

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHARLOTTE, NORTH CAROLINA PROVIDING FOR THE ISSUANCE, SALE AND DELIVERY OF \$200,000,000 GENERAL OBLIGATION BOND OF THE CITY OF CHARLOTTE, NORTH CAROLINA

WHEREAS, the Bond Orders (as defined in Appendix A) have been adopted, and it is desirable to make provision for the issuance of the Bond authorized by the Bond Orders;

WHEREAS, the City of Charlotte, North Carolina (the “City”) desires to issue its General Obligation Bond, Series 2023C in an aggregate principal amount of \$200,000,000 (the “Bond”) and to request that the Local Government Commission (the “Commission”) sell the Bond to Wells Fargo Bank, National Association, or its affiliate (the “Bank”), in accordance with the terms provided herein and in a Bond Purchase and Advance Agreement to be dated on or about November 7, 2023 (the “Purchase Agreement”) between the City and the Bank;

WHEREAS, the City Council has determined that it is in the best interest of the City to continue to have a short-term borrowing program to finance the capital costs of projects authorized by the Bond Orders;

WHEREAS, the City Council has determined to authorize the Bond to evidence its short-term borrowing program to finance capital costs of projects authorized by the Bond Orders;

WHEREAS, the City Council has considered and recognizes that variable interest rate debt instruments may subject the City to the risk of higher interest rates but believes that utilizing the short-term financing as an interim source of funding for paying costs of the projects authorized by the Bond Orders lowers the City’s overall cost of capital and therefore is superior to issuing fixed rate bonds for such purpose at this time;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Charlotte, North Carolina, as follows:

Section 1. For purposes of this Bond Resolution, all capitalized, undefined words have the meanings ascribed to them in Appendix A hereto

Section 2. The City is hereby authorized to issue not to exceed \$200,000,000 in total aggregate principal amount of its Bond. The City Manager and the Chief Financial Officer of the City, and their designees, with advice from the City Attorney and bond counsel, are hereby authorized, directed and designated to provide such information as the North Carolina Local Government Commission requests related to the issuance of the Bond.

Although the Bond will be issued in a nominal principal amount of \$200,000,000, because proceeds of the Bond are being drawn down over time and the total principal amount may not be used, the amount of each Advance will be used for purposes of

determining the amount of bonds issued under and against the Bond Orders. An Advance may be made against a Bond Order only within the time that bonds may be issued under such Bond Order in accordance with Section 159-64 of the North Carolina General Statutes. The Chief Financial Officer, or her designee, will indicate as part of each Advance the amount to be applied against each Bond Order.

Section 3. The Bond shall be issued on the terms set forth in Appendix A. The Bond is being issued to provide funds to pay the capital costs of the Projects authorized by the Bond Orders.

Section 4. Each of the Mayor, the City Manager, the Chief Financial Officer, the City Treasurer and the Debt Manager, or their respective designees (the “*Authorized Officers*”), are hereby authorized, empowered and directed to do any and all other acts and to execute any and all other documents, which they, in their discretion, deem necessary and appropriate in order to consummate the transactions contemplated by this Bond Resolution and the Purchase Agreement except that none of the above is authorized or empowered to do anything or execute any document which is in contravention, in any way, of (a) the specific provisions of this Bond Resolution, (b) any agreement to which the City is bound, (c) any rule or regulation of the City or (d) any applicable law, statute, ordinance, rule or regulation of the United States of America or the State of North Carolina.

From the adoption of this Bond Resolution until the date of the first issuance of the Bond hereunder, the City Manager and the Chief Financial Officer are each hereby authorized, empowered and directed to make any changes, modifications, additions or deletions to Appendix A hereto as shall to them seem necessary, desirable or appropriate and that in their opinion may be necessary to implement the intent of this Bond Resolution. Such changes, modifications, additions or deletions to Appendix A shall be set forth in a certificate executed by the City Manager or the Chief Financial Officer on the date of issuance of the Bond hereunder.

Section 5. The form and content of the Purchase Agreement are and the same hereby is in all respects approved and confirmed, and each of the Authorized Officers be and they hereby are authorized, empowered, and directed to execute and deliver the Purchase Agreement for and on behalf of the City, including necessary counterparts, in substantially the form and content presented to the City, but with such changes, modifications, additions or deletions therein as shall to them seem necessary, desirable or appropriate, the execution thereof to constitute conclusive evidence of his or her approval of any and all such changes, modifications, additions or deletions therein.

Section 6. From and after the execution and delivery of the documents hereinabove authorized, the Authorized Officers and the City Clerk and Deputy City Clerk, and their respective designees, are hereby authorized, empowered and directed 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 said documents as executed, and are further authorized to take any and all further actions to execute and deliver any and all

other documents as may be necessary in the issuance of the Bond and administering the Purchase Agreement such that they continue to serve the purpose for which they were executed and delivered. All actions previously taken by any of the Authorized Officers and the City Clerk, or their designee or those officers of the City authorized to act on their behalf, related to the Bond and the proceedings therefor are hereby ratified and approved.

The Authorized Officers and the City Clerk and the Deputy City Clerk are each hereby authorized and directed to prepare and furnish, when the Bond is issued, certified copies of all the proceedings and records of the City Council relating to the Bond, and such other affidavits, certificates and documents as may be required to show the facts relating to the legality and marketability of the Bond as such facts appear on the books and records in such party's custody and control or as otherwise known to them; and all such certified copies, certificates, affidavits and documents, including any heretofore furnished, shall constitute representations of the City as to the truth of all statements contained therein.

