

RESOLUTION

The governing body for the Town of Carrboro, North Carolina, held a regular meeting at the _____, the regular place of meeting, on _____, at _____ a.m./p.m.

Present: _____

Absent: _____

Also Present: _____

* * * * *

_____ introduced the following resolution which was read:

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN
INSTALLMENT FINANCING CONTRACT IN THE AMOUNT OF \$1,134,188.00 WITH
RBC CENTURA BANK TO FINANCE THE ACQUISITION OF CERTAIN EQUIPMENT
FOR USE BY THE TOWN OF CARRBORO, NORTH CAROLINA, AUTHORIZING THE
EXECUTION AND DELIVERY OF RELATED INSTRUMENTS, AND DETERMINING
OTHER MATTERS IN CONNECTION THEREWITH

Resolution No. 206/2006-07

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

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

- a) The Town of Carrboro 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 Centura Bank ("RBC Centura") has proposed that RBC Centura enter into an Installment Financing Contract with the Unit to finance the Equipment pursuant to which RBC Centura will lend the Unit the amount of \$1,134,188.00

(the "Contract") and a related Escrow Agreement between the Unit and RBC Centura (the "Escrow Agreement").

Section 2. The governing body of the Unit hereby authorizes and directs the Authorized Officer, _____, to execute, acknowledge 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 Town of Carrboro to the Contract and the Escrow Agreement and attest the same.

Section 3. The proper officers 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 Centura 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 Centura.

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 less 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 2007. In addition, the Unit hereby designates the Contract and its obligations under the Contract as a "qualified tax-exempt obligation" for the purposes of the Code.

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

Upon motion of _____, seconded by _____, members of the governing body, the foregoing resolution entitled "RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT FINANCING CONTRACT IN THE AMOUNT OF \$1,134,188.00 WITH RBC CENTURA BANK 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 ____ day of _____, 2007

* * * * *

I, _____, Clerk for the Town of Carrboro, North Carolina DO HEREBY CERTIFY that the foregoing has been carefully copied from the actually recorded minutes of the governing body of said Town of Carrboro at a regular meeting held on _____, _____, 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.

I DO HEREBY FURTHER CERTIFY that a schedule, stating that the regular meetings of the Council are held on _____ of each month at _____ a.m./p.m., respectively, at _____, North Carolina, was on file with me for at least seven calendar days prior to said meeting, all in accordance with G.S. 143-318.12.

WITNESS my hand and corporate seal of said Town of Carrboro, this ____ day of _____, 2007.

Clerk, Town of Carrboro

[SEAL]

Original Loan Amount: \$1,134,188.00
Loan Date: June _____, 2007

VEHICLES & EQUIPMENT

BID PROPOSAL CALLED FOR:	RBC Centura	KOCH FINANICAL	REGIONS BANK	SUNTRUST OPTION 1	SUNTRUST OPTION 2	RBC Centura	BB&T
INTEREST RATE	3.68%	4.28%	3.75%	3.809%	3.77%	3.68%	3.83%
LOAN TERM	5 years	5 years	5 years	5 years	5 years	5 years	5 years
PRINCIPAL	\$ 1,134,188	\$ 1,124,188	\$ 1,124,188	\$ 1,124,188	\$ 1,124,188	\$ 1,124,188	\$ 1,124,188
INTEREST	\$ 83,421	\$ 96,145	\$ 87,079	\$ 85,580	\$ 84,705	\$ 82,686	\$ 86,052
LOAN TOTAL	\$ 1,217,609	\$ 1,220,333	\$ 1,211,267	\$ 1,209,768	\$ 1,208,893	\$ 1,206,874	\$ 1,210,240
ADDITIONAL COST, ESTIMATED	100.00	\$ 750.00	\$ 500.00	\$ 100.00	\$ 100.00	\$ 100.00	-
TOTAL COST	\$ 1,217,709	\$ 1,221,083	\$ 1,211,267	\$ 1,209,768	\$ 1,208,893	\$ 1,206,974	\$ 1,210,240
CLOSING DATE (NO LATER THAN)	06/19/07	06/19/07	06/19/07	06/19/07	06/19/07	06/19/07	06/19/07
PREPAYMENT PENALTY	N/A	2.00%	N/A	N/A	3.00%	0.50%	N/A

Note: Due to last minute pricing information regarding the generator, we contacted the winning bank about increasing the loan by \$10K. RBC was able to do so without any adverse impact to the terms and conditions of the loan proposal.