

COPY

RESOLUTION OF THE PUBLIC WORKS COMMISSION OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA DECLARING ITS INTENTION TO REIMBURSE ITSELF FROM THE PROCEEDS OF ONE OR MORE TAX-EXEMPT FINANCINGS FOR CERTAIN EXPENDITURES MADE AND/OR TO BE MADE IN CONNECTION WITH THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN CAPITAL IMPROVEMENTS

WHEREAS, THE PUBLIC WORKS COMMISSION (the "Issuer") is a political subdivision organized and existing under the laws of the **STATE OF NORTH CAROLINA**; and

WHEREAS, the Issuer has paid, beginning no earlier than August 4, 1994 and will pay, on and after the date hereof, certain expenditures (the "Expenditures") in connection with the acquisition, construction and/or equipping of General Plant Structures and Improvements (the "Project"), as more fully described in Exhibit A attached hereto; and

WHEREAS, the **PUBLIC WORKS COMMISSION** of the Issuer (the "Commission") has determined that those moneys previously advanced no more than 60 days prior to the date hereof and to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the Issuer for the Expenditures from the proceeds of one or more issues of tax-exempt bonds (the "Bonds");

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION AS FOLLOWS:

Section 1. The Board hereby declares the Issuer's intent to reimburse the Issuer with the proceeds of the Bonds for the Expenditures with respect to the Project made on and after August 4, 1994, which date is no more than 60 days prior to the date hereof. The Issuer reasonably expects on the date hereof that it will reimburse the Expenditures with the proceeds of the Bonds.


Section 2. Each Expenditure [was and] will be either (a) of a type properly chargeable to capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Bonds, (c) a nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a party that is not related to or an agent of the Issuer so long as such grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the Issuer.

Section 3. The maximum principal amount of the Bonds expected to be issued for the Project is \$ 21,000,000.

Section 4. The Issuer will make a reimbursement allocation, which is a written allocation by the Issuer that evidences the Issuer's use of proceeds of the Bonds to reimburse an Expenditure, no later than 18 months after the later of the date on which the Expenditure is paid or the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. The Issuer recognizes that exceptions are available for certain "preliminary expenditures," costs of issuance, certain de minimis amounts, expenditures by "small issuers" (based on the year of issuance and not the year of expenditure) and expenditures for construction projects of at least 5 years.


Section 5. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 29th day of September, 1994.



W. Lyndo Tippet
Chairman

Attested to:



William H. Owen
Secretary

DESCRIPTION OF PROJECT

PWC Buildings capital additions consisting of:

1. Operations Center -

Operations building (80,000 to 90,000 square feet) to house Engineering, Construction and Human Resources functions	7,704,000
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2. Administration Building and Site Development -

Administration building (70,000 to 80,000 square feet) to house the Executive, Customer Service, Finance, Management Information Systems, Support Service and Generation Administration functions	8,515,800
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3. Vehicle and Equipment Storage Sheds -

Sheds (30,100 square feet) to protect PWC's Vehicles and Heavy Construction Equipment for both Electric and Water & Sewer Systems and to provide storage space for tools, small equipment and safety equipment	1,543,200
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4. Car Wash Facility -

Car Wash facility (2,200 square feet) to contain an automatic vehicle wash bay and two truck wash bays equipped with dual high pressure washers to serve the PWC vehicle and equipment fleet	154,200
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Total	<u>17,917,200</u>
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Note: The amounts shown include a 20% contingency amount.