All acts and doings of the Authorized Officers and the City Clerk and the Deputy City Clerk that are in conformity with the purposes and intents of this Bond Resolution and in the furtherance of the issuance of the Bond 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. The Commission is hereby requested to sell the Bond by private sale without advertisement to the Bank at such prices as the Commission determines to be in the best interest of the City and in accordance with the provisions of the Purchase Agreement. The Bond will be sold at 100% of the principal amount thereof in accordance with the provisions hereof and will bear interest at the variable interest rates set forth in Appendix A to this Bond Resolution. The Authorized Officers and the City Clerk and the Deputy City Clerk are hereby authorized and directed to cause the Bond to be prepared and, when they shall have been duly sold by the Commission, to execute the Bond for delivery to the Bank.

Section 8. If any one or more of the agreements or provisions herein contained is held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or for any reason whatsoever is held invalid, then such covenants, agreements or provisions are null and void and separable from the remaining agreements and provisions and will in no way affect the validity of any of the other agreements and provisions hereof or of the Bond authorized hereunder.

Section 9. 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 10. That this Bond Resolution is effective on the date of its adoption.

APPENDIX A

to

CITY OF CHARLOTTE, NORTH CAROLINA

BOND RESOLUTION ADOPTED SEPTEMBER 11, 2023

Relating to the Issuance of

\$200,000,000

***General Obligation Bond, Series 2023C
(Draw Program)***

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ARTICLE I

DEFINITIONS

Section 1.01 ***Meaning of Words and Terms.*** The following terms, except where the context indicates otherwise, have the respective meanings set forth below:

“*Advance*” means all advances of the purchase price of the Bond made by the Purchaser under the Purchase Agreement on or before the Advance Termination Date.

“*Advance Termination Date*” has the meaning assigned to such term in Section 4.01.

“*Amortization Period*” means the five year period beginning on the Full Funding Date and ending on the Maturity Date.

“*Appendix A*” means this Appendix A which is attached to, and incorporated in, the Bond Resolution.

“*Applicable Factor*” means 79%.

“*Applicable Spread*” has the meaning set forth in the Purchase Agreement.

“*Authorized Officers*” has the meaning set forth in the Bond Resolution.

“*Base Rate*” means, for any date of determination, a fluctuating rate of interest per annum equal to the highest of (a) the Fed Funds Rate plus 2.00%, (b) the Prime Rate plus 1.00%, or (c) 7.00%.

“*Benchmark Floor*” means a rate of interest equal to zero percent (0%).

“*Bond*” means the up to \$200,000,000 City of Charlotte, North Carolina General Obligation Bond, Series 2023C issued pursuant to the Bond Resolution and this Appendix A.

“*Bond Orders*” means, collectively, (1) the Bond Order authorizing the City to issue general obligation bonds to finance certain transportation improvements and the Bond Order authorizing the City to issue general obligation bonds to finance certain neighborhood improvements, each adopted on July 23, 2018 and approved by a majority of voters at a referendum held on November 6, 2018, and (2) the Bond Order authorizing the City to issue general obligation bonds to finance certain transportation improvements and the Bond Order authorizing the City to issue general obligation bonds to finance certain neighborhood improvements, each adopted on July 27, 2020 and approved by a majority of voters at a referendum held on November 3, 2020.

“*Bond Resolution*” means the Bond Resolution adopted by the City Council of the City on September 11, 2023 with respect to the Bond, which includes this Appendix A, and any amendments or supplements thereto.

“Business Day” means (a) for all purposes other than as set forth in clause (b) below, any day other than a Saturday, Sunday or legal holiday on which banks in Charlotte, North Carolina are open for the conduct of their commercial banking business and (b) with respect to all notices and determinations in connection with the Initial Term Interest Rate, and requests for the Advances or payments of principal and interest on the Bond, any day that is a Business Day described in clause (a) and that is also a U.S. Government Securities Business Day.

“Calculation Agent” means Wells Fargo Bank, National Association, and, if Wells Fargo Bank, National Association should decline to act as Calculation Agent, means any other person appointed by the City with the consent of the Owner. Any rate calculated or determined by the Calculation Agent will be subject to standard rounding.

“Chief Financial Officer” means the Chief Financial Officer of the City, the person performing the duties of the Chief Financial Officer or the official succeeding to the Chief Financial Officer’s principal functions, including any person serving as such in an interim capacity.

“Code” means the Internal Revenue Code of 1986, as from time to time amended.

“Commission” means the Local Government Commission of North Carolina.

“Daily Simple SOFR” means, with respect to any day (a *“SOFR Rate Day”*), a rate per annum equal to SOFR for the day (such day, the *“SOFR Determination Day”*) that is two (2) U.S. Government Securities Business Days prior to (i) if such SOFR Rate Day is a U.S. Government Securities Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not a U.S. Government Securities Business Day, the U.S. Government Securities Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator’s Website; provided, however, that if Daily Simple SOFR determined as provided above would be less than the Benchmark Floor, then Daily Simple SOFR shall be deemed to be the Benchmark Floor. If by 5:00 p.m. (New York City time) on the second (2nd) U.S. Government Securities Business Day immediately following any SOFR Determination Day, SOFR in respect of such SOFR Determination Day has not been published on the SOFR Administrator’s Website and a Benchmark Replacement Date with respect to Daily Simple SOFR has not occurred, then SOFR for such SOFR Determination Day will be SOFR as published in respect of the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator’s Website; provided that any SOFR determined pursuant to this sentence shall be utilized for purposes of calculation of Daily Simple SOFR for no more than three (3) consecutive SOFR Rate Days.

“Default Event” has the meaning set forth in the Purchase Agreement.

“Default Rate” means the Base Rate plus three percent (3%) per annum.

