

BOND ORDER AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$11,500,000 CITY OF HENDERSONVILLE, NORTH CAROLINA WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2025; AUTHORIZING THE APPROVAL, EXECUTION AND DELIVERY OF VARIOUS DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF SUCH 2025 BONDS; PROVIDING FOR THE SALE OF THE 2025 BONDS; AND PROVIDING FOR CERTAIN OTHER MATTERS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE 2025 BONDS

WHEREAS, the City of Hendersonville, 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 of the City for the purposes as specified in the Act;

WHEREAS, the City has previously issued its water and sewer system revenue bonds under the terms of a General Trust Indenture dated as of December 1, 2019 (the “*General Indenture*”) between the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the “*Trustee*”);

WHEREAS, the City has determined to issue its Water and Sewer System Revenue Bonds, Series 2025 (the “*2025 Bonds*”) in a principal amount not to exceed \$11,500,000 under the General Indenture and Series Indenture, Number 4 (the “*Series Indenture*”) between the City and the Trustee, to provide funds to (1) finance improvements to the City’s water and sewer system, including, without limitation (a) the replacement, improvement and maintenance of water and sewer mains, pipes and pump stations, (b) the expansion and improvement of its Water Treatment Facility to provide additional capacity to its residents and businesses, (c) the construction of the Wastewater Treatment Biosolids Thermal Dryer, (d) improvements to a water intake scour system, (e) payments to the North Carolina Department of Transportation related to improvements to Highland Lake Road of certain city-owned water and sewer lines completed by the North Carolina Department of Transportation and (f) the acquisition of a CCTV inspection truck (collectively, the “*2025 Projects*”) and (2) to pay the costs of issuing the 2025 Bonds;

WHEREAS, the City Council adopted an initial resolution on May 1, 2025 authorizing the City to file with the LGC an application for the approval and private sale without advertisement of the 2025 Bonds in accordance with Section 159-85 of the General Statutes of North Carolina, as amended, and the LGC approved the application of the City at its July 1, 2025 meeting for the issuance of the 2025 Bonds;

WHEREAS, the City and the LGC have arranged for the private sale without advertisement of the 2025 Bonds to Robert W. Baird & Co., Incorporated (the “*Underwriter*”), under the terms of a Bond Purchase Agreement to be dated as the date of delivery thereof (the “*Purchase Agreement*”) among the LGC, the Underwriter and the City, pursuant to which the City and the LGC will sell the 2025 Bonds to the Underwriter in accordance with the terms and conditions set forth therein; and

WHEREAS, copies of the forms of the following documents relating to the transactions described above have been or will be filed with the City and are available to the City Council:

- (1) the General Indenture;
- (2) the Series Indenture;
- (3) the Purchase Agreement; and

- (4) a Preliminary Official Statement (the “*Preliminary Official Statement*”) with respect to the 2025 Bonds, which after the inclusion of certain pricing and other information will become the final Official Statement (the “*Official Statement*”) relating to the 2025 Bonds.

NOW, THEREFORE, BE IT ORDERED BY THE CITY COUNCIL OF THE CITY OF HENDERSONVILLE, NORTH CAROLINA, AS FOLLOWS:

Section 1. The 2025 Bonds are hereby authorized and will be issued pursuant to the Act, the General Indenture and the Series Indenture to raise the money required, in addition to any funds which may be made available for such purpose from any other source, to (1) finance the 2025 Projects and (2) pay the costs of issuing the 2025 Bonds. The use of the proceeds of the 2025 Bonds, as described, is necessary to meet the demands of the users of the City’s Water and Sewer System (as defined in the General Indenture).

Section 2. The aggregate principal amount of the 2025 Bonds authorized by this order will not exceed \$11,500,000. The 2025 Bonds hereby authorized will be a special obligation of the City, secured by and paid solely from the proceeds thereof or from revenues, income, receipts and other money received or accrued by or on behalf of the City from or in connection with the operation of the City’s Water and Sewer System.

Section 3. The City’s issuance of the 2025 Bonds, in substantially the form to be set forth in the Series Indenture, is hereby in all respects approved and confirmed, and the provisions of the General Indenture and the Series Indenture with respect to the 2025 Bonds are hereby approved and confirmed and are incorporated herein by reference. The proceeds from the sale of the 2025 Bonds will be deposited in accordance with the Series Indenture.

The principal of, premium, if any, and interest on the 2025 Bonds will not be payable from the general funds of the City, nor will the 2025 Bonds constitute a legal or equitable pledge, charge, lien or encumbrance upon any of its 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, purchase price or interest on the 2025 Bonds, and no holder of the 2025 Bonds 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 4. The form and content of the Series Indenture, including the exhibits thereto, are hereby in all respects approved and confirmed. The Mayor, the City Manager, the Assistant City Manager, the City Attorney, the Finance Director and the City Clerk, including anyone serving as such in an interim capacity, and their respective designees (collectively, the “*Authorized Officers*”), are hereby authorized, empowered and directed, individually or collectively, to execute and deliver the Series Indenture 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 they may deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of the City Council’s approval of any and all such changes, modifications, additions or deletions therein. From and after the execution and delivery of the Series Indenture, the Authorized Officers are hereby authorized, empowered and directed, individually or collectively, 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 the General Indenture and the Series Indenture as executed. The Trustee is hereby appointed as Registrar and Paying Agent under the Series Indenture.

