

EXTRACTS FROM MINUTES OF THE BOARD

A regular meeting of the Board of Commissioners of the County of Chatham, North Carolina, was duly held on June 21, 2021 at 6:00 p.m. in the Historic Chatham County Courthouse, 9 Hillsboro St., Pittsboro, North Carolina. Chair Mike Dasher presiding.

The following members were present: Chair Mike Dasher, Commissioners Franklin Gomez Flores and Karen Howard.

The following members were absent: Vice Chair Diana Hales and Commissioner James Crawford

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Commissioner Gomez Flores moved that the following resolution, copies of which having been made available to the Board, be adopted:

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF
CHATHAM, NORTH CAROLINA, APPROVING AN AMENDMENT TO AN INSTALLMENT
FINANCING AGREEMENT AND THE 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 (the “*State*”), existing as such under and by virtue of the Constitution, statutes and laws of 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 County and the Chatham County Public Facilities Corporation (the “*Corporation*”) have previously entered into an Installment Financing Contract dated as of January 1, 2013 (the “*2013 Contract*” and together with the First Amendment (defined herein), the “*Contract*”) for the purposes outlined therein;

WHEREAS, the Corporation has previously executed and delivered Limited Obligation Bonds (County of Chatham, North Carolina), Series 2013, Evidencing Proportionate Undivided Interests in Rights to Receive Certain Revenues under the Contract in the aggregate principal amount of \$15,495,000 (the “*2013 Bonds*”), under an Indenture of Trust dated as of January 1, 2013 (the “*2013 Indenture*”) between the Corporation and Regions Bank (the “*Trustee*”), as trustee;

WHEREAS, to secure its obligations under the 2013 Contract, as amended, the County executed and delivered a Deed of Trust, Security Agreement and Fixture Filing dated as of January 1, 2013 (the “*2013 Deed of Trust*”), granting a security interest on the Chatham County Detention Facility and the improvements thereon, including the site on which it is located;

WHEREAS, the County has also previously executed and delivered (1) an Installment Financing Contract dated as of October 15, 2014 (the “*2014 Contract*”) and (2) an Installment Financing Contract dated as of July 1, 2015 (the “*2015 Contract*”), each between the County and the Corporation in order to finance and refinance the projects described therein, and the Corporation has executed and delivered (1) \$45,445,000 Limited Obligation Bonds (County of Chatham, North Carolina), Series 2014 (the “*2014 Bonds*”), evidencing proportionate undivided interests in rights to receive certain Revenues pursuant to the 2014 Contract and (2) \$21,655,000 Refunding Limited Obligation Bonds, Series 2015 (the “*2015 Bonds*”), evidencing proportionate undivided interests in rights to receive certain Revenues under the 2015 Contract;

WHEREAS, the County hereby determines that it would be in the best interest of the County to enter into Amendment Number One to the 2013 Contract (the “*First Amendment*”) between the County and the Corporation in order to (1) finance the costs of the construction, equipping and furnishing of improvements to public school facilities and the County’s Emergency Operations Center (collectively, the “*2021 Project*”) and (2) refinance certain of the County’s prior installment financing obligations (the “*Prior Obligations*”), including the 2014 Bonds and the 2015 Bonds, as well as those provided for in the 2013 Contract, which was used to finance the Chatham County Detention Facility (together with other projects financed by the Prior Obligations, the “*Prior Projects*” and, together with the 2021 Project, the “*Project*”);

WHEREAS, the County hereby determines that it would be in the best interest of the County to execute a Notice of Extension (the “*Notice of Extension*” and, together with the 2013 Deed of Trust, the “*Deed of Trust*”) to the Deed of Trust, to be dated as of August 1, 2021, granting a security interest in the Emergency Operations Center (as defined in the First Amendment);

WHEREAS, the Corporation will issue its Limited Obligation Bonds (County of Chatham, North Carolina), Series 2021 (the “*2021 Bonds*”) in an aggregate principal amount not to exceed \$85,000,000, evidencing proportionate undivided interests in rights to receive certain Revenues (as defined in the 2013 Contract) pursuant to the Contract, in order to finance the 2021 Project and to refinance all or a portion of Prior Obligations;