“Determination of Taxability” means, with respect to the Bond, a determination

that all or a portion of the interest on the Bond is included in gross income of the Owner thereof for federal income tax purposes, as a result of an action, or failure to act, by the City, which determination shall be deemed to have been made upon the occurrence of the first to occur of the following: (1) the date on which such Owner is advised in writing by the Commissioner or any District Director of the Internal Revenue Service that, as a result of an action, or failure to act, by the City, all or a portion of the interest on the Bond is included in the gross income of the Owner for federal income tax purposes; (2) the date on which the City receives notice from such Owner that the Owner has been advised in writing that the Internal Revenue Service has issued a statutory notice of deficiency or similar notice to the Owner which asserts, in effect, that all or a portion of the interest with respect to the Bond received by the Owner is included in the gross income of the Owner for federal income tax purposes, as a result of an action, or failure to act, by the City; (3) the date on which the City is advised in writing by the Commissioner or any District Director of the Internal Revenue Service that there has been issued a public or private ruling of the Internal Revenue Service that all or a portion of the interest on the Bond is included in the gross income of the Owner thereof for federal income tax purposes as a result of an action, or failure to act, by the City; or (4) the date on which the City is advised in writing by counsel to the Owner of the Bond that a final determination, from which no further right of appeal exists, has been made by a court of competent jurisdiction in the United States of America in a proceeding with respect to which the City has been given written notice and an opportunity, at the expense of the City, to participate and defend that interest on the Bond is included in the gross income of such Owner for federal income tax purposes, as a result of an action, or failure to act, by the City.

“Fed Funds Rate” means, for any date of determination, a fluctuating rate of interest per annum equal to the weighted average (rounded to the next higher 1/100 of 1%) of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average (rounded to the next higher 1/100 of 1%) of the quotations for such day on such transactions received by Wells Fargo Bank, National Association from three federal funds brokers of recognized standing selected by Wells Fargo Bank, National Association. Each determination of the Fed Funds Rate by Wells Fargo Bank, National Association shall be conclusive and binding on the City.

“Full Funding Date” means November 7, 2026.

“Initial Term Interest Rate” means a per annum rate of interest equal to the sum of (a) the Applicable Spread plus (b) the product of (i) Daily Simple SOFR multiplied by (ii) the Applicable Factor.

“Initial Term Period” means the period commencing on the Closing Date and ending on, but not including, the Full Funding Date.

“Interest Accrual Period” means the period from the date the Bond is issued to November 15, 2023, and thereafter each period beginning on and including the fifteenth calendar day of each month and ending on but excluding the fifteenth calendar day of the next succeeding month.

“Interest Payment Date” means the first Business Day of each month, commencing December 1, 2023, and any other date that interest is required to be paid on the Bond under the Purchase Agreement.

“Interest Rate” means, with respect to the Bond, (a) during the Initial Term Period, a per annum rate of interest equal to the Initial Term Interest Rate, and (b) during the Term Loan Interest Period, the Term Loan Interest Rate; provided, however, that (1) upon a Determination of Taxability, the Bond will bear interest during the Taxable Period, at a rate equal to the Taxable Rate, (2) upon the occurrence and during the continuation of a Default Event, the Interest Rate shall be a per annum rate of interest equal to the Default Rate and (3) in no event shall the Interest Rate exceed the Maximum Rate.

“Mail” means first-class United States mail, postage prepaid.

“Maturity Date” means November 7, 2031.

“Maximum Federal Corporate Tax Rate” means the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, as in effect from time to time or, if as a result of a change in the Code the rate of income taxation imposed on corporations generally shall not be applicable to Wells Fargo Bank, National Association, the maximum statutory rate of federal income taxation which could apply to Wells Fargo Bank, National Association. As of the Closing Date, the Maximum Federal Corporate Tax Rate is 21%.

“Maximum Rate” means the lesser of (a) 22% per annum and (b) the maximum rate of interest permitted by applicable law.

“Owner” means the registered owner of the Bond.

“Prepayment Date” means the date on which the Bond or any portion thereof has been called for prepayment or is to be prepaid pursuant to this Appendix A.

“Prime Rate” means at any time the rate of interest most recently announced within Wells Fargo Bank, National Association, at its principal office as its prime rate, with the understanding that the Prime Rate is one of Wells Fargo Bank, National Association's base rates and serves as the basis upon which effective rates of interest are calculated for those loans making reference thereto, and is evidenced by the recording thereof after its announcement in such internal publication or publications as Bank may designate; provided, however, that if Prime Rate determined as provided above would be less than zero percent (0%), then Prime Rate shall be deemed to be zero percent (0%).

“Principal Amount” means the sum of all Advances less any prepayment of Bond. Advances and prepayments shall be recorded (which records may be electronic) on the Table of Advances and Table of Partial Prepayments attached to the Bond, however failure to record an Advance or prepayment shall not affect the Principal Amount outstanding under the Bond.

“Projects” means the projects financed with the proceeds of the Bond in accordance with the authority under the respective Bond Orders.

“Purchase Agreement” means the Bond Purchase and Advance Agreement to be dated on or about November 7, 2023 among the City, the Purchaser and the Commission related to the Purchaser’s purchase of the Bond.

“Purchaser” means Wells Fargo Capital Strategies, LLC, and its successors and assigns.

“SOFR” means a rate per annum equal to the secured overnight financing rate as administered by the SOFR Administrator.

“SOFR Administrator” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“SOFR Administrator’s Website” means the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“Stated Principal Amount” means \$200,000,000.

“Taxable Period” means the period beginning on the date interest on the Bond first becomes subject to inclusion in gross income as a result of a Determination of Taxability, and ends on the date (if any) such interest is no longer included in gross income.

“Taxable Rate” means an interest rate per annum equal to the product of the interest rate on the Bonds then in effect multiplied by the quotient of (a) one divided by (b) one minus the Maximum Federal Corporate Tax Rate in effect on the date of calculation.

