

The City Council of the City of Fayetteville, North Carolina met in a regular meeting in the Council Chambers of the City Hall located at 433 Hay Street in Fayetteville, North Carolina, the regular place of meeting, at 7:00 p.m. on May 13, 2019.

Present: Mayor Mitch Colvin, presiding, and Council Members

Absent: Council Members

Also Present: _____

* * * * *

_____ introduced the following resolution the title of which was read and a copy of which had been previously distributed to each Council Member:

**RESOLUTION APPROVING AND AUTHORIZING THE SALE AND
ISSUANCE OF LIMITED OBLIGATION BONDS AND THE EXECUTION
AND DELIVERY OF A SECOND SUPPLEMENTAL TRUST
AGREEMENT AND RELATED DOCUMENTS IN CONNECTION WITH
THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF
ADDITIONAL BASEBALL STADIUM AND PARKING DECK
IMPROVEMENTS AND A NEW POOL AT THE CITY'S LAKE RIM
RECREATION CENTER**

BE IT RESOLVED by the City Council (the "City Council") for the City of Fayetteville, North Carolina (the "City"):

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

(a) There exists in the City a need to finance one or more of the following projects: (a) certain additional costs relating to the acquisition, construction and equipping of a baseball stadium, (b) certain additional costs relating to the acquisition, construction and equipping of a

parking deck and (c) the costs of constructing and equipping a new pool at the City's Lake Rim Recreation Center (collectively, the "Project").

(b) After a public hearing and due consideration, the City Council has determined that the most efficient manner of financing the Project will be through the execution and delivery of a Second Supplemental Trust Agreement (the "Second Supplemental Trust Agreement") between the City and U.S. Bank National Association, as trustee (the "Trustee"), supplementing the Master Trust Agreement, dated as of June 1, 2018 (the "Master Trust Agreement" and, together with the Second Supplemental Trust Agreement, the "Trust Agreement"), between the City and the Trustee, pursuant to which the City will issue limited obligation bonds thereunder in an aggregate principal amount not to exceed \$7,300,000 (the "Bonds") to provide funds, together with any other available funds, to (i) pay the costs of the Project and (ii) pay the fees and expenses incurred in connection with the sale and issuance of the Bonds.

(c) In order to secure the payment of principal of and interest on the Bonds and the performance of the City's obligations under the Trust Agreement, the City has executed and delivered a Deed of Trust, dated as of June 1, 2018 (the "Deed of Trust"), to the deed of trust trustee named therein for the benefit of the Trustee, granting a lien on the site of the baseball stadium comprising a portion of the Project, together with all improvements and fixtures located or to be located thereon.

(d) The Bonds will be issued as two separate series, one series of which the interest shall be subject to federal income taxation and the second series of which the interest will be exempt from federal income taxation.

(e) The Bonds will initially be sold to Robert W. Baird & Co. Incorporated (the “Underwriter”) pursuant to the terms of a Bond Purchase Agreement, to be dated the date of delivery thereof (the “Bond Purchase Agreement”), between the City and the Underwriter.

(f) In connection with the offering and sale of the Bonds by the Underwriter, there will be prepared and distributed to potential purchasers a 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 Bonds and the Official Statement (hereinafter defined).

(g) There have been presented to the City Council drafts of the following documents relating to the transaction hereinabove described:

- (1) the Second Supplemental Trust Agreement;
- (2) the Bond Purchase Agreement; and
- (3) the Preliminary Official Statement.

Section 2. In order to provide for the financing of the Project, the City is hereby authorized to enter into the Second Supplemental Trust Agreement and issue the Bonds thereunder in an aggregate principal amount not to exceed \$7,300,000. The actual principal amount of the Bonds shall be determined by the City at the time of execution of the Bond Purchase Agreement, such execution and delivery of the Bond Purchase Agreement to constitute approval by the City of the principal amount of the Bonds as set forth in the Bond Purchase Agreement. The principal amount of the Bonds shall be the amount that, in the best judgment of the person executing the Bond Purchase Agreement, shall be the amount necessary to provide sufficient funds, together with any other available funds, to pay (a) the costs the Project and (b) the fees and expenses incurred in connection with the sale and issuance of the Bonds. The interest rates on the Bonds shall be determined by the City at the time of the execution by the City of the Bond Purchase Agreement; provided, however, that such interest rates shall not result

in an aggregate true interest cost in excess of 5.00% per annum, such execution and delivery of the Bond Purchase Agreement to constitute approval by the City of the interest rates on the Bonds.

