

EXTRACTS FROM MINUTES OF BOARD OF COMMISSIONERS

A regular meeting of the Board of Commissioners (the “*Board*”) of the County of Rutherford, North Carolina (the “*County*”) was held on Monday, April 3, 2017, at 6:00 p.m. in the Commissioners Room, Rutherford County Office Building, 289 North Main Street, Rutherfordton, North Carolina 28139, Bryan King, Chairman of the Board presiding and the following Commissioners present:

Commissioners Absent:

Also Present:

* * * * *

* * *

Commissioner _____ introduced the following resolution, a summary of which had been provided to each Commissioner, a copy of which was available with the Clerk to the Board and which was read by title:

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF RUTHERFORD,
NORTH CAROLINA, APPROVING AN INSTALLMENT FINANCING CONTRACT AND A
DEED OF TRUST WITH RESPECT THERETO AND DELIVERY THEREOF AND
PROVIDING FOR CERTAIN OTHER RELATED MATTERS**

WHEREAS, the County of Rutherford, North Carolina (the “*County*”) is a validly existing political subdivision of the State of North Carolina, existing as such under and by virtue of the Constitution, statutes and laws of the State of North Carolina (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 and refinance the purchase 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 to secure repayment of the purchase price;

WHEREAS, the Board of Commissioners of the County (the “*Board*”) has previously determined that it is in the best interest of the County to finance all or a portion of the costs to (1) construct, equip and furnish an Applied Science and Technology Building at Isothermal Community College (“*ICC*”), (2) replace roofs on the Business Science Building and the Communications Building at ICC, (3) renovate and improve the Rutherford County Detention Center and (4) acquire land for future County development and expansion (collectively, the “*Project*”) and (b) pay certain costs related to the execution and delivery of the Contract;

WHEREAS, the Board hereby determines that it is in the best interest of the County to enter into an Installment Financing Contract dated as of May 1, 2017 (the “*Contract*”) between the County and Branch Banking and Trust Company (the “*Bank*”) in order to (1) finance all or a portion of the costs of the Project and (2) pay certain costs incurred in connection with the execution and delivery of the Contract;

WHEREAS, the Board hereby further determines that it is in the best interest of the County to execute and deliver a Deed of Trust, Security Agreement and Fixture Filing dated as of May 1, 2017 (the “*Deed of Trust*”) to the deed of trust trustee named therein for the benefit of the Bank, granting a lien on the County’s fee simple interest on the real property on which the Business Sciences Building and the Communications Building, each on the campus of ICC, are located, as more particularly described in the Deed of Trust, and the improvements thereon (collectively, the “*Mortgaged Property*”), in order to secure the County’s obligations under the Contract;

WHEREAS, the Board adopted a resolution on March 6, 2017 making certain findings with respect to the Contract, the Deed of Trust and the Project;

WHEREAS, the Board conducted a public hearing on April 3, 2017 to receive public comments on the Contract, the Deed of Trust and the Project;

WHEREAS, the County has filed an application with the LGC for approval of the LGC with respect to the County entering into the Contract in an aggregate principal amount of not to exceed \$6,900,000, and the County hereby determines that all findings, conclusions and determinations of the County in this Resolution are subject to such approval by the LGC;

WHEREAS, there have been described to the Board the forms of the Contract, the Deed of Trust, a Project Fund Agreement between the County and the Bank (the “*Project Fund Agreement*”) and a Lease and Agency Agreement between the County and ICC (the “*Lease*,” and together with the Contract, the Deed of Trust and the Project Fund Agreement, the “*Instruments*”), copies of which have been made available to the Board, which the Board proposes to approve, enter into and deliver, as applicable, to effectuate the proposed installment financing; and

WHEREAS, it appears that each of the Instruments is in appropriate form and is an appropriate instrument for the purposes intended;

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

Section 1. ***Ratification of Prior Actions.*** All actions of the County, the County Manager, the Finance Director and the Clerk to the Board and their respective designees in effectuating the proposed financing of the Project are hereby approved, ratified and authorized pursuant to and in accordance with the transactions contemplated by the Instruments.

Section 2. ***Approval, Authorization and Execution of Contract.*** The County hereby approves the financing of the Project in accordance with the terms of the Contract, which will be a valid, legal and binding obligation of the County in accordance with its terms. The County hereby approves the amount advanced by the Bank to the County pursuant to the Contract in an aggregate principal amount not to exceed \$6,900,000, such amount to be repaid by the County to the Bank as provided in the Contract. The form, terms and content of the Contract are in all respects authorized, approved and confirmed, and the Chairman, the County Manager, the Finance Director and the Clerk to the Board or their respective designees are authorized, empowered and directed, individually and collectively, to execute and deliver the Contract for and on behalf of the County, including necessary counterparts, in substantially the form presented to the Board, but with such changes, modifications, additions or deletions therein as they may deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, modifications, additions or deletions. From and after the execution and delivery of the Contract, the Chairman, the County Manager, the Finance Director and the Clerk to the Board or their respective designees 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 Contract as executed.

