

NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES

**The North Carolina Medical Care Commission
701 Barbour Drive
Raleigh, North Carolina**

MINUTES

**CALLED MEETING OF THE EXECUTIVE COMMITTEE
CONFERENCE TELEPHONE MEETING ORIGINATING
FROM THE COMMISSION'S OFFICE
NOVEMBER 19, 2008
2:00 P.M.**

Members of the Executive Committee Present:

Joseph D. Crocker, Vice-Chairman
Dr. George Binder
George H.V. Cecil
Mary L. Piepenbring
Dr. Robert E. Schaaf

Members of the Executive Committee Absent:

Lucy Hancock Bode
Dr. Henry Unger

Members of Staff Present:

Jeff Horton, DHSR Acting Director, MCC Acting Secretary
Christopher B. Taylor, CPA, Assistant Secretary
Alice Creech, Bond Program Assistant

Others Present:

Paul Billow, Womble Carlyle Sandridge & Rice, PLLC
Allen K. Robertson, Robinson, Bradshaw & Hinson, P.A.
David Kasdin, Citigroup
J. Kyle Hickok, Edward Jones
Richard Ryffel, Edward Jones

1. **Purpose of Meeting**

To authorize the financing of certain health care equipment for the benefit of Duke University Health System and authorize the execution and delivery of a First Supplemental Trust Agreement for Randolph Hospital. To authorize the substitution of the master trustee pursuant to the Master Trust Indenture, dated as November 1, 1997, between Transylvania Community Hospital, Inc. and First Union National Bank and to authorize the issuance of Variable Rate Demand Health Care Facilities Revenue Refunding Bonds for First Health of the Carolinas, Series 2008.

2. **Resolution of the North Carolina Medical Care Commission Authorizing Financing in the Aggregate Principal Amount of up to \$40,000,000 of Health Care Equipment for the Benefit of Duke University Health System, Inc. Pursuant to a Master Lease and Sublease Agreement**- Remarks were made by Allen K. Robertson.

Executive Committee Action: Motion was made by Mr. George H.V. Cecil, seconded by Dr. George Binder and unanimously approved.

WHEREAS, the North Carolina Medical Care Commission (the "Commission") is a commission of the Department of Health and Human Services of the State of North Carolina and is authorized under Chapter 131A of the General Statutes of North Carolina, as amended (the "Act"), (i) to finance health care facilities and pay all or any part of the cost thereof from funds available to the Commission for such purpose, (ii) to acquire personal property constituting health care facilities by lease upon such terms and at such cost as shall be agreed upon by the owner and the Commission, (iii) to lease as lessor personal property, (iv) to lease any health care facility to a non-profit agency for operation and maintenance, (v) to fix and collect rents for the use of health care facilities, and (vi) to pledge and assign the revenues and receipts from any health care facilities and any lease and the rent received thereunder; and

WHEREAS, Duke University Health System, Inc. ("DUHS") is a nonprofit corporation duly incorporated and validly existing under and by virtue of the laws of the State of North Carolina and is a "non-profit agency" within the meaning of the Act; and

WHEREAS, DUHS has made application to the Commission requesting that the Commission provide financing for the cost of acquiring and installing certain health care equipment for the benefit of DUHS pursuant to a master lease and sublease agreement; and

WHEREAS, the Commission has determined that the public will best be served by the proposed financing and, by a resolution adopted on August 8, 2008, has approved the financing, subject to compliance by DUHS with the conditions set forth in such resolution, and DUHS has complied with such conditions to the satisfaction of the Commission; and

WHEREAS, there has been presented at this meeting a draft copy of a Master Lease and Sublease Agreement dated as of December 1, 2008 (the "Master Agreement") among Banc of America Public Capital Corp. ("BAPCC"), the Commission and DUHS, and the form of Draw-Down Schedule (as defined in the Master Agreement) thereto attached as Exhibit A-3 to the

