

Resolution Approving Financing Terms

Draft Resolution No. 176/2011-12

**WHEREAS:** The Town of Carrboro (“Town”) has previously determined to undertake a project for various vehicles and equipment (the “Project”), and the Finance Officer has now presented a proposal for the financing of such Project.

**BE IT THEREFORE RESOLVED, as follows:**

1. The Town hereby determines to finance the Project through Branch Banking and Trust Company (“BB&T”), in accordance with the proposal dated June 1, 2012. The amount financed shall not exceed \$298,850.00, the annual interest rate (in the absence of default in tax status) shall not exceed 1.61%, and the financing term shall not exceed five (5) years from June 29, 2012.
2. All financing contracts and all related documents for the closing of the financing (the “Financing Documents”) shall be consistent with the foregoing terms. All officers and employees of the Town are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution. The Financing Documents shall include a Financing Agreement and Deed of Trust and Project Fund Agreement as BB&T may request.
3. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the deliver of the Financing Documents have been completed to such officer’s satisfaction. The Finance Officer is authorized to approve changes to any Financing Documents previously signed by Town officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the terms executed by such officers. The Financing Documents shall be in such final forms as the Finance Officer shall approve, with the Finance Officer’s release of any Financing Document for delivery constituting conclusive evidence of such officer’s final approval on the Documents final form.
4. The Town shall not take or omit to take any action the taking or omission of which shall cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. The Town hereby designates its obligations to make principal and interest payments under the Financing Documents as “qualified tax-exempt obligations” for the purpose of Internal Revenue Code Section 265(b) (3).
5. The Town intends that the adoption of this resolution will be a declaration of the Town’s official intent to reimburse expenditures for the project that is to be financed from the proceeds of the BB&T financing described above. The Town intends that funds that have been advanced, or that may be advanced, from the Town’s general fund, or any other Town fund related to the project, for project costs may be reimbursed from the financing proceeds.

6. All prior actions of Town officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

Approved this 19th day of June, 2012.

By: \_\_\_\_\_  
(Clerk)

By: \_\_\_\_\_  
(Mayor)

[SEAL]

### Summary of 2012 Vehicle and Equipment Financing Proposals

**Loan Amount \$ 298,850.00**

**Loan Term 5 Years**

	<b>BB &amp; T</b>	<b>SUNTRUST Option 1</b>	<b>SUNTRUST Option 2</b>	<b>US Bank Option 1</b>	<b>US Bank Option 2</b>	<b>WELLS FARGO</b>
Interest Rate	1.610%	1.685%	1.885%	1.950%	2.020%	2.470%
Total Interest Cost	9,622	10,070	11,265	11,653	12,071	14,756
TOTAL PRINCIPAL & INTEREST	308,472	308,920	310,115	310,503	310,921	313,606
ANNUAL PAYMENT	61,694	61,784	62,023	62,101	62,184	62,721
Pre-Payment	1% Premium	103% Of Par	At Par	103% Of Par	At Par	At Par