EXTRACTS FROM MINUTES OF THE BOARD

A regular meeting of the Board of Commissioners of the County of Buncombe, North Carolina, was duly held on March 17, 2026 at 5:00 p.m. in the Commission Chambers, 200 College Street, Suite 326, Asheville, North Carolina. Chair Amanda Edwards presiding.

The following members were present:

The following members were absent:

* * * * *

Commissioner _____moved that the following resolution, copies of which having been made available to the Board, be adopted:

RESOLUTION OF THE COUNTY OF BUNCOMBE, NORTH CAROLINA, AUTHORIZING THE NEGOTIATION OF AN AMENDMENT TO AN INSTALLMENT FINANCING CONTRACT; PROVIDING FOR CERTAIN OTHER RELATED MATTERS THERETO

WHEREAS, the County of Buncombe, North Carolina (the "*County*") is a validly existing political subdivision of the State of North Carolina, existing as such under and by virtue of the Constitution, statutes and laws of the State of North Carolina (the "*State*");

WHEREAS, the County has the power, pursuant to the General Statutes of North Carolina to (1) purchase real and personal property, (2) enter into installment financing contracts in order to finance the purchase of real and personal property used, or to be used, for public purposes, and (3) grant a security interest in some or all of the property purchased to secure repayment of the purchase price;

WHEREAS, the Buncombe Financing Corporation (the "*Corporation*") has previously executed and delivered:

(1) Limited Obligation Bonds (County of Buncombe, North Carolina), Series 2015, evidencing proportionate undivided interests in rights to receive certain revenues under an Installment Financing Contract dated as of April 1, 2015 (the "*2015 Contract*") in the aggregate principal amount of $126,635,000, under an Indenture of Trust dated as of April 1, 2015 (the "*2015 Indenture*") between the Corporation and U.S. Bank Trust Company, National Association, as successor trustee to Regions Bank, (the "*Trustee*") in order to (a) pay the capital costs of certain County and school improvements (the "*2015 Project*"), including the construction of (i) an addition to the County's Health & Human Services Campus, including a parking deck adjacent to the addition (the "*HHS Facilities*") and (ii) the Enka Intermediate School in Candler, North Carolina (the "*Enka Intermediate School*") and (b) refinance a portion of the County's installment payment obligations under the Prior Contracts (as defined in the 2015 Contract) and certain of the County's general obligation bonds;

(2) Limited Obligation Bonds, Series 2018, evidencing proportionate undivided interests in rights to receive certain revenues pursuant to the 2015 Contract, as amended by Amendment Number One to the 2015 Contract, dated as of March 15, 2018 (the "*First Amendment*") in the aggregate principal amount of $54,730,000, under Supplemental Indenture Number 1 dated as of March 15, 2018 (the "*First Supplement*") to the 2015 Indenture in order to pay the capital costs of certain school improvements, including to Asheville High School and Montford North Star Academy;

(3) Limited Obligation Bonds, Series 2024B, evidencing proportionate undivided interests in rights to receive certain revenues pursuant to the 2015 Contract, as amended by Amendment Number Two to the 2015 Contract, dated as of June 1, 2024 (the "*Second Amendment*") in the aggregate principal amount of $61,510,000, under Supplemental Indenture Number 2 dated as of June 1, 2024 (the "*Second Supplement*") to the 2015 Indenture in order to (a) pay the capital costs of the acquisition, construction and equipping of improvements to (i) various school facilities located in the Buncombe County School District (the "*County School District*"), including improvements to North Buncombe Middle School and T.C. Roberson High School; (ii) various school facilities located in the Asheville City School District (the "*City School District*" and together with the County School District, the "*School Districts*"); and (iii) various miscellaneous projects in both School Districts and (iv) various County facility improvements; and

(4) Refunding Limited Obligation Bonds, Series 2025, evidencing proportionate undivided interests in rights to receive certain revenues pursuant to the 2015 Contract, as amended by Amendment Number Three to the 2015 Contract, dated as of April 1, 2025 (the "*Third Amendment*") in the aggregate principal amount of $53,770,000, under Supplemental Indenture Number 3 dated as of April 1, 2025 (the "*Third Supplement*" and together with the 2015 Indenture, the First Supplement and the Second Supplement, the "*Indenture*") to the 2015 Indenture in order to refinance certain of the County's outstanding installment payment obligations under the 2015 Contract;

WHEREAS, the Board of Commissioners (the "*Board*") hereby determines that it is in the best interest of the County to enter into Amendment Number Four to the 2015 Contract (the "*Fourth Amendment*" and together with the 2015 Contract, the First Amendment, the Second Amendment and the Third Amendment, the "*Contract*") with the Corporation in order to (1) finance the capital costs of the acquisition, construction, renovation and equipping of improvements to (a) various school facilities located in the Buncombe County School District (the "*County School District*"), including but not limited to, improvements to Avery's Creek Elementary School, North Buncombe Elementary School, WD Williams Elementary School, Erwin Middle School, North Buncombe Middle School, Valley Springs Middle School, Reynolds High School, T.C. Roberson High School and other County School District schools; (b) various school facilities located in the Asheville City School District (the "*City School District*" and together with the County School District, the "*School Districts*"), including but not limited to, improvements to Hall Fletcher Elementary School, Asheville Middle School, Asheville High School, and other City School District schools; and (c) various miscellaneous projects in both School Districts (collectively, the "*2026A Projects*") and (2) pay the costs related to entering into the Fourth Amendment;