Master Agreement (the Master Agreement and a Draw-Down Schedule thereto being referred to herein as an “Agreement” and collectively as the “Agreements”), pursuant to which the Commission will lease medical, computer, office and capital equipment for use at Duke University Hospital, Durham Regional Hospital, Duke Health Raleigh Hospital and other DUHS facilities (collectively, the “Equipment”) from BAPCC (the obligations of the Commission to make payments to BAPCC for the use of Equipment pursuant to an Agreement being referred to herein as a “Lease” and collectively as the “Leases”) and sublease the Equipment to DUHS, and BAPCC, on behalf of the Commission, will pay or provide the proceeds of the Leases in the aggregate principal amount of up to \$40,000,000 to DUHS for the purpose of financing and reimbursing the cost of acquiring and installing the Equipment; and

WHEREAS, the Commission has determined that DUHS is financially responsible and capable of fulfilling its obligations under the Agreements; and

WHEREAS, the Commission has determined that adequate provision has been made for the payment of the principal of, prepayment premium, if any, and interest on the Leases;

NOW, THEREFORE, THE NORTH CAROLINA MEDICAL CARE COMMISSION DOES HEREBY RESOLVE, as follows:

Section 1. Capitalized words and terms used in this Resolution and not defined herein shall have the same meanings in this Resolution as such words and terms are given in the Master Agreement.

Section 2. Pursuant to the authority granted to it by the Act, the Commission hereby authorizes the incurrence of the Leases in the aggregate principal amount of up to \$40,000,000. Each Lease shall be repaid and shall bear interest upon the terms and conditions set forth in the related Agreement.

Section 3. Each Lease shall be subject to prepayment at the times, upon the terms and conditions, and with the premium set forth in the related Agreement.

Section 4. The proceeds of each Lease shall be applied as provided in the related Agreement and the related Escrow Agreement, if any. The Commission hereby finds that the use of the proceeds of the Leases to finance the cost of the Equipment will accomplish the public purposes set forth in the Act.

Section 5. The forms, terms and provisions of the Master Agreement are hereby approved in all respects, and the Chairman, the Vice Chairman, any member of the Commission designated by the Chairman, the Secretary and the Assistant Secretary of the Commission are hereby authorized and directed to execute and deliver the Master Agreement in substantially the form presented at this meeting, together with such changes, modifications and deletions as they, with the advice of counsel, may deem necessary and appropriate, and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Commission.

Section 6. The Chairman, the Vice Chairman, any member of the Commission designated by the Chairman, the Secretary and the Assistant Secretary of the Commission are hereby authorized and directed to execute and deliver Draw-Down Schedules, in substantially the form of Exhibit A-3 to the Master Agreement, together with such changes, modifications and deletions as they, with the advice of counsel, may deem necessary and appropriate, and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Commission.

Section 7. The Chairman, the Vice Chairman, any member of the Commission designated by the Chairman, the Secretary and the Assistant Secretary of the Commission are hereby authorized and directed (without limitation except as may be expressly set forth herein) to take such action and to execute and deliver any such documents, certificates, financing statements, undertakings, agreements or other instruments, including Escrow Agreements, as they, with the advice of counsel, may deem necessary or appropriate to effect the transactions contemplated by the Agreements.

Section 8. The Commission hereby recommends that the Governor of the State of North Carolina approve the incurrence of the Leases pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended, and hereby requests such approval.

Section 9. All references in this Series Resolution to the Secretary of the Commission shall include any Acting Secretary of the Commission.

Section 10. This Resolution shall take effect immediately upon its passage.

3. **Resolution of the North Carolina Medical Care Commission Approving and Authorizing Execution and Delivery of a First Supplemental Trust Agreement relating to the North Carolina Medical Care Commission Variable Rate Demand Hospital Revenue Bonds (Randolph Hospital) Series 2007** –Remarks were made by Allen K. Robertson.

Executive Committee Action: Motion was made by Mary L. Piepenbring, seconded by Dr. Robert E. Schaaf and unanimously approved.

