



RESOLUTION APPROVING APPLICATIONS OF UNITS OF LOCAL GOVERNMENT FOR THE ISSUANCE OF REVENUE REFUNDING BONDS IF THE REFUNDING ISSUE MEETS CERTAIN CRITERIA AND AUTHORIZING THE PUBLIC OR PRIVATE SALE OF SUCH REFUNDING BONDS

WHEREAS, The Local Government Finance Act, Chapter 159 of the General Statutes of North Carolina (the "Act") in Article 5 thereof prescribes a uniform system of limitations upon and procedures for the exercise by all municipalities (as defined in Article 7 of the Act) in North Carolina of the power to finance revenue bond projects through the issuance of revenue bonds;

WHEREAS, G.S. 159-85 provides that no revenue bonds may be issued under the Act unless the issue is approved by the Local Government Commission (the "Commission") following the filing of an application with the Secretary of the Commission for Commission approval of the issue, which application shall state such facts and have attached to it such documents concerning the proposed revenue bonds and the financial condition of the issuing unit as the Secretary may require;

WHEREAS, G.S. 159-86 provides that the Commission shall approve the application if, upon the information and evidence it receives, it finds and determines the matters covered by Section 159-86 and described below; and

WHEREAS, from time to time units of local government have opportunities to issue refunding bonds under the Act in refunding transactions that produce debt service savings to the unit as a result of market conditions at the time of the sale and issuance of the refunding bonds; frequently time is of the essence in obtaining access to financial markets for the sale of such refunding bonds; and the Commission has determined to facilitate timely market access to the financial markets by approving applications for the issuance of refunding bonds under the Act under certain conditions;

WHEREAS, Article 7 of the Act authorizes the Commission to sell revenue bonds to refund revenue bonds at private sale without advertisement to any purchasers thereof at such prices as the Commission determines to be in the best interest of the issuing unit, subject to the approval of the governing board of the issuing unit or one or more persons designated by resolution of such governing board to approve such prices, and the Commission has determined to authorize the private sale of refunding bonds that meet the requirements of this resolution;

NOW, THEREFORE, BE IT RESOLVED by the Local Government Commission that:

Section 1. The Commission hereby approves the issuance of revenue bonds pursuant to applications that may be filed with the Commission by municipalities (as defined in Article 7 of the Act) for the issuance of revenue refunding bonds under the Act if (i) the refunding produces net debt service savings to the unit, (ii) the refunding debt does not have a final maturity later than the final maturity date of the debt to be refunded, (iii) the refunding transaction produces approximately level annual debt service savings to the unit over its duration and (iv) the additional requirements set forth in Section 2 are satisfied. An application so filed shall include a financial analysis prepared by or on behalf of the unit setting forth

Resolution Approving Applications – Certain Revenue Refunding Bonds

July 1, 2025

Page 2

the debt service on the bonds to be refunded and the expected debt service on the refunding bonds, which analysis must demonstrate that the requirements of (i), (ii) and (iii) are met.

Section 2. G.S. 159-86 provides that the Commission shall approve an application for a revenue bond issue under the Act if it makes the findings and determinations set forth therein. The approval by the Commission set forth in Section 1 of applications for the issuance of revenue refunding bonds is based on the following findings and determinations by the Commission and additional requirements of an application:

- (1) The finding that the proposed bond issue is necessary or expedient is based on the requirement that the refunding issue must produce net debt service savings, may not have a final maturity date later than the final maturity date of the refunded bonds and must produce approximately level annual debt service savings to the unit, and therefore the refunding issue is expedient.
- (2) The finding that the proposed amount of such proposed refunding bonds is adequate and not excessive for the proposed purposes thereof is met if the refunding bonds are issued in an amount sufficient to refund the refunded bonds and pay related costs of issuance of the refunding bonds and for no other purpose.
- (3) The finding that the proposed project is feasible, to the extent applicable, is based on the requirement that the refunding issue must produce net debt service savings, may not have a final maturity date later than the final maturity date of the refunded bonds and must produce approximately level annual debt service savings to the unit, and therefore the refunding issue is feasible.
- (4) The finding that the unit's debt management procedures and policies are good is met if the unit has not defaulted on any debt obligation in the preceding ten years, has timely filed its most recent audited financial statements with the Commission in accordance with the then current Commission requirements and is not a unit on the most recent Unit Assistance List issued by the Department of State Treasurer.
- (5) The finding the proposed bonds can be marketed at reasonable rates of interest is met if the Secretary of the Commission determines that the interest rate assumptions used for financial analysis filed with the application are consistent with the interest rates realized in actual sales of comparable revenue bonds of local governments in the State that have been recently sold.

Section 3. Bond issues approved by the Commission pursuant to this resolution may be sold at public or private sale as requested by the unit in the application for approval. If the bonds are sold at public sale, the bonds shall be sold in accordance with Article 7 of the Act. If a unit requests a private sale of bonds, the unit shall adopt and file with the Commission the resolution required by G.S. 159-123 prior to any sale of the bonds.

Section 4. The Secretary of the Commission shall cooperate with the unit in the preparation of such offering documents and other instruments that will be used in connection with the sale of such bonds and the Commission hereby approves such use of the offering documents in connection with the sale and issuance of the bonds.

Resolution Approving Applications – Certain Revenue Refunding Bonds

July 1, 2025

Page 3

Section 5. If the bonds are sold at private sale, the Secretary of the Commission or any Deputy Secretary is hereby authorized to execute and deliver a Bond Purchase Agreement or similar instrument with one or more financial institutions regarding the sale of any bonds covered by this resolution containing such terms as shall be satisfactory to him or her. The Secretary of the Commission or any Deputy Secretary is hereby authorized to approve the forms of other documents relating to the bonds and to execute and deliver such other documents on behalf of the Commission.

Section 6. The Secretary of the Commission or any Deputy Secretary is authorized to provide for the execution and delivery of the bonds approved pursuant to this resolution in accordance with the resolution adopted by the governing body of the unit of local government issuing the bonds. The Secretary is authorized to cause the certificate required by G.S. 159-129 to be placed on revenue bonds approved pursuant to this resolution. Such certificate on the revenue bonds will evidence the Commission's approval and proof that the conditions and requirements set forth in this resolution have been satisfied.

Section 7. The Commission hereby approves the selection by the unit of the financial consultants, underwriters and bond attorneys to be associated with the bond issue that are set forth in an application, so long as the selection by the unit is made in accordance with G.S. 159-123(e).

Section 8. This resolution shall be effective immediately upon its adoption and applies to applications for the issuance of revenue refunding bonds filed with the Commission on or after the effective date hereof.

* * * * *

I, Denise Canada, Secretary of the North Carolina Local Government Commission, DO HEREBY CERTIFY that the foregoing is a true and correct copy of the *Resolution Approving Applications – Certain Revenue Refunding Bonds* adopted by the North Carolina Local Government Commission at its meeting held on July 1, 2025.

WITNESS my hand this 1st day of July, 2025.



Denise Canada, Secretary of the North Carolina
Local Government Commission

25/11/1911