

**RESOLUTION APPROVING AN INSTALLMENT
FINANCING OF WATER SYSTEM IMPROVEMENT
AND AUTHORIZING THE EXECUTION AND DELIVERY
OF DOCUMENTS IN CONNECTION THEREWITH**

WHEREAS, there have been available at this meeting substantially final drafts of the following:

- (1) A form of the Installment Purchase Contract to be dated June 2, 2008 (the "Contract") between Chatham County, North Carolina (the "County") and RBC Bank (USA) (the "Bank"); and
- (2) A form of the Security Agreement to be dated June 2, 2008 (the "Security Agreement"), between the County and the Bank;

WHEREAS, the Board of Commissioners of the County duly conducted a public hearing on May 19, 2008, regarding the Contract to finance the acquisition, construction, installation and equipping of the Western Water Transmission Project and granting of a security interest in the personal property related to the Western Water Transmission Project described in a notice of public hearing, and the Board received evidence supporting the need for such financing; and

WHEREAS, the Board of Commissioners of the County desires to approve the proposed installment financing of the Western Water Transmission Project and to authorize other actions in connection therewith;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the County as follows:

- (1) All actions heretofore taken by the County Manager, the Finance Director and the County Attorney effectuating the proposed installment financing of the Western Water Transmission Project are hereby approved, ratified and authorized pursuant to and in accordance with the transactions contemplated by the documents referred to above.
- (2) The Board of Commissioners hereby finds and determines in connection with the Contract and the transactions contemplated thereby that (a) such Contract is necessary or expedient to the County, (b) such proposed Contract, under current circumstances, is preferable to a bond issue of the County for the same purpose, (c) the sums estimated to fall due under such Contract are adequate and not excessive for its proposed purpose, (d) the County's debt management procedures and policies are good and its debt will continue to be managed in strict compliance with the law, (e) any increase in taxes necessary to meet the sums estimated to fall due under the Contract will not be excessive and (f) the County is not in default regarding any of its debt service obligations.
- (3) Each of the Contract and the Security Agreement, in the form submitted to this meeting, is hereby approved, in substantially such form and the Chairman or Vice

Chairman of the Board, the County Manager, the Finance Director, the County Attorney and the Clerk to the Board are each hereby authorized and directed to execute and deliver each of those documents on behalf of the County, with such changes, insertions or omissions as they may approve with the advice of counsel.

- (4) Subject to the limitations set forth herein, the County Manager is hereby authorized to approve the terms of the Contract, including but not limited to, the aggregate principal amount and the dates and principal installments thereof, the redemption provisions thereof and the interest rates thereon; provided that: (i) the principal amount of the Contract shall not exceed \$14,500,000; (ii) the final maturity date of the Contract shall be no later than June 15, 2028; and (iii) the interest rate per annum thereof shall not exceed 4.07%.
- (5) The Chairman or Vice Chairman of the Board, the County Manager, the Finance Director, the Clerk to the Board, and the County Attorney are hereby authorized to take any and all such further action and to execute and deliver such other documents as may be necessary or advisable to carry out the intent of this Resolution and to effect the installment financing pursuant to the Contract, including, without limitation, entering into tax compliance certificates and agreements.


On motion of Commissioner Barnes, the foregoing resolution entitled "**RESOLUTION APPROVING AN INSTALLMENT FINANCING OF WATER SYSTEM IMPROVEMENTS AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS IN CONNECTION THEREWITH**" was duly adopted by the following vote:

AYES: 5

NAYS: 0

This Resolution shall become effective immediately upon its adoption.

This the 2nd day of June, 2008.



George Lucier, Chairman

ATTEST:


Sandra B. Sublett, CMC, Clerk to the Board
Chatham County Board of Commissioners