

**NORTH CAROLINA DEPARTMENT OF STATE TREASURER
LOCAL GOVERNMENT COMMISSION
MINUTES**

November 1, 2022

The meeting was called to order by Chair Dale R. Folwell at 1:30 p.m. on the above date. The meeting was conducted in person at the Western Carolina University Blue Ridge Residence Hall/Conference Center in Cullowhee, NC and by use of simultaneous communication by GoToWebinar™. Members present in person: Chair Folwell, State Auditor Beth Wood, Secretary of State Elaine Marshall, and John Burns. Members present virtually: Secretary of Revenue Ronald Penny, Nancy Hoffmann, and Mike Philbeck.

Members Absent: Vida Harvey and Paul Butler.

A quorum was present for the entire meeting.

Other DST participants present in person: Sharon Edmundson, Jennifer Wimmer, Debbie Tomasko, and Cindy Aiken. Other DST staff participating virtually: Susan McCullen and Lewis Andrews.

Others attending in person: DST staff Victoria Bledsoe;

Chair Folwell asked those members present if they had any actual, potential, or the appearance of a conflict of interest regarding the matters on the agenda. No conflicts were reported.

Mr. Burns made a motion that the minutes of the October 4, 2022 meeting be approved. Auditor Wood seconded the motion, and the minutes were approved by a vote of 7 – 0 (Absent: Harvey, Butler).

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Town of Sunset Beach

Secretary Penny made a motion to adopt the following resolution:

"RESOLUTION APPROVING THE APPLICATION OF THE TOWN OF SUNSET BEACH (THE "TOWN") FOR FINANCING THE ACQUISITION OF CERTAIN REAL PROPERTY THROUGH AN INSTALLMENT FINANCING CONTRACT AND DEED OF TRUST EXECUTED AND DELIVERED PURSUANT TO G.S. §160A-20.

WHEREAS, pursuant to §160A-20 of the General Statutes of North Carolina, the Town intends to finance all or a portion of the costs of acquiring certain real property already to be used by the Town (the "Property") through an Installment Financing Contract, dated on or about November 14, 2022 (the "Contract"), between the Town and South State Bank, National Association (the "Purchaser"), whereby the Purchaser will advance money to the

Town for the purpose of financing the Property and the foregoing related costs and improvements, and the Town, subject to its right of nonappropriation, will repay the advancement with interest in installments; and

WHEREAS, the aggregate principal amount of the advancement under the Contract shall not exceed \$1,500,000; and

WHEREAS, the maturity of the installment payments under the Contract shall not extend beyond December 31, 2037; and

WHEREAS, the tax-exempt interest rate under the Contract shall not exceed 4.00% per annum; and

WHEREAS, pursuant to Article 8, Chapter 159 of the General Statutes of North Carolina, the Town has made proper application to the Local Government Commission (the "Commission") for approval of the proposed financing; and

WHEREAS, the Commission pursuant to G.S. §159-151, upon information and evidence received, finds and determines as follows:

- i) that the Contract is necessary and expedient for the Town;
- ii) that the Contract, under the circumstances, is preferable to a bond issue by the Town for the same purpose;
- iii) that the sums to fall due under the Contract are adequate and not excessive for its proposed purpose;
- iv) that the Town's debt management procedures and policies are good;
- v) that the increase in taxes, if any, necessary to meet the sums to fall due under the Contract will not be excessive; and
- vi) that the Town is not in default in any of its debt service obligations.

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission that the application for approval of the Contract and the planned financing are hereby approved under the provisions of G.S §160A-20, Article 8 of Chapter 159 of the General Statutes and relevant resolutions of the Commission.”

Ms. Hoffmann seconded the motion, and the foregoing resolution was adopted by vote of 5 – 2 (No: Wood, Folwell. Absent: Harvey, Butler). Lisa Anglin, Town Manager, Tara Nichols, Finance Director, and Grady Richardson Jr., Town Attorney attended virtually to speak and answer questions.

