

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF MECKLENBURG, NORTH CAROLINA, AUTHORIZING THE NEGOTIATION OF AN INSTALLMENT FINANCING CONTRACT, DIRECTING THE PUBLICATION OF NOTICE WITH RESPECT THERETO, DECLARING THE INTENT OF THE COUNTY TO REIMBURSE ITSELF FOR CAPITAL EXPENDITURES FROM PROCEEDS THEREOF, AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS THERETO

WHEREAS, the County of Mecklenburg, North Carolina (the “*County*”) is a validly existing political subdivision, existing as such under and by virtue of the Constitution, statutes and laws of the State of North Carolina (the “*State*”);

WHEREAS, the County has the power, pursuant to the General Statutes of North Carolina to (1) enter into installment contracts in order to purchase, or finance or refinance the purchase of, real or personal property and to finance or refinance the construction or repair of fixtures or improvements on real property and (2) create a security interest in some or all of the property financed or refinanced to secure repayment of the purchase price;

WHEREAS, the Board of Commissioners of the County of Mecklenburg (the “*Board*”) hereby determines that it is in the best interest of the County to finance the renovation of the County’s sheriff’s office and detention center (collectively, the “*Central Detention Center*”); construction, improving, equipping, and furnishing of other facilities of the County, Central Piedmont Community College and Charlotte-Mecklenburg Library as well as improvements to parks and greenways throughout the County (collectively, the “*2025 Projects*”);

WHEREAS, the Mecklenburg County Public Facilities Corporation (the “*Corporation*”) will assist the County by the execution and delivery of its Limited Obligation Bonds (the “*2025 Bonds*”) to finance the 2025 Projects;

WHEREAS, the Board hereby determines that it is in the best interests of the County to finance the 2025 Projects by entering into (1) an Installment Financing Contract (the “*Contract*”) with the Corporation, and (2) a Deed of Trust, Security Agreement and Fixture Filing (the “*Deed of Trust*”) related to the County’s fee simple interest in the real property on which the Central Detention Center is located, together with the improvements thereon (collectively, the “*Mortgaged Property*”), that will provide security for the County’s obligations under the Contract;

WHEREAS, the Corporation will execute and deliver its 2025 Bonds in an aggregate principal amount not to exceed \$252,000,000, evidencing proportionate undivided interests in rights to receive certain Revenues (as defined in the Contract) pursuant to the Contract;

WHEREAS, the County hereby determines that financing the 2025 Projects is essential to the County’s proper, efficient and economic operation and to the general health and welfare of its inhabitants; that financing the 2025 Projects will provide an essential use and has and will permit the County to carry out public functions that it is authorized by law to perform; and that entering into the Contract and Deed of Trust is necessary and expedient for the County by virtue of the findings presented herein;

WHEREAS, the County hereby determines that the Contract would allow the County to finance the 2025 Projects and take title thereto at a favorable interest rate currently available in the financial marketplace and on terms advantageous to the County;

WHEREAS, the County hereby determines that the estimated cost of financing the 2025 Projects, including payment of the costs of execution and delivery of the Contract, is an amount not to exceed

\$252,000,000 and that such cost exceeds the amount that can be prudently raised from currently available appropriations, unappropriated fund balances and non-voted bonds that could be issued by the County in the current fiscal year pursuant to Article V, Section 4 of the Constitution of the State;

WHEREAS, although the cost of financing the 2025 Projects pursuant to the Contract is expected to exceed the cost of financing the 2025 Projects pursuant to a bond financing for the same undertaking, the County hereby determines that the cost of financing the 2025 Projects pursuant to the Contract and Deed of Trust and the obligations of the County thereunder are preferable to a general obligation bond financing or revenue bond financing for several reasons, including but not limited to the following: (1) the cost of a special election necessary to approve a general obligation bond financing, as required by the laws of the State, would result in the expenditure of significant funds; (2) the time required for a general obligation bond election would cause an unnecessary delay which would thereby decrease the financial benefits of financing, constructing, and improving the 2025 Projects; and (3) insufficient revenues are produced by the 2025 Projects so as to permit a revenue bond financing;

WHEREAS, the County hereby determines that the estimated costs of financing the 2025 Projects pursuant to the Contract reasonably compares with an estimate of similar costs under a bond financing for the same undertaking as a result of the findings delineated in the above preambles;

WHEREAS, the County anticipates that any future property tax increase, if necessary, to pay installment payments falling due under the Contract will not be excessive;

WHEREAS, the sums to fall due under the Contract will be adequate but not excessive for its proposed purpose;

