

EXTRACTS FROM MINUTES OF BOARD OF COMMISSIONERS

A regular meeting of the Board of County Commissioners of the County of Mecklenburg, North Carolina (the "Board") was held in the Charlotte-Mecklenburg Government Center, Meeting Chamber, Lobby Level, 600 East Fourth Street, Charlotte, North Carolina, at 6:30 p.m. on June 18, 2019, after proper notice, and was called to order by the Chairman.

Present: _____

Absent: _____

* * * * *

At __:__ p.m., the Chairman announced that the Board would proceed to hold a public hearing and would hear anyone who wished to be heard on the proposed issuance by the Public Finance Authority, a public authority existing under the laws of the State of Wisconsin (the "Authority"), of its Charter School Revenue Bonds (Queen City STEM School Project) Series 2019 (the "Series 2019 Bonds"), in an aggregate principal amount not to exceed \$8,000,000, the proceeds of which will be loaned to Charlotte Education Services, LLC, a North Carolina limited liability company (the "Borrower"), the sole member of which is Charlotte Education Foundation, d/b/a Queen City STEM School, a North Carolina nonprofit corporation (the "Foundation").

The proceeds of the Series 2019 Bonds will be used to (a) finance, refinance or reimburse the costs of acquisition of an approximately 5.74-acre site located at 9026 Mallard Creek Road, Charlotte, Mecklenburg County, North Carolina (which site will be owned by the Borrower and leased to the Foundation) and the two buildings located thereon, consisting of a 9,487 square foot building containing classrooms and a 20,280 square foot building containing a gymnasium, kitchen, classrooms and offices, at which the Foundation will operate a new campus of the Queen City STEM School (the "School") for grades 6-12 which will be referred to as the Queen City STEM School - Secondary, and renovate, equip and furnish the buildings at this campus (the cost of acquisition, renovation and equipping estimated not to exceed \$6,000,000), (b) finance, refinance or reimburse the costs of certain renovations, capital improvements and equipment and furniture purchases at the Foundation's existing school campus located at 8701 Mallard Creek Road, Charlotte, Mecklenburg County, North Carolina (which is owned by the Borrower and leased to the Foundation) at which the Foundation operates the existing campus of the Queen City STEM School – Elementary for kindergarten through 5th grade (estimated not to exceed \$500,000), (c) fund related costs of the Project and certain reserve funds, and (d) pay costs of issuance of the Bonds (collectively, the "Project").

On May 24, 2019, a notice of public hearing was published in *The Charlotte Observer*, a copy of the affidavit of publication being attached, setting forth a general, functional description of the type and use of the Project to be financed or refinanced, the maximum principal amount of the Series 2019 Bonds, the initial owner and operator of the Project and the location of the Project, among other things.

The names, addresses and testimony of the persons who were present and who offered comments on the proposed issuance of the Series 2019 Bonds or who responded in writing to the notice of public hearing are as follows:

The Chairman of the Board inquired elsewhere in and around the meeting room to determine whether there were any other persons who wished to speak at the public hearing. The Chairman of the Board determined that no other persons who wished to speak at the public hearing were found.

After the Board had heard all persons who had requested to be heard, Commissioner _____ moved that the public hearing be closed. The motion was seconded by Commissioner _____ and was unanimously adopted.

Commissioner _____ introduced the following resolution, a copy of which had been distributed to each Commissioner and the title of which appeared on the agenda:

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF
MECKLENBURG, NORTH CAROLINA, APPROVING THE ISSUANCE BY THE
PUBLIC FINANCE AUTHORITY OF ITS CHARTER SCHOOL REVENUE BONDS
(QUEEN CITY STEM SCHOOL PROJECT) SERIES 2019 IN AN AGGREGATE
PRINCIPAL AMOUNT NOT TO EXCEED \$8,000,000**

WHEREAS, Charlotte Education Services, LLC, a North Carolina limited liability company (the "Borrower"), the sole member of which is Charlotte Education Foundation, d/b/a Queen City STEM School, a North Carolina nonprofit corporation (the "Foundation"), has requested that the Public Finance Authority, a public authority existing under the laws of the State of Wisconsin (the "Authority"), issue its Charter School Revenue Bonds (Queen City STEM School Project) Series 2019 (the "Series 2019 Bonds"), in an aggregate principal amount not to exceed \$8,000,000, and loan the proceeds thereof to the Borrower to (a) finance, refinance or reimburse the costs of acquisition of an approximately 5.74-acre site located at 9026 Mallard Creek Road, Charlotte, Mecklenburg County, North Carolina (which site will be owned by the Borrower and leased to the Foundation) and the two buildings located thereon, consisting of a 9,487 square foot building containing classrooms and a 20,280 square foot building containing a gymnasium, kitchen, classrooms and offices, at which the Foundation will operate a new campus of the Queen City STEM School (the "School") for grades 6-12 which will be referred to as the Queen City STEM School - Secondary, and renovate, equip and furnish the buildings at this campus (the cost of acquisition, renovation and equipping estimated not to exceed \$6,000,000), (b) finance, refinance or reimburse the costs of certain renovations, capital improvements and equipment and furniture purchases at the Foundation's existing school campus located at 8701 Mallard Creek Road, Charlotte, Mecklenburg County, North Carolina (which is owned by the Borrower and leased to the Foundation) at which the Foundation operates the existing campus of the Queen City STEM School – Elementary for kindergarten through 5th grade (estimated not to exceed \$500,000), (c) fund related costs of the Project and certain reserve funds, and (d) pay costs of issuance of the Bonds (collectively, the "Project");