Secretary Penny made a motion to adopt the following resolution:

"RESOLUTION APPROVING THE FINANCING TEAM FOR THE TOWN OF SUNSET BEACH, NORTH CAROLINA, INSTALLMENT FINANCING CONTRACT AND DEED OF TRUST EXECUTED AND DELIVERED PURSUANT TO G.S. §160A-20

WHEREAS, the Town of Sunset Beach, North Carolina has requested that the North Carolina Local Government Commission (the “Commission”) approve its selection of the following financing team members for the proposed financing:

Purchaser: South State Bank, National Association
Purchaser's Counsel Nexsen Pruet, PLLC
Town Attorney G. Grady Richardson, Jr., Esq.

WHEREAS, based upon the information and evidence received by the Commission, the Commission is of the opinion that the Town's request should be approved.

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission that the above financing team is hereby approved for the proposed financing."

Ms. Hoffmann seconded the motion, and the foregoing resolution was adopted by vote of 5 – 2 (No: Wood, Folwell. Absent: Harvey, Butler). Lisa Anglin, Town Manager, Tara Nichols, Finance Director, and Grady Richardson Jr., Town Attorney attended virtually to speak and answer questions.

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Town of Robbins

Mr. Philbeck made a motion to adopt the following resolution:

“RESOLUTION APPROVING THE APPLICATION OF THE TOWN OF ROBBINS, NORTH CAROLINA FOR THE TOWN’S 2022 ROAD PAVING PROJECT, INCLUDING ROAD REPAIR PERFORMED IN CONNECTION WITH THE TOWN RESERVOIR, THE TOWN’S PROPERTY AT WATER PLANT ROAD AND REPAIRS TO THE SIDEWALK ADJACENT TO TOWN HALL (COLLECTIVELY “THE PROJECT”), THROUGH AN INSTALLMENT FINANCING AGREEMENT PURSUANT TO G.S. 160A-20

WHEREAS, the Town of Robbins, North Carolina (the “Town”) has determined that it is necessary and expedient to repair and resurface public roads and provide needed repairs to Town Hall; and

WHEREAS, pursuant to Section 160A-20 of the General Statutes of North Carolina, the Town intends to finance the Project pursuant to an Installment Financing Agreement (the “Agreement”) between the Town and Fidelity Bank (the “Lender”), whereby the Lender shall advance moneys to the Town, and the Town, subject to its right of nonappropriation, shall repay the advancement with interest in installments; and

WHEREAS, the aggregate principal amount of the Agreement shall not exceed \$350,000 with annual principal and interest payments with a term of ten (10) years at a rate of 3.99% per annum; and

WHEREAS, pursuant to Article 8, Chapter 159 of the General Statutes of North Carolina, the Town has made proper application to the North Carolina Local Government Commission (the “Commission”) for approval of the proposed financing; and

WHEREAS, the Secretary of the Commission has determined that the unit has complied with G.S. 159-149; and

WHEREAS, the Commission, pursuant to G.S. 159-151, upon information and evidence received, finds and determines as follows:

(i) that the Agreement is necessary or expedient for the Town;

(ii) that the Agreement, under the circumstances, is preferable to a bond issue for the same purpose;

(iii) that the sums to fall due under the Agreement are adequate and not excessive for its proposed purpose;

(iv) that the increase in taxes, if any, necessary to meet the sums to fall due under the Agreement will not be excessive; and

(v) that the Town is not in default in any of its debt service obligations.

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission that the application for approval of the Agreement and the financing contemplated thereby is hereby approved under the provisions of G.S. 160A-20 and relevant resolutions of the Commission, **subject to the following condition:**

This approval by the Commission shall be effective when the Secretary of the Commission issues a final approval letter after receiving verification from the Town of its full compliance with the public notice and public hearing required by G.S. 160A-20(g). The Town shall not finalize its Agreement with Lender until the Secretary's final approval letter is issued."

Mr. Burns seconded the motion, and the foregoing resolution was adopted by unanimous vote of 7 – 0 (Absent: Harvey, Butler). Clint Mack, Town Manager, Stephanie Maness, Finance Director, Jessica Coltrane, Town Clerk attended virtually to speak and answer questions.