Section 5. The 2025 Bonds will be sold to the Underwriter pursuant to the terms of the Purchase Agreement. The form and content of the Purchase Agreement are in all respects approved and

confirmed, and the Authorized Officers are hereby 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 they may deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of the City's approval of any and all such changes, modifications, additions or deletions therein. From and after the execution and delivery of the Purchase Agreement, 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 carry out and comply with the provisions of the Purchase Agreement as executed.

Section 6. The form, terms and content of the Preliminary Official Statement are in all respects authorized, approved and confirmed, and the use of the Preliminary Official Statement and the Official Statement by the Underwriter, in connection with the sale of the 2025 Bonds with investors is hereby in all respects authorized, approved and confirmed. The Mayor, City Manager, the Assistant City Manager and the Finance Director of the City are hereby each authorized, empowered and directed to deliver the Official Statement for and on behalf of the City in substantially the form and content of the Preliminary Official Statement presented to the City Council but with such changes, modifications, additions or deletions therein as they may deem necessary, desirable or appropriate.

Section 7. The City Manager, the Assistant City Manager and the Finance Director of the City, or their respective designees, are each hereby authorized to execute a tax certificate to comply with Section 148 of the Internal Revenue Code of 1986, as amended, and the applicable regulations promulgated thereunder.

Section 8. No stipulation, obligation or agreement contained in this Bond Order or contained in the 2025 Bonds, the General Indenture, the Series Indenture, the Purchase Agreement, or any other instrument related to the issuance of the 2025 Bonds is a stipulation, obligation or agreement of any officer, agent or employee of the City in his or her individual capacity, and no such officer, agent or employee is personally liable on the 2025 Bonds or be subject to personal liability or accountability by reason of the issuance thereof.

Section 9. 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 (1) this Bond Order, (2) the General Indenture, (3) the Series Indenture and (4) the Purchase Agreement (collectively, the "*Instruments*"), except that none of the above is hereby authorized or empowered to do anything or execute any document which is in contravention, in any way, of (a) the specific provisions of the Instruments, (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.

Section 10. The Authorized Officers are hereby authorized, empowered and directed to prepare and furnish, when the 2025 Bonds are issued, certified copies of all the proceedings and records of the City Council relating to the 2025 Bonds, and such other affidavits, certificates and documents as may be required to show the facts relating to the legality and marketability of the 2025 Bonds 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, constitute representations of the City as to the truth of all statements contained therein.

From and after the execution and delivery of the documents hereinabove authorized, the Authorized Officers, or 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 and on-going administration of the 2025 Bonds.

Section 11. All acts and doings of the Authorized Officers previously taken and required to be taken in the future that are in conformity with the purposes and intent of this Bond Order and in furtherance of the issuance of the 2025 Bonds, the execution, delivery and performance of the Series Indenture and the Purchase Agreement described herein are hereby in all respects ratified, approved and confirmed. Any provision in this Bond Order that authorizes more than one Authorized Officer to take certain actions will apply to the respective designees of the Authorized Officers, including any person serving in an interim capacity, and will be read to permit such persons to take the authorized actions either individually or collectively.

Section 12. If any one or more of the covenants, agreements or provisions contained in this Bond Order 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 is for any reason whatsoever held invalid, then such covenants, agreements or provisions will be null and void and will be deemed separable from the remaining agreements and provisions and will in no way affect the validity of any of the other agreements and provisions of this Bond Order or of the 2025 Bonds authorized hereunder.

Section 13. 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 14. This Bond Order is effective immediately on its adoption and pursuant to Section 159-88 of the General Statutes of North Carolina, as amended, need not be published or subjected to any procedural requirements governing the adoption of ordinances or resolutions by the City Council other than the procedures set out in the Act.

Adopted by the City Council of the City of Hendersonville, North Carolina on this 2nd day of July, 2025.

Attest:

Barbara G. Volk, Mayor, City of Hendersonville

Jill Murray, City Clerk

Approved as to form:

Angela S. Beeker, City Attorney

STATE OF NORTH CAROLINA)
) SS:
CITY OF HENDERSONVILLE)

I, *Jill Murray*, City Clerk of the City of Hendersonville, North Carolina, ***DO HEREBY CERTIFY*** that the foregoing is a true and exact copy of a bond order titled **“BOND ORDER AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$11,500,000 CITY OF HENDERSONVILLE, NORTH CAROLINA WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2025; AUTHORIZING THE APPROVAL, EXECUTION AND DELIVERY OF VARIOUS DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF SUCH 2025 BONDS; PROVIDING FOR THE SALE OF THE 2025 BONDS; AND PROVIDING FOR CERTAIN OTHER MATTERS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE 2025 BONDS”** adopted by the City Council of the City of Hendersonville, North Carolina in a special meeting convened on the 2nd day of July, 2025, as recorded in the minutes of the City Council of the City of Hendersonville, North Carolina.

WITNESS my hand and the seal of the City of Hendersonville, North Carolina, this the ____ day of _____, 2025.

(SEAL)

Jill Murray
City Clerk
City of Hendersonville, North Carolina