

**EXTRACT FROM MINUTES OF THE TOWN COUNCIL OF  
THE TOWN OF PINEVILLE, NORTH CAROLINA**

The Town Council for the Town of Pineville, North Carolina, met in regular session at the Hut Meeting Facility in Pineville, North Carolina, the regular place of meeting, at 6:30 p.m., on Tuesday, December 8, 2020, with Jack Edwards, Mayor, presiding. The following Councilmen were:

PRESENT: \_\_\_\_\_

\_\_\_\_\_

ABSENT: \_\_\_\_\_

\_\_\_\_\_

ALSO PRESENT: \_\_\_\_\_

\_\_\_\_\_

\* \* \* \* \*

Councilman \_\_\_\_\_ introduced the following resolution, a summary of which had been provided to each Councilman, a copy of which was available with the Town Clerk and which was read by title:

**RESOLUTION NO. 2020-08**

**RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF PINEVILLE, NORTH CAROLINA, APPROVING AN INSTALLMENT FINANCING CONTRACT AND DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING; THE EXECUTION AND DELIVERY THEREOF; AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS**

*WHEREAS*, the Town of Pineville, North Carolina (the “*Town*”) is a validly existing political subdivision of the State of North Carolina, existing as such under and by virtue of the Constitution, statutes and laws of the State of North Carolina (the “*State*”);

*WHEREAS*, the Town has the power, pursuant to the General Statutes of North Carolina to (1) purchase real and personal property, (2) enter into installment financing contracts in order to finance and refinance the purchase of real and personal property used, or to be used, for public purposes and (3) grant a security interest in some or all of the property purchased to secure repayment of the purchase price;

*WHEREAS*, the Town Council of the Town (the “*Town Council*”) has determined that it is in the best interest of the Town to finance all or a portion of the costs of (a) the acquisition, architectural, engineering, surveying, soil testing, bond issuance, construction, installation and equipping of (i) a new Town Hall and (ii) a new library (collectively, the “*Projects*”), (b) parking infrastructure for the Projects, (c) telephone and internet infrastructure for the Projects, including, without limitation, relocation of telephone and/or internet lines and related costs, (d) road infrastructure improvements, (e) the acquisition of any necessary rights-of-way and easements related to each of the foregoing and (f) various real and personal property improvements related to each of the foregoing;

WHEREAS, the Town Council hereby determines that it is in the best interest of the Town to enter into an Installment Financing Contract, dated as of January 1, 2020 (the “Contract”), between STI Institutional & Government, Inc. (the “Purchaser”) and the Town in order to (i) finance all or a portion of the costs of the Projects and (ii) pay certain costs incurred in connection with the execution and delivery of the Contract;

WHEREAS, the Town Council hereby further determines that it is in the best interest of the Town to execute and deliver a Deed of Trust, Security Agreement and Fixture Filing, dated as of January 1, 2020 (the “Deed of Trust”), to the deed of trust trustee named therein for the benefit of the Purchaser, granting a lien on the Town’s fee simple interest in all or some portion of the Projects, as more particularly described in the Deed of Trust (the “Mortgaged Property”), in order to secure the Town’s obligations under the Contract;

WHEREAS, the Town Council conducted a public hearing on November 20, 2020 to receive public comments on the Contract, the Deed of Trust and the Projects;

WHEREAS, the Town Council has filed an application with the Local Government Commission (the “LGC”) for the approval of the LGC with respect to the Town entering into the Contract in an aggregate principal amount of not to exceed \$21,000,000, and the Town hereby determines that all findings, conclusions and determinations of the Town in this Resolution are subject to such approval by the LGC;

WHEREAS, there have been described to the Town Council the forms of the following documents (collectively, the “Instruments”), copies of which have been made available to the Town Council, which the Town Council proposes to approve, enter into and deliver, as applicable, to effectuate the proposed installment financing:

- (1) the Contract; and
- (2) the Deed of Trust; and

WHEREAS, it appears that each of the Instruments is in appropriate form and is an appropriate instrument for the purposes intended;

*NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF PINEVILLE, NORTH CAROLINA, AS FOLLOWS:*

Section 1.  **Ratification of Prior Actions.** All actions of the Town, the Mayor, the Town Administrator, the Finance Director, the Town Clerk and their respective designees in effectuating the proposed financing of the Projects are hereby approved, ratified and authorized pursuant to and in accordance with the transactions contemplated by the Contract.

Section 2.  **Findings.** The Town Council hereby finds and confirms that (i) the financing of the Projects by an installment financing contract with the Purchaser is necessary and expedient for the Town; (ii) the financing of the Projects by an installment financing contract with the Purchaser, under the circumstances, is preferable to a bond issue by the Town; (iii) the sums to fall due under said installment financing contract with the Purchaser are adequate and not excessive for their proposed purpose; (iv) the Town’s debt management procedures and policies are good and its debt will continue to be managed in strict compliance with law; (v) the increase in taxes, if any, necessary to meet the sums to fall due under said installment financing contract with the Purchaser will not be excessive; and (vi) the Town is not in default regarding any of its debt service obligations.

