

Governmental Finance

5130 Parkway Plaza Blvd.
Charlotte, North Carolina 28217
Phone (704) 954-1700

January 17, 2023

Revised Financing Proposal

Ms. Melissa Moore
Finance Director
Ms. Jennifer Ferguson
Finance Coordinator

Via Electronic Mail: MelissaM@pflugervilletx.gov; JenniferF@pflugervilletx.gov;

Ladies:

Truist Bank (“Lender”) is pleased to offer this proposal for the financing requested by the City of Pflugerville, Texas (“Borrower”).

PROJECT: Lease Purchase Financing - Paver Machine

AMOUNT: \$500,000.00

TERM: Ten (10) Years

INTEREST RATE: 3.85% BQ (3.90% NBQ)

TAX STATUS: Tax Exempt-BQ

PAYMENTS: Interest: Annual
Principal: Annual

INTEREST RATE CALCULATION: 30/360

SECURITY: First lien security interest in equipment purchased with proceeds

PREPAYMENT TERMS: Callable in whole at par at any time

RATE EXPIRATION: 02/15/23

DOCUMENTATION/ LEGAL REVIEW FEE: \$0

FUNDING: Proceeds will be deposited into an account to be held with Lender pending disbursement unless equipment is delivered prior to closing.

DOCUMENTATION: Lender proposes to use its standard form financing contracts and related documents for this installment financing. We shall provide a sample of those documents to you should Lender be the successful proposer.

REPORTING REQUIREMENTS: Lender will require financial statements to be delivered within 270 days after the conclusion of each fiscal year end throughout the term of the financing.

Should we become the successful proposer, we have attached the form of a resolution that your governing board can use to award the financing to Lender. If your board adopts this resolution, then Lender will not require any further board action prior to closing the transaction.

Lender will have the right to cancel this offer by notifying the Borrower of its election to do so (whether this offer has previously been accepted by the Borrower) if at any time prior to the closing there is a material adverse change in the Borrower's financial condition, if we discover adverse circumstances of which we are currently unaware, if we are unable to agree on acceptable documentation with the Borrower or if there is a change in law (or proposed change in law) that changes the economic effect of this financing to Lender.

Costs of counsel for the Borrower and any other costs will be the responsibility of the Borrower.

The stated interest rate assumes that the Borrower expects to borrow less than \$10,000,000 in the current calendar year and that the financing will be bank qualified and tax exempt under the Internal Revenue Code. Lender reserves the right to terminate this bid or to negotiate a mutually acceptable interest rate if the financing is not bank qualified and tax exempt.

We appreciate the opportunity to offer this financing proposal. Please call me at (704) 954-1706 with your questions and comments. We look forward to hearing from you.

Sincerely,

Truist Bank



Mary Parrish Coley
Director

Resolution Approving Financing Terms

WHEREAS: The City of Pflugerville, Texas (“Borrower”) has previously determined to undertake a project for the financing of a paver machine (the “Project”), and the finance officer (“Finance Officer”) has now presented a proposal for the financing of such Project.

BE IT THEREFORE RESOLVED, as follows:

1. The Borrower hereby determines to finance the Project through Truist Bank (“Lender”) in accordance with the proposal dated January 17, 2023. The amount financed shall not exceed \$500,000.00, the annual interest rate (in the absence of default or change in tax status) shall not exceed 3.85%, and the financing term shall not exceed ten (10) years from closing.

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 Borrower 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.

3. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery 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 Borrower officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms 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 of the Document’s final form.

4. The Borrower 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 Borrower 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 Borrower intends that the adoption of this resolution will be a declaration of the Borrower’s official intent to reimburse expenditures for the Project that are to be financed from the proceeds of the Lender financing described above. The Borrower intends that funds that have been advanced, or that may be advanced, from the Borrower’s general fund or any other Borrower fund related to the Project, for project costs may be reimbursed from the financing proceeds.

6. All prior actions of Borrower 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 _____ day of _____, 2023.

By: _____

By: _____

Title: _____

Title: _____

SEAL

