

TEFRA Approval

Under Section 147(f) of the Internal Revenue Code of 1986, as amended, in order for the Bonds to be tax-exempt, the elected legislative body of the governmental unit which controls the issuer of the Bonds (the Housing Authority of the County of Wake) and that has jurisdiction over the area in which the Bond-financed project is located must approve in principle the issuance of the Bonds after a public hearing.

The Authority was created by resolution of the Board of Commissioners of Wake County and the Board of Commissioners appoints the members of the Authority's board. The site on which the Development is located is within the jurisdiction of Wake County. As a result, the Board of Commissioners of Wake County is the governing body of the governmental unit having jurisdiction over both the issuer of the Bonds and the area in which the Development is located.