

RESOLUTION APPROVING AND AGREEING TO THE TERMS AND PROVISIONS OF THAT CERTAIN BOND ORDER AUTHORIZING THE ISSUANCE OF PUBLIC WORKS COMMISSION REVENUE REFUNDING BONDS, SERIES 2001, AND REQUESTING THAT THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA ADOPT SAID BOND ORDER AUTHORIZING SAID PUBLIC WORKS COMMISSION REVENUE REFUNDING BONDS, SERIES 2001

WHEREAS, pursuant to a bond order adopted by the City Council of the City of Fayetteville, North Carolina (the "City") on November 5, 1990 (the "Original Bond Order"), the City has heretofore issued its \$63,008,898.20 Public Works Commission Revenue Bonds, Series 1990 (the "Series 1990 Bonds") for the purpose of refunding the Series 1987 Bonds (as defined in the Original Bond Order) and financing the construction of the 1990 Project (as defined in the Original Bond Order), and the Original Bond Order permits the issuance of additional bonds for, among other things, the purpose of financing the construction of additional facilities and for refunding outstanding revenue bonds; and

WHEREAS, pursuant to bond orders adopted by the City Council of the City on December 7, 1992, October 25, 1993 and November 17, 1997 (the "Amendatory Orders" and, together with the Original Bond Order, the "Bond Order"), the City amended certain provisions of the Original Bond Order; and

WHEREAS, pursuant to two bond orders adopted by the City Council of the City on December 7, 1992, the City has heretofore issued its Public Works Commission Revenue Bonds, Series 1992A, in the aggregate principal amount of \$12,630,000 (the "Series 1992A Bonds"), and its Public Works Commission Revenue Bonds, Series 1992B, in the aggregate principal amount of \$15,560,000 (the "Series 1992B Bonds"), for the purpose of providing funds, together with other available funds, to pay the cost of certain capital improvements to the System (as defined in the Bond Order) and related costs; and

WHEREAS, pursuant to a bond order adopted by the City Council of the City on October 25, 1993, the City has heretofore issued its Public Works Commission Revenue Refunding Bonds, Series 1993, in the aggregate principal amount of \$73,955,000, for the purpose of providing funds, together with other available funds, to refund the Series 1990 Bonds; and

WHEREAS, pursuant to a bond order adopted by the City Council of the City on April 24, 1995, the City has heretofore issued its Public Works Commission Revenue Bonds, Series 1995A, in the aggregate principal amount of \$34,985,000 (the "Series 1995A Bonds"), for the purpose of providing funds, together with other available funds, to pay the cost of (a) constructing and equipping certain buildings for use by the Public Works Commission of the City (the "Commission") and (b) constructing and installing certain capital additions to the Water and Sewer System (as defined in the Bond Order); and

WHEREAS, pursuant to a bond order adopted by the City Council of the City on November 17, 1997, the City has heretofore issued its Public Works Commission Revenue Bonds, Series 1997, in the aggregate principal amount of \$40,755,000, for the purpose of providing funds, together with other available funds, to pay the cost of constructing and installing certain capital additions to the Water and Sewer System; and

WHEREAS, pursuant to a bond order adopted by the City Council of the City on November 1, 1999, the City has heretofore issued its Public Works Commission Revenue Bonds, Series 1999, in the aggregate principal amount of \$19,325,000, for the purpose of providing funds, together with other available funds, to pay the cost of constructing and installing certain capital additions to the Water and Sewer System; and

WHEREAS, the Commission has been advised that the City may obtain an acceptable level of debt service savings by advance refunding a portion of the Series 1992A Bonds, the Series 1992B Bonds and the Series 1995A Bonds (collectively, the "Refunding Candidates") by issuing refunding bonds and using any other available funds therefor as authorized by the Bond Order; and

WHEREAS, the Commission is desirous of having the City issue its Public Works Commission Revenue Refunding Bonds, Series 2001 (the "Series 2001 Bonds"), in an aggregate principal amount not to exceed \$39,000,000, for the purpose of providing funds, together with other available funds, to (i) advance refund all or a portion of the Refunding Candidates, (ii) pay the premium for the issuance of a municipal bond insurance policy with respect to the Series 2001 Bonds if such insurance is cost effective, and (iii) pay the expenses of issuing the Series 2001 Bonds; and

WHEREAS, the staff of the Commission has presented to the Commission at this meeting a draft of a bond order authorizing the Series 2001 Bonds (the "Series 2001 Bond Order"); and

WHEREAS, it is now contemplated that the Series 2001 Bond Order will be considered by the City Council of the City at its meeting on March 26, 2001; and

WHEREAS, the Series 2001 Bonds will be issued and secured pursuant to the Bond Order and the Series 2001 Bond Order; and

WHEREAS, the City Council of the City is desirous of receiving the Commission's concurrence and agreement with the terms and provisions of the Series 2001 Bond Order; and

WHEREAS, the Commission is in agreement with such terms and provisions;

NOW, THEREFORE, BE IT RESOLVED BY THE PUBLIC WORKS COMMISSION OF THE CITY OF FAYETTEVILLE:

1. The Series 2001 Bond Order, in substantially the form presented to this meeting, is hereby approved with such further supplements, modifications, amendments and changes as may be approved by the officers of the Commission, such approval to be evidenced by the

execution of a certificate of the Commission to be delivered at the time of the issuance of the Series 2001 Bonds.

2. The Commission agrees to fulfill all its obligations under the Bond Order and the Series 2001 Bond Order, and the Commission concurs with all the terms and provisions thereof, including, but not limited to:

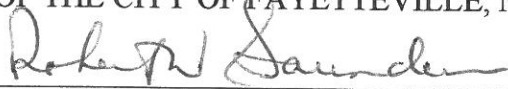
- a. The form of the Series 2001 Bonds;
- b. The interest rates borne by the Series 2001 Bonds (provided such rates are within the parameters provided for in Section 2.04 of the Series 2001 Bond Order);
- c. The mechanisms and procedures for securing the Series 2001 Bonds, including the issuance of a municipal bond insurance policy with respect to the Series 2001 Bonds;
- d. The mechanisms and procedures for the payment of the principal of, premium, if any, and interest on the Series 2001 Bonds;
- e. The pledge of the Net Revenues (as defined in the Bond Order) granted by the Bond Order, as supplemented by the Series 2001 Bond Order;
- f. The mechanisms and procedures for disbursement of the proceeds of the Series 2001 Bonds;
- g. The procedures for amending or supplementing the Series 2001 Bond Order;
- h. The undertaking of all obligations of the City under the Series 2001 Bond Order by the Commission and the compliance with the terms and conditions of the City under the Bond Order and the Series 2001 Bond Order by the Commission; and
- i. All other matters in the Series 2001 Bond Order with respect to the Series 2001 Bonds.

3. The City Council of the City is hereby requested to adopt the Series 2001 Bond Order, in substantially the form of the draft presented to this Commission.

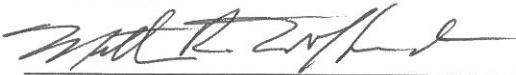
4. This resolution shall take effect immediately upon its passage.

ADOPTED this the 14<sup>th</sup> day of March 2001.

PUBLIC WORKS COMMISSION  
OF THE CITY OF FAYETTEVILLE, NC

  
\_\_\_\_\_  
Robert W. Saunders, Chairman

ATTEST:

  
\_\_\_\_\_  
Milton R. Wofford, Secretary