

ATTACHMENT A

A RESOLUTION APPROVING MODIFICATIONS TO TOWN INSTALLMENT FINANCINGS TO REDUCE THE INTEREST RATES Resolution No. 179/2002-03

WHEREAS, the Town has previously entered into installment financing contracts, pursuant to Section 160A-20 of the General Statutes, with Bank of America ("BOA") and Branch Banking and Trust Company ("BB&T"). BOA has provided financing to the Town for the Century Center, while BB&T has provided financing for the Hillsborough Park and certain fiber optic projects; and

WHEREAS, there has been presented at this meeting information from the Finance Officer concerning proposals from BB&T and BOA to modify the existing contracts to reduce the interest rates to be paid by the Town.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE TOWN OF CARRBORO, as follows:

1. The Board approves the modifications described at this meeting.
2. All Town officers and employees are authorized and directed to execute appropriate modification agreements (however designated) to carry out the proposed modifications described to this meeting. Such agreements may be in such forms as BOA and BB&T may request and as the Finance Officer may approve. Each modification agreement in its final form, however, must provide for lower interest rates to the Town, and must not provide for any extension to the financing term or any additional collateral to be provided.
3. The Finance Officer is authorized and directed to hold executed copies of the modification agreements, and any other documents authorized or permitted by this resolution, in escrow on the Town's behalf until the conditions for the delivery of such documents 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, this authorization and direction is hereby specifically extended to authorize such officers to approve changes to any documents (including the modification agreements) or closing certifications previously signed by Town officers or employees, provided that such changes shall not substantially alter the intent of such certificates from that expressed in the forms of such certificates as executed by such officers or otherwise conflict with the provisions of this resolution. Such officer's authorization of the release of any such document for delivery shall constitute conclusive evidence of such officer's approval of any such changes.
4. The Town shall not take or omit to take any action the taking or omission of which will cause its obligations under the original installment financing agreements, as modified, to be an "arbitrage bond," within the meaning of Section 148 of the "Code" (as

defined below), or a "private activity bond" within the meaning of Code Section 141, or otherwise cause interest on such obligations to be includable in the gross income for federal income tax purposes of the owners of such obligations. Without limiting the generality of the foregoing, the Town will comply with any Code provisions that may require the Town to pay to the United States any part of the earnings derived from the investment of the original financing proceeds. For the purposes of this resolution, "Code" means the United States Internal Revenue Code of 1986, as amended through the respective dates of the initial execution and delivery of the modification agreements, including applicable Treasury regulations.

5. The Town designates its obligations under the Modification Agreements to be "qualified tax-exempt obligations" for the purposes of Code Section 265(b)(3).

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

* * * * *

I certify that the foregoing resolution was duly adopted at a meeting of the Board of Aldermen of the Town of Carrboro, North Carolina, duly called and held on June 10, 2003, and that a quorum was present and acting throughout such meeting. Such resolution remains in full effect as of today.

Dated June __, 2003.

[SEAL]

Town Clerk

Town of Carrboro, North Carolina

EXISTING INSTALLMENT DEBT				REVISED INSTALLMENT DEBT					
	HILLSB RD. PARK LAND	PHONES & FIBER	CENTURY CTR/TOTAL		HILLSB RD. PARK LAND	PHONES & FIBER	CENTURY CTR	TOTAL	SAVINGS
FY03-04	\$ 13,580.66	\$114,329.73	\$ 255,623.10	\$ 383,533.49	\$ 12,336.39	\$ 111,171.99	\$ 242,750.81	\$ 366,259.19	\$ 17,274.30
FY04-05	\$ 27,161.32	\$114,329.73	\$ 255,623.10	\$ 397,114.15	\$ 24,672.78	\$ 111,171.99	\$ 229,878.52	\$ 365,723.29	\$ 31,390.86
FY05-06	\$ 27,161.32	\$ -	\$ 255,623.10	\$ 282,784.42	\$ 24,672.78	\$ -	\$ 229,878.52	\$ 254,551.30	\$ 28,233.12
FY06-07	\$ 27,161.32	\$ -	\$ 255,623.10	\$ 282,784.42	\$ 24,672.78	\$ -	\$ 229,878.52	\$ 254,551.30	\$ 28,233.12
FY07-08	\$ 27,161.32	\$ -	\$ 255,623.10	\$ 282,784.42	\$ 24,672.78	\$ -	\$ 229,878.52	\$ 254,551.30	\$ 28,233.12
FY08-09	\$ 27,161.32	\$ -	\$ 255,623.10	\$ 282,784.42	\$ 24,672.78	\$ -	\$ 229,878.52	\$ 254,551.30	\$ 28,233.12
FY09-10	\$ 27,161.32	\$ -	\$ 255,623.10	\$ 282,784.42	\$ 24,672.78	\$ -	\$ 229,878.52	\$ 254,551.30	\$ 28,233.12
FY10-11	\$ 27,161.32	\$ -	\$ 255,623.10	\$ 282,784.42	\$ 24,672.78	\$ -	\$ 229,878.52	\$ 254,551.30	\$ 28,233.12
FY11-12	\$ 27,161.32	\$ -	\$ 255,623.10	\$ 282,784.42	\$ 24,672.78	\$ -	\$ 229,878.52	\$ 254,551.30	\$ 28,233.12
FY12-13	\$ 27,161.32	\$ -	\$ 255,623.10	\$ 282,784.42	\$ 24,672.78	\$ -	\$ 229,878.52	\$ 254,551.30	\$ 28,233.12
FY13-14	\$ 27,161.32	\$ -	\$ 255,623.10	\$ 282,784.42	\$ 24,672.78	\$ -	\$ 229,878.52	\$ 254,551.30	\$ 28,233.12
FY14-15	\$ 27,161.32	\$ -	\$ 255,623.10	\$ 282,784.42	\$ 24,672.78	\$ -	\$ 229,878.52	\$ 254,551.30	\$ 28,233.12
FY15-16	\$ -	\$ -	\$ 255,623.10	\$ 255,623.10	\$ -	\$ -	\$ 229,878.52	\$ 229,878.52	\$ 25,744.58
FY16-17	\$ -	\$ -	\$ 255,623.10	\$ 255,623.10	\$ -	\$ -	\$ 229,878.52	\$ 229,878.52	\$ 25,744.58
FY17-18	\$ -	\$ -	\$ 127,811.69	\$ 127,811.69	\$ -	\$ -	\$ 114,939.26	\$ 114,939.26	\$ 12,872.43
TOTAL	\$ 312,355.18	\$228,659.46	\$3,706,535.09	\$ 4,247,549.73	\$ 283,736.97	\$ 222,343.98	\$3,346,110.83	\$3,852,191.78	\$ 395,357.95

INSTALLMENT FINANCINGS, FY03-04 DEBT SERVICE, SAVINGS

	old	new	savings
debt service payment, hillsborough rd park land	\$ 27,161	\$ 25,917	\$ (1,244)
debt service payment, fiber optic install et al	\$114,330	\$ 111,172	\$ (3,158)
debt service payment, century center	\$255,623	\$ 242,751	\$ (12,872)
accrued interest on old loan, hillsb rd park land	\$ -	\$ -	\$ -
accrued interest on old loan, fiber optic install et al	\$ -	\$ 5,483	\$ 5,483
total	\$397,114	\$ 385,323	\$ (11,791)

NA