

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 October 7, 2008.

\* \* \*

The following members were present:

The following members were absent:

Also present:

\* \* \* \* \*

Commissioner \_\_\_\_\_ moved that the following resolution, a copy of which was available with the Board and which was read by title, be adopted:

**RESOLUTION OF THE COUNTY OF BUNCOMBE, NORTH CAROLINA APPROVING AN INSTALLMENT FINANCING CONTRACT TO PROVIDE FOR THE ACQUISITION, CONSTRUCTION, FURNISHING AND EQUIPPING OF CERTAIN PROJECTS SET FORTH THEREIN AND RELATED MATTERS**

*WHEREAS*, the County of Buncombe, North Carolina (the “County”) is a political subdivision validly existing under the Constitution, statutes and laws of the State (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 purchase contracts to finance the purchase or improvement of real and personal property used, or to be used, for public purposes, and (3) grant a security interest in some or all of the property purchased or improved to secure repayment of the purchase price;

*WHEREAS*, the Board of Commissioners of the County (the “Board of Commissioners”), has previously determined that it is in the best interest of the County to enter into (a) an installment financing contract with the Buncombe Financing Corporation, a North Carolina nonprofit corporation, in order to pay the capital costs of the following (the improvements listed in (1) through (4) are collectively referred to as the “Projects”): (1) the construction of a County parking deck (the “Parking Deck”), (2) the construction of an addition to the County’s human services facility (the “Human Services Facility”), (3) the acquisition of equipment for use by certain County departments, including a new phone system and certain computer software, and (4) the refinancing of an Installment Financing Contract dated February 1, 2008 between the County and Bank of America, N.A., the proceeds of which were used to finance (i) the construction and equipping a County animal shelter and (ii) the acquisition of a building to be used for County and local government purposes and (b) a deed of trust, security agreement and fixture filing related to all or a portion of the County’s fee simple interest in the real property on which the Parking

Deck and the Human Services Facility are or will be located (the “*Site*” and collectively with the Parking Deck and the Human Services Facility, the “*Mortgaged Property*”);

*WHEREAS*, the County has determined that it would be in the best interest of the County to enter into an Installment Financing Contract dated as of December 1, 2008 (the “*Contract*”) between the County and the Corporation in order to pay the capital costs of the Projects;

*WHEREAS*, in order to secure the County’s obligations under the Contract, the County will enter into a Deed of Trust, Security Agreement and Fixture Filing dated as of December 1, 2008 (the “*Deed of Trust*”) related to the Mortgaged Property;

*WHEREAS*, the Corporation will execute and deliver Certificates of Participation, Series 2008, Evidencing Proportionate Undivided Interests in Rights to Receive Certain Revenues Pursuant to the Contract (the “*2008 Certificates*”);

*WHEREAS*, in connection with the sale of the 2008 Certificates by the Corporation to Wachovia Bank, National Association, or a financial institution other than Wachovia Bank, National Association selected by the Finance Director of the County, and, as co-manager, a financial institution to be determined by the Finance Director of the County (collectively, the “*Underwriters*”), the Corporation will enter into the Contract of Purchase (hereinafter defined) and the County will execute a Letter of Representation to the Underwriters (the “*Letter of Representation*”);

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

- (1) the Contract;
- (2) the Deed of Trust;
- (3) the Indenture of Trust dated as of December 1, 2008 (the “*Indenture*”) between the Corporation and U.S. Bank National Association, as trustee;
- (4) the Contract of Purchase to be dated on or about December 4, 2008 between the Corporation and the Underwriters (the “*Contract of Purchase*”); and
- (5) the Letter of Representation;

*WHEREAS*, to make an offering and sale of the 2008 Certificates, there will be prepared a Preliminary Official Statement (the “*Preliminary Official Statement*”), a draft thereof having been presented to the Board of Commissioners, and a final Official Statement (collectively with the Preliminary Official Statement, the “*Official Statement*”) with respect to the 2008 Certificates, 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 of Commissioners did conduct a public hearing on October 7, 2008, to receive public comment on the proposed Contract to acquire the Projects; and

