

**A RESOLUTION AUTHORIZING THE TOWN MANAGER TO EXECUTE FINANCING CONTRACTS FOR VEHICLE REPLACEMENT PURCHASES FOR THE 2009-2010 FISCAL YEAR (2010-02-08/R-4)**

WHEREAS, the Town of Chapel Hill solicited and received competitive proposals from financial institutions for the financing of a variety of vehicles for various departments; and

WHEREAS, SunTrust Equipment Financing & Leasing Corp. offers the lowest total interest cost of 3.075% for the seven-year term for the purchase of vehicles totaling \$1,604,000; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council authorizes the Town Manager to enter into a contract with SunTrust Equipment Financing & Leasing Corp. on behalf of the Town for the financing of vehicles totaling \$1,604,000 at a fixed interest cost of 3.075% for a seven-year term with total interest and fees cost of \$1,795,171.32;

BE IT FURTHER RESOLVED that the aforesaid contract by and between the Town of Chapel Hill, various State contract and other vendors, and SunTrust Equipment Financing & Leasing Corp., together with the amounts to be paid thereunder, be designated as qualified tax-exempt obligations of the Town of Chapel Hill for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

BE IT FURTHER RESOLVED that the Council does not reasonably expect that the Purchaser (and any subordinate entities) will issue more than \$30,000,000 in qualified tax-exempt obligations pursuant to such Sections 265(b)(3)(ii) and the American Recovery and Reinvestment Act of 2009 during the current calendar year.

This the 8<sup>th</sup> day of February, 2010.