

The Board of Commissioners for the County of Wake, North Carolina met in a regular meeting in the Board Room of the Wake County Justice Center, Room 2700, 301 South McDowell Street in Raleigh, North Carolina, the regular place of meeting, at 2:00 p.m. on June 21, 2021.

Present: Chair Matt Calabria, presiding and Commissioners _____

Absent: _____ Commissioners _____

Also present: David Ellis, County Manager and Clerk to the Board; Scott Warren, County Attorney; Yvonne Galyard, Deputy Clerk to the Board; Emily Lucas, Chief Financial Officer; Todd Taylor, Debt Manager; _____

* * * * *

The Chairman announced that this was the hour and day of the public hearing on a proposed installment financing agreement (the "Agreement") to be entered into by the County of Wake, North Carolina (the "County") pursuant to Section 160A-20 of the General Statutes of North Carolina for the purpose of paying the costs of constructing, renovating, rehabilitating and equipping public school facilities in the County. Under the proposed Agreement, the County would receive financing from time to time in an amount not to exceed \$584,065,000. In connection with the proposed plan of finance, the sites of schools currently known as Hilltop Needmore Elementary School, Swift Creek Elementary School, Woods Creek Elementary School, Fuquay-Varina Middle School and Rex Road Elementary School, five of the public schools to be constructed or improved in the financing, would be conveyed by the Wake County Board of Education to the County, and the County will secure its obligations under the Agreement by executing and delivering a deed of trust granting a lien on all or a portion of such school sites, together with all improvements and fixtures located or to be located thereon. The school sites will be leased back to the Wake County Board of Education to be used for school purposes, which lease would be subordinate to the lien created by the deed of trust.

The Chairman also announced that this was the hour and day of the public hearing on the proposed acquisition by the County of the above-referenced sites to be used for school purposes pursuant to Section 153A-158.1 of the General Statutes of North Carolina.

The Chairman acknowledged due publication of a notice of public hearing in a newspaper with general circulation in said County as required by Section 160A-20 and Section 153A-158.1 of the General Statutes of North Carolina and directed the Clerk to the Board of Commissioners

to attach the affidavit showing publication in said newspaper on a date at least ten (10) days prior to the date hereof as Exhibit A hereto.

The Chairman then announced that the Board of Commissioners would immediately hear anyone who might wish to be heard on the advisability of the proposed projects, financing or property acquisition as described above.

A list of any persons making comments and a summary of such comments are attached as Exhibit B hereto.

All statements and comments were duly considered by the Board of Commissioners.

Thereupon, Commissioner _____ introduced the following resolution the title of which was read and copies of which had been distributed to each Commissioner:

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT FINANCING AGREEMENT, A DEED OF TRUST AND RELATED DOCUMENTS IN CONNECTION WITH THE FINANCING OF THE CONSTRUCTION AND EQUIPPING OF CERTAIN PUBLIC SCHOOL FACILITIES FOR THE COUNTY OF WAKE, NORTH CAROLINA IN AN AMOUNT NOT TO EXCEED \$584,065,000

BE IT RESOLVED by the Board of Commissioners (the “Board”) for the County of Wake, North Carolina (the “County”):

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

(a) The Wake County Board of Education (the “School Board”) is the local school administrative unit for the public school system located in the County of Wake, North Carolina (the “County”), and the School Board has advised the County that there is a need for additional new public school facilities in the County and for renovation, rehabilitation and improvement of existing school facilities in the County, all to serve the citizens of the County, including, but not limited to, the renovation and equipping of Baucom Elementary School and Swift Creek Elementary School, the construction and equipping of Woods Creek Elementary School, Hilltop Needmore Elementary School, Rex Road Elementary School, Fuquay-Varina Middle School and Felton Grove High School, the acquisition and installation of technology devices and infrastructure, and property acquisition in connection with such facilities and for other school purposes (collectively, the “Project”).

(b) After a public hearing and due consideration, the Board has determined that the preferable manner of financing the Project will be through the entering of an Installment Financing Agreement, to be dated as of August 1, 2021 (the “Agreement”), between the County and STI Institutional & Government, Inc., a financial institution selected by the County pursuant to a request for proposals process (the “Lender”), pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended. Pursuant to the Agreement, the Lender will advance

moneys to the County in an amount sufficient to pay the cost of the Project, and the County will repay the advancement in installments, with interest (the "Installment Payments").

