

Extract of Minutes of a regular meeting of the Board of Commissioner of the County of Buncombe, North Carolina held in the Commissioners' Chambers at the Buncombe County Courthouse, Asheville, North Carolina, at 4:30 p.m. on May 15, 2012.

* * *

The following members were present:

The following members were absent:

Also present:

* * *

Commissioner _____ moved that the following resolution (the "*Resolution*"), a copy of which was available with the Board and which was read by title:

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF BUNCOMBE, NORTH CAROLINA, APPROVING A CONTRACT AMENDMENT AND A NOTICE OF EXTENSION TO A DEED OF TRUST AND THE DELIVERY THEREOF AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS

WHEREAS, the County of Buncombe, North Carolina (the "*County*") is a validly existing political subdivision of the State of North Carolina, existing as such under and by virtue of the Constitution, statutes and laws of the State of North Carolina (the "*State*");

WHEREAS, the County has the power, pursuant to the General Statutes of North Carolina to (1) purchase real and personal property, (2) enter into installment financing contracts in order to finance the purchase of real and personal property used, or to be used, for public purposes, and (3) finance the construction of fixtures or improvements on real property by contracts that create in the fixtures or improvements and in the real property on which such fixtures or improvements are located a security interest to secure repayment of moneys advanced or made available for such construction;

WHEREAS, the County has previously:

(1) entered into an Installment Financing Contract dated as of December 1, 2003 (the "*2003 Contract*") with Buncombe Financing Corporation, a North Carolina nonprofit corporation (the "*Corporation*"), to finance the 2003 Projects and refinance the 1995 Projects (each, as defined in the 2003 Contract);

(2) entered into Amendment Number One to the 2003 Contract dated as of January 1, 2005 (the "*2005 Amendment*," together with the 2003 Contract, the "*Prior Contract*") with the Corporation to finance the 2005 Project (as defined in the 2005 Amendment);

(3) entered into an Installment Financing Contract dated as of December 1, 2010 (the "*2010 Contract*") under Section 160A-20 of the General Statutes of North Carolina (the "*Act*") in order to pay the capital costs of (a) the acquisition, construction,

installation and equipping of a life safety tower to be installed as part of the Buncombe County Courthouse (the “*Safety Tower*”), (b) the construction, equipping and furnishing of a public safety training center (the “*Training Center*”), (c) the acquisition and installation of a new radio communications system, (d) renovations to the County’s offices located at 35 Woodfin Street, Asheville, North Carolina, (e) renovations to the County’s offices located at 40 Coxe Avenue, Asheville, North Carolina, (f) construction, equipping and furnishing of a new physical plant facility located at 40 McCormick Place, Asheville, North Carolina (the “*Physical Plant*”), and (g) renovations to the science laboratory at Asheville High School (collectively, the “*2010 Projects*”);

WHEREAS, the Corporation has previously issued Limited Obligation Bonds (County of Buncombe, North Carolina), Series 2010A, Taxable Limited Obligation Bonds (County of Buncombe, North Carolina Build America Bonds), Series 2010B, and Taxable Limited Obligation Bonds (County of Buncombe, North Carolina, Qualified Zone Academy Bonds), Series 2010C, each evidencing proportionate undivided interests in rights to receive certain Revenues under the 2010 Contract, all executed and delivered under an Indenture of Trust dated as of December 1, 2010 (the “*2003 Indenture*”);

WHEREAS, to secure its obligations under the 2010 Contract, the County executed and delivered a deed of trust granting a security interest in the County Courthouse, including the site on which it is located (collectively, the “*Site*”);

WHEREAS, the Board of Commissioners of the County (the “*Board*”) has previously determined that it is in the best interest of the County to pay the capital costs, if feasible, of refinancing all or a portion of the County’s installment payment obligations under the Prior Contract;

WHEREAS, the Board of Commissioners of the County (the “*Board*”) has also previously determined that it is in the best interest of the County to pay the capital costs of (a) the construction, installation and equipping of a four-story courts building (the “*Courts Building*”) adjacent to and further renovations of the Buncombe County Courthouse, (b) further construction, equipping and furnishing of the Training Center, (c) the acquisition and installation of new software systems for the Department of Social Services, (d) the acquisition of new sites for and upgrade and expansion of the County’s public safety radio network, (e) the construction of an expansion to the County’s construction and demolition landfill, (f) replacement of a chiller at the Enka Campus of Asheville-Buncombe Technical College, and (g) the acquisition of land and an existing building for use as administrative offices for Asheville-Buncombe Technical College (collectively, the “*2012 Projects*”);

