

EXTRACTS FROM MINUTES OF CITY COUNCIL

The City Council for the City of Greensboro, North Carolina held a regular meeting in the Katie Dorsett Council Chamber located at 300 West Washington Street, Greensboro, North Carolina 27401 at 5:30 P.M. on September 24, 2024. The following Council Members were:

Present:

Absent:

* * *

Council Member _____ made a motion to adopt the following resolution:

RESOLUTION OF THE CITY OF GREENSBORO CONCERNING THE CITY’S OBLIGATIONS UNDER ITS “JOINT GOVERNMENTAL AGREEMENT” AMONG THE CITY, PIEDMONT TRIAD REGIONAL WATER AUTHORITY AND OTHER LOCAL GOVERNMENTS

WHEREAS, the City of Greensboro, North Carolina (the “City”) previously entered into an Amended and Restated Joint Governmental Agreement dated August 4, 2016 (the “2016 Interlocal Agreement”), among the Piedmont Triad Regional Water Authority (the “Authority”) and the following local governments: the City, the City of Archdale, North Carolina, the City of High Point, North Carolina, the Town of Jamestown, North Carolina, the City of Randleman, North Carolina and the County of Randolph, North Carolina (collectively, the “Members”); and

WHEREAS, the Authority is preparing to issue its up to \$130,000,000 Water System Revenue Bond Anticipation Note, Series 2024 (the “2024 Note”) to Truist Commercial Equity, Inc., as the purchaser thereof (the “Bank”), and such 2024 Note constitutes “Revenue Bonds” within the meaning of the 2016 Interlocal Agreement; and

WHEREAS, the proceeds of the 2024 Note will be used to finance the costs of the acquisition, construction, reconstruction, improvement, enlargement and betterment of a 26.7 MGD water treatment plant and facilities related thereto (the “2024 Project”) and pay certain expenses in connection with the issuance of the 2024 Note; and

WHEREAS, in connection with the issuance of the 2024 Note and the financing of the 2024 Project, the Authority has determined to amend and restate 2016 Interlocal Agreement (as amended and restated, the “Interlocal Agreement”), and such Interlocal Agreement has been approved by the City Council and shall be executed and delivered in connection with the issuance of the 2024 Note;

BE IT RESOLVED by the City Council of the City of Greensboro, North Carolina, as follows:

1. At the request of the Bank, and to induce the Bank to purchase the 2024 Note, the City confirms its approval of the Interlocal Agreement and confirms its commitment to the Interlocal Agreement.

2. At the request of the Bank, and to induce the Bank to purchase the 2024 Note, the City acknowledges the following aspects of its obligations under the Interlocal Agreement:

(a) Total estimated interest cost payable by the Authority over the life of the 2024 Note is \$6,816,195. The City is required to pay a percentage of this debt service. The City's share of the 2024 Note interest cost under the Interlocal Agreement is 68.48%, or a total of \$4,668,064 with respect to the 2024 Note (assuming the entire \$130,000,000 principal amount of the 2024 Note is issued). The average annual interest cost payable by the Authority on the 2024 Note is approximately \$2,820,494; the City's 68.48% share of average annual interest cost is approximately \$1,931,613. This is only an estimate; the actual annual payments may be higher or lower. It is anticipated that payment of the outstanding principal amount of the 2024 Note will be financed with revenue bonds. In the event such revenue bonds are not issued, the City would be responsible for 68.48% of the net debt service (including principal and interest) of the 2024 Note.

(b) In addition, the City is contingently liable to pay up to 150% of its annual debt service requirement on the 2024 Note upon a failure to pay by any other Member. Increasing the City's average annual interest cost to the 2024 Note to 150% produces the annual amount of approximately \$2,897,419. This is only an estimate; the actual annual payments may be higher or lower.

(c) The Interlocal Agreement also calls for the City to pay other amounts toward the operation and maintenance of the Authority's water utility facilities, as more fully defined in the Interlocal Agreement.

(d) The Interlocal Agreement provides that the City cannot make a pledge or other commitment of its water and sewer system revenues to other debt service that would take precedence over the commitment of those revenues to payments under the Interlocal Agreement.

(e) Under the Interlocal Agreement, the City is required to operate its water and sewer system as an enterprise fund, to charge rates and fees related to the water and sewer system such that sufficient revenues are generated to pay all costs of operating and financing the City's own water and sewer system and to satisfy the City's Payment Obligations (as defined in the Interlocal Agreement) to the Authority. Under the Interlocal Agreement, the City's Payment Obligations include both the requirements for debt service on the 2024 Note as described above, and also payments to provide for the Authority's operating expenses.

(f) The Bank, as the owner of the 2024 Note, is authorized as a third-party beneficiary under the Interlocal Agreement to enforce the City's covenants and obligations under the Interlocal Agreement, including those described in the preceding paragraph. This means, for example, that the Bank could require the City to raise rates, fees and charges for the City's water

and sewer system if the City was not operating the system as required by the Interlocal Agreement.

3. This resolution shall become effective immediately upon its adoption.

Council Member _____ seconded the motion and the motion was adopted by the following vote:

AYES: _____

NAYS: _____

* * *

STATE OF NORTH CAROLINA)

COUNTY OF GUILFORD)

I, ANGELA LORD, City Clerk of the City of Greensboro, DO HEREBY CERTIFY as follows:

1. A meeting of the City Council of the City of Greensboro, located in the State of North Carolina, was duly held September 24, 2024, such meeting having been noticed, held and conducted in accordance with all requirements of law (including open meetings requirements), and minutes of that meeting have been or will be duly recorded in the Minute Book kept by me in accordance with law for the purpose of recording the minutes of the City Council.

2. The attached extract accurately reflects the actions taken by the City Council with respect to the matters therein.

3. That extract correctly states the time when the meeting was convened and the place where the meeting was held and the members of the City Council who attended the meeting.

IN WITNESS WHEREOF, I have hereunto set my hand and have hereunto affixed the seal of the City as of _____, 2024.

(SEAL)

City Clerk