

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 “*2026 Bonds*”) 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 2024 (the “*2024 BAN*”), (2) refund all or a portion of the City’s outstanding Water and Sewer System Refunding Revenue Bonds, Series 2015 (the “*Callable 2015 Bonds*”) and the City’s outstanding Water and Sewer System Refunding Revenue Bonds, Series 2018 (the “*Callable 2018 Bonds*”) that are currently callable through the optional redemption, (3) to refund all or a portion of the City’s outstanding Water and Sewer System Refunding Revenue Bonds, Series 2018 (the “*Non-Callable 2018 Bonds*”), the City’s outstanding Water and Sewer System Refunding Revenue Bonds, Series 2019 (the “*2019 Bonds*”) and the City’s outstanding Water and Sewer System Refunding Revenue Bonds, Series 2020 (the “*2020 Bonds*”) that are not currently callable through the purchase of such bonds upon tender of the owners thereof, and (4) pay the costs of issuing the 2026 Bonds;

WHEREAS, the City Council is also considering the issuance of the City’s Water and Sewer System Revenue Bond Anticipation Note or Notes (the “*2026 BAN*”) 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 “*2026 BAN Projects*”) and (2) pay the costs of issuing the 2026 BAN;

WHEREAS, the City Council wants to approve the retention of the financing team for the 2026 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 for the 2026 Bonds and as Dealer Manager for the tendered bonds described above (the “*Managing Underwriter*”) (collectively, the “*2026 Bonds Financing Team*”);

WHEREAS, the City Council wants to (1) approve the retention of the financing team for the 2026 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; and (D) U.S. Bank Trust Company, National Association, as trustee and paying agent; and (2) request the approval of the LGC of one or more financial institutions to be determined by the City to assist with the issuance and sale of the 2026 BAN (collectively, the “2026 BAN Financing Team”);

WHEREAS, the City Council authorizes and ratifies such actions as required by the City’s Chief Financial Officer, or his designee, to file with the LGC one or more applications for its approval of the 2026 Bonds and the 2026 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 2026 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 2026 BAN, and (C) the City’s use of the 2026 Bonds Financing Team and 2026 BAN Financing Team and (2) state in such applications such facts and to attach thereto such exhibits in regard to the 2026 Bonds, the 2026 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 2026 Bonds and the 2026 BAN;

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

Section 1. The 2026 Bonds will be issued in an aggregate principal amount currently expected not to exceed \$570,000,000 for the purpose of providing funds to (1) prepay in full the 2024 BAN, (2) refund all or a portion of the Callable 2015 Bonds and the Callable 2018 Bonds through optional redemption to the extent the City is able to achieve sufficient debt service savings as determined by the Chief Financial Officer and (3) pay the costs of issuing the 2026 Bonds.

The Non-Callable 2018 Bonds, the 2019 Bonds and the 2020 Bonds are currently outstanding in an aggregate principal amount of approximately \$633,000,000. The 2026 Bonds may also be issued by the City for the purpose of refunding all or a portion of the Non-Callable 2018 Bonds, the 2019 Bonds and the 2020 Bonds through the tender and purchase of such bonds, but will only be issued to the extent the City is able to achieve sufficient debt service savings as determined by the Chief Financial Officer and in such additional aggregate principal amount of the 2026 Bonds necessary to achieve such result and to pay the costs of issuance thereof.

The 2026 BAN will be issued in an aggregate principal amount currently expected not to exceed \$530,000,000 for the purpose of providing funds to (1) finance the costs of the 2026 BAN Projects and (2) pay the costs of issuing the 2026 BAN.

The 2026 Bonds and the 2026 BAN will be special obligations of the City. The principal of, premium, if any, and interest on the 2026 Bonds and the 2026 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 2026 Bonds and the 2026 BAN, and no holder of 2026 Bonds or the 2026 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 2026 Bonds and the 2026 BAN is hereby approved. The Chief Financial Officer of the City, and his designees, with advice from the City Attorney, financial advisors 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 2026 Bonds Financing Team is hereby approved in connection with the issuance by the City of the 2026 Bonds. The 2026 BAN Financing Team is hereby approved in connection with the issuance by the City of the 2026 BAN. The Chief Financial Officer, or his designee, is authorized to appoint other members to each financing team as he 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 2026 Bonds Projects and the issuance of the 2026 Bonds, and asks the LGC to find and determine with respect to the 2026 Bonds Projects and the issuance of the 2026 Bonds, from the City's application and supporting documentation, as follows:

- (a) the proposed revenue bond issue is necessary or expedient;
- (b) the amount proposed is adequate and not excessive for the proposed purpose of the issue;
- (c) the proposed projects are feasible;
- (d) the City's debt management procedures and policies are good; and
- (e) the proposed revenue bonds can be marketed at reasonable interest cost to the City.

Section 4. The City Council finds and determines with respect to the 2026 BAN Projects and the issuance of the 2026 BAN, and asks the LGC to find and determine with respect to the 2026 BAN Projects and the issuance of the 2026 BAN, from the City's application and supporting documentation, as follows:

- (a) the proposed revenue bond anticipation note issue is necessary or expedient;
- (b) the amount proposed is adequate and not excessive for the proposed purpose of the issue;

- (c) the proposed projects are feasible;
- (d) the City's debt management procedures and policies are good; and
- (e) the proposed revenue bond anticipation notes can be marketed at reasonable interest cost to the City.

Section 5. The City Council requests that the LGC sell the 2026 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 6.50%. The City Council requests that the 2026 BAN be sold by the LGC at private sale without advertisement at such price as the LGC determines to be in the best interest of the City at a variable rate of interest. The plan of finance for the 2026 Bonds and the 2026 BAN as set forth in this Resolution is subject to modification or affirmation by further action and approval of the City Council and as such is set forth in the City's application to the LGC and the LGC's approval of the 2026 Bonds and the 2026 BAN.

Section 6. The Mayor, the City Manager, the Chief Financial Officer, the Debt Manager, the City Clerk, including anyone serving as such in an interim capacity, or their respective designees, individually or collectively, 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 Resolution and the other documents presented to this meeting and to execute and administer such transactions; 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 Resolution, (b) any agreement to which the City is bound or (c) any applicable law, statute, ordinance, rule or regulation of the United States of America or the State.

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.