WHEREAS, the North Carolina Medical Care Commission (the “Commission”), a commission of the Department of Health and Human Services of the State of North Carolina, has issued \$49,230,000 aggregate principal amount of its Variable Rate Demand Hospital Revenue Bonds (Randolph Hospital) Series 2007 (the “Bonds”), \$48,180,000 principal amount of which are outstanding, pursuant to the terms of a Trust Agreement, dated as of June 1, 2007 (the “Trust Agreement”), between the Commission and First-Citizens Bank & Trust Company, as bond trustee (the “Bond Trustee”); and

WHEREAS, the Commission loaned the proceeds from the sale of the Bonds to Randolph Hospital, Inc. (the “Corporation”) pursuant to a Loan Agreement, dated as of June 1, 2007 (the “Loan Agreement”), between the Commission and the Corporation; and

WHEREAS, since their initial issuance, the Bonds have been bearing interest at Weekly Interest Rates and are subject to optional and mandatory tender;

WHEREAS, the Corporation has directed that the interest rate on the Bonds be converted to the Daily Interest Rate on December 4, 2008; and

WHEREAS, Banc of America Securities LLC (the "Remarketing Agent") has recommended that the deadline for determining the Daily Interest Rate be changed from 9:30 a.m. to 10:00 a.m. (New York City time, as provided in Section 102(f) of the Trust Agreement); and

WHEREAS, Section 1101(f) of the Trust Agreement permits the Commission and the Bond Trustee, without the consent of or notice to any Holder, but with the consent of the Corporation and Bank of America, N.A. (the "Credit Facility Provider"), to enter into agreements supplemental to the Trust Agreement to make any change that is determined by the Bond Trustee to be not materially adverse to the interests of the Holders; and

WHEREAS, there has been presented at this meeting a draft copy of a First Supplemental Trust Agreement, dated as of December 1, 2008 (the "Supplement") between the Commission and the Bond Trustee, that would amend the Trust Agreement as recommended by the Remarketing Agent; and

WHEREAS, the Corporation has requested that the Commission approve the Supplement and authorize its execution and delivery;

NOW, THEREFORE, THE NORTH CAROLINA MEDICAL CARE COMMISSION DOES HEREBY RESOLVE, as follows:

Section 1. The forms, terms and provisions of the Supplement are hereby approved in all respects, and the Chairman, Vice Chairman, Secretary (including any Acting Secretary) or Assistant Secretary of the Commission (or any member of the Commission designated by the Chairman) are hereby authorized and directed to execute and deliver the Supplement in substantially the form presented at this meeting, together with such changes, modifications and deletions as they, with the advice of bond counsel, may deem necessary and appropriate, and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Commission.

Section 2. The Chairman, Vice Chairman, Secretary (including any Acting Secretary) or Assistant Secretary of the Commission (or any member of the Commission designated by the Chairman) or any duly authorized Commission Representative under the Trust Agreement are authorized and directed to take such other action and to execute and deliver any such other documents, certificates, undertakings, agreements or other instruments as they, with the advice of bond counsel, may deem necessary or appropriate to effect the conversion of the interest rate on the Bonds to the Daily Interest Rate.

Section 3. This Resolution shall take effect immediately upon its passage.

4. **Resolution of the North Carolina Medical Care Commission Authorizing the Substitution of Master Trustee dated as November 1, 1997, between Transylvania Community Hospital, Inc. and First Union National Bank** –

Remarks were made by Christopher B. Taylor.

Executive Committee Action: Motion was made by Dr. George Binder, seconded by Dr. Robert E. Schaaf and unanimously approved.

WHEREAS, the North Carolina Medical Care Commission (the “Commission”) is a commission of the Department of Health and Human Services of the State of North Carolina and is authorized under Chapter 131A of the General Statutes of North Carolina, as amended (the “Act”), to borrow money and to issue in evidence thereof bonds and notes for the purpose of providing funds to pay all or any part of the cost of financing or refinancing health care facilities; and

WHEREAS, Transylvania Community Hospital, Inc. (the “Corporation”) is a nonprofit corporation duly incorporated and validly existing under and by virtue of the laws of the State of North Carolina and is a “non-profit agency” within the meaning of the Act; and

WHEREAS, the Corporation has entered into a Master Trust Indenture, dated as of November 1, 1997 (the “Master Indenture”), with First Union National Bank (succeeded by U.S. Bank National Association), as master trustee (the “U.S. Bank”).