Section 3. ***Approval, Authorization of Deed of Trust.*** The form, terms and content of the Deed of Trust are in all respects authorized, approved and confirmed, and the Chairman, the County Manager, the Finance Director and the Clerk to the Board or their respective designees are authorized, empowered and directed, individually and collectively, to execute and deliver the Deed of Trust for and on behalf of the County, including necessary counterparts, in substantially the form presented to the Board, but with such changes, modifications, additions or deletions therein as they may deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, modifications, additions or deletions. From and after the execution and delivery of the Deed of Trust, the Chairman, the County Manager, the Finance Director and the Clerk to the Board or their respective designees 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 Deed of Trust as executed.

Section 4. ***Approval, Authorization and Execution of Project Fund Agreement.*** The form, terms and content of the Project Fund Agreement are in all respects authorized, approved and confirmed, and the Chairman, the County Manager, the Finance Director and the Clerk to the Board or their respective designees are authorized, empowered and directed, individually and collectively, to execute and deliver the Project Fund Agreement for and on behalf of the County, including necessary counterparts, in substantially the form presented to the Board, but with such changes, modifications, additions or deletions therein as they may deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, modifications, additions or deletions. From and after the execution and delivery of the Project Fund Agreement, the Chairman, the County Manager, the Finance Director and the Clerk to the Board or their respective designees 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 Project Fund Agreement as executed.

Section 5. ***Approval, Authorization of Lease.*** The form, terms and content of the Lease are in all respects authorized, approved and confirmed, and the Chairman, the County Manager, the Finance Director and the Clerk to the Board or their respective designees are authorized, empowered and directed, individually and collectively, to execute and deliver the Lease for and on behalf of the County, including necessary counterparts, in substantially the form presented to the Board, but with such changes, modifications, additions or deletions therein as they may deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, modifications, additions or deletions. From and after the execution and delivery of the Lease, the Chairman, the County Manager, the Finance Director and the Clerk to the Board or their respective designees 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 Lease as executed.

Section 6. ***Further Actions.*** The County Manager, the Chairman of the Board and the Finance Director are each hereby designated as the County's representatives to act on behalf of the County in connection with the transactions contemplated by the Instruments. The County Manager, the Chairman of the Board and the Finance Director are authorized and directed, individually and collectively, to proceed with the financing of the Project in accordance with the terms of the Instruments and to seek opinions on matters of law from the County Attorney, which the 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 County Manager and the Finance Director are hereby authorized to designate one or more employees of the County to take all actions which the Chairman, the County Manager or the Finance Director is authorized to perform under this Resolution, and the Chairman, the County Manager, the Finance Director or their designees are in all respects authorized on behalf of the County, individually and collectively, to supply all information pertaining to the transactions contemplated by the Instruments. The Chairman of the Board, the County Manager, the Finance Director and the Clerk to the Board are authorized, individually and collectively, to execute and deliver for and on behalf of the County any and all additional certificates, documents, opinions or other papers and perform all other acts as may be required by the Instruments or as they may deem necessary or appropriate to implement and carry out the intent and purposes of this Resolution.

Section 7. ***Official Declaration of Intent.*** The County presently intends, and reasonably expects, to reimburse itself for the purchase of expenditures associated with the Project (the “*Original Expenditures*”) incurred and paid by the County on or after the date occurring 60 days prior to the date of adoption of this resolution from a portion of the proceeds of the Contract. The County reasonably expects to execute and deliver the Contract to finance all or a portion of the costs of the Project and the maximum principal amount of the Contract to be executed and delivered by the County to pay for all or a portion of the costs of the Project is \$6,900,000.

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

Section 9. ***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 10. ***Effective Date.*** This Resolution is effective on the date of its adoption.

On motion of Commissioner _____, seconded by Commissioner _____, the foregoing resolution entitled “**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF RUTHERFORD, NORTH CAROLINA, APPROVING AN INSTALLMENT FINANCING CONTRACT AND A DEED OF TRUST WITH RESPECT THERETO AND DELIVERY THEREOF AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS**” was duly adopted by the following vote:

AYES:

NAYS:

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

I, HAZEL HAYNES, Clerk to the Board of Commissioners of the County of Rutherford, 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 RUTHERFORD, NORTH CAROLINA AUTHORIZING THE NEGOTIATION OF AN INSTALLMENT FINANCING CONTRACT, DIRECTING THE PUBLICATION OF NOTICE WITH RESPECT THERETO**” adopted by the Board of Commissioners of the County of Rutherford, North Carolina at a meeting held on the 3rd day of April, 2017.

WITNESS my hand and the corporate seal of the County of Rutherford, North Carolina, this the ___ day of April, 2017.

HAZEL HAYNES
Clerk to the Board
County of Rutherford, North Carolina