

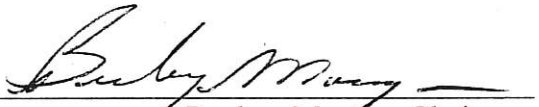
A RESOLUTION APPROVING A TAX EXEMPT LOAN TO GOLDSTON  
VOLUNTEER FIRE DEPARTMENT, INC.

BE IT HEREBY RESOLVED that the Board of Commissioners of Chatham County, North Carolina does hereby approve (within the scope of the qualifying language set forth below) a tax-exempt loan to the Goldston Volunteer Fire Department, Inc. from United Financial of North Carolina in the principal amount of \$213,938 which loan is for the following purpose of purchase by the Volunteer Fire Department of a Freightliner F1-106 HME Pumper Tanker (Stainless Steel), and which will be owned and operated by the Goldston Volunteer Fire Department, Inc. at the following address:


486 South Church Street, Goldston, North Carolina

RESOLVED, FURTHER, that the approval of the loan to the Volunteer Fire Department set forth above is given solely for purposes of the public approval requirements for tax-exempt financing applicable to the Volunteer Fire Department because of Section 150(e) (3) and Section 147(f) of the Internal Revenue Code of 1986, as amended, and such approval does not obligate the County or its Board of Commissioners in any way regarding repayment of the debt.

This the 18<sup>th</sup> day of September 2006.

  
Bunkey Morgan, Chairman  
Chatham County Board of Commissioners

Attest:

  
Sandra Sublett  
Clerk to the Board



**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF CHATHAM, NORTH CAROLINA, AUTHORIZING THE NEGOTIATION OF AN INSTALLMENT PURCHASE CONTRACT, DIRECTING THE PUBLICATION OF NOTICE WITH RESPECT THERETO AND PROVIDING FOR CERTAIN OTHER MATTERS RELATED THERETO**

*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 purchase contracts in order to finance or refinance 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 Board of Commissioners of the County (the "*Board of Commissioners*"), determines that it is in the best interest of the County to enter into (1) an installment purchase contract (the "*Contract*") with Chatham County Public Facilities Corporation, a North Carolina nonprofit corporation (the "*Corporation*"), in order to pay the capital costs of (a) acquiring, constructing and equipping the Virginia Cross Elementary School in Siler City, North Carolina (the "*Virginia Cross School Project*"); (b) acquiring, constructing and equipping a cafeteria and classroom facilities at the Jordan Matthews High School in Siler City, North Carolina (the "*Jordan Matthews High School Project*"); (c) acquiring, constructing and equipping an addition to, and renovating, an existing building for the Department of Social Services (the "*Social Services Building Project*"); (d) acquiring, constructing and equipping water, sewer and roadway improvements at the Central Carolina Business Campus (the "*Central Carolina Business Campus Project*"); (e) acquiring, constructing and equipping a building for the environmental resources programs at Central Carolina Community College in Pittsboro (the "*College*") and a library for use by the County and the College at the College Campus in Pittsboro (the "*Pittsboro Campus College Project*"); (f) acquiring, constructing and equipping an industrial and adult education center at the Central Carolina Business Campus for the College (the "*Siler City Campus College Project*"); (g) acquiring, constructing and equipping a judicial building facility to accommodate the existing and future needs of the County's judicial system (the "*Judicial Facility Project*"); (h) acquiring, constructing and equipping the Northeast Middle School in northeast Chatham County, North Carolina (the "*Northeast Middle School Project*"); (i) acquiring, constructing and equipping a new high school in northeast Chatham County, North Carolina (the "*Northeast High School Project*"); (j) acquiring and equipping a classroom pod at the Northwood High School in Pittsboro, North Carolina (the "*Northwood High School Project*"); (k) acquiring and installing softball field lighting and/or tennis field lighting at Northwood High School, Chatham Central High School and Jordan Matthews High School (the "*Athletic Facilities Improvements*"); (l) acquiring and installing water transmission mains in the southeastern portion of the County (the "*Pea Ridge Road Water Improvements*"); (m) acquiring and installing water pumps at the High Service Pump Station, located at the Jordan Lake Water Treatment Plant (the "*High Service Pump Station Improvements*"); (n) acquiring, constructing, installing and equipping water transmission mains, an elevated water storage tank and a pump

