

**Resolution Providing Final Approval Of
Financing Terms and Documents for Parking Facilities Refinancing**

WHEREAS:

The Town Council has previously determined to carry out a plan to refinance the Town's payment obligations under a 1994 installment financing. The 1994 transaction provided for the refinancing of the Town's James C. Wallace Parking Deck, and other Town parking facilities.

The Town has solicited competitive proposals from banks to provide the desired refinancing, and Bank of America, N.A. ("Bank of America"), has submitted the best proposal.

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

1. *Determination To Proceed with Refinancing* -- The Council confirms its decision to carry out the refinancing plan. The Town will carry out the plan with financing from Bank of America, in accordance with a financing proposal dated July 25, 2003. Under the financing plan, Bank of America will advance funds sufficient to pay off the 1994 installment financing. The Town will repay the amount advanced, with interest, over time. The Town will grant to Bank of America a mortgage-type interest in the Wallace parking deck to secure the Town's repayment obligation.

2. *Direction To Execute Documents* -- The Council authorizes and directs the Town Manager to act on the Town's behalf and execute and deliver all appropriate documents (the "Documents") for the proposed financing. The Manager's execution and delivery of any Document will be conclusive evidence of his approval of the form of such Document. The Documents in final form, however, must be consistent with the financing plan described in this resolution and must provide (a) for the amount financed by the Town not to exceed \$6,850,000, (b) for an annual interest rate not to exceed 3.70% (in the absence of a change in credit or tax status), and (c) for a financing term not to extend beyond December 1, 2023.

3. *Authorization to Finance Officer To Complete Closing* -- The Council authorizes and directs the Finance Director to hold executed copies of all financing documents authorized or permitted by this resolution in escrow on the Town's behalf until the conditions for their delivery have been completed to such officer's satisfaction, and thereupon to release the executed copies of such documents for delivery to the appropriate persons or organizations.

Without limiting the generality of the foregoing, the Council specifically authorizes the Finance Director (a) to enter into such agreements or take such other actions as such officer may deem appropriate in providing for the refinancing contemplated by this resolution (such

as giving notice of redemption and executing an escrow agreement with an escrow agent), and (b) to approve changes to any Documents, agreements or certifications previously signed by Town officers or employees, provided that such changes do not conflict with this resolution or substantially alter the intent from that expressed in the form originally signed. The Finance Director's authorization of the release of any such document for delivery will constitute conclusive evidence of his approval of any such changes.

4. Resolutions As To Tax Matters -- The Town will not take or omit to take any action the taking or omission of which will cause its obligations to pay principal and interest (the "Obligations") to be "arbitrage bonds," within the meaning of Section 148 of the "Code" (as defined below), or "private activity bonds" within the meaning of Code Section 141, or otherwise cause interest components of the installment payments to be includable in gross income for federal income tax purposes. Without limiting the generality of the foregoing, the Town will comply with any Code provision that may require the Town at any time to pay to the United States any part of the earnings derived from the investment of the financing proceeds. In this resolution, "Code" means the United States Internal Revenue Code of 1986, as amended, and includes applicable Treasury regulations.

5. Obligations are "Bank-Qualified" - The Town designates such of its payment Obligations for which it may be necessary as "qualified tax-exempt obligations" for the purpose of Code Section 265(b)(3). Some of the obligations to be refunded have previously been so designated. The Town intends to designate now only the marginal principal amount of refunding Obligations above the outstanding principal amount of previously-designated financing obligations that are now to be refinanced.

6. Call for Redemption of 1994 Certificates – The Council authorizes and directs the Finance Director to make, on the Town's behalf, an irrevocable call for redemption of such of the Parking Facilities Refunding Certificates of Participation, Series 1994, as the Finance Director deems beneficial to the Town. The Finance Director will make this call for redemption by the execution and delivery of an appropriate certificate in connection with the original delivery of the Documents.

7. Miscellaneous Provisions -- All Town officers and employees are authorized and directed to take all such further action as they may consider necessary or desirable in furtherance of the purposes of this resolution. All such prior actions of Town officers and employees are ratified, approved and confirmed. All other Council proceedings, or parts thereof, in conflict with this resolution are repealed, to the extent of the conflict. This resolution takes effect immediately.