

**GASTON COUNTY, NORTH CAROLINA
CONTINUING DISCLOSURE COMPLIANCE POLICIES AND PROCEDURES**

FEBRUARY 25, 2025

This statement of Policies and Procedures Concerning Compliance with Federal Securities Laws Relating to Disclosure (the “Disclosure Policy”) is promulgated to establish a framework for compliance by Gaston County, North Carolina (the “County”) with its disclosure and/or contractual obligations with respect to securities it issues or that are issued on its behalf, pursuant to the requirements of the Securities Exchange Act of 1934 and the Securities Act of 1933, including, in particular Rule 15c2-12, promulgated under the 1934 act (“Rule 15c2-12”), and other applicable rules, regulations and orders.

Section 1. **Definitions.** Unless otherwise defined herein, certain terms used in this Disclosure Policy have the meanings described in Appendix A attached hereto.

Section 2. **Purposes.** The purpose of this Disclosure Policy are to formally confirm and enhance existing policies and procedures regarding compliance with such obligations and federal securities law in order to, among other things: (a) facilitate compliance with applicable law and existing contracts when preparing and distributing Disclosure Documents in connection with Securities offerings and Continuing Disclosure Documents; (b) reduce exposure of the County, its officials and employees to liability for damages and enforcement actions based on misstatements and omissions in Disclosure Documents; and (c) avoid damage to residents of the County and other third parties from misstatements or omissions in Disclosure Documents.

Section 3. **Policy.** It is the policy of the County to comply fully with applicable securities law regarding disclosure in connection with the issuance of Securities and with the terms of its Disclosure Agreements.

Section 4. **Procedures.** The following officials and employees of the County shall implement the following procedures in preparing, checking, or issuing the following Disclosure Documents.

(a) **Official Statements.**

(1) Working Group. The Disclosure Working Group for preliminary and final official statements (collectively, “Official Statement”) issued in primary offerings shall consist of the following officers and employees of the County: **Finance Director, County Manager, County Attorney**, and any additional member as delegated by one of the aforementioned officers of the County.

(2) Establishing Scope and Process. At the beginning of the disclosure process, the Disclosure Working Group will (i) determine (with input from the County’s underwriters, in the case of a negotiated offering) what information should be disclosed in the Official Statement to present fairly a description of the source of repayment and security for the securities being offered, including related financial and operating information (which may include a discussion of material risks related to investment in the securities), (ii) assign responsibilities for assembling and verifying the information, and

(iii) establish a schedule for producing the information and the Official Statement that will afford sufficient time for final review by the Disclosure Working Group and the Disclosure Officers (consisting of the **Assistant Finance Director, Financial Analyst, Chief Accountant**) and the approvals required by this Disclosure Policy. While the information included in the last offering document may be used as a starting point, the Disclosure Working Group should be encouraged to provide suggestions for improvement and not assume it represents a complete list of what is currently required.

(3) Assembling Current Information. The Disclosure Officers shall (i) identify officers or employees of the County who are likely to know or be able to obtain and verify required information; (ii) request that they assemble, verify, and forward the information and also notify the Disclosure Officers of any other fact that they believe to be important to investors; and (iii) establish a reasonable but sufficient deadline for producing the information. The Disclosure Officers should produce (or cause to be produced) a draft of the Official Statement based on the information that they receive. The Disclosure Officers shall assure that employees within their areas devote sufficient time and care to produce timely and accurate information, when requested. The Disclosure Officers shall distribute drafts of the Official Statement to the Disclosure Working Group for review together with a description of the process used to compile it and a list of facts, if any, that employees forwarded as important but are not included in the draft.

(4) Review of Process, Accuracy, and Completeness. The members of the Disclosure Working Group shall review the Official Statement drafts and Disclosure Officers' process description to determine (and shall report to the Disclosure Officers as to) whether, based on information known or reported to them, (i) this Disclosure Policy was followed, (ii) the material facts in the Public Statement appear to be consistent with those known to the members of the Disclosure Working Group, and (iii) the Official Statement omits any material fact that is necessary to be included to prevent the Official Statement from being misleading to investors. The Disclosure Officers shall take such action as may be necessary, based on feedback from the Disclosure Working Group, to enable the Disclosure Working Group to conclude that this Disclosure Policy was followed and that the Official Statement is accurate and complete in all material respects.

