

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHARLOTTE, NORTH CAROLINA, AUTHORIZING THE NEGOTIATION OF INSTALLMENT FINANCINGS AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS THERETO

WHEREAS, the City of Charlotte, North Carolina (the “*City*”) is a municipal corporation duly created and validly existing under and by virtue of the Constitution, statutes and laws of the State of North Carolina (the “*State*”);

WHEREAS, the City has the power, pursuant to the General Statutes of North Carolina to (1) enter into installment contracts in order to purchase, or finance or refinance the purchase of, real or personal property and to finance or refinance the construction or repair of fixtures or improvements on real property and (2) create a security interest in some or all of the property financed or refinanced to secure repayment of the purchase price;

WHEREAS, the City Council of the City (the “*City Council*”) has previously determined and hereby determines to finance the costs of improvements and renovations to the City’s Spectrum Center arena and other governmental facilities (the “*2023 Projects*”);

WHEREAS, the City Council determines that it is in the best interest of the City to enter into (a) an installment financing contract (the “*2023 Contract*”) with the New Charlotte Corporation, a North Carolina nonprofit corporation (the “*Corporation*”), to pay (1) all or a portion of the capital costs of the 2023 Projects and (2) the costs related to the execution and delivery of the 2023 Contract and (b) a deed of trust and security agreements (the “*2023 Deed of Trust*”) related to the City’s fee simple interest in all or a portion of the sites of the 2023 Projects and the improvements thereon, necessary to secure the City’s obligations under the 2023 Contract;

WHEREAS, the Corporation will assist the City in financing the 2023 Projects by the execution and delivery of Certificates of Participation (the “*2023 Certificates*”);

WHEREAS, the City has previously financed and refinanced the construction of the Spectrum Center arena and improvements to other government facilities (the “*Prior Projects*” and collectively with the 2023 Projects, the “*Projects*”) pursuant to an Installment Payment Contract dated as of May 15, 2003, as amended (the “*Prior Contract*”), between the City and the Corporation, and to assist in such financings and refinancings the Corporation executed and delivered, among others, Variable Rate Certificates of Participation (2003 Governmental Facilities Projects), Series 2003F and Variable Rate Refunding Certificates of Participation (2003 Governmental Facilities Projects), Series 2013G (collectively, the “*Prior Certificates*”), evidencing proportionate undivided interests in installment payments payable under the Prior Contract, under a Master Trust Agreement dated as of June 15, 1993, as supplemented and amended, between NationsBank of North Carolina, N.A., the successor to which is U.S. Bank Trust Company, National Association, as master trustee (the “*Trustee*”), and First Union Securities, Inc., the successor to which is the Corporation, between the Corporation and the Trustee;

WHEREAS, the City Council has been advised and hereby determines that it may be advantageous to refinance some or all of the City's obligations under the Prior Contract and related Prior Certificates and, to the extent it is determined advantageous, the City Council determines that it is in the best interest of the City to enter into (a) an installment financing contract (the "*Refunding Contract*") and collectively with the 2023 Contract, the "*Contracts*") with the Corporation to pay the costs of refinancing of all or a portion of the Prior Contract and related Prior Certificates and (2) the costs related to the execution and delivery of the Refunding Contract and (b) a deed of trust and security agreements (the "*Refunding Deed of Trust*") related to the City's fee simple interest in all or a portion of the sites of the Prior Projects and the improvements thereon, necessary to secure the City's obligations under the Refunding Contract;

WHEREAS, the Corporation will assist the City in the refinancing of the Prior Contract and the related Prior Certificates by the execution and delivery of Certificates of Participation (the "*Refunding Certificates*");

WHEREAS, the City hereby determines that financing and refinancing the Projects are essential to the City's proper, efficient and economic operation and to the general health and welfare of its inhabitants; that financing and refinancing the Projects have or will permit the City to carry out public functions that it is authorized by law to perform and that entering into the Contracts are necessary and expedient for the City by virtue of the findings presented herein;

WHEREAS, the City hereby determines that entering into the Contracts allows the City to finance and refinance the Projects at a favorable interest rate currently available in the financial marketplace and on terms advantageous to the City;

WHEREAS, the City hereby determines that the estimated cost of financing and refinancing the Projects exceeds the amount that can be prudently raised from currently available appropriations, unappropriated fund balances and non-voted bonds that could be issued by the City in the current fiscal year pursuant to Article V, Section 4 of the Constitution of the State;

