, North Carolina, as follows:

1. *Determination To Sell Bonds to the Bank* - The County will issue and sell the Bonds and use the proceeds to pay all or a portion of the outstanding balance of the Prior Bonds, along with other related costs.

The County accepts the Bank's proposal, dated November 2, 2012, for the purchase of the Bonds. The County asks the North Carolina Local Government Commission (the "LGC") to sell the Bonds to the Bank at a private sale, substantially in accordance with the Bank's proposal and this resolution.

2. *Pledge of Faith, Credit and Taxing Power* -- The County's full faith and credit are hereby irrevocably pledged for the payment of the principal of and interest on the Bonds. Unless other funds are lawfully available and appropriated for timely payment of the Bonds, the County will levy and collect an annual ad valorem tax, without restriction as to rate or amount, on all locally taxable property in the County sufficient to pay the principal of and interest on the Bonds as the same become due.

3. *Form of Bonds* -- The Bonds will be issued in the form of two separate bonds. One bond (the "Water Bond") will be issued to refinance all or a portion of the outstanding balance of the Prior Bonds that were issued to finance water system improvements. The other bond (the "Public Improvement Bond") will be issued to refinance all or a portion of the outstanding balance of the Prior Bonds that were issued to finance the County's courthouse and public safety facilities. Each Bond will be dated the date of its initial delivery to the Bank (the "Closing Date"), will be fully registered as to payment of principal and interest, and will be registered initially in the name of the Bank or its designee.

The Water Bond will be designated "General Obligation Water Refunding Bond, Series 2012," and will be numbered RA-1 for identification. The Water Bond will bear interest at an annual rate not to exceed 2.79% and must have a final maturity not later than December 31, 2028.

The Public Improvement Bond will be designated "General Obligation Public Improvement Refunding Bond, Series 2012," and will be numbered RB-1 for identification. The Public Improvement Bond will bear interest at an annual rate not to exceed 3.79% and must have a final maturity not later than December 31, 2033.

The Water Bond will be substantially in the form set out in Exhibit A. The Public Improvement Bond will be in substantially the form set out in Exhibit B. Each Bond may have such additional minor changes (including any appropriate changes to the Series designation) not inconsistent with this Resolution as may be approved by the Bank and the officers signing the Bonds. This approval will be evidenced conclusively by the Bank's acceptance of the delivery of the Bonds.

Each Bond must be signed by the manual or facsimile signature of the Board's Chairman or the County Manager. The County's seal must be affixed to the Bond (or a facsimile of the seal printed on the Bond) and attested by the manual or facsimile signature of the Clerk to this Board. No Bond will be valid unless at least one signature appearing on the Bond is manually applied; the manual signature may be the signature of an LGC official that is required by law to appear on the Bond.

4. *Other Bond Payment Provisions* – The County's Finance Officer is authorized to determine the final aggregate principal amount of each of the Bonds to be issued, the principal and interest payment schedule for the Bonds and the prepayment terms of the Bonds. The Finance Officer will execute a certificate prior to the initial delivery of the Bonds determining such matters, and this certificate will be conclusive evidence of the Finance Officer's approval and determination of such matters.

The Bonds in final form, however, must provide for the aggregate principal amount of Bonds to be not more than \$5,000,000 and for the first principal payment on the Bonds to be due not later than December 1, 2013.

Principal, prepayment premium (if any) and interest on the Bonds will be 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 payable date.

5. *Disbursement of Bond Proceeds* – The Board directs the Finance Officer to determine, in consultation with the LGC, the procedures for the disbursement of the proceeds of the Bonds for the payment of the Prior Bonds and other costs.

6. *Finance Officer as Registrar; Payments to Registered Owners* -- (a) The County's Finance Officer is appointed Registrar for the Bonds. As Registrar, the Finance

Officer must maintain appropriate books and records of the ownership of the Bonds.

(b) The County will treat the registered owner of each Bond as the person exclusively entitled to payment of principal, prepayment premium, if any, and interest and the exercise of all rights and powers of the owner, except that the County will make all payments to the person shown as owner on the registration books at the end of the calendar day on the 15th day (whether or not a business day) of the month preceding each payment date.

(c) The Registrar must not, however, register the transfer of any portion of the Bonds to any person or entity other than a bank, an insurance company or a similar financial institution unless the LGC has previously approved the transfer.

