

June 24, 2003

The Randolph County Board of Commissioners held a special meeting in the County Commissioners Meeting Room in the Randolph County Office Building, 725 McDowell Road, Asheboro, North Carolina, at 4:00 p.m. Commissioners Kemp, Frye, Holmes, and Mason were present. Commissioner Davis was absent.

Refinancing of 1995 Certificates of Participation (COPS)

Chairman Kemp called on Steve Schemmel of Wachovia, Underwriter for the refinancing, to make a presentation.

Mr. Schemmel reviewed the 1995 COPS sale and explained under what circumstances such a sale would be eligible and feasible for refinancing. He also explained that the purchase agreement the County entered into with BB&T earlier this year for the Asheboro City Schools' purchase of the Sir Robert Motel property would be incorporated into the proposed refinancing. A total of \$21,559,475 would be refinanced: \$18,985,000 of the 1995 COPS and \$2,574,475 of the BB&T purchase agreement. Mr. Schemmel said that the County has submitted an application to the North Carolina Local Government Commission (LGC) to refinance this debt. He estimated that the County would save approximately \$800,000 in interest through this refinancing. He told the Board that Legg Mason would be co-managers with Wachovia for this project. The LGC requires co-managers when the sale is over \$20,000,000.

Chairman Kemp announced that this was the hour, day and place fixed for the public hearing for the purpose of considering whether the Board of Commissioners for the County (the "Board") should approve certain documents under which the County would obtain financing pursuant to Section 160A-20 of the North Carolina General Statutes, as amended, in an amount not exceeding \$30,000,000 for the purpose of accomplishing all or a portion of the Refinancings hereinafter described and under which the County would secure the repayment by it of moneys advanced pursuant to such documents by granting a lien on all or a portion of the property subject to the Refinancings. The Refinancings consist of (a) the refinancing of the County's obligations with respect to a portion of the outstanding Certificates of Participation (1995 Randolph County Project) executed and delivered by the Randolph County Public Facilities Corporation (the "1995 Refinancing"), which financed various education and public health projects, including the construction, renovation and equipping of various schools, the construction and equipping of a school bus garage and the construction, renovation and equipping of a mental health facility and (b) the refinancing of an installment financing contract with Branch Banking and Trust Company (the "2003 Refinancing" and together with the 1995 Refinancing, the "Refinancings"), which financed the acquisition of real property and the renovation, demolition and equipping of the buildings thereon in order for the property to be used for educational purposes. The Chairman announced that the notice of the public hearing, which is being held pursuant to Section 160A-20(g) of the North Carolina General Statutes, as amended, was published in The Courier-Tribune on June 10, 2003.

Chairman Kemp then opened the public hearing and announced that the Board would immediately hear anyone who might wish to be heard on such matters.

No one spoke.

The Clerk to the Board of Commissioners announced that no written statement related to such matters had been received.

Chairman Kemp announced that the public hearing was closed.

On motion of Frye, seconded by Holmes, the Board adopted the following Resolution, which was read by title:

RESOLUTION (1) AUTHORIZING THE FILING OF AN APPLICATION FOR APPROVAL OF AN INSTALLMENT FINANCING AUTHORIZED BY SECTION 160A-20 OF THE NORTH CAROLINA GENERAL STATUTES AND (2) APPROVING SUCH INSTALLMENT FINANCING AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS IN CONNECTION THEREWITH.

WHEREAS, financing pursuant to Section 160A-20 of the North Carolina General Statutes must be approved by the Local Government Commission of North Carolina and will only be approved if the findings of Section 159-151(b) of the North Carolina General Statutes are met;

WHEREAS, the Board of Commissioners of the County duly conducted a public hearing on June 24, 2003 regarding an installment financing to accomplish the Refinancings;

WHEREAS, the County and Randolph County Public Facilities Corporation (the "Corporation") previously entered into an Installment Financing Agreement dated as of November 15, 1995 (the "Installment Financing Agreement") for the purposes specified therein;

WHEREAS, the Corporation and First Union National Bank of North Carolina, now known as Wachovia Bank, National Association, as trustee (the "Trustee") entered into a Trust Agreement dated as of November 15, 1995 (the "Trust Agreement") pursuant to which the Corporation executed and delivered its Certificates of Participation (1995 Randolph County Project) (the "1995 Certificates"), in the principal amount of \$29,875,000, of which \$21,785,000 remains outstanding;

WHEREAS, the County previously acquired the property pledged in connection with the 1995 Certificates pursuant to the Deed of Trust dated as of November 15, 1995 from the County to a deed of trust trustee for the benefit of the Corporation;

WHEREAS, Additional Certificates (as defined in the Trust Agreement) may be executed and delivered under the Trust Agreement to accomplish the Refinancings;

WHEREAS, there have been available at this meeting drafts of the forms of the following:

- (1) A First Amendment to Installment Financing Agreement to be dated as of August 1, 2003 (the "First Amendment to Installment Financing Agreement"), between the County and the Corporation;
- (2) A First Supplemental Trust Agreement to be dated as of August 1, 2003 (the "First Supplemental Trust Agreement"), between the Corporation and the Trustee;
- (3) An Escrow Deposit Agreement to be dated as of August 1, 2003 (the "Escrow Agreement") among the County, the Corporation and Wachovia Bank, National Association, as escrow agent (the "Escrow Agent");
- (4) A Preliminary Official Statement to be dated on or about July 22, 2003 (the "Preliminary Official Statement") relating to Refunding Certificates of Participation, Series 2003 evidencing proportionate undivided interests in revenues to be received by the Corporation under the Installment Financing Agreement (the "2003 Certificates");
- (5) A Contract of Purchase to be dated on or about July 31, 2003 (the "Purchase Contract") between Wachovia Bank, National Association (the "Underwriter"), and the Corporation; and

