The Fayetteville Public Works Commission held a regular meeting at 955 Old Wilmington Road in Fayetteville, North Carolina, the regular place of meeting, at 8:30 a.m. on September 13, 2023.

Present: Vice Chairman Donald L. Porter, presiding, and Commissioners Evelyn O. Shaw, and Christopher Davis

Absent: Commissioner Ronna Rowe Garrett

Also Present: City Council Member Deno Hondros; Assistant City Manager Adam Lindsay

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Rhonda Haskins introduced the following resolution the title of which was read and a copy of which had been previously distributed to each Commissioner:

Resolution No. PWC2023.32

RESOLUTION APPROVING AND AGREEING TO THE TERMS OF A BOND ORDER AUTHORIZING THE SALE AND ISSUANCE OF PUBLIC WORKS COMMISSION REVENUE BONDS, SERIES 2023 BY THE CITY OF FAYETTEVILLE, NORTH CAROLINA, REQUESTING THAT THE CITY COUNCIL OF SAID CITY ADOPT SUCH BOND ORDER AND TAKING CERTAIN OTHER ACTIONS IN CONNECTION WITH SUCH BONDS

WHEREAS, the Fayetteville Public Works Commission (the "PWC"), created pursuant to Chapter VIA of the City Charter of the City of Fayetteville, North Carolina (the "City") as a public authority for the purpose of managing, controlling and operating the electric, water, and sanitary sewer systems of the City, currently operates such electric, water, and sanitary sewer systems; and

WHEREAS, pursuant to a bond order adopted by the City Council of the City on November 5, 1990, as supplemented and amended (the "Original Bond Order"), the City and the PWC created a combined enterprise system comprised of the electric system, water system, and sanitary sewer system (collectively, the "System"); and

WHEREAS, the Original Bond Order provides for the issuance of revenue bonds thereunder, to be secured by the Net Revenues (as defined in the Original Bond Order) of the System as set forth therein, to finance and refinance improvements to the System; and

WHEREAS, in order to better serve and provide for the future needs of the residents of the City and its environs, the PWC has determined to acquire (in the name of the City), construct

and equip various improvements to its electric, water, and sanitary sewer systems, including, without limitation, (i) extension of water and sanitary sewer mains and lines to various annexed areas of the City, (ii) extension, rehabilitation and replacement of water and sanitary sewer mains and lines, (iii) improvements and upgrades to sanitary sewer collection and treatment facilities, (iv) improvements and upgrades to the water distribution and treatment facilities, and (v) construction, extension, and replacement of and improvements and upgrades to the electric system facilities (collectively, the "Series 2023 Project"); and

WHEREAS, the City has previously issued its Public Works Commission Revenue Bonds, Series 2014 (the "Prior Bonds"); and

WHEREAS, after consideration, the PWC has determined that significant debt service savings may be realized through the refunding of all or a portion of the outstanding Prior Bonds; and

WHEREAS, the City has determined to (a) issue its Public Works Commission Revenue Bonds, Series 2023 (the "Series 2023 Bonds") in an aggregate principal amount not to exceed $295,000,000 for the purpose of providing funds, together with any other available funds, to (i) pay the costs of the Series 2023 Project, including capitalized interest with respect thereto, (ii) refund all or a portion of the Prior Bonds, (iii) fund any necessary debt service revenue fund for such revenue bonds, and (iv) pay certain fees and expenses incurred in connection with the sale and issuance of such revenue bonds; and

WHEREAS, in connection with the authorization, sale and issuance of the Series 2023 Bonds, the staff of the PWC has presented to or discussed with the PWC at this meeting proposed forms of the following documents:

(a) Bond Order to be adopted by the City Council of the City on September 25, 2023 (the "Series 2023 Bond Order"), authorizing the sale and issuance of the Series 2023 Bonds, together with the form of the Series 2023 Bonds attached as Exhibit B thereto;

(b) Preliminary Official Statement, to be dated as of the date of delivery thereof (the "Preliminary Official Statement"), relating to the offering and sale of the Series 2023 Bonds;

(c) Notice of Sale and Bid Form relating to the offering and sale of the Series 2023 Bonds (the "Notice of Sale"); and

(d) Escrow Deposit Agreement, if required, in substantially the form approved by the PWC in connection with the City of Fayetteville, North Carolina, Public Works Commission Revenue Bonds, Series 2018 (the "Series 2018 Bonds"), to be dated as of December 1, 2023 or other mutually agreeable date (the "Escrow Deposit Agreement"), between the City and The Bank of New York Mellon Trust Company, N.A., relating to the refunding of all or a portion of the outstanding Prior Bonds; and

WHEREAS, the Series 2023 Bonds will be issued and secured pursuant to the Original Bond Order and the Series 2023 Bond Order; and

WHEREAS, the City Council of the City is desirous of receiving the PWC's concurrence and agreement with the terms and provisions of the Original Bond Order, the Series 2023 Bond Order, the Preliminary Official Statement and the Notice of Sale; and

WHEREAS, the PWC is in agreement with such terms and provisions; and

WHEREAS, it is necessary for the PWC to authorize and approve certain other actions in connection with the sale and issuance of the Series 2023 Bonds by the City;

NOW, THEREFORE, BE IT RESOLVED, by the Public Works Commission of the City of Fayetteville, North Carolina as follows:

1. The Series 2023 Bond Order and the Series 2023 Bonds are hereby approved in substantially the forms presented at this meeting, together with such further supplements, modifications, amendments and changes as the officers of the PWC, with the advice of counsel, may approve, such approval to be evidenced by the issuance of the Series 2023 Bonds by the City.