WHEREAS, the County hereby determines that it would be in the best interest of the County to enter into Amendment Number One to the 2010 Contract (the “*First Amendment*” and collectively with the 2010 Contract, the “*Contract*”) between the County and the Corporation in order to refinance all or a portion of its installment payment obligations under the Prior Contract and pay the capital costs of the 2012 Projects;

WHEREAS, in order to secure the County’s obligations under the Contract, the County will enter into a notice of extension to the 2010 Deed of Trust (the “*Notice of Extension*”) in connection with the execution and delivery of the First Amendment relating to the County’s fee simple interest in the site on which the Courts Building will be located as may be required to secure the financing and refinancing;

WHEREAS, the Corporation will issue its Limited Obligation Bonds (County of Buncombe, North Carolina), Series 2012A (the “*Bonds*”) in an aggregate principal amount not to exceed \$79,000,000,

evidencing proportionate undivided interests in rights to receive certain Revenues (as defined in the 2010 Contract) pursuant to the Contract;

WHEREAS, in connection with the sale of the Bonds by the Corporation to Robert W. Baird & Co. and SunTrust Robinson Humphrey (collectively, the “*Underwriters*”), the Corporation will enter into a Contract of Purchase to be dated on or about June 21, 2012 (the “*Contract of Purchase*”) between the Corporation and the Underwriters, and the County will execute a Letter of Representation to the Underwriters with respect to the Bonds (the “*Letter of Representation*”);

WHEREAS, there have been described to the Board the forms of the following documents (collectively, the “*Instruments*”), copies of which have been made available to the Board, which the Board proposes to approve, enter into and deliver, as applicable, to effectuate the proposed installment financing:

- (1) the First Amendment;
- (2) the Notice of Extension;
- (3) a Supplemental Indenture, Number 1 dated as of July 1, 2012 (the “*First Supplement*”) between the Corporation and U.S. Bank National Association, as trustee, supplementing the 2003 Indenture;
- (4) the Contract of Purchase;
- (5) an Escrow Agreement dated as of July 1, 2012 (the “*Escrow Agreement*”) between the County and U.S. Bank National Association, as escrow agent; and
- (6) the Letter of Representation;

WHEREAS, to make an offering and sale of the Bonds, there will be prepared a Preliminary Official Statement with respect to the Bonds (the “*Preliminary Official Statement*”), a draft thereof having been presented to the Board, and a final Official Statement relating to the Preliminary Official Statement (together with the Preliminary Official Statement, the “*Official Statement*”), which Official Statement will contain certain information regarding the County;

WHEREAS, it appears that each of the Instruments and the Preliminary Official Statement is in an appropriate form and is an appropriate instrument for the purposes intended;

WHEREAS, the Board conducted a public hearing on May 15, 2012 to receive public comment on the proposed First Amendment, the Notice of Extension and the projects to be financed and refinanced thereby; and

WHEREAS, the County has filed an application to the LGC for approval of the First Amendment;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF BUNCOMBE, NORTH CAROLINA, AS FOLLOWS:

Section 1. Ratification of Instruments. All actions of the County, the Chairman of the Board (the “*Chairman*”), the Clerk to the Board (the “*Clerk*”), the County Manager, the Finance Director of the County, the County Attorney and their respective designees, whether previously or hereinafter taken, in effectuating the proposed refinancing are hereby approved, ratified and authorized pursuant to and in accordance with the transactions contemplated by the Instruments.

Section 2. Authorization of the Official Statement. The form, terms and content of the Preliminary Official Statement are in all respects authorized, approved and confirmed, and the use of the Preliminary Official Statement and of the final Official Statement by the Underwriters in connection with the sale of the Bonds is hereby in all respects authorized, approved and confirmed. The Chairman, the County Manager or the Finance Director is hereby authorized and directed, individually and collectively, to deliver, on behalf of the County, the Official Statement in substantially such form, with such changes, insertions and omissions as he or she may approve.

Section 3. Authorization to Execute the First Amendment. The County hereby approves the refinancing of all or a portion of the County's installment payment obligations under the Prior Contract and the financing of the 2012 Projects in accordance with the terms of the First Amendment, which will be a valid, legal and binding obligation of the County in accordance with its terms. The form and content of the First Amendment are hereby in all respects authorized, approved and confirmed, and the Chairman, the Clerk and the County Manager and their respective designees are hereby authorized, empowered and directed, individually and collectively, to execute and deliver the First Amendment, including necessary counterparts, in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as they deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of the County's approval of any and all changes, modifications, additions or deletions therein from the form and content of the First Amendment presented to the Board. From and after the execution and delivery of the First Amendment, the Chairman, the Clerk, the County Manager and the Finance Director of the County are hereby authorized, empowered and directed, individually and collectively, 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 First Amendment as executed.

