

RESOLUTION OF THE PUBLIC WORKS COMMISSION OF  
THE CITY OF FAYETTEVILLE MAKING CERTAIN  
FINDINGS AND AUTHORIZING AND DIRECTING THE  
OFFICERS AND EMPLOYEES OF SAID COMMISSION TO  
TAKE ACTION IN CONNECTION WITH THE FILING OF AN  
APPLICATION FOR APPROVAL OF THE ISSUANCE OF  
PUBLIC WORKS COMMISSION REVENUE BONDS, SERIES  
1999 FOR THE PURPOSE OF FINANCING THE  
CONSTRUCTION AND INSTALLATION OF CAPITAL  
ADDITIONS TO THE WATER AND SEWER SYSTEM OF THE  
CITY OF FAYETTEVILLE

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, and its Public Works Commission Revenue Bonds, Series 1992B, in the aggregate principal amount of \$15,560,000, 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, 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, the Commission is desirous of having the City issue its Public Works Commission Revenue Bonds, Series 1999 (the "Series 1999 Bonds"), in an aggregate principal amount not to exceed \$20,000,000, for the purpose of providing funds, together with other available funds, to (i) pay the cost of constructing and installing certain capital additions to the Water and Sewer System (collectively, the "Project"), (ii) fund a portion of the interest accruing on the Series 1999 Bonds prior to completion of the Project, (iii) provide a debt service reserve fund for the Series 1999 Bonds by either funding such debt service reserve fund or purchasing a municipal bond debt service reserve fund policy, (iv) pay the premium for the issuance of a municipal bond insurance policy with respect to the Series 1999 Bonds, and (v) pay the expenses of issuing the Series 1999 Bonds; and

WHEREAS, the Commission is desirous of having the City file an application for the approval of the issuance of the Series 1999 Bonds with the Local Government Commission of North Carolina (the "Local Government Commission") and wishes to authorize certain action in connection therewith;

NOW, THEREFORE, THE PUBLIC WORKS COMMISSION OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA DOES HEREBY DETERMINE AND RESOLVE, as follows:

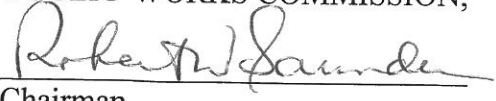
1. The Commission hereby finds and determines in connection with the issuance of the Series 1999 Bonds that (i) the issuance of the Series 1999 Bonds is necessary or expedient, (ii) the proposed principal amount of the Series 1999 Bonds is adequate and not excessive for the proposed purpose of such issue, (iii) the proposed Project is feasible, (iv) the Commission's debt management procedures and policies are good and are managed in strict compliance with law and (v) under current economic conditions the Series 1999 Bonds can be marketed at a reasonable interest cost to the City.

2. The Commission hereby authorizes and directs the officers and employees of the Commission to take such action as they may deem necessary or appropriate to assist the City in filing an application with the Local Government Commission for approval of the issuance of the Series 1999 Bonds pursuant to Section 159-86 of the General Statutes of North Carolina, as amended.

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

ADOPTED this the 27<sup>th</sup> day of October 1999.

PUBLIC WORKS COMMISSION,

  
Chairman

ATTEST:

  
Secretary