WHEREAS, in connection with the sale of the 2021 Bonds by the Corporation to BofA Securities, Inc. and PNC Capital Markets LLC (collectively, the “*Underwriters*”), the Corporation will enter into a Contract of Purchase to be dated on or about August 4, 2021 (the “*Contract of Purchase*”) between the Corporation and the Underwriters, and the County will execute a Letter of Representation to the Underwriters with respect to the 2021 Bonds (the “*Letter of Representation*”);

WHEREAS, there have been described to the Board the forms of the following documents (collectively, the “*Instruments*”), which the Board proposes to approve, enter into and deliver, as applicable, to effectuate the proposed installment financing:

- (1) the First Amendment;
- (2) a Supplemental Indenture, Number 1 dated as of August 1, 2021 (the “*First Supplement*”) between the Corporation and Regions Bank, as trustee, supplementing the 2013 Indenture;
- (3) the Contract of Purchase;
- (4) an Escrow Agreement dated as of August 1, 2021 (the “*Escrow Agreement*”) between the County and Regions Bank, as escrow agent;
- (5) the Letter of Representation; and
- (6) the Notice of Extension.

WHEREAS, to make an offering and sale of the 2021 Bonds, there will be prepared a Preliminary Official Statement with respect to the 2021 Bonds (the “*Preliminary Official Statement*”), a draft thereof having been presented to the Board, and a final Official Statement relating to the Preliminary Official Statement (together with the Preliminary Official Statement, the “*Official Statement*”), which Official Statement will contain certain information regarding the County;

WHEREAS, it appears that each of the Instruments and the Preliminary Official Statement is in an appropriate form and is an appropriate instrument for the purposes intended;

WHEREAS, the Board conducted a public hearing on June 21, 2021 to receive public comment on the proposed First Amendment and the projects to be financed and refinanced thereby and approval of the LGC with respect to entering into the First Amendment must be received;

WHEREAS, the County has filed an application to the LGC for approval of the First Amendment;

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

Section 1. Ratification of Instruments. All actions of the County, the Chairman of the Board (the “*Chairman*”), the Clerk to the Board (the “*Clerk*”), the County Manager, the Finance Director of the County, the County Attorney and their respective designees, whether previously or hereinafter taken, in effectuating the proposed financing and refinancing are hereby approved, ratified and authorized pursuant to and in accordance with the transactions contemplated by the Instruments.

Section 2. Authorization of the Official Statement. The form, terms and content of the Preliminary Official Statement are in all respects authorized, approved and confirmed, and the use of the Preliminary Official Statement and of the final Official Statement by the Underwriters in connection with the sale of the Bonds is hereby in all respects authorized, approved and confirmed. The Chairman, the County Manager or the Finance Director is hereby authorized and directed, individually and collectively, to deliver, on behalf of the County, the Official Statement in substantially such form, with such changes, insertions and omissions as he or she may approve.

Section 3. Authorization to Execute the First Amendment. The County hereby approves the financing of the 2021 Project and the refinancing of all or a portion of its obligations with respect to the 2013 Contract, the 2014 Contract and the 2015 Contract in accordance with the terms of the First Amendment, which will be a valid, legal and binding obligation of the County in accordance with its terms. The form and content of the First Amendment are hereby in all respects authorized, approved and confirmed, and the Chairman, the Clerk and the County Manager and their respective designees are hereby authorized, empowered and directed, individually and collectively, to execute and deliver the First Amendment, including necessary counterparts, in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as they deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of the County’s approval of any and all changes, modifications, additions or deletions therein from the form and content of the First Amendment presented to the Board. From and after the execution and delivery of the First Amendment, the Chairman, the Clerk, the County Manager and the Finance Director of the County are hereby authorized, empowered and directed, individually and collectively, 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 First Amendment as executed.

Section 4. Approval, Authorization of Escrow Agreement. The County approves the form and content of the Escrow Agreement, and the Escrow Agreement is in all respects authorized, approved and confirmed. The Chairman, the Clerk and the County Manager and their respective designees are hereby authorized, empowered and directed, individually and collectively, to execute and deliver the Escrow Agreement, including necessary counterparts, in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as they deem necessary, desirable or appropriate. Execution by the Chairman, the Clerk and the County Manager or their respective designees constitutes conclusive evidence of the County’s approval of any and all such changes, modifications, additions or deletions therein from the form and content of the Escrow Agreement presented to the Board, and from and after the execution and delivery of the Escrow Agreement, the Chairman, the Clerk, the County Manager and the Finance Director of the County are hereby authorized, empowered and directed, individually and collectively, 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 Escrow Agreement as executed.