Section 4. Authorization to Execute the Notice of Extension. The County approves the form and content of the Notice of Extension, and the Notice of Extension is in all respects authorized, approved and confirmed. The Chairman, the Clerk and the County Manager and their respective designees are hereby authorized, empowered and directed, individually and collectively, to execute and deliver the Notice of Extension, including necessary counterparts, in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as they deem necessary, desirable or appropriate. Execution by the Chairman, the Clerk and the County Manager or their respective designees constitutes conclusive evidence of the County's approval of any and all such changes, modifications, additions or deletions therein from the form and content of the Notice of Extension presented to the Board, and from and after the execution and delivery of the Notice of Extension, the Chairman, the Clerk, the County Manager and the Finance Director of the County are hereby authorized, empowered and directed, individually and collectively, 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 Notice of Extension as executed.

Section 6. Letter of Representation. The form and content of the Letter of Representation are hereby in all respects approved, and the Chairman, the County Manager or the Finance Director is authorized to execute the Letter of Representation for the purposes stated therein.

Section 7. Approval, Authorization of Escrow Agreement. The County approves the form and content of the Escrow Agreement, and the Escrow Agreement is in all respects authorized, approved and confirmed. The Chairman, the Clerk and the County Manager and their respective designees are hereby authorized, empowered and directed, individually and collectively, to execute and deliver the Escrow Agreement, including necessary counterparts, in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as they deem necessary, desirable or appropriate. Execution by the Chairman, the Clerk and the County Manager or their

respective designees constitutes conclusive evidence of the County's approval of any and all such changes, modifications, additions or deletions therein from the form and content of the Escrow Agreement presented to the Board, and from and after the execution and delivery of the Escrow Agreement, the Chairman, the Clerk, the County Manager and the Finance Director of the County are hereby authorized, empowered and directed, individually and collectively, 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.

Section 8. County Representative. The Chairman, the County Manager and the Finance Director of the County are hereby designated as the County's representative to act on behalf of the County in connection with the transactions contemplated by the Instruments and the Preliminary Official Statement, and the Chairman, the County Manager and the Finance Director are authorized to proceed with the refinancing of a portion of the County's installment payment obligations under the Prior Contracts in accordance with the Instruments and to seek opinions as a matter of law from the County Attorney, which the County Attorney is authorized to furnish on behalf of the County, and opinions of law from such other attorneys for all documents contemplated hereby as required by law. The County's representative and/or designee or designees are in all respects authorized on behalf of the County to supply all information pertaining to the County for use in the Official Statement and the transactions contemplated by the Instruments or the Preliminary Official Statement. The County's representatives or their respective designees are hereby authorized, empowered and directed, individually and collectively, to do any and all other acts and to execute any and all other documents, which they, in their discretion, deem necessary and appropriate to consummate the transactions contemplated by the Instruments or the Preliminary Official Statement or as they deem necessary or appropriate to implement and carry out the intent and purposes of this Resolution.

Section 9. Severability. If any section, phrase or provision of this Resolution is for any reason declared to be invalid, such declaration will not affect the validity of the remainder of the sections, phrases or provisions of this Resolution.

Section 10. Repealer. All motions, orders, resolutions and parts thereof, in conflict herewith are hereby repealed.

Section 11. Effective Date. This Resolution is effective on the date of its adoption.

STATE OF NORTH CAROLINA)
)
COUNTY OF BUNCOMBE) ss:

I, *Kathy Hughes*, Clerk to the Board of Commissioners of the County of Buncombe, North Carolina ***DO HEREBY CERTIFY*** that the foregoing is a true and exact copy of a resolution entitled **“RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF BUNCOMBE, NORTH CAROLINA, APPROVING A CONTRACT AMENDMENT AND A NOTICE OF EXTENSION TO A DEED OF TRUST AND THE DELIVERY THEREOF AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS”** adopted by the Board of Commissioners of the County of Buncombe, North Carolina, at a meeting held on the 15th day of May, 2012.

WITNESS my hand and the corporate seal of the County of Buncombe, North Carolina, this the 15th day of May, 2012.

Kathy Hughes
Clerk to the Board
County of Buncombe, North Carolina