7. County Officers To Complete Bond Closing - The Board directs the County Manager and all other County officers and employees to take all proper steps to have the Bonds prepared and executed in accordance with their terms and to deliver the Bonds to the Bank upon payment for the Bonds.

The Board authorizes the County Manager to hold the executed Bonds, and any other documents authorized or permitted by this resolution, in escrow on the County's behalf until the conditions for the delivery of the Bonds and other documents have been completed to the County Manager's satisfaction, and thereupon to release the executed Bonds and other documents for delivery to the appropriate persons or organizations.

Without limiting the generality of the foregoing, the Board specifically authorizes the County Manager (a) to enter into such agreements or take such other actions as such officer may deem appropriate to provide for the refunding contemplated by this resolution (such as giving notice of prepayment to the existing bondholders), and (b) to approve changes to any documents, agreements or closing certifications previously signed by County officers or employees, subject to the provisions of this resolution and provided that any such changes do not substantially alter the intent of those items from that expressed in the forms originally signed. The County Manager's authorization of the release of any such document for delivery will constitute conclusive evidence of such officer's approval of any changes.

In addition, the County Manager is authorized to take all appropriate steps for the efficient and convenient carrying out of the County's on-going responsibilities with respect to the Bonds. This authorization includes, without limitation, contracting with third parties for reports and calculations that may be required under the Bonds, this resolution or otherwise with respect to the Bonds.

8. Covenants As To Tax Matters - The County will not take or omit to take any action the taking or omission of which will cause the Bonds to be "arbitrage bonds," within the meaning of Section 148 of the "Code" (as defined below), or "private activity bonds" within the meaning of Code Section 141, or otherwise cause interest on the Bonds to be includable in gross income for federal income tax purposes. Without limiting the

generality of the foregoing, the County will comply with any Code provision that may require the County at any time to pay to the United States any part of the earnings derived from the investment of the proceeds of the Bonds, and the County will pay any such required rebate from its general funds. For the purposes of this resolution, "Code" means the United States Internal Revenue Code of 1986, as amended, including applicable Treasury regulations.

9. Bonds Are "Bank-Qualified" Obligations -- The County designates the Bonds as "qualified tax-exempt obligations" for the purpose of Code Section 265(b)(3), which provides certain tax advantages for financial institutions investing in obligations similar to the Bonds.

10. Call of Prior Bonds for Redemption - The Board directs the Finance Officer, on the County's behalf, (a) to provide notice to the holders of the Prior Bonds of the pending prepayment of those Bonds, and (b) to make a final irrevocable call for redemption of the Prior Bonds (in whole or in part) as the Finance Officer (after consultation with the LGC) deems beneficial to the County. The Finance Officer will make this call for redemption by the execution and delivery of an appropriate certificate in connection with the original delivery of the Bonds.

11. Publishing Bond Order -- The Board directs the Clerk to this Board to provide for the publication of a notice of the adoption of the Bond Order that authorizes the issuance of the Bonds. This notice must be in the form provided for in Section 159-58 of the General Statutes, and the notice is to be published one time in a newspaper having general circulation in the County. All prior actions to this end are ratified.

12. Finding as to Term of the Bonds – In accordance with Section 159-122 of the General Statutes, the Board finds and determines that the term of the Bonds will be the shortest period in which the debt to be refunded can be finally paid without making it unduly burdensome on the County's taxpayers, and will be within the remaining period of usefulness of the projects financed with the proceeds of the prior bonds.

13. Miscellaneous Provisions -- All County officers and employees are authorized to take all such further action as they may consider necessary or desirable in connection with the furtherance of the purposes of this resolution. All such prior actions of County representatives are ratified. Upon the absence, unavailability or refusal to act of the Chairman, the County Manager or the Finance Officer, any of such officers may assume any responsibility or carry out any function assigned to another officer. In addition, the Vice Chairman or any Deputy or Assistant Clerk may assume any responsibility or carry out any function assigned to the Chairman or the Clerk to this Board, respectively, in this resolution. All other Board proceedings, or parts thereof, in conflict with this resolution are repealed, to the extent of the conflict. This resolution takes effect immediately.

