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**RBC  
Centura**

PO Box 1220  
Rocky Mount, NC 27802-1220

December 3, 2004

W. Calvin Horton  
Town Manager  
Town of Chapel Hill  
306 N. Columbia St.  
Chapel Hill, N.C. 27516

Dear Mr. Horton:

This letter conveys RBC Centura Bank's ("RBC") continued interest in learning more about the proposed commercial development of the Town of Chapel Hill's Town Parking Lot 5. RBC understands that the Town Council of Chapel Hill will seek a developer through a Request for Qualifications process. If and when a developer is selected, a prospective agreement by and between RBC and said developer could allow for the acquisition of the RBC's existing property at East Rosemary and North Columbia Streets. In exchange for this and other valuable considerations, RBC could be provided retail and office space in the proposed commercial development of Town Parking Lot 5.

RBC understands that the existing RBC site could be used to build a parking garage in conjunction with the potential future development of the Town owned Parking Lot 2 located at the corner of Rosemary and Columbia Streets opposite the existing RBC bank.

By signing this letter, I indicate RBC's consent for the Town to include the RBC bank concept as described above in the Town's Request for Qualifications.

We look forward to learning more about the developer selection process and the proposed commercial development in the Town of Chapel Hill, however it is expressly understood that nothing contained in this letter shall be construed as a commitment from RBC to participate in any way in the proposed commercial development noted above.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gregory T. Queen'.

Gregory T. Queen  
Director, Real Estate Services  
RBC Centura