“Term Loan Interest Rate” means for the period from the Full Funding Date to the date that is 180 days thereafter, the Base Rate, and thereafter, the Base Rate plus 1.00%; provided that the Term Loan Interest Rate shall not exceed the Maximum Rate.

“Term Loan Period” means the period, if any, commencing on the Full Funding Date and ending on the earlier of the Maturity Date or the date the Bond has been prepaid in whole prior to maturity.

“U.S. Government Securities Business Day” means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association, or any successor thereto, recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

ARTICLE II

AUTHORIZATION, FORM, ISSUANCE, DELIVERY AND REGISTRATION OF BOND

Section 2.01 ***Authorization of Financing and Authorization of the Bond.*** There is hereby authorized the issuance of a general obligation bond, designated “*City of Charlotte, North Carolina General Obligation Bond, Series 2023C.*” The Bond is being issued to provide funds to pay the costs of the Projects and costs of issuing the Bond, under and in accordance with the Bond Orders. No Bond may be issued under the provisions of the Bond Resolution, including this Appendix A, except in accordance with this Article. The total principal amount of the Bond that may be issued and Outstanding is hereby expressly limited to the Stated Principal Amount.

Section 2.02 ***Issuance of the Bond.*** The Bond will be issuable as a fully registered bond in the Stated Principal Amount. The Bond will be numbered RC-1 and will be substantially in the form set forth in Exhibit A with such appropriate variations, omissions and insertions as are permitted or required by this Appendix A. The execution and delivery of the Bond by the City under the Bond Resolution is conclusive evidence of the approval of the form of the Bond by the City Council, including any insertions, omissions, variations, notations, legends or endorsements authorized by the Bond Resolution.

Section 2.03 ***Details of the Bond; Payment.***

(a) (i) The Bond will mature, subject to prepayment as set forth herein, on the Maturity Date and will bear interest at the Interest Rate. Interest payable on the Bond shall be determined based on the Principal Amount of the Bond. Interest payable on the Bond shall be calculated on the basis of the actual number of days elapsed in a 360 day year as the case may be. Interest shall accrue during each period for which interest is computed from and including the first day thereof to but excluding the last day thereof. The amount of interest payable on each Interest Payment Date shall be the amount of interest that accrued during the immediately preceding Interest Accrual Period and shall be calculated by the Calculation Agent in accordance with the Purchase Agreement. Interest on the Bond will be payable in arrears.

(ii) The Calculation Agent shall determine the Interest Rate for the Bond for each day during each Interest Accrual Period while the Bond is

outstanding in the manner provided for in this Bond Resolution, including the definitions of Interest Rate, Interest Accrual Period and Daily Simple SOFR.

(iii) Upon the request of the City, the Calculation Agent shall confirm the Interest Rate then in effect.

(iv) The determination of the Interest Rate by the Calculation Agent shall be conclusive and binding on the City and the Owner absent manifest error. In determining the Interest Rate the Calculation Agent shall have no liability to the City or the Owner except for its negligence or willful misconduct.

(v) If a Determination of Taxability occurs with respect to the Bond, to the extent the interest borne by such Bond becomes subject to inclusion in gross income, then the principal amount outstanding of such Bond will bear interest during the Taxable Period at the Taxable Rate. In such an event, the City shall also be responsible for payment of any interest, penalties or charges owed by the Owner as a result of interest becoming includable in the gross income of the Owner, together with any and all reasonable attorneys' fees, court costs or other out-of-pocket costs incurred by the Owner in connection therewith.

(vi) Notwithstanding the foregoing provisions of this section, on the occurrence and continuation of a Default Event, the interest rate on the Bond will be established at all times equal to the Default Rate, such rate not to exceed the Maximum Rate.

(b) The Bond is a general obligation of the City for the payment of the principal of and interest on which it has pledged its faith and credit.

The Bond shall be registered as to principal and interest, and the Chief Financial Officer, or her designee, is directed to maintain the registration records with respect thereto. One definitive Bond is to be delivered to the Purchaser. The books and records of the City of the Amount Advanced (less any amounts previously prepaid) on the Bond shall be deemed controlling, absent manifest error. Principal of and interest on the Bond shall be payable to the registered owner appearing on the registration records by wire transfer or by check, mailed to such registered owner at its address or in accordance with the wire instructions, as applicable, as it appears on such registration books and shall be received by the registered owner on the date such payment is due.

Actions taken by officials of the City to select paying and transfer agents, and a bond registrar, or alternate or successor agents and registrars pursuant to Section 159E-8 of the Registered Public Obligations Act, Chapter 159E of the General Statutes of North Carolina, are hereby authorized and approved.

(c) Both the principal of and the interest on the Bond are payable in any lawful coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. The Bond shall bear interest from its date until the Principal

Amount has been paid, but if such Bond has matured or has been called for prepayment and the Prepayment Date has occurred and funds are available for the payment thereof in full in accordance with the terms of the Bond Resolution, such Bond shall then cease to bear interest as of the maturity date or Prepayment Date, as applicable. The Bond will be dated as of its date of issuance, except that a Bond issued in exchange for or on the registration of transfer of the Bond will be dated as of the Interest Payment Date next preceding the date of authentication thereof, unless (1) the date of such authentication precedes the first Interest Payment Date, in which case it will be dated as of the date of the initial issuance of the Bond or (2) the date of such authentication is an Interest Payment Date to which interest on the Bond has been paid in full or duly provided for in accordance with the terms of this Appendix A, in which case it will be dated as of such Interest Payment Date; except that if interest on the Bond is in default, the Bond executed and delivered in exchange for or on registration of transfer of the Bond will be dated as of the date to which interest on the Bond has been paid in full. If no interest has been paid on the Bond, the Bond executed and delivered in exchange for or on the registration of transfer of the Bond will be dated as of the initial issuance of the Bond.