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

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

*Section 1. Ratification of Instruments.* That all actions of the County, the Chairman of the Board of Commissioners (the “Chairman”), the Clerk to the Board of Commissioners (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 financing 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.* That the form, terms and content of the Preliminary Official Statement to be dated on or about November 18, 2008 are in all respects authorized, approved and confirmed, and the use of the Preliminary Official Statement and of the final Official Statement to be dated on or about December 4, 2008 by the Underwriters in connection with the sale of the 2008 Certificates is hereby in all respects authorized, approved and confirmed. The Chairman, the County Manager and the Finance Director are each hereby authorized and directed to execute and deliver, on behalf of the County, the Official Statement in substantially such form, with such changes, insertions and omissions as each may approve, the execution thereof by any of them to constitute conclusive evidence of such approval.

*Section 3. Authorization to Execute the Contract.* That the County approves the acquisition of the Projects in accordance with the terms of the Contract, which will be a valid, legal and binding obligation of the County in accordance with its terms. The form and content of the Contract shall be and the same hereby are in all respects authorized, approved and confirmed, and the Chairman, the Clerk and the County Manager and their respective designees shall be and they hereby are authorized, empowered and directed to execute and deliver the Contract, including necessary counterparts, in substantially the form and content presented to the Board of Commissioners, but with such changes, modifications, additions or deletions therein as shall to them seem 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 Contract presented to the Board of Commissioners, and that from and after the execution and delivery of the Contract, the Chairman, the Clerk, the County Manager and the Finance Director of the County are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Contract as executed.

*Section 4. Authorization to Execute the Deed of Trust.* That the County approves the form and content of the Deed of Trust and that the Deed of Trust shall be and is in all respects authorized, approved and confirmed, and the Chairman, the Clerk and the County Manager and their respective designees shall be and they hereby are authorized, empowered and directed to execute and deliver the Deed of Trust, including necessary counterparts, in substantially the form and content presented to the Board of Commissioners, but with such changes, modifications, additions or deletions therein as shall to them seem necessary, desirable or appropriate, specifically including the removal of any property from the Mortgaged Property that the Underwriters determine is not needed in order to proceed with the execution and delivery of the 2008 Certificates. Execution by the Chairman, the Clerk and the County Manager or their respective designees shall constitute 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 Deed of Trust presented to the Board of Commissioners and from and after the execution and delivery of the Deed of Trust, the Chairman, the Clerk, the County Manager and the Finance Director of the County are hereby

authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Deed of Trust as executed.

*Section 5. Letter of Representation..* That the form and content of the Letter of Representation shall be and the same hereby is in all respects approved, and the Chairman or the County Manager is authorized to execute the Letter of Representation for the purposes stated therein;

*Section 6. County Representative.* That 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 acquisition of the Projects 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 Chairman, the Clerk, the County Manager and the Finance Director of the County or their respective designees are hereby authorized, empowered and directed 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 7. Severability.* That if any section, phrase or provision of this Resolution is for any reason declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases or provisions of this Resolution.

*Section 8. Repealer.* That all motions, orders, resolutions and parts thereof, in conflict herewith are hereby repealed.

*Section 9. Effective Date.* That 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 titled **“RESOLUTION OF THE COUNTY OF BUNCOMBE, NORTH CAROLINA APPROVING AN INSTALLMENT FINANCING CONTRACT TO PROVIDE FOR THE ACQUISITION, CONSTRUCTION, FURNISHING AND EQUIPPING OF CERTAIN PROJECTS SET FORTH THEREIN AND RELATED MATTERS”** adopted by the Board of Commissioners of the County of Buncombe, North Carolina in regular session convened on the 7<sup>th</sup> day of October, 2008, as recorded in the minutes of the Board of Commissioners of the County of Buncombe, North Carolina.

**WITNESS**, my hand and the seal of the County of Buncombe, North Carolina, this the \_\_\_ day of October, 2008.

(SEAL)

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