

RESOLUTION APPROVING IN PRINCIPLE THE ISSUANCE
OF NOT TO EXCEED \$15,250,000 OF PUBLIC FINANCE
AUTHORITY EDUCATIONAL FACILITIES REVENUE
BONDS (COMMUNITY SCHOOL OF DAVIDSON PROJECT),
SERIES 2018 FOR THE BENEFIT OF CSD PROPERTY, LLC,
OR AN AFFILIATE THEREOF

WHEREAS, the Board of Commissioners (the “Board of Commissioners”) of Mecklenburg County, North Carolina (the “County”) met in Charlotte, North Carolina, at 5:00 p.m. on the 10th day of July, 2018; and

WHEREAS, the Public Finance Authority (the “Authority”) has tentatively agreed to issue its tax-exempt and/or taxable Educational Facilities Revenue Bonds (Community School of Davidson Project), Series 2018 (the “Bonds”) in one or more series, in an amount not to exceed \$15,250,000, and to lend the proceeds thereof to CSD Property, LLC, a North Carolina limited liability company, or an affiliate thereof (the “Borrower”) to be used to (a) finance or reimburse the Borrower for all or a portion of the costs of (i) acquiring an approximately 39-acre tract of land and the constructing and equipping thereon of a turf field for track, soccer, lacrosse and football, tennis courts, baseball fields and related improvements (the “Athletic Facility Project”), (ii) acquiring a fee simple interest in an existing elementary and middle school campus (the “Elementary and Middle School Project”), and (iii) acquiring and installing certain furniture, equipment and tenant improvements at an existing high school campus (the “High School Project” and, together with the Athletic Facility Project and the Elementary and Middle School Project, the “Project”), (b) fund a debt service reserve fund for the Bonds and (c) pay certain costs of issuing the Bonds; and

WHEREAS, the Elementary and Middle School Project and the Athletic Facility Project will be leased by the Borrower to Community School of Davidson, Inc., a North Carolina nonprofit corporation (the “School”); and

WHEREAS, the High School Project is located at 404 Armour Street, Davidson, Mecklenburg County, North Carolina, the Elementary and Middle School Project is located at 565 Griffith Street, Davidson, Mecklenburg County, North Carolina, and the Athletic Facility Project is located at 13828 Beatties Ford Road in Huntersville, Mecklenburg County, North Carolina; and

WHEREAS, the School will operate a charter school at the Project, and is currently operating its elementary and middle school at the Elementary and Middle School Project and its high school at the location of the High School Project;

WHEREAS, the Borrower will agree to repay the principal of, premium, if any, and interest on the Bonds and the County will have no liability whatsoever for the payment of principal of, premium, if any, or interest on the Bonds, and the Bonds will not affect the County’s debt ratios or legal debt limit and the County will not incur any liability for repayment of the Bonds by approving the Bonds for purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, Section 147(f) of the Code requires that any Bonds issued by the Authority for the Project may only be issued after approval of the plan of financing by the Board of Commissioners of the County following a public hearing with respect to such plan; and

WHEREAS, pursuant to Section 66.0304(11)(a) of the Wisconsin Statutes, as amended, prior to their issuance, Bonds issued by the Authority must be approved by the governing body or highest ranking executive or administrator of the political jurisdiction within whose boundaries the project is to be located; and

WHEREAS, the Borrower has requested that the Board of Commissioners of the County approve the financing of the Project and the issuance of the Bonds in order to satisfy the requirements of Section 66.0304(11)(a) of the Wisconsin Statutes, as amended; and

WHEREAS, the Board of Commissioners has today held a public hearing with respect to the issuance of the Bonds to finance, in part, the Project, as evidenced by the Certificate and Summary of Public Hearing attached hereto as Exhibit A; and

WHEREAS, the Bonds shall not be deemed to constitute a debt of the County or a pledge of the faith and credit of the County, but shall be a special limited obligation of the Authority payable solely from the loan repayments to be made by the Borrower to the Authority, and shall contain on the face thereof a statement to the effect that neither the faith and credit nor the taxing power of the County is pledged to the payment of the principal of or interest on the Bonds; and

WHEREAS, because no taxes or other revenues of the County are pledged to pay the Bonds, the staff of the County has made no financial analysis of the Bonds, the Borrower or the Project; and

WHEREAS, the Board of Commissioners has determined that approval of the issuance of the Bonds is solely to satisfy the requirements of Section 147(f) of the Code and Section 66.0304(11)(a) of the Wisconsin Statutes and shall in no event constitute an endorsement of the Bonds or the Project or the creditworthiness of the Borrower, nor shall such approval in any event be construed to obligate the County for the payment of the principal of or premium or interest on the Bonds or for the performance of any pledge, mortgage or obligation or agreement of any kind whatsoever which may be undertaken by the Authority, or to constitute the Bonds or any of the agreements or obligations of the Authority an indebtedness of the County, within the meaning of any constitutional or statutory provision whatsoever;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS FOR MECKLENBURG COUNTY:

1. The proposed financing and refinancing of the acquisition, development, construction and equipping of the Project described above in Mecklenburg County, North Carolina, by the Borrower and the issuance of the Authority's tax-exempt and/or taxable Educational Facilities Revenue Bonds (Community School of Davidson Project), Series 2018 in one or more series, in an amount not to exceed \$15,250,000, therefor are hereby approved for purposes of Section 147(f) of the Code and Section 66.0304(11)(a).

2. This resolution shall take effect immediately.

* * * * *

I, Janice S. Paige, Clerk to the Board of Commissioners for Mecklenburg County, North Carolina DO HEREBY CERTIFY that the foregoing is a true and complete copy of so much of the proceedings of the Board of Commissioners for the County at a regular meeting duly called and held July 10, 2018, as it relates in any way to the resolution hereinabove set forth, and that said proceedings are recorded in the minutes of the Board. Pursuant to N.C.G.S. § 143-318.12, a current copy of a schedule of regular meetings of the Board is on file in my office.

WITNESS my hand and the common seal of said County, this 10th day of July, 2018.

Janice S. Paige, Clerk to the Board
Mecklenburg County Board of Commissioners

(SEAL)

Certificate and Summary

The undersigned Clerk of the Board of Commissioners of Mecklenburg County, North Carolina, hereby certifies:

1. Notice of a public hearing (the “Hearing”) to be held on July 10, 2018, with respect to the issuance of Bonds by the Public Finance Authority (the “Authority”) for the benefit of CSD Property, LLC, or an affiliate thereof (the “Borrower”) was published on June 25, 2018, in *The Charlotte Observer*.

2. The presiding officer of the Hearing was _____.

3. The following is a list of the names and addresses of all persons who spoke at the Hearing:

4. The following is a summary of the oral comments made at the Hearing:

IN WITNESS WHEREOF, my hand and the seal of Mecklenburg County, this 10th day of July, 2018.

Clerk, Board of Commissioners of
Mecklenburg County, North Carolina

(SEAL)