

ORDER AUTHORIZING THE SALE AND ISSUANCE BY THE CITY OF GREENSBORO, NORTH CAROLINA OF NOT TO EXCEED \$156,000,000 COMBINED ENTERPRISE SYSTEM REVENUE BONDS, SERIES 2020A AND TAXABLE COMBINED ENTERPRISE SYSTEM REVENUE BONDS, SERIES 2020B AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH

BE IT ORDERED by the City Council of the City of Greensboro, North Carolina (the “City”):

Section 1. The City Council does hereby find and determine as follows:

(a) The City has heretofore entered into a Trust Agreement, dated as of June 1, 1995 (as amended, the “Trust Agreement”), with Branch Banking and Trust Company (succeeded by U.S. Bank National Association), as trustee (the “Trustee”), authorizing the issuance of revenue bonds thereunder for the purpose of financing and refinancing the cost of improvements to the City’s Combined Enterprise System created thereunder.

(b) Pursuant to the Trust Agreement and a Seventeenth Supplemental Trust Agreement, dated as of May 1, 2012 (“Seventeenth Supplemental Trust Agreement”), between the City and the Trustee, the City has heretofore issued its \$35,185,000 Combined Enterprise System Revenue Refunding Bonds, Series 2012A (the “Series 2012A Bonds”), \$13,575,000 of which are currently outstanding.

(c) Pursuant to the Trust Agreement and an Eighteenth Supplemental Trust Agreement, dated as of August 1, 2014 (“Eighteenth Supplemental Trust Agreement”), between the City and the Trustee, the City has heretofore issued its \$70,665,000 Combined Enterprise System Revenue Refunding Bonds, Series 2014A (the “Series 2014A Bonds”), \$60,665,000 of which are currently outstanding.

(d) Pursuant to the Trust Agreement, a bond order adopted by the City Council of the City on May 15, 2018, and a resolution adopted by the City Council of the City on May 15, 2018, the City has heretofore issued its not to exceed \$85,000,000 City of Greensboro, North Carolina Combined Enterprise System Revenue Bond Anticipation Note, Series 2018 (the “Series 2018 Note”) in anticipation of the issuance of its combined enterprise system revenue bonds, for the purpose of providing funds, together with other available funds, to (i) pay the costs of certain improvements to the City’s water system and sanitary sewer system (the “Series 2018 Project”) and (ii) pay certain costs incurred in connection with the sale and issuance of the Series 2018 Note.

(e) At a meeting held on March 31, 2020, the City Council authorized the filing of an application with the North Carolina Local Government Commission (the “Commission”) requesting approval of the issuance of one or more series of its combined enterprise system revenue bonds of the City in an aggregate principal amount not to exceed \$156,000,000 for the purpose of providing funds, together with any other available funds, to (i) refund all or a portion of the outstanding Series 2012A Bonds and Series 2014A Bonds, (ii) redeem in whole the outstanding principal balance of the Series 2018 Note and (iii) pay the fees and expenses to be

incurred in connection with the sale and issuance of such bonds. Such application has been filed by the City and received by the Commission.

(f) The City has determined to issue pursuant to the Trust Agreement and the Twenty-Second Supplemental Trust Agreement (hereinafter defined) its Combined Enterprise System Revenue Bonds, Series 2020A (the “Series 2020A Bonds”) in an aggregate principal amount not to exceed \$146,500,000 for the purpose of providing funds, together with any other available funds, to (i) refund all or a portion of the outstanding Series 2014A Bonds, (ii) redeem in whole the outstanding principal balance of the Series 2018 Note and (iii) pay the fees and expenses to be incurred in connection with the sale and issuance of the Series 2020A Bonds.