Exhibit A -- Form of Water Refunding Bond

REGISTERED BOND NUMBER RA-1

_____, 2012

\$1,900,000

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

HYDE COUNTY

General Obligation Water Refunding Bond, Series 2012

HYDE COUNTY, NORTH CAROLINA (the "County"), for value received, promises to pay to

BRANCH BANKING AND TRUST COMPANY

its successors and registered assigns (the "Bondholder"), the principal sum of

**ONE MILLION NINE HUNDRED THOUSAND
DOLLARS (\$1,900,000)**

together with interest on the unpaid principal from the date of this Bond until payment of the entire principal sum at the annual rate of 2.79%, subject to prepayment as provided below, in installments of principal and interest on dates and in amounts as described on Schedule I.

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.

The County may prepay the principal of this Bond, in whole but not in part, on any regularly-scheduled payment date upon payment of the principal amount to be prepaid plus interest accrued to the payment date, together with a prepayment premium of 1% of the principal amount prepaid.

In all events, and notwithstanding any other provisions of this Bond, (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) if not sooner paid, the entire principal of and interest on this Bond will be due and payable on _____, 2028.

This Bond is issued pursuant to a Bond Order and a Bond Resolution each adopted by the County's governing Board of Commissioners on December 3, 2012, and the Constitution and laws of the State of North Carolina, including the Local Government Bond Act. This Bond constitutes the entire issue of refunding bonds authorized by that Bond Order.

The County's full faith and credit are pledged for the payment of principal of and interest on this Bond.

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 County's Finance Officer, who has been appointed Registrar, at Hyde County Administration Building, 30 Oyster Creek Road, Swan Quarter, North Carolina 27885, or such successor office as the Registrar may designate in writing to the Bondholder. The Registrar will not, however, register the transfer of any portion of the Bonds to any person or entity other than a bank, an insurance company or a similar financial institution unless the North Carolina Local Government Commission has previously approved the transfer.

The Registrar will treat the registered owner of this Bond as the person exclusively entitled to payment of principal of, prepayment premium, if any, and interest on this Bond and the exercise of all other rights and powers of the owner, except that the County will make payments to the person shown as the registered owner at the end of the calendar day on the 15th day (whether or not a business day) of the month preceding the payment date.

The County has designated this Bond as a "qualified tax-exempt obligation" for the purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The County intends that North Carolina law will govern the interpretation of the terms 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, and the issue of Bonds of which this Bond is one, together with all other indebtedness of the County, is within every debt and other limit prescribed by the Constitution and laws of the State of North Carolina.

IN WITNESS WHEREOF, the County has caused this Bond to be signed by its County Manager, its seal to be affixed hereto and attested by the Clerk to the Board of Commissioners, and this Bond to be dated _____, 2012.

(SEAL)

ATTEST:

**HYDE COUNTY,
NORTH CAROLINA**

[sample only - do not sign]
Clerk, Board of Commissioners

By: *[sample only - do not sign]*
County Manager

[\$1,900,000 General Obligation Water Refunding Bond, Series 2012]

CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

The Bonds have been approved by
the North Carolina Local Government
Commission in accordance with the
Local Government Bond Act.

[Sample only - do not sign]

T. Vance Holloman
Secretary, Local Government Commission

TRANSFER OF BOND

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

<u>Date of Re-registration</u>	<u>Name of New Registered Owner</u>	<u>Signature of Registrar</u>

**[\$1,900,000 General Obligation Water Refunding Bond, Series 2012,
of Hyde County, North Carolina]**

Schedule I – Principal and Interest Payment Schedule

Principal is payable annually on each June 1 in years and amounts as shown below. Interest is payable on each June 1, beginning June 1, 2013, at the annual rate of _____% until paid. The schedule below shows the expected interest payment amounts.

[Complete schedule to be determined]

Payment	Principal Amount (\$)	Interest Amount (\$)	Total (\$)
6/1/2013			
6/1/2014			
6/1/2015			
6/1/2016			
6/1/2017			
6/1/2018			

**[\$1,900,000 General Obligation Water Refunding Bond, Series 2012,
of Hyde County, North Carolina]**

Exhibit B -- Form of Public Improvement Refunding Bond

REGISTERED BOND NUMBER RB-1

_____, 2012

\$3,100,000

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

HYDE COUNTY

General Obligation Public Improvement Refunding Bond, Series 2012

HYDE COUNTY, NORTH CAROLINA (the "County"), for value received, promises to pay to

BRANCH BANKING AND TRUST COMPANY

its successors and registered assigns (the "Bondholder"), the principal sum of

**THREE MILLION ONE HUNDRED THOUSAND
DOLLARS (\$3,100,000)**

together with interest on the unpaid principal from the date of this Bond until payment of the entire principal sum at the annual rate of 3.79%, subject to prepayment as provided below, in installments of principal and interest on dates and in amounts as described on Schedule I.

