

The Board of Commissioners for the County of Forsyth, North Carolina met in a regular meeting in the Commissioners' Meeting Room on the fifth floor of the Forsyth County Government Center located at 201 North Chestnut Street in Winston-Salem, North Carolina, the regular place of meeting, at 6:00 p.m. on December 16, 2013.

Present: Chairman Richard V. Linville, presiding, and Commissioners

Absent: Commissioners

Also present: _____

* * * * *

The Chairman announced that this was the hour and day for the public hearing on a proposed installment financing agreement (the "Agreement") to be entered into by the County of Forsyth, North Carolina (the "County") pursuant to Section 160A-20 of the General Statutes of North Carolina in an aggregate principal amount not to exceed \$8,500,000 for the purpose of refinancing all of the County's outstanding installment financing obligations with respect to the Certificates of Participation (Forsyth County School Projects), Series 2005, dated August 9, 2005 (the "2005 Certificates"), the proceeds of which were used to (a) pay the costs of constructing, renovating and equipping certain school facilities of the County and (b) pay the costs incurred in connection with the execution, sale and delivery of the 2005 Certificates. If the County enters into the Agreement, its obligations thereunder will be secured by a deed of trust granting a lien on the site of the public school facilities financed with the proceeds of the 2005 Certificates,

together with any existing and all future improvements and fixtures located or to be located thereon.

Section 160A-20(g) of the General Statutes of North Carolina requires that the County hold a public hearing prior to entering into the Agreement.

The Chairman acknowledged due publication of the notice of public hearing in a newspaper with a general circulation in said County and directed the Clerk to the Board of Commissioners to attach the affidavit showing publication in said newspaper on a date at least ten (10) days prior to the date hereof as Exhibit A.

The Chairman then announced that the Board of Commissioners would immediately hear anyone who might wish to be heard on the proposed Agreement.

A list of all persons making comments and a summary of such comments are attached as Exhibit B.

The public hearing was closed.

All statements and comments by participants of the public hearing were duly considered by the Board of Commissioners.

Thereupon, Commissioner _____ introduced the following resolution the title of which was read and copies of which had been previously distributed to each Commissioner:

RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS REGARDING THE PROPOSED REFINANCING OF CERTAIN OUTSTANDING INSTALLMENT FINANCING OBLIGATIONS OF THE COUNTY AND REQUESTING THE LOCAL GOVERNMENT COMMISSION TO APPROVE THE FINANCING ARRANGEMENT

BE IT RESOLVED by the Board of Commissioners (the "Board") for the County of Forsyth, North Carolina (the "County") as follows:

Section 1. The Board does hereby find and determine as follows:

(a) The County has determined to refinance certain installment financing obligations of the County evidenced by an Installment Financing Agreement, dated as of August 1, 2005, between the County and Forsyth Facility & Equipment Financing Corporation, relating to Certificates of Participation (Forsyth County School Projects), Series 2005, dated August 9, 2005 (the "2005 Certificates"), for the purpose of achieving debt service savings.

(b) After a public hearing and due consideration, the County has determined to enter into an installment financing agreement (the "Agreement") in an aggregate principal amount not to exceed \$8,500,000 for the purpose of providing funds, together with other available funds, to (i) refund all of the outstanding 2005 Certificates and (ii) pay the financing costs in connection therewith.

(c) The County will enter into the Agreement with Banc of America Preferred Funding Corporation (the "Lender"), pursuant to which the Lender will advance to the County an amount sufficient, together with other available funds, to (i) refunding all of the outstanding 2005 Certificates and (ii) pay the financing cost associated therewith, and the County will repay the advancement in installments, with interest thereon (the "Installment Payments").

(d) In order to secure its obligations under the Agreement, the County will execute and deliver a deed of trust (the "Deed of Trust"), granting a lien on the site of the public school facilities financed with the proceeds of the 2005 Certificates, together with any existing and all future improvements and fixtures located or to be located thereon.

(e) It is in the best interest of the County to enter into the Agreement and the Deed of Trust in that such transaction will result in the refunding of the 2005 Certificates in an efficient and cost effective manner and achieve significant debt service savings for the County.