- (6) *A Letter of Representation to be dated on or about July 31, 2003 (the "Letter of Representation") from the County to the Underwriter.*

WHEREAS, *the Board of Commissioners of the County wants to approve the First Amendment to Installment Financing Agreement and related documents and the sale of the 2003 Certificates and to authorize other actions in connection therewith; and*

NOW, THEREFORE, BE IT RESOLVED *by the Board of Commissioners of the County as follows:*

1. *The Board hereby finds and determines in connection with the proposed installment financing that (a) such proposed installment financing is necessary or expedient to the County, (b) such proposed installment financing, under current circumstances, is preferable to a bond issue of the County for the same purpose, (c) the sums estimated to fall due under such proposed installment financing are adequate and not excessive for its proposed purpose, (d) the County's debt management procedures and policies are good and its debt will continue to be managed in strict compliance with the law, (e) any increase in taxes necessary to meet the sums estimated to fall due under such proposed installment financing agreement will not be excessive and (f) the County is not in default regarding any of its debt service obligations.*
2. *The Board hereby requests the Local Government Commission of North Carolina to approve such proposed installment financing under Article 8 of Chapter 159 of the General Statutes of North Carolina.*
3. *The County Manager and Finance Officer is hereby designated as the representative of the County to file an application for approval of such proposed installment financing with the Local Government Commission of North Carolina and is authorized to take such other action as may be advisable in connection with the negotiation of such proposed installment financing and the development of the related financing; and all actions heretofore taken by the County Manager and Finance Officer relating to such matters are hereby approved, ratified and confirmed.*
4. *Each of the First Amendment to the Installment Financing Agreement, the Escrow Agreement and the Letter of Representation, in the form submitted to this meeting, is hereby approved, and the Chairman of the Board, the County Manager and Finance Officer and the Clerk to the Board are each hereby authorized and directed to execute and deliver each of those documents, on behalf of the County, with such changes, insertions or omissions as each may approve, the execution thereof by any of them to constitute conclusive evidence of such approval.*
5. *Each of the First Supplemental Trust Agreement and the Purchase Contract, in the form submitted to this meeting, is hereby approved in substantially such form, with such changes, insertions or omissions as appropriate.*
6. *Each of the Preliminary Official Statement and the final Official Statement in the form of the Preliminary Official Statement submitted to this meeting, is hereby approved, in substantially such form, with such changes, insertions and omissions as appropriate, and the use thereof in connection with the public offering and sale of the 2003 Certificates is hereby authorized. The Chairman of the Board and the County Manager and Finance Officer are each hereby authorized and directed to execute and deliver on behalf of the County, the final 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.

7. *The Chairman of the Board, the County Manager and Finance Officer, the Clerk to the Board and the County Attorney are each hereby authorized to take any and all such further action and to execute and deliver such other documents as may be necessary or advisable to carry out the intent of this Resolution and to effect the installment financing pursuant to the documentation therefor. Without limiting the generality of the foregoing, the County Manager and Finance Officer is authorized to approve all details of the financing, including without limitation, the amount advanced under the First Amendment to Installment Financing Agreement with respect to the 2003 Certificates (which shall not exceed \$30,000,000), the annual principal payments under the Installment Financing Agreement, the term of the Installment Financing Agreement, the discount below or premium above the principal amount of the 2003 Certificates at which the 2003 Certificates are sold to the Underwriter, if any, and the insurer of the financing and the details related thereto. Execution of the First Amendment to Installment Financing Agreement by the Chairman of the Board or the County Manager and Finance Officer shall conclusively evidence approval of all such details of the financing.*
8. *All actions of the County effectuating the proposed financing are hereby approved, ratified and authorized pursuant to and in accordance with the transactions contemplated by the documents referred to above.*
9. *This Resolution shall become effective immediately upon its adoption.*

Request to Support Combining the Greensboro/Winston-Salem/High Point MSA with the Burlington MSA

Commissioner Frye announced that the Office of Management and Budget (OMB) recently released their designations of metropolitan statistical areas based on the 2000 census. Their new designations separate Burlington and Alamance County into its own MSA that is no longer part of the Greensboro/Winston-Salem/High Point MSA. Burlington and Alamance County are actively trying to get this decision changed. This issue is extremely important to the Triad as a whole. The Piedmont Triad Council of Governments Board of Delegates recently took action to support the recombining of these two MSA's. They have requested that all the local governments in the Triad region support this combination by sending a letter to Congressman Howard Coble.

On motion of Frye, seconded by Holmes, the Board unanimously approved sending a letter to Congressman Coble supporting the combination of the Burlington MSA with the Greensboro/Winston-Salem/High Point MSA.

The meeting adjourned at 4:50 p.m.

Phil Kemp, Chairman

Darrell L. Frye

J. Harold Holmes

Robert O. Mason

Alice D. Dawson, Clerk to the Board