WHEREAS, the Corporation has made application to the Commission for a loan for the purpose of providing funds, together with other available funds, to (a) refinance a taxable loan, the proceeds of which were used to pay for capital improvements to the Corporation’s campus; and (b) pay, or reimburse the Corporation for paying, certain expenses incurred in connection with the issuance of revenue bonds (the “Bonds”) by the Commission; and

WHEREAS, the Commission has given its preliminary approval for the Bonds; and

WHEREAS, First-Citizens Bank & Trust Company (“First-Citizens”) is expected to be the bond trustee for the Bonds; and

WHEREAS, the Corporation has determined that it would prefer that First-Citizens serve as master trustee under the Master Indenture in order to simplify the issuance of the Bonds and First-Citizens has agreed to serve as master trustee; and

WHEREAS, U.S. Bank, at the request of the Corporation, has agreed to resign as master trustee under the Master Indenture; and

WHEREAS, First-Citizens is expected replace U.S. Bank on December 1, 2008, the effective date of the simultaneous resignation and substitution; and

WHEREAS, the Corporation requests the consent of the Commission to replace U.S. Bank with First-Citizens as master trustee under the Master Indenture.

NOW, THEREFORE, THE NORTH CAROLINA MEDICAL CARE COMMISSION DOES HEREBY RESOLVE, as follows:

Section 1. The Commission does hereby approve the replacement of U.S. Bank with First-Citizens as master trustee under the Master Indenture and authorizes the Corporation to do all things necessary to appoint First-Citizens as master trustee under the Master Indenture.

Section 2. The Chairman, Vice Chairman, Secretary, and any Assistant Secretary of the Commission (or any member of the Commission designated by the Chairman) are each hereby authorized and directed (without limitation except as may be expressly set forth herein) to take such action and to execute and deliver any such documents, certificates, undertakings, agreements or other instruments as they, with the advice of counsel, may deem necessary or appropriate to effect the replacement of the master trustee as contemplated herein.

Section 3. This Series Resolution shall take effect immediately upon its passage.

5. **Resolution of the North Carolina Medical Care Commission Authorizing the Issuance of \$106,845,000 North Carolina Medical Care Commission Variable Rate Demand Health Care Facilities Revenue Refunding Bonds (FirstHealth of the Carolinas Project) Series 2008, consisting of \$75,015,000 Series 2008A and \$31,830,000 Series 2008B (the “Bonds”)** – Remarks were made by Allen K. Robertson.

Executive Committee Action: Motion was made by Mr. George H. V. Cecil, seconded by Mary L. Piepenbring and unanimously approved.

WHEREAS, the North Carolina Medical Care Commission (the “Commission”) is a commission of the Department of Health and Human Services of the State of North Carolina and is authorized under Chapter 131A of the General Statutes of North Carolina, as amended (the “Act”), to borrow money and to issue in evidence thereof bonds and notes for the purpose of providing funds to pay all or any part of the cost of financing or refinancing health care facilities and to refund bonds previously issued by the Commission; and

WHEREAS, FirstHealth of the Carolinas, Inc. (the “Corporation”) is a nonprofit corporation duly incorporated and validly existing under and by virtue of the laws of the State of North Carolina and is a “non-profit agency” within the meaning of the Act; and

WHEREAS, the Corporation has made application to the Commission for one or more loans in the aggregate principal amount of \$106,845,000, which will be used for the purpose of providing funds to (1) refund the \$73,475,000 aggregate outstanding principal amount of the Commission’s Hospital Revenue Bonds (FirstHealth of the Carolinas Project) Series 1998 (the “1998 Bonds”), (2) refund the \$31,450,000 aggregate outstanding principal amount of the Commission’s Health Care Facilities Revenue Refunding Bonds (FirstHealth of the Carolinas Project) Series 2003 (the “2003 Bonds,” and together with the 1998 Bonds, the “Prior Bonds”), and (3) pay, or reimburse the Corporation for paying, certain expenses incurred in connection with the issuance of the Bonds by the Commission; and

