EXTRACTS FROM MINUTES OF THE BOARD OF COMMISSIONERS

A regular meeting of the Board of Commissioners of the County of Chatham, North Carolina, was duly held on July 21, 2025 at 6:00 p.m. in the Historic Chatham County Courthouse, 9 Hillsboro Street, Second Floor Courtroom, Pittsboro, North Carolina 27312. Chair Karen Howard presiding.

The following members were present:

The following members were absent:

✶ ✶ ✶ ✶ ✶

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

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

WHEREAS, the County of Chatham, North Carolina (the *"County"*) is a validly existing political subdivision, 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 Section 160A-20 of the General Statutes of North Carolina (the "*Authorizing Statute*") to (1) enter into installment contracts to purchase, or finance or refinance the purchase of, real or personal property and to finance or refinance the construction or repair of fixtures or improvements on real property and (2) create a security interest in some or all of the property financed or refinanced to secure repayment of the purchase price;

WHEREAS, the County has previously entered into (1) an Installment Financing Contract dated as of January 1, 2013 (the "*2013 Contract*"), as amended by Amendment Number One to the Installment Financing Contract dated as of August 1, 2021 (the "*First Amendment*"), each with the Chatham County Public Facilities Corporation, a North Carolina nonprofit corporation (the "*Corporation*"), to finance and refinance the projects described therein; and (2) to secure its obligations under the 2013 Contract, as amended, a Deed of Trust, Security Agreement and Fixture Filing dated as of January 1, 2013, as extended

by a Notice of Extension of Deed of Trust to Additional Property dated as of August 1, 2021 (collectively, the "*Deed of Trust*"), granting a security interest on the County's fee simple interest in the real property on which the Chatham County Detention Center and the County's Emergency Operations Center are located, together with the improvements thereon and appurtenances thereto;

WHEREAS, the County has also previously entered into:

(1) an Installment Financing Contract, dated as of October 15, 2014 (the "*2014 Contract*"), with the Corporation, the proceeds of which were used to (A) finance the capital costs of constructing and equipping an agricultural center and a service facility for County-owned vehicles and vehicles owned by the County School Board, (B) refinance a portion of the capital costs of (i) acquiring, constructing and equipping Virginia Cross Elementary School; (ii) acquiring, constructing and equipping a cafeteria and classroom facilities at Jordan Matthews High School; (iii) acquiring, constructing and equipping an addition to, and renovating, an existing building for the Department of Social Services; (iv) acquiring, constructing and equipping water, sewer and roadway improvements at the Central Carolina Business Campus; (v) acquiring, constructing and equipping a new high school in the northeastern part of the County; and (vi) acquiring and installing softball field lighting and/or tennis field lighting at Northwood High School, Chatham Central High School and Jordan Matthews High School (collectively, the "*2006 Projects*"), and (C) refinance the capital costs of constructing and equipping Margaret B. Pollard Middle School in the County (such projects financed and refinanced with the proceeds of the 2014 Contract collectively referred to herein as the "*Refunded 2014 Projects*"); and

(2) an Installment Financing Contract, dated as of July 1, 2015 (the "*2015 Contract*"), with the Corporation, the proceeds of which were used to refinance the remaining portion of the 2006 Projects (such projects refinanced with the proceeds of the 2015 Contract referred to herein as the "*Refunded 2015 Projects*" and together with the Refunded 2014 Projects, the "*Refunded Projects*");

WHEREAS, it is in the best interest of the County to enter into Amendment Number Two to the Installment Financing Contract (the "*Second Amendment*" and together with the 2013), amending the 2013 Contract, with the Corporation to refinance the Refunded Projects and pay the costs related to the execution and delivery of the Second Amendment;

WHEREAS, the Refunded Projects are essential to the County's proper, efficient and economic operation and to the general health and welfare of its citizens; refinancing the Refunded Projects will permit the County to carry out public functions that it is authorized by law to perform; and entering into the Second Amendment is necessary or expedient for the County by virtue of the findings presented herein;

WHEREAS, the Second Amendment allows the County to refinance the Refunded Projects and take title thereto at a favorable interest rate currently available in the financial marketplace and on terms advantageous to the County;

WHEREAS, the estimated cost of refinancing the Refunded Projects is an amount not to exceed $30,000,000 and such cost exceeds the amount that can be prudently raised from currently available appropriations, unappropriated fund balances and non-voted bonds that the County could issue in the current fiscal year pursuant to Article V, Section 4 of the Constitution of the State;

WHEREAS, although the cost of refinancing the Refunded Projects pursuant to the Second Amendment is expected to exceed the cost of refinancing the Refunded Projects pursuant to a bond financing for the same undertaking, the cost of refinancing the Refunded Projects pursuant to the Second Amendment 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 Refunded Projects; and (3) the revenues the Refunded Projects produce are insufficient to permit a revenue bond financing;

WHEREAS, the estimated cost of refinancing the Refunded Projects pursuant to the Second Amendment reasonably compares with an estimate of similar costs under a general obligation bond financing for the same undertaking as a result of the findings delineated in the above preambles;

WHEREAS, the County anticipates that the increase property taxes, if any, necessary to pay installment payments falling due under the Second Amendment will not be excessive;

WHEREAS, Parker Poe Adams & Bernstein LLP, as bond counsel ("*Bond Counsel*"), will render an opinion to the effect that entering into the Second Amendment 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;

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 Local Government Commission of North Carolina (the *"Commission"*), external auditors, or any other regulatory agencies in connection with such debt management and contract obligation payment policies;

WHEREAS, a public hearing on the Second Amendment after publication of a notice with respect to such public hearing must be held and approval of the Commission with respect to entering the Second Amendment must be received; and

WHEREAS, 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 Second Amendment and the refinancing of the Refunded Projects.