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.

The County may prepay the principal of this Bond, in whole but not in part, on any regularly-scheduled payment date upon payment of the principal amount to be prepaid plus interest accrued to the payment date, together with a prepayment premium of 1% of the principal amount prepaid.

In all events, and notwithstanding any other provisions of this Bond, (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) if not sooner paid, the entire principal of and interest on this Bond will be due and payable on _____, 2033.

This Bond is issued pursuant to a Bond Order and a Bond Resolution each adopted by the County's governing Board of Commissioners on December 3, 2012, and the Constitution and laws of the State of North Carolina, including the Local Government Bond Act. This Bond constitutes the entire issue of refunding bonds authorized by that Bond Order.

The County's full faith and credit are pledged for the payment of principal of and interest on this Bond.

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 County's Finance Officer, who has been appointed Registrar, at Hyde County Administration Building, 30 Oyster Creek Road, Swan Quarter, North Carolina 27885, or such successor office as the Registrar may designate in writing to the Bondholder. The Registrar will not, however, register the transfer of any portion of the Bonds to any person or entity other than a bank, an insurance company or a similar financial institution unless the North Carolina Local Government Commission has previously approved the transfer.

The Registrar will treat the registered owner of this Bond as the person exclusively entitled to payment of principal of, prepayment premium, if any, and interest on this Bond and the exercise of all other rights and powers of the owner, except that the County will make payments to the person shown as the registered owner at the end of the calendar day on the 15th day (whether or not a business day) of the month preceding the payment date.

The County has designated this Bond as a "qualified tax-exempt obligation" for the purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The County intends that North Carolina law will govern the interpretation of the terms 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, and the issue of Bonds of which this Bond is one, together with all other indebtedness of the County, is within every debt and other limit prescribed by the Constitution and laws of the State of North Carolina.

IN WITNESS WHEREOF, the County has caused this Bond to be signed by its County Manager, its seal to be affixed hereto and attested by the Clerk to the Board of Commissioners, and this Bond to be dated _____, 2012.

(SEAL)

ATTEST:

**HYDE COUNTY,
NORTH CAROLINA**

[sample only - do not sign]
Clerk, Board of Commissioners

By: [sample only - do not sign]
County Manager

[\$3,100,000 General Obligation Public Improvement Refunding Bond, Series 2012]

CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

The Bonds have been approved by
the North Carolina Local Government
Commission in accordance with the
Local Government Bond Act.

[Sample only - do not sign]

T. Vance Holloman
Secretary, Local Government Commission

TRANSFER OF BOND

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

<u>Date of Re-registration</u>	<u>Name of New Registered Owner</u>	<u>Signature of Registrar</u>

**[\$3,100,000 General Obligation Public Improvement Refunding Bond, Series 2012,
of Hyde County, North Carolina]**

Schedule I – Principal and Interest Payment Schedule

Principal is payable annually on each June 1 in years and amounts as shown below. Interest is payable on each June 1, beginning June 1, 2013, at the annual rate of _____% until paid. The schedule below shows the expected interest payment amounts.

[Complete schedule to be determined]

Payment	Principal Amount (\$)	Interest Amount (\$)	Total (\$)
6/1/2013			
6/1/2014			
6/1/2015			
6/1/2016			
6/1/2017			
6/1/2018			

[\$3,100,000 General Obligation Public Improvement Refunding Bond, Series 2012, of Hyde County, North Carolina]

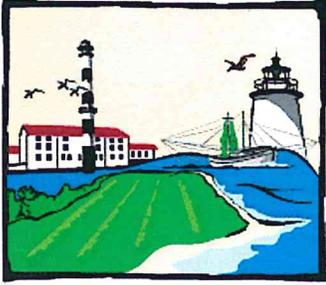
**BOND ORDER AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION
REFUNDING BONDS IN THE MAXIMUM AMOUNT OF \$5,000,000 TO
REFUND EXISTING COUNTY BONDS**

WHEREAS –

Hyde County has determined that refinancing a portion of the County's outstanding general obligation bonds could provide savings to the County. The County has applied to the North Carolina Local Government Commission for its approval of the issuance of County bonds to carry out such a refinancing, and the LGC has accepted the County's application.

