

***Alliance Preparatory Schools, INC.***  
*A North Carolina Non-Profit Corporation*

September 19, 2018

Board of Commissioners  
County of Mecklenburg, North Carolina  
600 East Fourth Street  
Charlotte, North Carolina 28202

Re: Request for public hearing at the Board of Commissioner's meeting on October 16, 2018 to approve the issuance of tax-exempt bonds on behalf of Alliance Preparatory Schools, Inc.

Ladies and Gentlemen:

On behalf of Alliance Preparatory Schools, Inc., a North Carolina nonprofit corporation (the "*Borrower*"), I am writing to request that the Board of Commissioners (the "*Board*") of Mecklenburg County (the "*County*") host a public hearing at the Board's meeting on October 16, 2018 and approve, in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended (the "*Code*"), the (a) financing or refinancing the acquisition, construction, improvement, and equipping of land and certain charter school facilities of the Borrower located southeast of the intersection of Interstate 485 and Shopton Road in the City of Charlotte, County of Mecklenburg, North Carolina (Parcel ID #199-24-201), including but not limited to the acquisition of approximately 13.58 acres of unimproved land and the construction thereon of an approximately 64,900 square foot, two-story educational facility with approximately 49 classrooms, a gymnasium, a band room, administration areas, and offices, designed to accommodate approximately 950 students in grades K-8 and to be operated as a public charter school known as Steele Creek STEM Academy (the "*Project*") with proceeds from the proposed issuance of tax-exempt bonds (the "*Bonds*").

As you know, Section 147(f) of the Code requires all private activity bonds, such as the Bonds, to be approved by (1) the governmental unit issuing the bonds and (2) each governmental unit having jurisdiction over the area in which the bond-financed facilities are located. In this case, Section 147(f) of the Code requires the School to obtain the approval of the Public Finance Authority, a Wisconsin authority, as the issuer of the Bonds, and the County, as the governmental unit having jurisdiction over the area in which Project is located.

Accordingly, the Borrower is requesting that the Board hold a public hearing and approve the issuance of the Bonds in order to comply with the hearing and approval requirements of Section 147(f) of the Code. As the Board's approving resolution will expressly state, the Board's approval will in no way cause the County to become responsible for or liable with respect to the Bonds. Hosting the public hearing and approving the issuance of the Bonds are merely ministerial acts that will enable the Borrower to comply with the provisions of the Code. A preliminary draft of the Board's approval resolution is attached to this letter.

Parker Poe Adams & Bernstein LLP, as counsel to the purchaser of the Bonds, will cause the required notice of public hearing to be published in the *Charlotte Observer* at least 14 days

***Providing communities with increased school choice by creating a safe and inviting school equipped with a focused and rigorous academic curriculum that ensures student success in an appropriately challenging environment.***

9142 Browne Road Charlotte NC 28269

EIN 46-4207477 Tax Exempt under IRC Section 501(c)(3)

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before the public hearing in accordance with the Code. A draft of the notice of public hearing is also attached to this letter.

The principal amount of the Bonds will not exceed \$23,500,000, and proceeds from the Bonds will be loaned to the Borrower to finance and refinance the Project, as more particularly described in the attached notice.

I hope this letter provides you the information you need in order to hold the public hearing at the Board's October 16, 2018 meeting, but please call me if you need any additional information from the Borrower. I am happy to answer any questions you might have regarding the Borrower or the Bonds. A representative from the Borrower and the Borrower's counsel will be present at your October 16, 2018 meeting should you have any questions at that time.

Thank you for your consideration of this matter.

Very truly yours,



Jennifer Lucas  
Chief Academic Officer

Enclosures