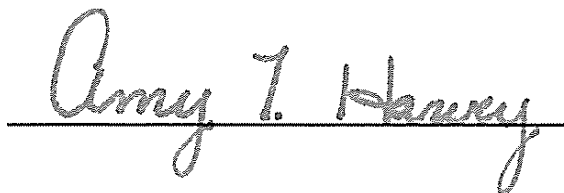


**I, Amy T. Harvey, Deputy Town Clerk of the Town of Chapel Hill, North Carolina, hereby certify that the attached is a true and correct copy of (2021-06-23/R-2) adopted by the Chapel Hill Town Council on June 23, 2021.**

**This the 25<sup>th</sup> day of June, 2021.**

A handwritten signature in cursive script that reads "Amy T. Harvey". The signature is written in black ink and is positioned above a solid horizontal line.

**Amy T. Harvey  
Deputy Town Clerk**



**A RESOLUTION PROVIDING FINAL APPROVAL OF TERMS AND DOCUMENTS FOR THE TOWN'S LIMITED OBLIGATION BONDS ISSUANCE – ROSEMARY STREET PARKING DECK, ELLIOTT ROAD RECONSTRUCTION, AND REFINANCING OF EXISTING OBLIGATIONS (2021-06-23/R-2)**

***Introduction***

The Town Council (the "Council") has previously determined to carry out acquisition and construction of the planned new Town parking deck on Rosemary Street and Blue Hill District road improvements, as described in Exhibit A, and to refinance some existing Town loans as described in Exhibit B.

The Council has determined to carry out the financings by using a single installment financing, as authorized under Section 160A-20 of the North Carolina General Statutes. In an installment financing, the Town's repayment obligation is secured by a mortgage-type interest in all or part of the property being acquired or improved, but not by any pledge of the Town's taxing power or any specific revenue stream. The Town's financing plan also includes the use of limited obligation bonds (the "Bonds"), which represent interests in Town payments that can be sold to investors.

Town staff has made available to the Council the draft documents listed on Exhibit C (the "Documents"), and a draft of an official statement designed to provide information about the Town and the financing to prospective investors in the Bonds. These items all relate to the Town's carrying out the financing plan.

This resolution provides the Council's final approval of the financing terms and the substantially final financing documents, and authorizes Town staff to complete the financing process.

**BE IT THEREFORE RESOLVED by the Town Council of the Town of Chapel Hill, North Carolina, as follows:**

**1. *Determination to Proceed with Financing*** -- The Council confirms its decision to carry out the proposed installment financing as described above.

Under the financing plan, the Town will receive funds from the sale of the Bonds to carry out the projects, including the refinancings, as described in Exhibits A and B. The Town will pay the Bonds over time, with interest. The Town will secure its repayment obligation by granting a mortgage-like interest in some or all of the property acquired or improved through the proceeds of the new borrowing and, potentially some or all of the property acquired or improved through the proceeds of the borrowings to be refinanced. In particular, the Town expects that the collateral will include the planned new Town parking deck on Rosemary Street and the Town Operations Center on Millhouse Road.

**2. *Approval of Documents; Direction To Execute Documents*** -- The Council approves the forms of the Documents submitted to this meeting. The Council authorizes the Mayor and the Town Manager, or either of them, to execute and deliver the Documents in final form. The Documents in their respective final forms must be in substantially the forms presented, with changes as the Mayor or the Town Manager may approve. The execution and delivery of any Document by an authorized Town officer will be conclusive evidence of that officer's approval of any changes.

The Documents in final form, however, must provide for the total principal amount of the Bonds to not exceed \$59,500,000 and a financing term not to extend beyond December 31, 2041. Bonds related to refinancings must be payable not later than the end of the fiscal year in which the refinanced obligations are payable. The amount financed under the Documents may include amounts to pay

financing expenses and other necessary and incidental costs. As indicated in the draft Documents, some of the Bonds will be issued on a taxable basis, and some on a tax-exempt basis. The true interest cost on the tax-exempt bonds must not exceed 3.50%, and the true interest cost on the taxable bonds must not exceed 4.25%.

**3. Sale of Bonds; Approval of Official Statement** – The Council appoints Robert W. Baird & Co. Incorporated, as senior manager, and Wells Fargo Bank, National Association, as co-manager, to underwrite a public offering of the proposed limited obligation bonds.

The Council approves the draft official statement submitted to this meeting as the form of the preliminary official statement pursuant to which the underwriters will offer the bonds for sale. The preliminary official statement as distributed to prospective investors must be in substantially the form presented, with such changes as the Finance Officer may approve. The Council directs the Finance Officer, after the sale of the Bonds, to complete and otherwise prepare the preliminary official statement as an official statement in final form.

The Council authorizes the use of the preliminary official statement and the final official statement (collectively, the "Official Statement") by the underwriters in connection with the sale of the bonds.