Section 2.04 ***Restriction on Transfer of the Bond.*** This Bond may not be transferred other than to (a) an affiliate of the Owner who is a “*qualified institutional buyer*” as defined in Rule 144A promulgated under the Securities Act of 1933, as amended, (b) a trust or custodial arrangement established by the Owner or one of its affiliates, the owners of the beneficial interests in which are limited to qualified institutional buyers, or (c) to a person that is a qualified institutional buyer that is a commercial bank having a combined capital and surplus, determined as of the date of any transfer pursuant to this Section, of \$5,000,000,000 or more that has executed and delivered to the City an investor letter in the form satisfactory to the City. In no event shall the Bond be transferred to any person or entity who holds the Bond for the benefit of a person or entity that is not a qualified institutional buyer or as part of a pool of assets in which persons that are not qualified institutional buyers may invest, such as a mutual fund or retirement plan.

The City will have no obligation to pay any amounts due on the Bond to anyone other than the Owner of the Bond as shown on the registration books kept by the City.

Section 2.05 ***Changed Circumstances related to Interest Rate.***

(a) ***Inability to Determine Interest Rates; Illegality.*** Subject to the Benchmark Replacement Provisions below, if the Calculation Agent determines (any determination of which shall be conclusive and binding on the City) that either (i) Daily Simple SOFR cannot be determined pursuant to the definition thereof other than as a result of a Benchmark Transition Event (an “*Inability Determination*”) or (ii) any law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for the Purchaser to make or maintain an advance under the Bond based on Daily Simple SOFR, or to determine or charge interest rates based upon Daily Simple SOFR (an “*Illegality*”

Determination”), then the Calculation Agent will so notify the City. The outstanding Amount Advanced under the Bond shall bear interest (computed on the basis of a 360-day year, actual days elapsed) at a fluctuating rate per annum determined by the Calculation Agent to be equal to the Prime Rate in effect from time to time, from the date of an Inability Determination or an Illegality Determination until the Calculation Agent revokes such Inability Determination or notifies the City that the circumstances giving rise to such Illegality Determination no longer exist, as applicable. When interest is determined in relation to the Prime Rate, each change in the rate of interest hereunder shall become effective on the date each Prime Rate change is announced. Notwithstanding any of the foregoing to the contrary, if a Benchmark Replacement is subsequently determined in accordance with applicable Benchmark Replacement Provisions, that Benchmark Replacement, plus the Applicable Spread, will become effective on the Benchmark Replacement Date and will then supersede the Prime Rate determined in accordance with this provision.

(b) *Benchmark Replacement Provisions.* Notwithstanding anything to the contrary contained in this Appendix A:

(i) Benchmark Replacement. If a Benchmark Transition Event occurs, the applicable Benchmark Replacement will replace the then-current Benchmark for all purposes under this Appendix A. Any Benchmark Replacement will become effective on the applicable Benchmark Replacement Date without any further action or consent of the City.

(ii) Benchmark Replacement Conforming Changes. The Calculation Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of the City.

(iii) Notices; Standards for Decisions and Determinations. The Calculation Agent will promptly notify the City of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Benchmark Replacement Conforming Changes. Any determination, decision or election that may be made by the Calculation Agent pursuant to these Benchmark Replacement Provisions, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and will be made in its sole discretion and without the consent of the City.

(iv) Certain Defined Terms. As used in this Section 2.05, each of the following capitalized terms has the meaning given to such term below:

“Benchmark” means, initially, Daily Simple SOFR; provided, however, that if a Benchmark Transition Event has occurred with respect to Daily Simple SOFR or the then-current Benchmark, then *“Benchmark”* means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has become effective pursuant to the provisions of this Bond Resolution.

“Benchmark Administrator” means, initially, the SOFR Administrator, or any successor administrator of the then-current Benchmark or any insolvency or resolution official with authority over such administrator.

“Benchmark Replacement” means the sum of: (A) the alternate rate of interest that has been selected by the Calculation Agent as the replacement for the then-current Benchmark; and (B) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Calculation Agent, in each case, giving due consideration to (x) any selection or recommendation by the Relevant Governmental Body at such time for a replacement rate, the mechanism for determining such a rate, the methodology or conventions applicable to such rate, or the spread adjustment, or method for calculating or determining such spread adjustment, for such rate, or (y) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to the then-current Benchmark, the methodology or conventions applicable to such rate, or the spread adjustment, or method for calculating or determining such spread adjustment, for such alternate rate for U.S. dollar-denominated syndicated or bilateral credit facilities at such time; provided, however, that if the Benchmark Replacement as determined as provided above would be less than the Benchmark Floor, then Benchmark Replacement shall be deemed to be the Benchmark Floor, subject to any other applicable floor rate provision.

“Benchmark Replacement Conforming Changes” means any technical, administrative or operational changes (including, without limitation, changes to the definition of “U.S. Government Securities Business Day,” the timing and frequency of determining rates and making payments of interest, prepayment provisions and other technical, administrative or operational matters) that the Calculation Agent decides may be appropriate to reflect the adoption and implementation of a Benchmark Replacement and to permit the administration thereof by the Calculation Agent.

“Benchmark Replacement Date” means the date specified by the Calculation Agent in a notice to the City following a Benchmark Transition Event.

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the then-current Benchmark: a public statement or publication of information by or on behalf of the Benchmark Administrator or a regulatory supervisor for the Benchmark Administrator announcing that (A) the Benchmark Administrator has ceased or will cease to provide the Benchmark permanently or indefinitely or (B) the Benchmark is no longer, or as of a specified future date will no longer be, representative of underlying markets.

