

REQUEST FOR BOARD ACTION

HENDERSON COUNTY BOARD OF COMMISSIONERS

MEETING DATE: August 12, 2008

SUBJECT: Bid for E911 Communications Center Radio
Console Upgrade/Expansion and Project Financing

ATTACHMENTS: Motorola, Inc. Bid/Contract Agreements
Summary of Financing Proposals
RBC Bank Financing Proposal
Draft Financing Documents
Draft Financing Resolution

SUMMARY OF REQUEST:

The Henderson County Sheriff's Office requested bids for the upgrade and expansion of the radio console equipment in the E911 Communications Center at a total cost of \$552,183. The Sheriff requests that the Henderson County Board of Commissioners consider approving the attached bid proposal and contract agreements from Motorola, Inc. for the project that has been approved for funding in the FY2009 budget.

Financing proposals were also requested to fund this project. Attached is the bank financing proposals received. RBC Bank submitted the lowest responsive proposal to finance the \$552,183 project cost with a 3.63% interest rate over five (5) years and annual debt service payments of \$122,872.53. The annual payment is within the \$140,000 budgeted for debt service in the current fiscal year. Draft financing documents are attached for the Board's review. The Board is requested to approve the financing proposal from RBC Bank to fund this project.

BOARD ACTION REQUESTED:

The Board is requested to consider approving the attached bid submitted by Motorola, Inc. for the E911 Communications Center Radio Console Upgrade/Expansion Project. The Board is also requested to approve the attached resolution which accepts the financing proposal from RBC Bank and authorizes the Chairman and County Staff to execute and deliver the financing documents.

Suggested Motion: I move the Board of Commissioners approve the bid submitted by Motorola, Inc. for the E911 Communications Center Radio Console Project and the attached resolution which accepts the financing proposal from RBC Bank and authorizes the Chairman and County Staff to execute and deliver the financing documents.



Section 2. CENTRACOM System Description

Total Project
Cost: \$552,183

Motorola is proposing a communications solution for Henderson County that consists of upgrading and expanding the existing 911 CENTRACOM Gold Elite dispatch console system. In addition RF control station equipment and several subsystems will be provided to enable operation on the State of NC Viper trunked radio system.

The county's existing seven (7) position CENTRACOM console system would be upgraded to the current hardware and software revisions and expanded to nine (9) operator positions. The channel capabilities of the console system will also be expanded to include interface with the proposed XTL5000 control stations for the NC Viper 800 MHz radio system.

The following new equipment or upgrades to existing equipment are proposed.

- ◆ All firmware and software in the existing CENTRACOM console dispatch system will be upgraded and brought to current versions and platforms.
- ◆ Two (2) new dispatch operator positions will be installed to at the prime 911 center to expand the total console system to nine (9) operator positions.
- ◆ Ten (10) new XTL5000 control stations will be supplied for use at the prime 911 center. These stations will be used with a GenSac interface to enable PTT ID and Emergency display and will utilize the NC Viper 800 MHz radio system.
- ◆ One (1) control station combiner is proposed for use with the proposed XTL5000 control stations. This combiner will allow simultaneous operation of these stations using a single antennae system.
- ◆ The existing CENTRACOM Gold Elite server will be replaced and the CDM and ADM software upgraded to the current platform and revisions.
- ◆ Two (2) positions of Watson Dispatch communications console furniture will be supplied for use with the two new Elite dispatch operator positions.

Some key capabilities and features of the proposed CENTRACOM console system are provided below.

2.1 CENTRACOM Gold Elite Console System

The CENTRACOM Gold Elite Console system is an advanced software-based dispatch control center that is fast and powerful, yet especially simple to learn and use. With a wide range of benefits as listed below, the CENTRACOM Gold Elite is an essential part of your operation.

- ◆ **More effective communications through enhanced audio**—The CENTRACOM Gold Elite includes an enhanced audio package that can route audio to select and unselect speakers. The Console Interface Electronics (CIE) module allows dispatchers to hear radio and telephone calls clearly through its front speakers. This makes for exceptionally clear radio and telephone reception allowing easier response to field personnel.
- ◆ **Ease of use and single-point configuration**—The CENTRACOM Gold Elite has a Graphical User Interface (GUI) that runs under a Microsoft® Windows® operating system making the system very user-friendly. The familiar Windows environment minimizes the learning curve. In addition, the system has the capability for single-point configuration. Connectivity over the Local Area Network (LAN) allows you to assign specific folders and resources to specific dispatch positions. More importantly, you can customize each dispatcher's level of control with password protection.
- ◆ **Customized convenience**—The Alias Database Manager (ADM) allows thousands of "alias" names to be stored in the system for radio IDs and telephone numbers. Depending on your radio system, dispatchers can see information such as who is calling, time and call type/status. Callers are identified by real names, not IDs.
- ◆ **Improved security through encryption**—The Transmit Mode Select feature identifies whether an incoming transmission is encrypted to curtail eavesdropping by unintended listeners. The dispatcher can change the encoding and encryption mode so the message reaches only the intended radio users.
- ◆ **Compatibility by design**—Compatibility with all existing CENTRACOM Gold Series consoles makes upgrading to Elite's advanced technology simple.
- ◆ **Flexibility**—The Application Programming Interface (API) offers greater flexibility, enhancing Motorola's standard system design. System designers can integrate third party applications to create customized user interface presentations for the console system, or design a gateway application that routes console commands and provides status to and from a third-party application.
- ◆ **Fault tolerant by design**—The CENTRACOM Gold Elite is highly fault tolerant. No single point of failure will result in the loss of more than one dispatch position or radio channel. The dispatch position personality information is downloaded from the server's master database to dispatch positions over the LAN.
- ◆ **Longevity of investment through service agreements**—Motorola's Software Subscription Agreement (SSA), if included as part of your project, provides you with the ability to obtain updated software that offers new features and improved functionality so you can leverage your software investment.



Communications System Agreement
(No ESS)

Motorola, Inc. ("Motorola"), and Henderson County ("Customer") enter into this "Agreement", pursuant to which Customer will purchase and Motorola will sell the System, as described below. Motorola and Customer may be referred to individually as a "Party" and collectively as the "Parties." For good and valuable consideration, the Parties agree as follows:

Section 1 EXHIBITS

The exhibits listed below are incorporated into and made a part of this Agreement. In interpreting this Agreement and resolving any ambiguities, the main body of this Agreement takes precedence over the exhibits and any inconsistency between Exhibits A through E will be resolved in their listed order.

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| Exhibit A | Motorola "Software License Agreement" |
| Exhibit B | Payment Schedule |
| Exhibit C | Technical and Implementation Documents
C-1 Centracom System Description From Motorola's Proposal dated March 18, 2008
C-2 Centracom Statement Of Work From Motorola's Proposal dated March 18, 2008
C-3 Centracom Equipment List From Motorola's Proposal dated March 18, 2008 |
| Exhibit D | Warranty and Services and Service Terms and Conditions (if applicable).
From Motorola's Proposal dated March 18, 2008 |
| Exhibit E | "System Acceptance Certificate" |

Section 2 DEFINITIONS

Capitalized terms used in this Agreement have the following meanings:

- 2.1. "Acceptance Tests" means those tests described in the Acceptance Test Plan.
- 2.2. "Beneficial Use" means when Customer first uses the System or a Subsystem for operational purposes (excluding training or testing).
- 2.3. "Confidential Information" means any information that is disclosed in written, graphic, verbal, or machine-recognizable form, and is marked, designated, or identified at the time of disclosure as being confidential or its equivalent; or if the information is in verbal form, it is identified as confidential at the time of disclosure and is confirmed in writing within thirty (30) days of the disclosure. Confidential Information does not include any information that: is or becomes publicly known through no wrongful act of the receiving Party; is already known to the receiving Party without restriction when it is disclosed; is or becomes, rightfully and without breach of this Agreement, in the receiving Party's possession without any obligation restricting disclosure; is independently developed by the receiving Party without breach of this Agreement; or is explicitly approved for release by written authorization of the disclosing Party.
- 2.4. "Contract Price" means the price for the System, excluding applicable sales or similar taxes and freight charges.
- 2.5. "Effective Date" means that date upon which the last Party executes this Agreement.
- 2.6. "Equipment" means the equipment that Customer purchases from Motorola under this Agreement. Equipment that is part of the System is described in the Equipment List.
- 2.7. "Force Majeure" means an event, circumstance, or act of a third party that is beyond a Party's reasonable control (e.g., an act of God, an act of the public enemy, an act of a government entity, strikes or other labor disturbances, hurricanes, earthquakes, fires, floods, epidemics, embargoes, war, and riots).

- 2.8. "Infringement Claim" means a third party claim alleging that the Equipment manufactured by Motorola or the Motorola Software infringes upon the third party's United States patent or copyright.
- 2.9. "Motorola Software" means Software that Motorola or its affiliated company owns.
- 2.10. "Non-Motorola Software" means Software that another party owns.
- 2.11. "Open Source Software" (also called "freeware" or "shareware") means software that has its underlying source code freely available to evaluate, copy, and modify.
- 2.12. "Proprietary Rights" means the patents, patent applications, inventions, copyrights, trade secrets, trademarks, trade names, mask works, know-how, and other intellectual property rights in and to the Equipment and Software, including those created or produced by Motorola under this Agreement and any corrections, bug fixes, enhancements, updates or modifications to or derivative works from the Software whether made by Motorola or another party.
- 2.13. "Software" means the Motorola Software and Non-Motorola Software in object code format that is furnished with the System or Equipment.
- 2.14. "Specifications" means the functionality and performance requirements that are described in the Technical and Implementation Documents.
- 2.15. "Subsystem" means a major part of the System that performs specific functions or operations. Subsystems are described in the Technical and Implementation Documents.
- 2.16. "System" means the Equipment, Software, and incidental hardware and materials that are combined together into an integrated system; the System is more fully described in the Technical and Implementation Documents.
- 2.17. "System Acceptance" means the Acceptance Tests have been successfully completed.
- 2.18. "Warranty Period" means one (1) year from the date of System Acceptance or Beneficial Use, whichever occurs first.

Section 3 SCOPE OF AGREEMENT AND TERM

- 3.1. **SCOPE OF WORK.** Motorola will provide, install and test the System, and perform its other contractual responsibilities, all in accordance with this Agreement. Customer will perform its contractual responsibilities in accordance with this Agreement.
- 3.2. **CHANGE ORDERS.** Either Party may request changes within the general scope of this Agreement. If a requested change causes an increase or decrease in the cost or time required to perform this Agreement, the Parties will agree to an equitable adjustment of the Contract Price, Performance Schedule, or both, and will reflect the adjustment in a change order. Neither Party is obligated to perform requested changes unless both Parties execute a written change order.
- 3.3. **TERM.** Unless terminated in accordance with other provisions of this Agreement or extended by mutual agreement of the Parties, the term of this Agreement begins on the Effective Date and continues until the date of Final Project Acceptance or expiration of the Warranty Period, whichever occurs last.
- 3.4. **ADDITIONAL EQUIPMENT OR SOFTWARE.** For three (3) years after the Effective Date, Customer may order additional Equipment or Software if it is then available. Each order must refer to this Agreement and must specify the pricing and delivery terms. Notwithstanding any additional or contrary terms in the order, the applicable provisions of this Agreement (except for pricing, delivery, passage of title and risk of loss to Equipment, warranty commencement, and payment terms) will govern the

purchase and sale of the additional Equipment or Software. Title and risk of loss to additional Equipment will pass at shipment, warranty will commence upon delivery, and payment is due within twenty (20) days after the invoice date. Motorola will send Customer an invoice as the additional Equipment is shipped or Software is licensed. Alternatively, Customer may register with and place orders through Motorola Online ("MOL"), and this Agreement will be the "Underlying Agreement" for those MOL transactions rather than the MOL On-Line Terms and Conditions of Sale. MOL registration and other information may be found at <http://www.motorola.com/businessandgovernment/> and the MOL telephone number is (800) 814-0601.

3.5. ABOVE WARRANTY SERVICES. During the Warranty Period for the Equipment, in addition to warranty services, Motorola will provide maintenance services for the Equipment and support for the Motorola Software pursuant to the terms of this Agreement, including the Above Warranty Services Statement of Work and Service Terms and Conditions. Such services and support are included in the Contract Price. If Customer wishes to purchase additional maintenance and support services for the Equipment during the Warranty Period, or any maintenance and support services for the Equipment after the Warranty Period, the description of and pricing for such services will be set forth in a separate document. If Customer wishes to purchase extended support for the Motorola Software after the Warranty Period, it may do so by ordering software subscription services. Unless otherwise agreed by the Parties in writing, the terms and conditions applicable to such maintenance, support or software subscription services will be Motorola's standard Service Terms and Conditions, together with the appropriate statements of work.

3.6. MOTOROLA SOFTWARE. Any Motorola Software, including subsequent releases, is licensed to Customer solely in accordance with the Software License Agreement. Customer hereby accepts and agrees to abide by all of the terms and restrictions of the Software License Agreement.

3.7. NON-MOTOROLA SOFTWARE. Any Non-Motorola Software is licensed to Customer in accordance with the standard license, terms, and restrictions of the copyright owner on the Effective Date unless the copyright owner has granted to Motorola the right to sublicense the Non-Motorola Software pursuant to the Software License Agreement, in which case it applies and the copyright owner will have all of Licensor's rights and protections under the Software License Agreement. Motorola makes no representations or warranties of any kind regarding Non-Motorola Software. Non-Motorola Software may include Open Source Software. All Open Source Software is licensed to Customer in accordance with, and Customer agrees to abide by, the provisions of the standard license of the copyright owner and not the Software License Agreement. Upon request by Customer, Motorola will use commercially reasonable efforts to determine whether any Open Source Software will be provided under this Agreement; and if so, identify the Open Source Software and provide to Customer a copy of the applicable standard license (or specify where that license may be found); and provide to Customer a copy of the Open Source Software source code if it is publicly available without charge (although a distribution fee or a charge for related services may be applicable).

3.8. SUBSTITUTIONS. At no additional cost to Customer, Motorola may substitute any Equipment, Software, or services to be provided by Motorola, if the substitute meets or exceeds the Specifications and is of equivalent or better quality to the Customer. Any substitution will be reflected in a change order.

Section 4 PERFORMANCE SCHEDULE

The Parties will perform their respective responsibilities in accordance with the Performance Schedule. By executing this Agreement, Customer authorizes Motorola to proceed with contract performance.

Section 5 CONTRACT PRICE, PAYMENT AND INVOICING

5.1. CONTRACT PRICE. The Contract Price in U.S. dollars is \$ 552,183. If applicable, a pricing summary is included with the Payment Schedule. Motorola has priced the services, Software, and Equipment as an integrated system. A reduction in the Software or Equipment quantities, or services, may affect the overall Contract Price, including discounts if applicable.

5.2. **INVOICING AND PAYMENT.** Motorola will submit invoices to Customer according to the Payment Schedule. Except for a payment that is due on the Effective Date, Customer will make payments to Motorola within twenty (20) days after the date of each invoice. Customer will make payments when due in the form of a wire transfer, check, or cashier's check from a U.S. financial institution. Overdue invoices will bear simple interest at the maximum allowable rate. For reference, the Federal Tax Identification Number for Motorola, Inc. is 36-1115800.

5.3. **FREIGHT, TITLE, AND RISK OF LOSS.** Motorola will pre-pay and add all freight charges to the invoices. Title to the Equipment will pass to Customer upon shipment. Title to Software will not pass to Customer at any time. Risk of loss will pass to Customer upon delivery of the Equipment to the Customer. Motorola will pack and ship all Equipment in accordance with good commercial practices.

5.4. **INVOICING AND SHIPPING ADDRESSES.** Invoices will be sent to the Customer at the following address:

Henderson County
113 North Main Street
Hendersonville, NC 28792

The city which is the ultimate destination where the Equipment will be delivered to Customer is: Hendersonville, NC

The Equipment will be shipped to the Customer at the following address (insert if this information is known):

Henderson County Sheriff's Office
Communications Division
107 Second Avenue West
Hendersonville, NC 28792

Customer may change this information by giving written notice to Motorola.

Section 6 SITES AND SITE CONDITIONS

6.1. **ACCESS TO SITES.** In addition to its responsibilities described elsewhere in this Agreement, Customer will provide a designated project manager; all necessary construction and building permits, zoning variances, licenses, and any other approvals that are necessary to develop or use the sites; and access to the work sites as reasonably requested by Motorola so that it may perform its duties in accordance with the Performance Schedule and Statement of Work. If the Statement of Work so indicates, Motorola may assist the Customer in the local building permit process.

6.2. **SITE CONDITIONS.** Customer will ensure that all work sites it provides will be safe, secure, and in compliance with all applicable industry and OSHA standards. To the extent applicable and unless the Statement of Work states to the contrary, Customer will ensure that these work sites have adequate: physical space; air conditioning and other environmental conditions; electrical power outlets, distribution and equipment; and telephone or other communication lines (including modem access and adequate interfacing networking capabilities), all for the installation, use and maintenance of the System. Before installing the Equipment or Software at a work site, Motorola will inspect the work site and advise Customer of any apparent deficiencies or non-conformities with the requirements of this Section. This Agreement is predicated upon normal soil conditions as defined by the version of E.I.A. standard RS-222 in effect on the Effective Date.

6.3. **SITE ISSUES.** If a Party determines that the sites identified in the Technical and Implementation Documents are no longer available or desired, or if subsurface, structural, adverse environmental or latent conditions at any site differ from those indicated in the Technical and Implementation Documents, the Parties will promptly investigate the conditions and will select replacement sites or adjust the installation plans and specifications as necessary. If change in sites or adjustment to the installation

plans and specifications causes a change in the cost or time to perform, the Parties will equitably amend the Contract Price, Performance Schedule, or both, by a change order.

Section 7 TRAINING

Any training to be provided by Motorola to Customer will be described in the Statement of Work. Customer will notify Motorola immediately if a date change for a scheduled training program is required. If Motorola incurs additional costs because Customer reschedules a training program less than thirty (30) days before its scheduled start date, Motorola may recover these additional costs.

Section 8 SYSTEM ACCEPTANCE

8.1. COMMENCEMENT OF ACCEPTANCE TESTING. Motorola will provide to Customer at least ten (10) days notice before the Acceptance Tests commence. System testing will occur only in accordance with the Acceptance Test Plan.

8.2. SYSTEM ACCEPTANCE. System Acceptance will occur upon successful completion of the Acceptance Tests. Upon System Acceptance, the Parties will memorialize this event by promptly executing a System Acceptance Certificate. If the Acceptance Test Plan includes separate tests for individual Subsystems or phases of the System, acceptance of the individual Subsystem or phase will occur upon the successful completion of the Acceptance Tests for the Subsystem or phase, and the Parties will promptly execute an acceptance certificate for the Subsystem or phase. If Customer believes the System has failed the completed Acceptance Tests, Customer will provide to Motorola a written notice that includes the specific details of the failure. If Customer does not provide to Motorola a failure notice within thirty (30) days after completion of the Acceptance Tests, System Acceptance will be deemed to have occurred as of the completion of the Acceptance Tests. Minor omissions or variances in the System that do not materially impair the operation of the System as a whole will not postpone System Acceptance or Subsystem acceptance, but will be corrected according to a mutually agreed schedule.

8.3. BENEFICIAL USE. Customer acknowledges that Motorola's ability to perform its implementation and testing responsibilities may be impeded if Customer begins using the System before System Acceptance. Therefore, Customer will not commence Beneficial Use before System Acceptance without Motorola's prior written authorization, which will not be unreasonably withheld. Motorola is not responsible for System performance deficiencies that occur during unauthorized Beneficial Use. Upon commencement of Beneficial Use, Customer assumes responsibility for the use and operation of the System.

8.4 FINAL PROJECT ACCEPTANCE. Final Project Acceptance will occur after System Acceptance when all deliverables and other work have been completed. When Final Project Acceptance occurs, the parties will promptly memorialize this final event by so indicating on the System Acceptance Certificate.

Section 9 REPRESENTATIONS AND WARRANTIES

9.1. SYSTEM FUNCTIONALITY. Motorola represents that the System will perform in accordance with the Specifications in all material respects. Upon System Acceptance or Beneficial Use, whichever occurs first, this System functionality representation is fulfilled. Motorola is not responsible for System performance deficiencies that are caused by ancillary equipment not furnished by Motorola which is attached to or used in connection with the System or for reasons or parties beyond Motorola's control, such as natural causes; the construction of a building that adversely affects the microwave path reliability or radio frequency (RF) coverage; the addition of frequencies at System sites that cause RF interference or intermodulation; or Customer changes to load usage or configuration outside the Specifications.

9.2. EQUIPMENT WARRANTY. During the Warranty Period, Motorola warrants that the Equipment under normal use and service will be free from material defects in materials and workmanship. If System

Acceptance is delayed beyond six (6) months after shipment of the Equipment by events or causes within Customer's control, this warranty expires eighteen (18) months after the shipment of the Equipment.

9.3. **MOTOROLA SOFTWARE WARRANTY.** Unless otherwise stated in the Software License Agreement, during the Warranty Period, Motorola warrants the Motorola Software in accordance with the terms of the Software License Agreement and the provisions of this Section 9 that are applicable to the Motorola Software. If System Acceptance is delayed beyond six (6) months after shipment of the Motorola Software by events or causes within Customer's control, this warranty expires eighteen (18) months after the shipment of the Motorola Software.

9.4. **EXCLUSIONS TO EQUIPMENT AND MOTOROLA SOFTWARE WARRANTIES.** These warranties do not apply to: (i) defects or damage resulting from: use of the Equipment or Motorola Software in other than its normal, customary, and authorized manner; accident, liquids, neglect, or acts of God; testing, maintenance, disassembly, repair, installation, alteration, modification, or adjustment not provided or authorized in writing by Motorola; Customer's failure to comply with all applicable industry and OSHA standards; (ii) breakage of or damage to antennas unless caused directly by defects in material or workmanship; (iii) Equipment that has had the serial number removed or made illegible; (iv) batteries (because they carry their own separate limited warranty) or consumables; (v) freight costs to ship Equipment to the repair depot; (vi) scratches or other cosmetic damage to Equipment surfaces that does not affect the operation of the Equipment; and (vii) normal or customary wear and tear.

9.5. **WARRANTY CLAIMS.** To assert a warranty claim, Customer must notify Motorola in writing of the claim before the expiration of the Warranty Period. Upon receipt of this notice, Motorola will investigate the warranty claim. If this investigation confirms a valid warranty claim, Motorola will (at its option and at no additional charge to Customer) repair the defective Equipment or Motorola Software, replace it with the same or equivalent product, or refund the price of the defective Equipment or Motorola Software. That action will be the full extent of Motorola's liability for the warranty claim. If this investigation indicates the warranty claim is not valid, then Motorola may invoice Customer for responding to the claim on a time and materials basis using Motorola's then current labor rates. Repaired or replaced product is warranted for the balance of the original applicable warranty period. All replaced products or parts will become the property of Motorola.