WHEREAS, the Corporation will assist the County by the issuance of Limited Obligation Bonds (the "*2026A Bonds*") to finance the 2026A Projects;

WHEREAS, simultaneous to the issuance of the 2026A Bonds, the Corporation will issue its Limited Obligation Bonds, Series 2026B, and if determined to be advantageous, its Refunding Limited Obligation Bonds, Series 2026C, together under a new indenture of trust to assist the County with financing and refinancing improvements to various County facility projects;

WHEREAS, in order to secure its obligations under the Contract, the County has previously executed and delivered a Deed of Trust, Security Agreement and Fixture Filing, dated as of April 1, 2015 (the "*2015 Deed of Trust*") granting a security interest in the HHS Facilities and the Enka Intermediate School, including the sites on which they are located, as modified by (1) a notice of extension, dated as of March 15, 2018 (the "*First Notice*") granting a security interest in the sites on which Asheville High School and Montford North Star Academy are located, (2) a deed of partial release dated as of May 17, 2023 releasing Enka Intermediate School from the lien, (3) a deed of partial release dated April 15, 2024 releasing the HHS Facilities from the lien, and (4) a second notice of extension, dated as of June 1, 2024 (the "*Second Notice*") granting a security interest in the sites on which T.C. Roberson High School and North Buncombe Middle School are located;

WHEREAS, in connection with the execution and delivery of the Fourth Amendment, the County will execute and deliver a third notice of extension, dated as of May 1, 2026 (the "*Third Notice,*" together with the 2015 Deed of Trust, the First Notice and the Second Notice, the "*Deed of Trust*") to the Deed of Trust granting a security interest in Asheville Middle School and the improvements thereon, to further secure the County's obligations under the Contract;

WHEREAS, in order to extend the lien of the Deed of Trust to Asheville Middle School pursuant to the Third Notice, it must be released from an existing Deed of Trust;

WHEREAS, the County has previously determined and hereby determines that the 2026A Projects are essential to the County's proper, efficient and economic operation and to the general health and welfare of its inhabitants; that the 2026A Projects have or will provide an essential use and permit or will permit the County to carry out public functions that it is authorized by law to perform; and that entering into the Fourth Amendment is necessary and expedient for the County by virtue of the findings presented herein;

WHEREAS, the County hereby determines that the Contract allows the County to finance the 2026A Projects at a favorable interest rate currently available in the financial marketplace and on terms advantageous to the County;

WHEREAS, the County hereby determines that the estimated cost of financing the 2026A Projects is an amount not currently expected to exceed $60,000,000, and that such cost of the 2026A Projects exceeds the amount that can be prudently raised from currently available appropriations, unappropriated fund balances and non-voted bonds that could be issued by the County in the current fiscal year pursuant to Article V, Section 4 of the Constitution of the State;

WHEREAS, although the cost of financing the 2026A Projects pursuant to the Fourth Amendment is expected to exceed the cost of financing the 2026A Projects pursuant to a bond financing for the same undertaking, the County hereby determines that the cost of financing the 2026A Projects pursuant to the Fourth Amendment, and the obligations of the County thereunder are preferable to a general obligation bond financing or revenue bond financing for several reasons, including but not limited to the following: (1) the cost of a special election necessary to approve a general obligation bond financing, as required by the laws of the State, would result in the expenditure of significant funds; (2) the time required for a general obligation bond election would cause an unnecessary delay which would thereby decrease the financial benefits of the 2026A Projects; and (3) insufficient revenues are produced by the 2026A Projects so as to permit a revenue bond financing;

WHEREAS, the County has determined and hereby determines that the estimated cost of financing the 2026A Projects pursuant to the Fourth Amendment reasonably compares with an estimate of similar costs under a bond financing for the same undertaking as a result of the findings delineated in the above preambles;

WHEREAS, the County does not anticipate a future property tax increase to pay installment payments falling due under the Contract as a result of entering into the Fourth Amendment, but any property tax increase, if necessary, will not be excessive;

WHEREAS, no deficiency judgment may be rendered against the County in any action for its breach of the Contract, and the taxing power of the County is not and may not be pledged in any way directly or indirectly or contingently to secure any money due under the Contract;

WHEREAS, the County is not in default under any of its debt service obligations;

WHEREAS, the County's budget process and Annual Budget Ordinance are in compliance with the Local Government Budget and Fiscal Control Act;

WHEREAS, past audit reports of the County indicate that its debt management and contract obligation payment policies have been carried out in strict compliance with the law, and the County has not been censured by the Local Government Commission of North Carolina (the "*LGC*"), external auditors or any other regulatory agencies in connection with such debt management and contract obligation payment policies;