“Relevant Governmental Body” means the Board of Governors of the Federal Reserve System and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System and/or the Federal Reserve Bank of New York or any successor thereto.

ARTICLE III

PREPAYMENT OF THE BOND

Section 3.01 ***Optional Prepayment of the Bond.*** The City may prepay the Bond, either in whole or in part, on any Business Day at a prepayment price equal to 100% of the principal amount thereof, without premium, plus the accrued interest thereon to the Prepayment Date.

Section 3.02 ***Mandatory Prepayment of the Bond.*** In the event the City does not pay the outstanding principal amount of the Bond (which equals the Advances less any amounts previously prepaid pursuant to Section 3.01) on or before the Full Funding Date, the City will prepay the Bond in full, plus accrued interest, within 30 days after the Full Funding Date unless the City has provided to the Purchaser during such 30-day period a certificate stating that on the date thereof (A) no Default Event has occurred and (B) the representations and warranties set forth in the Purchase Agreement are true and correct on the date of such certificate as if made on such date and requesting the right to repay the Bond over the Amortization Period, in which case the City shall instead pay to the Owner the outstanding principal amount of the Bond as of such date (the *“Amortization Amount”*) in installments payable on the three-month anniversary of the Full Funding Date and quarterly thereafter so that the Amortization Amount is repaid in approximately equal quarterly principal payments by the end of the Amortization Period. Any principal amount remaining unpaid on the Maturity Date shall be due and payable on the Maturity Date. In the event that the City does not deliver to the Purchaser such certificate as provided in this Section 3.02, the Bond shall be subject to special mandatory prepayment in whole on the 30th day after the Full Funding Date at a prepayment price equal to 100% of the outstanding Principal Amount of the Bond, plus accrued interest thereon to the prepayment date. The Bond shall bear interest during the Term Loan Period at the Term Loan Interest Rate.

Section 3.03 **Notice of Prepayment.** The City will provide written notice of the optional prepayment of the Bond not less than 30 days (or such lesser number of days as the Owner may accept), (1) to the Commission by Mail or electronic transmission, and (2) by Mail or electronic transmission (or by such other means as may be permitted by the Owner) to the then-registered Owner of the Bond at the last address shown on the registration books kept by the City.

Failure to provide such notice to the Commission will not affect the validity of any proceedings for such prepayment.

Section 3.04 **Record of Prepayment.** The Owner will record any prepayments of the Bond on the Table of Partial Prepayments attached to the Bond (or otherwise kept on the Owner's official books and records, which may be electronic records).

ARTICLE IV

ADVANCES

Section 4.01 **Advance of Bond Proceeds.** The City acknowledges and agrees that prior to the earliest to occur of (a) the date when the sum of the aggregate Advances made under the Purchase Agreement equals the Stated Principal Amount, (b) the date on which the Purchaser's obligation to make Advances under the Purchase Agreement terminates (as reflected in a written notice delivered by the Purchaser to the City) or (c) the Full Funding Date (the "*Advance Termination Date*"), the proceeds of the Bond will be disbursed in installments through the making of Advances by the Purchaser in accordance with the Purchase Agreement. The Chief Financial Officer or another Authorized Officer will indicate as part of each Advance the amount to be applied against each Bond Order. The date and amount of each Advance shall be noted on the Table of Advances attached to the Bond (or otherwise kept on the Purchaser's official books and records, which may be electronic records); *provided* that the failure to record any such Advance on the Table of Advances shall not affect the Principal Amount due. In no event may the total amount of all Advances exceed the Stated Principal Amount. Following the Advance Termination Date, no additional Advances may be made. On the Advance Termination Date, the positive difference, if any, between the Stated Principal Amount and the aggregate principal amount of all Advances made under the Purchase Agreement shall be deemed to have been prepaid automatically and without any further notice or act by the City or any other Person. Any such automatic prepayment of principal shall not be taken into consideration in determining the Principal Amount of the Bond and shall not be recorded on the Table of Partial Prepayments attached to the Bond.

Section 4.02 **Application of Bond Proceeds.** The Chief Financial Officer, or her designee, is hereby directed to create and establish a fund into which the proceeds from the sale of the Bond will be deposited (the "*Project Fund*"). The proceeds from each Advance will be deposited by the Purchaser with the City, and the City shall deposit such amounts in the Project Fund. The Chief Financial Officer, or her designee, shall invest and reinvest any moneys held in the Project Fund as permitted by the laws

of the State of North Carolina and the income, to the extent permitted by the Code, is to be retained in the Project Fund and applied with the proceeds of the Bond to pay the costs of the Projects. The Chief Financial Officer, or her designee, shall keep and maintain adequate records pertaining to the Project Fund and all disbursements therefrom so as to satisfy the requirements of the laws of the State of North Carolina and to assure that the City maintains its covenants with respect to the exclusion of the interest on the Bond from gross income for purposes of federal income taxation. The proceeds of the Bond in the Project Fund, including the investment earnings thereon, if any, will be applied to the payment of costs of the Projects.

ARTICLE V AMENDMENTS

Section 5.01 ***Amendments to Bond Resolution.*** Portions of the Bond Resolution, including this Appendix A, may be amended or supplemented, from time to time, without the consent of the Owner of the Bond if, in the opinion of nationally recognized bond counsel, such amendment or supplement would not adversely affect the interests of the Owner of the Bond and would not cause the interest on the Bond to be included in the gross income of a recipient thereof for federal income tax purposes. All other amendments or supplements to this Resolution require the consent of the Owner of the Bond, including any amendment or supplement that would reduce the principal amount of the Bond, reduce the interest rate payable on it, extend its maturity or the times for paying interest or change the monetary medium in which principal and interest is payable.