9.6. **ORIGINAL END USER IS COVERED.** These express limited warranties are extended by Motorola to the original user purchasing the System for commercial, industrial, or governmental use only, and are not assignable or transferable.

9.7. **DISCLAIMER OF OTHER WARRANTIES. THESE WARRANTIES ARE THE COMPLETE WARRANTIES FOR THE EQUIPMENT AND MOTOROLA SOFTWARE PROVIDED UNDER THIS AGREEMENT AND ARE GIVEN IN LIEU OF ALL OTHER WARRANTIES. MOTOROLA DISCLAIMS ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**

Section 10 DELAYS

10.1. **FORCE MAJEURE.** Neither Party will be liable for its non-performance or delayed performance if caused by a Force Majeure. A Party that becomes aware of a Force Majeure that will significantly delay performance will notify the other Party promptly (but in no event later than fifteen days) after it discovers the Force Majeure. If a Force Majeure occurs, the Parties will execute a change order to extend the Performance Schedule for a time period that is reasonable under the circumstances.

10.2. **PERFORMANCE SCHEDULE DELAYS CAUSED BY CUSTOMER.** If Customer (including its other contractors) delays the Performance Schedule, it will make the promised payments according to the Payment Schedule as if no delay occurred; and the Parties will execute a change order to extend the Performance Schedule and, if requested, compensate Motorola for all reasonable charges incurred because of the delay. Delay charges may include costs incurred by Motorola or its subcontractors for additional freight, warehousing and handling of Equipment; extension of the warranties; travel;

suspending and re-mobilizing the work; additional engineering, project management, and standby time calculated at then current rates; and preparing and implementing an alternative implementation plan.

Section 11 DISPUTES

11.1. SETTLEMENT PREFERRED. The Parties, by their project managers, will attempt to settle any dispute arising from this Agreement (except for a claim relating to intellectual property or breach of confidentiality) through consultation and a spirit of mutual cooperation. The dispute will be escalated to appropriate higher-level managers of the parties, if necessary. If cooperative efforts fail, the dispute will be mediated by a mediator chosen jointly by the Parties within thirty (30) days after notice by one of the parties demanding non-binding mediation. The Parties will not unreasonably withhold their consents to the selection of a mediator, will share the cost of the mediation equally, may agree to postpone mediation until they have completed some specified but limited discovery about the dispute, and may replace mediation with some other form of non-binding alternative dispute resolution ("ADR").

11.2. LITIGATION. A Party may submit to a court of competent jurisdiction in the state in which the System is installed any claim relating to intellectual property or a breach of confidentiality provisions and any dispute that cannot be resolved between the parties through negotiation or mediation within two (2) months after the date of the initial demand for non-binding mediation. Each Party consents to jurisdiction over it by that court. The use of ADR procedures will not be considered under the doctrine of laches, waiver, or estoppel to affect adversely the rights of either Party. Either Party may resort to the judicial proceedings described in this section before the expiration of the two-month ADR period if good faith efforts to resolve the dispute under these procedures have been unsuccessful; or interim relief from the court is necessary to prevent serious and irreparable injury to the Party.

Section 12 DEFAULT AND TERMINATION

12.1. DEFAULT BY A PARTY. If either Party fails to perform a material obligation under this Agreement, the other Party may consider the non-performing Party to be in default (unless a Force Majeure causes the failure) and may assert a default claim by giving the non-performing Party a written and detailed notice of default. Except for a default by Customer for failing to pay any amount when due under this Agreement which must be cured immediately, the defaulting Party will have thirty (30) days after receipt of the notice of default to either cure the default or, if the default is not curable within thirty (30) days, provide a written cure plan. The defaulting Party will begin implementing the cure plan immediately after receipt of notice by the other Party that it approves the plan. If Customer is the defaulting Party, Motorola may stop work on the project until it approves the Customer's cure plan.

12.2. FAILURE TO CURE. If a defaulting Party fails to cure the default as provided above in Section 12.1, unless otherwise agreed in writing, the non-defaulting Party may terminate any unfulfilled portion of this Agreement. In the event of termination for default, the defaulting Party will promptly return to the non-defaulting Party any of its Confidential Information. If Customer is the non-defaulting Party, terminates this Agreement as permitted by this Section, and completes the System through a third party, Customer may as its exclusive remedy recover from Motorola reasonable costs incurred to complete the System to a capability not exceeding that specified in this Agreement less the unpaid portion of the Contract Price. Customer will mitigate damages and provide Motorola with detailed invoices substantiating the charges.

Section 13 INDEMNIFICATION

13.1. GENERAL INDEMNITY BY MOTOROLA. Motorola will indemnify and hold Customer harmless from any and all liability, expense, judgment, suit, cause of action, or demand for personal injury, death, or direct damage to tangible property which may accrue against Customer to the extent it is caused by the negligence of Motorola, its subcontractors, or their employees or agents, while performing their duties under this Agreement, if Customer gives Motorola prompt, written notice of any the claim or suit. Customer will cooperate with Motorola in its defense or settlement of the claim or suit. This section sets

forth the full extent of Motorola's general indemnification of Customer from liabilities that are in any way related to Motorola's performance under this Agreement.

13.2. **GENERAL INDEMNITY BY CUSTOMER.** Customer will indemnify and hold Motorola harmless from any and all liability, expense, judgment, suit, cause of action, or demand for personal injury, death, or direct damage to tangible property which may accrue against Motorola to the extent it is caused by the negligence of Customer, its other contractors, or their employees or agents, while performing their duties under this Agreement, if Motorola gives Customer prompt, written notice of any the claim or suit. Motorola will cooperate with Customer in its defense or settlement of the claim or suit. This section sets forth the full extent of Customer's general indemnification of Motorola from liabilities that are in any way related to Customer's performance under this Agreement.

13.3. **PATENT AND COPYRIGHT INFRINGEMENT.**

13.3.1. Motorola will defend at its expense any suit brought against Customer to the extent it is based on an Infringement Claim, and Motorola will indemnify Customer for those costs and damages finally awarded against Customer for an Infringement Claim. Motorola's duties to defend and indemnify are conditioned upon: Customer promptly notifying Motorola in writing of the Infringement Claim; Motorola having sole control of the defense of the suit and all negotiations for its settlement or compromise; and Customer providing to Motorola cooperation and, if requested by Motorola, reasonable assistance in the defense of the Infringement Claim.

13.3.2. If an Infringement Claim occurs, or in Motorola's opinion is likely to occur, Motorola may at its option and expense procure for Customer the right to continue using the Equipment or Motorola Software, replace or modify it so that it becomes non-infringing while providing functionally equivalent performance, or grant Customer a credit for the Equipment or Motorola Software as depreciated and accept its return. The depreciation amount will be calculated based upon generally accepted accounting standards for such Equipment and Motorola Software.

13.3.3. Motorola will have no duty to defend or indemnify for any Infringement Claim that is based upon the combination of the Equipment or Motorola Software with any software, apparatus or device not furnished by Motorola; the use of ancillary equipment or software not furnished by Motorola and that is attached to or used in connection with the Equipment or Motorola Software; any Equipment that is not Motorola's design or formula; a modification of the Motorola Software by a party other than Motorola; or the failure by Customer to install an enhancement release to the Motorola Software that is intended to correct the claimed infringement. The foregoing states the entire liability of Motorola with respect to infringement of patents and copyrights by the Equipment, Motorola Software, or any of their parts.

Section 14 LIMITATION OF LIABILITY

Except for personal injury or death, Motorola's total liability, whether for breach of contract, warranty, negligence, strict liability in tort, indemnification, or otherwise, will be limited to the direct damages recoverable under law, but not to exceed the price of the Equipment, Software, or services with respect to which losses or damages are claimed. **ALTHOUGH THE PARTIES ACKNOWLEDGE THE POSSIBILITY OF SUCH LOSSES OR DAMAGES, THEY AGREE THAT MOTOROLA WILL NOT BE LIABLE FOR ANY COMMERCIAL LOSS; INCONVENIENCE; LOSS OF USE, TIME, DATA, GOOD WILL, REVENUES, PROFITS OR SAVINGS; OR OTHER SPECIAL, INCIDENTAL, INDIRECT, OR CONSEQUENTIAL DAMAGES IN ANY WAY RELATED TO OR ARISING FROM THIS AGREEMENT, THE SALE OR USE OF THE EQUIPMENT OR SOFTWARE, OR THE PERFORMANCE OF SERVICES BY MOTOROLA PURSUANT TO THIS AGREEMENT.** This limitation of liability provision survives the expiration or termination of this Agreement and applies notwithstanding any contrary provision. No action for contract breach or otherwise relating to the transactions contemplated by this Agreement may be brought more than one (1) year after the accrual of the cause of action, except for money due upon an open account.

Section 15 CONFIDENTIALITY AND PROPRIETARY RIGHTS

15.1. **CONFIDENTIAL INFORMATION.** During the term of this Agreement, the Parties may provide each other with Confidential Information. Each Party will: maintain the confidentiality of the other Party's Confidential Information and not disclose it to any third party, except as authorized by the disclosing Party in writing or as required by a court of competent jurisdiction; restrict disclosure of Confidential Information to its employees who have a "need to know" and not copy or reproduce the Confidential Information; take necessary and appropriate precautions to guard the confidentiality of Confidential Information, including informing its employees who handle the Confidential Information that it is confidential and is not to be disclosed to others, but these precautions will be at least the same degree of care that the receiving Party applies to its own confidential information and will not be less than reasonable care; and use the Confidential Information only in furtherance of the performance of this Agreement. Confidential Information is and shall at all times remain the property of the disclosing Party, and no grant of any proprietary rights in the Confidential Information is given or intended, including any express or implied license, other than the limited right of the recipient to use the Confidential Information in the manner and to the extent permitted by this Agreement.

15.2. **PRESERVATION OF MOTOROLA'S PROPRIETARY RIGHTS.** Motorola, the third party manufacturer of any Equipment, and the copyright owner of any Non-Motorola Software own and retain all of their respective Proprietary Rights in the Equipment and Software, and nothing in this Agreement is intended to restrict their Proprietary Rights. All intellectual property developed, originated, or prepared by Motorola in connection with providing to Customer the Equipment, Software, or related services remain vested exclusively in Motorola, and this Agreement does not grant to Customer any shared development rights of intellectual property. Except as explicitly provided in the Software License Agreement, Motorola does not grant to Customer, either directly or by implication, estoppel, or otherwise, any right, title or interest in Motorola's Proprietary Rights. Customer will not modify, disassemble, peel components, decompile, otherwise reverse engineer or attempt to reverse engineer, derive source code or create derivative works from, adapt, translate, merge with other software, reproduce, distribute, sublicense, sell or export the Software, or permit or encourage any third party to do so. The preceding sentence does not apply to Open Source Software which is governed by the standard license of the copyright owner.

Section 16 GENERAL

16.1. **TAXES.** The Contract Price does not include any excise, sales, lease, use, property, or other taxes, assessments or duties, all of which will be paid by Customer except as exempt by law. If Motorola is required to pay any of these taxes, Motorola will send an invoice to Customer and Customer will pay to Motorola the amount of the taxes (including any interest and penalties) within twenty (20) days after the date of the invoice. Customer will be solely responsible for reporting the Equipment for personal property tax purposes, and Motorola will be solely responsible for reporting taxes on its income or net worth.

16.2. **ASSIGNABILITY AND SUBCONTRACTING.** Neither Party may assign this Agreement without the prior written consent of the other Party, except that Motorola may assign this Agreement to any of its affiliates or its right to receive payment without the prior consent of Customer. Motorola may subcontract any of the work, but subcontracting will not relieve Motorola of its duties under this Agreement.

16.3 **WAIVER.** Failure or delay by either Party to exercise a right or power under this Agreement will not be a waiver of the right or power. For a waiver of a right or power to be effective, it must be in a writing signed by the waiving Party. An effective waiver of a right or power will not be construed as either a future or continuing waiver of that same right or power, or the waiver of any other right or power.

16.4. **SEVERABILITY.** If a court of competent jurisdiction renders any part of this Agreement invalid or unenforceable, that part will be severed and the remainder of this Agreement will continue in full force and effect.

16.5. **INDEPENDENT CONTRACTORS.** Each Party will perform its duties under this Agreement only as an independent contractor. The Parties and their personnel will not be considered to be employees or agents of the other Party. Nothing in this Agreement will be interpreted as granting either party the right

or authority to make commitments of any kind for the other. This Agreement will not constitute, create, or be interpreted as a joint venture, partnership or formal business organization of any kind.

16.6. HEADINGS AND SECTION REFERENCES. The section headings in this Agreement are inserted only for convenience and are not to be construed as part of this Agreement or as a limitation of the scope of the particular section to which the heading refers. This Agreement will be fairly interpreted in accordance with its terms and conditions and not for or against either Party.

16.7. GOVERNING LAW. This Agreement and the rights and duties of the Parties will be governed by and interpreted in accordance with the laws of the State in which the System is installed.

16.8. ENTIRE AGREEMENT. This Agreement, including all Exhibits, constitutes the entire agreement of the Parties regarding the subject matter of the Agreement and supersedes all previous agreements, proposals, and understandings, whether written or oral, relating to the subject matter. This Agreement may be amended or modified only by a written instrument signed by authorized representatives of both Parties. The preprinted terms and conditions found on any Customer purchase order, acknowledgment or other form will not be considered an amendment or modification of this Agreement, even if a representative of each Party signs that document.

16.9. NOTICES. Notices required under this Agreement to be given by one Party to the other must be in writing and either delivered personally or sent to the address shown below by certified mail, return receipt requested and postage prepaid (or by a recognized courier service, such as Federal Express, UPS, or DHL), or by facsimile with correct answerback received, and will be effective upon receipt:

Motorola, Inc.
Attn: **C. Christopher Russell**
1301 E. Algonquin Road, SH5D
Schaumburg, IL 60196

Henderson County
Attn: _____
100 North King Street
Hendersonville, NC 28792

fax: (847) 576-0721

fax: _____

16.10. COMPLIANCE WITH APPLICABLE LAWS. Each Party will comply with all applicable federal, state, and local laws, regulations and rules concerning the performance of this Agreement or use of the System. Customer will obtain and comply with all Federal Communications Commission ("FCC") licenses and authorizations required for the installation, operation and use of the System before the scheduled installation of the Equipment. Although Motorola might assist Customer in the preparation of its FCC license applications, neither Motorola nor any of its employees is an agent or representative of Customer in FCC or other matters.

16.11. AUTHORITY TO EXECUTE AGREEMENT. Each Party represents that it has obtained all necessary approvals, consents and authorizations to enter into this Agreement and to perform its duties under this Agreement; the person executing this Agreement on its behalf has the authority to do so; upon execution and delivery of this Agreement by the Parties, it is a valid and binding contract, enforceable in accordance with its terms; and the execution, delivery, and performance of this Agreement does not violate any bylaw, charter, regulation, law or any other governing authority of the Party.

16.12. SURVIVAL OF TERMS. The following provisions shall survive the expiration or termination of this Agreement for any reason: Section 3.6 (Motorola Software); Section 3.7 (Non-Motorola Software); if any payment obligations exist, Sections 5.1 and 5.2 (Contract Price and Invoicing and Payment); Subsection 9.7 (Disclaimer of Implied Warranties); Section 11 (Disputes); Section 14 (Limitation of Liability); and Section 15 (Confidentiality and Proprietary Rights); and all of the General provisions in Section 16.

The Parties hereby enter into this Agreement as of the Effective Date.

Motorola, Inc.

Customer

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

Exhibit A

SOFTWARE LICENSE AGREEMENT

This Exhibit A Software License Agreement ("Agreement") is between Motorola, Inc., ("Motorola"), and _____ Henderson County _____ ("Licensee").

For good and valuable consideration, the parties agree as follows:

Section 1 DEFINITIONS

1.1 "Designated Products" means products provided by Motorola to Licensee with which or for which the Software and Documentation is licensed for use.

1.2 "Documentation" means product and software documentation that specifies technical and performance features and capabilities, and the user, operation and training manuals for the Software (including all physical or electronic media upon which such information is provided).

1.3 "Open Source Software" means software with either freely obtainable source code, license for modification, or permission for free distribution.

1.4 "Open Source Software License" means the terms or conditions under which the Open Source Software is licensed.

1.5 "Primary Agreement" means the agreement to which this exhibit is attached.

1.6 "Security Vulnerability" means a flaw or weakness in system security procedures, design, implementation, or internal controls that could be exercised (accidentally triggered or intentionally exploited) and result in a security breach such that data is compromised, manipulated or stolen or the system damaged.

1.7 "Software" (i) means proprietary software in object code format, and adaptations, translations, de-compilations, disassemblies, emulations, or derivative works of such software; (ii) means any modifications, enhancements, new versions and new releases of the software provided by Motorola; and (iii) may contain one or more items of software owned by a third party supplier. The term "Software" does not include any third party software provided under separate license or third party software not licensable under the terms of this Agreement.

Section 2 SCOPE

Motorola and Licensee enter into this Agreement in connection with Motorola's delivery of certain proprietary Software or products containing embedded or pre-loaded proprietary Software, or both. This Agreement contains the terms and conditions of the license Motorola is providing to Licensee, and Licensee's use of the Software and Documentation.

Section 3 GRANT OF LICENSE

3.1. Subject to the provisions of this Agreement and the payment of applicable license fees, Motorola grants to Licensee a personal, limited, non-transferable (except as permitted in Section 7) and non-exclusive license under Motorola's copyrights and Confidential Information (as defined in the Primary Agreement) embodied in the Software to use the Software, in object code form, and the Documentation

solely in connection with Licensee's use of the Designated Products. This Agreement does not grant any rights to source code.

3.2. If the Software licensed under this Agreement contains or is derived from Open Source Software, the terms and conditions governing the use of such Open Source Software are in the Open Source Software Licenses of the copyright owner and not this Agreement. If there is a conflict between the terms and conditions of this Agreement and the terms and conditions of the Open Source Software Licenses governing Licensee's use of the Open Source Software, the terms and conditions of the license grant of the applicable Open Source Software Licenses will take precedence over the license grants in this Agreement. If requested by Licensee, Motorola will use commercially reasonable efforts to: (i) determine whether any Open Source Software is provided under this Agreement; (ii) identify the Open Source Software and provide Licensee a copy of the applicable Open Source Software License (or specify where that license may be found); and, (iii) provide Licensee a copy of the Open Source Software source code, without charge, if it is publicly available (although distribution fees may be applicable).

Section 4 LIMITATIONS ON USE

4.1. Licensee may use the Software only for Licensee's internal business purposes and only in accordance with the Documentation. Any other use of the Software is strictly prohibited. Without limiting the general nature of these restrictions, Licensee will not make the Software available for use by third parties on a "time sharing," "application service provider," or "service bureau" basis or for any other similar commercial rental or sharing arrangement.

4.2. Licensee will not, and will not allow or enable any third party to: (i) reverse engineer, disassemble, peel components, decompile, reprogram or otherwise reduce the Software or any portion to a human perceptible form or otherwise attempt to recreate the source code; (ii) modify, adapt, create derivative works of, or merge the Software; (iii) copy, reproduce, distribute, lend, or lease the Software or Documentation to any third party, grant any sublicense or other rights in the Software or Documentation to any third party, or take any action that would cause the Software or Documentation to be placed in the public domain; (iv) remove, or in any way alter or obscure, any copyright notice or other notice of Motorola's proprietary rights; (v) provide, copy, transmit, disclose, divulge or make the Software or Documentation available to, or permit the use of the Software by any third party or on any machine except as expressly authorized by this Agreement; or (vi) use, or permit the use of, the Software in a manner that would result in the production of a copy of the Software solely by activating a machine containing the Software. Licensee may make one copy of Software to be used solely for archival, back-up, or disaster recovery purposes; *provided* that Licensee may not operate that copy of the Software at the same time as the original Software is being operated. Licensee may make as many copies of the Documentation as it may reasonably require for the internal use of the Software.

4.3. Unless otherwise authorized by Motorola in writing, Licensee will not, and will not enable or allow any third party to: (i) install a licensed copy of the Software on more than one unit of a Designated Product; or (ii) copy onto or transfer Software installed in one unit of a Designated Product onto one other device. Licensee may temporarily transfer Software installed on a Designated Product to another device if the Designated Product is inoperable or malfunctioning, if Licensee provides written notice to Motorola of the temporary transfer and identifies the device on which the Software is transferred. Temporary transfer of the Software to another device must be discontinued when the original Designated Product is returned to operation and the Software must be removed from the other device. Licensee must provide prompt written notice to Motorola at the time temporary transfer is discontinued

4.4. When using Motorola's Radio Service Software ("RSS"), Licensee must purchase a separate license for each location at which Licensee uses RSS. Licensee's use of RSS at a licensed location does not entitle Licensee to use or access RSS remotely. Licensee may make one copy of RSS for each licensed location. Licensee shall provide Motorola with a list of all locations at which Licensee uses or intends to use RSS upon Motorola's request.

4.5. Licensee will maintain, during the term of this Agreement and for a period of two years thereafter, accurate records relating to this license grant to verify compliance with this Agreement. Motorola or an independent third party ("Auditor") may inspect Licensee's premises, books and records, upon reasonable prior notice to Licensee, during Licensee's normal business hours and subject to Licensee's facility and security regulations. Motorola is responsible for the payment of all expenses and costs of the Auditor. Any information obtained by Motorola and the Auditor will be kept in strict confidence by Motorola and the Auditor and used solely for the purpose of verifying Licensee's compliance with the terms of this Agreement.

Section 5 OWNERSHIP AND TITLE

Motorola, its licensors, and its suppliers retain all of their proprietary rights in any form in and to the Software and Documentation, including, but not limited to, all rights in patents, patent applications, inventions, copyrights, trademarks, trade secrets, trade names, and other proprietary rights in or relating to the Software and Documentation (including any corrections, bug fixes, enhancements, updates, modifications, adaptations, translations, de-compilations, disassemblies, emulations to or derivative works from the Software or Documentation, whether made by Motorola or another party, or any improvements that result from Motorola's processes or, provision of information services). No rights are granted to Licensee under this Agreement by implication, estoppel or otherwise, except for those rights which are expressly granted to Licensee in this Agreement. All intellectual property developed, originated, or prepared by Motorola in connection with providing the Software, Designated Products, Documentation or related services, remains vested exclusively in Motorola, and Licensee will not have any shared development or other intellectual property rights.

Section 6 LIMITED WARRANTY; DISCLAIMER OF WARRANTY

6.1. The commencement date and the term of the Software warranty will be a period of one (1) year from Motorola's shipment of the Software (the "Warranty Period"). If Licensee is not in breach of any of its obligations under this Agreement, Motorola warrants that the unmodified Software, when used properly and in accordance with the Documentation and this Agreement, will be free from a reproducible defect that eliminates the functionality or successful operation of a feature critical to the primary functionality or successful operation of the Software. Whether a defect occurs will be determined by Motorola solely with reference to the Documentation. Motorola does not warrant that Licensee's use of the Software or the Designated Products will be uninterrupted, error-free, completely free of Security Vulnerabilities, or that the Software or the Designated Products will meet Licensee's particular requirements, Motorola makes no representations or warranties with respect to any third party software included in the Software.

