

EXTRACTS FROM MINUTES OF THE BOARD

A regular meeting of the Board of Commissioners of the County of Buncombe, North Carolina, was duly held on March 3, 2020 at 5:00 p.m. in the Commission Chambers, 200 College Street, Suite 326, Asheville, North Carolina. Chairman Brownie Newman presiding.

The following members were present:

The following members were absent:

* * * * *

Commissioner _____ moved that the following resolution, copies of which having been made available to the Board, be adopted:

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF
BUNCOMBE, NORTH CAROLINA, APPROVING AN AMENDMENT TO AN INSTALLMENT
FINANCING AGREEMENT 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 (the “*State*”), existing as such under and by virtue of the Constitution, statutes and laws of 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 and the Buncombe Financing Corporation (the “*Corporation*”) have previously entered into the an Installment Financing Contract dated as of December 1, 2010 (the “*2010 Contract*”), as amended by Amendment Number One to the 2010 Contract dated as of July 1, 2012 (the “*First Amendment*”) and Amendment Number Two to the 2010 Contract dated as of February 15, 2014 (the “*Second Amendment*,” and together with the 2010 Contract, the First Amendment and the Third Amendment (defined herein), the “*Contract*”) for the purposes outlined therein;

WHEREAS, the Corporation has previously executed and delivered (1) (a) Limited Obligation Bonds (County of Buncombe, North Carolina), Series 2010A, Evidencing Proportionate Undivided Interests in Rights to Receive Certain Revenues under the Contract in the aggregate principal amount of \$31,500,000, (b) Taxable Limited Obligation Bonds (County of Buncombe, North Carolina Build America Bonds), Series 2010B, Evidencing Proportionate Undivided Interests in Rights to Receive Certain Revenues under the Contract in the aggregate principal amount of \$20,420,000, and (c) Taxable Limited Obligation Bonds (County of Buncombe, North Carolina Qualified Zone Academy Bonds), Series 2010C, Evidencing Proportionate Undivided Interests in Rights to Receive Certain Revenues under the Contract in the aggregate principal amount of \$3,800,000, all under an Indenture of Trust dated as of December 1, 2010 (the “*2010 Indenture*”) between the Corporation and U.S. Bank National Association, the successor to which is Regions Bank (the “*Trustee*”), as trustee; (2) Limited Obligation Bonds, Series 2012A, Evidencing Proportionate Undivided Interests in Rights to Receive Certain Revenues Pursuant To the Contract (as amended) in the aggregate principal amount of \$75,365,000, under Supplemental Indenture Number 1 dated as of July 1, 2012 (the “*First Supplement*”) to the 2010 Indenture; and (3) (a) Limited Obligation Bonds, Series 2014A, Evidencing Proportionate Undivided Interests in Rights to Receive Certain Revenues Pursuant To the Contract (as amended) in the aggregate principal amount of \$151,590,000 and (b) Taxable Limited Obligation Bonds, Series 2014B, Evidencing Proportionate Undivided Interests in Rights to Receive Certain Revenues Pursuant To the Contract (as amended) in the aggregate principal amount of \$28,725,000, both under Supplemental Indenture Number 2 dated as of February 15, 2014 (the “*Second Supplement*”) to the 2010 Indenture;

WHEREAS, to secure its obligations under the 2010 Contract, as amended, the County executed and delivered a deed of trust granting a security interest in the County Courthouse (as defined in the 2010 Contract), including the site on which it is located, a Notice of Extension (as defined in the First Amendment) granting a security interest in the Courts Building (as defined in the First Amendment), including the site on which it is located and a Second Notice of Extension (as defined in the Second Amendment) granting a security interest in the Allied Health Building and Asheville Middle School (as each are defined in the Second Amendment);

WHEREAS, the County has also previously executed and delivered (1) an Installment Financing Contract dated as of July 1, 2009 (the “2009A Contract”) and (2) an Installment Financing Contract dated as of April 1, 2015 (the “2015 Contract”), each between the County and the Corporation in order to finance and refinance the projects described therein and the Corporation has executed and delivered (1) \$12,065,000 Certificates of Participation, Series 2009A evidencing proportionate undivided interests in rights to receive certain Revenues pursuant to the 2009A Contract and (2) \$126,635,000 Limited Obligation Bonds, Series 2015 (the “2015 Bonds”), evidencing proportionate undivided interests in rights to receive certain Revenues under the 2015 Contract;

WHEREAS, the County hereby determines that it would be in the best interest of the County to enter into Amendment Number Three to the 2010 Contract (the “Third Amendment”) between the County and the Corporation in order to (a) pay the capital costs of the acquisition, construction and equipping of improvements to public school facilities and courthouse, detention center, recreational, administrative and other County facilities (collectively, the “2020 Project”) and (b) refinance all or a portion of its installment financing obligations with respect to the 2010 Contract, the First Amendment, the Second Amendment, the 2009A Contract and the 2015 Contract;

