

## TOWN OF APEX, NORTH CAROLINA

### STATEMENT OF DISCLOSURE MADE PURSUANT TO THE LOCAL GOVERNMENT BOND ACT, AS AMENDED

I, Antwan Morrison, Finance Director of the Town of Apex, North Carolina (the “Town”), having been designated by the Town Council of the Town to make and file with the Town Clerk a statement of disclosure pursuant to The Local Government Bond Act, as amended, DO HEREBY CERTIFY as follows:

1. Bond Order. On August 8, 2023, the Town Council of the Town introduced a bond order authorizing the issuance by the Town of not to exceed \$3,460,000 Public Improvement Bonds (the “Bonds”), for the purpose of providing funds, together with any other available funds, for acquiring, constructing and equipping a new administrative office building for said Town.

2. Estimated Interest. If the Bonds are duly authorized and issued, I have estimated that the total amount of interest to be paid by the Town over the expected term of the Bonds to be \$396,154, which estimate is based on the following assumptions:

(a) The Bonds will be issued on or about October 24, 2023 in the aggregate principal amount of \$3,460,000.

(b) The Bonds will mature annually on February 1, \$1,400,000 2025 and 2026 and \$660,000 2027.

(c) The Bonds will bear interest, payable semiannually on each February 1 and August 1, beginning February 1, 2024, at a coupon rate of 5.57% per annum. Such interest rate is a reasonably conservative estimate provided by the financial advisor to the Town and is based on the Bond Buyer 20 Index (BB20) rate published on July 20, 2023 (3.57%) plus 200 basis points (2.00%).

(d) The Bonds will not be redeemed prior to their respective maturities.

3. Property Tax Rate Increase. Sufficient general fund revenues are projected to be available to pay the principal of and interest on the Bonds, and no property tax rate increase is expected to be needed to pay the principal of and interest on the Bonds.

4. “Two-Thirds” Capacity. At present, the Town has the capacity to issue general obligation bonds without a referendum in the amount of \$3,460,000 during the fiscal year ending June 30, 2024 on account of a net reduction in its general obligation bond indebtedness of \$5,190,000 in the fiscal year ended June 30, 2023. Such “two-thirds” capacity is being utilized for purposes of issuing the Bonds. Upon the issuance of the Bonds, the Town will have no further capacity to issue general obligation bonds without a referendum on account of a net reduction in its general obligation bond indebtedness in the fiscal year ended June 30, 2023.

The information set forth above is preliminary and for general informational purposes only. The Town makes no assurances that the assumptions upon which such disclosures are based will occur, and the occurrence of certain of such assumptions is beyond the control of the

Town. Differences between the actual circumstances at the times the Bonds are issued and the assumptions set forth above could result in significant differences between the disclosures made above and the actual occurrences. The validity of the Bonds is not subject to challenge on the grounds that the actual occurrences when the Bonds are issued is different than the disclosures set forth above.

Signed this \_\_\_\_ day of August, 2023.

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Finance Director

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I, Allen Coleman, CMC, NCCCC, Town Clerk of the Town of Apex, North Carolina, DO HEREBY CERTIFY that the foregoing is a true copy of a statement of disclosure which was filed with me at a meeting of the Town Council of said Town held on August 8, 2023, after the introduction and before the public hearing on an order authorizing general obligation bonds of said Town, and that said statement is open to public inspection in my office.

WITNESS my hand and official seal of said Town this 8<sup>th</sup> day of August, 2023.

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Town Clerk

[SEAL]