

The Public Works Commission of the City of Fayetteville, North Carolina (the "PWC") held a regular meeting at 955 Old Wilmington Road in Fayetteville, North Carolina, the regular place of meeting, at 8:30 a.m. on January 9, 2008.

Present: Chairman Michael G. Lallier, presiding, and Commissioners Wilson A. Lacy, Terri Union and Luis Olivera

Absent: None

Also Present: Steve Blanchard, PWC CEO/General Manager; PWC Staff; Dale Iman, City Manager; Kyle Sonnenberg, Assistant City Manager; Wesley Meredith, City Council Liaison; News Media

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J. Dwight Miller, CFO introduced the following resolution the title of which was read and copies of which had been previously distributed to each Commissioner:

Resolution No. PWC2008.01

RESOLUTION APPROVING AND AGREEING TO THE TERMS OF A BOND ORDER AUTHORIZING THE ISSUANCE OF PUBLIC WORKS COMMISSION REVENUE BONDS, SERIES 2008 BY THE CITY OF FAYETTEVILLE, NORTH CAROLINA, REQUESTING THAT THE CITY COUNCIL OF SAID CITY ADOPT SUCH BOND ORDER AND TAKING CERTAIN OTHER ACTIONS IN CONNECTION WITH SUCH BONDS

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; and

WHEREAS, pursuant to various supplemental bond orders adopted by the City Council of the City on December 7, 1992, October 25, 1993, November 17, 1997, January 13, 2003 and August 25, 2003 (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, there is currently outstanding under the Bond Order, \$162,360,000 of Bonds (as defined in the Bond Order); and

WHEREAS, the City has determined to issue its Public Works Commission Revenue Bonds, Series 2008 (the "Series 2008 Bonds") in an aggregate principal amount not exceeding \$18,000,000 for the purpose of providing funds, together with other available funds, to (a) pay the costs of the various improvements to the water and sanitary sewer system of the City, (b)

fund a debt service reserve fund for the Series 2008 Bonds and (c) pay certain fees and expenses relating to the sale and issuance of the Series 2008 Bonds;

WHEREAS, in connection with the issuance and sale of the Series 2008 Bonds, the staff of the Public Works Commission (the "PWC") of the City has presented to the PWC at this meeting drafts of the following documents:

(a) Bond Order to be adopted by the City Council of the Issuer on January 14, 2008 (the "Series 2008 Bond Order"), authorizing the issuance and sale of the Series 2008 Bonds and amending the Original Bond Order in certain respects, together with the form of the Series 2008 Bonds attached as Exhibit B thereto;

(b) Bond Purchase Agreement, to be dated as of the date of delivery thereof (the "Bond Purchase Agreement"), between Citigroup Global Markets Inc., as underwriter of the Series 2008 Bonds (the "Underwriter"), and the Local Government Commission (the "LGC"), and approved by the City and the PWC; and

(c) Preliminary Official Statement, to be dated as of the date of delivery thereof (the "Preliminary Official Statement"), relating to the offering and sale of the Series 2008 Bonds; and

WHEREAS, the Series 2008 Bonds will be issued and secured pursuant to the Bond Order and the Series 2008 Bond Order; and

WHEREAS, the City Council of the City is desirous of receiving the PWC's concurrence and agreement with the terms and provisions of the Bond Order and the Series 2008 Bond Order; and

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

WHEREAS, it is necessary for the PWC to authorize and approve certain other actions in connection with the issuance and sale of the Series 2008 Bonds by the City;

NOW, THEREFORE, BE IT RESOLVED, by the Public Works Commission of the City of Fayetteville, North Carolina as follows:

1. The Series 2008 Bond Order is hereby approved in substantially the form presented at this meeting, together with such further supplements, modifications, amendments and changes as the officers of the PWC, with the advice of counsel, may approve, such approval to be evidenced by the execution of the Bond Purchase Agreement by the PWC.