WHEREAS, Parker Poe Adams & Bernstein LLP, as bond counsel ("*Bond Counsel*"), will render an opinion to the effect that entering into the Contract and the transactions contemplated thereby are authorized by law;

WHEREAS, no deficiency judgment may be rendered against the County in any action for its breach of the Contract, and the taxing power of the County is not and may not be pledged in any way directly or indirectly or contingently to secure any money due under the Contract;

WHEREAS, the County is not in default under any of its debt service obligations;

WHEREAS, the County's budget process and Annual Budget Ordinance are in compliance with the Local Government Budget and Fiscal Control Act;

WHEREAS, past audit reports of the County indicate that its debt management and contract obligation payment policies have been carried out in strict compliance with the law, and the County has not been censured by the North Carolina Local Government Commission (the "*LGC*"), external auditors or any other regulatory agencies in connection with such debt management and contract obligation payment policies;

WHEREAS, a public hearing on the Contract after publication of a notice with respect to such public hearing must be held, and approval of the LGC with respect to entering into the Contract must be received;

WHEREAS, the County will incur and pay certain expenditures (the "*Original Expenditures*") in connection with the 2025 Projects prior to the date of execution and delivery of the Contract, such Original Expenditures to be paid for originally from a source other than the proceeds of the Contract, and the County

intends, and reasonably expects, to be reimbursed for such Original Expenditures from a portion of the proceeds of the Contract; and

WHEREAS, the County hereby determines that all findings, conclusions and determinations of the County in this Resolution are subject to modification or affirmation after all interested parties have been afforded the opportunity to present their comments at a public hearing regarding the execution and delivery of the Contract and the Deed of Trust and the 2025 Projects financed thereby.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF MECKLENBURG, NORTH CAROLINA, AS FOLLOWS:

Section 1. ***Authorization to Negotiate the Contract.*** The County Manager or the Chief Financial Officer, with advice from Bond Counsel, are hereby authorized and directed to proceed and negotiate on behalf of the County the Contract for a principal amount not to exceed \$252,000,000 to finance the 2025 Projects, to be entered into in accordance with the provisions of Section 160A-20 of the General Statutes of North Carolina, as amended, and to provide in connection with the Contract, as security for the County's obligations thereunder, the Deed of Trust, conveying a lien and interest in the Mortgaged Property, including the improvements thereon.

Section 2. ***Application to LGC.*** The Chief Financial Officer or his designee is hereby directed to file with the LGC an application for its approval of the Contract and all relevant transactions contemplated thereby on a form prescribed by the LGC and to state in such application such facts and to attach thereto such exhibits regarding the County and its financial condition as may be required by the LGC.

Section 3. ***Direction to Retain Professionals.*** The County Manager and the Chief Financial Officer are hereby authorized and directed to retain the assistance of Parker Poe Adams & Bernstein LLP, Raleigh, North Carolina, as bond counsel, First Tryon Advisors, Charlotte North Carolina, as financial advisor, Moore & Van Allen PLLC, as disclosure counsel, and Regions Bank, as trustee. The County Manager and the Chief Financial Officer are hereby authorized to retain such other professionals as they deem necessary in their judgment to carry out the transaction contemplated in this Resolution.

Section 4. ***Public Hearing.*** A public hearing (the "*Public Hearing*") shall be conducted by the Board on December 3, 2024 at 5:00 p.m. in the Charlotte-Mecklenburg Government Center Meeting Chamber, 600 East Fourth Street, Charlotte, North Carolina, 28202, concerning the Contract, the proposed financing of the 2025 Projects, and any other transactions contemplated therein and associated therewith.

Section 5. ***Notice of Public Hearing.*** The Clerk to the Board is hereby directed to cause a notice of the Public Hearing, in the form attached hereto as Exhibit A, to be published once in a qualified newspaper of general circulation within the County no fewer than 10 days prior to the Public Hearing.

Section 6. ***Repealer.*** All motions, orders, resolutions and parts thereof in conflict herewith are hereby repealed.

Section 7. ***Reimbursement.*** The County presently intends, and reasonably expects, to reimburse itself for Original Expenditures in an amount not to exceed \$252,000,000 on or after the date occurring 60 days prior to the date of adoption of this Resolution from a portion of the proceeds of the Contract. The County adopts this Resolution as a declaration of official intent under Section 1.150-2 of the Treasury Regulations promulgated under Section 103 of the Internal Revenue Code of 1986, as amended, to evidence the County's intent to reimburse itself for the Original Expenditures from proceeds of the Contract. The Chief Financial Officer of the County, with advice from Bond Counsel, is hereby authorized, directed and designated to act on behalf of the County in determining and itemizing all of the Original

Expenditures incurred and paid by the County in connection with the 2025 Projects during the period commencing on the date occurring 60 days prior to the date of adoption of this Resolution and ending on the date of the execution and delivery of the Contract.