BE IT ORDERED by the Board of Commissioners of Hyde County, North Carolina, as follows:

1. There are hereby ordered to be issued general obligation refunding bonds of the County to provide for the refinancing of a portion of the County's outstanding general obligation bonds, including the payment of related financing costs. In particular, the bonds to be refunded may include all or any portion of the following County general obligation bond issues: County general obligation bonds as currently held by USDA, with series designations 1991 A and B, 1995, 1999 and 2006.
2. The maximum aggregate principal amount of the bonds issued for such purpose will be \$5,000,000.
3. Taxes will be levied in an amount sufficient to pay the principal of and interest on the bonds so issued, to the extent other funds (such as utility charges) are not otherwise available and appropriated for such purpose.
4. A sworn statement of debt prepared by the County's Finance Officer has been filed with the Clerk to this Board and is available for public inspection.
5. This Bond Order takes effect immediately.



Since 1712

HYDE COUNTY

NORTH CAROLINA

Meeting Date: 12.03.12

Presenter(s): Justin Gibbs

Title: Emergency Services Director

Agency/Dept.: Hyde County Government

Item Title: Agreement for Hyde County Medical Director

Attachments: Yes

Description: Dr. Charles Boyette as served as the Medical Director for the Hyde County Emergency Medical Services for a number of years at no cost to the county. His practice has recently been purchased by Vidant and he is no longer able to provide his services free of charge. He is willing however to continue in the role for a nominal fee. The Board is encouraged to approve the agreement with Dr. Boyette proposed for his ongoing services in this role.

Times Read: First

Impact on Budget: Does not increase the budget.

Recommendation: Approve agreement

			<u>Yea</u>	<u>Nay</u>
<input type="checkbox"/> A. Byrd	<input type="checkbox"/> A. Byrd	<input type="checkbox"/> A. Byrd	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> J. Fletcher	<input type="checkbox"/> J. Fletcher	<input type="checkbox"/> J. Fletcher	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> E. Pugh	<input type="checkbox"/> E. Pugh	<input type="checkbox"/> E. Pugh	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> B. Swindell	<input type="checkbox"/> B. Swindell	<input type="checkbox"/> B. Swindell	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> D. Tunnell	<input type="checkbox"/> D. Tunnell	<input type="checkbox"/> D. Tunnell	<input type="checkbox"/>	<input type="checkbox"/>

AGREEMENT FOR HYDE COUNTY MEDICAL DIRECTOR

THIS AGREEMENT made and entered into effective as of the 1st Day of November 2012 by and between Hyde County, a body politic formed and existing under the laws of the State of North Carolina, (hereinafter the "County") and C.O. Boyette, M.D. (hereinafter "Dr. Boyette").

WITNESSETH

Whereas, the County desires the services of Dr. Boyette as the Medical Director and Advisor for the Hyde County Emergency Medical Services (EMS) System and Staff; and

Whereas, Dr. Boyette is qualified and desires to provide such direction.

Now, therefore, for and in consideration of the mutual covenants and considerations set forth below, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Dr. Boyette shall serve as EMS Medical Director to the County.
2. As Medical Director, Dr. Boyette shall:
 - a. oversee the initial certification and recertification training programs of the Hyde County Emergency Medical Services and First Responder personnel;
 - b. advise the Emergency Medical Services and First Responder personnel of medically related problems encountered in the field;
 - c. act as liaison between the County and the Medical Staff of Vidant Pungo Hospital;
 - d. develop, review and periodically update medical treatment protocols in conjunction with the County Emergency Services Director (the "Director");
 - e. advise the Director as to disaster planning, and interactions between the Emergency Medical Services and Emergency Communications concerning medically related problems;
 - f. assist in the implementation of a disaster plan for the County;
 - g. maintain such credentials and meet any and all requirements set forth by the North Carolina College of Emergency Physicians for Medical Directors of an EMS system; and
 - h. perform such other acts and duties as needed to fulfill the duties of an EMS Medical Director as set forth by the North Carolina Office of Emergency Medical Services
3. The County shall:
 - a. pay Dr. Boyette Three Thousand Dollars (\$3,000) per year for serving as Medical Director. Said amount shall be payable in equal monthly installments, with the first payment due the 30th day of November and subsequent payments being due on or before the end of each month thereafter; and
 - b. carry general liability insurance in the amount of Two Million Dollars (\$2,000,000) for bodily injury or personal injury arising out of Dr. Boyette's rendering or failure to render Medical Director services to the County within the scope of his duties hereunder as set forth in the policy attached hereto as Exhibit 1 (10A NCAC 13P .0403 – Responsibilities of the Medical Director for EMS Systems).
4. The initial term of this Agreement shall be November 1, 2012 through October 30, 2013 may be renewed annually on or before October 1 effective as of November 1 of each year thereafter.

