

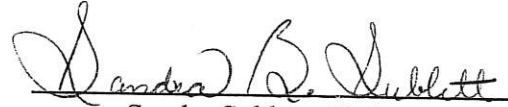
RESOLUTION OF THE BOARD OF COMMISSIONERS CONCERNING THE
INTENDED ISSUANCE OF GENERAL OBLIGATION BONDS FOR SOUTHEAST
CHATHAM WATER DISTRICT

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF CHATHAM
COUNTY IN THEIR OFFICIAL CAPACITY AS BOARD OF COMMISSIONERS, AND
AS THE GOVERNING BODY FOR THE SOUTHEAST CHATHAM WATER
DISTRICT AS FOLLOWS:

1. The Board of Commissioners on behalf of the Southeast Chatham Water District intends, subject to a vote of the voters of said district, to issue \$3,200,000 of bonds to pay capital costs of providing said District water facilities, including the acquisition, construction and installation of water mains, water storage tanks and pumping stations, and including the acquisition and installation of machinery and equipment and the acquisition of land required therefor.
2. The project is necessary and expedient because of problems with residents obtaining adequate supplies of water within the district, and the only viable alternative for financing is through bonds.
3. The amount of bonds proposed is adequate and not excessive for the proposed purpose based upon estimates prepared and furnished by the County's engineers, Hobbs Upchurch & Associates.
4. The County's debt management policies have been carried out in strict compliance with the law as evidenced by the county's favorable annual audits and bond rating.
5. The County's budgetary and fiscal management policies have been carried out in compliance with the law as evidenced by favorable audit reports.
6. It is estimated that revenue from the project will be sufficient to provide debt service requirements and that no tax increase will be necessary therefor.
7. It is estimated that no increase in consumer rates will be needed to raise the estimated increase in debt service requirements, and in the alternative that any increase required will not be excessive.
8. Vickie McConnell, County Finance Officer and Assistant Manager, is designated as the county's representative to file the application for approval of bonds with the Local Government Commission.
9. Robert L. Gunn, County Attorney, is hereby authorized to employ bond counsel to represent the District in the authorization and issuance of bonds.
10. This resolution shall become effective upon its adoption.

At a regular meeting of the Board of Commissioners of Chatham County held on May 3, 2004 in Agriculture Building Auditorium in Pittsboro, North Carolina, the

foregoing resolution was introduced by Commissioner Atwater, seconded by Commissioner Outz, and adopted by a vote of five Ayes and no Nays.

A handwritten signature in cursive script, reading "Sandra B. Sublett", written over a horizontal line.

Sandra Sublett, Clerk
Board of Commissioners