station in the southeast portion of the County (the "*Harnett Water Connection Improvements*") and acquiring potable water capacity from Harnett County's water distribution facilities pursuant to an Agreement between the County and Harnett County (the "*Harnett Water Capacity Project*"); (o) 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 Improvements*"); (p) acquiring, constructing and renovating the existing Jordan Lake Water Treatment Plant to increase operating capacity (the "*Jordan Lake WTP Project*"); (q) acquiring, constructing, installing and equipping water transmission mains, control valve stations, an elevated water storage tank and a pump station in the northern portion of the County (the "*North Chatham Water Improvements*"); (r) acquiring and installing water transmission mains to benefit the Silk Hope School in the northwest portion of the County (the "*Silk Hope Water Improvements*"); (s) acquiring and installing a water transmission main in the Southwestern portion of the County (the "*Southwestern County Water Improvements*"); and (t) acquiring, constructing and equipping a raw water pump station located on the eastern side of Jordan Lake off Highway 64 (the "*Chatham Water Improvements*," together with the Pea Ridge Road Water Improvements, the High Service Pump Station Improvements, the Harnett Water Connection Improvements, the Harnett Water Capacity Project, the Western Water Transmission Improvements, the Jordan Lake WTP Project, the North Chatham Water Improvements, the Silk Hope Water Improvements and the Southwestern County Water Improvements, the "*County Water Improvements*," and together with the Virginia Cross School Project, the Jordan Matthews High School Project, the Social Services Building Project, the Central Carolina Business Campus Project, the Pittsboro Campus College Project, the Siler City Campus College Project, the Judicial Facility Project, the Northeast Middle School Project, the Northeast High School Project, the Northwood High School Project and the Athletic Facilities Improvements, the "*Projects*," and (2) a deed of trust and security agreement (the "*Deed of Trust*") related to (a) the County's fee simple interest in the real property and the improvements thereon (the "*Sites*") on which the Virginia Cross School Project, the Jordan Matthews High School Project, the Social Services Building Project, the Pittsboro Campus College Project, the Siler City Campus College Project, the Judicial Facility Project, the Northeast Middle School Project, the Northwood High School Project, the Northeast High School Project and the Jordan Lake WTP Project are or will be located, (b) the County's interest in the personal property related to the Sites and (c) the County's interest in the property and contract rights, if any, associated with the County Water Improvements;

*WHEREAS*, the County hereby determines that it will initially proceed with the acquisition, construction and installation of that portion of the Projects consisting of the Virginia Cross School Project, the Jordan Matthews High School Project, the Social Services Building Project, the Central Carolina Business Campus Project, the Northwood High School Project and the Athletic Facilities Improvements (collectively, the "*2006 Projects*") and, in connection therewith, include in the Deed of Trust the Sites of the Virginia Cross School Project, the Jordan Matthews High School Project and the Social Services Building Project;

*WHEREAS*, the County hereby further determines that the acquisition of the 2006 Projects are essential to the County's proper, efficient and economic operation and to the general health and welfare of its inhabitants; that the 2006 Projects will provide an essential use and now permit or will permit the County to carry out public functions that it is authorized by law to perform; and that entering into the Contract and Deed of Trust 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 purchase and take title to the 2006 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 the acquisition, construction and installation of the 2006 Projects is approximately \$36,000,000 and that such cost 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 acquisition, construction and installation of the 2006 Projects pursuant to the Contract is expected to exceed such cost pursuant to a bond financing for the same undertakings, the County hereby determines that the cost of financing the acquisition, construction and installation of the 2006 Projects pursuant to the Contract and Deed of Trust 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 acquiring, constructing, improving and equipping the 2006 Projects; and (3) certain components of the 2006 Projects are not revenue bond projects and revenues produced by other components of the 2006 Projects are insufficient to permit a revenue bond financing;

*WHEREAS*, the County has determined and hereby determines that the estimated cost of financing the acquisition, construction and installation of the 2006 Projects pursuant to the Contract reasonably compares with an estimate of similar costs under a bond financing for the same undertakings as a result of the findings delineated in the above preambles;

*WHEREAS*, the County does not anticipate future property tax increases solely to pay installment payments falling due under the Contract in any fiscal year during the term of the Contract;

*WHEREAS*, LeBoeuf, Lamb, Greene & MacRae LLP, as special counsel ("*Special Counsel*"), will render an opinion to the effect that entering into the Contract and the transactions contemplated thereby are authorized by law;

*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 moneys 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, and external auditors have determined that the County has conformed with generally accepted accounting principles as

applied to governmental units in preparing its Annual Budget Ordinance;

*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 North Carolina Local Government Commission (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 Contract after publication of a notice with respect to such public hearing must be held and approval of the LGC with respect to entering the Contract must be received; and

*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 Contract and the Deed of Trust and the acquisition, construction and installation of the 2006 Projects to be financed thereby.