Any act done pursuant to a modification or amendment consented to by the Owner of the Bond is binding on all Owners of the Bond and will not be deemed an infringement of any of the provisions of the Bond Resolution, whatever the character of the act may be, and may be done and performed as fully and freely as if expressly permitted by the terms of the Bond Resolution, and after consent has been given, no Owner of the Bond has any right or interest to object to the action, to question its propriety or to enjoin or restrain the City from taking any action pursuant to a modification or amendment.

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 6.01 ***Headings.*** Any heading preceding the text of the several articles hereof, and any table of contents or marginal notes appended to copies hereof, are solely for convenience of reference and do not constitute a part of this Appendix A or affect its meaning, construction or effect.

Section 6.02 ***Holidays.*** Except as otherwise provided herein, whenever any payment or action to be made or taken hereunder is stated to be due on a day which is not a Business Day, such payment or action will be made or taken on the next following

Business Day, and such extension of time will be included in computing interest, if any, in connection with such payment or action.

Section 6.03 ***Report to the Commission.*** As of June 30 of each year the City will provide to the Commission a report showing the outstanding Principal Amount of the Bond. On request, the City will send a report to the Commission demonstrating anticipated cash flow requirements for the Projects that the City anticipates financing with proceeds of the Bond during the next fiscal year.

Section 6.04 ***No Recourse Against Members, Officers or Employees of the City or the Commission.*** No recourse under, or on, any statement, obligation, covenant, or agreement contained in the Bond Resolution, in any Bond, or in any document or certification relating to the Bond, or under any judgment obtained against the City or the Commission or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, is to be had against any member, officer or employee, as such, of the City or the Commission, either directly or through the City, the Commission, or otherwise, for the payment for or to the City or the Commission or any receiver of the City or the Commission, or for, or to, any Owner or otherwise, of any sum that may be due and unpaid on any such Bond. Any and all personal liability of every nature, whether at common law or in equity or by statute or by constitution or otherwise, of any such member, officer or employee, as such, to respond by reason of any act or omission on his or her part or otherwise, for the payment for, or to, the City or the Commission or any receiver of the City or the Commission, or for, any Owner or otherwise, of any sum that may remain due and unpaid on the Bond hereby secured or any of them, is hereby expressly waived and released as an express condition of, and in consideration for, the adoption of the Bond Resolution and the issuance of the Bond.

Section 6.05 ***Governing Law.*** The Bond Resolution, including this Appendix A, is governed by and to be construed in accordance with the laws of the State of North Carolina.

[End of Appendix A]

EXHIBIT A

FORM OF BOND

NO OFFERING CIRCULAR OR MEMORANDUM, OFFICIAL STATEMENT OR OTHER DISCLOSURE DOCUMENT HAS BEEN PREPARED OR PROVIDED BY THE CITY IN CONNECTION WITH THE OFFERING AND SALE OF THIS BOND. THIS BOND MAY NOT BE TRANSFERRED OTHER THAN TO (A) AN AFFILIATE OF THE OWNER WHO IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, (B) A TRUST OR CUSTODIAL ARRANGEMENT ESTABLISHED BY THE OWNER OR ONE OF ITS AFFILIATES, THE OWNERS OF THE BENEFICIAL INTERESTS IN WHICH ARE LIMITED TO QUALIFIED INSTITUTIONAL BUYERS, OR (C) TO A PERSON THAT IS A QUALIFIED INSTITUTIONAL BUYER THAT IS A COMMERCIAL BANK HAVING A COMBINED CAPITAL AND SURPLUS, DETERMINED AS OF THE DATE OF ANY TRANSFER, OF \$5,000,000,000 OR MORE THAT HAS EXECUTED AND DELIVERED TO THE CITY AN INVESTOR LETTER IN A FORM ACCEPTABLE TO THE CITY. IN NO EVENT SHALL THIS BOND BE TRANSFERRED TO ANY PERSON OR ENTITY WHO HOLDS THIS BOND FOR THE BENEFIT OF A PERSON OR ENTITY THAT IS NOT A QUALIFIED INSTITUTIONAL BUYER OR AS PART OF A POOL OF ASSETS IN WHICH PERSONS THAT ARE NOT QUALIFIED INSTITUTIONAL BUYERS MAY INVEST, SUCH AS A MUTUAL FUND OR RETIREMENT PLAN.

CITY OF CHARLOTTE, NORTH CAROLINA GENERAL OBLIGATION BOND, SERIES 2023C

No. RC-1

\$200,000,000

INTEREST RATE
Variable

DATED DATE
November 7, 2023

MATURITY DATE
November 7, 2031

CUSIP

REGISTERED OWNER: WELLS FARGO CAPITAL STRATEGIES, LLC

STATED PRINCIPAL AMOUNT: TWO HUNDRED MILLION DOLLARS

The City of Charlotte, North Carolina (the "*City*"), a municipal corporation of the State of North Carolina (the "*State*"), for value received, promises to pay, but solely from the sources and in the manner hereinafter provided, to the Owner named above the Stated Principal Amount set forth above or the Principal Amount (as hereinafter defined), whichever is less, on the Maturity Date set forth above (or earlier as hereinafter described). This Bond is issued under a Bond Resolution, including Appendix A thereto (as amended or supplemented from time to time, the "*Bond Resolution*"), adopted on September 11, 2023, by the City Council of the City. This Bond is issued in accordance with the Registered Public Obligations Act, Chapter 159E of the General Statutes of North Carolina, and under The Local Government Finance Act (the "*Act*"), and the Bond Orders (as defined in the Bond Resolution). This Bond is being issued to provide funds to pay the capital costs of the projects authorized under the Bond Orders. Reference is hereby made to the Bond Resolution for the rights, duties and obligations of the City and the rights of the Owner of the Bond, and, by the acceptance of this Bond, the Owner hereof assents to all of the provisions of the Bond Resolution. Capitalized terms used herein and not defined have the meaning ascribed to them in the Bond Resolution.