Section 3. ***Approval, Authorization and Execution of Contract.*** The Town Council hereby approves the financing of the Projects in accordance with the terms of the Contract, which will be a valid, legal and binding obligation of the Town in accordance with its terms. The Town Council hereby approves the amount advanced by the Purchaser to the Town pursuant to the Contract in an aggregate principal amount not to exceed \$21,000,000, such amount to be repaid by the Town to the Purchaser as provided in the Contract. The form, terms and content of the Contract are in all respects authorized, approved and confirmed, and the Mayor, the Town Administrator, the Finance Director and the Town Clerk or their respective designees are authorized, empowered and directed, individually and collectively, to execute and deliver the Contract for and on behalf of the Town, including necessary counterparts, in substantially the form presented to the Town Council, but with such changes, modifications, additions or deletions therein as they may deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, modifications, additions or deletions. From and after the execution and delivery of the Contract, the Mayor, the Town Administrator, the Finance Director and the Town Clerk or their respective designees are hereby authorized, empowered and directed, individually and collectively, to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Contract as executed.

Section 4. ***Approval, Authorization and Execution of Deed of Trust.*** The form, terms and content of the Deed of Trust are in all respects authorized, approved and confirmed, and the Mayor, the Town Administrator, the Finance Director and the Town Clerk or their respective designees are authorized, empowered and directed, individually and collectively, to execute and deliver the Deed of Trust for and on behalf of the Town, including necessary counterparts, in substantially the form presented to the Town Council, but with such changes, modifications, additions or deletions therein as they may deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, modifications, additions or deletions. From and after the execution and delivery of the Deed of Trust, the Mayor, the Town Administrator, the Finance Director and the Town Clerk or their respective designees are hereby authorized, empowered and directed, individually and collectively, to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Deed of Trust as executed.

Section 5. ***Further Actions.*** The Mayor, the Town Administrator and the Finance Director are each hereby designated as the Town's representatives to act on behalf of the Town in connection with the transactions contemplated by the Contract. The Mayor, the Town Administrator and the Finance Director are authorized and directed, individually and collectively, to proceed with the financing of the Projects in accordance with the terms of the Contract and to seek opinions on matters of law from the Attorney for the Town, which the Attorney for the Town is authorized to furnish on behalf of the Town, and opinions of law from such other attorneys for all documents contemplated hereby as required by law. The Mayor, the Town Administrator and the Finance Director are hereby authorized to designate one or more employees of the Town to take all actions which the Mayor, the Town Administrator or the Finance Director is authorized to perform under this Resolution, and the Mayor, the Town Administrator, the Finance Director or their designees are in all respects authorized on behalf of the Town, individually and collectively, to supply all information pertaining to the transactions contemplated by the Contract. The Mayor, the Town Administrator, the Finance Director and the Town Clerk are authorized, individually and collectively, to execute and deliver for and on behalf of the Town any and all additional certificates, documents, opinions or other papers and perform all other acts as may be required by the Contract or as they may deem necessary or appropriate to implement and carry out the intent and purposes of this Resolution.

Section 6. ***Sworn Statement of Debt.*** The Finance Director shall prepare and file a sworn statement of debt with the LGC and with the Town Clerk, which shall be available for public inspection in the office of the Town Clerk, in accordance with North Carolina General Statutes Section 159-150.

Section 7. **Repealer.** All motions, orders, resolutions, ordinances and parts thereof in conflict with this Resolution are hereby repealed.

Section 8. **Severability.** If any section, phrase or provision of this Resolution is for any reason declared to be invalid, such declaration will not affect the validity of the remainder of the sections, phrases or provisions of this Resolution.

Section 9. **Effective Date.** This Resolution is effective on the date of its adoption.

Thereupon, upon motion of Councilman \_\_\_\_\_, seconded by Councilman \_\_\_\_\_, the foregoing resolution entitled **“RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF PINEVILLE, NORTH CAROLINA, APPROVING AN INSTALLMENT FINANCING CONTRACT AND DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING; THE DELIVERY THEREOF; AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS”** was duly adopted by the following vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

\* \* \* \* \*

I, Barbara Monticello, Clerk to the Town Council for the Town of Pineville, North Carolina, DO HEREBY CERTIFY that the foregoing is a true and exact copy of a resolution entitled **“RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF PINEVILLE, NORTH CAROLINA, APPROVING AN INSTALLMENT FINANCING CONTRACT AND DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING; THE DELIVERY THEREOF; AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS”** adopted by the Town Council at a meeting held on December 8, 2020, and that said proceedings are recorded in Minute Book No. \_\_\_ of the minutes of said Town Council, beginning at page \_\_\_ and ending at page \_\_\_.

I DO HEREBY FURTHER CERTIFY that a schedule of regular meetings of said Town Council has been on file in my office pursuant to G.S. 143-318.12 as of a date not less than seven days before said meeting.

WITNESS my hand and the corporate seal of said Town, this \_\_\_ day of December, 2020.

\_\_\_\_\_  
Clerk to the Town Council  
for the Town of Pineville, North Carolina

[SEAL]