WHEREAS, the proceeds of the 1998 Bonds were used to finance or refinance (a) the acquisition, construction, renovating and equipping of portions of the health care facilities of FirstHealth Moore Regional Hospital, including (1) construction and equipping of an outpatient addition (approximately 29,492 square feet), including laboratory, x-ray, EKG and endoscopy facilities; (2) construction and equipping of a new emergency department, a new cancer center (23 beds) and a bed replacement project (108 beds) (approximately 179,967 square feet); (3) construction and equipping of an administration office building (approximately 11,600 square feet); (4) construction and equipping of a parking deck (approximately 112,500 square feet); (5) renovation of approximately 128,507 square feet of then-existing hospital areas and facility enhancements such as replacing elevators, centralizing utilities and surfacing parking lots; (6) normal replacement and other routine clinical and non-clinical equipment acquisition, including information system equipment and ambulances; and (b) construction and equipping of a one-story community health center of approximately 44,000 square feet located in Raeford, Hoke County, North Carolina; and

WHEREAS, the proceeds of the 2003 Bonds were used to refund all of the Commission's outstanding Hospital Revenue Bonds (Moore Regional Hospital Project) Series 1993 (the "1993 Bonds"); and

WHEREAS, the proceeds of the 1993 Bonds were used (1) to finance or refinance the acquisition, construction and equipping of portions of the health care facilities of FMRH, including (a) construction of the FirstHealth Center for Health and Fitness – Pinehurst, which is a 52,767 square-foot, free-standing wellness center, which houses cardiac rehabilitation, outpatient physical rehabilitation and wellness/fitness programs, including training rooms, athletic facilities and an indoor pool; (b) renovation of an obstetrics and gynecology floor containing approximately 26,000 square feet, including labor and delivery recovery rooms, renovation of a postpartum unit and construction of a neonatal intensive care unit and newborn nursery; (c) construction of a 25-bed inpatient rehabilitation unit containing approximately 25,000 square feet; (d) construction of a 38,952 square-foot administration and education conference center, including auditorium and conference rooms and related renovations of existing space; (e) construction of approximately 216 parking spaces and related covered walkways; (f) replacement of approximately 28,000 square feet of roofing; (g) acquisition of two 500-ton water chillers; (h) acquisition of a hospital information system; (i) improvements to heating, ventilation and air conditioning and to a power transfer system; and (j) renovation of existing hospital space and acquisition of equipment and other medical and health related facilities, including fixtures, machinery, equipment, furnishings, landscaping and incidental reconstruction, used in providing health care; and (2) to repay the indebtedness of the Corporation under (a) a loan agreement, dated as of April 29, 1987, by and among Moore Regional Healthcare Corp. (predecessor to the Corporation), the Commission and Municipal Bond Insurance Association ("MBIA"), \$1,116,236 in aggregate principal amount of which was outstanding as of October 1, 1993 (the "First Loan"), which financed various hospital equipment, (b) a loan agreement, dated as of June 16, 1987, as amended as of March 1, 1988, by and among a predecessor to the Corporation, the Commission, and MBIA, \$11,581,239 in aggregate principal amount of which was outstanding as of October 1, 1993 (the "Second Loan"), which financed various hospital buildings and equipment, and (c) a loan agreement, dated as of January 1, 1992, by and among

the Corporation, the Commission, and MBIA, \$2,710,210 in aggregate principal amount of which was outstanding as of October 1, 1993 (the “Third Loan, and collectively with the First Loan and the Second Loan, the “Pool Loans”), which financed various hospital buildings and equipment; and

WHEREAS, the Commission has determined that the public will best be served by the proposed financing and, by a resolution adopted by the Commission on August 8, 2008, has approved the issuance of the Bonds, subject to compliance by the Corporation with the conditions set forth in such resolution, and the Corporation has complied with such conditions to the satisfaction of the Commission; and

