

MARCH 22, 1990

The Board of Commissioners of Franklin County, North Carolina met in special session at 12:30 P. M. in the Conference Room of the Franklin County Office Building with the following Commissioners present: Chairman George T. Wynne, Vice Chairman Ronald W. Goswick and Commissioner James B. Alford. Commissioner Robert L. Swanson was absent due to the death of his father and Commissioner John O. Sledge, III was absent due to a prior commitment.

The purpose of this special meeting to adopt a resolution pertaining to installment financing.

Upon motion by Commissioner Goswick, seconded by Commissioner Alford with all present voting "AYE" duly carried the following resolution adopted:

RESOLUTION OF BOARD OF COUNTY COMMISSIONERS OF FRANKLIN COUNTY AMENDING FEBRUARY 19, 1990, RESOLUTION ON NCGS 160A-20 FINANCING FOR HUMAN SERVICES BUILDING

WHEREAS, the Board of County Commissioners (the Board) of Franklin County, North Carolina (the county), has previously resolved to undertake the acquisition, construction and equipping of a human services building (the Project);

WHEREAS, in a resolution adopted on February 19, 1990 (the Resolution), the Board agreed to finance the Project in an aggregate principal amount not to exceed \$1,500,000 pursuant to NCGS Section 160A20;

WHEREAS, it has been requested the County "designate" its obligations for the Project as "qualified tax-exempt obligations" for the purpose of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the Code), to improve the marketability of such obligations and reduce the County's cost of financing; and

WHEREAS, the County desires to allocate to such obligations a portion of the County's \$5,000,000 annual limit on the issuance of tax-exempt bonds for the purpose of the "small issuer" exception to the arbitrage rebate requirement (the Small-Issuer Exception) pursuant to Section 148(f)(4) of the Code;

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BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF FRANKLIN COUNTY, NORTH CAROLINA:

1. The County hereby designates the obligations issued to finance the Project as "qualified taxexempt obligations" for the purpose of Section 265(b)(3) of the Code, provided that such obligations are issued in an aggregate amount not to exceed \$1,500,000 and are issued in calendar year 1990. The County hereby represents and covenants as follows:

(a) The County will in no event designate more than \$10,000,000 of obligations as qualified taxexempt obligations in 1990, including such obligations, for the purpose of such Section 265(b)(3);

(b) The County and all its "subordinate entities", within the meaning of Section 265(b)(3) of the Code, have not issued more than \$10,000,000 of tax-exempt obligations in 1990 (not including "private activity

bonds", as defined in Section 141 of the Code, other than "qualified 501(c)(3) bonds", as defined in Section 145 of the Code), including such obligations;

(c) Barring circumstances unforeseen as of the date of delivery of such obligations, the County will not issue tax-exempt obligations itself or approve the issuance of tax-exempt obligations of any of such subordinate entities if the issuance of such tax-exempt obligations would, when aggregated with all other tax-exempt obligations theretofore issued in 1990 by the County and such subordinate entities, result in the County and such subordinate entities having issued a total of more than \$10,000,000 of taxexempt obligations in 1990 (not including private activity bonds other than qualified 501(c)(3) bonds, including the obligations for the Project; and

(d) The County has no reason to believe that the County and such subordinate entities will issue tax-exempt obligations in 1990 in an aggregate amount that will exceed such \$10,000,000 limit; provided, however, that if the County receives an opinion of nationally recognized bond counsel that compliance with any restriction set forth in (a) or (c) above is not required for the obligations for the Project to be qualified tax-exempt obligations, the County need not comply with such restriction.

2. The County hereby allocates to the obligations for the Project, \$1,500,000 of the County's \$5,000,000 annual bond limit for the purpose of the Small-Issuer Exception, provided that such obligations are issued in calendar year 1990. The County hereby covenants and represents as follows:

(a) The County and all its "subordinate entities", within the meaning of Section 148(f)(4)(iii) of the Code, have not issued more than \$5,000,000 of tax-exempt obligations in 1990 (not including private activity bonds), including such obligations;

(b) Barring circumstances unforeseen as of the date of delivery of obligations for the Project, the County will not issue tax-exempt obligations itself or approve the issuance of tax-exempt obligations of any of such subordinate entities if the issuance of such tax-exempt obligations would, when aggregated with all other tax-exempt obligations theretofore issued in 1990 by the County and such subordinate entities, result in the County and such subordinate entities having issued a total of more than \$5,000,000 of tax-exempt obligations in 1990 (not including private activity bonds), including the obligations for the Project; and

(c) The County has no reason to believe that the County and such subordinate entities will issue tax-exempt obligations in 1990 in an aggregate amount that will exceed such \$5,000,000 limit; provided, however, that if the County receives an opinion of nationally recognized bond counsel that compliance with any restriction set forth in (b) or (c) above will not prevent the Corporation from having to rebate to the United States any part of the earnings derived from the investment of the gross proceeds of the obligations for the Project, the County need not comply with such restriction.

3. All other actions of the officers of the County which are in conformity with the purposes or intent of this resolution, and the Resolution, and in furtherance of the issuance and sale of the obligations for the Project are hereby ratified, approved and confirmed. The Resolution is hereby confirmed as in full force and effect.

4. This resolution shall take effect immediately.

There being no further business to come before the Board, adjournment recorded at 12:40 P. M.