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

Section 1. ***Authorization to Negotiate the Second Amendment***. The County Manager, the Finance Officer, and the Deputy Finance Officer, and their respective designees (individually and collectively, the "*Authorized Officers*"), with advice from the County Attorney and Bond Counsel, are authorized and directed to proceed and negotiate on behalf of the County the Second Amendment for a principal amount not to exceed $30,000,000, to refinance the Refunded Projects, to be entered into in accordance with the Authorizing Statute.

Section 2. ***Application to the Commission.*** The Authorized Officers are directed to file with the Commission an application for its approval of the Second Amendment and all relevant transactions contemplated thereby on a form the Commission prescribes and to state in such application such facts and to attach thereto such exhibits regarding the County and its financial condition as the Commission may require.

Section 3. ***Direction to Retain Special Counsel, Financial Advisor and Underwriter.*** The Authorized Officers, with advice from the County Attorney, are authorized and directed to retain the assistance of Parker Poe Adams & Bernstein LLP, Raleigh, North Carolina, as bond counsel; DEC Associates, Inc., Charlotte, North Carolina, as financial advisor; and BofA Securities, Inc., Charlotte, North Carolina, as underwriter. In addition, to the extent necessary, the Authorized Officers are authorized to engage any other third parties that may be necessary to execute the transactions contemplated by this Resolution.

Section 4. ***Public Hearing.*** The Board of Commissioners of the County shall conduct a public hearing (the *"Public Hearing"*) on August 18, 2025 at 6:00 p.m. in the Historic Chatham County Courthouse, 9 Hillsboro Street, Second Floor Courtroom, Pittsboro, North Carolina 27312, concerning the execution and delivery of the Second Amendment, the proposed refinancing of the Refunded Projects, and any other transactions associated therewith.

Section 5. ***Notice of Public Hearing.*** The Clerk to the Board is directed to cause a notice of the Public Hearing, 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.*** All motions, orders, resolutions and parts thereof in conflict herewith are repealed.

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

Read, approved and adopted this 21st day of July, 2025.

By: _____
Chair of the Board of Commissioners

_____
Clerk to the Board

EXHIBIT A
NOTICE OF PUBLIC HEARING

The County of Chatham, North Carolina (the "*County*") previously entered into an Installment Financing Contract dated as of January 1, 2013 (the "*2013 Contract*"), as amended by Amendment Number One to the Installment Financing Contract dated as of August 1, 2021 (the "*First Amendment*"), each with the Chatham County Public Facilities Corporation, a North Carolina nonprofit corporation (the *"Corporation"*), to finance and refinance the projects described therein.

To secure its obligations under the 2013 Contract, as amended, the County previously executed and delivered a Deed of Trust, Security Agreement and Fixture Filing dated as of January 1, 2013, as extended by a Notice of Extension of Deed of Trust to Additional Property dated as of August 1, 2021 (collectively, the "*Deed of Trust*"), pursuant to which the County granted a lien on the County's fee simple interest in the real property on which the Chatham County Detention Center and the County's Emergency Operations Center are located, together with the improvements thereon and appurtenances thereto (collectively, the "*Mortgaged Property*"). The Chatham County Detention Center is located at 627 Renaissance Dr., Pittsboro, North Carolina 27312. The Emergency Operations Center is located at 112 Innovation Way, Pittsboro, North Carolina 27312.

At its August 18, 2025 meeting, the Board of Commissioners of the County will consider the adoption of a resolution which would authorize the County to refinance the County's installment payment obligations related to an Installment Financing Contract, dated as of October 15, 2014 and an Installment Financing Contract, dated as of July 1, 2015, each between the County and the Corporation, the proceeds of which were used to finance and refinance the projects described therein (collectively, the "*Refunded Projects*"), pursuant to Amendment Number Two to the Installment Financing Contract (the "*Second Amendment*" and together with the 2013 Contract and the First Amendment, the "*Contract*"), between the County and the Corporation, in a principal amount not to exceed $30,000,000, under which the County will make certain installment payments to make the Refunded Projects available to the County.

On the County's payment of all installment payments due under the Contract, including any future amendments to finance or refinance projects, any lien the Deed of Trust created will terminate and the County's title to the Mortgaged Property will be unencumbered. The Contract and the Deed of Trust permit the County to enter into amendments to finance additional projects and refinance projects using the Mortgaged Property as collateral and the County may or may not grant additional collateral in connection with such amendments.

NOTICE IS HEREBY GIVEN, pursuant to Sections 160A-20 of the General Statutes of North Carolina, that on August 18, 2025 at 6:00 p.m. in the Historic Chatham County Courthouse, 9 Hillsboro Street, Second Floor Courtroom, Pittsboro, North Carolina 27312, a public hearing will be conducted concerning the approval of the execution and delivery of the Second Amendment and the County's refinancing of the Refunded Projects. All interested parties are invited to present comments at the public hearing regarding the Second Amendment and the Refunded Projects to be refinanced thereby.

/s/ JENIFER JOHNSON
Clerk to the Board of Commissioners
County of Chatham, North Carolina

Published: _____, 2025

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

I, *Jenifer Johnson*, 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, AUTHORIZING THE NEGOTIATION OF AN AMENDMENT TO AN INSTALLMENT FINANCING CONTRACT, DIRECTING THE PUBLICATION OF NOTICE WITH RESPECT THERETO AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS THERETO"** adopted by the Board of Commissioners of the County of Chatham, North Carolina, at a meeting held on the 21st day of July, 2025.

WITNESS my hand and the corporate seal of the County of Chatham, North Carolina, this the __ day of July, 2025.

_____
JENIFER JOHNSON
Clerk to the Board of Commissioners
County of Chatham, North Carolina