WHEREAS, there have been presented at this meeting draft copies of the following documents relating to the issuance of the Bonds:

(a) a Trust Agreement dated as of December 1, 2008 (the “2008A Trust Agreement”), between the Commission and The Bank of New York Mellon Trust Company, N.A., as bond trustee (the “2008A Bond Trustee”), securing the Series 2008A Bonds (as defined below);

(b) a Loan Agreement dated as of December 1, 2008 (the “2008A Loan Agreement”), between the Commission and the Corporation, related to the Series 2008A Bonds;

(c) a Supplemental Master Trust Indenture No. 12 dated as of December 1, 2008 (“Supplement No. 12”), between the Corporation and The Bank of New York Mellon Trust Company, N.A., as Master Trustee (the “Master Trustee”) under the Second Amended and Restated Master Trust Indenture, dated as of February 1, 1998, between the Corporation and First Union National Bank, succeeded by The Bank of New York Mellon Trust Company, N.A., as master trustee, which includes the form of Master Obligation, Series 2008A, to be dated the date of its original issuance (“Master Obligation, Series 2008A”);

(d) a Contract of Purchase (the “2008A Contract of Purchase”) dated on or about December 8, 2008, between the Local Government Commission of North Carolina and Citigroup Global Markets Inc. (in such capacity, the “2008A Underwriter”), and approved by the Commission and the Corporation;

(e) a Remarketing Agreement dated as of December 1, 2008 (the “2008A Remarketing Agreement”), among the Commission, the Corporation and Citigroup Global Markets Inc. (in such capacity, the “2008A Remarketing Agent”), related to the Series 2008A Bonds;

(f) a Standby Bond Purchase Agreement dated as of December 1, 2008 (the “2008A Liquidity Facility”), among the Corporation, The Bank of New York Mellon Trust Company, N.A., as tender agent for the Series 2008A Bonds, and Branch Banking and Trust Company (the “2008A Liquidity Facility Provider”);

(g) a Trust Agreement dated as of December 1, 2008 (the “2008B Trust Agreement” and together with the 2008A Trust Agreement, the “Trust Agreements”), between the Commission and The Bank of New York Mellon Trust Company, N.A., as bond trustee (the “2008B Bond Trustee”), securing the Series 2008B Bonds (as defined below);

(h) a Loan Agreement dated as of December 1, 2008 (the “2008B Loan Agreement” and together with the 2008A Loan Agreement, the “Loan Agreements”), between the Commission and the Corporation, related to the Series 2008B Bonds;

(i) a Supplemental Master Trust Indenture No. 13 dated as of December 1, 2008 (“Supplement No. 13” and together with Supplement No. 12, the “Supplements”), between the Corporation and the Master Trustee, which includes the form of Master Obligation, Series 2008B, to be dated the date of its original issuance (“Master Obligation, Series 2008B” and together with Master Obligation, Series 2008A, the “Obligations”);

(j) a Contract of Purchase (the “2008B Contract of Purchase” and together with the 2008A Contract of Purchase, the “Contracts of Purchase”) dated on or about December 8, 2008, between the Local Government Commission of North Carolina and BB&T Capital Markets, a division of Scott & Stringfellow, Inc. (in such capacity, the “2008B Underwriter”), and approved by the Commission and the Corporation;

(k) a Remarketing Agreement dated as of December 1, 2008 (the “2008B Remarketing Agreement” and together with the 2008A Remarketing Agreement, the “Remarketing Agreements”), among the Commission, the Corporation and BB&T Capital Markets, a division of Scott & Stringfellow, Inc. (in such capacity, the “2008B Remarketing Agent”), related to the Series 2008B Bonds;

(l) a Standby Bond Purchase Agreement dated as of December 1, 2008 (the “2008B Liquidity Facility” and together with the 2008A Liquidity Facility, the “Liquidity Facilities”), among the Corporation, The Bank of New York Mellon Trust Company, N.A., as tender agent for the Series 2008B Bonds, and Branch Banking and Trust Company (in such capacity, the “2008B Liquidity Facility Provider”); and

