

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHARLOTTE, NORTH CAROLINA, DIRECTING THE APPLICATION TO THE LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF WATER AND SEWER SYSTEM REVENUE BONDS AND OTHER MATTERS**

**WHEREAS**, the City of Charlotte, North Carolina (the “City”) is authorized by The State and Local Government Revenue Bond Act, General Statutes of North Carolina, Section 159-80 *et seq.* (the “Act”), to issue, subject to the approval of the Local Government Commission of North Carolina (the “LGC”), at one time or from time to time revenue bonds, refunding revenue bonds and revenue bond anticipation notes of the City for the purposes as specified in the Act;

**WHEREAS**, the City Council (the “City Council”) of the City is considering the issuance of the City’s Water and Sewer System Revenue Bonds (with appropriate designations) in one or more series (the “2024 Bonds”), in an aggregate principal amount not to exceed \$610,000,000 under an Amended and Restated General Trust Indenture dated as of September 24, 2020 (the “General Indenture”) between the City and U.S. Bank National Association, the successor to which is U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), and a series indenture, between the City and the Trustee, to: (1) prepay in full the City’s Water and Sewer System Revenue Bond Anticipation Note, Series 2022 (the “2022 BAN”), (2) finance the costs of extensions, additions and capital improvements to, or the acquisition, renewal or replacement of capital assets of, or purchasing and installing new equipment for the City’s water and sewer system (the “2024 Bonds Projects”), and (3) pay the costs of issuing the 2024 Bonds;

**WHEREAS**, the City Council is also considering the issuance of the City’s Water and Sewer System Revenue Bond Anticipation Note (the “2024 BAN”) in an aggregate principal amount not to exceed \$500,000,000 under the General Indenture and a series indenture between the City and the Trustee, to (1) finance the capital costs of extensions, additions and capital improvements to, or the acquisition, renewal or replacement of capital assets of, or purchasing and installing new equipment for the Water and Sewer System (the “2024 BAN Projects”) and (2) pay the costs of issuing the 2024 BAN;

**WHEREAS**, the City Council wants to approve the retention of the financing team for the 2024 Bonds, including (A) Parker Poe Adams & Bernstein LLP, as bond counsel; (B) DEC Associates, Inc., as the financial advisor; (C) First Tryon Securities, LLC, as the financial consultant; (D) U.S. Bank Trust Company, National Association, as trustee and paying agent; and (E) BoA Securities, Inc., as managing underwriter (the “Managing Underwriter”) (collectively, the “2024 Bonds Financing Team”);

**WHEREAS**, the City Council wants to approve the retention of the financing team for the 2024 BAN, including (A) Parker Poe Adams & Bernstein LLP, as bond counsel; (B) DEC Associates, Inc., as the financial advisor; (C) First Tryon Securities, LLC, as

the financial consultant; (D) U.S. Bank Trust Company, National Association, as trustee and paying agent; and (E) Bank of America, N.A., as purchaser (the “Purchaser”) (collectively, the “2024 BAN Financing Team”);

**WHEREAS**, the City Council wants the Chief Financial Officer of the City, or her designee, to file with the LGC one or more applications for its approval of the 2024 Bonds and the 2024 BAN, on forms prescribed by the LGC, and (1) request in such applications that the LGC approve (a) the negotiation of the sale of the 2024 Bonds to the Managing Underwriter and such co-managing underwriters as the City may select (collectively, the “Underwriters”), (b) the negotiation of the sale of the 2024 BAN to the Purchaser, and (c) the City’s use of the 2024 Bonds Financing Team and 2024 BAN Financing Team and (2) state in such applications such facts and to attach thereto such exhibits in regard to the 2024 Bonds, the 2024 BAN and to the City and its financial condition, as may be required by the LGC, and to take all other action necessary for the issuance of the 2024 Bonds and the 2024 BAN;

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF CHARLOTTE, NORTH CAROLINA DOES RESOLVE AS FOLLOWS:**

**Section 1.** The 2024 Bonds will be issued by the City for the purpose of providing funds to (1) prepay in full the 2022 BAN, (2) finance the 2024 Bonds Projects and (3) pay the costs of issuing the 2024 Bonds, as to be further described in the City’s application to the LGC. The use of the proceeds of the 2024 Bonds, as described, is necessary in order to (1) fix the long-term interest cost of the City related to the projects financed from the proceeds of the 2022 BAN, (2) meet the demands of the users of the City’s water and sewer system, and (3) assure that the City’s water and sewer system remains in full compliance with all state and federal requirements for the provision of water and sanitary sewer services.

The 2024 BAN will be issued by the City for the purpose of providing funds to (1) finance the costs of the 2024 BAN Projects and (2) pay the costs of issuing the 2024 BAN, as to be further described in the City’s application to the LGC. The use of the proceeds of the 2024 BAN, as described, is necessary in order to (1) meet the demands of the users of the City’s water and sewer systems, and (2) assure that the City’s water and sewer system remains in full compliance with all state and federal requirements for the provision of water and sanitary sewer services.