Section 8. *Effective Date.* This Resolution is effective on the date of its adoption.

Read, approved and adopted this 19th day of November, 2024.

By: _____
Chairman of the Board of Commissioners

Clerk to the Board

EXHIBIT A
NOTICE OF PUBLIC HEARING

The Board of Commissioners (the “*Board*”) of the County of Mecklenburg, North Carolina (the “*County*”) is considering (1) entering into an installment financing contract in an amount not to exceed \$252,000,000 (the “*Contract*”) to finance the renovation of the County’s sheriff’s office and detention center (collectively, the “*Central Detention Center*”); construction, improving, equipping, and furnishing of other facilities of the County, Central Piedmont Community College and Charlotte-Mecklenburg Library as well as improvements to parks and greenways throughout the County (collectively, the “*2025 Projects*”); and (2) executing and delivering a Deed of Trust, Security Agreement and Fixture Filing (the “*Deed of Trust*”) related to the County’s fee simple interest in the Central Detention Center, together with the improvements thereon (collectively, the “*Mortgaged Property*”), as may be required by the entity providing the funds to the County under the Contract. The Central Detention Center is located at 801 East Fourth Street, Charlotte, North Carolina 28202.

The Mortgaged Property identified above will be mortgaged under the Deed of Trust. The Contract and the Deed of Trust permit the County to enter into amendments to finance additional projects using the Mortgaged Property as collateral and the County may or may not grant additional collateral in connection with such amendments. On payment by the County of all installment payments due under the Contract, including any future amendments to finance or refinance projects, the Deed of Trust and any lien created thereunder will terminate and the County’s title to the Mortgaged Property will be unencumbered.

NOTICE IS HEREBY GIVEN, pursuant to Sections 160A-20 of the General Statutes of North Carolina, that on December 3, 2024 at 6:30 p.m. in the Charlotte-Mecklenburg Government Center Meeting Chamber, 600 East Fourth Street, Charlotte, North Carolina, 28202, a public hearing will be conducted concerning the approval of the execution and delivery of the Contract and the projects financed thereby. Anyone who wishes to be heard concerning the approval of the execution and delivery of the Contract and the projects financed thereby may appear at the public hearing. Persons desiring to speak can sign up online at <https://mecknc.seamlessdocs.com/f/clerk> or call 980-314-2939. The deadline to register online is 3:00 p.m. the day of the meeting, but persons desiring to speak can also sign up to speak at the meeting prior to the start of the public hearing. Each speaker will receive up to three (3) minutes to speak, and a group of four or more speakers will receive ten (10) minutes to speak. Members of the public may also view the meeting on the Government Channel, or online at watch.mecknc.gov. If this information is needed in an alternative format because of a disability, contact the Clerk to the Board of Commissioners. The Clerk is located at 600 East Fourth Street, in the Charlotte-Mecklenburg Government Center, 11th floor, by phone at 980-314-2939, or by email: clerk@mecknc.gov. We request at least 72-hour notice prior to the meeting to make appropriate arrangements.

/s/ KRISTINE M. SMITH

Clerk to the Board of Commissioners
County of Mecklenburg, North Carolina

Published: _____, 2024

STATE OF NORTH CAROLINA)
) ss:
COUNTY OF MECKLENBURG)

I, *Kristine M. Smith*, Clerk to the Board of Commissioners of the County of Mecklenburg, North Carolina, ***DO HEREBY CERTIFY*** that the foregoing is a true and exact copy of a resolution entitled **“RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF MECKLENBURG, NORTH CAROLINA, AUTHORIZING THE NEGOTIATION OF AN INSTALLMENT FINANCING CONTRACT, DIRECTING THE PUBLICATION OF NOTICE WITH RESPECT THERETO, DECLARING THE INTENT OF THE COUNTY TO REIMBURSE ITSELF FOR CAPITAL EXPENDITURES FROM PROCEEDS THEREOF, AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS THERETO”** adopted by the Board of Commissioners of the County of Mecklenburg, North Carolina, at a meeting held on the 19th day of November, 2024.

WITNESS my hand and the corporate seal of the County of Mecklenburg, North Carolina, this the ____ day of November, 2024.

Kristine M. Smith
Clerk to the Board of Commissioners
County of Mecklenburg, North Carolina