WHEREAS, the Corporation will issue its Limited Obligation Bonds (County of Buncombe, North Carolina), Series 2020A (the “2020A Bonds”) and Taxable Limited Obligation Bonds (County of Buncombe, North Carolina), Series 2020B (the “2020B Bonds” and together with the 2020A Bonds, the “2020 Bonds”) in an aggregate principal amount not to exceed \$212,000,000, evidencing proportionate undivided interests in rights to receive certain Revenues (as defined in the 2010 Contract) pursuant to the Contract, in order to finance the 2020 Projects and to refinance all or a portion of its installment financing obligations with respect to the 2010 Contract, the First Amendment, the Second Amendment, the 2009A Contract and the 2015 Contract;

WHEREAS, in connection with the sale of the 2020 Bonds by the Corporation to Robert W. Baird & Co. Incorporated and Wells Fargo Bank, National Association (collectively, the “Underwriters”), the Corporation will enter into a Contract of Purchase to be dated on or about March 27, 2020 (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 2020 Bonds (the “Letter of Representation”);

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

- (1) the Third Amendment;
- (2) a Supplemental Indenture, Number 3 dated as of April 1, 2020 (the “Third Supplement”) between the Corporation and Regions Bank, as trustee, supplementing the 2010 Indenture;
- (3) the Contract of Purchase;
- (4) an Escrow Agreement dated as of April 1, 2020 (the “Escrow Agreement”) between the County and Regions Bank, as escrow agent;
- (5) the Letter of Representation; and
- (6) an Agency Agreement to be dated on or about April 1, 2020 (the “County

BOE Agency Agreement”) between the County and the Buncombe County Board of Education and an Agency Agreement to be dated on or about April 1, 2020 (the “*City BOE Agency Agreement*,” and together with the County BOE Agency Agreement the “*Agency Agreements*”) between the County and the Asheville City Board of Education, each relating to construction and acquisition of certain public school facilities and equipment for their respective jurisdictions.

WHEREAS, to make an offering and sale of the 2020 Bonds, there will be prepared a Preliminary Official Statement with respect to the 2020 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 February 4, 2020 to receive public comment on the proposed Third Amendment and the projects to be financed and refinanced thereby and approval of the LGC with respect to entering into the Third Amendment must be received;

WHEREAS, the County has filed an application to the LGC for approval of the Third 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 Senior Staff Attorney and their respective designees, whether previously or hereinafter taken, in effectuating the proposed financing and 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 Third Amendment. The County hereby approves the financing of the 2020 Projects and the refinancing of all or a portion of its obligations with respect to the 2010 Contract, the First Amendment, the Second Amendment, the 2009A Contract and the 2015 Contract in accordance with the terms of the Third Amendment, which will be a valid, legal and binding obligation of the County in accordance with its terms. The form and content of the Third 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 Third 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 Third Amendment presented to the Board. From and after the execution and delivery of the Third 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 Third Amendment as executed.

Section 4. 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 5. 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 6. Approval, Authorization of Agency Agreements. By and with the approval of County Legal Services, the County approves the form and content of the Agency Agreements, and, subject to approval of County Legal Services, the Agency Agreements are 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 Agency Agreements, including necessary counterparts, in substantially the forms and content presented to the Board, but with such changes, modifications, additions or deletions therein as they and County Legal Services 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 forms and content of the Agency Agreements presented to the Board, and from and after the execution and delivery of the Agency Agreements, 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 Agency Agreements, as executed.

Section 7. 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 Official Statement, and the Chairman, the County Manager and the Finance Director are authorized to proceed with the financing of the 2020 Projects and the refinancing of all or a portion of its obligations with respect to the 2010 Contract, the First Amendment, the Second Amendment, the 2009A Contract and the 2015 Contract in accordance with the Instruments and to seek opinions as a matter of law from the Senior Staff Attorney, which the Senior Staff 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 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 Official Statement or as they deem necessary or appropriate to implement and carry out the intent and purposes of this Resolution.

Section 8. 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 9. Repealer. All motions, orders, resolutions and parts thereof, in conflict herewith are hereby repealed.

Section 10. Effective Date. This Resolution is effective on the date of its adoption.

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

I, *Lamar Joyner*, 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 AN AMENDMENT TO AN INSTALLMENT FINANCING AGREEMENT 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 March 3, 2020.

WITNESS my hand and the corporate seal of the County of Buncombe, North Carolina, this the ___ day of March, 2020.

Lamar Joyner
Clerk to the Board
County of Buncombe, North Carolina