(5) Final Approval. The Disclosure Working Group shall approve the final draft of the Official Statement. The approval of the Disclosure Working Group, together with the Official Statement and the Disclosure Officers' description of the process used to prepare and check the Official Statement, shall be sent to the **Chair of the Board of Commissioners**. The Official Statement shall not be issued until approved by these officers.

(6) Documentation of Procedures. The Disclosure Officers shall compile and retain a file of the actions taken to prepare, check, and approve the Official Statement, including the sources of the information included, the comments and actions of the Disclosure Working Group, the description of the process followed by the Disclosure Officers, and the approval of the **Chair of the Board of Commissioners**.

(b) **Annual Financial Information and Operating Data.**

(1) Working Group. The Disclosure Working Group for annual financial information and operating data to be filed with the MSRB pursuant to Disclosure Agreements (the “Annual Filing”) shall consist of the following officers and employees of the County: **Finance Director, County Manager, and County Attorney**

(2) Assembling Current Information. The Disclosure Officers shall (i) compile and maintain (and update after every issuance or defeasance of Securities) a list of all financial information and operating data required to be filed with the MSRB pursuant to each of the Disclosure Agreements, the form of which is contained in Appendix B hereto; (ii) assign responsibilities to officers and employees for periodically assembling and verifying the data; (iii) request that they assemble, verify, and forward the data to the Disclosure Officers and notify the Disclosure Officers if they have learned of any other fact that they consider to be material with respect to the information provided; and (iv) establish a schedule for producing the data (and the Annual Filing document) that will afford sufficient time for final review by the Disclosure Working Group and the Disclosure Officers and the approvals required by this Disclosure Policy. The Disclosure Officers shall distribute drafts of the Annual Filing to the Disclosure Working Group for review together with a description of the process used to compile it.

(3) Review for Process, Accuracy, and Completeness. The members of the Disclosure Working Group shall review the Annual Filing drafts and Disclosure Officers’ process description to determine (and shall report to the Disclosure Officers as to) whether, based on information known or reported to them, (i) this Disclosure Policy was followed, (ii) the material facts in the Annual Filing appear to be consistent with those known to the members of the Disclosure Working Group, and (iii) the Annual Filing omits any material fact that is necessary to be included to prevent the Annual Filing from being misleading to investors. The Disclosure Officers shall take such action as may be necessary, based on feedback from the Disclosure Working Group, to enable the Disclosure Working Group to conclude that this Disclosure Policy was followed and that the Annual Filing is accurate and complete in all material respects.

(4) Final Approval. The Disclosure Working Group shall approve the final draft of the Annual Filing. Its action, together with the Annual Filing and the Disclosure Officers’ report regarding the process used to prepare and check the Annual Filing, shall be sent to the **Chair of the Board of Commissioners** for review. The Public Statement shall not be issued until approved by the Disclosure Working Group.

(5) Posting. The Disclosure Officers shall file the Annual Filing with the MSRB through EMMA by the deadline established by the Disclosure Agreements. The Disclosure Officers shall exercise reasonable care to file the Annual Filing in the format and with the identifying information required by the Disclosure Agreements, including applicable CUSIP numbers for the County’s Securities.

(6) Documentation of Procedures. The Disclosure Officers shall compile and retain a file of the actions taken to prepare, check, and approve the Annual Filing, including

the sources of the information included, the comments and actions of the Disclosure Working Group, the Disclosure Officers' report regarding the process used to prepare and check the Annual Filing, and approvals of the Disclosure Working Group.

