

EXTRACTS FROM MINUTES OF THE BOARD OF COMMISSIONERS

A regular meeting of the Board of Commissioners of the County of Chatham, North Carolina, was duly held on June 21, 2010 at 6:00 p.m. in the Agricultural Building Auditorium, 45 South Street, Pittsboro, North Carolina, Chairman Sally Kost presiding.

The following members were present:

Chairman, Sally Kost; Vice Chair, George Lucier; Commissioners Mike Cross, Carl Thompson, and Tom Vanderbeck; County Manager, Charlie Horne; Assistant County Manager, Renee Paschal; County Attorney, Jep Rose; Finance Officer, Vicki McConnell; and Clerk to the Board, Sandra B. Sublett

Chairman Sally Kost stated that one of the purposes of the meeting was to hold a public hearing to take public comment on a proposed installment financing contract to pay for renovations to restrooms, repair roofs, and renovate auditoriums in several school facilities throughout the County.

The Chairman opened the public hearing.

The Chairman inquired whether there were any persons who wished to speak at the public hearing. No individual appeared, either in person, by attorney, or by means of a written statement to give any comment. Thereupon, the Chairman closed the public hearing.

STATE OF NORTH CAROLINA)
)
COUNTY OF CHATHAM) SS:

I, Sandra B. Sublett, CMC, NCCCC, Clerk to the Board of Commissioners of the County of Chatham, North Carolina, *DO HEREBY CERTIFY*, as follows:


1. A regular meeting of the Board of Commissioners of the County of Chatham, a political subdivision of the State of North Carolina, was duly held on June 21, 2010, proper notice of such meeting having been given as required by North Carolina statute, and minutes of said meeting have been duly recorded in the Minute Book kept by me in accordance with law for the purpose of recording the minutes of said Board of Commissioners.

2. I have compared the attached extract with said minutes so recorded and said extract is a true copy of said minutes and of the whole thereof insofar as said minutes relate to matters referred to in said extract.

3. Said minutes correctly state the time when said meeting was convened and the place where such meeting was held and the members of said Board who attended said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand and have hereunto affixed the corporate seal of said County, this 23rd day of June, 2010.

(SEAL)


SANDRA B. SUBLETT, CMC, NCCCC
Clerk to the Board of Commissioners
County of Chatham, North Carolina

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The following members were absent:

None

* * * * *

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

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF CHATHAM, NORTH CAROLINA, APPROVING A CONTRACT, A DEED OF TRUST, A LEASE AGREEMENT AND AN AGENCY AGREEMENT WITH RESPECT THERETO AND DELIVERY THEREOF AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS

WHEREAS, the County of Chatham, 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) finance the construction of fixtures or improvements on real property by contracts that create in the fixtures or

improvements and in the real property on which such fixtures or improvements are located a security interest to secure repayment of moneys advanced or made available for such construction;

WHEREAS, the Board of Commissioners of the County of Chatham, North Carolina (the "*Board of Commissioners*"), has previously determined that it was in the best interest of the County to (a) enter into an Installment Financing Contract (the "*Contract*") with Bank of America, N.A. (the "*Bank*") in order to pay the capital costs of (1) roof replacement at Jordan-Matthews High School, Horton Middle School, Chatham Central High School, Bennett Elementary School, Bonlee Elementary School, J.S. Waters Elementary School, SAGE School and Silk Hope Elementary School, (2) restroom renovations at Jordan-Matthews High School, Moncure Elementary School, Horton Middle School, Chatham Central High School, Bennett Elementary School, Bonlee Elementary School and J.S. Waters Elementary School, and (3) auditorium sound and lighting upgrades at Jordan-Matthews High School and Chatham Central High School (collectively, the "*Projects*"), (b) to enter into a deed of trust and security agreement (the "*Deed of Trust*") related to the County's fee simple interest in the real property on which Silk Hope Elementary School is located (the "*Site*") that will provide security for the County's obligations under the Contract, (c) to enter into a Lease Agreement (the "*Lease*") with the Chatham County Board of Education (the "*Board of Education*") authorizing use of the Site and the improvements thereon by the Board of Education, and (d) to enter into an Agency Agreement (the "*Agency Agreement*") with the Board of Education whereby the County appoints the Board of Education as its agent with respect to the construction of the Projects;

WHEREAS, the Board conducted a public hearing with respect to the Projects on June 21, 2010 to receive public comments on the proposed financing, the Contract, the Deed of Trust, the Lease and the Agency Agreement and the County has filed an application with the LGC for approval of the LGC with respect to the County entering into the Contract;