(f) Entering into the Agreement is preferable to a general obligation bond and revenue bond issue in that (i) the County does not have sufficient constitutional authority to issue non-voted general obligation bonds pursuant to Article V, Section 4 of the North Carolina Constitution because the County has not retired a sufficient amount of debt in the preceding fiscal year to issue a sufficient amount of general obligation bonds for the refunding of all of the 2005 Certificates without an election; (ii) the nature of the financing does not allow for the issuance of revenue bonds to finance the refinancing of the 2005 Certificates; (iii) the cost of the refunding the 2005 Certificates exceeds the amount to be prudently provided from currently available appropriations and unappropriated fund balances; (iv) the circumstances existing require that funds be available to refund the 2005 Certificates as soon as practicable and the time required for holding an election for the issuance of voted general obligation bonds pursuant to Article V, Section 4 of the North Carolina Constitution and the Local Government Bond Act will delay the commencement of the refunding of the 2005 Certificates by several months; and (v) there can be no assurances that the issuance of general obligation bonds to refund the 2005 Certificates would be approved by the voters, and the current interest rate environment dictates that the refunding of the 2005 Certificates be accomplished in a timely and expedient manner.

(g) Based upon information provided to the Board, the costs of the refunding all of the 2005 Certificates described above is reasonably comparable to the costs associated with other alternative means of financing and is acceptable to the Board.

(h) Counsel to the County will render an opinion to the effect that the proposed undertaking as described above is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of the State of North Carolina.

(i) The debt management policies of the County have been carried out in strict compliance with law, and the County is not in default under any obligation for repayment of borrowed money.

(j) No tax rate increase is expected to be necessary to pay the Installment Payments to come due under the Agreement.

Section 2. The Board hereby authorizes, ratifies and approves the filing of an application with the Local Government Commission for approval of the Agreement and requests the Local Government Commission to approve the Agreement and the proposed refunding of the outstanding 2005 Certificates in connection therewith.

Section 3. This resolution shall take effect immediately upon its passage.

Upon motion of Commissioner _____, seconded by Commissioner _____, the foregoing resolution was adopted by the following vote:

Ayes: _____

Noes: _____

Thereupon, Commissioner _____ introduced the following resolution the title of which was read and copies of which had been previously distributed to each Commissioner:

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT FINANCING AGREEMENT, A DEED OF TRUST AND RELATED DOCUMENTS IN CONNECTION WITH THE REFINANCING OF CERTAIN OUTSTANDING INDEBTEDNESS OF THE COUNTY

BE IT RESOLVED by the Board of Commissioners (the "Board") for the County of Forsyth, North Carolina (the "County"):

Section 1. The Board does hereby find and determine as follows:

(a) The County has determined that it is in the best interest of the County to refinance all of the County's outstanding installment financing obligations evidenced by an Installment Financing Agreement, dated as of August 1, 2005, between the County and Forsyth Facility & Equipment Financing Corporation, relating to Certificates of Participation (Forsyth County School Projects), Series 2005, dated August 9, 2005 (the "2005 Certificates"), the proceeds of which were used to (i) pay the costs of constructing, renovating and equipping certain school facilities of the County and (ii) pay the costs incurred in connection with the execution, sale and delivery of the 2005 Certificates.

(b) After a public hearing and due consideration, the Board has determined that the most efficient manner of refunding the 2005 Certificates will be through the entering into of an Installment Financing Agreement, to be dated the date of delivery thereof (the "Agreement"), between the County and Banc of America Preferred Funding Corporation (the "Lender"), pursuant to which the Lender will advance to the County an amount sufficient, together with other available funds, to (i) refund all of the outstanding 2005 Certificates and (ii) pay the financing cost associated therewith, and the County will repay the advancement in installments, with interest thereon (the "Installment Payments").