(m) an Official Statement for the Bonds, dated on or about December 1, 2008 (the “Official Statement”); and

WHEREAS, the Commission has determined that the Corporation is financially responsible and capable of fulfilling its obligations under the Loan Agreements, the Master Indenture, the Supplements and the Obligations; and

WHEREAS, the Commission has determined that adequate provision has been made for the payment of the principal of, redemption premium, if any, and interest on the Bonds;

NOW, THEREFORE, THE NORTH CAROLINA MEDICAL CARE COMMISSION DOES HEREBY RESOLVE, as follows:

Section 1. Capitalized words and terms used in this Resolution and not defined herein shall have the same meanings in this Resolution as such words and terms are given in the Master Indenture, the Trust Agreements and the Loan Agreements.

Section 2. Pursuant to the authority granted to it by the Act, the Commission hereby authorizes the issuance of the North Carolina Medical Care Commission Variable Rate Demand Health Care Facilities Revenue Refunding Bonds (FirstHealth of the Carolinas Project) Series 2008 in the aggregate principal amount of \$106,845,000 (the “Bonds”), consisting of two series (each, a “Series” of Bonds): \$75,015,000 Series 2008A (the “Series 2008A Bonds”), and \$31,830,000 Series 2008B (the “Series 2008B Bonds”). The Series 2008A Bonds shall mature on October 1, 2028, and the Series 2008B Bonds shall mature on October 1, 2018. Each series shall bear interest at such rates determined in accordance with the applicable Trust Agreement and shall be subject to Sinking Fund Requirements set forth in Schedule 1 hereto.

The Bonds shall be issued as fully registered bonds in (i) denominations of \$100,000 or any integral multiple of \$5,000 in excess of \$100,000 during any Weekly Interest Rate Period, Daily Interest Rate Period or Short-Term Interest Rate Period and (ii) denominations of \$5,000 or any integral multiples thereof during any Long-Term Interest Rate Period. The Bonds of each Series shall be issuable in book-entry form as provided in the applicable Trust Agreement. Interest on the Bonds of each Series shall be paid at the times and at the rates determined as specified in the applicable Trust Agreement. Payments of principal of and interest on the Bonds of each Series shall be forwarded by the applicable Bond Trustee to the registered owners of such Bonds in such manner as is set forth in the applicable Trust Agreement.

Section 3. The Bonds of each Series shall be subject to (i) optional redemption, extraordinary optional redemption and mandatory redemption, (ii) during any Daily Interest Rate Period or Weekly Interest Rate Period, optional tender for purchase, and (iii) mandatory tender for purchase, at all times, upon the terms and conditions, and at the prices set forth in the applicable Trust Agreement.

Section 4. The proceeds of the Bonds shall be applied as provided in Section 2.08 of the Trust Agreements. The Commission hereby finds that the use of the proceeds of the Bonds for loans to refund the Prior Bonds and pay costs of issuing the Bonds will accomplish the public purposes set forth in the Act.

Section 5. The forms, terms and provisions of the Trust Agreements, the Loan Agreements and the Remarketing Agreements are hereby approved in all respects, and the Chairman or Vice Chairman (or any other member of the Commission designated by the Chairman) and the Secretary or any Assistant Secretary of the Commission are hereby authorized and directed to execute and deliver the Trust Agreements, the Loan Agreements and the Remarketing Agreements in substantially the forms presented at this meeting, together with such changes, modifications and deletions as they, with the advice of counsel, may deem necessary and appropriate, and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Commission.

Section 6. The form, terms and provisions of the Contracts of Purchase are hereby approved in all respects, and the Chairman, Vice Chairman (or any other member of the Commission designated by the Chairman), Secretary or any Assistant Secretary of the Commission and are hereby authorized and directed to execute and deliver the Contracts of Purchase in substantially the forms presented at this meeting, together with such changes, modifications, insertions and deletions as they, with the advice of counsel, may deem necessary and appropriate, and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Commission.