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

Section 1. ***Authorization to Negotiate Contract.*** That the County Manager and the Finance Director, with advice from the County Attorney and Special Counsel, are hereby authorized and directed to proceed and negotiate on behalf of the County for the financing of the acquisition, construction and installation of the 2006 Projects in a principal amount not to exceed \$40,000,000 under the Contract to be entered into in accordance with the provisions of Section 160A-20 of the General Statutes of North Carolina and to provide in connection with the Contract, as security for the County's obligations thereunder, the Deed of Trust conveying a lien and interest in the portion of the 2006 Projects consisting of the Sites on which the Virginia Cross School Project, the Jordan Matthews High School Project and the Social Services Building Project and the improvements thereon are or will be located, as may be required by the entity, or its assigns, providing the funds to the County under the Contract.

Section 2. ***Application to LGC.*** That the Finance Director or her designee is hereby directed to file with the LGC an application for its approval of the Contract 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 Special Counsel, Underwriters.*** That the County Manager and the Finance Director, with advice from the County Attorney, are hereby authorized and directed to retain the assistance of LeBoeuf, Lamb, Greene & MacRae LLP, as special counsel, and the County Manager and the Finance Director are authorized to retain Wachovia Bank National Association, and Ferris, Baker & Watts, Incorporated as underwriters, and DEC Associates, Inc., as financial advisor.

Section 4. ***Public Hearing.*** That a public hearing (the "Public Hearing") shall be conducted by the Board of Commissioners on September 18, 2006 at 6:00 p.m. in the District

Courtroom of the Courthouse located at 12 East Street in Pittsboro, North Carolina, concerning the Contract, the Deed of Trust, the proposed acquisition, construction and installation of the 2006 Projects and any other transactions contemplated therein and associated therewith.

Section 5. *Notice of Public Hearing.* That the Clerk is hereby directed to cause a notice of the Public Hearing, substantially in the form attached hereto as Exhibit A, to be published once in a qualified newspaper of general circulation within the County no fewer than 10 days prior to the Public Hearing.

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

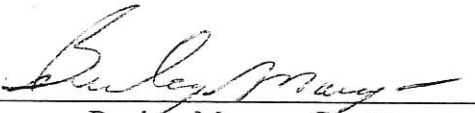
Section 7. *Effective Date.* That this Resolution is effective on the date of its adoption.

The resolution was adopted by the following vote:

YEAS

NAYS

READ, APPROVED AND ADOPTED this 5th day of September, 2006.

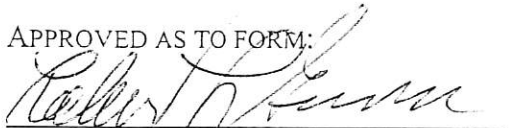
  
Bunkey Morgan, CHAIRMAN

ADOPTED AT A REGULAR MEETING  
ON SEPTEMBER 5, 2006

ATTEST:

  
Sandra B. Subletti, CMC, Clerk to Board

APPROVED AS TO FORM:

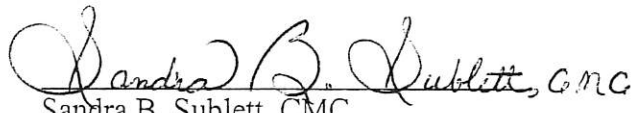
  
Robert L. Gunn, Esq., County Attorney

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* the attached to be a true and correct copy of a Resolution entitled “**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF CHATHAM, NORTH CAROLINA, AUTHORIZING THE NEGOTIATION OF AN INSTALLMENT PURCHASE CONTRACT, DIRECTING THE PUBLICATION OF NOTICE WITH RESPECT THERETO AND PROVIDING FOR CERTAIN OTHER MATTERS RELATED THERETO**” adopted by the Board of Commissioners of the County of Chatham, North Carolina, at a regular meeting held on September 5, 2006.

*IN WITNESS WHEREOF*, I have hereunto set my hand and have hereunto affixed the corporate seal of said County, this 5<sup>th</sup> day of September, 2006.

(SEAL)

  
Sandra B. Sublett, CMC  
County Clerk  
County of Chatham, North Carolina