WHEREAS, a public hearing on the Fourth Amendment, the Third Notice and the proposed financing of the 2026A Projects after publication of a notice with respect thereto, was held at this meeting and approval of the LGC with respect to entering the Fourth Amendment must be received;

WHEREAS, the County hereby determines that all findings, conclusions and determinations of the County in this Resolution are subject to modification or affirmation after all interested parties have been afforded the opportunity to present their comments at a public hearing regarding the execution and delivery of the Fourth Amendment, the Third Notice and the 2026A Projects to be financed.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF BUNCOMBE, NORTH CAROLINA, AS FOLLOWS:

Section 1. ***Authorization to Negotiate the Fourth Amendment and Third Notice.*** The County Manager and the Finance Director (the "*Authorized Officers*"), with advice from bond counsel and the County's financial advisor, are hereby authorized and directed to proceed and negotiate on behalf of the County a Fourth Amendment for a principal amount currently not expected to exceed $60,000,000 in order to finance the 2026A Projects in accordance with the provisions of Section 160A-20 of the General Statutes of North Carolina, as amended, and to provide in connection with the Fourth Amendment, as further security for the County's obligations thereunder, the Third Notice extending the lien from the 2015 Deed of Trust to the site of Asheville Middle School and the improvements thereon.

Section 2. ***Application to LGC.*** The Finance Director or her designee is hereby directed to file with the LGC an application for its approval of the Fourth Amendment and all relevant transactions contemplated thereby on a form prescribed by the LGC and to state in such application such facts and to attach thereto such exhibits regarding the County and its financial condition as may be required by the LGC.

Section 3. ***Direction to Retain Professionals.*** The Finance Director is hereby authorized and directed to retain the assistance of Parker Poe Adams & Bernstein LLP, as bond counsel; Davenport & Company, LLC, as financial advisor; and U.S. Bank Trust Company, National Association, as trustee; FHN Financial, as managing underwriter and Rober W. Baird & Co. Inc., as co-managing underwriter. The Finance Director is hereby authorized to retain such other professionals as she deems necessary in her judgment to carry out the transaction contemplated in this Resolution.

Section 4. ***Release of Asheville Middle School.*** The County is hereby authorized to request that the Trustee, as assignee of the beneficiary under a Deed of Trust dated as of December 1, 2010 (the "*2010 Deed of Trust*"), effectuate the release of the site of Asheville Middle School in accordance with Section 1.14 of the 2010 Deed of Trust. The value of the remaining property secured by the 2010 Deed of Trust after the release of the Asheville Middle School (as such value is evidenced by appraised, tax or insured value) is not less than 50% of the aggregate principal component of the Installment Payments then Outstanding under the Indenture of Trust dated as of December 1, 2010 (the "*2010 Indenture*") between the Corporation and Trustee. The legal description of Asheville Middle School will be contained in the Deed of Partial Release (and as described in Appendix A to this Resolution), to be presented to the Trustee for its execution, and to be executed by the 2010 Deed of Trust trustee and recorded in the office of the Register of Deeds of Buncombe County, North Carolina. The County is authorized to pay all fees and expenses in connection with such release. All undefined capitalized terms used in this Section have the meanings provided for in the 2010 Deed of Trust.

Section 5. ***Other Acts Authorized.*** The Finance Director is hereby authorized to do any and all other things necessary to complete the steps necessary for the execution and delivery of the Fourth Amendment for the transactions described in this Resolution and to effectuate the release.

Section 6. ***Repealer.*** All motions, orders, resolutions and parts thereof in conflict herewith are hereby repealed.

Section 7. ***Effective Date.*** This Resolution is effective on the date of its adoption.

STATE OF NORTH CAROLINA)
)
COUNTY OF BUNCOMBE)

SS:

I, SARAH GROSS, duly appointed Clerk to the Board of Commissioners of the County of Buncombe, North Carolina, ***DO HEREBY CERTIFY,*** that the foregoing is a true and accurate copy of the resolution entitled "**RESOLUTION OF THE COUNTY OF BUNCOMBE, NORTH CAROLINA, AUTHORIZING THE NEGOTIATION OF AN AMENDMENT TO AN INSTALLMENT FINANCING CONTRACT; PROVIDING FOR CERTAIN OTHER RELATED MATTERS THERETO**" which was adopted by the Board of Commissioners of the County of Buncombe, North Carolina, at its regular meeting held on March 17, 2026, to become effective on March 17, 2026, and that such resolution has been duly recorded in the minutes of the County.

WITNESS my hand and the corporate seal of the County of Buncombe, North Carolina, this __ day of March, 2026.

(SEAL)

_____
Sarah Gross
Clerk to the Board of Commissioners
County of Buncombe, North Carolina

APPENDIX A

DESCRIPTION OF REAL PROPERTY TO BE RELEASED FROM 2010 DEED OF TRUST

ASHEVILLE MIDDLE SCHOOL SITE

BEING all the 26.870 acre tract as shown on a plat entitled "Boundary Survey of Asheville Middle School", said plat being recorded in the Buncombe County, North Carolina Register of Deeds Office in Plat Book 140 at Page 10, reference to which Plat is hereby made for a more particular description.