Section 7. The form of the Bonds of each Series set forth in the applicable Trust Agreement is hereby approved in all respects, and the Chairman or Vice Chairman (or any other member of the Commission designated by the Chairman) and the Secretary or any Assistant Secretary of the Commission are hereby authorized and directed to execute, by manual or facsimile signature as provided in such form of the Bonds of such Series, and to deliver to the applicable Bond Trustee for authentication on behalf of the Commission, the Bonds of such Series in definitive form, which shall be in substantially the form presented at this meeting, together with such changes, modifications and deletions as they, with the advice of counsel, may deem necessary, appropriate and consistent with the applicable Trust Agreement, and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Commission.

Section 8. The Commission hereby approves the action of the Local Government Commission authorizing the private sale of the Bonds in accordance with the Contracts of Purchase at the purchase price of 100% of the principal amount thereof, less underwriters' discount of \$393,270.

Section 9. Upon their execution in the form and manner set forth in the applicable Trust Agreement, the Bonds of each Series shall be deposited with the applicable Bond Trustee for authentication, and the applicable Bond Trustee is hereby authorized and directed to authenticate the Bonds of such Series and, upon the satisfaction of the conditions set forth in Section 2.08 of the applicable Trust Agreement, the applicable Bond Trustee shall deliver the Bonds of such Series to the applicable Underwriter against payment therefor.

Section 10. The forms of the Supplements, the Obligations and the Liquidity Facilities are hereby approved in substantially the forms presented to this meeting, together with such changes, modifications, insertions and deletions as the Chairman, Vice Chairman (or any other member of the Commission designated by the Chairman), Secretary or any Assistant Secretary of the Commission, with the advice of counsel, may deem necessary and appropriate, and the execution and delivery of the Trust Agreements by the Commission shall be conclusive evidence of the approval of the documents listed in this Section by the Commission.

Section 11. The Commission hereby approves and ratifies the use and distribution of the Official Statement for the Bonds, in connection with the sale of the Bonds. The Chairman, Vice Chairman (or any other member of the Commission designated by the Chairman), Secretary and any Assistant Secretary are hereby authorized to execute the Official Statement in substantially the form presented to this meeting, together with such changes, modifications and deletions as

they, with the advice of counsel, may deem appropriate on behalf of the Commission. The Commission hereby approves and authorizes the distribution and use of copies of the Official Statement, the Trust Agreements, the Loan Agreements, the Master Indenture, the Supplements, the Obligations, the Remarketing Agreements and the Liquidity Facilities.

Section 12. The Bank of New York Mellon Trust Company, N.A. is hereby appointed as the Bond Trustee for each Series of the Bonds.

Section 13. The Depository Trust Company, New York, New York is hereby appointed as the initial Securities Depository for each Series of the Bonds, with Cede & Co., a nominee thereof, being the initial Securities Depository Nominee and initial registered owner of the Bonds.

Section 14. The Secretary of the Commission and Christopher B. Taylor, C.P.A., Assistant Secretary to the Commission, are each hereby appointed a Commission Representative as that term is defined in the Loan Agreements, with full power to carry out the duties set forth therein.

Section 15. The Chairman, Vice Chairman (or any other member of the Commission designated by the Chairman), Secretary and any Assistant Secretary of the Commission and are authorized and directed (without limitation except as may be expressly set forth herein) to take such action and to execute and deliver any such documents, certificates, undertakings, agreements or other instruments as they, with the advice of counsel, may deem necessary or appropriate to effect the transactions contemplated by the Trust Agreements, the Loan Agreements, the Remarketing Agreements, the Contracts of Purchase and the Official Statement.

Section 16. All references in this Resolution to the Secretary of the Commission include any Acting Secretary of the Commission.

Section 17. This Resolution shall take effect immediately upon its passage.

5. **Adjournment**

There being no further business, the meeting was adjourned at 2:45 p.m.

Respectfully submitted,

Christopher B. Taylor, CPA
Assistant Secretary