(c) In order to secure such Installment Payments, the County will execute and deliver a Deed of Trust, to be dated the date of delivery thereof (the "Deed of Trust"), from the County to the deed of trust trustee named therein for the benefit of the Lender, granting a first lien of record on the site of the public school facilities financed with the proceeds of the 2005 Certificates, together with any existing and all future improvements and fixtures located or to be located thereon (the "Mortgaged Property").

(d) In connection with the refunding of the 2005 Certificates, the County will execute and deliver an Escrow Deposit Agreement, to be dated as of January 1, 2014 (the "Escrow Deposit Agreement"), between the County and The Bank of New York Mellon Trust Company, N.A., as escrow agent.

(e) There has been presented to the Board at this meeting drafts of the Agreement, the Deed of Trust and the Escrow Deposit Agreement.

Section 2. In order to provide for the refunding of all of the outstanding 2005 Certificates and the payment of the financing costs associated therewith, the County is hereby authorized to enter into the Agreement and receive an advancement pursuant thereto in the principal amount not to exceed \$8,500,000. The County shall repay the advancement in installments due in the amounts and at the times set forth in the Agreement. The payments of the Installment Payments shall be designated as principal and interest as provided in the Agreement. The interest rate payable under the Agreement shall be determined by the County on or prior to the date that the County executes and delivers the Agreement; provided, however, that such interest rate shall not exceed 3.35% per annum. The final Installment Payment due under the Agreement shall not be later than February 1, 2026.

Section 3. The Board hereby approves the Agreement, the Deed of Trust and the Escrow Deposit Agreement in substantially the forms presented at this meeting. The Chairman of the Board and the County Manager of the County are each hereby authorized to execute and deliver on behalf of the County said documents in substantially the forms presented at this meeting, containing such insertions, deletions and filling in of blanks as the person executing such documents shall approve, such execution to be conclusive evidence of approval by the Board of any such changes. The Clerk to the Board or any Deputy or Assistant Clerk to the Board is

hereby authorized and directed to affix the corporate seal of the County to each of said documents and to attest the same.

Section 4. No deficiency judgment may be rendered against the County in any action for breach of any contractual obligation under the Agreement or the Deed of Trust, and the taxing power of the County is not and may not be pledged directly or indirectly to secure any moneys due under the Agreement or the Deed of Trust.

Section 5. In connection with the refinancing transaction contemplated hereby, the County is hereby authorized to execute and deliver such amendments, supplements and modifications to the Lease Agreement between the County and the Winston-Salem/Forsyth County Board of Education relating to the Mortgaged Property to reflect the terms and provisions of the Agreement and the refinancing transaction contemplated thereby and to provide for the subordination of such Lease Agreement to the Deed of Trust.

Section 6. The Chairman of the Board, the County Manager, the Chief Financial Officer and the Clerk to the Board for the County, and any other officers, agents and employees of the County, are hereby authorized and directed to execute and deliver such other documents, instruments, closing certificates, opinions and other items of evidence as shall be deemed necessary to consummate the transactions described above.

Section 7. This resolution shall take effect immediately upon its passage.

Upon motion of Commissioner _____, seconded by Commissioner _____, the foregoing resolution was adopted by the following vote:

Ayes: _____

Noes: _____

* * * * *

I, Carla D. Holt, Clerk to the Board of Commissioners for the County of Forsyth, North Carolina, DO HEREBY CERTIFY that the foregoing is a true copy of so much of the proceedings of said Board at a regular meeting held on December 16, 2013, as it relates in any way to (a) the holding of a public hearing on a proposed installment financing agreement to refinance certain installment financing obligations of said County and (b) the adoption of the foregoing resolutions approving such refinancing transaction, and that said proceedings are recorded in the minutes of said Board.

I DO HEREBY FURTHER CERTIFY that proper notice of such regular meeting was given as required by North Carolina law.

WITNESS my hand and the official seal of said County this 16th day of December, 2013.

Clerk to the Board of Commissioners

[SEAL]

EXHIBIT A

[Attach publisher's affidavit evidencing publication of the Notice of Public Hearing]

EXHIBIT B

[A list of any persons making comments and a summary of such comments to be attached. If no comments are made, please insert "None".]