6.2 Motorola's sole obligation to Licensee and Licensee's exclusive remedy under this warranty is to use reasonable efforts to remedy any material Software defect covered by this warranty. These efforts will involve either replacing the media or attempting to correct significant, demonstrable program or documentation errors or Security Vulnerabilities. If Motorola cannot correct the defect within a reasonable time, then at Motorola's option, Motorola will replace the defective Software with functionally-equivalent Software, license to Licensee substitute Software which will accomplish the same objective, or terminate the license and refund the Licensee's paid license fee.

6.3. Warranty claims are described in the Primary Agreement.

6.4. **The express warranties set forth in this Section 6 are in lieu of, and Motorola disclaims, any and all other warranties (express or implied, oral or written) with respect to the Software or Documentation, including, without limitation, any and all implied warranties of condition, title, non-infringement, merchantability, or fitness for a particular purpose or use by Licensee (whether or not Motorola knows, has reason to know, has been advised, or is otherwise aware of any such purpose or use), whether arising by law, by reason of custom or usage of trade, or by course of**

dealing. In addition, Motorola disclaims any warranty to any person other than Licensee with respect to the Software or Documentation.

Section 7 TRANSFERS

Licensee will not transfer the Software or Documentation to any third party without Motorola's prior written consent. Motorola's consent may be withheld at its discretion and may be conditioned upon transferee paying all applicable license fees and agreeing to be bound by this Agreement. If the Designated Products are Motorola's radio products and Licensee transfers ownership of the Motorola radio products to a third party, Licensee may assign its right to use the Software (other than RSS and Motorola's FLASHport® software) which is embedded in or furnished for use with the radio products and the related Documentation; provided that Licensee transfers all copies of the Software and Documentation to the transferee, and Licensee and the transferee sign a transfer form to be provided by Motorola upon request, obligating the transferee to be bound by this Agreement.

Section 8 TERM AND TERMINATION

8.1 Licensee's right to use the Software and Documentation will begin when the Primary Agreement is signed by both parties and will continue for the life of the Designated Products with which or for which the Software and Documentation have been provided by Motorola, unless Licensee breaches this Agreement, in which case this Agreement and Licensee's right to use the Software and Documentation may be terminated immediately upon notice by Motorola.

8.2 Within thirty (30) days after termination of this Agreement, Licensee must certify in writing to Motorola that all copies of the Software have been removed or deleted from the Designated Products and that all copies of the Software and Documentation have been returned to Motorola or destroyed by Licensee and are no longer in use by Licensee.

8.3 Licensee acknowledges that Motorola made a considerable investment of resources in the development, marketing, and distribution of the Software and Documentation and that Licensee's breach of this Agreement will result in irreparable harm to Motorola for which monetary damages would be inadequate. If Licensee breaches this Agreement, Motorola may terminate this Agreement and be entitled to all available remedies at law or in equity (including immediate injunctive relief and repossession of all non-embedded Software and associated Documentation unless Licensee is a Federal agency of the United States Government).

Section 9 UNITED STATES GOVERNMENT LICENSING PROVISIONS

This Section applies if Licensee is the United States Government or a United States Government agency. Licensee's use, duplication or disclosure of the Software and Documentation under Motorola's copyrights or trade secret rights is subject to the restrictions set forth in subparagraphs (c)(1) and (2) of the Commercial Computer Software-Restricted Rights clause at FAR 52.227-19 (JUNE 1987), if applicable, unless they are being provided to the Department of Defense. If the Software and Documentation are being provided to the Department of Defense, Licensee's use, duplication, or disclosure of the Software and Documentation is subject to the restricted rights set forth in subparagraph (c)(1)(ii) of the Rights in Technical Data and Computer Software clause at DFARS 252.227-7013 (OCT 1988), if applicable. The Software and Documentation may or may not include a Restricted Rights notice, or other notice referring to this Agreement. The provisions of this Agreement will continue to apply, but only to the extent that they are consistent with the rights provided to the Licensee under the provisions of the FAR or DFARS mentioned above, as applicable to the particular procuring agency and procurement transaction.

Section 10 CONFIDENTIALITY

Licensee acknowledges that the Software and Documentation contain Motorola's valuable proprietary and Confidential Information and are Motorola's trade secrets, and that the provisions in the Primary Agreement concerning Confidential Information apply.

Section 11 LIMITATION OF LIABILITY

The Limitation of Liability provision is described in the Primary Agreement.

Section 12 NOTICES

Notices are described in the Primary Agreement.

Section 13 GENERAL

13.1. COPYRIGHT NOTICES. The existence of a copyright notice on the Software will not be construed as an admission or presumption of publication of the Software or public disclosure of any trade secrets associated with the Software.

13.2. COMPLIANCE WITH LAWS. Licensee acknowledges that the Software is subject to the laws and regulations of the United States and Licensee will comply with all applicable laws and regulations, including export laws and regulations of the United States. Licensee will not, without the prior authorization of Motorola and the appropriate governmental authority of the United States, in any form export or re-export, sell or resell, ship or reship, or divert, through direct or indirect means, any item or technical data or direct or indirect products sold or otherwise furnished to any person within any territory for which the United States Government or any of its agencies at the time of the action, requires an export license or other governmental approval. Violation of this provision is a material breach of this Agreement.

13.3. ASSIGNMENTS AND SUBCONTRACTING. Motorola may assign its rights or subcontract its obligations under this Agreement, or encumber or sell its rights in any Software, without prior notice to or consent of Licensee.

13.4. GOVERNING LAW. This Agreement is governed by the laws of the United States to the extent that they apply and otherwise by the internal substantive laws of the State to which the Software is shipped if Licensee is a sovereign government entity, or the internal substantive laws of the State of Illinois if Licensee is not a sovereign government entity. The terms of the U.N. Convention on Contracts for the International Sale of Goods do not apply. In the event that the Uniform Computer Information Transaction Act, any version of this Act, or a substantially similar law (collectively "UCITA") becomes applicable to a party's performance under this Agreement, UCITA does not govern any aspect of this Agreement or any license granted under this Agreement, or any of the parties' rights or obligations under this Agreement. The governing law will be that in effect prior to the applicability of UCITA.

13.5. THIRD PARTY BENEFICIARIES. This Agreement is entered into solely for the benefit of Motorola and Licensee. No third party has the right to make any claim or assert any right under this Agreement, and no third party is deemed a beneficiary of this Agreement. Notwithstanding the foregoing, any licensor or supplier of third party software included in the Software will be a direct and intended third party beneficiary of this Agreement.

13.6. SURVIVAL. Sections 4, 5, 6.3, 7, 8, 9, 10, 11 and 13 survive the termination of this Agreement.

13.7. ORDER OF PRECEDENCE. In the event of inconsistencies between this Exhibit and the Primary Agreement, the parties agree that this Exhibit prevails, only with respect to the specific subject matter of this Exhibit, and not the Primary Agreement or any other exhibit as it applies to any other subject matter.

13.8 SECURITY. Motorola's Information Assurance Policy addresses the issue of security. Motorola uses reasonable means in the design and writing of its own Software and the acquisition of third party Software to limit Security Vulnerabilities. While no software can be guaranteed to be free from Security Vulnerabilities, if a Security Vulnerability is discovered, Motorola will take the steps set forth in Section 6 of this Agreement.

Exhibit B

Payment Schedule

Except for a payment that is due on the Effective Date, Customer will make payments to Motorola within twenty (20) days after the date of each invoice. Customer will make payments when due in the form of a check, cashier's check, or wire transfer drawn on a U.S. financial institution and in accordance with the following milestones.

1. 30% due upon contract execution;
2. 60% of the Contract Price upon shipment of equipment;
3. 5% of the Contract Price upon completion of installation;
3. 5% of the Contract Price upon final acceptance;

Motorola reserves the right to make partial shipments of equipment and to request payment upon shipment of such equipment. In addition, Motorola reserves the right to invoice for installations or civil work completed on a site-by-site basis, when applicable.

Exhibit C
From Motorola Proposal Dated March 18,2008

C-1 System Description

Motorola is proposing a communications solution for Henderson County that consists of upgrading and expanding the existing 911 CENTRACOM Gold Elite dispatch console system. In addition RF control station equipment and several subsystems will be provided to enable operation on the State of NC Viper trunked radio system.

The county's existing seven (7) position CENTRACOM console system would be upgraded to the current hardware and software revisions and expanded to nine (9) operator positions. The channel capabilities of the console system will also be expanded to include interface with the proposed XTL5000 control stations for the NC Viper 800 MHz radio system.

The following new equipment or upgrades to existing equipment are proposed.

- ◆ All firmware and software in the existing CENTRACOM console dispatch system will be upgraded and brought to current versions and platforms.
- ◆ Two (2) new dispatch operator positions will be installed to at the prime 911 center to expand the total console system to nine (9) operator positions.
- ◆ Ten (10) new XTL5000 control stations will be supplied for use at the prime 911 center. These stations will be used with a GenSac interface to enable PTT ID and Emergency display and will utilize the NC Viper 800 MHz radio system.
- ◆ One (1) control station combiner is proposed for use with the proposed XTL5000 control stations. This combiner will allow simultaneous operation of these stations using a single antennae system.
- ◆ The existing CENTRACOM Gold Elite server will be replaced and the CDM and ADM software upgraded to the current platform and revisions.
- ◆ Two (2) positions of Watson Dispatch communications console furniture will be supplied for use with the two new Elite dispatch operator positions.

Some key capabilities and features of the proposed CENTRACOM console system are provided below.

CENTRACOM Gold Elite Console System

The CENTRACOM Gold Elite Console system is an advanced software-based dispatch control center that is fast and powerful, yet especially simple to learn and use. With a wide range of benefits as listed below, the CENTRACOM Gold Elite is an essential part of your operation.

- ◆ **More effective communications through enhanced audio**—The CENTRACOM Gold Elite includes an enhanced audio package that can route audio to select and unselect speakers. The

Console Interface Electronics (CIE) module allows dispatchers to hear radio and telephone calls clearly through its front speakers. This makes for exceptionally clear radio and telephone reception allowing easier response to field personnel.

- ◆ **Ease of use and single-point configuration**—The CENTRACOM Gold Elite has a Graphical User Interface (GUI) that runs under a Microsoft® Windows® operating system making the system very user-friendly. The familiar Windows environment minimizes the learning curve. In addition, the system has the capability for single-point configuration. Connectivity over the Local Area Network (LAN) allows you to assign specific folders and resources to specific dispatch positions. More importantly, you can customize each dispatcher's level of control with password protection.
- ◆ **Customized convenience**—The Alias Database Manager (ADM) allows thousands of "alias" names to be stored in the system for radio IDs and telephone numbers. Depending on your radio system, dispatchers can see information such as who is calling, time and call type/status. Callers are identified by real names, not IDs.
- ◆ **Improved security through encryption**—The Transmit Mode Select feature identifies whether an incoming transmission is encrypted to curtail eavesdropping by unintended listeners. The dispatcher can change the encoding and encryption mode so the message reaches only the intended radio users.
- ◆ **Compatibility by design**—Compatibility with all existing CENTRACOM Gold Series consoles makes upgrading to Elite's advanced technology simple.
- ◆ **Flexibility**—The Application Programming Interface (API) offers greater flexibility, enhancing Motorola's standard system design. System designers can integrate third party applications to create customized user interface presentations for the console system, or design a gateway application that routes console commands and provides status to and from a third-party application.
- ◆ **Fault tolerant by design**—The CENTRACOM Gold Elite is highly fault tolerant. No single point of failure will result in the loss of more than one dispatch position or radio channel. The dispatch position personality information is downloaded from the server's master database to dispatch positions over the LAN.
- ◆ **Longevity of investment through service agreements**—Motorola's Software Subscription Agreement (SSA), if included as part of your project, provides you with the ability to obtain updated software that offers new features and improved functionality so you can leverage your software investment.

System Configuration and Operation

Configuration

Motorola's solution for Henderson County's public safety communications needs includes upgrading and expanding the CENTRACOM Gold Elite console system that currently supports the emergency 911 dispatch center. The center is located in Henderson County NC.

The proposed console solution consists of upgrading the Elite server as well as the existing seven-operator position console system. Four additional operator positions will be provided as part of the project bringing the system to a total of eleven operator positions. The system will support all functions of Henderson County's public safety primary radio dispatch operations. This console system will enable Henderson County to have dispatch capability for trunked control stations and conventional channels.

System Architecture

The solution proposed by Motorola consists of several major components as shown in Figure 1—CENTRACOM Gold Elite operator positions, Console and Alias Database Managers, Central Electronics Bank, and client-server architecture.

- ◆ **CENTRACOM Gold Elite operator positions**—An Elite operator position is a software-based radio dispatch control center. It consists of a workstation (labeled CENTRACOM Elite Workstation in Figure 1) running the CENTRACOM Gold Elite Dispatch program that displays and controls all resources being monitored.
- ◆ **Console Database Manager and Alias Database Manager**—The Console Database Manager (CDM) and the ADM are Microsoft Windows-based programs that reside on the CENTRACOM Gold Elite Server PC (labeled Server in Figure 1). The CDM configures the resource information for the console system. The ADM allows on-line aliasing of radio unit IDs for advanced radio database management.
- ◆ **Central Electronics Bank**—The Central Electronics Bank (CEB) connects the console positions to the communications equipment they control. CENTRACOM control centers use a distributed architecture, which allows multiple dispatch positions to share a CEB. Individual dispatch positions are connected to the CEB and, in turn, the CEB is connected to the radio communication system(s). The CEB contains the majority of the electronics in a control center.
- ◆ **Client-server based architecture**—Through this architecture, all operator positions are connected via a local area network (or a wide area network if there are remote operator positions). The console operator workstation runs the CENTRACOM Gold Elite Dispatch application and the CENTRACOM Gold Elite Admin programs. The additional management software resides on a server.

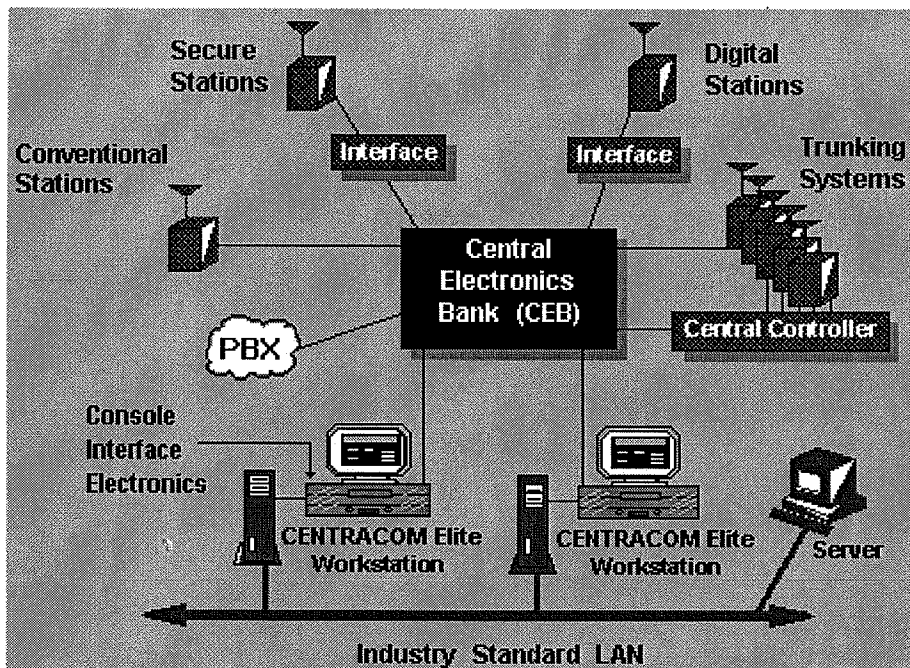


Figure 1: CENTRACOM Gold Elite Architecture Diagram.

System Operation

As shown in Figure 1, an Elite control center system consists of dispatch positions connected to a CEB via seven-pair cables and to each other via a LAN. The LAN configuration always has a CDM server and may have an ADM server.

Each dispatch position consists of a Pentium®-level workstation and a CIE package. The CIE provides the physical link between the Elite dispatch position and the CEB via the seven-pair cable. The CIE can be placed on the desktop or furniture mounted. Each CIE contains the following:

- ◆ **Condenser microphone** used for dispatch transmit audio
- ◆ **Vu meter** to display the level of either the microphone audio or the select speaker audio
- ◆ **Select speaker** to hear the selected channel's audio from the select speaker
- ◆ **Select speaker volume control** to control the volume of the select speaker
- ◆ **Transmit switch** to transmit audio over the selected channel when pressed
- ◆ **Unselect speaker** to hear the unselected channel audio in the unselect speaker
- ◆ **Unselect speaker volume control** to control the volume of the unselect speaker

All console system audio is routed from the various audio sources and to the appropriate destination through the CEB. Audio switching that takes place in the CEB is based on the digital Time Division Multiplex (TDM) method. Audio coming into the CEB (from a base station, telephone line, dispatch position speaker, etc.) is digitized and routed through the switch as digital packets. When digitized audio reaches its destination it is converted back to analog audio.

All CENTRACOM Gold Elite dispatch position workstations and servers are connected via the Elite LAN. The CDM is a server-based software program that configures the control center through this network. The CDM configures dispatch positions, conventional channels and talk groups via an easy-to-use GUI. It is not necessary to program the personality information into each operator position; personality information entered in the CDM is automatically disseminated to the Elite dispatch positions via the LAN.

The ADM software program provides on-line aliasing of radio unit IDs, status numbers, message numbers and outbound phone numbers. The ADM is required for any Elite system that uses aliases on any of the dispatch positions.

System Expansion

The CENTRACOM Gold Elite system allows for growth with a modular concept. Additional Central Electronics Banks equipped with operator, system, or resource interfaces can be added as needed to support system growth.

Redundancy and Fallback Operations

Redundancy

A dispatch system is typically the central point in a communications network, and dispatchers are responsible for the effective allocation of field resources. It is, important therefore, that the control center system have an extremely high availability and minimum down time. The CENTRACOM Gold Elite Control Center system is designed so that no single point failure results in the loss of more than a single channel or a single dispatch position. Furthermore, the CENTRACOM Gold Elite diagnostic system is designed to handle most multiple failures and still provide the user with access to as much of the communications system as possible.

Dispatch operator position redundancy is provided because all positions have the ability to access all dispatch system resources. Should a problem occur at a specific dispatch operator position, dispatch screen configurations stored on the CDM server can be downloaded to any operator position on the LAN so that operations may continue unaffected by the impacted operator position. Screen configurations may be password protected to ensure proper usage.

Once the desired screen configuration has been downloaded from the server to a particular dispatch position, it runs locally and independent from the LAN and server.

Therefore even if the server or LAN goes down temporarily, dispatching and radio/telephone communication is not affected.

Fault Detection

CENTRACOM Gold Elite systems contain sophisticated fault detection and correction programs and circuits. The goal of the system diagnostics is to eliminate faults whenever possible and to minimize the impact of faults on the system when it is not possible to eliminate them. This is accomplished by continually monitoring the state of the system and taking appropriate measures when a fault is detected. The methods used to monitor the system include:

- ◆ Continual verification that each microprocessor circuit in the CEB is operating properly
- ◆ Continual verification that the internal CEB data communications circuitry is operating properly
- ◆ Continual verification that the audio paths in the CEB are operating properly
- ◆ Continual verification that the CEB power supplies are all operating properly

If a fault is detected by the diagnostic system, it will execute one or more of the following measures to eliminate or minimize the fault:

- ◆ Switch the system timer modules.
- ◆ Restart the affected module.
- ◆ Switch to a standby module (if present).
- ◆ Electrically isolate the affected module from the rest of the system.

User and System Interfaces

There are two programs that comprise Elite - the Elite Dispatch program (the dispatching software used to operate the dispatch position) and the Elite Admin program (the administrative software used to define the layout of the Elite dispatch screens). The Elite Dispatch program resides on each dispatch position computer while the Elite Admin program can be on each dispatch position computer or the server computer, where it is accessible to each dispatcher.

CENTRACOM Gold Elite Dispatch Program

The CENTRACOM Gold Elite Dispatch program displays the resources being monitored, as shown in Figure 2. Radio resources, telephones and auxiliary input/outputs may be integrated on the same screen. If they choose, users may stay on one screen to answer a telephone or to turn on the tower lights. Other users may prefer to separate radio, phone and auxiliary resources onto different folders—the choice is theirs and may even be changed later.

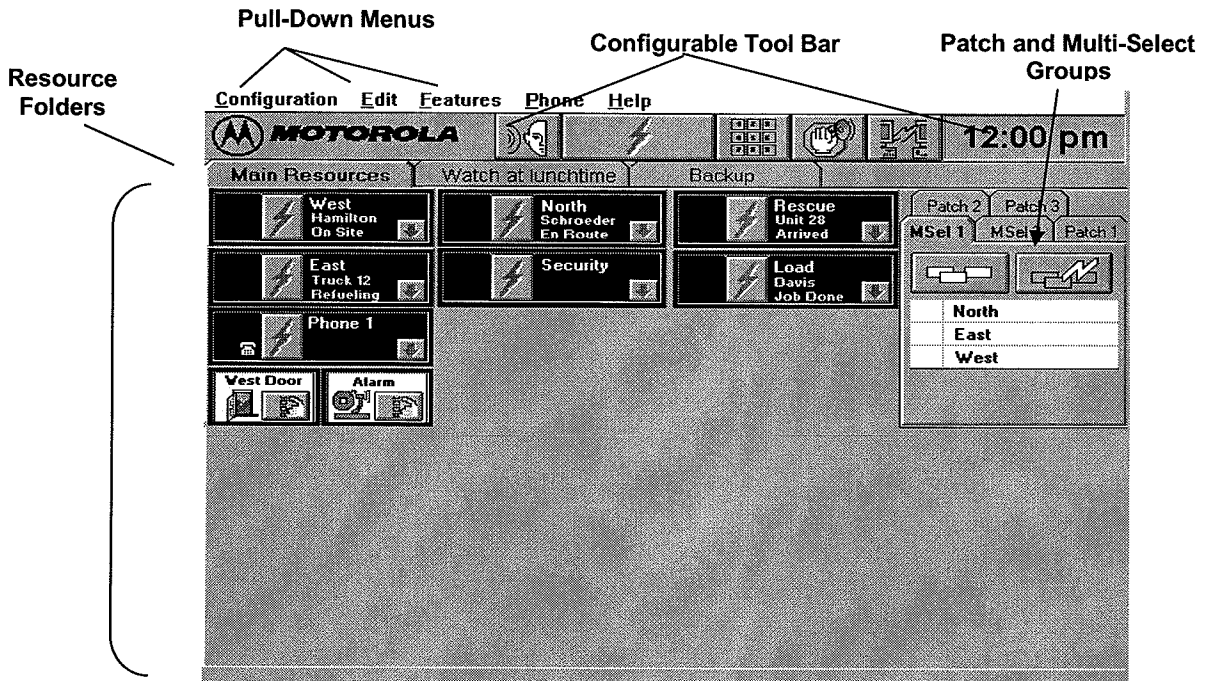


Figure 2: Gold Elite Dispatch Program.

