

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF CHATHAM,
NORTH CAROLINA, APPROVING AN INSTALLMENT FINANCING CONTRACT 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 and 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*”) hereby determines that it is in the best interest of the County to refinance an Installment Financing Contract (the “*2009 Contract*”) dated as of July 1, 2009 with Capital Bank, the proceeds of which were used to finance the acquisition, construction and equipping of improvements to multiple campuses of Central Carolina Community College and a library for the County and Central Carolina Community College (the “*Project*”) and (b) certain costs related to the execution and delivery of the Contract;

WHEREAS, the Board hereby determines that it is in the best interest of the County to (1) enter into an Installment Financing Contract to be dated on or about July 12, 2019 (the “*Contract*”) between the County and PNC Bank, National Association (the “*Bank*”) in order to (a) refinance the 2009 Contract and (b) pay certain costs incurred in connection with the execution and delivery of the Contract and (2) enter into a deed of trust and security agreement (the “*Deed of Trust*”) related to the County’s fee simple interest in a portion of the real property on which the Project is located;

WHEREAS, the County hereby determines that the refinancing of the 2009 Construction and the construction of the Project are essential to the County’s proper, efficient and economic operation and to the general health and welfare of its inhabitants; that the Project provides an essential use and permits the County to carry out public functions that it is authorized by law to perform; and that entering into the Contract is necessary and expedient for the County by virtue of the findings presented herein;

WHEREAS, the County hereby determines that the Contract would allow the County to refinance the 2009 Contract 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 refinancing the 2009 Contract is an amount not to exceed \$7,150,000 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 refinancing the 2009 Contract pursuant to the Contract is expected to exceed the cost thereof pursuant to a bond financing for the same undertaking, the County hereby determines that the cost of refinancing the 2009 Contract pursuant to the Contract 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

refinancing the 2009 Contract; and (3) insufficient revenues are produced by the Project so as to permit a revenue bond financing;

WHEREAS, the County has determined and hereby determines that the estimated cost of refinancing the 2009 Contract pursuant to the Contract reasonably compares with an estimate of similar costs under a bond financing for the same undertaking as a result of the findings delineated in the above preambles;

WHEREAS, the County does not anticipate a future property tax increase to pay installment payments falling due under the Contract;

WHEREAS, the sums to fall due under the Contract will be adequate but not excessive for its proposed purpose;

WHEREAS, Parker Poe Adams & Bernstein LLP, as bond 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 money 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 and the refinancing of the 2009 Contract after publication of a notice with respect to such public hearing must be held and the Board conducted such public hearing at this meeting;

WHEREAS, the County has filed an application with the LGC for approval of the LGC with respect to the County entering into the Contract in an aggregate principal amount of not to exceed \$7,150,000, and the County hereby determines that all findings, conclusions and determinations of the County in this Resolution are subject to such approval by the LGC;

WHEREAS, there has been described to the Board the form of the Contract and the Deed of Trust, copies of which have been made available to the Board, which the Board proposes to approve, enter into and deliver, as applicable, to effectuate the proposed installment financing; and

WHEREAS, it appears that each of the Contract and the Deed of Trust (collectively, 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 and the Clerk to the Board and their respective designees in effectuating the proposed refinancing of the 2009 Contract are hereby approved, ratified and authorized pursuant to and in accordance with the transaction contemplated by the Contract.

Section 2. ***Financing Team.*** The financing team of Parker Poe Adams & Bernstein LLP, as bond counsel, DEC Associates Inc., as financial advisor, and PNC Bank, National Association, as the Bank, is hereby approved.

Section 3. ***Approval, Authorization and Execution of the Instruments.*** The County hereby approves the refinancing of the 2009 Contract in accordance with the terms of the Instruments, which will be valid, legal and binding obligations of the County in accordance with their respective 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 \$7,150,000, such amount to be repaid by the County to the Bank as provided in the Contract. The form, terms and content of the Instruments are in all respects authorized, approved and confirmed, and the Chairman, the County Manager, the Finance Director and the Clerk to the Board or their respective designees are authorized, empowered and directed, individually and collectively, to execute and deliver the Instruments for and on behalf of the County, including necessary counterparts, in substantially the forms presented to the Board, but with such changes, modifications, additions or deletions therein as they may deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, modifications, additions or deletions. From and after the execution and delivery of the Instruments, the Chairman, the County Manager, the Finance Director and the Clerk to the Board or their respective designees 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 Instruments as executed.

Section 4. ***Further Actions.*** The County Manager, the Chairman of the Board and the Finance Director are each hereby designated as the County's representatives to act on behalf of the County in connection with the transaction contemplated by the Instruments. The County Manager, the Chairman of the Board and the Finance Director are authorized and directed, individually and collectively, to proceed with the refinancing of the 2009 Contract in accordance with the terms of the Instruments and to seek opinions on matters of law from counsel to the County, which the counsel to the County 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 Chairman, the County Manager and the Finance Director are hereby authorized to designate one or more employees of the County to take all actions which the Chairman, the County Manager or the Finance Director is authorized to perform under this Resolution, and the Chairman, the County Manager, the Finance Director or their designees are in all respects authorized on behalf of the County, individually and collectively, to supply all information pertaining to the transaction contemplated by the Instruments. The Chairman of the Board, the County Manager, the Finance Director and the Clerk to the Board are authorized, individually and collectively, to execute and deliver for and on behalf of the County any and all additional certificates, documents, opinions or other papers and perform all other acts as may be required by the Instruments or as they may deem necessary or appropriate to implement and carry out the intent and purposes of this Resolution.

Section 5. ***Repealer.*** All motions, orders, resolutions, ordinances and parts thereof in conflict herewith are hereby repealed.

Section 6. ***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 7. **Effective Date.** This Resolution is effective on the date of its adoption.

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

I, LINDSAY K. 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 INSTALLMENT FINANCING CONTRACT 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 the 17th day of June, 2019.

WITNESS my hand and the corporate seal of the County of Chatham, North Carolina, this the ___ day of June, 2019.

LINDSAY K. RAY
Clerk to the Board
County of Chatham, North Carolina