

EXTRACTS FROM MINUTES OF BOARD OF COMMISSIONERS

At a regular meeting of the Board of Commissioners for the County of Chatham held in the District Courtroom in the Town of Pittsboro, NC on March 15, 2004, beginning at 6:00 o'clock, p.m., with Commissioners Robert C. Atwater, Thomas J. Emerson, Bunkey Morgan, Carl J. Outz and Margaret B. Pollard present, the following proceedings were had:

* * * * *

Commissioner Atwater introduced the following resolution and moved that it be adopted:

WHEREAS, the Local Government Commission of North Carolina has informed the Board of Commissioners of the sale of the County of Chatham \$10,305,000 General Obligation Refunding Bonds, Series 2004, dated April 1, 2004 (the "Bonds") and that the contract of sale contemplates that the Bonds shall be payable and bear interest as hereinafter provided; and

WHEREAS, the Board of Commissioners of the County of Chatham (the "Issuer") desires to take such actions as are necessary to approve the terms of such sale, to approve the official statement and final official statement circulated in connection therewith and to authorize and/or confirm such other documents and actions contemplated by such sale: NOW THEREFORE,

BE IT RESOLVED by the Board of Commissioners of the Issuer, as follows:

1. The Board of Commissioners approves the sale of the Bonds to RBC Dain Rauscher & Associates. The Bonds shall mature on April 1 in the years and principal amounts and bear interest from their date payable on October 1, 2004 and semi-annually thereafter on April 1 and October 1 at the rates per annum, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2005	\$ 125,000	2.25%
2006	125,000	2.00
2007	630,000	2.00
2008	615,000	2.00
2009	600,000	2.25
2010	585,000	2.50
2011	575,000	2.75
2012	665,000	3.00
2013	1,750,000	3.00
2014	1,710,000	3.25
2015	1,675,000	4.00
2016	1,250,000	4.00

The aggregate issue size and individual bond maturity provisions set forth in the bond resolution adopted by the Board of Commissioners on March 1, 2004 are revised and amended accordingly.

2. The Preliminary Official Statement dated March 2, 2004 setting forth financial and statistical data in connection with the offering of the Bonds, which was circulated with the Notice of Sale thereof, and the Final Official Statement dated March 9, 2004, are hereby approved. In connection with this approval, the Board of Commissioners of the Issuer has examined copies of the Preliminary Official Statement and the Final Official Statement and has, to the extent and in the manner it has deemed necessary, discussed the contents thereof with officers of the administration of the Issuer. The Board of Commissioners of the Issuer does hereby recite that, upon its examination

and discussions, nothing has come to its attention which would lead it to believe that said Preliminary Official Statement or said Final Official Statement contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, provided that the Board of Commissioners makes no recitation with respect to consideration of information supplied by, or which should have been supplied by, the successful bidder for the Bonds. The execution of the Final Official Statement by the Chairman of the Board of Commissioners, the County Manager and the Finance Officer is hereby authorized and approved.

3. The Chairman of the Board of Commissioners, the County Manager, the Finance Officer and other officers of the Issuer are hereby authorized and directed to take all other actions necessary in connection with the sale and issuance of the Bonds and the effectuation of the purposes for which the Bonds are being issued.

4. This resolution shall become effective upon its adoption.

1 Commissioner Outz seconded the motion, and the motion was adopted.

The vote on the adoption of the resolution was as follows:

AYES: Commissioners Robert C. Atwater, Thomas J. Emerson, Bunkey Morgan, Carl J. Outz, and Margaret B. Pollard

NAYS: None

* * * * *

The CUSIP numbers appearing herein have been included solely for the convenience of bondowners. The County and the Escrow Agent shall not be responsible for the selection or use of any such CUSIP numbers nor is any representation made as to their correctness on the Bonds or as indicated herein.

**BOARD OF COMMISSIONERS OF THE
COUNTY OF CHATHAM, NORTH CAROLINA**

By: Wachovia Bank, National Association,
as Escrow Agent

EXHIBIT C-1

NOTICE OF REDEMPTION

County of Chatham, North Carolina

School Bonds, Series 1996

Dated October 1, 1996

CUSIP # 162069

NOTICE IS HEREBY GIVEN by the Board of Commissioners of the County of Chatham, North Carolina that all of the outstanding School Bonds, Series 1996, of the County of Chatham, North Carolina, dated as of October 1, 1996, and maturing on April 1 in the years 2007 to 2016, inclusive, are hereby called for redemption and prepayment on April 1, 2006. Each of the following bonds so called for redemption and prepayment shall be redeemed and prepaid at the applicable redemption price plus accrued interest to the date of redemption:

<u>Bond Numbers</u>	<u>Maturity April 1</u>	<u>CUSIP Number</u>	<u>Redemption Price</u>
R-10	2007	<u>162069 EZ 7</u>	100½%
R-11	2008	<u>162069 FA 1</u>	101
R-12	2009	<u>162069 FB 9</u>	101½
R-13	2010	<u>162069 FC 7</u>	102
R-14	2011	<u>162069 FD 5</u>	102
R-15	2012	<u>162069 FE 3</u>	102
R-16	2013	<u>162069 FF 0</u>	102
R-17	2014	<u>162069 FG 8</u>	102
R-18	2015	<u>162069 FH 6</u>	102
R-19	2016	<u>162069 FJ 2</u>	102

The bonds so called for redemption shall be delivered to the office of the Finance Officer of the County of Chatham, Courthouse Annex, 12 East Street, Pittsboro, North Carolina 27312.

Under the provisions of the Interest and Dividend Tax Compliance Act of 1983, Paying Agents making payments of principal on municipal securities April be obligated to withhold a thirty-one per centum (31%) tax from remittances to individuals who have failed to furnish the Paying Agent with a valid taxpayer identification number. Owners who wish to avoid the imposition of this tax should submit a valid taxpayer identification number when presenting their securities for redemption.

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