The City further promises to pay such Owner, at the address as it appears on the registration books kept by the City, interest at the Interest Rate described in the Bond Resolution and the Purchase Agreement on the lesser of (1) the Stated Principal Amount or (2) the sum of the Advances made by the Purchaser pursuant to the Bond Resolution and the Purchase Agreement (less any amount of the Bond prepaid) and as reflected in the "Table of Advances" attached hereto or kept in the Owner's records (which may be electronic records) (the "*Principal Amount*"). Interest on this Bond will be payable on the first Business Day of each month (each an "*Interest Payment Date*") from the Interest Payment Date next preceding the date of authentication (unless (1) the date of such authentication precedes the first Interest Payment Date, in which case interest with respect thereto shall be payable from the date of issuance of this Bond or (2) the date of such authentication is an Interest Payment Date to which interest on this Bond has been paid in full or duly provided for in accordance with the terms of the Bond Resolution, in which case interest with respect thereto shall be payable from such Interest Payment Date) until the Principal Amount shall have been paid or provided for in accordance with the Bond Resolution. Interest payable on this Bond shall be calculated on the basis of the actual number of days elapsed in a 360 day year.

The City may prepay this Bond, either in whole or in part, on any Business Day at a prepayment price equal to 100% of the principal amount thereof, without premium, plus the accrued interest thereon to the Prepayment Date.

In the event the City does not pay the outstanding principal amount of this Bond (which equals the Advances less any amounts previously prepaid) on or before the Full Funding Date, the City will prepay this Bond in full, plus accrued interest, within 30 days after the Full Funding Date unless the City has provided to the Purchaser during such 30-day period a certificate stating that on the date thereof (A) no Default Event has occurred and (B) the representations and warranties set forth in the Purchase Agreement are true and correct on the date of such certificate as if made on such date and requesting the right to repay this Bond over the Amortization Period, in which case the City shall instead pay to the Owner the outstanding principal amount of this Bond as of such date (the "*Amortization Amount*") in installments payable on the three-month anniversary of the Full Funding Date and quarterly thereafter so that the Amortization Amount is repaid in approximately equal quarterly principal payments by the end of the Amortization Period. Any principal amount remaining unpaid on the Maturity Date shall be due and payable on the Maturity Date. In the event that the City does not deliver to the Purchaser such certificate, this Bond shall be subject to special mandatory prepayment in whole on the 30th day after the Full Funding Date at a prepayment price equal to 100% of the outstanding principal amount of this Bond, plus accrued interest thereon to the prepayment date.

The City will provide written notice of the optional prepayment of this Bond not less than 30 days (or such lesser number of days as the Owner may accept), (1) to the Commission by Mail or electronic transmission, and (2) by Mail (or by such other means as may be permitted by the Owner) to the then-registered Owner of this Bond at the last address shown on the registration books kept by the City. Failure to provide such notice to the Commission will not affect the validity of any proceedings for such

prepayment.

The Owner will record any prepayments of this Bond on the Table of Partial Prepayments attached to this Bond (or otherwise kept on the Owner's official books and records, which may be electronic).

This Bond will be non-transferable, except as set forth on the face of this Bond. The City will have no obligation to pay any amounts due on this Bond to anyone other than the Owner of this Bond as shown on the registration books kept by the City.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of North Carolina to exist, be performed or happen precedent to or in the issuance of this Bond, exist, have been performed and have happened, and that the amount of this Bond, together with all other indebtedness of the City, is within every debt and other limit prescribed by said Constitution or statutes. The faith and credit of the City are hereby pledged to the punctual payment of the principal of and interest on this Bond in accordance with its terms.

This Bond is not valid or obligatory for any purpose until the certification hereon has been signed by an authorized representative of the Local Government Commission.

IN WITNESS WHEREOF, the City of Charlotte, North Carolina has caused this Bond to be executed with the manual or facsimile signatures of the Mayor and the City Clerk, and has caused the City's official seal or a facsimile thereof to be impressed or imprinted hereon.

CITY OF CHARLOTTE, NORTH CAROLINA

By: _____
Mayor

[SEAL]

By: _____
City Clerk

The issue hereof has been approved under the provisions of The Local Government Bond Act.

SHARON EDMUNDSON
Secretary of the Local Government Commission

FORM OF ASSIGNMENT

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please print or typewrite Name and Address,
including Zip Code, and Federal Taxpayer Identification or
Social Security Number of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and
appoints

Attorney to register the transfer of the within Bond on the books kept for registration
thereof,
with full power of substitution in the premises.

Dated: _____

Signature guaranteed by:

NOTICE: Signature must be guaranteed
by a participant of the Securities
Transfer Agent Medallion Program
("STAMP") or similar program.

NOTICE: The signature to this assignment
must correspond with the name as it
appears on the face of the within Bond in
every particular, without alteration,
enlargement or any change whatever.

TRANSFER FEE MY BE REQUIRED

TABLE OF ADVANCES

Upon receipt of any Advance described in Section 4.01 of the Bond Resolution, the Owner shall make the appropriate notation on the table below (or otherwise keep on the Owner's official books and records, which may be electronic):

<u>Date</u>	<u>Amount Paid</u>	<u>Total Principal Payments</u>	<u>Signature of Representative of Owner</u>

TABLE OF PARTIAL PREPAYMENTS

<u>Date</u>	<u>Amount Prepaid</u>	<u>Remaining Unpaid Principal Amount</u>	<u>Signature of Representative of Owner</u>