The Council acknowledges that it is the Town's responsibility, and ultimately the Council's responsibility, to ensure that the Official Statement neither contains an untrue statement of a material fact nor omits to state a material fact required to be included therein for the purpose for which the Official Statement is to be used or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

**4. Officers to Complete Closing** – The Council authorizes the Town Manager, the Finance Officer and all other Town officers and employees to take all proper steps to complete the financing in accordance with the terms of this resolution.

The Council authorizes the Town Manager to hold executed copies of all financing documents authorized by this resolution in escrow on the Town's behalf until the conditions for their delivery have been completed to his satisfaction, and then to release the executed documents for delivery to the appropriate persons or organizations.

Without limiting the generality of the previous paragraphs, the Council specifically authorizes the Town Manager (a) to approve and enter into, on behalf of the Town, any additional agreements appropriate to carry out the financing plan contemplated by this resolution, and (b) to approve changes to any documents previously signed by Town officers or employees, provided that the changes do not substantially alter the intent from that expressed in the form originally signed. The Town Manager's authorization of the release of any document for delivery will constitute conclusive evidence of his approval of any changes.

In addition, the Council authorizes the Town Manager and the Finance Officer to take all appropriate steps for the efficient and convenient carrying out of the Town's on-going responsibilities with respect to the financing. This authorization includes, without limitation, contracting with third parties for reports and calculations that may be required under the Documents, this resolution or otherwise with respect to the bonds.

**5. Other Financing Participants** – Sanford Holshouser LLP will serve as the Town's bond counsel. Davenport & Company LLC will serve as the Town's financial adviser. U.S. Bank National Association will serve as Trustee under the Trust Agreement referenced in Exhibit C.

**6. Redemption of Prior Obligations** - The Council directs the Finance Officer to make, on the Town’s behalf, an irrevocable call for prepayment or redemption of such of the Town’s existing loan and financing obligations as the Finance Officer deems beneficial to the Town, including any or all of obligations described in Exhibit B. The Finance Officer shall make this call for redemption by the execution and delivery of an appropriate certificate in connection with the original delivery of the Documents.

**7. Ratification of June 2 Resolution** – The Council ratifies its adoption on June 2, 2021, of the “Resolution supporting an application to the Local Government Commission for its approval of a Town financing agreement – 2021 Parking Deck Financing, Blue Hill Improvements and Refinancing of Existing Loans.”

**8. Additional Provisions** – The Council authorizes all Town officers and employees to take all further action as they may consider desirable to carry out the purposes of this resolution. The Council ratifies all prior actions of Town officers and employees to this end. Upon the unavailability or refusal to act of the Town Manager, the Mayor or the Finance Officer, any other of those officers may assume any responsibility or carry out any function assigned in this resolution. The Council directs the Town Clerk to apply the Town seal, and to attest the same, on any Document as required. In addition, the Mayor Pro Tem or any Deputy or Assistant Clerk may carry out or exercise any rights or responsibilities assigned in this resolution to the Mayor or the Clerk. The Council repeals all other Council proceedings, or parts of proceedings, in conflict with this resolution, to the extent of the conflict. This resolution takes effect immediately.

**Exhibit A – List of Projects to be Financed**

<b>Component</b>	<b>Estimated Cost</b>
New Town parking deck on Rosemary St.	\$39,000,000
Blue Hill District road improvements	6,480,000
<b>Total</b>	<b>\$45,480,000</b>

**Exhibit B– List of Potential Refinancing Candidates**

<b>Component</b>	<b>Estimated Cost</b>
2012 Limited Obligation Bonds – refinanced original Operations Center financing, and financed Town’s contribution to 140 West parking deck	\$8,500,000
2015 Pinnacle Bank installment financing – financed Hargrave Center improvements	1,500,000
<b>Total Loan Amounts Refinanced</b>	<b>\$10,000 000</b>

**Exhibit C -- Draft Documents**

(a) A draft dated May 16, 2021, of a Trust Agreement to be dated on or about August 1, 2021, between the Town and U.S. Bank National Association, as Trustee (the "Trustee"). The Trust Agreement provides for the advance of funds to the Town, for the issuance of limited obligation bonds, for the Town's obligation to repay the amounts advanced, and for the Town's responsibilities for the use and care of the collateral.

(b) A draft dated May 16, 2021, of a Deed of Trust to be dated on or about August 1, 2021, from the Town to a deed of trust trustee for the Trustee's benefit. The Deed of Trust imposes a security interest on certain Town property to secure the Town's obligations under the Bonds and the other financing documents.

(c) A draft of a Bond Purchase Agreement to be dated on or about July 21, 2021, providing for the underwriters' obligation to purchase the Bonds. The final form of this Agreement will set out the final principal amount, principal payment schedule and interest rates for the Bonds, and the other terms and conditions for the underwriters' obligation to purchase the Bonds.

(d) A draft dated May 16, 2021, of an Escrow Agreement to be dated on or about August 1, 2021, between the Town and the Trustee in the capacity of an escrow agent, which provides for the escrow agent's custody and investment of some of the new Bond proceeds until those proceeds can be used to pay off some of the Town's existing loans.

This the 23<sup>rd</sup> day of June, 2021.