(g) The City has further determined to issue pursuant to the Trust Agreement and the Twenty-Second Supplemental Trust Agreement its Taxable Combined Enterprise System Revenue Bonds, Series 2020B (the “Series 2020B Bonds” and, together with the Series 2020A Bonds, the “Series 2020 Bonds”) in an aggregate principal amount not to exceed \$9,500,000 for the purpose of providing funds, together with any other available funds, to (i) refund all or a portion of the outstanding Series 2012A Bonds and (ii) pay the fees and expenses to be incurred in connection with the sale and issuance of the Series 2020B Bonds..

(h) The City, by resolution, has requested the Commission to sell the Series 2020 Bonds at private sale without advertisement.

(i) The City expects to receive the approval of the Commission for the sale and issuance of the Series 2020 Bonds in accordance with G.S. 159-86 at the Commission’s May 5, 2020 regular meeting.

(j) The City proposes to sell the Series 2020 Bonds to PNC Capital Markets LLC, BofA Securities, Inc. and Loop Capital Markets LLC (collectively, the “Underwriters”) pursuant to the provisions of the Bond Purchase Agreement (hereinafter defined), at such prices determined by the Commission, subject to the approval thereof by the City.

(k) There have been presented to the City Council at this meeting forms of the following documents relating to the sale and issuance of the Series 2020 Bonds:

(1) Twenty-Second Supplemental Trust Agreement, to be dated as of June 1, 2020 (the “Twenty-Second Supplemental Trust Agreement”), between the City and the Trustee;

(2) Escrow Deposit Agreement, to be dated as of June 1, 2020 (the “Escrow Agreement”), between the City and U.S. Bank National Association, as escrow agent, relating to the advance refunding of the Series 2012A Bonds;

(3) Bond Purchase Agreement, to be dated as of the date of delivery thereof (the “Bond Purchase Agreement”), among the Underwriters, the Commission and the City, relating to the sale of the Series 2020 Bonds; and

(4) 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 2020 Bonds.

(1) The City has determined that the sale and issuance of the Series 2020 Bonds in the manner provided in this order is in the best interests of the City.

Section 2. Capitalized words and terms used in this order and not defined herein shall have the same meanings given such words and terms in the Trust Agreement and the Twenty-Second Supplemental Trust Agreement.

Section 3. Pursuant to the provisions of The State and Local Government Revenue Bond Act, as amended (the “Act”), particularly G.S. 159-88, the City hereby authorizes the issuance of the Series 2020A Bonds in an aggregate principal amount not to exceed \$146,500,000 for the purposes set forth in Section 1(f) of this order. The exact amount of Series 2020A Bonds to be issued shall be determined by the Finance Director of the City at the time the Series 2020A Bonds are sold and shall be an amount sufficient, together with any other available funds of the City, to (a) refund all or a portion of the outstanding Series 2014A Bonds, (b) redeem in whole the outstanding principal balance of the Series 2018 Note and (c) pay the fees and expenses to be incurred in connection with the sale and issuance the Series 2020A Bonds. The Series 2020A Bonds shall mature at such times and in such amounts as shall be set forth in the Twenty-Second Supplemental Trust Agreement, subject to the provisions of this order.

Pursuant to the provisions of The State and Local Government Revenue Bond Act, as amended (the “Act”), particularly G.S. 159-88, the City hereby authorizes the issuance of the Series 2020B Bonds in an aggregate principal amount not to exceed \$9,500,000 for the purposes set forth in Section 1(g) of this order. The exact amount of Series 2020B Bonds to be issued shall be determined by the Finance Director of the City at the time the Series 2020B Bonds are sold and shall be an amount sufficient, together with any other available funds of the City, to (a) refund all or a portion of the outstanding Series 2012A Bonds and (b) pay the fees and expenses to be incurred in connection with the sale and issuance the Series 2020B Bonds. The Series 2020B Bonds shall mature at such times and in such amounts as shall be set forth in the Twenty-Second Supplemental Trust Agreement, subject to the provisions of this order.