WHEREAS, there has been presented to the Board the forms of the Contract and the Deed of Trust (collectively, the "*Instruments*"), copies of which are attached hereto, which the County proposes to approve, enter into and deliver, as applicable, to effectuate the proposed financings at an interest rate of 6.11% per annum and for a maximum principal amount of \$4,396,129, all as further specified in the Instruments;

WHEREAS, it appears that each of the Instruments is in appropriate form and is an appropriate instrument for the purposes intended;

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

Section 1. Ratification of Prior Actions. All actions of the County, the County Manager, the Finance Director of the County and the Clerk to the Board and their respective designees in effectuating the proposed financings are hereby approved, ratified and authorized pursuant to and in accordance with the transactions contemplated by the Instruments.

Section 2. Approval, Authorization and Execution of Contract. The County hereby approves the financing of the Projects in accordance with the terms of the Contract, which will be a valid, legal and binding obligation of the County in accordance with its terms. The County hereby approves the amount advanced by the Bank to the County pursuant to the Contract in an aggregate principal amount not to exceed \$4,396,129, such amount to be repaid by the County to the Bank as provided in the Contract. The form, terms and content of the Contract are in all respects authorized, approved and confirmed, and the Chairman, the County Manager, the Finance Director of the County and the Clerk to the Board or their

respective designees are authorized, empowered and directed to execute and deliver the Contract for and on behalf of the County, including necessary counterparts, in substantially the form attached hereto, but with such changes, modifications, additions or deletions therein as shall to them seem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, modifications, additions or deletions, and that from and after the execution and delivery of the Contract, the Chairman, the County Manager, the Finance Director of the County and the Clerk to the Board or their respective designees are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Contract as executed.

Section 3. Approval, Authorization of Deed of Trust. The form, terms and content of the Deed of Trust are in all respects authorized, approved and confirmed, and the Chairman, the County Manager, the Finance Director of the County and the Clerk to the Board or their respective designees are authorized, empowered and directed to execute and deliver the Deed of Trust for and on behalf of the County, including necessary counterparts, in substantially the form attached hereto, but with such changes, modifications, additions or deletions therein as shall to them seem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, modifications, additions or deletions, and that from and after the execution and delivery of the Deed of Trust, the Chairman, the County Manager, the Finance Director of the County and the Clerk to the Board or their respective designees are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Deed of Trust as executed. The County hereby approves the grant of the Security Interest pursuant to the Deed of Trust.

Section 4. Approval, Authorization and Execution of Lease. The form, terms and content of the Lease are in all respects authorized, approved and confirmed, and the Chairman, the County Manager, the Finance Director of the County and the Clerk to the Board or their respective designees are authorized, empowered and directed to execute and deliver the Lease for and on behalf of the County, including necessary counterparts, in substantially the form attached hereto, but with such changes, modifications, additions or deletions therein as shall to them seem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, modifications, additions or deletions, and that from and after the execution and delivery of the Lease, the Chairman, the County Manager, the Finance Director of the County and the Clerk to the Board or their respective designees are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Lease as executed.

Section 5. Approval, Authorization and Execution of Agency Agreement. The form, terms and content of the Agency Agreement are in all respects authorized, approved and confirmed, and the Chairman, the County Manager, the Finance Director of the County and the Clerk to the Board or their respective designees are authorized, empowered and directed to execute and deliver the Agency Agreement for and on behalf of the County, including necessary counterparts, in substantially the form attached hereto, but with such changes, modifications, additions or deletions therein as shall to them seem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, modifications, additions or deletions, and that from and after the execution and delivery of the Agency Agreement, the Chairman, the County Manager, the Finance Director of the County and the Clerk to the Board or their respective designees are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Agency Agreement as executed.

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

Section 7. Severability. If any section, phrase or provision of this Resolution is for any reason declared to be invalid, such declaration does not affect the validity of the remainder of the sections, phrases or provisions of this Resolution.

Section 8. Effective Date. This Resolution is effective on the date of its adoption.

STATE OF NORTH CAROLINA)
)
COUNTY OF CHATHAM) SS:

I, Sandra B. Sublett, CMC, NCCCC, Clerk to the Board of Commissioners of the County of Chatham, North Carolina, *DO HEREBY CERTIFY*, as follows:


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(SEAL)


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Clerk to the Board of Commissioners
County of Chatham, North Carolina