2. The PWC hereby approves the action of the North Carolina Local Government Commission in providing for the public offering and sale of the Series 2023 Bonds by competitive bid pursuant to the terms of the Notice of Sale. The PWC hereby approves the Notice of Sale in substantially the form presented at this meeting.

3. The PWC hereby approves the use and distribution of the Preliminary Official Statement in substantially the form presented at this meeting in connection with the offering and sale of the Series 2023 Bonds. A final Official Statement, in substantially the form of the Preliminary Official Statement, together with such changes as are necessary to reflect certain pricing and other terms relating to the Series 2023 Bonds, is hereby approved, and the Chairman, the General Manager and the Chief Financial Officer of the PWC are each hereby authorized to execute and deliver the final Official Statement in substantially the form of the Preliminary Official Statement, together with such modifications as any of them, with the advice of counsel, may deem necessary and appropriate, such execution and delivery to be conclusive evidence of the approval and authorization thereof by the PWC.

4. The PWC hereby approves the execution and delivery by the City of an Escrow Deposit Agreement, if required, in substantially the form approved by the PWC in connection with the Series 2018 Bonds at a duly called meeting, together with such further supplements, modifications, amendments and changes as the officers of the PWC, with the advice of counsel, may approve, such approval to be evidenced by the issuance of the Series 2023 Bonds by the City. The PWC hereby also approves the refunding of all or a portion of the outstanding Prior Bonds to be addressed in the Escrow Deposit Agreement.

5. The officers and employees of the PWC are authorized and directed (without limitation, except as may be expressly set forth herein and in the Original Bond Order or the Series 2023 Bond Order) to take such action and to execute and deliver such documents, certificates, undertakings and agreements or other instruments as any of them, with the advice of counsel, may deem necessary or appropriate to effect the transactions contemplated by the

Original Bond Order, the Series 2023 Bond Order, the Notice of Sale, the final Official Statement and the Escrow Deposit Agreement.

6. The PWC agrees to fulfill all of its obligations under the Original Bond Order and, upon its adoption by the City Council of the City, the Series 2023 Bond Order, and the PWC concurs with all of the terms and provisions thereof, including, but not limited to:

(a) the form of the Series 2023 Bonds;

(b) the interest rates to be borne by the Series 2023 Bonds (provided such rates are within the parameters set forth in Section 2.04 of the Series 2023 Bond Order);

(c) the mechanisms and procedures for securing the Series 2023 Bonds;

(d) the mechanisms and procedures for the payment of the principal of, premium, if any, and the interest on the Series 2023 Bonds;

(e) the pledge of the Net Revenues (as defined in the Original Bond Order) granted by the Original Bond Order, as supplemented by the Series 2023 Bond Order;

(f) the mechanisms and procedures for disbursement of the proceeds of the Series 2023 Bonds;

(g) the procedures for amending and supplementing the Series 2023 Bond Order;

(h) the undertaking of all obligations of the City under the Series 2023 Bond Order by the PWC and the compliance with the terms and conditions of the City under the Original Bond Order and the Series 2023 Bond Order by the PWC; and

(i) all other matters in the Series 2023 Bond Order with respect to the Series 2023 Bonds.

7. The City Council of the City is hereby requested to adopt the Series 2023 Bond Order in substantially the form of the draft presented to the PWC at this meeting.

8. This resolution shall take effect immediately upon its adoption.

Upon motion of Commissioner Evelyn Shaw, seconded by Commissioner Christopher Davis, the foregoing resolution entitled "RESOLUTION APPROVING AND AGREEING TO THE TERMS OF A BOND ORDER AUTHORIZING THE SALE AND ISSUANCE OF PUBLIC WORKS COMMISSION REVENUE BONDS, SERIES 2023 BY THE CITY OF FAYETTEVILLE, NORTH CAROLINA, REQUESTING THAT THE CITY COUNCIL OF SAID CITY ADOPT SUCH BOND ORDER AND TAKING CERTAIN OTHER ACTIONS IN CONNECTION WITH SUCH BONDS" was adopted by the following vote:

Ayes: Commissioners Donald L. Porter, Evelyn O. Shaw & Christopher Davis

Noes: NONE

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I, Evelyn O. Shaw, Secretary of the Fayetteville Public Works Commission, DO HEREBY CERTIFY that the foregoing is a true and accurate copy of so much of the proceedings of said Public Works Commission at a regular meeting held on September 13, 2023, as relates in any way to the adoption of the foregoing resolution and that said proceedings are to be recorded in minute books of said Fayetteville Public Works Commission.

I DO HEREBY FURTHER CERTIFY that proper notice of such regular meeting was given as required by North Carolina law.

WITNESS my hand and the official seal of said Public Works Commission this 13th day of September, 2023.

Evelyn O. Shaw
Secretary

[SEAL]