

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 November 17, 2008 at 6:00 PM. in the District Court Room, 12 East Street, Pittsboro, North Carolina. Chairman George Lucier presiding.

The following members were present:

Present: Chairman George Lucier; Vice Chair, Mike Cross; Commissioners Patrick Barnes, Carl Thompson, and Tom Vanderbeck; County Manager, Charlie Horne; Assistant County Manager, Renee Paschal; County Attorney, Jep Rose; and Clerk to the Board, Sandra B. Sublett

The following members were absent:

None

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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 AN AMENDED AND RESTATED CONTRACT AND A DEED OF TRUST 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 dated as of June 11, 2008 (the "Original Contract") with RBC Bank (USA) (the "Bank") in order to pay the capital costs of acquiring, constructing, installing and equipping water transmission mains, a pump station and an elevated water storage tank in the southwest

portion of the County (the "*Western Water Transmission Project*") and (b) create a security interest (the "*Security Interest*") in equipment associated with the Western Water Transmission Project;

WHEREAS, the Board determines that it is in the best interest of the County to amend and restate the Original Contract (collectively with the Original Contract, the "*Contract*") in order to provide the financing for the capital costs of (1) expansion and renovation of Northwoods High School (the "*High School*") and (2) the acquisition of an existing office building (the "*Office Building*" and together with the High School, the "*New Projects*") for County use and certain other users, including Chapel Hill-Carrboro Young Men's Christian Association and First Health of the Carolinas, Inc. and create a security interest in the Office Building and the real property on which it will be located and all the improvements thereon pursuant to a deed of trust from the County to the Deed of Trust Trustee named therein (the "*Deed of Trust*");

WHEREAS, the Board conducted public hearings with respect to the Western Water Transmission Project on June 2, 2008 and with respect to the New Projects on November 17, 2008 to receive public comments on each, the proposed financings, the Contract and the Deed of Trust, 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: (1) with respect to the advance for the Western Water Transmission Project, at an interest rate of 4.07% per annum and for a maximum principal amount of \$14,500,000; and (2) with respect to the New Projects, 4.83% per annum, and for a maximum principal amount of \$10,000,000, 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 Western Water Transmission Project and the New 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 \$14,500,000 with respect to the Western Water Transmission Project and \$10,000,000 with respect to the New Projects, such amount to be repaid by the County to the Bank as provided in the Contract. The County hereby approves the grant of the Security Interest pursuant to 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.

Section 4. Repealer. All motions, orders, resolutions, ordinances and parts thereof in conflict herewith are hereby repealed.

Section 5. 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 6. 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, Clerk to the Board of Commissioners of the County of Chatham, North Carolina, *DO HEREBY CERTIFY*, as follows:

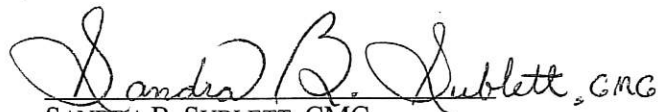
1. A regular meeting of the Board of Commissioners of the County of Chatham, a political subdivision of the State of North Carolina, was duly held on November 17, 2008, proper notice of such meeting having been given as required by North Carolina statute, and minutes of said meeting have been duly recorded 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 20th day of November, 2008.

(SEAL)


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