

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 (2023-03-08/R-2) adopted by the Chapel Hill Town Council on March 08, 2023.

This the 9th day of March, 2023.

Amy T. Harvey

**Amy T. Harvey
Deputy Town Clerk**



A RESOLUTION APPROVING FINANCING TERMS AND DOCUMENTS FOR THE 2023 BUS FINANCING (2023-03-08/R-2)

WHEREAS, the Town of Chapel Hill has previously determined to carry out a plan (the "Project") to acquire and finance some new buses; and

WHEREAS, the Town has solicited competitive proposals from banks and other financial institutions to provide the desired financing, and Town staff recommends that the Town accept the proposal from Truist Commercial Equity, Inc. (the "Lender"); and

WHEREAS, this resolution provides the Town Council's final approval of the financing terms and documents for the Project.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Chapel Hill, as follows:

1. **Determination To Proceed with Financing** – The Town confirms its plans to undertake the Project. The Town will carry out the Project with financing from the Lender substantially in accordance with a financing proposal dated February 16, 2023.

Under the financing plan, the Lender will make funds available to the Town for use on Project costs. The Town will repay the amount advanced, with interest, over time. The Town will grant to the Lender a security interest in the new buses to secure the Town's repayment obligation.

2. **Direction To Execute Documents** -- The Council authorizes the Mayor, the Town Manager, and the Town Finance Officer to act on the Town's behalf and execute and deliver all appropriate documents (the "Documents") for the proposed financing. The Documents will include an Installment Financing Contract between the Town and the Lender in substantially the form of the draft dated February 26, 2023, which has been made available to Council, and may include a separate agreement for the custody and investment of financing proceeds pending their application to Project Costs.

The execution and delivery of any Document by an authorized officer will be conclusive evidence of such officer's approval of the final form of that Document. The Documents in final form, however, must be consistent with the financing plan described in this resolution and must provide (a) for the amount financed by the Town not to exceed \$8,250,000, (b) for an annual interest rate not to exceed 3.29% (in the absence of default, or a change in tax status, as described in the draft agreement), and (c) for a financing term not to extend beyond December 31, 2033.

3. **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 cooperation with the Lender and in accordance with this resolution.

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

Without limiting the generality of the foregoing, the Council specifically authorizes the Finance Officer to approve changes to any documents, agreements or certifications previously signed by Town officers or employees, provided that the changes do not conflict with this resolution or substantially alter the intent from that expressed in the form originally signed. The Finance Officer's authorization of the release of any document for delivery will constitute conclusive evidence of her approval of any changes.

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

4. **Resolutions As To Tax Matters** -- The Town will not take or omit to take any action the taking or omission of which will cause its obligations to pay principal and interest (the "Obligations") to be "arbitrage bonds," within the meaning of Section 148 of the "Code" (as defined below), or "private activity bonds" within the meaning of Code Section 141, or otherwise cause interest components of the installment payments to be includable in gross income for federal income tax purposes. Without limiting the generality of the foregoing, the Town will comply with any Code provision that may require the Town at any time to pay to the United States any part of the earnings derived from the investment of the financing proceeds. In this resolution, "Code" means the United States Internal Revenue Code of 1986, as amended, and includes applicable Treasury regulations.
5. **Additional Provisions** – The Council authorizes all Town officers and employees to take all further action as they may consider desirable in furtherance of the purposes of this resolution. The Council ratifies all prior actions of Town officers and employees to this end. Upon the absence, unavailability, or refusal to act of the Mayor, the Town Manager, or the Finance Officer, any other of such officers may assume any responsibility or carry out any function assigned in this resolution. The Clerk is authorized to affix, and attest to, the Town's seal on any Document. In addition, the Mayor Pro Tem, or any Deputy or Assistant Town Clerk may in any event assume any responsibility or carry out any function assigned to the Mayor or the Clerk, respectively, in this resolution. All other Council proceedings, or parts thereof, in conflict with this resolution are repealed, to the extent of the conflict. This resolution takes effect immediately.

This the 8th day of March, 2023.