The 2024 Bonds and the 2024 BAN will be special obligations of the City. The principal of, premium, if any, and interest on the 2024 Bonds and the 2024 BAN shall not be payable from the general funds of the City, nor shall they constitute a legal or equitable pledge, charge, lien or encumbrance upon any of the City’s property or upon any of its income, receipts or revenues except the funds which are pledged under the General Indenture. Neither the credit nor the taxing power of the State of North Carolina or the City are pledged for the payment of the principal of, premium, if any, or interest on the 2024 Bonds and the 2024 BAN, and no holder of 2024 Bonds or the 2024 BAN has the right to compel the exercise of the taxing power by the State of North Carolina or the City or the forfeiture of any of its property in connection with any default

thereon.

**Section 2.** The filing of one or more applications with the LGC for its approval of the issuance of the 2024 Bonds and the 2024 BAN is hereby approved. The Chief Financial Officer of the City, and her designees, with advice from the City Attorney and bond counsel, are hereby authorized, directed and designated to provide such information to the LGC as may be required for the LGC's approval of such applications. The 2024 Bonds Financing Team is hereby approved in connection with the issuance by the City of the 2024 Bonds. The 2024 BAN Financing Team is hereby approved in connection with the issuance by the City of the 2024 BAN. The Chief Financial Officer, or her designee, is authorized to appoint other members to each financing team as she determines is necessary and appropriate to carry out the plan of financing described herein.

**Section 3.** The City Council finds and determines with respect to the 2024 Bonds Projects and the issuance of the 2024 Bonds, and asks the LGC to find and determine with respect to the 2024 Bonds Projects and the issuance of the 2024 Bonds, from the City's application and supporting documentation, as follows:

- (a) that the issuance of the 2024 Bonds is necessary or expedient;
- (b) that the not to exceed stated principal amount of the 2024 Bonds will be sufficient but is not excessive, when added to other money available for such purpose, to pay the costs of prepaying in full the 2022 BAN and financing the 2024 Bonds Projects;
- (c) that the 2024 Bonds Projects are feasible and the refinancing of the 2022 BAN is feasible;
- (d) that the City's debt management procedure and policies are good;  
and
- (e) that the 2024 Bonds can be marketed at a reasonable interest cost to the City.

**Section 4.** The City Council finds and determines with respect to the 2024 BAN Projects and the issuance of the 2024 BAN, and asks the LGC to find and determine with respect to the 2024 BAN Projects and the issuance of the 2024 BAN, from the City's application and supporting documentation, as follows:

- (a) that the issuance of the 2024 BAN is necessary or expedient;
- (b) that the not to exceed stated principal amount of the 2024 BAN will be sufficient but is not excessive, when added to other money available for such purpose, to pay the costs of financing the 2024 BAN Projects;
- (c) that the 2024 BAN Projects are feasible;
- (d) that the City's debt management procedure and policies are good;  
and
- (e) that the 2024 BAN can be marketed at a reasonable interest cost to the City.

**Section 5.** The City Council requests that the LGC sell the 2024 Bonds at private sale without advertisement to the Underwriters at such prices as the LGC determines to be in the best interest of the City, at a true interest cost of not to exceed 5.50%.

The City requests that the LGC sell the 2024 BAN at private sale without advertisement through negotiation with the Purchaser at such prices as the LGC determines to be in the best interest of the City but at an initial interest rate not exceeding 5.50%. The 2024 BAN will be issued as a draw-down program at a variable rate of interest initially based on the Secured Overnight Financing Rate (SOFR) and the City Council has considered and recognized that variable interest rate debt instruments may subject the City to the risk of higher interest rates in the future, but believes that a draw-down program is superior to a fixed rate financing because it will lower the City's overall cost of capital.

**Section 6.** The Mayor, the City Manager, the Chief Financial Officer, the City Treasurer, the City Debt Manager, the City Clerk, the Deputy City Clerk and their respective designees (the "*Authorized Officers*"), are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to complete the steps necessary for the issuance of the 2024 Bonds and the 2024 BAN. All acts and doings of the Authorized Officers that are in conformity with the purposes and intents of this Resolution and in the furtherance of the issuance of the Bonds shall be, and the same hereby are, in all respects approved and confirmed. Any provision in this Resolution that authorizes more than one officer of the City to take certain actions shall be read to permit such officers to take the authorized actions either individually or collectively.

**Section 7.** All actions of the City and its officials, whether previously or hereafter taken in effectuating the proposed financings as described herein, are hereby ratified, authorized and approved.

**Section 8.** All resolutions or parts thereof of the City Council in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

**Section 9.** This Resolution is effective on its adoption.

Adopted April 22, 2024.