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CONSENT AGENDA

Mr. Burns made a motion to adopt the following resolution:

“RESOLUTION APPROVING THE APPLICATION OF THE CITY OF GREENVILLE, NORTH CAROLINA FOR THE ISSUANCE OF NOT TO EXCEED \$30,000,000 OF ITS GREENVILLE UTILITIES COMMISSION COMBINED ENTERPRISE SYSTEM REVENUE BONDS, SERIES 2022 (THE “SERIES 2022 BONDS”); APPROVING THE FINANCING TEAM FOR THE SERIES 2022 BONDS; AND APPROVING THE PRIVATE SALE OF THE SERIES 2022 BONDS TO THE UNDERWRITER THEREOF

WHEREAS, the City of Greenville, North Carolina (the “City”) and the Greenville Utilities Commission (the “GUC”) have applied to the North Carolina Local Government Commission (the “Commission”), pursuant to The State and Local Government Revenue Bond Act, as amended, for approval of the issuance by the City of its Greenville Utilities Commission Combined Enterprise System Revenue Bonds, Series 2022 (the “Series 2022 Bonds”) for the purpose of providing funds, together with any other available funds, to pay (a) the costs of acquiring, constructing and equipping certain improvements to its combined enterprise system (the “2022 Project”) and (b) certain other costs in connection with the issuance of the Series 2022 Bonds;

WHEREAS, the City and the GUC have requested that the Commission approve their selection of the following financing team members for the issuance of the Series 2022 Bonds:

Bond Counsel:	Womble Bond Dickinson (US) LLP
Underwriter:	J.P. Morgan Securities LLC
Underwriter’s Counsel:	McGuireWoods LLP
Trustee/Bond Registrar:	The Bank of New York Mellon Trust Company, N.A.
Financial Advisor:	First Tryon Advisors
Consulting Utility Advisors:	Burns & McDonnell Consultants, Inc. and Raftelis Financial Consultants, Inc.

WHEREAS, the City and the GUC have furnished to the Commission certified copies or draft forms of the following documents, as applicable:

- (a) Bond Order adopted by the City Council of the City on August 11, 1994, and amended and restated as of April 13, 2000 (the “Order”), pursuant to which The Bank of New York Mellon Trust Company, N.A. is acting as trustee (the “Trustee”), providing, among other things, for the issuance of Bonds of the City thereunder to finance the cost of improvements to the Combined Enterprise System (as defined therein);
- (b) Resolution adopted by the Board of Commissioners of the GUC on September 15, 2022 (the “GUC Resolution”) recommending to the City Council of the City the adoption of the hereinafter described Series Resolution and approving the form of the Preliminary Official Statement and the Bond Purchase Agreement (as such terms are hereinafter defined);
- (c) Series Resolution, adopted by the City Council of the City on October 10, 2022 (the “Series Resolution”), providing, among other things, for the issuance of the Series 2022 Bonds and establishing the terms thereof, approving the forms of the Preliminary Official Statement and the Bond Purchase Agreement and requesting the Commission to award the Series 2022 Bonds at negotiated sale without advertisement to the Underwriter pursuant to the Bond Purchase Agreement;

- (d) Bond Purchase Agreement, to be dated as of the date of delivery thereof, among J.P. Morgan Securities LLC (the “Underwriter”), the Commission, the City and the GUC; and
- (e) Preliminary Official Statement, to be dated as of the date of delivery thereof (the “Preliminary Official Statement”), relating to the offering and sale of the Series 2022 Bonds;

WHEREAS, Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina authorizes the Commission to sell revenue bonds at private sale without advertisement to any purchasers thereof at such prices as the Commission determines to be in the best interest of the issuing unit, subject to the approval of the governing board of the issuing unit, and the City and the GUC have requested the Commission to sell the Series 2022 Bonds to the Underwriter at such a private sale, and the Underwriter has offered to purchase the Series 2022 Bonds from the Commission upon the terms and conditions set forth below and in the form of the Bond Purchase Agreement;

NOW, THEREFORE, BE IT RESOLVED by the Commission:

Section 1. The application of the City and the GUC for approval of the Series 2022 Bonds in an amount not to exceed \$30,000,000 for the purposes set forth above is hereby approved pursuant to The State and Local Government Revenue Bond Act, as amended. In approving the application, it is hereby determined and found by the Commission:

- (i) that such proposed Series 2022 Bonds are necessary and expedient;
- (ii) that the proposed amount of such proposed Series 2022 Bonds is adequate, when added to other monies available to the City and the GUC, and not excessive for the proposed purposes thereof;
- (iii) that the 2022 Project is feasible;
- (iv) that the debt management procedures and policies of the City and the GUC are good; and
- (v) that the proposed Series 2022 Bonds can be marketed as a reasonable interest cost to the City and the GUC.

Section 2. The issuance of the Series 2022 Bonds is hereby approved by the Commission. The aggregate principal amount of the Series 2022 Bonds shall not exceed \$30,000,000. The purchase price for the Series 2022 Bonds shall be approved by the Designated Assistant on the date of the sale of the Series 2022 Bonds and set forth in the Bond Purchase Agreement. The Series 2022 Bonds shall bear interest at the rates determined by the Designated Assistant on the date of the sale of the Series 2022 Bonds, provided that the true interest cost of the Series 2022 Bonds shall not exceed five and one-half percent (5.50%) per annum. No maturity of the Series 2022 Bonds shall be later than December 31, 2046.

Section 3. The financing team set forth above is hereby approved for the authorization, issuance and sale of the Series 2022 Bonds.

Section 4. The sale of the Series 2022 Bonds to the Underwriter at private sale without advertisement pursuant to an executed Bond Purchase Agreement substantially in the form furnished to the Commission is hereby approved, such sale being subject to the approval of the City and the GUC and satisfaction of the conditions set forth below. The Commission hereby determines that the sale of the Series 2022 Bonds in the manner and for the price as provided in this resolution is in the best interest of the City and the GUC, provided that such sale shall be approved by the City and the GUC.

Section 5. The Secretary of the Commission, or any Deputy Secretary designated by the Secretary, is hereby appointed the Designated Assistant of the Commission for the purpose of this resolution, and the Designated Assistant is hereby authorized and directed, within the terms and conditions of this resolution, to approve such changes to the Bond Purchase Agreement, including details of the Series 2022 Bonds, as shall be satisfactory to him or her, to approve the forms of other documents relating to the Series 2022 Bonds, to execute and deliver the Bond Purchase Agreement and such other documents on behalf of the Commission and to provide for the execution and delivery of the Series 2022 Bonds in accordance with the Bond Order and the Series Resolution relating to the issuance of the Series 2022 Bonds and the Bond Purchase Agreement.

Section 6. The Preliminary Official Statement relating to the Series 2022 Bonds, substantially in the form of the Preliminary Official Statement furnished to the Commission, with such insertions and changes therein as may be approved by the Designated Assistant, and the use thereof in connection with the public offering and sale of the Series 2022 Bonds are hereby approved and authorized. The Designated Assistant is hereby authorized and directed to execute and deliver on behalf of the Commission the final Official Statement in such form.

Section 7. This resolution shall be effective immediately upon its passage.

Auditor Wood seconded the motion, and the foregoing resolution was adopted by unanimous vote of 7 – 0 (Absent: Harvey, Butler).

Mr. Burns made a motion to adopt the following resolution:

**FINANCING TEAM FOR THE NORTH CAROLINA
CAPITAL FACILITIES FINANCE AGENCY'S REVENUE
BOND (ACES FOR AUTISM), SERIES 2022**

WHEREAS, Aces for Autism (the "Borrower") has requested that the North Carolina Capital Facilities Finance Agency (the "Agency") approve its selection of the following financing team members for the upcoming revenue bond issue:

Borrower:	Aces for Autism
Purchaser:	TowneBank

Bond Counsel: McGuireWoods LLP
Purchaser's Counsel: Womble Bond Dickinson (US) LLP
Borrower's Counsel: Colombo, Kitchen, Dunn, Ball & Porter, LLP

WHEREAS, based upon information and evidence received by the Agency, it has determined to approve the Borrower's request;

NOW, THEREFORE, the North Carolina Capital Facilities Finance Agency hereby approves the above financing team for the proposed revenue bond issuance by the Agency.

Auditor Wood seconded the motion, and the foregoing resolution was adopted by unanimous vote of 7 – 0 (Absent: Harvey, Butler).

Mr. Burns made a motion to adopt the following resolution:

**NORTH CAROLINA CAPITAL FACILITIES FINANCE
AGENCY'S REVENUE BOND (ACES FOR AUTISM),
SERIES 2022 – TRANSACTION DETAILS**

WHEREAS, the North Carolina Capital Facilities Finance Agency (the "Agency"), is a body politic and corporate and a public agency and instrumentality of the State of North Carolina and is authorized under Article 2 of Chapter 159D of the General Statutes of North Carolina, as amended (the "Act") to issue revenue bonds and to lend the proceeds thereof to any participating institution to finance or refinance the costs of a project (as those terms are defined in the Act);

WHEREAS, the Agency is authorized under the Act to issue revenue bonds that bear interest at variable rates;

WHEREAS, the Borrower is a North Carolina nonprofit corporation and a "special purpose institution" under the Act and intends to finance the costs of the Project (as defined herein);

WHEREAS, the Borrower has applied to the Agency for approval of the issuance of the Agency's not to exceed \$9,750,000 Revenue Bond (Aces for Autism), Series 2022 (the "Bond"), which will bear interest at an initial rate of 4.8% (for the first 10 years), to be reset thereafter in accordance with terms of the Agreement (hereinafter defined), for the purpose of providing funds, together with other available funds, to (a) finance a portion of the costs of the acquisition, construction and equipping of an approximately 32,000 square foot family services and clinic building located on approximately 24 acres at 654 Worthington Road in Winterville, N.C. (the "Project"), and (b) pay certain costs incurred in connection with the authorization and issuance of the Bond;

WHEREAS, the Bond will be issued pursuant to a Bond Purchase and Loan Agreement dated as of November 1, 2022 (the "Agreement"), among the Agency, the Borrower, the North Carolina Local Government Commission (the "LGC"), and TowneBank, as purchaser (the "Purchaser");

WHEREAS, as a condition for the Purchaser's purchase of the Bond, the Borrower will execute and deliver a Credit Agreement dated as of November 1, 2022 (the "Credit Agreement"), between the Borrower and the Purchaser, together with the related form of the Reimbursement Note of the Borrower attached thereto (the "Reimbursement Note"), and with respect to the parcel of property and facility making up the Project (the "Project Location"), a Deed of Trust, Assignment of Rents and Security Agreement dated as of November 1, 2022 (the "Deed of Trust"), executed by the Borrower for the benefit of the Purchaser;

WHEREAS, the Borrower has filed with the application to the Agency drafts of the following relating to the proposed financing of the Project (which draft copies could be requested for review by any member of the Agency) (all such documents being called the "Transaction Documents"):

- (1) The form of the Agreement, with the form of the Bond and the promissory note of the Borrower attached thereto;
- (2) The form of the Credit Agreement, with the form of the Reimbursement Note attached thereto; and
- (3) The form of the Deed of Trust;

WHEREAS, as provided by the Act, the Agency has determined and does hereby determine that (1) the Borrower is financially responsible and capable of fulfilling its obligations to make loan repayments and other payments under the Agreement, to operate the Project at its own expense and to discharge such other responsibilities as may be imposed under the Agreement; (2) adequate provision has been made for (a) the payment of the principal of and interest on the Bond, (b) the payment of the purchase price of the Bond required to be redeemed or tendered under the Agreement; and (c) the operation of the Project at the expense of the Borrower; (3) the public facilities, including utilities, and public services necessary for the Project Location are already in place or will be made available; (4) the Project will be operated to serve and benefit the public, and there shall be no discrimination against any person based on race, creed, color or national origin; and (5) the Project will provide rehabilitation services, education, and training for persons with disabilities and the disadvantaged;

NOW, THEREFORE, the North Carolina Capital Facilities Finance Agency hereby takes the following action:

1. Capitalized words and terms used in this Resolution and not defined herein shall have the same meanings in this Resolution as such words and terms are given in the Transaction Documents.

2. Pursuant to the authority granted to the Agency by the Act, the Agency hereby authorizes the issuance of the Bond in an aggregate principal amount not to exceed \$9,750,000. The Bond shall be issued as a fully registered bond registered in the name of the Purchaser. The Bond shall bear interest from its date at an initial rate of 4.80% for the first ten years, to be reset thereafter at a rate determined as set forth in the Transaction

Documents. The Bond shall mature not later than 2045, and shall be subject to optional and mandatory redemption at the times, upon the terms and conditions, and at the prices set forth in the Transaction Documents. The proceeds of the Bond shall be applied as set forth in the Transaction Documents.

3. The use of the proceeds of the Bond for a loan to finance and refinance the costs of the Project and for the other purposes stated above will accomplish the public purposes set forth in the Act and such use of proceeds is hereby approved.

4. The staff of the Agency is hereby authorized to execute and deliver (a) the Transaction Documents to which the Agency is a party, including the Bond, and (b) any such further documents as may be required by the Act or as they, with the advice of counsel, may deem necessary or appropriate to effect the transaction contemplated hereby. The Agency hereby approves the Transaction Documents to which the Agency is not a party.

5. The Agency hereby requests the LGC to sell the Bond to the Purchaser at a price equal to 100% of the principal amount of the Bond and pursuant to the terms set forth herein. The delivery of these minutes to the LGC shall serve as the application for approval thereof.

Upon the Agency's execution of the Bond in the form and manner set forth in the Transaction Documents, the Bond shall be delivered to the purchaser thereof against payment therefor, subject to the provisions of the Transaction Documents.

Auditor Wood seconded the motion, and the foregoing resolution was adopted by unanimous vote of 7 – 0 (Absent: Harvey, Butler).

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Mr. Burns made a motion to adopt the following resolution:

“RESOLUTION APPROVING THE FINANCING TEAM FOR THE NORTH CAROLINA MEDICAL CARE COMMISSION RETIREMENT FACILITIES FIRST MORTGAGE REVENUE BONDS (THE FOREST AT DUKE PROJECT), SERIES 2022A.

WHEREAS, the North Carolina Medical Care Commission (the “Medical Care Commission”) has requested that the North Carolina Local Government Commission (the “Commission”) approve their selection of the following financing team members for the upcoming The Forest at Duke, Inc. bond issue:

Bond Counsel:	Robinson, Bradshaw & Hinson, P.A.
Purchaser:	Truist Commercial Equity, Inc.

Purchaser Counsel:	Hawkins Delafield & Wood LLP
Borrower's Counsel:	Womble Bond Dickinson (US), LLP
Bond Trustee/Master Trustee:	U.S. Bank Trust Company, National Association
Placement Agent:	B.C. Ziegler & Company
Auditor:	CliftonLarsonAllen LLP
Swap Advisor:	B.C. Ziegler & Company (Structured Products)

WHEREAS, based upon the information and evidence received by the Commission, it is the opinion of the Commission that the request by the Medical Care Commission should be approved.

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission:

Section 1. The above financing team is hereby approved for the North Carolina Medical Care Commission's proposed Retirement Facilities First Mortgage Revenue Bonds (The Forest at Duke Project), Series 2022A."

Auditor Wood seconded the motion, and the foregoing resolution was adopted by unanimous vote of 7 – 0 (Absent: Harvey, Butler).