Resource Views

A tile within the window shows each resource and each resource can be represented as either expanded or compressed. For example, one method to manage radio resources is to display some expanded resources and some compressed resources—the most important resources could be displayed as expanded resources while resources that are only being monitored could be condensed resources. The same resource may be represented in one form on one folder and another form on another folder (e.g., compressed on Folder 1 and expanded on Folder 2).

- ◆ **Expanded**—All of the features are visible on the resource at one time. The expanded version provides the advantage of a single-button press for any function. It is ideal for dispatchers who are only monitoring a few channels/talk groups and where space is not at a premium.

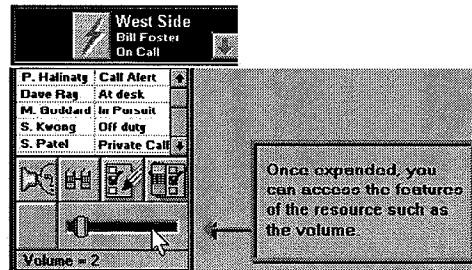


Figure 3: Expanded Resource View.

- ◆ **Compressed**—The other type is a compressed resource. Notice that the top looks identical to an expanded resource. The exception is that the compressed resource also has a down arrow. Pressing on the down arrow expands the resource so that the dispatcher can access a given feature (e.g., frequency selection). This saves a



Figure 4: Compressed Resource View.

tremendous amount of space by allowing the dispatcher to view only the most critical information for any given channel.

This type of display is ideal for dispatchers monitoring several different channels where space is at a premium.

Resource Folders

Resources are displayed on the dispatch screen in resource folders similar to folders kept in a file drawer. Up to six folders may be organized to suit the dispatcher's needs. The dispatcher simply clicks on the tab of each folder to view the contents of that folder. Regardless of which folder is being worked on, Patch and Multiselect (Msel) folders can still be viewed on the screen. The dispatcher can add a new folder and later delete any of the folders he/she added to help organize the screen further.

Microhelp

CENTRACOM Gold Elite has many different types of built-in help designed to assist the dispatcher. When the mouse is placed over a particular icon on one of the radio or telephone resources, the name of that feature and its state appear at the bottom of the given resource as shown in Figure 5. When the mouse pointer is placed over the volume bar, the last line of the resource says “Volume = 2”. This shows users that they are looking at the volume bar and that the volume is currently set at level 2.

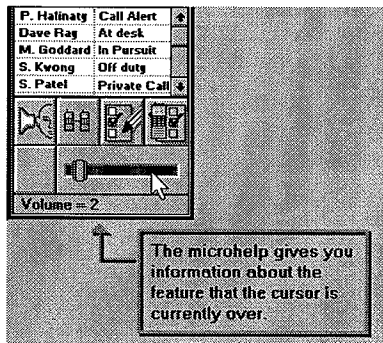


Figure 5: Example of Microhelp Functionality.

Telephone

Telephone lines may be controlled by a CENTRACOM Gold Elite dispatch position via a Smart Phone Interface (SPI) module in the CEB. The SPI is represented on a resource folder screen either as a compressed or expanded resource.

A graphical icon shows when the phone is ringing and is accompanied by an audible ring through the speakers. The telephone line may be answered, put on hold and later released.

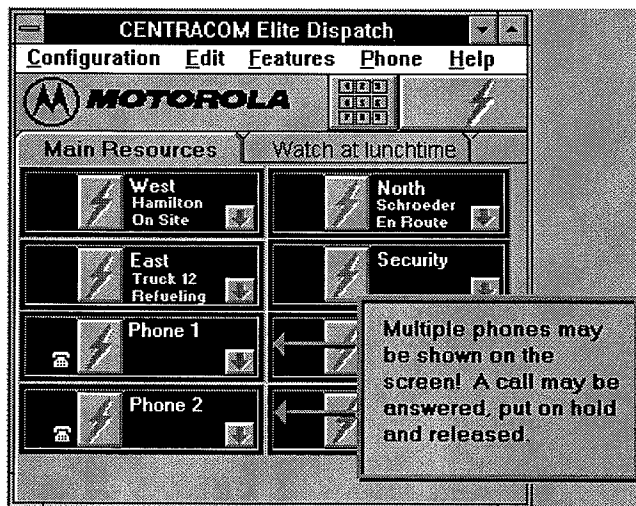


Figure 6: Example of Phone Resources.

Outbound telephone calls may be made from the CENTRACOM Gold Elite dispatch position through use of the Real Time Dialer. The dialer features an on-screen keypad that allows the dispatcher to dial out on the desired SPI. The dispatcher may also use the keypad portion of the keyboard for dialing. Speed dialing and alias dialing are also supported on the CENTRACOM Gold Elite. These are set up using the ADM.

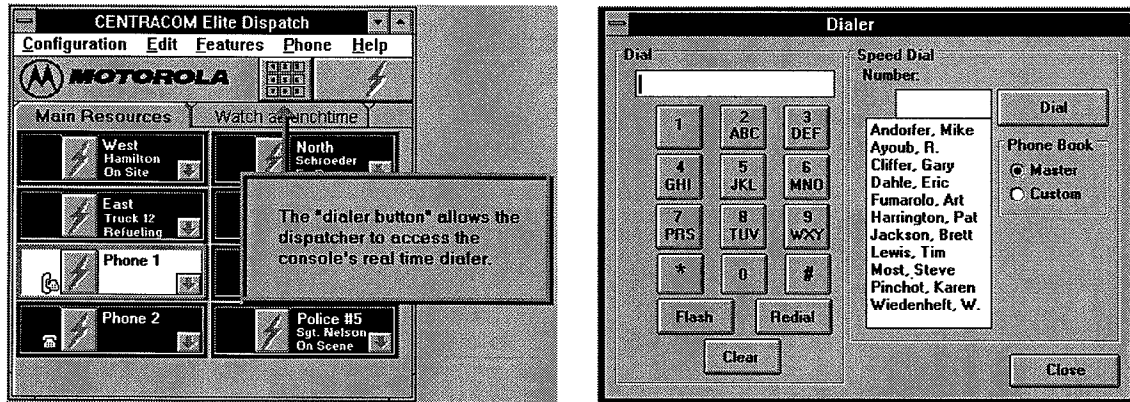


Figure 7: Dialer Feature.

When an SPI is selected, the currently selected radio channel is not deselected. This gives rise to the following scenarios where the radio and telephone audio will appear as shown in Table 1. Table 1: Radio and Telephone Audio Scenarios.

Condition	No Headset or Handset in Use	Headset or Handset in Use
SPI taken off-hook by selecting it.	Telephone and radio audios are mixed together in the select speaker.	Radio audio is transferred to the select speaker and telephone audio appears in the headset or handset earpiece.
SPI taken off-hook by pressing the off-hook icon, not by selecting it.	Radio audio remains in the select speaker. Telephone audio appears in the unselect speaker.	Radio audio remains in the headset or handset earpiece. Telephone audio appears in the unselect speaker.

Auxiliary Inputs/Outputs

CENTRACOM Gold Elite allows Auxiliary Inputs/Outputs (Aux I/O) functions to be controlled from the dispatch position (e.g., control of a door, alarm or tower lights). On the Elite dispatch screen, a box with an icon represents the auxiliary control. The icons for State 1 and State 2 may be chosen in the CENTRACOM Gold Elite Admin program from a variety of choices. The icons represent the status of the auxiliary control. For example, the supervisor could show a picture of a closed door in State 1 and a second picture of an open door in State 2 (activated state or the normal state).



Figure 8: Auxiliary I/O.

When the dispatcher wants to open the door, he/she simply presses the door button icon located within the auxiliary control module and can quickly see that the action took place. Auxiliary controls that have been set up as momentary will only be active as long as the dispatcher continues pressing the button. Latching auxiliary controls are active upon pressing the button and remain active until the button is pressed a second time.

Sound (Sonalert) can be configured with any auxiliary control via the Elite Admin program. This causes the Sonalert to sound when the auxiliary control turns on.

Multi-Select and Patch

The Multi-Select and Patch groups are stored in mini-folders in a similar fashion to the resource folders as shown in Figure 9. The dispatcher can click on the tab of one of the Patch or Multi-Select folders to bring that folder forward. Up to three Multi-Select folders and sixteen Patch folders may be set up in the Elite Admin program.

The dispatcher can add members to the Patch and Multi-Select groups by bringing the folder forward, clicking on the Multi-Select or Patch Edit button to go into the Edit mode, and selecting the desired resource (clicking on it). Members may be removed from the group by clicking again on the resource.

The Patch and Multi-Select folders can also be modified via the Edit menu under "MSel/Patch". The dispatcher can transmit to the groups via the Patch or Multi-Select transmit button (or, for Multi-Select, use any of the general transmit methods).

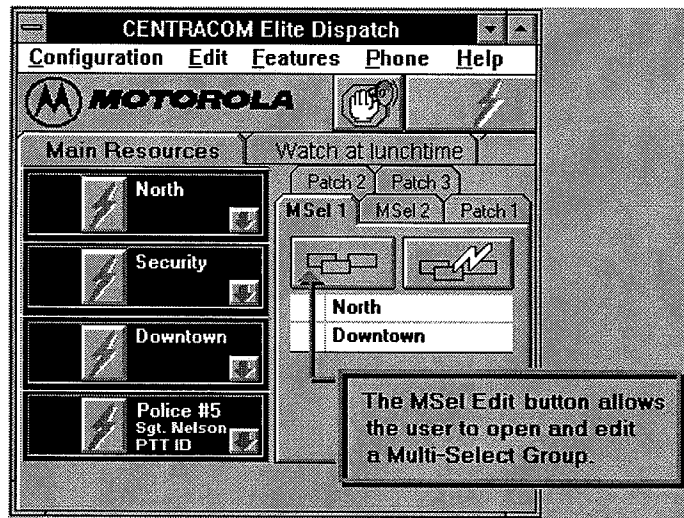


Figure 9: Multi-select Folders.

In CENTRACOM Gold Elite, the Patch and Multi-Select folders have stay-top capability within the application. They are visible regardless of which folder the dispatcher is using.

Activity Log

The Activity Log may be used by the dispatcher as a point of reference for all calls coming into that dispatch position. The Activity Log shows all inbound call information including the name of the channel or talk group, and the time of the call for up to the last 1000 calls. The calls are displayed regardless of folder location, with the most recent call at the top of the list.

Up to 1000 calls may be kept in the log. Once the list is filled, the oldest call will be discarded from the list. The dispatcher may resize the activity log to show various numbers of calls. For example, when there is light activity, the dispatcher may choose to only show five calls. During busy hours, the dispatcher may view the last fifteen calls by simply dragging the lower right hand corner of the Activity Log (making it longer) to see additional calls.

Dispatchers may respond to incoming calls simply by selecting a member from the Activity Log as shown in Figure 10. If a call came in on South Side and the dispatcher wanted to respond back, he/she could respond by pointing and clicking on South Side in the list. The entry now appears highlighted and the name of the channel (South Side in this case) appears on the Activity Log resource. The dispatcher can then press the instant transmit button on the activity log resource to communicate with that channel.

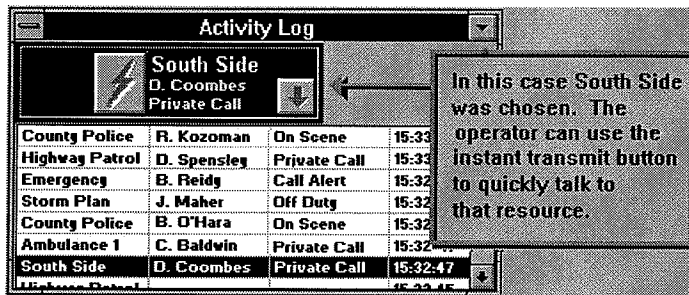


Figure 10: Activity Log.

In the CENTRACOM Gold Elite Admin program, the supervisor can determine if the activity log will be shown or not. If the supervisor elects to show the Activity Log, the dispatchers still have the ability to hide and later show the Activity Log based on their needs.

Toolbar

The toolbar is a row of icon buttons at the top of the screen. Depending on the system, there may be two rows. These buttons represent such functions as: All Mute, Monitor, General Transmit, Real Time Dialer, Phone on Hold, and Phone On Hook, as shown previously in Figure 4. Some of the functions are momentary, such as General Transmit. The function is only active while the dispatcher presses the button. Other functions, such as All Mute, are latching. In the case of All Mute, the feature becomes activated once the button is depressed. The function can be de-activated by pressing the button again. The supervisor can determine in the Admin Program what features go on the toolbar and their sequence.

Menu

The dispatcher is able to access additional features and functions through the pull down menus. Latching features that appear on the toolbar are also accessible through the menu (e.g., All Mute, Real Time Dialer). The menu items include (but are not limited to):

- ◆ **Configuration**—Provides access to other screen configurations set up by the supervisor through the Open menu choice
- ◆ **Edit**—Provides access to other resources (if authorized) and allows temporary rearranging of the desktop (e.g., add a new folder, add/remove resources in a folder, etc.)
- ◆ **Features**—Alternate means of accessing latching features from the toolbar
- ◆ **Phone**—Alternate means of accessing telephone features (e.g., Real Time Dialer)
- ◆ **Help**—Provides access to the on-line help. On-line help is organized in a similar format to Microsoft Help with connections to related topics. Pictures of the icons are provided to assist the dispatcher

Status Line

This is a line at the bottom of the screen that provides status information to the dispatcher. Error messages are displayed to alert the dispatcher of functions that cannot be performed. For example, if the dispatcher tried to select a channel while transmitting on it, an error message would appear accompanied by an audible beep. An arrow button allows the dispatcher to view the previous messages in the queue. Additional status information can be obtained to the right of the status line, including a system error indication.

CENTRACOM Gold Elite Admin Program

The CENTRACOM Gold Elite dispatch screens are configured using the CENTRACOM Gold Elite Admin program. This program is designed to be extremely flexible. It allows the administrator to make the screen look very simple with minimal icons and channels or more sophisticated with many folders and channels. The Admin

program allows supervisors to create screens that can be used by multiple dispatchers (accessed over the network) or even a customized screen per dispatcher. Each screen configuration may be password protected to ensure proper use and control. All of the screen configurations are stored on the server. Once the screens are downloaded to a particular dispatch position, the configuration is run independently from the server and LAN.

Through the CENTRACOM Gold Elite Admin program the supervisor can perform the following functions:

- ◆ Create new configurations (for any operator).
- ◆ Enable or disable operator positions.
- ◆ Modify existing configurations.
- ◆ Assign/de-assign radio and telephone resources to various folders and determine location.
- ◆ Determine audio routing of resources to speakers.
- ◆ Set initial volume level of radio and phone resources.
- ◆ Set ringing tone on phone resources.
- ◆ Determine icons used for AUX I/Os.
- ◆ Determine if Auxiliary I/Os are safety switch protected, and have an audible alarm.
- ◆ Determine items that should go on the toolbar and where they should be placed.

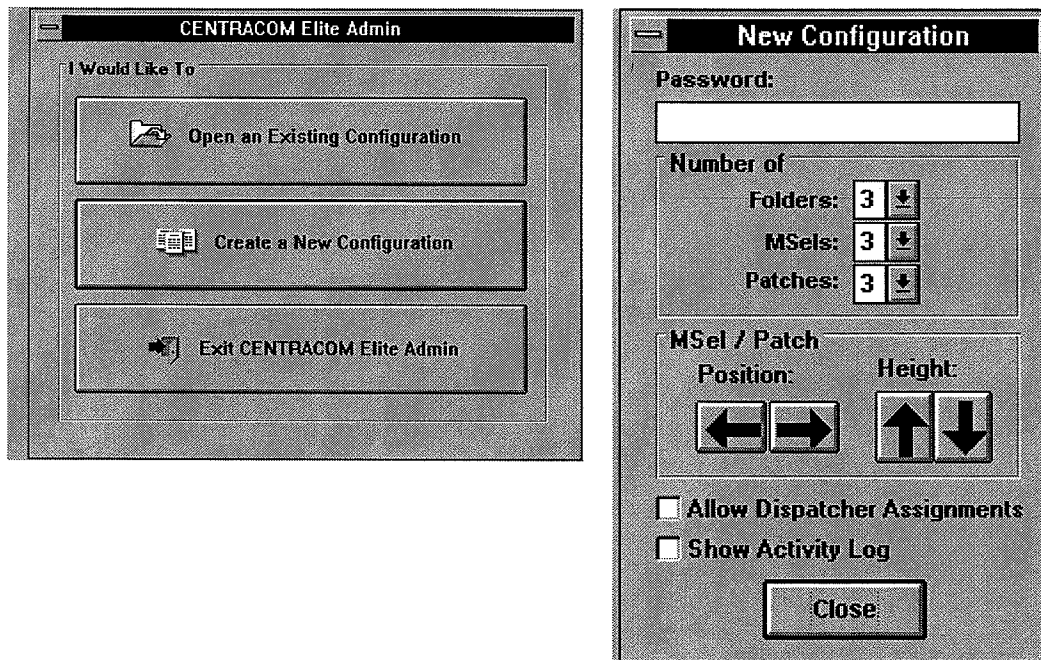


Figure 11: Sample Elite Admin Screens.

CENTRACOM Gold Elite Server Programs

Console Database Manager (CDM)

In a CENTRACOM Gold Elite Dispatch system, the Console Database Manager (CDM) is used to configure the control center. The CDM is a Windows-based software package, which runs on the CDM/ADM Server.

The CDM configures dispatch positions, conventional channels and talkgroups. This information is stored in a database on the CDM/ADM Server. This database can then be sent to or requested by any of the operator position PCs for system configuration via the network. Since the personality information for each operator position is stored on the server, the system administrator need not move to the various operator positions to execute programming changes. This single point of programming provides convenience by keeping all of the configurations in one place and making updates easier.

Alias Database Manager (ADM)

The ADM software program is used in a CENTRACOM Gold Elite system to provide on-line aliasing of radio unit IDs, status numbers, message numbers, and outbound phone numbers. If aliases are used on any of the dispatch positions, then the ADM is required. The ADM runs under Microsoft's Windows operating system and offers a GUI for easy operation.

The ADM on Elite dispatch positions is a client/server application. The client portion of the software is installed on each Elite dispatch position PC. The server portion of the software is installed on one of the computers, which then becomes the ADM Server. The Master Alias Database is stored on this server. The ADM Server downloads the alias information to each dispatch PC via the LAN. The downloaded aliases are stored on the Elite Dispatch position's PC hard drive.

Watson Dispatch Furniture

Motorola has selected Watson Dispatch, the world's leading supplier of emergency dispatch / communications console furniture, to meet the dispatcher needs of Henderson County. With more than 650 installations across the United States, Watson has a proven track record for quality, service, and reliability.

Customers ranging from state police and federal agencies to municipal, county, and combined law enforcement / emergency response organizations have entrusted Watson to furnish their communications centers. In return, their facilities have been elevated to the ultimate in ergonomic efficiency, adjustability and multiple-user management.

Watson provides a variety of customer and project management services, from design and space planning to manufacturing, delivery, and installation, to the industry's best warranty program. The company stands firmly behind all of its installations, providing comprehensive follow-up and an all inclusive warranty with on-site service on each project. Watson Furniture pioneered the concept of communications console furniture for emergency dispatch and continues to break ground today in this vital aspect of the public safety industry.

The following items are included in this proposal.

- ◆ (2) each Fusion Power Wide Center Lift Consoles 90'
- ◆ (2) each MOTO Storage Pedestal; Pencil/Box/File
- ◆ (2) each Sidekick Printer Pedestal

Summary

Motorola is proposing a communications solution for Henderson County that consists of upgrading and expanding the existing 911 CENTRACOM Gold Elite dispatch console system. In addition RF control station equipment and several subsystems will be provided to enable operation on the State of NC Viper trunked radio system.

The county's existing seven (7) position CENTRACOM console system would be upgraded to current hardware and software revisions and expanded to nine (9) operator positions. The channel capabilities of the console system will also be expanded to include interface with the proposed XTL5000 control stations for the NC Viper 800 MHz radio system.

The following new equipment or upgrades to existing equipment are proposed.

- ◆ All firmware and software in the existing CENTRACOM console dispatch system will be upgraded and brought to current versions and platforms.
- ◆ Two (2) new dispatch operator positions will be installed at the prime 911 center to expand the total console system to nine (9) operator positions.
- ◆ Ten (10) new XTL5000 control stations will be supplied for use at the prime 911 center. These stations will be used with a GenSac interface to enable PTT ID and Emergency display and will utilize the NC Viper 800 MHz radio system.
- ◆ One (1) control station combiner is proposed for use with the proposed XTL5000 control stations. This combiner will allow simultaneous operation of these stations using a single antennae system.
- ◆ The existing CENTRACOM Gold Elite server will be replaced and the CDM and ADM software upgraded to the current platform and revisions.
- ◆ Two (2) positions of Watson Dispatch communications console furniture will be supplied for use with the two new Elite dispatch operator positions.

Customer Responsibilities

Henderson County shall be responsible for the following items and or tasks:

- ◆ Conversion of all existing DC controlled stations to tone control as required.
- ◆ Conversion of all two wire radio circuits to four wire circuits as required.
- ◆ Providing end to end connectivity for all console and radio equipment.
- ◆ Providing all electrical and civil work required to properly install and maintain operation of all console and RF equipment.

This solution will provide Henderson County with:

- ◆ More effective communications
- ◆ Ease of use
- ◆ Customized convenience
- ◆ Improved security
- ◆ Compatibility
- ◆ Flexibility
- ◆ Fault tolerance
- ◆ Longevity of investment.

**C-2 Centracom Statement Of Work From Motorola proposal
Dated March 18,2008**

Overview

This Statement of Work (SOW) describes the deliverables to be furnished to Henderson County and the tasks to be performed by Motorola, its subcontractors, and by Henderson County in order to implement the solution described in this proposal. It contains information that describes the most current understanding of the work required by both parties to provide a successful implementation. System implementation requirements contained in these documents are based upon information gathered during previous meetings with Henderson County at the equipment site.

General Requirements

All work shall be performed in a good workmanship manner consistent with high quality commercial practice and in accordance with Motorola's "Quality Standards". Motorola will exercise the care and diligence generally associated with the system design and implementation of the best quality Console Dispatch System.

Motorola Responsibilities

Motorola will supply the equipment and services required to implement this system as well as the required items in support of this system as listed in the contracted equipment list and the features as stated in proposal. Motorola will furnish all necessary mounting hardware, peripheral equipment, fasteners, fixtures, cabling, connectors, and other equipment necessary to provide a completely functional system. As part of this proposal, at the request of Henderson County, Communications Services Inc. will be providing a Cimmarron Technologies Decoder System. Communications Services Inc. will be responsible for all material, engineering, and labor issues for the design and installation of this system. Motorola does not provide or guarantee any warranty or maintenance for this product. Motorola shall assume no responsibility for the system conceptual design or functionality of the design for which the Cimmarron equipment is being utilized.