(c) In connection with the proposed plan of finance, the School Board will convey to the County the sites of five of the public schools to be improved or constructed as part of the Project, which schools are currently known as Hilltop Needmore Elementary School, Swift Creek Elementary School, Woods Creek Elementary School, Fuquay-Varina Middle School and Rex Road Elementary School (the "Sites"), and in order to secure repayment pursuant to the terms of the Agreement by the County of the advance of moneys for the construction, renovation and equipping of the Project, the County will execute and deliver a Deed of Trust, to be dated as of the date of delivery thereof (the "Deed of Trust"), granting to the Lender a lien on the Sites, together with all buildings, improvements and fixtures located or to be located thereon.

(d) In order to facilitate the construction and financing of the Project, the County and the School Board will enter into (i) a Lease Agreement, to be dated as of August 1, 2021 (the "Lease Agreement"), pursuant to which the County will lease the Sites and improvements thereon back to the School Board for operation and (ii) a Construction and Acquisition Agreement, to be dated as of August 1, 2021 (the "Construction Agreement"), pursuant to which the School Board will oversee the construction, acquisition and equipping of the portion of the Project located on the Sites.

(e) There have been presented to the Board drafts of the following documents relating to the transaction hereinabove described:

- (1) the Agreement;
- (2) the Deed of Trust;
- (3) the Lease Agreement; and
- (4) Construction Agreement.

Section 2. In order to provide for the financing of the Project, together with other available funds, the County is hereby authorized to enter into the Agreement and receive advancements pursuant thereto in an aggregate principal amount not to exceed \$584,065,000. The County shall repay the advancement in installments due in the amounts and at the times set forth in the Agreement. The payments of the Installment Payments shall be designated as principal and interest as provided in the Agreement.

The interest component of the Installment Payments shall be computed at a variable interest rate as described in the Agreement, such rate not to exceed the maximum interest rate set forth in the Agreement.

Section 3. The Board hereby approves the Agreement, the Deed of Trust, the Lease Agreement and the Construction Agreement in substantially the forms presented at this meeting. The Chairman, the Vice Chairman, the County Manager, the Deputy County Manager, the Chief Financial Officer and the Debt Manager of the County are each hereby authorized to execute and deliver on behalf of the County each of said documents in substantially the forms presented at

this meeting, containing such insertions, deletions and filling in of blanks as the person executing such documents shall approve, such execution to be conclusive evidence of approval by the Board of any such changes. The Clerk to the Board or any Deputy or Assistant Clerk to the Board for the County is hereby authorized and directed to affix the official seal of the County to each of said documents and to attest the same.

Section 4. No deficiency judgment may be rendered against the County in any action for breach of any contractual obligation authorized pursuant to the Agreement and the taxing power of the County is not and may not be pledged directly or indirectly to secure any moneys due under the Agreement herein authorized.

Section 5. The Board hereby authorizes the County to accept the conveyance of the Sites from the School Board with the intent that the Sites be made the subject of a Deed of Trust securing the obligations to the Lender pursuant to the Agreement.

Section 6. The Chairman, the Vice Chairman, the County Manager, the Deputy County Manager, the Chief Financial Officer, the Debt Manager, the County Attorney, the Clerk to the Board, and any other officers, agents and employees of the County, are hereby authorized and directed to execute and deliver such closing and other certificates, opinions and other items of evidence as shall be deemed necessary to consummate the transactions described above.

Section 7. This resolution shall take effect immediately upon its passage.

Upon motion of Commissioner _____, the foregoing resolution was adopted by the following vote:

Ayes: _____

Noes: _____

* * * * *

I, Yvonne Gilyard, Deputy Clerk to the Board of Commissioners for the County of Wake, North Carolina, DO HEREBY CERTIFY that the foregoing is a true summary of the proceedings of said Board at a regular meeting held on June 21, 2021 as it relates in any way to the holding of a public hearing relating to an installment financing for said County and the passage of the foregoing resolution relating to such installment financing.

I DO HEREBY FURTHER CERTIFY that proper notice of such regular meeting was given as required by North Carolina law.

WITNESS my hand and official seal of said County this 21st day of June, 2021.

[SEAL]

Clerk to the Board of Commissioners

EXHIBIT A

[Attach publisher's affidavit for notice of public hearing]

EXHIBIT B

[A list of any persons making comments and a summary of such comments to be attached. If no comments are made, please insert “None”.]