The Series 2020 Bonds shall be issued as fully registered bonds in denominations of \$5,000 or any whole multiple thereof and shall be subject to provisions of the book-entry only system for registration of the Series 2020 Bonds as set forth in the Twenty-Second Supplemental Trust Agreement. Interest on the Series 2020 Bonds shall be payable on June 1 and December 1 of each year, beginning December 1, 2020, until the payment in full of the principal thereof. The final maturity of the Series 2020A Bonds shall not be later than June 1, 2050. The final maturity of the Series 2020B Bonds shall not be later than June 1, 2027.

Section 4. The Series 2020 Bonds shall be subject to redemption at the times, upon such terms and conditions, and at the price or prices as set forth in the Trust Agreement and the Twenty-Second Supplemental Trust Agreement.

Section 5. The proceeds of the Series 2020 Bonds shall be applied as provided in Section 204 of the Twenty-Second Supplemental Trust Agreement.

Section 6. The Series 2020 Bonds, together with any other obligations secured on a parity therewith pursuant to the provisions of the Trust Agreement, shall be secured on a parity basis by a pledge, charge and lien upon the Net Receipts and the money and Investment Obligations held in the accounts and subaccounts of the Bond Fund in the manner and to the extent provided in the Trust Agreement and the Twenty-Second Supplemental Trust Agreement.

Section 7. The proposal set forth in the Bond Purchase Agreement submitted by the Underwriters offering to purchase the Series 2020A Bonds at the aggregate purchase price and bearing interest at the rates determined by the Commission and approved by the City as hereinafter provided, such purchase price not to be less than 95% of the aggregate principal amount of the Series 2020A Bonds and such interest rates not to result in an all-in true interest cost in excess of 5.35%, is hereby approved.

The proposal set forth in the Bond Purchase Agreement submitted by the Underwriters offering to purchase the Series 2020B Bonds at the aggregate purchase price and bearing interest at the rates determined by the Commission and approved by the City as hereinafter provided, such purchase price not to be less than 95% of the aggregate principal amount of the Series 2020B Bonds and such interest rates not to result in an all-in true interest cost in excess of 2.75%, is hereby approved.

The Commission is hereby requested to sell and award the Series 2020 Bonds to the Underwriters on behalf of the City, subject to the approval of the City, in accordance with the terms and provisions set forth in the Bond Purchase Agreement. The Mayor, the City Manager and the Finance Director of the City are each hereby designated to approve on behalf of the City the sale of the Series 2020 Bonds to the Underwriters at such interest rates, for such purchase price and upon such terms and conditions as the Mayor, the City Manager or the Finance Director shall determine, subject to the provisions of this order. The Mayor, the City Manager and the Finance Director of the City are each hereby authorized and directed in the name and on behalf of the City to execute and deliver the Bond Purchase Agreement in substantially the form presented, together with such modifications as the Mayor, the City Manager or the Finance Director, with the advice of counsel, may deem necessary and appropriate, such execution and delivery to be conclusive evidence of the approval and authorization in all respects of the form and content thereof.

Section 8. The form, terms and provisions of the Twenty-Second Supplemental Trust Agreement and the Escrow Agreement are hereby approved, and the Mayor, the City Manager and the Finance Director are each hereby authorized and directed to execute the Twenty-Second Supplemental Trust Agreement and the Escrow Agreement in substantially the forms presented, together with such modifications as the Mayor, the City Manager or the Finance Director, with the advice of counsel, may deem necessary and appropriate, including, without limitation, modifications necessary to incorporate the final terms of the Series 2020 Bonds, such execution and delivery to be conclusive evidence of the approval and authorization in all respects of the form and content thereof. The City Clerk or any deputy or assistant City Clerk is hereby authorized or directed to affix the official seal of the City to such documents and attest the same as may be required.