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Mr. Burns made a motion to adopt the following resolution:

“RESOLUTION APPROVING U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, AS SUCCESSOR MASTER TRUSTEE UNDER THE MASTER TRUST INDENTURE, DATED AS OF AUGUST 1, 2017, BETWEEN THE FOREST AT DUKE, INC. AND U.S. BANK NATIONAL ASSOCIATION

WHEREAS, The Forest at Duke, Inc. (the “Corporation”) has previously entered into a Master Trust Indenture, dated as of August 1, 2017 (as amended and supplemented from time to time, the “Master Indenture”), between the Corporation and U.S. Bank National Association (“USB”), as master trustee; and

WHEREAS, USB has notified the Corporation that USB has transferred (by contribution) substantially all its corporate trust business to U.S. Bank Trust Company, National Association (the “Trust Company”), USB’s direct wholly owned subsidiary, and desires to transfer its administration of the Master Indenture from USB to the Trust Company, such that

the Trust Company will be the successor in interest to USB as master trustee under the Master Indenture (the “Master Trustee”); and

WHEREAS, Section 5.04 of the Master Indenture requires the appointment of any successor Master Trustee to be approved in writing by the Secretary of the Local Government Commission (the “Commission”), and the Corporation requests such approval for the succession of the Trust Company to USB as Master Trustee (the “Trustee Succession”);

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission:

Section 1. The Commission hereby approves the Trustee Succession and authorizes the Secretary of the Commission to execute and deliver any documents necessary to evidence such approval of the Trustee Succession on behalf of the Commission.”

Auditor Wood seconded the motion, and the foregoing resolution was adopted by unanimous vote of 7 – 0 (Absent: Harvey, Butler).

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Mr. Burns made a motion to adopt the following resolution:

“RESOLUTION APPROVING THE ISSUANCE AND SALE OF THE NORTH CAROLINA MEDICAL CARE COMMISSION RETIREMENT FACILITIES FIRST MORTGAGE REVENUE BONDS (THE FOREST AT DUKE PROJECT), SERIES 2022A, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$105,127,000

WHEREAS, the North Carolina Medical Care Commission (the “Medical Care Commission”), pursuant to the provisions of the Health Care Facilities Finance Act, the same being Chapter 131A of the General Statutes of North Carolina, as amended, proposes to authorize the issuance of its Retirement Facilities First Mortgage Revenue Bonds (The Forest at Duke Project), Series 2022A (the “Bonds”), to be issued pursuant to a trust agreement, to be dated as of November 1, 2022 or any date thereafter (the “Trust Agreement”), by and between the Medical Care Commission and U.S. Bank Trust Company, National Association, as bond trustee, in an aggregate principal amount not to exceed \$105,127,000 for the purpose of providing funds to The Forest at Duke, Inc. (the “Corporation”) to be used to (1) pay all or a portion of the costs of acquiring, constructing and equipping an expansion of and renovation to the Corporation’s existing continuing care retirement community located at 2701 Pickett

Road in Durham, North Carolina, known as The Forest at Duke, including but not limited to constructing and equipping approximately 71 new independent living apartments, expanding the community center, constructing additional parking and dining facilities and other related improvements (the “Project”); (2) pay a portion of the interest accruing on the Bonds; and (3) pay certain expenses incurred in connection with the authorization and issuance of the Bonds by the Medical Care Commission; and

WHEREAS, the Bonds will be issued in two subseries with the first subseries to be long-term bonds to be held by Truist Commercial Equity, Inc. (the “Purchaser”) for an initial holding period of approximately 15 years (the “2022A-1 Bonds”) and the second subseries to be held by the Purchaser until maturity and to be redeemed upon the receipt of entrance fees from the initial residents of the Project (the “2022A-2 Bonds”); and

WHEREAS, there has been submitted at this meeting a form of Contract of Purchase, to be dated on or about November 16, 2022 (the “Purchase Agreement”), between the Local Government Commission of North Carolina (the “Commission”) and the Purchaser and approved by the Medical Care Commission and the Corporation, pursuant to which the Purchaser will purchase the Bonds; and

WHEREAS, in addition to the Purchase Agreement and the Trust Agreement, there has been furnished to the Commission copies of the following documents:

(a) a Loan Agreement, dated as of November 1, 2022 (the “Loan Agreement”), between the Medical Care Commission and the Corporation;

(b) a Supplemental Indenture for Obligation No. 5, dated as of November 1, 2022 (“Supplement No. 5”), between the Corporation and U.S. Bank Trust Company, National Association, as master trustee (in such capacity, the “Master Trustee”) under the Master Trust Indenture, dated as of August 1, 2017 (as amended and supplemented, the “Master Indenture”), between the Corporation and U.S. Bank National Association, succeeded by the Master Trustee;

