

ATTACHMENT A

Resolution Providing Final Council Approval for Financing up to \$12,650,000 for the 203 Project

Introduction –

The Town of Carrboro has previously determined to carry out a plan to acquire, construct, equip and finance the 203 South Greensboro Street Project (the “Project”) for proposed Town recreation, parks, & cultural resources operations and other various office spaces.

The Town has also determined to finance Project costs through an installment financing, as authorized under Section 160A-20 of the 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 financed, but not by any pledge of the Town’s taxing power or any specific revenue stream. In this case, the project site and the Town’s interest in the constructed building will serve as the collateral.

The Town has solicited competitive proposals from banks and other financial institutions to provide the desired financing, and Town staff has recommended that the Town accept the proposal submitted by Truist Bank (the “Lender”). The Town’s Finance Officer has made available to this Council a draft financing contract between the Town and the Lender, which will be used in carrying out the Town’s financing plan.

In this resolution, the Council formally approves financing terms, approves substantially final documents, and authorizes Town representatives to complete the financing.

The Town Council of the Town of Carrboro, North Carolina, RESOLVES 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 April 4, 2022.

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 mortgage-type interest in the Project site and the Town's interest in the constructed building to secure the Town's repayment obligation.

2. *Approval of Financing Contract; Direction To Execute Contract* -- The Council approves the draft submitted to this meeting of a Financing Agreement and Deed of Trust (the "Contract") for use in the Project. The Council authorizes the Mayor and the Town Manager, or either of them, to execute and deliver the Contract in its final form. The Contract in its final form must be in substantially the form presented, with such changes as the Mayor or the Town Manager may approve. The execution and delivery of the final Contract by an authorized Town officer will be conclusive evidence of that officer's approval of any changes.

The Contract 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 \$12,650,000, (b) for an annual interest rate not to exceed 2.82% (in the absence of default, or a change in tax status, as described in the Contract), and (c) for a financing term not to extend beyond December 31, 2042.

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 Town Manager to hold executed copies of all financing documents authorized or permitted by this resolution in escrow on the Town's behalf until the conditions for their delivery have been completed to that officer's 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 authorizes the Town Manager to approve changes to any documents 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

Town Manager's authorization of the release of any document for delivery will constitute conclusive evidence of that officer's 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 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 financing, and making appropriate payments prior to the loan closing for costs related to the financing and the Project.

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") under the Contract 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 necessary or 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 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 authorizes the Clerk to apply the Town's seal, and to attest to the seal, on any document related to the purposes of this resolution. The Mayor Pro Tem or any Deputy or Assistant 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.