(c) **Event Notices**

(1) Identification of Reportable Events. The Disclosure Officers shall maintain a list of events of which the County is required to provide notice to the MSRB pursuant to the Disclosure Agreements, the form of which is contained in Appendix C hereto. The Disclosure Officers (with the assistance of Members of the Disclosure Working Group for Official Statements) shall (i) identify the officers and employees of the County who are most likely to first obtain knowledge of the occurrence of such events and (ii) request in writing that they notify the Disclosure Officers immediately after learning of any such event, regardless of materiality, and repeat such request in a quarterly reminder.

(2) Preparation of Event Notice. The Disclosure Officers shall (i) assess the materiality of any reported event with the assistance of legal counsel (reportable under the Disclosure Agreements only if material) and, if notice of the event must be given (or if no materiality standard applies to that particular event); (ii) prepare an Event Notice giving notice of the event; and (iii) except for notices of a rating change, bond call, or defeasance, forward the draft Event Notice to **Chair of the Board of Commissioners** and the **County Manager** for their review.

(3) Review and Approval of Event Notice. The **Finance Director** and **County Attorney** shall promptly review and approve or comment on the Event Notice. The Disclosure Officers shall incorporate such comments into the Event Notice to be filed with EMMA. The Disclosure Officers shall not file the Event Notice Statement until it is approved by the **Finance Director** and **County Attorney**, unless the Event Notice (i) gives notice of a rating change, bond call, or defeasance or (ii) such approval has not been received by the applicable Disclosure Agreement filing deadline.

(4) Posting. The Disclosure Officers shall file the Event Notice with the MSRB through EMMA by the deadline established by the Disclosure Agreements or, if the facts cannot be correctly and fairly described by the deadline, then as soon thereafter as possible. The Disclosure Officers shall exercise reasonable care to file the Event Notice in the format and with the identifying information required by the Disclosure Agreements, including CUSIP numbers for the applicable Securities.

(5) Documentation of Procedures. The Disclosure Officers shall compile and retain a file of the actions taken to report each event and prepare, check, and approve the notice of the event, including the approvals of the **Finance Director** and **County Attorney**, if obtained.

Section 5. **Training.**

(a) **Personnel to be Trained**. Each member of a Disclosure Working Group, the Disclosure Officers, the Public Information Officer, and each officer or employee designated as a source of data or an Event Notice pursuant to this Disclosure Policy shall undergo periodic training.

(b) **Training Content.** The training program and materials shall be prepared by or with the assistance of the issuer's outside bond counsel and approved by the County Attorney. The training program shall impart the requirements of federal and state securities laws and the Disclosure Agreements, the meaning of "material," and the duties of such officers and employees under this Disclosure Policy.

(c) **Training Frequency.** Each affected officer and employee shall undergo training (i) promptly after being appointed to a position described in (a) and (ii) annually as necessary to address any changes in law or this Disclosure Policy.

Section 6. **Updates to Policies and Procedures.**

(a) **Periodic Review.** The Disclosure Policy shall be reviewed annually by the Disclosure Policy Working Groups. In addition, at any time all officers and employees of the County are invited and encouraged to make recommendations for changes to this Disclosure Policy so that it fosters better compliance with applicable law, results in better information to investors, or makes the procedures required by this Disclosure Policy more efficient.

(b) **Recommendations for Change.** Following receipt of any such recommendation, the Disclosure Officers shall give their advice regarding the recommendation to the Disclosure Working Groups. The Disclosure Working Groups shall consider the recommendation and advice, determine whether to propose a change to this Disclosure Policy.

(c) **Changes to Disclosure Policy.** The County Manager, with advice from the Finance Director, the County Attorney, and bond counsel, shall approve and implement any change to this Disclosure Policy that is proposed by the Disclosure Working Groups, does not change the fundamental policies or procedures established by this Disclosure Policy, and is determined by the County Manager to be advisable.

Section 7. **Miscellaneous.**

(a) **Internal Use Only.** This Disclosure Policy is intended for the internal use of the County only and is not intended to establish any duties in favor of or rights of any person other than the County.

