

THE BOARD OF COMMISSIONERS OF THE COUNTY OF CRAVEN, SITTING AS THE BOARD OF DIRECTORS OF THE CRAVEN COUNTY WATER DISTRICTS, MET IN REGULAR SESSION ON MONDAY, JUNE 3, 2002 IN THE COMMISSIONERS' ROOM OF THE CRAVEN COUNTY ADMINISTRATION BUILDING, 406 CRAVEN STREET, NEW BERN, NORTH CAROLINA. THE MEETING CONVENED AT 9:40 P.M.

MEMBERS PRESENT:

Chairman C.W. "Pete" Bland
Vice Chairman Johnnie Sampson, Jr.
Commissioner Lee Kyle Allen
Commissioner Donald Phillips
Commissioner J. Harold Talton
Commissioner Albert H. Toon
Commissioner Charles F. Tyson, Jr.

STAFF PRESENT:

Harold Blizzard, County Manager
George B. Sawyer, Assistant County Manager
Richard F. Hemphill, County Finance Officer
Gwendolyn M. Bryan, Clerk to the Board
James R. Sugg, County Attorney

Following the call to order, Commissioner Sampson moved to approve minutes of May 20, 2002, seconded by Commissioner Tyson and unanimously carried.

RESOLUTION ON EARLY REDEMPTION OF BONDS

The Board was requested to adopt the following resolution in order to pay off the 1990 bonds on August 1, 2002. The resolution authorizes the paying agent, the Bank of New York, to notify bondholders and redeem the bonds. Commissioner Tyson moved to adopt the resolution, as requested, seconded by Commissioner Sampson and unanimously carried.

WHEREAS, Northwest Craven Water and Sewer District (the "District") issued \$1,105,000 Water Bonds, Series 1990, dated April 1, 1990, \$550,000 of which maturing in each of the years 2003 to 2013, inclusive, are outstanding (the "Outstanding Bonds"); and

WHEREAS, the District desires to redeem the Outstanding Bonds on August 1, 2002 by depositing with Bank of New York Trust Company of Florida, N.A. (successor to NNCB National Board of North Carolina as paying agent and bond registrar for the Outstanding Bonds, the "Paying Agent") cash sufficient to pay principal, interest and any redemption premium with respect to the Outstanding Bonds on such date; **NOW, THEREFORE**,

BE IT RESOLVED, by the Board of Commissioners of the County of Craven, sitting as governing body of the District, as follows:

1. The District specifically and irrevocably elects to redeem on August 1, 2002 the Outstanding Bonds maturing on and after April 1, 2003. On or before August 1, 2002, the District will deposit with the Paying Agent, in cash, the amount determined by the District and the Paying Agent required to redeem the Outstanding Bonds on August 1, 2002.

2. The Paying Agent is hereby authorized and directed to give notice of redemption of the Outstanding Bonds. The notice of redemption, stating the redemption date, redemption price and identifying the bonds to be redeemed by reference to their numbers and further stating that on such redemption date there shall become due and payable upon each bond interest accrued to the redemption date and that from and after

such date interest thereon shall cease to accrue, shall, unless waived by the registered owners, be given by publication at least once in a newspaper of general circulation in the District and at least once in a daily newspaper of general circulation or a financial journal distributed in the Borough of Manhattan, City and State of New York not less than 30 days prior to the redemption date fixed in said notice. Such notice shall also be given not less than 30 days nor more than 45 days prior to the redemption date in writing to the registered owners, by pre-paid first class mail, at their addresses as such addresses appear on the records of the Paying Agent.

3. The Paying Agent on behalf of the District and without further authorization and direction shall pay, on August 1, 2002, the interest, the principal and any redemption premium with respect to the Outstanding Bonds.

4. The Finance Officer of the District is hereby authorized and directed to deliver a copy of this resolution to the Paying Agent and to request that the Paying Agent proceed in accordance with its terms.

At 9:42 p.m. Commissioner Talton moved to adjourn, seconded by Commissioner Phillips and unanimously carried.

Chairman C.W. "Pete" Bland
Craven County Board of Commissioners

Gwendolyn M. Bryan, Clerk to the Board