2. The PWC hereby approves the action of the LGC in awarding the Series 2008 Bonds to the Underwriter, subject to the approval of such award by the City. The PWC hereby approves the Bond Purchase Agreement in substantially the form presented at this meeting and the Chairman, General Manager and the Chief Financial Officer of the PWC are each hereby authorized to execute and deliver the Bond Purchase Agreement on behalf of PWC in substantially the form so presented, together with such changes, modifications, insertions and deletions, as any of them, with the advice of counsel, may deem necessary and appropriate, such

execution and delivery to be conclusive evidence of the approval and authorization thereof by the PWC.

3. The PWC hereby approves the use and distribution of the Preliminary Official Statement in substantially the form presented at this meeting in connection with the offering and sale of the Series 2008 Bonds. A final Official Statement, in substantially the form of the Preliminary Official Statement, together with such changes as are necessary to reflect certain pricing and other terms relating to the Series 2008 Bonds, is hereby approved, and the Chairman, the General Manager and the Chief Financial Officer of the PWC are each hereby authorized to execute and deliver the final Official Statement in substantially the form of the Preliminary Official Statement, together with such changes, modifications, insertions and deletions, as any of them, with the advice of counsel, may deem necessary and appropriate, such execution and delivery to be conclusive evidence of the approval and authorization thereof by the PWC.

4. The officers and employees of the PWC are authorized and directed (without limitation, except as may be expressly set forth herein and in the Bond Order or the Series 2008 Bond Order) to take such action and to execute and deliver such documents, certificates, undertakings and agreements or other instruments as any of them, with the advice of counsel, may deem necessary or appropriate to effect the transactions contemplated by the Bond Order, the Series 2008 Bond Order, the Bond Purchase Agreement and the Official Statement.

5. The PWC agrees to fulfill all of its obligations under the Bond Order and, upon its adoption by the City Council of the City, the Series 2008 Bond Order, and the PWC concurs with all of the terms and provisions thereof, including, but not limited to:

- (a) the form of the Series 2008 Bonds;
- (b) the interest rate borne by the Series 2008 Bonds (provided such rates are within the parameters provided for in Section 2.04 of the Series 2008 Bond Order);
- (c) the mechanisms and procedures for securing the Series 2008 Bonds;
- (d) the mechanisms and procedures for the payment of the principal of, premium, if any, and the interest on the Series 2008 Bonds;
- (e) the pledge of the Net Revenues (as defined in the Bond Order) granted by the Bond Order, as supplemented by the Series 2008 Bond Order;
- (f) the mechanisms and procedures for disbursement of the proceeds of the Series 2008 Bonds;
- (g) the procedures for amending and supplementing the Series 2008 Bond Order;
- (h) the undertaking of all obligations of the City under the Series 2008 Bond Order by the PWC and the compliance with the terms and conditions of the City under the Bond Order and the Series 2008 Bond Order by the PWC; and

(i) all other matters in the Series 2008 Bond Order with respect to the Series 2008 Bonds.

6. The City Council of the City is hereby requested to adopt the Series 2008 Bond Order in substantially the form of the draft presented to the PWC at this meeting.

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

Upon motion of Commissioner UNION, seconded by Commissioner LACY, the foregoing resolution entitled "RESOLUTION APPROVING AND AGREEING TO THE TERMS OF A BOND ORDER AUTHORIZING THE ISSUANCE OF PUBLIC WORKS COMMISSION REVENUE BONDS, SERIES 2008 BY THE CITY OF FAYETTEVILLE, NORTH CAROLINA, REQUESTING THAT THE CITY COUNCIL OF SAID CITY ADOPT SUCH BOND ORDER AND TAKING CERTAIN OTHER ACTIONS IN CONNECTION WITH SUCH BONDS" was passed by the following vote:

Ayes: Commissioners Lallier, Union, Lacy and Olivera.

Noes: None.

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I, Terri Union, Secretary of the Public Works Commission of the City of Fayetteville, North Carolina, DO HEREBY CERTIFY that the foregoing is a true and accurate copy of so much of the proceedings of said Public Works Commission at a regular meeting held on January 9, 2008, as relates in any way to the adoption of the foregoing resolution and that said proceedings are recorded in minute books of said Public Works Commission.

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

WITNESS my hand this 9th day of January, 2008.


Secretary