5. This Agreement may be terminated in writing, without fault of either party, at any time by either party giving the other 90 days written notice.
6. All terms and conditions of this Agreement are dependent upon, and subject to, the allocation of funds for the purpose set forth and the Agreement shall automatically terminate if funds cease to be available.
7. Dr. Boyette shall be considered an independent contractor and as such shall be responsible for all taxes. Dr. Boyette agrees to provide the County with his correct taxpayer identification number upon execution of this Agreement. Dr. Boyette agrees that failure to provide the County with a correct taxpayer identification number authorizes the County to withhold 20 percent of any amount due and payable under this Agreement pursuant to the provision of the Internal Revenue Code, Title 26 of the United States Code.
8. This Agreement shall be deemed made in Hyde County, North Carolina and shall be governed by and construed in accordance with the laws of the State of North Carolina. Any claim for breach or enforcement of this Agreement shall be filed in the appropriate court in Hyde County, North Carolina.
9. Dr. Boyette shall be responsible for compliance with all State, Federal and local laws, ordinances, codes, rules, regulations, licensing requirements and other regulatory matters that are applicable to the conduct of the business and work performance under this Agreement.
10. During the performance of this Agreement, Dr. Boyette agrees that he shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, political affiliation or belief, age or handicap.
11. The parties acknowledge that Dr. Boyette is not an employee of Hyde County, that he will exercise his independent judgment in performing the duties required herein, and that Dr. Boyette is, for all purposes, an independent contractor.
12. This Agreement and any exhibits and amendments annexed hereto represent the entire agreement between the parties and supersede all prior oral and written statements or agreements. This Agreement may be amended only in writing duly executed by the County and Dr. Boyette.

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate originals, one of which is to be retained by the County, and one of which is to be retained by Dr. Boyette, effective as of the day and year first above written.

BY: _____
 Mazie Smith
 Hyde County Manager

BY: _____
 Dr. C.O. Boyette, M.D.
 Medical Director

Provisions for the payment of this Agreement have been made by an appropriation duly made as required by the "Local Government Budget and Fiscal Control Act."

 Corrinne Gibbs
 Hyde County Finance Officer



Since 1712

HYDE COUNTY

NORTH CAROLINA

Meeting Date: 12.03.12

Presenter(s): Mazie Smith

Title: Manager

Agency/Dept.: County of Hyde

Item Title: Contract for Service of Lobbyists 2013

Attachments: Yes

Description: The contract for lobbying services provided to Hyde County in 2012 will expire on December 31st. This contract was awarded in cooperation with Beaufort and Pamlico Counties for the joint purpose of opposing the addition of and increases in ferry tolls to Ocracoke. As a result of this effort, tolls were not placed on the Hatteras/Ocracoke ferry service, however the moratorium issued by the Governor for increasing tolls will expire in 2013. Beaufort County has decided to renew their contract and has invited Hyde County to partner with them once again. The total cost is \$10,000, with \$300 due at signing. The \$300 fee was paid last year by the Hyde County Chamber of Commerce, and the Ocracoke Occupancy Tax Board paid the rest.

Times Read: First

Impact on Budget: Does not increase the budget.

Recommendation: Question for understanding, approve or disapprove

<u>MOTION MADE</u>	<u>MOTION SECONDED</u>	<u>VOTE</u>	<u>Yea</u>	<u>Nay</u>
____ A. Byrd	____ A. Byrd	A. Byrd	_____	_____
____ J. Fletcher	____ J. Fletcher	J. Fletcher	_____	_____
____ E. Pugh	____ E. Pugh	E. Pugh	_____	_____
____ B. Swindell	____ B. Swindell	B. Swindell	_____	_____
____ D. Tunnell	____ D. Tunnell	D. Tunnell	_____	_____

STATE OF NORTH CAROLINA
COUNTY OF HYDE

**CONTRACT AND AGREEMENT
FOR SERVICES BY
INDEPENDENT CONTRACTOR**

THIS CONTRACT AND AGREEMENT for services by an independent contractor (herein referred to as the "Contract") is made and entered into this ___ day of _____, 2012, by and between HYDE COUNTY, NORTH CAROLINA (herein "Client") and McCLEES CONSULTING, INC. (herein "Consultant").