Section 3. The Bonds shall be sold to the Underwriter pursuant to the Bond Purchase Agreement. The Bonds may be sold to the Underwriter at a discount below the amount of the principal amount of the Bonds, such discount not to exceed 98% of the principal amount of the Bonds; provided, however, that if all or any of the Bonds are to be sold to the public by the Underwriter at original issue discount (resulting in lower interest costs of the interest on the Bonds), then the Bonds may be sold at a further discount in the amount necessary to cover such original issue discount. The final maturity of the Bonds shall not be later than June 1, 2039.

Section 4. The City Council hereby approves the forms of the Second Supplemental Trust Agreement and the Bond Purchase Agreement in substantially the forms presented at this meeting. The Mayor, the City Manager and the Chief Financial Officer are each hereby authorized to execute and deliver on behalf of the City the Second Supplemental Trust Agreement and the Bond Purchase Agreement in substantially the forms presented at this meeting, containing such modifications as the person executing such documents shall approve, such execution to be conclusive evidence of approval by the City Council of any such changes. The City Clerk or any assistant or deputy City Clerk is hereby authorized to affix the official seal of the City to each of said documents and to attest the same to the extent so required.

Section 5. The City Council hereby approves the Preliminary Official Statement in substantially the form presented at this meeting and hereby approves the distribution thereof by the Underwriter in connection with the offering and sale of the Bonds. Upon the sale of the Bonds to the Underwriter, a final Official Statement, to be dated as of the date of the Bond

Purchase Agreement (the “Official Statement”), will be prepared substantially in the form of the Preliminary Official Statement and will contain such information relating to the pricing terms of the Bonds and such additional information as may be necessary. The City Council hereby approves the distribution thereof by the Underwriter in connection with the offering and sale of the Bonds.

Section 6. No deficiency judgment may be rendered against the City in any action for breach of any contractual obligation under the Trust Agreement, and the taxing power of the City is not and may not be pledged directly or indirectly to secure any moneys due under the Trust Agreement.

Section 7. The Mayor, the City Manager, the Chief Financial Officer and the City Attorney are hereby authorized to cooperate with the Underwriter in preparing and filing such filings under state securities or “blue sky” laws as the Underwriter may request; provided, however, that the City shall not be required to consent to the jurisdiction of any state in which it is not now subject unless the City Attorney shall determine that such consent is in the best interest of the City.

Section 8. The Mayor, the City Manager, the Chief Financial Officer, the City Attorney and the City Clerk, and any other officers, agents and employees of the City, are hereby authorized and directed to take such actions and to deliver such certificates, opinions and other items of evidence as shall be deemed necessary to consummate the transactions described in this resolution.

Section 9. This resolution shall take effect immediately upon its adoption.

Upon motion of Council Member _____, seconded by Council Member _____, the foregoing resolution entitled “RESOLUTION APPROVING AND

AUTHORIZING THE SALE AND ISSUANCE OF LIMITED OBLIGATION BONDS AND THE EXECUTION AND DELIVERY OF A SECOND SUPPLEMENTAL TRUST AGREEMENT AND RELATED DOCUMENTS IN CONNECTION WITH THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF ADDITIONAL BASEBALL STADIUM AND PARKING DECK IMPROVEMENTS AND A NEW POOL AT THE CITY’S LAKE RIM RECREATION CENTER” was adopted by the following vote:

Ayes:_____

Noes:_____

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I, Pamela Megill, City Clerk of the City of Fayetteville, North Carolina, DO HEREBY CERTIFY that the foregoing is a true copy of so much of the proceedings of the City Council of said City at a regular meeting held on May 13, 2019, as it relates in any way to the adoption of the foregoing resolution and that said proceedings are to be recorded in the minutes of said City.

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 City this 13th day of May, 2019.

City Clerk

[SEAL]