

**NORTH CAROLINA DEPARTMENT OF STATE TREASURER
LOCAL GOVERNMENT COMMISSION
EXECUTIVE COMMITTEE**

MINUTES

April 1, 2008

The meeting was called to order by T. Vance Holloman on behalf of Chairman Richard H. Moore at 2:30 p.m. on the above date. Members present were T. Vance Holloman on behalf of Chairman Richard H. Moore, Secretary of Revenue Reginald Hinton, Deputy Secretary Michael Peeler on behalf of Secretary of State Elaine Marshall and State Auditor Leslie W. Merritt, Jr.

Members absent: None

Mr. Peeler made a motion to adopt the following resolution:

**“RESOLUTION APPROVING THE FINANCING TEAM FOR THE
COUNTY OF BUNCOMBE, NORTH CAROLINA PROJECT
DEVELOPMENT FINANCING REVENUE BONDS (WOODFIN
DOWNTOWN CORRIDOR DEVELOPMENT), SERIES 2008**

WHEREAS, the County of Buncombe, North Carolina (the “County”) has requested that the Local Government Commission of North Carolina (the “Commission”) approve their selection of the following financing team members for the issuance of the County’s Project Development Financing Revenue Bonds (Woodfin Downtown Corridor Development), Series 2008:

Underwriter:	Wachovia Bank, National Association
Co-Bond Counsel:	Parker Poe Adams & Bernstein LLP Martin L. Nesbitt, Esq.
Underwriters’ Counsel:	Hunton & Williams LLP
Developer:	Reynolds Mountain Partners, LLC
Developer’s Counsel:	Kennedy Covington Lobdell & Hickman, L.L.P.
Trustee:	U.S. Bank National Association

WHEREAS, based upon the information and evidence received by the Commission, it is the opinion of the Commission that the request by the County should be approved.

NOW, THEREFORE, BE IT RESOLVED by the Executive Committee of the Local Government Commission of North Carolina the above financing team is hereby approved for the County’s Project Development Financing Revenue Bonds (Woodfin Downtown Corridor Development), Series 2008 issue.

Mr. Hinton seconded the motion and the foregoing resolution was adopted by unanimous vote.

Mr. Peeler made a motion to approve the following resolution:

“RESOLUTION APPROVING THE TERMS FOR THE ISSUANCE BY THE COUNTY OF BUNCOMBE, NORTH CAROLINA OF THE PROJECT DEVELOPMENT FINANCING REVENUE BONDS (WOODFIN DOWNTOWN CORRIDOR DEVELOPMENT), SERIES 2008

WHEREAS, the County of Buncombe, North Carolina (the “County”) has previously applied to the Local Government Commission of North Carolina (the “Commission”), pursuant to Article 6 of the State and Local Government Bond Act, as amended, for approval of the creation of the Woodfin Downtown Corridor Development Financing District (the “District”) and the issuance of not to exceed \$26,500,000 aggregate principal amount of Special Revenue Bonds of the County to finance public improvements in the District and pay the costs of issuance of the Special Revenue Bonds;

WHEREAS, the District is located in the Town of Woodfin (the “Town”) and the Town adopted the Financing Plan (defined below) on November 21, 2006;

WHEREAS, March 6, 2007, the Commission approved the general terms of the issuance of the Special Revenue Bonds;

WHEREAS, the Commission, in such March 6, 2007 approval, provided that the Special Revenue Bonds may not be sold by the Commission until the Commission has approved the specific terms and provisions of the Special Revenue Bonds;

WHEREAS, the County has furnished to the Commission a General Trust Indenture dated as of April 1, 2008 (the “General Indenture”) between the County and U.S. Bank National Association, as trustee (the “Trustee”), as supplemented by Series Indenture, Number 1 dated as of April 1, 2008 (the “Series Indenture,” and together with the General Indenture, the “Indenture”) between the County and the Trustee, providing for the issuance of Project Development Financing Revenue Bonds (Woodfin Downtown Corridor Development), Series 2008 (the “Bonds”) and setting forth certain terms thereof; and

WHEREAS, the County has notified the Commission that Wachovia Bank, National Association (the “Underwriter”) will offer to purchase the Bonds at private sale pursuant to the terms and conditions set forth in a Bond Purchase Agreement, to be dated as of the date of delivery thereof (the “Bond Purchase Agreement”), among the County, the Commission and the Underwriter; and

WHEREAS, the City has filed with the Commission an application for approval of the specific terms of the Bonds, which application sets forth, among other things, drafts of the following:

- (1) the General Indenture;
- (2) the Series Indenture;
- (3) the Bond Purchase Agreement;
- (4) the Preliminary Limited Offering Memorandum, to be dated the date as of delivery thereof (the “PLOM”), relating to the offering and sale of the Bonds by the Underwriter;

(5) the Interlocal Agreement dated as of April 1, 2008 (the "Interlocal Agreement") between the Town and the County;

(6) the Minimum Assessment Agreement dated as of April 1, 2008 (the "MAA") among the Town, the County and the Developer;

(7) the Development, Acquisition and Financing Agreement dated as of April 1, 2008 (the "Development Agreement") among the Developer, the Town and the County; and

WHEREAS, the Commission desires to approve the issuance of the Bonds, including the specific terms thereof, accept the offer of the Underwriter when made and approve the Bond Purchase Agreement, all subject to the satisfaction of the conditions hereinafter set forth.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Executive Committee of the North Carolina Local Government Commission as follows:

Section 1. The Commission hereby approves the terms of the issuance of the Bonds pursuant to the plan of finance established in the documents described above.

Section 2. The aggregate principal amount of the Bonds shall not exceed an aggregate principal amount of \$13,500,000. The purchase price for the Bonds shall be approved by the Designated Assistant on the date of the sale of the Bonds and set forth in the Purchase Contract.

Section 3. The Bonds shall bear interest at an interest cost not to exceed 8.15%.

Section 4. The Bonds shall not exceed a 26-year term.

Section 5. The Commission hereby determines that the sale of the Bonds in the manner and for the price as provided in this resolution is in the best interest of the City, provided that such sale shall be approved by the City.

Section 6. The use and distribution of the PLOM in connection with the offering and sale of the Bonds in substantially the form submitted at this meeting, upon execution and delivery by the County is hereby authorized and approved.

Section 7. The Bonds shall be issued in accordance with and pursuant to the terms and conditions of the Indenture and the Bond Purchase Agreement. Subject to the limitations in Section 2 of this resolution, the Bond Purchase Agreement is hereby approved, and the Secretary of the Commission or any Deputy Secretary is hereby appointed the Designated Assistant of the Commission for the purpose of this resolution, and the Designated Assistant is hereby authorized and directed, within the terms and conditions of this resolution, to approve such changes to the Bond Purchase Agreement, including details of the Bonds, as shall be satisfactory to the Designated Assistant, to approve the forms of other documents relating to the Bonds, and to execute and deliver the Bond Purchase Agreement and such other documents on behalf of the Commission.

Section 8. This resolution shall be effective immediately upon its passage."

Mr. Hinton seconded the motion and the foregoing resolution was adopted by the following vote: Ayes: Mr. Vance Holloman on behalf of Chairman Richard H. Moore,

Secretary of Revenue Reginald Hinton and Deputy Secretary Michael Peeler on behalf of
Secretary of State Elaine Marshall. Nay: State Auditor Leslie W. Merritt, Jr.