BACKGROUND

Client is a duly organized county of the State of North Carolina, and having as its principal address: 30 Oyster Creek Road, PO Box 188, Swan Quarter, NC 27885.

Consultant is a corporation, incorporated and operating under the laws of North Carolina, and having as its principal address: 45 White Farm Road, PO Box 430, Oriental, NC 28571.

Client is in need of the expertise and services of Consultant to combat the imposition of tolls on certain ferry services, the use of which services is essential to Hyde County residents. Consultant has experience in lobbying, is familiar with the goals of Client, and has skills, knowledge, abilities, and experience to benefit Client.

The parties desire to enter into this lobbying agreement.

THEREFORE, in consideration of the premises and of the agreements, stipulations, and covenants herein contained, and for other good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

1. **Consultation.**

(a) Client hereby engages Consultant to render lobbying services on the issue of proposed ferry tolls and such other economic development and lobbying issues as may be directed by Client; and, Consultant agrees to provide such services upon the terms and conditions of this Contract.

(b) Consultant is being retained because of the personal skills, expertise, and experience of Joseph D. McClees and S. Henri McClees. All services to be performed under this Contract shall be performed personally by Joseph D. McClees with the assistance of S. Henri McClees, Attorney at Law.

(c) Consultant shall report to the Hyde County Manager and the Hyde County Chairman of the Board of Commissioners.

2. **Term.** The term of the Contract shall begin on the first day of January, 2013 and shall continue through December 31, 2013.

3. **Consulting Fees.**

(a) The fee to be paid to Consultant is the sum of Ten Thousand Dollars (\$10,000.00) for services during the calendar year 2013.

(b) The annual fee for 2013 shall be paid within thirty (30) days after the execution of this Contract. In any event, the fee shall be paid in full on or before the 8th day of January 2013.

(c) Consultant shall receive no reimbursement for costs or expenses incurred; PROVIDED, HOWEVER, Client shall pay for lobbyists and principal registration fees to be paid to the NC Office of the Secretary of State. These fees totaling Three Hundred Dollars (\$300.00) are payable at the time of the execution of this Contract, and in any event on or before the 8th day of January, 2013.

4. **Independent Contractor.** The parties agree the relationship of Consultant with Client is that of independent contractor. Except as provided herein, neither party shall exercise any control over the activities and operations of the other. Neither Client nor Consultant is liable or responsible for the acts, omissions, or defaults of the other in any manner. Joseph D. McClees and S. Henri McClees shall not be considered,

under the provisions of this Contract or otherwise, to be employees of Client for any purpose whatsoever.

5. **Applicable Law.** The laws of North Carolina shall govern this Contract.

6. **Entire Agreement; Amendment.** This Contract supersedes all prior understandings and agreements and informal working arrangements between the parties, written and oral. This Contract may not be amended orally, but only by a writing duly executed by both parties.

IN WITNESS WHEREOF, the parties have executed this Contract the day and year first written above.

COUNTY OF HYDE, NORTH CAROLINA

By _____
Sharon P. Spencer
Chairman of the Board
Hyde County Commissioners

Attest:

Officer
(SEAL)

McCLEES CONSULTING, INC.

By _____
Joseph D. McClees, President

Attest:

S. Henri McClees, Secretary
(CORPORATE SEAL)

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public in and for the said County and State, do hereby certify that SHARON P. SPENCER, personally known to me, appeared before me as the duly authorized officer and agent of Hyde County, NC on this date and acknowledged the execution of the foregoing contract.

WITNESS my hand and notarial seal this the ____ day of _____, 2012.

Notary Public

My commission expires:

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public in and for the said County and State, do hereby certify that JOSEPH D. McCLEES, President and S. HENRI MCCLEES, Secretary of McClees Consulting, Inc., respectively, both known to me, each appeared before me this date and acknowledged the due execution of the foregoing contract.

WITNESS my hand and notarial seal this the ____ day of _____, 2012.

Notary Public

My commission expires:
