

**A RESOLUTION AUTHORIZING A BOND ORDER FOR THE ISSUANCE OF
GENERAL OBLIGATION REFUNDING BONDS IN THE MAXIMUM AMOUNT OF
\$5,750,000 TO REFUND PUBLIC IMPROVEMENT BONDS ISSUED IN 1998 AND 2000
(2009-10-28/R-4a)**

WHEREAS, The Town of Chapel Hill, North Carolina (the "Town"), has previously issued (a) its General Obligation Public Improvement Bonds, Series 1998, in the original principal amount of \$4,550,000, and (b) its General Obligation Public Improvement Bonds, Series 2000, in the original principal amount of \$4,700,000. Based on the current state of the municipal bond market, the Town has determined that refinancing all or a portion of the outstanding balance of the Series 1998 and the Series 2000 Bonds (together, the "Prior Bonds") could provide savings to the Town; and

WHEREAS, The Town has applied to the North Carolina Local Government Commission for its approval of the issuance of Town refunding bonds to carry out the refinancing of the Prior Bonds. The LGC has accepted the Town's application.

NOW THEREFORE, BE IT ORDERED by the Town Council of the Town of Chapel Hill, North Carolina, as follows:

Section 1. There are hereby ordered to be issued general obligation refunding bonds of the Town to provide for the refinancing of all or a portion of the outstanding balance of the Prior Bonds, including paying related financing costs and other necessary or incidental costs.

Section 2. The maximum aggregate principal amount of the bonds issued for such purpose will be \$5,750,000.

Section 3. Taxes will be levied in an amount sufficient to pay the principal of and interest on the bonds so issued.

Section 4. A sworn statement of debt prepared by the Town's Finance Officer has been filed with the Town Clerk and is available for public inspection.

Section 5. This Bond Order takes effect immediately.

This the 28th day of October, 2009.