

MINUTES OF THE MEETING OF THE BOARD OF COUNTY COMMISSIONERS HELD AT THE RUTHERFORD COUNTY OFFICE BUILDING IN THE COUNTY COMMISSIONERS' MEETING ROOM ON JULY 30, 2012 AT 9:00 A.M.

**PRESENT: CHAIRMAN JULIUS OWENS
VICE CHAIRMAN WILLIAM ECKLER
SUSAN CROWE
EDDIE HOLLAND
ROGER RICHARD**

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CALL TO ORDER

Chairman Owens called to order.

REFINANCING/RESOLUTION

County Manager Carl Classen told the Board that Stephens, Inc. has assisted Rutherford County in structuring a request for proposal for an installment financing contract that will refinance the county's outstanding maturities of the Certificates of Participation, Series 2002, and the County's 2009 tax-exempt installment financing contract. Three financial institutions provided bids which were:

Suntrust (Make-Whole Call)	2.00%
Suntrust (Callable)	2.17%
BB&T	2.29%
PNC	2.06%

Given the current low level of interest rates and debt service savings (\$1,048,191.69 gross debt service savings) generated by SunTrust's make-whole financing offer of 2.00%, it was the recommendation of Stephens that the county accept Suntrust's offer to refinance the 2002 COPs and 2009 Contract.

Commissioner Richard asked if this would allow the county to borrow additional funds. County Manager Carl Classen explained that the collateral would remain the same. The county has the potential to borrow additional funds, but this refinancing does not change that.

Commissioner Crowe made a motion to approve the resolution approving an amendment to an installment financing contract to provide for the refinancing of existing county obligations. There was a second by Vice Chairman Eckler, and a unanimous vote of approval.

RESOLUTION OF THE COUNTY OF RUTHERFORD, NORTH CAROLINA APPROVING AN AMENDMENT TO AN INSTALLMENT FINANCING CONTRACT TO PROVIDE FOR THE REFINANCING OF EXISTING COUNTY OBLIGATIONS

WHEREAS, the County of Rutherford, North Carolina (the "*County*") is a political subdivision validly existing under the Constitution, statutes and laws of the State (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 purchase contracts to finance the purchase or improvement of real and personal property used, or to be used, for public purposes, and (3) grant a security interest in some or all of the property purchased or improved to secure repayment of the purchase price;

WHEREAS, the County has previously entered into an Installment Financing Contract dated as of September 15, 2002 (the "*2002 Contract*") with the Rutherford County Public Facilities Company (the "*Company*") in order to pay the capital costs of (1) constructing Spindale Elementary School and Ellenboro Elementary School and an addition to Chase Middle School, (2) acquiring, renovating and equipping an industrial facility, (3) acquiring, constructing, renovating and improving other school facilities and (4) refunding in advance of their maturities the County's installment payments under an installment financing contract dated as of May 15, 1994 (collectively the "*2002 Projects*") and provided a security interest in Spindale Elementary School, Ellenboro Elementary and Chase Middle School and the sites on which they are located through a Deed of Trust and Security Agreement dated as of September 15, 2002 (the "*2002 Deed of Trust*"), from the County to the deed of trust trustee named therein; and

WHEREAS, the County has previously entered into an amendment to the 2002 Contract dated as of July 1, 2011 with the Company (the "*First Amendment*") to refinance a portion of its installment payment obligations under the 2002 Contract and refinance other installment payment obligations of the County;

WHEREAS, the County has previously entered into an installment financing agreement dated as of March 1, 2009 with Branch Banking and Trust Company (the "*2009 Contract*") to finance various County improvements;

WHEREAS, the Board of Commissioners of the County of Rutherford, North Carolina (the "*Board of Commissioners*"), determines that it is in the best interest of the County to enter into a second amendment to the 2002 Contract (the "*Second Amendment*") with the Company to refinance the remainder of its installment payment obligations under the 2002 Contract and those under the 2009 Contract;

WHEREAS, the Board hereby reaffirms each of the findings it made with respect to the Second Contract Amendment and the refinancing of a portion of the 2002 Contract and the 2009 Contract in the resolution adopted by the Board on September 23, 2010;

WHEREAS, the Company will execute and deliver a Refunding Limited Obligation Bond, Series 2012, Evidencing Proportionate Undivided Interests in Installment Payments Pursuant to the 2002 Contract (the "*2012 Bond*") to SunTrust Bank to provide the funds to refinance the remainder of the County's installment payment obligations under the 2002 Contract and those under the 2009 Contract;

WHEREAS, there have been described to the Board of Commissioners the form of the Second Amendment, a copy of which has been made available to the Board of Commissioners, which the Board of Commissioners proposes to approve, enter into and deliver to effectuate the proposed refinancing;

WHEREAS, it appears that the Second Amendment is in an appropriate form and is an appropriate instrument for the purposes intended;

WHEREAS, the County has filed an application to the LGC for approval of the Second Amendment; and

WHEREAS, Parker Poe Adams & Bernstein LLP will serve as bond counsel and Stephens Inc. will serve as placement agent (collectively, the "Financing Team") to the County;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF RUTHERFORD, NORTH CAROLINA, AS FOLLOWS:

Section 1. Ratification of Second Amendment. That all actions of the County, the Chairman of the Board of Commissioners (the "Chairman"), the Clerk to the Board of Commissioners (the "Clerk"), the County Manager, the County Finance Director, the County Attorney and their respective designees, whether previously or hereinafter taken, in effectuating the proposed financing are hereby approved, ratified and authorized pursuant to and in accordance with the transactions contemplated by the Second Amendment.

Section 2. Authorization to Execute the Second Amendment. That the County approves the refinancing of the remaining portion of its installment payment obligations under the 2002 Contract and under the 2009 Contract in accordance with the terms of the Second Amendment, which will be a valid, legal and binding obligation of the County in accordance with its terms. The form and content of the Second Amendment shall be and the same hereby are in all respects authorized, approved and confirmed, and the Chairman, the Clerk and the County Manager and their respective designees shall be and they hereby are authorized, empowered and directed to execute and deliver the Second Amendment, including necessary counterparts, in substantially the form and content presented to the Board of Commissioners, but with such changes, modifications, additions or deletions therein as to them seems 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 Second Amendment presented to the Board of Commissioners, and that from and after the execution and delivery of the Second Amendment, the Chairman, the Clerk, the County Manager and the County Finance Director are hereby authorized, empowered and directed 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 Second Amendment as executed.

Section 3. County Representative. That the Chairman, the County Manager and Finance Director are hereby designated as the County's Representative to act on behalf of the County in connection with the transaction contemplated by the Second Amendment, and the Chairman, the County Manager and Finance Director are authorized to proceed with the refunding in accordance with the Second Amendment and to seek opinions as a matter of law from the County Attorney, which County 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 Chairman, the Clerk, the County Manager and the Finance Director of the County or their respective designees are hereby authorized, empowered and directed 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 Second Amendment or as they deem necessary or appropriate to implement and carry out the intent and purposes of this Resolution.

*Section 4. **Savings Threshold.*** That the Chairman, the County Manager and the Finance Director are hereby authorized to do any and all other things necessary to complete the steps necessary for the execution and delivery of the Second Amendment, but the County will not execute and deliver the Second Amendment unless the refinancings resulting therefrom results in an aggregate net present value savings to the County of at least 3.5% of the principal amount refinanced and a net present value savings to the County of at least 2% of the principal amount refinanced with respect to each obligation, all as shown in the financing statistics produced by the placement agent.

*Section 5. **Financing Team.*** The Financing Team is hereby approved.

*Section 6. **Severability.*** That if any section, phrase or provision of this Resolution is for any reason declared to be invalid, such declaration does not affect the validity of the remainder of the sections, phrases or provisions of this Resolution.

*Section 7. **Repealer.*** That all motions, orders, resolutions and parts thereof, in conflict herewith are hereby repealed.

*Section 8. **Effective Date.*** That this Resolution is effective on the date of its adoption.

ADJOURNMENT

The Board voted unanimously to adjourn the meeting after a motion was made by Commissioner Crowe and a second was made by Commissioner Richard

9:08 A.M. - Adjourned.

Chairman, Board of Commissioners

Vice Chairman, Board of Commissioners

Attest:

Clerk, Board of Commissioners