Section 9. The Preliminary Official Statement relating to the offering for sale of the Series 2020 Bonds is hereby approved in substantially the form presented at this meeting. The

distribution by the Underwriters of the Preliminary Official Statement in connection with the offering for sale of the Series 2020 Bonds is hereby authorized and approved. The City authorizes and consents to the preparation and distribution of a final Official Statement, in substantially the form of the Preliminary Official Statement, together with such changes as are necessary to reflect the final terms of the Series 2020 Bonds. The Mayor, the City Manager and the Finance Director are each hereby authorized and directed to approve and deliver the final Official Statement, in substantially the form of the Preliminary Official Statement, together with such modifications as the Mayor, the City Manager or the Finance Director, with the advice of counsel, may deem necessary and appropriate, including, without limitation, such modifications necessary to incorporate the final terms of the Series 2020 Bonds, such delivery to be conclusive evidence of the approval and authorization in all respects of the form and content thereof.

Section 10. U.S. Bank National Association, Charlotte, North Carolina, is hereby appointed as escrow agent (the “Escrow Agent”) under the Escrow Deposit Agreement in connection with the advance refunding of all or a portion of the Series 2012A Bonds, subject to the right of the City to appoint another Escrow Agent as provided in the Escrow Agreement, and as such shall perform its responsibilities as provided in the Escrow Agreement. The Mayor, the City Manager and the Finance Director are each hereby authorized to engage a verification agent as may be necessary or appropriate in connection with the advance refunding of such Series 2012A Bonds.

The City Council hereby directs that the Series 2012A Bonds that are refunded by the Series 2020B Bonds and that mature on or after June 1, 2023 to be called for optional redemption on June 1, 2022, all in the manner set forth in the Seventeenth Supplemental Trust Agreement, the Twenty-Second Supplemental Trust Agreement and the Escrow Agreement. The Escrow Agent is hereby authorized and directed to cause notices of such refunding and redemption to be provided in the manner set forth in the Seventeenth Supplemental Trust Agreement and the Escrow Agreement.

The City Council hereby directs that the Series 2014A Bonds that are refunded by the Series 2020A Bonds to be called for optional redemption on June 25, 2020, in the manner set forth in the Eighteenth Supplemental Trust Agreement and the Twenty-Second Supplemental Trust Agreement. The Trustee is hereby authorized and directed to cause a notice of such redemption to be provided in the manner set forth in the Eighteenth Supplemental Trust Agreement.

Section 11. The Mayor, the City Manager, the Finance Director, the City Clerk and the City Attorney, or any of them or their deputies, are each hereby authorized and directed (without limitation except as may be expressly set forth in this order) to take such action and to execute and deliver such certificates, agreements, instruments, opinions or other documents as they, with the advice of counsel, may deem necessary or appropriate to effect the transactions contemplated by this order, the Trust Agreement, the Twenty-Second Supplemental Trust Agreement, the Escrow Agreement and the Bond Purchase Agreement. Any such actions heretofore taken by such persons to the extent not inconsistent with the provisions of this resolution are hereby ratified, authorized and approved.

The officers of the City and the agents and employees of the City are hereby authorized and directed to do all acts and things required of them by the provisions of this order, the Series

2020 Bonds, the Trust Agreement, the Twenty-Second Supplemental Trust Agreement, the Escrow Agreement or the Bond Purchase Agreement for the full, punctual and complete performance of the terms, covenants, provisions and agreements of the same.

Section 12. The sale and issuance of the Series 2020 Bonds are hereby approved subject to the terms and conditions set forth in this order.

Section 13. This order shall take effect immediately upon its adoption.

The City Attorney then announced that he had approved the foregoing order as to form.

After consideration of the foregoing order, upon motion of Council Member _____, seconded by Council Member _____, the foregoing order entitled "ORDER AUTHORIZING THE SALE AND ISSUANCE BY THE CITY OF GREENSBORO, NORTH CAROLINA OF NOT TO EXCEED \$156,000,000 COMBINED ENTERPRISE SYSTEM REVENUE BONDS, SERIES 2020A AND TAXABLE COMBINED ENTERPRISE SYSTEM REVENUE BONDS, SERIES 2020B AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH" was adopted by the following vote:

Ayes: Council Members

Noes: Council Members