Substitute Equipment

Motorola has identified in the equipment proposal all equipment required to implement the system as described. If Henderson County desires to supply substitute equipment, said equipment must be approved by Motorola as being compatible with the overall system design and integrity.

Standards of Work

All equipment provided for each location and the installation techniques used for that equipment shall comply with Motorola's quality standards, as found within our FNE Installation Standards Manual (R-56).

Systems and Equipment Layout

The overall system configuration will be presented for this Console Dispatch System on a subsystem basis. All fixed equipment will be identified on a per location basis.

This will require Henderson County's approval prior to actual installation. This approval is generally accomplished during a site walk or just prior to the physical installation.

System Implementation

System Implementation includes all required services including system engineering, equipment manufacture, equipment delivery, system testing, installation, system integration, performance verification, and documentation.

Interfaces

Motorola will provide both the electrical and mechanical interfaces necessary to place the Motorola-supplied equipment into operation. Motorola will interconnect the system to Henderson County's provided power distribution system. Motorola will coordinate interface requirements with Henderson County prior to installation at the required locations.

Prior Notification

Once the Console Dispatch System has been accepted and is functional, Motorola agrees not to perform work on the system that has not been coordinated in advance with Henderson County. Upon prior coordination, Henderson County may direct that its designated project director be on site during this work.

Mounting Provisions

Motorola will provide equipment that will be mounted to walls, floors or other surfaces of the designated equipment room. The equipment will be mounted in accordance with the Henderson County-approved floor plan.

Technical Equipment

All equipment furnished by Motorola for this system will meet or exceed all F.C.C. requirements and the technical requirements outlined by this Statement of Work. This system will be designed, manufactured, installed, tested, and optimized with the care and diligence generally applied to highly reliable telecommunications systems.

Henderson County Responsibilities

Henderson County shall be responsible for certain specific items such as, but not limited to:

- ◆ Provide the primary interface for all remote transport mediums;
- ◆ Provide a secure environment for the equipment;
- ◆ Provide R-56 compliant environment for the equipment;
- ◆ Provide any applicable permits and/or licenses;
- ◆ Ensure the equipment environment maintains the proper temperature and humidity;

- ◆ Provide all electrical power wiring, UPS backup power, and space for the proposed equipment;
- ◆ Provide all interface/connectivity into the existing system;
- ◆ Provide any needed cable paths or conduit;
- ◆ Provide floor access to accommodate new Watson furniture with appropriate electrical hookups to be available at time of installation;
- ◆ Provide adequate sized racks for new control stations;
- ◆ Provide site that is adequate to support new equipment as proposed for this Console Dispatch System.

These items will be addressed further in a Site Specific Task List which will be produced after the contract has been awarded and a site walk has been completed.

Systems and Equipment Installation

Motorola and its subcontractors will perform all work and tasks required to implement and optimize the new equipment supplied by this contract. All manufacturers' recommendations will be strictly adhered to in the assembly of this equipment.

Conditions

Motorola will commence work at the Henderson County location when all equipment has been received, all pre-tests have been performed, the site is deemed ready by Motorola's project supervisor and the equipment has been installed. The start of this work will be coordinated with the Henderson County Project Director. Any changes to the physical system's final layout or design may require a Change Order in accordance with the last section of this Statement of Work.

General Implementation Tasks

Motorola will perform the following tasks:

- ◆ Deliver all equipment, materials, and supplies to their intermediate and final Henderson County-designated locations;
- ◆ Provide qualified personnel to perform the work as described;
- ◆ Provide all tools, test equipment, special fixtures, and temporary equipment to facilitate the implementation and system activation;
- ◆ Receive equipment and inventory;
- ◆ Verify power and grounding to specifications;
- ◆ Verify integrity, placement, and installation practices of all mechanical systems;
- ◆ Install all equipment per engineering diagrams;
- ◆ Install and terminate all cabling and connectors;
- ◆ Apply operating power as required;
- ◆ Configure the console system for network operation;

- ◆ Install and configure all CEB circuit boards per equipment list;
- ◆ The 7 existing consoles will be upgraded to match the same software version for the 2 new consoles
- ◆ The 2 new consoles will be installed with the most current software. Any future system upgrades that require console upgrades will be the responsibility of Henderson County.
- ◆ Setup and configure all console voice and data paths to central controller;
- ◆ Program Henderson County specific requirements into console system;
- ◆ Verify screen layout per Henderson County request;
- ◆ Verify and set transmit level adjustments within the CEB for the console system;
- ◆ Verification of proper call processing;
- ◆ Install 2 new positions of Watson furniture;
- ◆ Install 10 new control stations for Viper System connectivity;
- ◆ Perform system cutover;
- ◆ Perform on-site integration and optimization of the equipment;
- ◆ Provide implementation supervision.

Equipment Staging

All equipment will be inventoried, set up and all testing performed at the equipment installation site.

Network Integration-System Optimization Tasks

For the purpose of this Statement of Work, the term “network integration” and “system optimization” are synonymous. The term “optimized” will define the final status of the system. The Console Dispatch System will be considered optimized and ready for system acceptance when all operational tests and adjustments have been completed. General network integration for the system will include the following tasks:

- ◆ Verify all system hardware is operating to published manufacturers’ specifications.
- ◆ Verify and document the proper configuration of all equipment components.

Motorola trained personnel will provide optimization. The scheduled date for optimization will be based upon completion of all of the Henderson County’s site responsibilities and installation.

Training

No Henderson County training class is required in order for this project to be completed.

Project Supervisor

The Motorola Project Supervisor will provide direction for all Motorola and subcontractor installation personnel during the system implementation process.

Specifically, the Project Supervisor will be responsible for:

- ◆ Development and verification of the system implementation plan;
- ◆ Documenting the system inventory, as completed by the local Installation Provider;
- ◆ Ensuring all installation/optimization tasks are performed within the contract requirement and engineering specification and that all Motorola Quality Standards are met;
- ◆ Obtaining Henderson County system acceptance for the completed installation and workmanship of the system;

Change Order Procedures

Either Party may request changes within the general scope of this Agreement. If a requested change causes an increase or decrease in the cost or time required to perform this Agreement, the Parties will agree to an equitable adjustment of the Contract Price, Performance Schedule, or both, and will reflect the adjustment in a change order. Neither Party is obligated to perform requested changes unless both Parties execute a written change order.

C-3 Centracom Equipment List From Motorola Proposal Dated March 18, 2008

System Equipment List And Pricing Summary

1	6	BLN6884	PUNCH BLOCK
2	1	TRN7343	SEVEN AND A HALF FOOT RACK
3	1	TRN7343	SEVEN AND A HALF FOOT RACK
			CENTRACOM GOLD SPEAKER
4	8	B1875A	MODULE, DESK
5	1	BLN6755	RS232 BOARD
6	2	BLN7011C	CEB TIMER-OUT
7	6	BKN6082	CABLE, 25 PAIR, 15 FOOT
			CARD CAGE, CEB, WITHOUT
8	2	BGN1005	BACKPLANE
			CENTRACOM GOLD INTERFACE
9	10	B1825 A	HARDWARE F
			INT: SHIP LOOSE PACKING (FOR
a	20	K756	SPEAKER
			CENTRACOM GOLD FIELD-ADD CEB
10	3	B1425	CARD C
11	1	B1820B	SINGLE CEB PS 120/240V 50/60HZ

a	1	CA00301AD	INC: CABLE AC (BKN6071)
12	3	B1821B	CENTRACOM GOLD SPARE POWER
a	6	CA00301AD	SUPPLY,
			INC: CABLE AC (BKN6071)
13	1	B1827	CENTRACOM GOLD SOFTWARE
			LICENSE MAN
a	10	X393	ADD: SOFTWARE LICENSE, ASTRO
			CAI CO
b	2	X293	ADD: SOFTWARE LICENSE, ELITE
			OPERATOR
14	1	B1879	CENTRACOM GOLD SOFTWARE
			REFRESH PAC
a	1	X77	ADD: SOFTWARE REFRESH, 16 I/O OR
			CO
b	1	X71	ADD: SOFTWARE REFRESH, STAT-
			ALERT
c	7	X69	ADD: SOFTWARE REFRESH, COIM OR
d	1	X60	LOMI
e	4	X58	ADD: SOFTWARE REFRESH, SPI
f	19	X49	ADD: SOFTWARE REFRESH, DRIM
			ADD: SOFTWARE REFRESH, BIM
g	7	X03	ADD: SOFTWARE REFRESH,
			ELITE/ADMI0D
h	1	X03AB	ADD: SOFTWARE REFRESH,
			ELITE/ADMI0D
15	2	B1822B	CENTRACOM GOLD ELITE INTERFACE
a	2	CA00301AY	ELEC
b	2	CA00301BH	INC: CABLE 10' CRT (BKN6147)
c	2	CA00301AD	INC: CABLE 2010 FLAT (BKN6150)
d	2	CA00301BF	INC: CABLE AC (BKN6071)
e	2	CA00301BE	INC: POWER SUPPLY CRT (BPN6014)
			INC: MIC COMPACT (BMN6008)
f	2	CA00301BD	INC: HARDWARE P/S CRT, CE
			(BLN7095)
g	2	CA00301BC	INC: BOARD COMPACT OPTION
h	2	CA00301BB	(BLN6866)
			INC: GOLD MAIN BOARD (BLN1228)
i	2	CA00301AZ	INC: CABLE COMPUTER LINK
			(BKN6159)
j	2	CA00301AX	INC: HOUSING & HARDWARE
k	2	CA00301AW	(BHN6090)
			INC: PANEL FRONT CRT (BGN6030)
l	2	CA00301AV	INC: PANEL FRONT BOARD CRT
m	2	CA00301AU	(BGN6029)
n	2	CA00301BG	INC: PKN CRT (BBN6090)
			INC: OMI UPGRADE EPROMS

			(BVN6031)
o	2	CA00301BA	INC: COIM (BLN1227)
p	2	CA00301AT	INC: PKN SPARE ROOM (BBN6055)
			ADD: HEADSET JACK, #2 W/13 FOOT
q	2	K704AE	CAB
			ADD: HEADSET JACK, W/15 FOOT
r	2	K570AE	CABLE
s	2	K572AF	ADD: FOOTSWITCH
			ADD: MICROPHONE, GOOSENECK, 9
t	2	K703	INCH
u	2	K742AJ	ADD: 100' PLENUM CBL 7 PAIR
			CABLE, TELEPHONE HEADSET
16	2	BKN6170	INTERFACE
17	2	CRTDATA	CRT DATA
18	2	CRTDATA	CRT DATA
19	2	CRTDATA	CRT DATA
20	2	CRTDATA	CRT DATA
21	2	CRTDATA	CRT DATA
22	2	CRTDATA	CRT DATA
23	2	CRTDATA	CRT DATA
			CERTIFIED ELITE INTERFACE SERVER
52	1	L3533	WI
			20 CLIENT ACCESS LICENSES /
53	1	L3236	WINDOWS
			CERTIFIED GOLD ELITE
54	9	L3531	WORKSTATION
a	9	ZA00268AA	ADD: DUAL IRR CARD & PC Speaker
			SYMANTEC ANTI VIRUS 9.0.5
55	9	DDN8294	CORPORATE
			SOFTWARE BASED DUAL IRR USB
56	9	DDN9332	HASP
			IRR INSTALLATION / OPERATION
57	9	DDN6494	MANUAL
58	9	DDN6492	HOOK SWITCH CABLE FOR COM PORT
59	9	DDN6491	HOOK SWITCH CABLE FOR MIDI PORT
60	9	DDN6490	CABLE FOR TELEPHONE ADAPTER
61	9	DDN6489	TELEPHONE ADAPTER
62	9	CDN6673	SET OF LABTEC SPIN 95
63	9	TDN1114	ETHERNET CABLE 100'
64	1	DSJ4900B	HP PROCURVE SWITCH 2626B
			HP PROCURVE SWITCH 2524 GIGABIT
65	1	DSJ4116A	STA
66	8	DSFAP17BLKTS	17" LCD, W/TOUCH, BLACK
			TRACKERBALL (ONLY PS/2 & USB
67	11	DSCDN6171B	COMPATABLE
68	2	DSFAP17BLKTS	17" LCD, W/TOUCH, BLACK

69	2	DSDCP2708AG	CIE COVER VDT 10-35W 762-870MHZ XTL 5000
70	10	L20URS9PW1 N	CONSOLETTTE
a	10	G806	ENH: IMBE ASTRO DIGITAL CAI OP
b	10	G51	ENH: 3600 SMARTZONE OPERATION
			ENH: ASTRO PROJECT 25 TRUNKING
c	10	G361	SOFT
d	10	G81	ADD: W9 HW SETUP CONSOLETTTE
e	10	L791	ADD: AUDIO INTFC BD XTL5000
71	10	TRN7466	MOUNTING BRACKET EIA 19 INCH 800 MHZ CONTROL STATION
72	1	DSSYS800CSC12	COMBINER 12 2 position Fusion Power Wide Centerlift Console Watson Furniture, Turbo Halogen Task Light, Storage Pedestal (Pencil Box File), and Printer Pedestal
73	1	WAT 07116LJD1	Conventional Radio System ID Solution
74	1	CRID	
			System Total Installed
			NC Sales TAX is Excluded
			\$ 552,183

Exhibit D

Above Warranty Services Statement of Work and Service Terms and Conditions (if applicable)

Service Terms and Conditions

Motorola, Inc. ("Motorola") and the customer named in this Agreement ("Customer") hereby agree as follows:

Section 1 APPLICABILITY

These Service Terms and Conditions apply to service contracts whereby Motorola will provide to Customer either (1) maintenance, support and/or other services under a Motorola Service Agreement, or (2) installation services under a Motorola Installation Agreement.

Section 2 DEFINITIONS AND INTERPRETATION

2.1. "Agreement" means these Service Terms and Conditions; the cover page for the Service Agreement or the Installation Agreement, as applicable; and any other attachments, all of which are incorporated herein by this reference. In interpreting this Agreement and resolving any ambiguities, these Service Terms and Conditions take precedence over any cover page, and the cover page takes precedence over any attachments, unless the cover page or attachment states otherwise.

2.2. "Equipment" means the equipment that is specified in the attachments or is subsequently added to this Agreement.

2.3. "Services" means those installation, maintenance, support, training, and other services described in this Agreement.

Section 3 ACCEPTANCE

Customer accepts these Service Terms and Conditions and agrees to pay the prices set forth in the Agreement. This Agreement becomes binding only when accepted in writing by Motorola. The term of this Agreement begins on the "Start Date" indicated in this Agreement.

Section 4 SCOPE OF SERVICES

4.1. Motorola will provide the Services described in this Agreement or in a more detailed statement of work or other document attached to this Agreement. At Customer's request, Motorola may also provide additional services at Motorola's then-applicable rates for the services.

4.2. If Motorola is providing Services for Equipment, Motorola parts or parts of equal quality will be used; the Equipment will be serviced at levels set forth in the manufacturer's product manuals; and routine service procedures that are prescribed by Motorola will be followed.

4.3. If Customer purchases from Motorola additional equipment that becomes part of the same system as the initial Equipment, the additional equipment may be added to this Agreement and will be billed at the applicable rates after the warranty for the additional equipment expires.

4.4. All Equipment must be in good working order on the Start Date or when additional equipment is added to the Agreement. Upon reasonable request by Motorola, Customer will provide a complete serial and model number list of the Equipment. Customer must promptly notify Motorola in writing when any Equipment is lost, damaged, stolen or taken out of service. Customer's obligation to pay Service fees for such Equipment will terminate at the end of the month in which Motorola receives the written notice.

4.5. Customer must specifically identify any Equipment that is labeled intrinsically safe for use in hazardous environments.

4.6. If Equipment cannot, in Motorola's reasonable opinion, be properly or economically serviced for any reason, Motorola may modify the scope of Services related to such Equipment; remove that Equipment from the Agreement; or increase the price to Service such Equipment.

4.7. Customer must promptly notify Motorola of any Equipment failure. Motorola will respond to Customer's notification in a manner consistent with the level of Service purchased as indicated in this Agreement.

Section 5 EXCLUDED SERVICES

5.1. Service excludes the repair or replacement of Equipment that has become defective or damaged from use in other than the normal, customary, intended, and authorized manner; use not in compliance with applicable industry standards; excessive wear and tear; or accident, liquids, power surges, neglect, acts of God or other force majeure events.

5.2. Unless specifically included in this Agreement, Service excludes items that are consumed in the normal operation of the Equipment, such as batteries or magnetic tapes.; upgrading or reprogramming Equipment; accessories, belt clips, battery chargers, custom or special products, modified units, or software; and repair or maintenance of any transmission line, antenna, microwave equipment, tower or tower lighting, duplexer, combiner, or multicoupler. Motorola has no obligations for any transmission medium, such as telephone lines, computer networks, the internet or the worldwide web, or for Equipment malfunction caused by such transmission medium.

Section 6 TIME AND PLACE OF SERVICE

Service will be provided at the location specified in this Agreement. When Motorola performs service at Customer's location, Customer will provide Motorola, at no charge, a non-hazardous work environment with adequate shelter, heat, light, and power and with full and free access to the Equipment. Waivers of liability from Motorola or its subcontractors will not be imposed as a site access requirement. Customer will provide all information pertaining to the hardware and software elements of any system with which the Equipment is interfacing so that Motorola may perform its Services. Unless otherwise stated in this Agreement, the hours of Service will be 8:30 a.m. to 4:30 p.m., local time, excluding weekends and holidays. Unless otherwise stated in this Agreement, the price for the Services exclude any charges or expenses associated with helicopter or other unusual access requirements; if these charges or expenses are reasonably incurred by Motorola in rendering the Services, Customer agrees to reimburse Motorola for those charges and expenses.

Section 7 CUSTOMER CONTACT

Customer will provide Motorola with designated points of contact (list of names and phone numbers) that will be available twenty-four (24) hours per day, seven (7) days per week, and an escalation procedure to enable Customer's personnel to maintain contact, as needed, with Motorola.

Section 8 PAYMENT

Unless alternative payment terms are stated in this Agreement, Motorola will invoice Customer in advance for each payment period. All other charges will be billed monthly, and Customer must pay each invoice in U.S. dollars within twenty (20) days of the invoice date. Customer will reimburse Motorola for all property taxes, sales and use taxes, excise taxes, and other taxes or assessments that are levied as a result of Services rendered under this Agreement (except income, profit, and franchise taxes of Motorola) by any governmental entity.

Section 9 WARRANTY

Motorola warrants that its Services under this Agreement will be free of defects in materials and workmanship for a period of ninety (90) days from the date the performance of the Services are completed. In the event of a breach of this warranty, Customer's sole remedy is to require Motorola to re-perform the non-conforming Service or to refund, on a pro-rata basis, the fees paid for the non-conforming Service. MOTOROLA DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Section 10 DEFAULT/TERMINATION

10.1. If either party defaults in the performance of this Agreement, the other party will give to the non-performing party a written and detailed notice of the default. The non-performing party will have thirty (30) days thereafter to provide a written plan to cure the default that is acceptable to the other party and begin implementing the cure plan immediately after plan approval. If the non-performing party fails to provide or implement the cure plan, then the injured party, in addition to any other rights available to it under law, may immediately terminate this Agreement effective upon giving a written notice of termination to the defaulting party.

10.2. Any termination of this Agreement will not relieve either party of obligations previously incurred pursuant to this Agreement, including payments which may be due and owing at the time of termination. All sums owed by Customer to Motorola will become due and payable immediately upon termination of this Agreement. Upon the effective date of termination, Motorola will have no further obligation to provide Services.

Section 11 LIMITATION OF LIABILITY

Except for personal injury or death, Motorola's total liability, whether for breach of contract, warranty, negligence, strict liability in tort, or otherwise, will be limited to the direct damages recoverable under law, but not to exceed the price of twelve (12) months of Service provided under this Agreement. ALTHOUGH THE PARTIES ACKNOWLEDGE THE POSSIBILITY OF SUCH LOSSES OR DAMAGES, THEY AGREE THAT MOTOROLA WILL NOT BE LIABLE FOR ANY COMMERCIAL LOSS; INCONVENIENCE; LOSS OF USE, TIME, DATA, GOOD WILL, REVENUES, PROFITS OR SAVINGS; OR OTHER SPECIAL, INCIDENTAL, INDIRECT, OR CONSEQUENTIAL DAMAGES IN ANY WAY RELATED TO OR ARISING FROM THIS AGREEMENT OR THE PERFORMANCE OF SERVICES BY MOTOROLA PURSUANT TO THIS AGREEMENT. No action for contract breach or otherwise relating to the transactions contemplated by this Agreement may be brought more than one (1) year after the accrual of such cause of action, except for money due upon an open account. This limitation of liability will survive the expiration or termination of this Agreement and applies notwithstanding any contrary provision.

Section 12 EXCLUSIVE TERMS AND CONDITIONS

12.1. This Agreement supersedes all prior and concurrent agreements and understandings between the parties, whether written or oral, related to the Services, and there are no agreements or representations concerning the subject matter of this Agreement except for those expressed herein. The Agreement may not be amended or modified except by a written agreement signed by authorized representatives of both parties.

12.2. Customer agrees to reference this Agreement on any purchase order issued in furtherance of this Agreement, however, an omission of the reference to this Agreement will not affect its applicability. In no event will either party be bound by any terms contained in a Customer purchase order, acknowledgement, or other writing unless: the purchase order, acknowledgement, or other writing specifically refers to this Agreement; clearly indicate the intention of both parties to override and modify this Agreement; and the purchase order, acknowledgement, or other writing is signed by authorized representatives of both parties.

Section 13 PROPRIETARY INFORMATION; CONFIDENTIALITY; INTELLECTUAL PROPERTY RIGHTS

13.1. Any information or data in the form of specifications, drawings, reprints, technical information or otherwise furnished to Customer under this Agreement will remain Motorola's property, will be deemed proprietary, will be kept confidential, and will be promptly returned at Motorola's request. Customer may not disclose, without Motorola's written permission or as required by law, any confidential information or data to any person, or use confidential information or data for any purpose other than performing its obligations under this Agreement. The obligations set forth in this Section survive the expiration or termination of this Agreement.

13.2. Unless otherwise agreed in writing, no commercial, financial or technical information disclosed in any manner or at any time by Customer to Motorola will be deemed secret or confidential. Motorola will have no obligation to provide Customer with access to its confidential and proprietary information, including cost and pricing data.

13.3. This Agreement does not grant directly or by implication, estoppel, or otherwise, any ownership right or license under any Motorola patent, copyright, trade secret, or other intellectual property including any intellectual property created as a result of or related to the Equipment sold or Services performed under this Agreement.

Section 14 FCC LICENSES AND OTHER AUTHORIZATIONS

Customer is solely responsible for obtaining licenses or other authorizations required by the Federal Communications Commission or any other federal, state, or local government agency and for complying with all rules and regulations required by such agencies. Neither Motorola nor any of its employees is an agent or representative of Customer in any governmental matters.