(b) **Waiver of Procedures.** The officers and employees charged by this Disclosure Policy with performing or refraining from any action may depart from this Disclosure Policy when they and the Disclosure Officers in good faith determine that such departure is in the best interests of the County and consistent with the duties of the County under federal and state securities laws. If either Disclosure Officer is charged by this Disclosure Policy with taking or refraining from such action, any such departure shall require approval of the County Attorney.

DEFINITIONS

For purposes of this Disclosure Policy:

“Annual Filing” has the meaning given in Section 4(b)a.

“Continuing Disclosure Documents” means financial and operating data and event notices filed with the MSRB through EMMA pursuant to Disclosure Agreements.

“Disclosure Agreement” means the provisions of each ordinance, order, resolution, or other agreement of the County by which the County undertakes to provide financial and operating data periodically, and timely notices of certain events, to the MSRB, whether expressly or as the only nationally recognized municipal securities information repository under SEC Rule 15c2-12.

“Disclosure Documents” means the Offering Documents, the Continuing Disclosure Documents and other information filed with the MSRB through EMMA.

“Disclosure Officers” means the officers or employees of the County charged with exercising the responsibilities of a Disclosure Officer under this Disclosure Policy, i.e., **[Finance Director and the County Attorney]**.

“Disclosure Working Group” for any Public Statement means the officers or employees of the County charged with exercising the responsibilities of the Disclosure Working Group in preparing or checking the Public Statement under this Disclosure Policy, as described in Section 4.

“EMMA” means the Electronic Municipal Market Access System maintained by the MSRB.

“Material” when used with respect to a fact included in a disclosure document means, generally, that a reasonable investor likely would attach significance to it in making a decision to buy, hold, or sell Securities of the County. When questions of materiality arise, counsel should be consulted.

“MSRB” means the Municipal Securities Rulemaking Board.

“Offering Documents” means preliminary and final Official Statements and other documents by which Securities are offered to the public by the County as well as solicitation statements by which the County offers to purchase its Securities or requests consents or waivers regarding Securities.

“Public Statement” means any statement or other communication that is intended (or reasonably can be expected) to be accessible to and relied upon by investors in the County’s Securities, including, as applicable: the Offering Documents, Continuing Disclosure Documents, other information filed with the MSRB through EMMA, information uploaded or linked or posted to the website of the County, press releases and any other formal statements of the County.

“SEC” means the United States Securities and Exchange Commission.

“Securities” means bonds, notes, certificates of obligation, certificates of participation, and other debt obligations or securities of the [Entity], or the payment of which the [Entity] is obligated to support by a lease, contract, or other arrangement, that are sold to or otherwise held or traded in by the public.

ANNUAL DISCLOSURE REQUIREMENTS

The County undertakes to provide to the Municipal Securities Rulemaking Board (the “MSRB”):

(a) by not later than seven months from the end of each fiscal year of the County, audited financial statements of the County for such fiscal year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or, if such audited financial statements of the County are not available by seven months from the end of such fiscal year, unaudited financial statements of the County for such fiscal year to be replaced subsequently by audited financial statements of the County to be delivered within 15 days after such audited financial statements become available for distribution; and

(b) by not later than seven months from the end of each fiscal year of the County, (i) the financial and statistical data as of a date not earlier than the end of the preceding fiscal year for the type of information included under the headings “Debt Information” and “Tax Information” in Appendix A to the official statement relating to the bonds (excluding any information on overlapping or underlying units) and (ii) the combined budget of the County for the current fiscal year, to the extent such items are not included in the audited financial statements referred to in (a) above.

EVENT NOTICES

The County undertakes to provide to the Municipal Securities Rulemaking Board (the “MSRB”):

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

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on any credit enhancements reflecting financial difficulties;
- (5) substitution of any credit or liquidity providers, or their failure to perform;
- (6) 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;
- (7) modification to the rights of the beneficial owners of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of any property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the County;
- (13) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, 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 any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) incurrence of a financial obligation (as defined below) of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the County, any of which affect beneficial owners of the Bonds, if material; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the County, any of which reflect financial difficulties.

(b) in a timely manner, notice of a failure of the County to provide required annual financial information described in Appendix B on or before the date specified.