Section 5. Approval, Authorization of Letter of Representation. The form and content of the Letter of Representation are hereby in all respects approved, and the Chairman, the County Manager or the Finance Director is authorized to execute the Letter of Representation for the purposes stated therein.

Section 6. Approval, Authorization of Notice of Extension. The County approves the form and content of the Notice of Extension, and the Notice of Extension is in all respects authorized, approved and confirmed. The Chairman, the Clerk, the County Manager, the Finance Director and their respective designees are hereby authorized, empowered and directed, individually and collectively, to execute and deliver the Notice of Extension, including necessary counterparts, in substantially the form and content of the Notice of Extension presented to the Board, but with such changes, modifications, additions or deletions therein as they may deem necessary, desirable or appropriate, the execution thereof to constitute conclusive evidence of the County's approval of any and all changes, modifications, additions or deletions therein from the form and content of the Notice of Extension presented to the Board. From and after the execution and delivery of the Notice of Extension, the Chairman, the Clerk, the County Manager and the Finance Director are hereby authorized, empowered and directed, individually and collectively, 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 Notice of Extension as executed.

Section 7. County Representative. The Chairman, the County Manager and the Finance Director of the County are hereby designated as the County's representative to act on behalf of the County in connection with the transactions contemplated by the Instruments and the Official Statement, and the Chairman, the County Manager and the Finance Director are authorized to proceed with the financing of the 2021 Project and the refinancing of all or a portion of its obligations with respect to the 2013 Contract, the 2014 Contract and the 2015 Contract in accordance with the Instruments and to seek opinions as a matter of law from the County Attorney, which the County Attorney is authorized to furnish on behalf of the County, and opinions of law from such other attorneys for all documents contemplated hereby as required by law. The County's representative and/or designee or designees are in all respects authorized on behalf of the County to supply all information pertaining to the County for use in the Official Statement and the transactions contemplated by the Instruments or the Official Statement. The County's representatives or their respective designees are hereby authorized, empowered and directed, individually and collectively, to do any and all other acts and to execute any and all other documents, which they, in their discretion, deem necessary and appropriate to consummate the transactions contemplated by the Instruments or the Official Statement or as they deem necessary or appropriate to implement and carry out the intent and purposes of this Resolution.

Section 8. Severability. If any section, phrase or provision of this Resolution is for any reason declared to be invalid, such declaration will not affect the validity of the remainder of the sections, phrases or provisions of this Resolution.

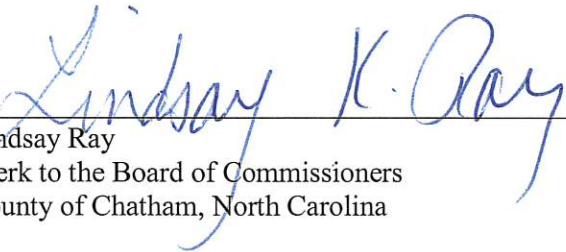
Section 9. Repealer. All motions, orders, resolutions and parts thereof, in conflict herewith are hereby repealed.

Section 10. Effective Date. This Resolution is effective on the date of its adoption.

STATE OF NORTH CAROLINA)
)
COUNTY OF CHATHAM) ss:

I, *Lindsay Ray*, Clerk to the Board of Commissioners of the County of Chatham, North Carolina **DO HEREBY CERTIFY** that the foregoing is a true and exact copy of a resolution entitled “**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF CHATHAM, NORTH CAROLINA, APPROVING AN AMENDMENT TO AN INSTALLMENT FINANCING AGREEMENT AND THE DELIVERY THEREOF AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS**” adopted by the Board of Commissioners of the County of Chatham, North Carolina, at a meeting held on June 21, 2021.

WITNESS my hand and the corporate seal of the County of Chatham, North Carolina, this the 21 day of June, 2021.



Lindsay Ray
Clerk to the Board of Commissioners
County of Chatham, North Carolina

