

RESOLUTION 2018-25 APPROVING IN PRINCIPLE THE ISSUANCE OF NOT TO EXCEED \$9,000,000 OF PUBLIC FINANCE AUTHORITY EDUCATIONAL FACILITIES REVENUE BONDS (DAVIDSON DAY SCHOOL), SERIES 2018 FOR THE BENEFIT OF DAVIDSON DAY SCHOOL, OR AN AFFILIATE THEREOF

WHEREAS, the Board of Commissioners (the “Board”) of the Town of Davidson, North Carolina (the “Town”) met in the Town Hall, at 6:00 p.m. on the 25th day of September, 2018; and

WHEREAS, the Public Finance Authority (the “Authority”) has tentatively agreed to issue its Educational Facilities Revenue Bonds (Davidson Day School), Series 2018 (the “Bonds”), in an amount not to exceed \$9,000,000, and to lend the proceeds thereof to Davidson Day School, a North Carolina nonprofit corporation, or an affiliate thereof (the “Borrower”) to finance and refinance the Project (as defined below); and

WHEREAS, the Bonds are expected to be issued pursuant to 66.0304 of the Wisconsin Statutes, as amended, by the Authority and the proceeds thereof loaned to and used by the Borrower to (a) refinance one or more taxable loans to the Borrower, the proceeds of which were used to finance the acquisition, construction and equipping of an approximately 72,000 square foot building for use as an independent school on an approximately 15-acre campus of the Borrower located at 750 Jetton Street in the Town (the “Existing Project”), (b) finance the costs of acquisition of an approximately 17-acre tract of land located at 1803 Mecklenburg Highway in Iredell County, North Carolina to be developed as an upper school campus of the Borrower (the “Upper School Project” and together with the Existing Project, the “Project”) and (c) pay certain costs of issuing the Bonds. The Borrower currently operates an independent school at the location of the Existing Project; and

WHEREAS, the Project will be owned, operated and managed by the Borrower or an affiliated or related entity; and

WHEREAS, the Borrower will agree to repay the principal of, premium, if any, and interest on the Bonds and the Town 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 Town’s debt ratios or legal debt limit and the Town 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 purpose of refinancing the Existing Project may only be issued after approval of the plan of financing by the Board of the 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 Public Finance Authority must be approved by the governing body or highest ranking executive or administrator of the political jurisdiction within whose boundaries the project (or any portion thereof) is located; and

WHEREAS, the Borrower has requested that the Board of the Town approve the financing of the Existing Project and the issuance of the Bonds in order to satisfy the requirements of Section 147(f) of the Code and Section 66.0304(11)(a) of the Wisconsin Statutes, as amended; and

WHEREAS, the Board has today held a public hearing with respect to the issuance of the Bonds to refinance the Existing 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 Town or a pledge of the faith and credit of the Town, 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 Town is pledged to the payment of the principal of or interest on the Bonds; and

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

WHEREAS, the Board 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 Town 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 Town, within the meaning of any constitutional or statutory provision whatsoever.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE TOWN OF DAVIDSON, NORTH CAROLINA:

1. The proposed financing and refinancing of the acquisition, development, construction and equipping of the Existing Project described above in the Town of Davidson, North Carolina, by the Borrower and the issuance of the Authority's Educational Facilities Revenue Bonds (Davidson Day School), Series 2018 in one or more series, in an amount not to exceed \$9,000,000, therefor are hereby approved for purposes of Section 147(f) of the Code and Section 66.0304(11)(a) of the Wisconsin Statutes.

2. This resolution shall take effect immediately.

* * * * *

I, Elizabeth K. Shores, Clerk to the Board of Commissioners of the Town of Davidson, 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 of the Town at a regular meeting duly called and held September 25, 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 Town, this 25th day of September, 2018.

Elizabeth K. Shores
Town Clerk
Town of Davidson, North Carolina

(SEAL)

Certificate and Summary

The undersigned Town Clerk of the Town of Davidson, North Carolina, hereby certifies:

1. Notice of a public hearing (the “Hearing”) to be held on September 25, 2018, with respect to the issuance of a Bonds by the Public Finance Authority (the “Authority”) for the benefit of Davidson Day School, or an affiliate thereof (the “Borrower”) was published on September __, 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 the Town of Davidson, North Carolina, this 25th day of September, 2018.

Elizabeth K. Shores
Town Clerk
Town of Davidson, North Carolina

(SEAL)