WHEREAS, although the cost of financing and refinancing the Projects pursuant to the Contracts are expected to exceed the cost of financing and refinancing the Projects pursuant to a bond financing for the same undertaking, the City hereby determines that the cost of financing and refinancing the Projects pursuant to the Contracts and the obligations of the City thereunder are preferable to a general obligation bond financing or revenue bond financing for several reasons, including but not limited to the following: (1) the cost of a special election necessary to approve a general obligation bond financing, as required by the laws of the State, would result in the expenditure of significant funds; (2) the time required for a general obligation bond election would cause an unnecessary delay which would thereby decrease the financial benefits of financing and refinancing the Projects; and (3) insufficient revenues are produced by the Projects so as to permit a revenue bond financing;

WHEREAS, the City has determined and hereby determines that the estimated cost of financing and refinancing the Projects pursuant to the Contracts reasonably compares with an estimate of similar costs under a bond financing for the same undertaking as a result of the findings delineated in the above preambles;

WHEREAS, the City does not anticipate a future property tax increase to pay installment payments falling due under the Contracts; however, any property tax increase, if necessary, to pay installment payments falling due under the Contracts will not be excessive;

WHEREAS, the sums to fall due under the Contracts will be adequate but not excessive for its proposed purpose;

WHEREAS, no deficiency judgment may be rendered against the City in any action for breach of an obligation under the Contracts;

WHEREAS, the City is not in default under any of its debt service obligations;

WHEREAS, the City's budget process and Annual Budget Ordinance are in compliance with the Local Government Budget and Fiscal Control Act, and external auditors have determined that the City has conformed with generally accepted accounting principles as applied to governmental units;

WHEREAS, past audit reports of the City indicate that its debt management and contract obligation payment policies have been carried out in strict compliance with the law, and the City has not been censured by the Local Government Commission of North Carolina (the "LGC"), external auditors or any other regulatory agencies in connection with such debt management and contract obligation payment policies;

WHEREAS, a public hearing on entering into the Contracts after publication of a notice with respect to such public hearing will be held by the City Council and approval of the LGC with respect to entering into Contracts must be received;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHARLOTTE, NORTH CAROLINA, AS FOLLOWS:

Section 1. **Authorization to Negotiate Contracts.** The Mayor, the City Manager, the Chief Financial Officer, the Treasurer, the City Clerk and the City Attorney, and their respective designees (individually and collectively, the "Authorized Officers"), are hereby authorized and directed to proceed and negotiate on behalf of the City for the financing of the 2023 Projects for a principal amount not to exceed \$110,000,000 in accordance with the provisions of Section 160A-20 of the General Statutes of North Carolina, as amended, and to provide in connection with the 2023 Contract, as security for the City's obligations thereunder, the 2023 Deed of Trust conveying a lien and interest in the site or sites of all or a portion of the 2023 Projects and the improvements thereon as the Authorized Officers deem advisable.

The Authorized Officers are hereby authorized to evaluate if it is advantageous to refinance some or all of the City's obligations under the Prior Contract and related Prior Certificates, including the termination of the related interest rate swap agreement, and if they determine it is, the Authorized Officers are hereby authorized and directed to proceed and negotiate on behalf of the City for the refinancing of the Prior Projects for a principal amount not to exceed \$100,000,000 in accordance with the provisions of Section 160A-20 of the General Statutes of North Carolina, as amended, and to provide in connection with the Refunding Contract, as security for the City's obligations thereunder, the Refunding Deed of Trust conveying a lien and interest in all or a portion of the sites of the Prior Projects and the improvements thereon as the Authorized Officers deem advisable.

Section 2. ***Application to LGC.*** The City Manager and the Chief Financial Officer, individually or collectively, or their designees, are hereby directed to file with the LGC an application or applications for its approval of the Contracts and all relevant transactions contemplated thereby on a form prescribed by the LGC and to state in such application such facts and to attach thereto such exhibits regarding the City and its financial condition as may be required by the LGC.

Section 3. ***Financing Team.*** The financing team of Parker Poe Adams & Bernstein LLP, as special counsel, DEC Associates, Inc., as financial advisor, and U.S. Bank Trust Company, National Association, as trustee, is approved. The Authorized Officers are hereby authorized to retain any other professionals they deem necessary to complete the transaction contemplated by this Resolution.

Section 4. ***Public Hearing.*** In order to satisfy the requirements of Section 160A-20 of the General Statutes of North Carolina, as amended, the City Council will conduct one or more public hearings on August 28, 2023 at 6:30 p.m., or as soon thereafter as practicable, in the Meeting Chamber, Charlotte-Mecklenburg County Government Center, 600 East Fourth Street, Charlotte, North Carolina 28202 concerning the execution and delivery of the Contracts (the "*Public Hearing*"). The City Clerk is hereby directed to cause notice of the Public Hearing to be published at least once in a qualified newspaper of general circulation within the City no fewer than 10 days prior to the Public Hearing.

Section 5. ***Repealer.*** All motions, orders, resolutions and parts thereof in conflict herewith are hereby repealed.

Section 6. ***Effective Date.*** This Resolution is effective on the date of its adoption.