Section 15 COVENANT NOT TO EMPLOY

During the term of this Agreement and continuing for a period of two (2) years thereafter, Customer will not hire, engage on contract, solicit the employment of, or recommend employment to any third party of any employee of Motorola or its subcontractors without the prior written authorization of Motorola. This provision applies only to those employees of Motorola or its subcontractors who are responsible for rendering services under this Agreement. If this provision is found to be overly broad under applicable law, it shall be modified as necessary to conform to such law.

Section 16 MATERIALS, TOOLS AND EQUIPMENT

All tools, equipment, dies, gauges, models, drawings or other materials paid for or furnished by Motorola for the purpose of this Agreement will be and remain the sole property of Motorola. Customer will safeguard all such property while it is in Customer's custody or control, be liable for any loss or damage to this property, and return it to Motorola upon request. This property will be held by Customer for Motorola's use without charge and may be removed from Customer's premises by Motorola at any time without restriction.

Section 17 GENERAL TERMS

17.1. If any court renders any portion of this Agreement unenforceable, the remaining terms will continue in full force and effect.

17.2. This Agreement and the rights and duties of the parties will be governed and interpreted in accordance with the laws of the State in which the Services are performed.

17.3. Failure to exercise any right will not operate as a waiver of that right, power, or privilege.

17.4. Neither party is liable for delays or lack of performance resulting from any causes that are beyond that party's reasonable control, such as strikes, material shortages, or acts of God.

17.5. Motorola may assign its rights and obligations, and may subcontract any portion of its performance, under this Agreement.

17.6. THIS AGREEMENT WILL RENEW, FOR AN ADDITIONAL ONE (1) YEAR TERM, ON EVERY ANNIVERSARY OF THE START DATE UNLESS EITHER THE COVER PAGE SPECIFICALLY STATES A TERMINATION DATE OR ONE PARTY NOTIFIES THE OTHER IN WRITING OF ITS INTENTION TO DISCONTINUE THE AGREEMENT NOT LESS THAN THIRTY (30) DAYS OF THAT ANNIVERSARY DATE. At the anniversary date, Motorola may adjust the price of the Services to reflect its current rates.

17.7. If Motorola provides Services after the termination or expiration of this Agreement, the terms and conditions in effect at the time of the termination or expiration will apply to those Services and Customer agrees to pay for those services on a time and materials basis at Motorola's then effective hourly rates.

Exhibit E
System Acceptance Certificate

Customer Name: _____

Project Name: _____

This System Acceptance Certificate memorializes the occurrence of System Acceptance. Motorola and Customer acknowledge that:

1. The Acceptance Tests set forth in the Acceptance Test Plan have been successfully completed.
2. The System is accepted.

Customer Representative:

Motorola Representative:

Signature: _____

Signature: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

FINAL PROJECT ACCEPTANCE:

Motorola has provided and Customer has received all deliverables, and Motorola has performed all other work required for Final Project Acceptance.

Customer Representative:

Motorola Representative:

Signature: _____

Signature: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**HENDERSON COUNTY REQUEST FOR FINANCING
PROPOSALS**

Emergency 911 Communications Center Project

Summary of Financing Rates Received

July 7, 2008

<u>Financial Institution:</u>	<u>Fixed Interest Rate Proposed</u>
RBC Bank	3.63%
First Citizens Bank	3.96%
BB&T	4.02%
Wachovia	4.35%
Carolina First	5.50%



RBC Bank™

Public and Institutional Banking
 115 North Main Street
 Granite Falls, NC 28630
 (828) 396-1899 phone
 (828) 396-1618 fax

July 7, 2008

J. Carey McLelland
 Finance Director
 County of Henderson
 113 North Main Street
 Hendersonville, NC 28792

RE: Finance the upgrade and expansion of the existing 911 CENTRACOM emergency dispatch console system

Dear Carey:

Please accept this letter as confirmation of RBC Bank's interest in providing financing to the County for the below-referenced equipment, based on the following terms and conditions:

Borrowing Entity:	County of Henderson, North Carolina (the "County")
Secured Party:	RBC Bank or its nominee (the "Bank")
Equipment Description:	Upgrade and expansion of the County's existing 911 CENTRACOM emergency dispatch console system, as more fully described in your request dated June 25, 2008 (the "Equipment")
Expected Funding Date:	Rates Guaranteed no later than August 15, 2008
Total Amount to Finance:	Not to exceed \$553,000.00
Term:	59 months
Number of payments:	Five (5) annual payments
<input type="checkbox"/> Option A:	
Interest Rate:	3.63 %
Payment Amount:	\$122,872.53 Level principal and interest (in arrears) (Attached Schedule A)
Prepayment Penalty:	Prepayment of the loan will be subject to a yield maintenance fee equal to the present value of the daily lost cash flow to RBC Bank based upon the difference between the interest rate under the Installment Finance Agreement and the rate on a new loan of similar amount with the same remaining maturity to a similar borrower. The discount rate for calculating the present value will be the current rate offered by RBC Bank for a new loan of the similar amount with the same remaining maturity to a similar borrower, as determined by RBC Bank in its

reasonable discretion, which discretion shall be conclusive absent a showing of bad faith or manifest error. Any prepayment of the Installment Financing Agreement will be subject to a minimum fee of one-half percent (.5%).

Option B:

- Interest Rate:** 4.08 %
- Payment Amount:** \$124,432.97 Level principal and interest (in arrears)
(Attached Schedule B)
- Prepayment Penalty:** Prepayable at anytime without penalty
- Type of Financing:** The Installment Financing Agreement will include language compliant with NC General Statute Section 160A-20.
- Funding:** At closing, the proceeds of the loan will be placed in an Escrow Account under the Escrow Deposit Agreement.
- Escrow Fund:** RBC Bank will set up and administer the Escrow Fund under the Escrow Deposit Agreement and invest it in RBC Bank's Public Escrow Account for the County's benefit. Interest earnings accrued as a result of investment of the funds will be added to the balance of the Escrow Account and will be available to pay Equipment costs. There will be no charge for the initial set-up of this account.
- Non-Appropriation:** The County will agree that an appropriation sufficient to satisfy the debt service will be included in its budgeting proposal process.
- Title and Security Interest:** RBC Bank will have a perfected first lien security interest on the Equipment as evidenced by UCC filings or Title.
- Conditions:** In order for RBC Bank to provide financing for the Equipment, the following condition(s) must be met at or prior to closing:
1. Total Bank fees will be \$100.00
 2. The County will be responsible for maintaining insurance in an amount and form acceptable to the Bank.

July 20, 2008

Proposal Expiration: The Bank must be notified by 5:00 p.m. that our bid will be recommended to the governing body for approval.

August 5, 2008

Proposal Acceptance: The governing body must accept the proposal by this date. Upon acceptance, please return a signed copy of this letter to RBC Bank.

August 15, 2008

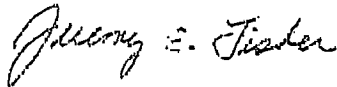
Funding Date: The interest rate and payments will be valid for funding through this date. If this loan is not closed by the funding date, the quoted interest rate and payments are subject to change based on current market conditions, unless extended by RBC Bank.

This letter expresses the willingness of RBC Bank to seek the additional approvals necessary for this transaction and is delivered to you with the understanding that its contents will be kept strictly confidential. RBC Bank will submit drafts of the Installment Finance Contract if they are awarded the winning bid.

A final commitment will require the prior approval of RBC Bank's credit committee, documents in an acceptable form, and the negotiation of a definitive structure. Once this proposal is accepted by the governing body, please indicate which option you choose, sign below and return this letter to RBC Bank.

If you have any questions, please feel free to call or e-mail me at (828) 396-1899 or jeremy.fisher@rbc.com.

Sincerely,



Jeremy E. Fisher
Director
Public & Institutional Banking

Proposal Accepted By:

Signature: _____

Name: _____

Date: _____

Schedule A

County of Henderson

Compound Period	Annual
Nominal Annual Rate	3.63%

	Event	Start Date	Amount	Number	Period	End Date
1	Loan	15-Aug-08	553,000.00	1		
2	Payment	15-Aug-09	122,872.53	5	Annual	15-Jul-13

AMORTIZATION SCHEDULE - Normal Amortization 360 Day Year

	Date	Payment	Interest	Prncipal	Balance
Loan	15-Aug-08				553,000.00
2009 Totals		0.00	0.00	0.00	
1	15-Aug-09	122,872.53	20,073.90	102,798.63	450,201.37
2010 Totals		122,872.53	20,073.90	102,798.63	
2	15-Aug-10	122,872.53	16,342.31	106,530.22	343,671.15
2011 Totals		122,872.53	16,342.31	106,530.22	
3	15-Aug-11	122,872.53	12,475.26	110,397.27	233,273.88
2012 Totals		122,872.53	12,475.26	110,397.27	
4	15-Aug-12	122,872.53	8,467.84	114,404.69	118,869.19
2013 Totals		122,872.53	8,467.84	114,404.69	
5	15-Jul-13	122,872.53	4,003.34	118,869.19	0.00
2014 Totals		122,872.53	4,003.34	118,869.19	
Grand Totals		614,362.65	61,382.65	553,000.00	

Last interest amount increased by 0.02 due to rounding.

INSTALLMENT FINANCING CONTRACT

\$553,000.00

between

RBC BANK (USA)
as the Lender

and

County of Henderson
as the County

Dated: August ____, 2008

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DRAFT

INSTALLMENT FINANCING CONTRACT
EQUIPMENT

THIS INSTALLMENT FINANCING CONTRACT, dated as of August ____, 2008 (the "Contract"), by and between RBC BANK (USA), a North Carolina banking corporation (the "Bank"); and COUNTY OF HENDERSON, a body politic and corporate of the State of North Carolina (the "County");

WITNESSETH:

WHEREAS, the County is a duly and validly created, organized and existing public body politic, duly created and existing under and by virtue of the Constitution and laws of the State of North Carolina; and

WHEREAS, the County has the power, pursuant to Section 160A-20 of the General Statutes of North Carolina, to enter into installment contracts to finance the purchase of personal property, including property to be affixed or attached to real estate as fixtures; and

WHEREAS, the Bank desires to advance certain funds to enable the County to finance the purchase and installation of the Equipment (as hereinafter defined); and

WHEREAS, the County desires to obtain such advance from the Bank and to purchase and install the Equipment pursuant to the terms and conditions hereinafter set forth; and

WHEREAS, the obligation of the County to make Installment Payments (as hereinafter defined) and other payments required under Section 3 hereof shall constitute a limited obligation payable solely from currently budgeted appropriations of the County and shall not constitute a pledge of the faith and credit of the County within the meaning of any constitutional debt limitation or as otherwise prohibited by the North Carolina Constitution; and

WHEREAS, no deficiency judgment may be rendered against the County in any action for breach of a contractual obligation under this 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 moneys due under this Contract; and

WHEREAS, the Bank and the County each have duly authorized the execution and delivery of this Contract.

NOW, THEREFORE, for and in consideration of the premises and of the covenants hereinafter contained, and other valuable consideration, the parties hereto agree as follows:

SECTION 1. DEFINITIONS

For purposes of this Contract, the following definitions will apply:

1.1. "Equipment" means all of the property described in Exhibit A attached hereto, including any Equipment to be affixed to or attached to real estate as fixtures.

1.2. "Escrow Deposit Agreement" means the Escrow Deposit Agreement dated as of August _____, 2008 by and between the County and the Bank pursuant to which the Bank agrees to hold the Escrow Funds on behalf of County and to advance such Escrow Funds in accordance with the terms thereof.

1.3. "Escrow Fund" means the funds deposited by the County with the Bank pursuant to the terms of the Escrow Deposit Agreement.

1.4. "Installment Payments" means those payments made by the County to the Bank as described in Section 3 of this Contract and in the Payment Schedule.

1.5. "Loan Amount" means the amount described in Exhibit B hereto which will be advanced by the Bank to enable the County to finance the purchase and construction, installation or repair of the Equipment, under the terms of this Contract.

1.6. "Net Proceeds," when used with respect to any proceeds from policies of insurance required hereunder or proceeds of any condemnation award arising out of the condemnation of all or any portion of the Equipment, means the amount remaining after deducting from the gross proceeds thereof all expenses (including, without limitation, attorneys' fees and costs) incurred in the collection of such proceeds.

1.7. "Payment Schedule" means the document labeled "Payment Schedule" attached hereto as Exhibit B and incorporated herein by reference, which describes the County's installment Payments.

1.8. "Prime Rate" means the Bank's prime rate, which is one of the Bank's variable rate indices for credit extensions and is set by the Bank at its discretion based on the Bank's perception of market interest rate levels, trends and general economic conditions. It is not tied to any specific index published by any third party and is not represented by the Bank to be the lowest rate at which the Bank extends credit.

SECTION 2. ADVANCE OF LOAN AMOUNT

The Bank agrees to advance the Loan Amount to the County and the County agrees to borrow the Loan Amount from the Bank to be applied in accordance with the terms and conditions of this Contract. The proceeds of the Loan Amount shall be used to purchase and to install, construct or repair the Equipment. The advance by the Bank shall be made by the deposit by the Bank to the Escrow Fund of the Loan Amount. The Loan Amount may be invested pending disbursement, and shall be disbursed to acquire and to install, construct or repair the Equipment in accordance with the Escrow Deposit Agreement. The County shall pay any additional sums necessary to purchase and install, construct or repair the Equipment

and shall provide evidence of the payment of such additional sums to the Bank upon request.

SECTION 3. INSTALLMENT PAYMENTS AND OTHER PAYMENTS

3.1. Amounts and Times of Installment Payments and Other Payments. Subject to the provisions of Section 13 hereof entitled "Limited Obligation of the County," the County shall repay the Loan Amount in installments as provided in Exhibit B to this Contract. Each installment shall be deemed to be an Installment Payment and shall be paid in the amounts and at the times set forth in the Payment Schedule except as provided herein. Installment Payments shall be sufficient in the aggregate to repay the Loan Amount together with interest thereon at a per annum rate equal to the rate per annum described in Exhibit B hereto. A portion of each Installment Payment is interest.

Interest on the Loan Amount as set forth on Exhibit B is based upon a 360-day year, with twelve (12) thirty (30) day months. The amortization schedule is based on all payments being received by the Bank on the scheduled due date. The Bank reserves the right to increase the initial payment to reflect any additional interest accruing prior to the end of the initial interest period.

3.2. Place of Payments. All payments required to be made to the Bank hereunder shall be made at the Bank's principal office or as may be otherwise directed by the Bank or its assignee.

3.3. Late Charges. Should the County fail to pay any Installment Payment or any other sum required to be paid to the Bank within fifteen (15) days after the due date thereof, the County shall pay a late payment charge equal to four percent (4%) of the delinquent payment.

3.4. Abatement of Installment Payments. Subject to Section 13 hereof entitled "Limited Obligation of the County," there shall be no abatement or reduction of the Installment Payments or other payments by the County for any reason, including but not limited to, any defense, recoupment, setoff, counterclaim, or any claim (real or contingent) arising out of or related to the Equipment. The County assumes and shall bear the entire risk of loss and damage to the Equipment from any cause whatsoever, it being the intention of the parties that the Installment Payments and other payments shall be made in all events unless the obligation to make such Installment Payments and other payments is terminated as otherwise provided herein.

3.5. Prepayment of Installment Payments. Prepayment of the Loan except for excess proceeds from the Escrow Fund after completion of purchase of the Equipment will be subject to a yield maintenance fee equal to the present value of the daily lost cash flow to the Bank based upon the difference between the interest rate under the Installment Financing Contract and the rate on a new loan of similar amount with the same remaining maturity to a similar borrower. The discount rate for calculating the present value will be the current rate offered by the Bank for a new loan of the similar amount with the same

remaining maturity to a similar borrower, as determined by the Bank in its reasonable discretion, which discretion shall be conclusive absent a showing of bad faith or manifest error. Any prepayment of the Installment Financing Contract will be subject to a minimum fee of one-half percent (.5%).

SECTION 4. NATURE OF CONTRACT

This Contract is an installment contract and security agreement pursuant to Section 160A-20 and Article 9 of Chapter 25 (the "Uniform Commercial Code - Secured Transactions") of the General Statutes of North Carolina.

SECTION 5. RESPONSIBILITIES AND COVENANTS OF THE COUNTY

5.1. Care and Use. The County shall use the Equipment in a careful and proper manner, in compliance with all applicable laws and requisitions, and, at its sole cost and expense or at the cost or expense of a third party other than the Bank, shall service, repair and maintain the Equipment so as to keep the Equipment in good condition, repair, appearance and working order for the purposes intended, ordinary wear and tear excepted, and shall replace any part of the Equipment as may from time to time become worn out, lost, stolen, destroyed or damaged or is unfit for use. Any and all additions to or replacements of the Equipment and all parts thereof shall constitute accessions to the Equipment and shall be subject to all terms and conditions of this Contract and included in the term "Equipment" as used in this Contract. If requested by the Bank, the County shall enter into or cause to be entered into, and maintained in full force and effect during the term of this Contract, manufacturer's or supplier's standard maintenance contracts satisfactory to the Bank covering the Equipment and shall comply with all of its obligations thereunder. The County shall furnish evidence to the Bank upon Bank's request of such signed maintenance contracts at or prior to the date of this Contract and the payment of all charges and premiums therefor.

5.2. Inspection. The Bank shall have the right upon reasonable prior notice to the County to enter into and upon the premises where the Equipment is located to inspect the Equipment and observe its use during normal business hours.

5.3. Alterations. Without the prior written consent of the Bank, which consent shall not be unreasonably withheld, the County shall not make any alterations, modifications or attachments to the Equipment which cannot be removed without materially damaging the functional capabilities or economic value of the Equipment.

5.4. Utilities. The County shall pay, when due, all charges for utility services used in connection with the Equipment. There shall be no abatement of the Installment Payments on account of interruption of any such services.

5.5. Taxes. The County shall pay, when due, any and all taxes levied by any governmental body as a result of the County's ownership, possession, or use of the Equipment or as a direct or indirect result of the purchase of the Equipment by the County.

5.6. Risk of Loss. Subject to the provisions of Section 13 hereof entitled "Limited Obligation of the County," the County shall bear all risk of loss to and condemnation of the Equipment. In the event of loss or damage to the Equipment, the County shall either (a) continue to make the Installment Payments due hereunder and repair or replace the Equipment or (b) prepay in full the principal components of the outstanding Installment Payments in accordance with Section 3.5 hereof. Said repair or replacement of the Equipment shall meet with the satisfaction of the Bank.

5.7. Performance by the Bank of the County's Responsibilities. Any performance required of the County or any payments required to be made by the County may, if not timely performed or paid, be performed or paid by the Bank, and, in that event, the Bank shall be immediately reimbursed by the County for such payments and for any costs and expenses, legal or otherwise, associated with the payments or other performance by the Bank, with interest thereon at a per annum rate equal to the Prime Rate in effect on the last business day of the calendar month preceding the payment (but not exceeding the maximum rate, if any, permitted by applicable law).

5.8. Financial Statements. The County agrees that it will furnish the Bank current audited financial statements (as soon as practicable after the County's acceptance thereof) and the County's annual budget as submitted or approved, and permit the Bank or its agents and representatives to inspect the County's books and records and make extracts therefrom at its own expense during regular business hours and in a manner which will not disrupt the normal business routine of the County. County shall furnish to Bank current financial statements at such reasonable times as the Bank may request. The County represents and warrants to the Bank that all financial statements which have been delivered to the Bank in connection with this Contract fairly and accurately reflect the County's financial condition and there has been no material adverse change in the County's financial condition as reflected in the financial statements since the date thereof.

5.9. Other Responsibilities and Conditions. Simultaneously with the execution of this Contract and prior to the advancement of any funds hereunder by the Bank, the County shall cause to be provided to the Bank the following:

- (a) An Incumbency and Authorization Certificate in the form of Exhibit C attached hereto;
- (b) An Opinion Letter of counsel for the County in the form of Exhibit D attached hereto;
- (c) A certificate in the form of Exhibit E attached hereto or other proof of insurance on the Equipment satisfactory to the Bank;
- (d) Certified copies of resolutions of the County's governing body authorizing the County to enter into this Contract and carry out its terms;
- (e) Properly completed UCC financing statements as required by Section 6.1 hereof sufficient in form and substance and filed in all necessary locations to perfect a first lien in the Equipment;

(f) An Escrow Deposit Agreement in a form satisfactory to the Bank;

(g) If required by the Bank, an opinion letter from tax counsel, in form and substance and from an attorney satisfactory to the Bank, which states that the interest on the County's obligations under the Contract will not be included in the gross income of the Bank for Federal and North Carolina income tax purposes, will not be an item of tax preference for purposes of the Federal alternative minimum income tax, if applicable; and

(h) Executed originals of any other documents and instruments required by Bank in connection with this Contract.

5.10. Special Tax Covenants. The County covenants that: (a) it will make no use of the monies advanced by the Bank (the "proceeds") which would cause this Contract to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), or the Treasury Regulations promulgated thereunder; (b) so long as the Contract remains in effect, the County will comply with the requirements of the Code and the applicable Treasury Regulations promulgated thereunder and will not take or omit to take any action which will cause the interest paid or payable under this Contract to be includible in the gross income of the registered owner hereof; (c) the Equipment shall be used exclusively for essential governmental purposes of the County and no use shall be made of the proceeds or of the Equipment, directly or indirectly, which would cause this Contract to be a "private activity bond" within the meaning of Section 141 of the Code; (d) no part of the payment of principal or interest under this Contract is or shall be guaranteed, in whole or in part, by the United States or any agency or instrumentality thereof; (e) no portion of the proceeds shall be used, directly or indirectly, in making loans the payment of principal or interest with respect to which are to be guaranteed, in whole or in part, by the United States or any agency or instrumentality thereof; and (f) the County shall not lease or otherwise make any of the equipment available to any entity if such lease or other availability would cause the interest portion of the Installment Payments to be included in the gross income of the Bank under the Code for income tax purposes.

The County shall furnish promptly all information necessary to permit the Bank to file on or before its due date IRS Form 8038-G. The County shall not take or omit to take any action that may cause a loss of the federal, state or local tax-exempt status of this Contract or the interest thereon.

5.11. Appropriations of Payments. (a) The County reasonably believes that funds sufficient to make all Installment Payments during the Term of this Contract can be obtained. While recognizing that it is not empowered to make any binding commitment to make Installment Payments or any other payments beyond its current fiscal year, the Governing Body of the County in authorizing the execution of this Contract has stated its intent to make annual appropriations sufficient to make the Installment Payment and has recommended that future governing bodies continue to do so during the Term of this Contract.

