

A RESOLUTION APPROVING THE ISSUANCE OF NOT TO EXCEED \$98,000,000 OF PUBLIC FINANCE AUTHORITY EDUCATIONAL FACILITIES REVENUE BONDS (THE EDUCATIONAL FOUNDATION, INC.), SERIES 2019 FOR THE BENEFIT OF THE EDUCATIONAL FOUNDATION, INC., OR AN AFFILIATE THEREOF (2019-02-13/R-9)

WHEREAS, the Town Council (the “Town Council”) of the Town of Chapel Hill, North Carolina (the “Town”) met in the Town Hall, at 7:00 p.m. on the 13th day of February, 2019; and

WHEREAS, the Public Finance Authority (the “Authority”) has tentatively agreed to issue its Educational Facilities Revenue Bonds (The Educational Foundation, Inc.), Series 2019 (the “Bonds”), in an amount not to exceed \$98,000,000, and to lend the proceeds thereof to The Educational Foundation, Inc., a North Carolina nonprofit corporation, or an affiliate thereof (the “Borrower”) to finance and refinance the Project (as defined below); and

WHEREAS, the Bonds are expected to be issued by the Authority and the proceeds thereof loaned to and used by the Borrower to (a) finance and refinance (i) renovations to the locker rooms at the Dean Smith Center located at 300 Skipper Bowles Drive, Chapel Hill, North Carolina, (ii) the construction and equipping of a new indoor practice field located on Ridge Road between the UNC School of Law and Stadium Drive in Chapel Hill, North Carolina, (iii) the construction and equipping of a new field hockey stadium located on the former Ehringhouse Field site on Ridge Road adjacent to Boshamer Stadium in Chapel Hill, North Carolina, (iv) the construction and renovation of a new soccer and lacrosse stadium located on the current Fetzer Field site on South Road adjacent to The Eddie Smith Indoor Practice Facility and Carmichael Arena near the intersection of South Road and Raleigh Road in Chapel Hill, North Carolina, (v) the construction and equipping of a track complex and various athletic fields located on Old Mason Farm Rd in Chapel Hill, North Carolina adjacent to Finley Golf Course, and (vi) the installation of synthetic turf borders and resodding of natural grass turf at Kenan Stadium located at 104 Stadium Drive, Chapel Hill, North Carolina (collectively, the “Project”), and (b) pay certain costs incurred in connection with the authorization and issuance of the Bonds; and

WHEREAS, the Project will be owned, operated and managed either by the Borrower or by the University of North Carolina at Chapel Hill, a constituent institution of the University of North Carolina; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”) requires that any Bonds issued by the Authority for the purpose of financing and refinancing the Project may only be issued after approval of the plan of financing by the Town Council following a public hearing with respect to such plan; and

WHEREAS, the Borrower will agree to repay the principal of, premium, if any, and interest on the Bonds and the Town will have no liability whatsoever for the payment of the Bonds, and the Bonds will not affect the Town’s debt ratios or legal debt limit and the Town will not incur any liability for repayment of the Bonds by approving the Bonds for purposes of Section 147(f) of the Code; and

WHEREAS, pursuant to Section 66.0304(11)(a) of the Wisconsin Statutes, part of the statute under which the Authority was created (the “Act”), prior to their issuance, Bonds issued by the Authority must be approved by the governing body or highest ranking executive or administrator of the political jurisdiction within whose boundaries the Project is located; and

WHEREAS, the Borrower has requested that the Town Council of the Town approve the financing of the Project and the issuance of the Bonds in order to satisfy the requirements of the Code and the Act; and

WHEREAS, the Town Council has today held a public hearing with respect to the issuance of the Bonds to finance and refinance the Project, as evidenced by the Certificate and Summary of Public Hearing attached hereto as Exhibit A; and

WHEREAS, the Bonds shall not be deemed to constitute a debt of the Town or a pledge of the faith and credit of the Town, but shall be a special limited obligation of the Authority payable solely from the loan repayments to be made by the Borrower to the Authority, and shall contain on the face thereof a statement to the effect that neither the faith and credit nor the taxing power of the Town is pledged to the payment of the principal of or interest on the Bonds; and

WHEREAS, approval of the issuance of the Bonds is solely to satisfy the requirements of the Code and the Act and shall in no event constitute an endorsement of the Bonds or the Project or the creditworthiness of the Borrower, nor shall such approval in any event be construed to obligate the Town for the payment of the principal of or premium or interest on the Bonds or for the performance of any pledge, mortgage or obligation or agreement of any kind whatsoever which may be undertaken by the Authority, or to constitute the Bonds or any of the agreements or obligations of the Authority an indebtedness of the Town, within the meaning of any constitutional or statutory provision whatsoever.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF CHAPEL HILL, NORTH CAROLINA:

1. The issuance of the Public Finance Authority's Educational Facilities Revenue Bonds (The Educational Foundation, Inc.), Series 2019 in one or more series, in an amount not to exceed \$98,000,000, to finance the development, construction and equipping of the Project described above in the Town of Chapel Hill, North Carolina, by the Borrower is hereby approved for purposes of Section 147(f) of the Code and the Act.

2. The approval of the issuance of the Bonds does not constitute an endorsement to a prospective purchaser of the Bonds of the creditworthiness of the Bonds or the Borrower.

3. The issuance of the Bonds as requested by the Borrower will not constitute a debt or pledge of the faith and credit of the Town, and the Town shall have no responsibility or liability with respect to the Bonds or the payment thereof.

4. The approval of the issuance of the Bonds contained in this resolution is independent of any other approval or approvals by the Council or the Town that may be required in connection with the Project (the "Additional Approvals"), and nothing contained in this resolution shall be construed to imply that any such Additional Approvals will be granted or to bind the Council or the Town in any way with respect to any Additional Approvals.

5. This resolution shall take effect immediately.

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I, Sabrina Oliver, Town Clerk of the Town of Chapel Hill, North Carolina DO HEREBY CERTIFY that the foregoing is a true and complete copy of so much of the proceedings of the Town Council of the Town at a regular meeting duly called and held February 13, 2019, as it relates in any way to the resolution hereinabove set forth, and that said proceedings are recorded in the minutes of the Town Council. Pursuant to N.C.G.S. § 143-318.12, a current copy of a schedule of regular meetings of the Town Council is on file in my office.

WITNESS my hand and the common seal of the Town, this ____ day of February, 2019.

Sabrina Oliver
Town Clerk
Town of Chapel Hill, North Carolina

(SEAL)

Certificate and Summary

The undersigned Deputy Town Clerk of the Town of Chapel Hill, North Carolina, hereby certifies:

1. Notice of a public hearing (the "Hearing") to be held on February 13, 2019, with respect to the issuance of a Bonds by the Public Finance Authority (the "Authority") for the benefit of The Educational Foundation, Inc., or an affiliate thereof (the "Borrower") was published on January __, 2019, in the *Durham Herald Sun*.

2. The presiding officer of the Hearing was _____.

3. The following is a list of the names and addresses of all persons who spoke at the Hearing:

4. The following is a summary of the oral comments made at the Hearing:

IN WITNESS WHEREOF, my hand and the seal of the Town of Chapel Hill, North Carolina, this ____ day of February, 2019.

Sabrina Oliver
Town Clerk
Town of Chapel Hill, North Carolina

(SEAL)