

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HENDERSONVILLE, NORTH CAROLINA DIRECTING THE APPLICATION TO THE LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF A WATER AND SEWER SYSTEM REVENUE BOND AND CERTAIN RELATED MATTERS

WHEREAS, the City Council (the “*City Council*”) of the City of Hendersonville, North Carolina (the “*City*”) hereby determines that it is desirable to finance certain improvements to its water and sewer system (the “*Water and Sewer System*”);

WHEREAS, the City Council is considering the issuance of a not to exceed \$9,000,000 Water and Sewer System Revenue Bond, Series 2023 (the “*2023 Bond*”) 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 replacement and installation of water meters, (c) improvements to a water intake reservoir, (d) payments to the North Carolina Department of Transportation related to the adjustment, relocation and improvements of certain city-owned water and sewer lines completed by the North Carolina Department of Transportation and (e) the acquisition of equipment (collectively, the “*2023 Projects*”) and (2) pay the costs of issuing the 2023 Bond; and

WHEREAS, the City has retained (A) Parker Poe Adams & Bernstein LLP, as bond counsel for the 2023 Bond, (B) First Tryon Advisors, as financial advisor for the 2023 Bond and (C) The Bank of New York Mellon Trust Company, N.A., as trustee for the 2023 Bond and (D) Stantec Inc., as feasibility consultant (collectively, the “*Financing Team*”); and

WHEREAS, on approval by the Local Government Commission of North Carolina (the “*Commission*”) of the City’s application for the 2023 Bond, the Commission will sell the 2023 Bond on behalf of the City to a financial institution to be selected by the City through a request for proposal process (the “*Lender*”);

WHEREAS, the City Council wants the Finance Director of the City to file with the Commission an application for its approval of the 2023 Bond, on a form prescribed by the Commission, and (1) request in such application that the Commission approve (A) the negotiation of the sale of the 2023 Bond to the Lender, (B) the City’s use of the Financing Team in connection with the issuance of the 2023 Bond; and (2) state in such application such facts and to attach thereto such exhibits in regard to the 2023 Bond and to the City and its financial condition, as may be required by the Commission, and to take all other action necessary to the issuance of the 2023 Bond.

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

Section 1. That the 2023 Bond is to be issued by the City in an aggregate principal amount not to exceed \$9,000,000 for the purpose of providing funds to (1) finance the 2023 Projects and (2) pay the costs of issuing the 2023 Bond, all as will be set out in the documents

attached to the City's application to the Commission. The 2023 Projects are necessary to meet the needs of the users of the Water and Sewer System and to assure that the Water and Sewer System remains in full compliance with all state and federal requirements for the provision of water and sewer services.

Section 2. That the City Manager, the Assistant City Manager and the Finance Director, with advice from the City's financial advisor and bond counsel, is hereby authorized and directed to select the Lender through the request for proposal process.

Section 3. That the Financing Team is hereby approved in connection with the issuance by the City of the 2023 Bond, and the Mayor, the City Manager, the Assistant City Manager and the Finance Director, in consultation with the Commission, are each hereby authorized to retain other persons or organizations as may be necessary and appropriate to carry out the intention of this Resolution.

Section 4. That the Finance Director of the City with advice from the City Manager, the Assistant City Manager, the City Attorney, the financial advisor and bond counsel, is hereby authorized, directed and designated to file an application with the Local Government Commission of North Carolina for its approval of the issuance of the 2023 Bond.

Section 5. That the City Council finds and determines and asks the Commission to find and determine from the City's application and supporting documentation:

- (a) that the issuance of the 2023 Bond is necessary or expedient;
- (b) that the not to exceed stated principal amount of the 2023 Bond will be sufficient but is not excessive, when added to other money available to the Water and Sewer System, to finance the 2023 Projects;
- (c) that the Water and Sewer System as now constituted, and as it will be constituted after the completion of the 2023 Projects, is feasible;
- (d) that the City's debt management procedure and policies are good; and
- (e) that the 2023 Bond can be marketed at a reasonable interest cost to the City.

Section 6. That the City Council requests that the Commission sell the 2023 Bond through negotiation to the Lender on such terms as may be agreed on but at an interest rate not exceeding 5.50%.

Section 7. That the Mayor, the City Manager, the Assistant City Manager, the City Attorney, the Finance Director and the City Clerk, as their respective designees, individually or collectively, are each hereby authorized to do any and all other things necessary to complete the steps necessary for the authorization and sale of the 2023 Bond.

Section 8. That this Resolution is effective on the date of its adoption.

Adopted by the City Council of the City of Hendersonville, North Carolina on this 12th day of April 2023.

Attest:

Barbara G. Volk, Mayor, City of Hendersonville

Jill Murray, City Clerk

Approved as to form:

Angela S. Becker, 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 resolution titled “**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HENDERSONVILLE, NORTH CAROLINA DIRECTING THE APPLICATION TO THE LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF A WATER AND SEWER SYSTEM REVENUE BOND AND CERTAIN RELATED MATTERS**” adopted by the City Council of the City of Hendersonville, North Carolina in a regular meeting convened on the 12th day of April, 2023, 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 _____, 2023.

(SEAL)

Jill Murray
City Clerk
City of Hendersonville, North Carolina