(b) The Manager shall include in the initial proposal for each of the County's annual budgets the amount of all Installment Payments coming due during the fiscal year to which such budget is applicable. Notwithstanding that the Manager includes an appropriation for Installment Payments in a proposed budget, the County may terminate all its obligations hereunder by not appropriating sufficient funds to make the scheduled Installment Payments. In the event the Governing Body determines not to appropriate in its budget an amount sufficient to pay all Installment Payments coming due in the applicable fiscal year, the Governing Body shall adopt a resolution specifically deleting such appropriation from the proposed budget for that fiscal year. Such resolution shall state the reasons for such deletion, shall be adopted by a vote identifying those voting for and against and abstaining from the resolution, and shall be recorded in the minutes of the Governing Body. A copy of such resolution shall be promptly sent to the Bank. Such failure to appropriate shall constitute an Event of Default.

(c) The Budget Officer shall deliver to the Bank, within (15) days after the beginning of each Fiscal Year, a certificate stating whether an amount equal to the Installment payments and estimated Additional Payments coming due during the next Fiscal Year has been appropriated by the County in such budget for such purposes. If such amount has not been so appropriated, the Budget Officer shall send a copy of such certificate to the LGC, to the attention of its Secretary, at the Albermarle Building, 325 North Salisbury St., Raleigh, NC 27603-1385.

SECTION 6. SECURITY INTEREST LIENS

6.1. Security Interest. The County hereby grants to the Bank a security interest in the Equipment and in any and all additions, accessions, repairs, replacements, substitutions, and modifications to the Equipment, and all proceeds of all the foregoing, including any insurance proceeds paid because of loss or damage to the Equipment to the extent necessary to secure the County's payment obligations to the Bank under this Contract. The County shall cause to be filed, at the County's expense, financing statements and other related documents that are necessary under Article 9 of Chapter 25 (the "Uniform Commercial Code - Secured Transactions") of the General Statutes of North Carolina to perfect a first lien security interest by filing and to maintain that first lien security interest in perfected form. If the Equipment is or includes one or more motor vehicles, the ownership of which is or are evidenced by a certificate of title(s), the County shall cause the Bank's lien to be properly shown on such title(s) as a first lien security interest.

The Equipment is and shall throughout the term of this Contract be and remain personal property, regardless of whether the Equipment is now or may become in any manner affixed or attached to real estate or any building or fixtures on real estate. No portion of the Equipment may be affixed or attached to real estate or any building or fixtures on real estate. If the Equipment is permanently located on any real estate, not owned in fee simple by the County, or if such real estate, is subject to any liens, the County shall obtain a waiver of any rights in and to the Equipment (including the rights of levy and distraint) from the person who gives the County permission to use the real property on which the

Equipment is located and from any holder of liens on the real estate on which the Equipment is located.

6.2. Liens. The County shall not directly or indirectly create, incur, assume or suffer to exist any lien, charge, security interest, encumbrance or claim on or with respect to the Equipment (except the security interest granted to the Bank). The County shall promptly, at its own expense, take such action as may be necessary to duly discharge any such lien, security interest, charge, encumbrance or claim if the same shall arise at any time. The County shall reimburse the Bank for any expense incurred by it in order to discharge or remove any such lien, security interest, encumbrance or claim.

SECTION 7. INSURANCE AND UNFORESEEN LOSSES

7.1. Insurance. The County shall obtain and maintain, at its expense, at all times until termination of this Contract a primary policy of insurance covering the Equipment and providing the insurance protection described in this Section. The County shall maintain at its own expense fire, casualty, public liability, property damage and theft insurance, and such other insurance in such amounts and with such deductibles, if permitted, as required by the Bank from time to time. The Equipment shall be insured in an amount at least equal to its replacement value. All such insurance shall be maintained with such insurance company or companies as shall be satisfactory to the Bank and shall provide that losses shall be payable to the Bank and the Bank shall be named as an additional insured with respect to all such insurance. The County shall deliver to the Bank the policies of insurance or duplicates thereof or other evidence satisfactory to the Bank of such insurance coverage. Each insurer shall agree by endorsement upon the policy or policies issued by it that (i) it will give thirty (30) days prior written notice to the Bank of the cancellation or material modification of such policy; and (ii) the coverage of the Bank shall not be terminated, reduced or affected in any manner regardless of any breach or violation by the County of any warranties, declarations and conditions of such insurance. The County agrees to cooperate fully in all accident insurance investigations, claims and litigation proceedings. The County shall cooperate fully with the Bank in filing any proof of loss with respect to any insurance policy described above. In no event shall the County voluntarily settle or consent to the settlement of, any proceeding arising out of any insurance claim with respect to the Equipment without the written consent of the Bank.

In lieu of policies of insurance written by commercial insurance companies meeting the requirements of this Section, the County may maintain a program of self-insurance or participate in group risk financing programs, risk pools, risk retention groups, purchasing groups and captive insurance companies, and in state or federal insurance programs.

7.2. Condemnation. Any condemnation award paid as a result of the exercise of the power of eminent domain over the Equipment or any part thereof by any governmental body or any person or entity acting under governmental authority, which is not utilized by the County to repair or replace the Equipment to the satisfaction of the Bank shall be paid to the Bank in accordance with Sections 3.5 and 5.6 hereof.

SECTION 8. WARRANTIES AND REPRESENTATIONS OF THE COUNTY

The County warrants and represents to the Bank (all such representations and warranties being continuing) as follows:

(a) The County is a public body politic duly created and existing under the laws of the State of North Carolina as a political subdivision of the State of North Carolina, and has all powers necessary to enter into the transactions contemplated by this Contract and to carry out its obligations hereunder;

(b) This Contract and all other documents relating hereto, have been duly and validly authorized, approved, executed and delivered by the County, and the performance by the County of its obligations under such documents has been approved and authorized under all laws, regulations and procedures applicable to the County, including, but not limited to, compliance with all applicable public meeting and bidding requirements, and the transactions contemplated by this Contract and all other documents relating hereto constitute a public purpose for which public funds may be expended pursuant to the Constitution and laws of the State of North Carolina, and assuming due authorization, execution and delivery hereof by the Bank, constitute valid, legal and binding obligations of the County, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by general principles of equity or by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and as those other laws may be further limited by the provisions of Section 160A-20 of the General Statutes of North Carolina, as amended;

(c) No approval or consent is required from any governmental authority with respect to the entering into or performance by the County of this Contract and the transactions contemplated hereby, or, if any such approval is required, it has been duly obtained;

(d) There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or, to the best of the County's knowledge, threatened against or affecting the County challenging the validity or enforceability of this Contract or any other documents relating hereto, or the performance of the County's obligations hereunder, and compliance with the provisions hereof, under the circumstances contemplated hereby, does not and will not in any material respect conflict with, constitute on the part of the County a breach of or default under, or result in the creation of a lien or other encumbrance on any property of the County (except as contemplated herein) pursuant to any agreement or other instrument to which the County is a party, or any existing law, regulation, court order or consent decree to which the County is subject;

(e) There are no liens or encumbrances on the Equipment other than the lien created by this Contract;

(f) A resolution relating to the performance by the County of this Contract and the transactions contemplated hereby has been duly adopted, is in full force and effect, and has not been in any respect amended, modified, revoked or rescinded;

(g) The purchase of the Equipment is essential to the proper, efficient and economical operation of the County and the delivery of its service and the Equipment will provide an essential use and permit the County to carry out public functions that it is authorized by law to perform;

(h) The security interest granted by the County to the Bank in the Equipment shall have been duly perfected and shall constitute a first lien security interest in the Equipment; and

(i) The County has designated its obligation hereunder as a "non-bank qualified tax-exempt obligation" within the meaning of Section 265(b)(9) of the Code.

SECTION 9. INDEMNIFICATION

To the extent permitted by applicable law, the County hereby agrees to indemnify protect and save the Bank, the Escrow Agent and the members and employees of each of the foregoing harmless from all liability, obligations, losses, claims, damages, actions, suits, proceedings, costs and expenses, including attorneys fees, arising out of, connected with, or resulting directly or indirectly from the Equipment, including without limitation, the possession, condition or use thereof. The indemnification arising under this section shall continue in full force and effect notwithstanding the payment in full of all obligations under this Contract.

SECTION 10. DISCLAIMER OF WARRANTIES

10.1. No Representations by the Bank. The County acknowledges that it has inspected the Equipment and found the Equipment to be satisfactory and acknowledges and agrees that it has selected the Equipment based upon its own judgment and disclaims any reliance upon any statements or representations made by the Bank with respect thereto.

10.2. Disclaimer By the Bank. THE BANK MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, AS TO THE CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE EQUIPMENT OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE EQUIPMENT.

SECTION 11. DEFAULT AND REMEDIES

11.1. Definition of Event of Default. The County shall be deemed to be in default hereunder upon the happening of any of the following events of default (each, an "Event of Default"):

(a) The County shall fail to make any Installment Payment or fail to pay any other sum hereunder when due, in either case within ten (10) days after receipt of written notice of such failure; or

(b) The County shall fail to perform or observe any term, condition or covenant of this Contract or shall breach any warranty by the County herein or therein contained; or

(c) Proceedings under any bankruptcy, insolvency, reorganization or similar litigation shall be instituted by or against the County, or a receiver, custodian or similar officer shall be appointed for the County or any of its property, and such proceedings or appointments shall not be vacated or fully stayed after the institution or occurrence thereof; or

(d) Any warranty, representation or statement made by the County herein or in any other document executed or delivered in connection herewith is found to be incorrect or misleading in any material respect on the date made; or

(e) An attachment, levy or execution of a security interest or lien is levied upon or against the Equipment.

11.2. Remedies on Default. Subject to Section 13 hereof entitled "Limited Obligation of the County," upon the occurrence of any Event of Default, the Bank may exercise any one or more of the following remedies as the Bank in its sole discretion shall elect:

(a) Declare the entire principal amount of the Installment Payments and all accrued interest and other charges immediately due and payable without notice or demand to the County;

(b) Proceed by appropriate court action to enforce performance by the County of the applicable covenants of this Contract or to recover for the breach thereof;

(c) Exercise all the rights and remedies of a secured party or creditor under the Uniform Commercial Code of the State of North Carolina and the general laws of the State of North Carolina with respect to the enforcement of the security interest granted or reserved hereunder, including, without limitation, to the extent permitted by law, take possession of any collateral without any court order or other process of law and without liability for entering the premises and sell, lease, sublease or make other disposition of the same in a commercially reasonable manner for the account of the County, and apply the proceeds of any such sale, lease, sublease or other disposition, after deducting all costs and expenses, including court costs and attorneys' fees, incurred with the recovery, repair, storage and other sale, lease, sublease or other disposition costs, toward the balance due under this Contract and, thereafter, shall pay any remaining proceeds to the County;

(d) Take possession of any proceeds of the Equipment, including Net Proceeds; or

(e) Pursue any other remedy available at law or equity to the Bank.

11.3. Further Remedies. In connection with the exercise by the Bank of its remedies under Section 11.2(c), County agrees to deliver the Equipment, at its own expense, to any location within North Carolina designated by the Bank. All remedies of the Bank are cumulative and may be exercised concurrently or separately. The exercise of any one remedy shall not be deemed an election of such remedy or preclude the exercise of any other remedy. The County agrees to pay to the Bank all court costs and reasonable attorney fees incurred by the Bank in enforcing the Bank's rights and remedies under this Contract.

SECTION 12. ASSIGNMENT

12.1. Assignment by the County. The County agrees not to sell, assign, lease, sublease, pledge or otherwise encumber or suffer a lien or encumbrance upon or against any interest in this Contract or the Equipment (except for the lien and security interest of the Bank therein) without the Bank's prior written consent.

12.2. Assignment by the Bank. The Bank may, at any time and from time to time, assign all or any part of its interest in the Equipment and/or this Contract, including without limitation, the Bank's rights to receive the Installment Payments due and to become due hereunder. Any assignment made by the Bank or any subsequent assignee may be made only to a bank, insurance company, or similar financial institution or other entity approved by the LGC. No such assignment shall grant or purport to grant any greater interest or rights than those held by the Bank pursuant to this Contract. The

County agrees that this Agreement may become part of a pool of obligations and the Bank or its assignees may assign or reassign all or any part of this Contract, including the assignment or reassignment of any partial interest through the use of certificate evidencing participation interests in this Contract, but only if such certificates are sold to a bank, insurance company or similar financial institution or other entity assigned by the LGC. The Bank or its designees may assign or reassign either this entire Contract or a partial interest herein, subject to the foregoing restrictions. All assignments by the Bank shall be subject to the following rules and conditions:

(a) The Bank shall send written notice of the assignment and its effective date to the County before it makes the assignment. Such notification shall be forwarded to the County at least 30 days before the effective date of the assignment. The notification shall include an executed copy of the assignment document and shall specify the assignee's name and address, and shall provide the County with instructions for making payments after the effective date of the assignment. The requirement of 30 days notice may be waived in writing by the County.

(b) The County shall not be obligated to make payments to anyone other than the Bank until the notification specified in part (a) of this Section is received by the County or until the effective date of the assignment, whichever is later. Should the County incorrectly make payments to the Bank after the conditions specified in the preceding sentence are met, the Bank shall return those payments to the County.

(c) When it receives the notification specified in part (a) of this section, the County shall send a written acknowledgement of the same to the Bank and shall record the assignment in the County's "book entry system".

(d) The Bank shall require each of its assignees (1) to conform to the notification requirements of this section in the event of further assignments, and (2) to require such conformity from that assignee's assignees.

(e) The County shall execute, at the Bank's request, a notice of assignment and other related documents that are reasonably necessary to protect the security interest in the Equipment or in this Contract and to maintain those security interests in perfected form.

After the giving of notice described above to the County, the County shall thereafter make all payments in accordance with the notice to the assignee named therein and shall, if so requested, acknowledge such assignment in writing, but such acknowledgement shall in no way be deemed necessary to make the assignment effective.

SECTION 13. LIMITED OBLIGATION OF THE COUNTY

NO PROVISION OF THIS CONTRACT SHALL BE CONSTRUED OR INTERPRETED AS CREATING A PLEDGE OF THE FAITH AND CREDIT OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL DEBT LIMITATION. NO PROVISION OF THIS CONTRACT SHALL BE CONSTRUED OR INTERPRETED AS CREATING A DELEGATION OF GOVERNMENTAL POWERS

NOR AS A DONATION BY OR A LENDING OF THE CREDIT OF THE COUNTY WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE OF NORTH CAROLINA. THIS CONTRACT SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE COUNTY TO MAKE ANY PAYMENTS BEYOND THOSE APPROPRIATED IN THE SOLE DISCRETION OF THE COUNTY FOR ANY FISCAL YEAR IN WHICH THIS AGREEMENT IS IN EFFECT; PROVIDED, HOWEVER, ANY FAILURE OR REFUSAL BY THE COUNTY TO APPROPRIATE FUNDS, WHICH RESULTS IN THE FAILURE BY THE COUNTY TO MAKE ANY PAYMENT COMING DUE HEREUNDER WILL IN NO WAY OBVIATE THE OCCURRENCE OF THE EVENT OF DEFAULT RESULTING FROM SUCH NONPAYMENT. NO DEFICIENCY JUDGMENT MAY BE RENDERED AGAINST THE COUNTY IN ANY ACTION FOR BREACH OF A CONTRACTUAL OBLIGATION UNDER THIS CONTRACT, AND THE TAXING POWER OF THE COUNTY IS NOT AND MAY NOT BE PLEDGED DIRECTLY OR INDIRECTLY OR CONTINGENTLY TO SECURE ANY MONEYS DUE UNDER THIS CONTRACT.

No provision of this Contract shall be construed to pledge or to create a lien on any class or source of the County's moneys other than the Escrow Fund created pursuant to the Escrow Deposit Agreement referenced in Section 5.90. To the extent of any conflict between this Section and any other provision of this contract, this Section shall take priority.

SECTION 14. TAX-EXEMPT INTEREST

14.1. Intent of Parties. It is the intention of the parties hereto that the interest portion of the Installment Payments paid by the County to the Bank under this Contract shall be tax-exempt under Section 103 of the United States Internal Revenue Code.

14.2. Determination of Event of Taxability. If at any time there is a Determination of Taxability or Event of Taxability, as such terms are hereinafter defined, the principal portion of the indebtedness of the County to the Bank which is represented by the Installment Payments shall, from and after the Date of Taxability, as hereinafter defined, bear interest at the Prime Rate, as the Prime Rate fluctuates from time to time, plus one percent (1%) per annum (the "Alternative Rate of Interest") payable from the Date of Taxability to such time. In such event, the County also shall be required to pay to the Bank all amounts, if any, which may be necessary to reimburse the Bank for any interest, penalties or other charges assessed by the Internal Revenue Service and the Department of Revenue of the State of North Carolina against the Bank by reason of the Bank's failure to include the interest portion of the Installment Payments in its gross income for income tax purposes. Installment Payment amounts under this Contract shall be increased as a result of the increased interest rate and additional interest as a result of said rate increase on all previous payments shall be paid to the Bank upon demand thereof. The County shall pay to the Bank the above-mentioned Alternative Rate of Interest notwithstanding any transfer by the Bank or payment or prepayment by the County prior to the date such Determination of Taxability was made.

An Event of Taxability shall mean any event, occurrence or situation, resulting from an action, or failure to act, by the County, the effect of which is to cause the interest portion of the Installment Payments to be includible in the gross income of the Bank for federal income tax purposes. A Determination of Taxability shall mean a determination that the interest portion of the Installment Payments is included in gross income of the Bank for federal income tax purposes, which determination shall be deemed to have been made upon the occurrence of the first to occur of the following: (a) the date on which the Bank is advised in writing by the Commissioner or any District Director of the Internal Revenue Service that, as a consequence of an action, or failure to act, by the County, the interest portion of the Installment Payments (hereinafter called "Interest") is included in the gross income of the Bank for federal income tax purposes; (b) the date on which the County receives notice from the Bank that the Bank has been advised (i) in writing that the Internal Revenue Service has issued a statutory notice of deficiency or similar notice to the Bank which asserts, in effect, that Interest received by the Bank is included in the gross income of the Bank for federal income tax purposes, as a result of an action, or failure to act, by the County, or (ii) by an opinion of counsel received by the Bank which concludes, in effect, that Interest is included in the gross income of the Bank for federal income tax purposes as a result of an action, or failure to act, by the County; (c) the day on which the County is advised in writing by the Commissioner or any District Director of the Internal Revenue Service that there has been issued a public or private ruling of the Internal Revenue Service that the Interest is included in the gross income of the Bank for federal income tax purposes as a result of an action, or failure to act, by the County; or (d) the day on which the County is advised in writing by counsel to the Bank that a final determination, from which no further right of appeal exists, has been made by a court of competent jurisdiction in the United States of America in a proceeding with respect to which the County has been given written notice and an opportunity to participate and defend that the Interest is included in the gross income of the Bank for federal income tax purposes, as a result of an action, or failure to act, by the County.

The Date of Taxability shall mean the first date upon which Interest is included in the gross income of the Bank for federal income tax purposes as a result of an Event of Taxability or a Determination of Taxability.

14.3. Duty to Notify the Bank. The County agrees to give prompt written notice to the Bank upon the County's receipt of any oral or written notice or information from any source whatsoever to the effect that an Event of Taxability or a Determination of Taxability has occurred.

SECTION 15. MISCELLANEOUS

15.1. Waiver. No covenant or condition of this Contract can be waived except by the written consent of the Bank. Any failure of the Bank to require strict performance by the County or any waiver by the Bank of any terms, covenants or conditions herein shall not be construed as a waiver of any other breach of the same or any other term, covenant or condition herein.

15.2. Severability. In the event any portion of this Contract shall be determined to be invalid under any applicable law, such provision shall be deemed void and the remainder of this Contract shall continue in full force and effect.

15.3. Governing Law. This Contract shall be construed, interpreted and enforced in accordance with the laws of the State of North Carolina.

15.4. Notices. Any and all notices, requests, demands, and other communications given under or in connection with this Contract shall be effective only if in writing and either personally delivered or mailed by registered or certified United States mail, postage prepaid, return receipt requested, addressed to the address of the recipient as described in this document, and shall be deemed to be received on the third day after the day it was deposited in the United States mail or on the day it was actually received, whichever is earlier.

15.5. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Contract.

15.6. Entire Contract. This Contract, together with the Exhibits and attachments hereto, constitutes the entire Contract between the parties and this Contract shall not be modified, amended, altered or changed except by written agreement signed by the parties.

15.7. Binding Effect. Subject to the specific provisions of this Contract, this Contract shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

15.8. Time. Time is of the essence of this Contract and each and all of its provisions.

15.9. Execution in Counterparts. This Contract may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed as of the day and year first above written.

COUNTY OF HENDERSON

By: _____

Title: _____

(SEAL)

Attest: _____

Title: _____

This instrument has been preaudited in the manner required by The Local Government Budget and Fiscal Control Act.

County Finance Director

County's Address:

County of Henderson
113 North Main Street
Hendersonville, NC 28792
Attn: J. Carl McLelland

DRAFT

Signature page to Installment Financing Contract between the County of Henderson, North Carolina (the "County") and RBC Bank (USA) (the "Bank") dated August ____, 2008

RBC BANK (USA)

By: _____

Title: _____

Bank's Address:

RBC Bank (USA)
3201 Beechleaf Court, Suite 360
Raleigh, North Carolina 27604
Attn: Jeremy Fisher

DRAFT

Signature page to Installment Financing Contract between the County of Henderson, North Carolina (the "County") and RBC Bank (USA) (the "Bank") dated August ____, 2008

EXHIBIT A

DESCRIPTION OF EQUIPMENT

Installment Purchase Contract Date: August ____, 2008

County: County of Henderson

Loan Amount: \$553,000.00

Description and
Serial Number

Department and Location of Equipment
Purpose or Function After Delivery

Upgrade and expansion of existing 911 CENTRACOM emergency dispatch console system

COUNTY OF HENDERSON

By: _____

Title: _____

Date: _____

Signature page to Installment Financing Contract between the County of Henderson, North Carolina (the "County") and RBC Bank (USA) (the "Bank") dated August ____, 2008

EXHIBIT B

PAYMENT SCHEDULE

Installment Financing Contract Date: August ____, 2008

County: County of Henderson

Loan Amount: \$553,000.00

Interest Rate/Payment Terms

X Fixed Rate 360-day year

The interest rate is 3.63% per annum fixed. Interest is calculated and imposed on the unpaid balance of the Loan Amount based on the payment schedule described herein. The Loan Amount plus interest shall be repaid by the County to the Bank in five (5) equal consecutive annual installments of principal and interest in the amount of \$122872.53 each, commencing August 15, 2009, and the final payment shall include all unpaid principal and interest.

* The amortization schedule is subject to change based on the closing and funding date of this financing. Therefore, an amortization schedule will be sent with copies of your documents after closing.

County: COUNTY OF HENDERSON

By: _____

Title: _____

Date: _____

Signature page to Installment Financing Contract between the County of Henderson, North Carolina (the "County") and RBC Bank (USA) (the "Bank") dated August ____, 2008

EXHIBIT C

INCUMBENCY AND AUTHORIZATION CERTIFICATE

In connection with the execution and delivery by the County of Henderson (the "County") of an Installment Financing Contract dated August ____, 2008 with RBC Bank (USA), I, _____, do hereby certify that I am the duly appointed _____ of the County of Henderson, a political subdivision and body corporate and politic existing under the laws of the State of North Carolina, and that I have custody of the official minutes and other pertinent records of that body.

