

The Public Works Commission of the City of Fayetteville, North Carolina held a regular meeting at 955 Old Wilmington Road in Fayetteville, North Carolina, the regular place of meeting, at 8:30 a.m. on July 8, 2009.

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

Absent: None

Also Present: Steve Blanchard, CEO/General Manager; Tony Chavonne, Mayor of the City of Fayetteville; Graham Edwards, CEO of ElectriCities of North Carolina; PWC Staff; 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. PWC2009.12

RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS, AUTHORIZING THE FILING OF AN APPLICATION WITH THE LOCAL GOVERNMENT COMMISSION, REQUESTING THE LOCAL GOVERNMENT COMMISSION TO SELL BONDS AT A PRIVATE SALE AND APPROVING THE FINANCING TEAM ALL IN CONNECTION WITH THE ISSUANCE OF REVENUE REFUNDING BONDS BY THE CITY OF FAYETTEVILLE, NORTH CAROLINA

BE IT RESOLVED by the Public Works Commission of the City of Fayetteville, North Carolina (the "PWC"):

Section 1. The PWC does hereby find and determine as follows:

(a) The PWC, created pursuant to Chapter VI of the City Charter of the City of Fayetteville, North Carolina (the "City") as an independently operated utility for the purpose of supervising and managing the electric, water and sanitary sewer systems of the City, currently operates an electric system, water system and sanitary sewer system for and on behalf of the City, all of which provide services to the residents of the City and its environs.

(b) Pursuant to a bond order adopted by the City Council of the City on November 5, 1990, as supplemented and amended (the "Bond Order"), the City and the PWC created a combined enterprise system comprised of the electric system, water system and sanitary sewer system (collectively, the "System"). The Bond Order provides for the issuance of revenue bonds thereunder, to be secured by the Net Revenues (as defined in the Bond Order) of the System as set forth therein, to finance improvements to the System and to refund bonds issued the Bond Order.

(c) The City has previously issued its Public Works Commission Revenue Refunding Bonds, Series 2003 and its Public Works Commission Revenue and Revenue Refunding Bonds, Series 2003A (collectively, the "Bonds to be Refunded").

(d) After consideration the PWC has determined that it may be advantageous for the City to issue its revenue refunding bonds for the purpose of refunding the Bonds to be Refunded, such refunding to result in a restructuring of the financial features of the Bonds to be Refunded and the financial agreements entered into in connection therewith.

(e) The PWC desires to commence procedures at this time for having the City issue revenue refunding bonds for the purpose of providing funds, together with any other available funds, to (i) refund the Bonds to be Refunded, (ii) finance the cost of terminating interest rate swap agreements entered by the City in connection with the Bonds to be Refunded, (iii) fund any necessary debt service reserve fund for such revenue bonds and (iv) pay other costs associated with the issuance and sale of the such revenue bonds.

(f) The PWC desires for the City to file an application with the Local Government Commission for approval of the issuance of such revenue bonds and to authorize certain actions in connection therewith.

(g) The amount of the proposed revenue bonds will be sufficient, but not excessive, for the purpose of paying the costs described in paragraph (e) above.

(h) The annual audits of the PWC and the City show the PWC and the City to be in strict compliance with debt management policies, and the budgetary and fiscal management policies of the PWC and the City are in compliance with law.

(i) The proposed revenue bonds can be marketed at a reasonable interest cost to the City.

Section 2. The officers and employees of the PWC are hereby authorized and directed to assist the City in filing an application with the Local Government Commission for approval of the issuance of revenue bonds in an aggregate principal amount not to exceed \$145,000,000 for the purpose of providing funds, together with any other available funds, for the purposes described in Section 1(e). Any such action heretofore taken by the officers and employees of the PWC in connection with the filing of such application is hereby ratified and approved.

Section 3. The Local Government Commission is hereby requested to sell the proposed revenue bonds at a private sale without advertisement.

Section 4. The following financing team members are hereby recommended for approval by the City in connection with the proposed revenue bond issue, and the PWC requests that the Local Government Commission approve the same:

Bond Counsel:	Womble Carlyle Sandridge & Rice, PLLC Rand & Gregory, P.A.
Underwriters:	Wachovia Bank, National Association Citigroup Global Markets Inc. Morgan Keegan and Company, Incorporated
Underwriter's Counsel:	Hunton & Williams LLP The Charleston Group
Financial Advisor:	First Southwest Company
Trustee/Bond Registrar:	The Bank of New York Trust Company, N.A.

The City and the PWC may determine that the refunding revenue bonds be issued in the form of variable rate demand bonds. In such event, Wachovia Bank, National Association will also serve as Remarketing Agent and issuer of a letter of credit securing payment of the bonds. In such event, Moore & Van Allen will be counsel to Wachovia Bank, National Association, as issuer of the letter of credit.

Section 5. In the event that the Chief Financial Officer of the PWC and the Chief Financial Officer of the City determine that it is in the best interest of the City and the PWC to terminate one or both of the interest rate swap agreements entered into between the City and the counterparties thereto in connection with the Bonds to be Refunded, such officers are hereby authorized to take such actions as shall be necessary to terminate such agreements and to pay the termination payment in connection therewith from available funds of the PWC if bond proceeds are not available therefor, such termination payment to be reimbursed from the proceeds of the revenue refunding bonds when the same are issued.

Section 6. This resolution shall take effect immediately upon its passage.

Upon motion of Commissioner Lallier, seconded by Commissioner Olivera, the foregoing resolution entitled "RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS, AUTHORIZING THE FILING OF AN APPLICATION WITH THE LOCAL GOVERNMENT COMMISSION, REQUESTING THE LOCAL GOVERNMENT COMMISSION TO SELL BONDS AT A PRIVATE SALE AND APPROVING THE FINANCING TEAM ALL IN CONNECTION WITH THE ISSUANCE OF REVENUE REFUNDING BONDS BY THE CITY OF FAYETTEVILLE, NORTH CAROLINA" was passed by the following vote:

Ayes: Chairman Lacy, Commissioner Union, Commissioner Olivera, Commissioner Lallier.

Noes: None.

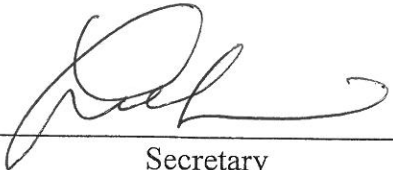
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I, Luis J. Olivera, Secretary of the Public Works Commission of the City of Fayetteville, North Carolina, DO HEREBY CERTIFY that the foregoing is a true and accurate copy of so

much of the proceedings of said Public Works Commission at a regular meeting held on July 8, 2009, 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 and the official seal of said Public Works Commission this 8th day of July, 2009.



Secretary

[SEAL]