WHEREAS, pursuant to Section 147(f) of the Code, prior to their issuance, the Series 2019 Bonds are required to be approved by the "applicable elected representative" of a governmental unit having jurisdiction over the area in which the Project is located, after a public hearing held following reasonable public notice;

WHEREAS, pursuant to Section 66.0304(11)(a) of the Wisconsin Statutes, 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;

WHEREAS, the Board of Commissioners (the "Board") of the County of Mecklenburg, North Carolina (the "County") is the "applicable elected representative" of the County under the Code for the Project located within the County;

WHEREAS, in 2017, the Authority issued its \$11,425,000 Charter School Revenue Bonds (Queen City STEM School Project), Series 2017 (the "Series 2017 Bonds"), the proceeds of which were loaned to the Borrower and used to acquire the Queen City STEM School facilities located at 8701 Mallard Creek Road, Charlotte, North Carolina, which Series 2019 Bonds were approved by the Board on July 18, 2017; and

WHEREAS, the Series 2019 Bonds will be issued as "additional bonds" under the same bond documentation as the Series 2017 Bonds, with a similar interest rate and maturity; and

WHEREAS, the Borrower has requested that the Board approve the Authority's issuance of the Series 2019 Bonds and the financing or refinancing of the Project located within the County in order to satisfy the requirements of Section 147(f) of the Code;

WHEREAS, the Borrower has requested that the Board approve the financing or refinancing of the Project and the issuance of the Series 2019 Bonds in order to satisfy the requirements of Section 4 of the Amended and Restated Joint Exercise of Powers Agreement Relating to the Public Finance Authority, dated as of September 28, 2010 (the "Joint Exercise Agreement"), and Section 66.0304(11)(a) of the Wisconsin Statutes, all of which govern the Authority;

WHEREAS, the Board, following notice duly given in the form attached hereto as Exhibit A (the "TEFRA Notice"), held a public hearing today regarding the Authority's issuance of the Series 2019 Bonds and the financing or refinancing of the Project and now desires to approve the Authority's issuance of the Series 2019 Bonds and the financing or refinancing of the Project in accordance with the Code;

WHEREAS, the Series 2019 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 special limited obligations 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 Series 2019 Bonds; and

BE IT RESOLVED by the Board of Commissioners as follows:

Section 1. Pursuant to and in accordance with the requirements of Section 147(f) of the Code and Section 66.0304(11)(a) of the Wisconsin Statutes and Section 4 of the Joint Exercise Agreement, the Board hereby approves (a) the Authority's issuance of the Series 2019 Bonds in an aggregate principal amount not to exceed \$8,000,000 and (b) the financing or refinancing of the Project.

Section 2. The County has no responsibility for the payment of the principal of or interest on the Series 2019 Bonds or for any costs incurred by the Borrower with respect to the Series 2019 Bonds or the Project.

Section 3. This Resolution is effective immediately on its passage.

On motion of Commissioner _____, seconded by Commissioner _____, the foregoing resolution entitled "**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF MECKLENBURG, NORTH CAROLINA, APPROVING THE ISSUANCE BY THE PUBLIC FINANCE AUTHORITY OF ITS CHARTER SCHOOL REVENUE BONDS (QUEEN CITY STEM SCHOOL PROJECT) SERIES 2019 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$8,000,000**" was duly adopted by the following vote:

AYES:

NAYS:

STATE OF NORTH CAROLINA)
) ss:
COUNTY OF MECKLENBURG)

I, _____, Clerk to the Board of Commissioners of the County of Mecklenburg, North Carolina, **DO HEREBY CERTIFY** that the foregoing is a true copy of so much of the proceedings of the Board of Commissioners of the County of Mecklenburg, North Carolina at a regular meeting held on June 18, 2019, as it relates to the adoption of a resolution entitled "**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF MECKLENBURG, NORTH CAROLINA, APPROVING THE ISSUANCE BY THE PUBLIC FINANCE AUTHORITY OF ITS CHARTER SCHOOL REVENUE BONDS (QUEEN CITY STEM SCHOOL PROJECT) SERIES 2019 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$8,000,000**" and the holding of a public hearing related thereto, and that said proceedings will be recorded in the minutes of the Board of Commissioners of the County of Mecklenburg, North Carolina.

WITNESS my hand and the seal of the County of Mecklenburg, North Carolina, this the ____ day of June, 2019.

Clerk to the Board of Commissioners
County of Mecklenburg, North Carolina

(SEAL)