I further certify that:

(1) As of the date of this certificate, the persons named below hold the positions listed opposite their names.

(2) The persons named below were authorized by a resolution of the governing body of County of Henderson, passed in a regular meeting held on _____, at _____, to execute and deliver on behalf of the County the aforesaid Installment Financing Contract to evidence the obligation of the County in connection with the purchase of personal property, including any fixtures (the "Equipment") and the creation of a security interest in the Equipment, together with all other documents and instruments required and contemplated by said Installment Financing Contract, and to carry out the terms of all of the foregoing all under and pursuant to the provisions of Section 160A-20 of the General Statutes of North Carolina as amended. Attached hereto is a true, complete and accurate copy of such resolution. Such resolution has not been amended, rescinded, terminated or otherwise revoked and is in full force and effect.

(3) The persons named below were on the date or dates of the execution of the Contract, and are on the date hereof, the duly elected and qualified incumbents of the offices of the County appearing at the left of their respective names and the signatures appearing at the right of their respective names are their genuine signatures.

(4) The signatures set opposite the names and positions of the persons named below are such persons' true and authentic signatures.

Name	Position	Signature
_____	_____	_____
_____	_____	_____

Signature page to Installment Financing Contract between the County of Henderson, North Carolina (the "County") and RBC Bank (USA) (the "Bank") dated August ____, 2008

(5) The Seal of the County is the same seal of which an impression appears below and on the Contract.

(6) No litigation of any kind is now pending or, to the best of our information, knowledge and belief, threatened to restrain or enjoin the execution or delivery of the Contract, or in any manner questioning the proceedings and authority under which the Contract has been executed and delivered, or affecting the validity of such documents.

(7) The County has obtained the proper authorization to execute and deliver the Contract and all related documents necessary to complete the transaction contemplated thereby.

(8) The Contract has been duly authorized, executed and delivered by the County. Assuming the due authorization, execution and delivery of such agreement by the Bank, such agreement constitutes a legal, valid and binding agreement of the County enforceable against the County in accordance with its terms. Such obligation does not constitute a pledge of the faith and credit of the State of North Carolina or of any county, city or other political subdivision of the State, including the County. The rights and enforceability of the obligations of the County under such agreement may be limited or otherwise affected by (a) bankruptcy, insolvency, reorganization, moratorium or other laws affecting the rights of creditors generally and (b) principles of equity, whether considered at law or in equity.

There has been no material adverse change in the financial condition of the County since the date of the last annual financial statement of the County provided to the Bank.

IN WITNESS WHEREOF I have duly executed this certificate and have affixed to it the seal of County of Henderson on this _____ day of _____, 20__.

[SEAL]

Signature page to Installment Financing Contract between the County of Henderson, North Carolina (the "County") and RBC Bank (USA) (the "Bank") dated August ____, 2008

EXHIBIT D

[TO BE PLACED ON COUNSEL'S LETTERHEAD]

OPINION OF COUNSEL OF COUNTY

[Date]

RBC Bank (USA)
3201 Beechleaf Court, Suite 360
Raleigh, North Carolina 27604

Re: Installment Financing Contract between the County of Henderson, North Carolina (the "County") and RBC Bank (USA) (the "Bank")

We are acting as counsel to the County in connection with the authorization and delivery of the above-referenced Installment Financing Contract (the "Contract"). The County is entering the Contract to finance the acquisition by the County of certain equipment, including any fixtures described therein (the "Equipment"). The Contract is being entered into by the County pursuant to the provisions of Section 160A-20 of the General Statutes of North Carolina, as amended (the "Act"). This opinion is being rendered to the Bank in support of the obligation of County of Henderson under the Contract and the documents related thereto.

In connection with preparing this opinion, we have reviewed (a) the Constitution and laws of the State of North Carolina (the "State"), (b) certain proceedings taken by the governing body of the County, (c) the form of the Contract, the Escrow Deposit Agreement dated _____ between the County and RBC Bank (USA) as Escrow Agent, and all other documents related thereto (collectively, the "Agreements"), and (d) such other information and documents as we have deemed appropriate.

Based upon the foregoing, we are of the opinion, as of the date hereof and under existing law, that:

1. The County is a body politic and corporate duly existing under the Constitution and laws of the State. The County has all necessary power and authority to (a) undertake the Project, (b) adopt the Resolutions, and (c) enter into and perform its obligations under the Agreements.
2. Each of the Resolutions was duly adopted.
3. Each of the Agreements has been duly authorized, executed and delivered by the County. Assuming the due authorization, execution and delivery of any Agreement by the Bank, if required by the terms thereof, each such Agreement constitutes a legal, valid and binding agreement of the County enforceable against

the County in accordance with its terms. Such obligation does not constitute a pledge of the faith and credit of the State of North Carolina or of any county, city or other political subdivision of the State, including the County. The rights and enforceability of the obligations of the County under the Contract may be limited or otherwise affected by (a) bankruptcy, insolvency, reorganization, moratorium or other laws affecting the rights of creditors generally and (b) principles of equity, whether considered at law or in equity.

4. The Project serves a public purpose for which public funds may be expended pursuant to the Constitution and laws of the State.
5. All necessary public hearings relating to the Resolutions and the execution, delivery and performance of the Agreements by the County have been duly conducted as required by applicable law.
6. To the best of my knowledge, all permits, consents, approvals or authorizations of all governmental entities and regulatory bodies, and all filings and notices required on the County's part to have been obtained or completed in connection with the authorization, execution and delivery of the Agreements, the consummation of the transactions contemplated thereby and the acquisition of the Project, including all necessary approvals from the North Carolina Local Government Commission have been obtained pursuant to Section 160A-20 and Chapter 159, Article 8 of the North Carolina General Statutes, have been obtained and are in full effect, and I know of no reason why any future required permits, consents, approvals, authorizations or orders cannot be obtained as needed.
7. There is no litigation or any governmental administrative proceeding to which the County (or any official thereof in an official capacity) is a party that is pending or, to the best of my knowledge, after reasonable investigation, threatened with respect to (a) the County's organization or existence, (b) its authority to execute and deliver the Agreements or adopt the Resolutions or to comply with the terms thereof, (c) the validity or enforceability or any of the Agreements or the transactions contemplated thereby, (d) the title of the County officers who executed the Agreements, (e) any authority or proceedings relating to the County's adoption of the Resolutions or its execution or delivery of any of the Agreements, or (f) the undertaking of the transactions contemplated by the Agreements and the Resolutions.

The opinions expressed above are subject to the following qualifications and limitations:

- (a) The enforceability of the Contract will be subject to bankruptcy, insolvency and other laws affecting creditors rights generally. To the extent that remedies under the Contract require enforcement by a court of equity, the enforceability thereof may be limited by such principles of equity as the court having jurisdiction may impose.

(b) Pursuant to the Act, no deficiency judgment may be rendered against the County in the event of a breach by the County of its obligations under the Contract, including its obligation to pay the Installment Payments under the Contract, and the taxing power of the County is not pledged, and may not be pledged, to pay any obligation of the County under the Contract.

(c) Under North Carolina law, the recovery of attorneys' fees is limited by and subject to the procedures and limitations set forth in Section 6-21.2 of the General Statutes of North Carolina, as amended.

(d) We have assumed for purposes of all of our opinions contained herein that the Bank will exercise its rights under the Contract in good faith and in a commercially reasonable manner.

This opinion is for the sole benefit of the Bank and any assignee of the Contract and may not be relied upon by any other person without our prior written consent.

Very truly yours,

DRAFT

EXHIBIT E

CONTINUOUS INSURANCE COVERAGE DECLARATION

Installment Financing Contract Dated: August ____, 2008

County: County of Henderson
113 North Main Street
Hendersonville, NC 28792

Bank: RBC Bank (USA)
3201 Beechleaf Court, Suite 360
Raleigh, NC 27604

Insurance Co: _____
Policy #: _____
Agency: _____

Phone: _____

Whereas, the County has entered into an agreement to finance equipment, including fixtures ("Equipment") and insurance coverage is required by the Bank to protect the security interest in such Equipment. County agrees to maintain insurance coverage on the Equipment with the above designated company or another company of its selection during the term of financing. If coverage is not renewed or never acquired, and a loss occurs while the collateral is uninsured, the County agrees to indemnify the Bank. The indemnification can be accomplished by the mutual agreement of the parties as follows:

- * The principal balance and accrued interest may be paid in full in satisfaction of the obligation as provided in Section 3.5 of the Installment Financing Contract entered into by and between the Bank and the County.
- * The Equipment is repaired to its original condition or replaced with equal value property, at the expense of the County.
- * A replacement or substitution of collateral satisfactory to the Bank is acquired by the County, at the County's expense.

The County pledges to notify the Bank of a loss in whole or in part within ten (10) days of any loss and agrees to cooperate with the Bank in obtaining insurance proceeds or through indemnification for any losses. The County further certifies that the County takes full responsibility of notifying the insurance agency/company and maintaining continuous coverage on the collateral.

COUNTY OF HENDERSON

By: _____

Title: _____

Date: _____

DRAFT

Signature page to Installment Financing Contract between the County of Henderson, North Carolina (the "County") and RBC Bank (USA) (the "Bank") dated August ____, 2008

DRAFT

ESCROW DEPOSIT AGREEMENT

This ESCROW DEPOSIT AGREEMENT (the "Escrow Agreement"), dated as of August _____, 2008, by and among County of Henderson, North Carolina, a corporation and political subdivision duly created and existing under the laws of the State of North Carolina (the "Borrower"), RBC Bank (USA), a North Carolina banking corporation (the "Bank) and RBC Bank (USA) (the "Escrow Agent").

WITNESSETH:

WHEREAS, the Borrower is authorized by N.C.G.S. Section 160A-20 to acquire such items of personal property, including fixtures ("Equipment") as are needed to carry out its governmental and proprietary functions and to acquire such Equipment by entering into purchase agreements; and

WHEREAS, the Bank is willing to provide third-party financing for the acquisitions of such Equipment when delivered to and accepted by the Borrower; and

WHEREAS, the Borrower and the Bank have entered into an Installment Financing Contract dated as of August _____, 2008 (the "Contract") to provide financing for the property described below:

See Exhibit A to Contract

WHEREAS, the Bank will deposit to an escrow fund established and maintained by the Escrow Agent (the "Escrow Fund") in advance of the acquisition of the Equipment the sum of \$553,000.00 to be available, together with the earnings from the investment thereof, in periodic draws for the payment of the costs of the acquisition of such Equipment; and

WHEREAS, the Bank and the Borrower now desire to provide for the safekeeping and investment of such monies advanced by the Bank and for the procedures in disbursing such monies;

NOW THEREFORE, in consideration of the premises set forth above and the mutual covenants set forth below, the parties hereto agree as follows:

1. The Bank, the Borrower, and the Escrow Agent agree that the Escrow Agent will act as sole Escrow Agent under this Escrow Agreement in accordance with the terms and conditions set forth in the Escrow Agreement. The Escrow Agent shall not be deemed to be party to any Contract, and this Escrow Agreement shall be deemed to constitute the entire Escrow Agreement among the Bank, the Borrower, and the Escrow Agent.

2. Upon the execution of the Contract, the Bank shall deposit with the Escrow Agent the sum of \$553,000.00 which, together with the earnings from the investment thereof, shall be maintained separate and apart from other funds of the Bank, and shall be held and disbursed in accordance with this Escrow Agreement.

3. Prior to any disbursement from the Escrow Fund, the Borrower shall furnish the Escrow Agent and the Bank with evidence satisfactory to the Bank of appropriation by the Borrower of funds sufficient to pay the payments coming due under the Contract on or before June 30 of the then current budget year of the Borrower. After the receipt of such evidence, the Escrow Agent shall disburse funds from the Escrow Fund as directed by the Borrower, or to the Borrower to the extent the Borrower has spent its funds for the acquisition of the Equipment, upon receipt of a written request from the Borrower in the form attached hereto as Schedule A. The Borrower also agrees to submit to the Bank the written request in the form of Schedule A, together with such other documents and certificates as the Bank may reasonably request in connection therewith. The Escrow Agent has no duty to ascertain the correctness or completeness of any document submitted in connection with any direction to disburse funds. The Escrow Agent shall make disbursement of the Escrow Funds upon receipt of (i) the written request of the Purchase substantially in the form attached hereto as Schedule A and (ii) written approval of such request by the Bank.

4. The Equipment from time to time described in Exhibit A attached to the Contract has been designated and identified by the Borrower, and the Escrow Fund constitutes the source of payment for such Equipment as of the date of this Escrow Agreement. In the event that any portion of the Equipment is not finally accepted by the Borrower, the remaining unused Escrow Funds will be paid to the Bank to be applied toward the payoff of the principal balance of the obligations owed under the Contract, or (ii) to finance the cost of such other equipment as may be agreed upon in writing by the Borrower and the Bank, provided that the Bank receives a first lien perfected security in such equipment. Notwithstanding any other term or condition hereof, all Escrow Funds held by the Escrow Agent at the end of three (3) years from the date of the Contract, shall be distributed to the Bank to be applied as a prepayment under the Contract.

5. Upon written notification to the Escrow Agent by the Bank that an Event of Default has occurred under the Contract, the Escrow Agent shall forthwith disburse all monies on deposit in the Escrow Fund to the Bank on behalf of the Borrower. It is the intention of the parties that, to the extent permitted by law, the Borrower shall indemnify and hold the Bank harmless for all costs incurred in connection with the Contract and this Escrow Agreement. Escrow Agent shall have no duty to enforce the provisions of this paragraph.

6. Upon written notification to the Escrow Agent by the Borrower or by the Bank confirmed by the Borrower that the Borrower has failed to appropriate funds pursuant to paragraph 3 of the Contract, the Escrow Agent shall forthwith disburse all monies on deposit in the fund to the Bank on behalf of the Borrower to be applied to the payment of principal under the Contract.

7. To the extent permitted by the law, any monies held as part of the Escrow Fund shall be promptly invested and reinvested by the Escrow Agent upon the written direction of the County of Henderson in any of the following investments: (i) RBC Bank (USA)'s Public Escrow Account or (ii) any other investment permitted under N.C.G.S. §159-30 which is approved by the Bank. No investment shall be made in a security maturing later than the date on which the County of Henderson shall notify the Escrow Agent as to the dates on which funds are needed for disbursement and the estimated amount of each such disbursement and the Escrow Agent may rely upon this information in connection with all investments or reinvestments of funds. The Escrow Agent has no duty to make investment recommendations.

8. This Escrow Agreement may be modified or amended only with the written consent of Borrower, Bank and Escrow Agent.

9. The Borrower agrees to pay the Escrow Agent's fees in connection with its duties and obligations under this Escrow Agreement in accordance with the Installment Purchase Agreement Proposal from the Bank to the Borrower. In the event of litigation or dispute, the Escrow Agent is entitled to recover from the Borrower all attorney's fees, court costs, and all other reasonable costs to the extent permitted by law, in connection with the discharge of the obligations of the Escrow Agent under this Escrow Agreement.

10. In the event of the Escrow Agent's failure to account for any of the funds received by it, said funds shall be and remain the property of the Borrower in trust for the purposes set forth in this Escrow Agreement, and if for any reason such funds cannot be identified, the assets of the Escrow Agent shall be impressed with a trust for the amount thereof and the Borrower shall be entitled to a preferred claim upon such assets until such identification is made.

11. This Escrow Agreement shall terminate when all transfers required to be made with respect to the Escrow Fund by the Escrow Agent under the provisions hereof and all payments due to the Escrow Agent hereunder shall be made.

12. If any one or more of the covenants or agreements provided in this Escrow Agreement on the part of the Bank, the Borrower, or the Escrow Agent to be performed shall be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Escrow Agreement.

13. This Escrow Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

14. This Escrow Agreement shall be construed and enforced in accordance with the laws of the State of North Carolina.

15. Any and all notices, requests, demands and other communications given under or in connection with this Escrow Agreement shall be effective only if in writing and either personally delivered or mailed by United States Mail, postage prepaid, addressed to the address of the recipient as set forth below:

Borrower: County of Henderson
113 North Main Street
Hendersonville, NC 28792
Attention: J. Carey McLelland

Bank: RBC Bank (USA)
3201 Beechleaf Court, Suite 360
Raleigh, NC 27604
Attention: Jeremy E. Fisher

Escrow Agent: RBC Bank (USA)
3201 Beechleaf Court, Suite 360
Raleigh, NC 27604
Attention: Jeremy E. Fisher

IN WITNESS WHEREOF, the parties have executed this Escrow Agreement as of the date and year first written above.

BANK:

RBC BANK (USA)

By: _____

Title: Bank Officer

Bank signature page to Escrow Deposit Agreement dated August _____, 2008 between RBC Bank (USA) as Escrow Agent, RBC Bank (USA) as the Bank and County of Henderson

BORROWER:

County of Henderson

(SEAL)

Attest: _____

By: _____

Title: _____

Title: _____

DRAFT

Borrower signature page to Escrow Deposit Agreement dated August _____, 2008 between RBC Bank (USA) as Escrow Agent, RBC Bank (USA) as the Bank and County of Henderson

ESCROW AGENT:

RBC BANK (USA)

By: _____

Title: Bank Officer

DRAFT

Escrow Agent signature page to Escrow Deposit Agreement dated August _____, 2008 between RBC Bank (USA) as Escrow Agent, RBC Bank (USA) as the Bank and County of Henderson

SCHEDULE A

REQUEST FOR DISBURSEMENT OF ESCROW FUNDS

Date: _____

1. The amount of the requested disbursement: _____

2. The method of disbursement:

Official Check (made payable to: _____)

Mailed to: _____

RBC Bank (USA) Account Transfer to Acct #: _____

Acct name: _____

Wire Transfer Bank Name: _____ ABA#: _____

Credit Acct Name: _____

Credit Acct #: _____

Special Instructions: _____

3. A brief description of the purpose of the payment: _____

4. The undersigned certifies as follows:

(1) Payment of the disbursement for the purpose requested will not cause the undersigned to be in violation of any of its representations, warranties or covenants under the Installment Financing Contract dated August 2008 (the "Contract") including, but not limited to its covenants in Section 5.10 of the Contract.

(2) The amounts requested to be disbursed were properly incurred in connection with the acquisition of the equipment and were not subject of any previous request for disbursement.

(3) The Equipment for which the disbursement is requested has been finally accepted by the Borrower.

5. Attached hereto are the following: Bills, receipts, invoices, or other documents evidencing the amounts and purposes for which the disbursement is requested.

County of Henderson

By: _____

_____ (Title)

Original Loan Amount: \$553,000.00

RESOLUTION

The governing body for the County of Henderson, North Carolina, held a regular meeting at 1 Historic Courthouse Square, Hendersonville, North Carolina, the regular place of meeting, on August 12, 2008, at 5:30 p.m.

Present: _____

Absent: _____

Also Present: _____

* * * * *

_____ introduced the following resolution:

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT FINANCING CONTRACT IN THE AMOUNT OF \$553,000.00 WITH RBC BANK (USA) TO FINANCE THE ACQUISITION OF CERTAIN EQUIPMENT FOR USE BY THE COUNTY OF HENDERSON, NORTH CAROLINA, AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED INSTRUMENTS, AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH

BE IT RESOLVED by the governing body for the County of Henderson, North Carolina (the "Unit"):

Section 1. The governing body of the Unit does hereby find and determine:

- a) The County of Henderson proposes the acquisition of certain equipment, which may include fixtures as more fully described in the hereinafter mentioned Contract (collectively, the "Equipment");
- b) After consideration, the governing body of the Unit has determined that the most advantageous manner of financing thereof is by an installment contract pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended;
- c) Pursuant to Section 160A-20, the Unit is authorized to finance the acquisition of personal property, including fixtures, by installment contracts that create a security interest in the property financed to secure repayment of the financing; and
- d) RBC Bank (USA) ("RBC Bank (USA)") has proposed that RBC Bank (USA) enter into an Installment Financing Contract with the Unit to finance the Equipment pursuant to which RBC Bank (USA) will lend the Unit the amount of

\$553,000.00 (the "Contract") and a related Escrow Agreement between the Unit and RBC Bank (USA) (the "Escrow Agreement").

Section 2. The governing body of the Unit hereby authorizes and directs the Chairman and County Staff to execute, acknowledges and deliver the Contract and Escrow Agreement on behalf of the Unit in such form and substance as the person executing and delivering such instruments on behalf of the Unit shall find acceptable. The Clerk is hereby authorized to affix the official seal of the County of Henderson to the Contract and the Escrow Agreement and attest the same.

Section 3. The Chairman and County Staff of the Unit are authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do or cause to be done any and all other acts and things necessary or proper for carrying out this Resolution and the Contract and the Escrow Agreement.

Section 4. Notwithstanding any provision of the Contract or the Escrow Agreement, no deficiency judgment may be rendered against the Unit in any action for breach of a contractual obligation under the Contract or the Escrow Agreement and the taxing power of the Unit is not and may not be pledged directly or indirectly to secure any moneys due under the Contract, the security provided under the Contract being the sole security for RBC Bank (USA) in such instance.

Section 5. The Unit covenants that, to the extent permitted by the Constitution and laws of the State of North Carolina, it will comply with the requirements of the Internal Revenue Code of 1986, as amended (the "Code") as required so that interest on the Unit's obligations under the Contract will not be included in the gross income of RBC Bank (USA).

Section 6. The Unit hereby represents that it reasonably expects that it, all subordinate entities thereof and all entities issuing obligations on behalf of the Unit will issue in the aggregate more than \$10,000,000 of tax-exempt obligations, including the Contract (not counting private-activity bonds except for qualified 501(c)(3) bonds as defined in the Code) during calendar year 2008. In addition, the Unit hereby designates the Contract and its obligations under the Contract as a "non-bank qualified tax-exempt obligation" for the purposes of the Code.

Section 7. This Resolution shall take effect immediately upon its passage.

Upon motion of _____, members of the governing body, the foregoing resolution entitled "**RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT FINANCING CONTRACT IN THE AMOUNT OF \$553,000.00 WITH RBC BANK (USA) TO FINANCE THE ACQUISITION OF CERTAIN EQUIPMENT, AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED INSTRUMENTS, AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH**" was passed by the following vote:

Ayes: _____

Nays: _____

PASSED AND ADOPTED this 12th day of August, 2008.

* * * * *

I, _____, Clerk to the Board for the County of Henderson, North Carolina DO HEREBY CERTIFY that the foregoing has been carefully copied from the actually recorded minutes of the governing body of said County of Henderson at a regular meeting held on August 12, 2008, the record having been made in the minutes of said governing body, and is a true copy of so much of said minutes as relates in any way to the passage of a resolution providing for the authorization of the Installment Financing Contract referred to therein.

WITNESS my hand and corporate seal of said County of Henderson, this ____ day of _____, _____.

Elizabeth Corn, Clerk to the Board

[SEAL]

Original Loan Amount: \$553,000.00
Loan Date: August ____, 2008