(c) Obligation No. 5, to be dated the date of delivery of the Bonds (“Obligation No. 5”), from the Corporation to the Medical Care Commission;

(d) a Supplemental Indenture for Obligation No. 6, dated as of November 1, 2022 (“Supplement No. 6” and together with Supplement No. 5, the “Supplemental Indentures”), between the Corporation and the Master Trustee;

(e) Obligation No. 6, to be dated the date of delivery of the Bonds (“Obligation No. 6” and together with Obligation No. 5, the “Obligations”), from the Corporation to the Purchaser;

(f) a Second Amendment to Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated as of November 1, 2022, between the Corporation and the Master Trustee, which amends the Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of August 1, 2017, as previously amended by the First Amendment thereto, from the Corporation to the deed of trust trustee named therein for the benefit of the Master Trustee; and

(g) a Continuing Covenants Agreement, dated as of November 1, 2022 (the “Covenant Agreement”), between the Corporation and the Purchaser,

all as part of the application from the Medical Care Commission to the Commission requesting approval of the proposed issuance; and

WHEREAS, the Commission has found and determined based upon the information and evidence it has received, that the proposed financing will effectuate the purposes of Chapter 131A of the General Statutes of North Carolina as amended;

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission:

Section 1. The issuance of the Bonds by the Medical Care Commission as provided in the Trust Agreement is hereby approved.

Section 2. The Bonds are hereby awarded to the Purchaser pursuant to the provisions of Section 131A-11 of the General Statutes of North Carolina, as amended, and in accordance with the Purchase Agreement, subject to the approval of the Medical Care Commission and the Corporation. The Commission hereby determines that such award and sale of the Bonds at 100% of the principal amount thereof and a principal amount not to exceed \$105,127,000 are in the best interests of the Medical Care Commission and the Corporation. The Bonds shall bear interest at an initial interest rate not to exceed 6.0% per annum and thereafter at rates determined in accordance with the Trust Agreement. The 2022A-1 Bonds shall have a final maturity not later than September 1, 2052, and the 2022A-2 Bonds shall have a final maturity not later than September 1, 2027.

Section 3. The Bonds shall be issued in accordance with and pursuant to the terms and conditions of the Trust Agreement and the Purchase Agreement. Subject to the limitations in Section 2 of this resolution, the Purchase Agreement is hereby approved, and the Secretary or any Deputy Secretary of the Commission is hereby appointed the Designated Assistant of the Commission for the purpose of this resolution, and the Designated Assistant is hereby authorized and directed, within the terms and conditions of this resolution, to approve such changes to the Purchase Agreement, including details of the Bonds, as shall be satisfactory to him or her, to approve the forms of other documents relating to the Bonds, and to execute and deliver the Purchase Agreement and such other documents on behalf of the Commission.

Section 4. This resolution shall take effect immediately upon its passage.”

Auditor Wood seconded the motion, and the foregoing resolution was adopted by unanimous vote of 7 – 0 (Absent: Harvey, Butler).

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Mr. Burns made a motion to adopt the following resolution:

RESOLUTION APPROVING HOUSING AUTHORITY OF THE CITY OF RALEIGH, NORTH CAROLINA MULTIFAMILY HOUSING REVENUE NOTE (MILNER COMMONS), SERIES 2022 IN AN AMOUNT UP TO \$27,000,000 (THE "MULTIFAMILY NOTE") AND THE FINANCING TEAM THEREFOR

WHEREAS, the Housing Authority of the City of Raleigh, North Carolina (the “Authority”) has decided to issue its \$27,000,000 Multifamily Housing Revenue Note (Milner Commons), Series 2022 (the “Multifamily Note”) to finance the acquisition, construction and equipping by Milner Senior Housing Partners, LLC, a North Carolina limited liability company (the “Borrower”), of a low income multifamily residential rental facility to be known as Milner Commons, consisting of 156 units, in the City of Raleigh, Wake County, North Carolina (the “Development”); and

WHEREAS, in order to finance the Development, the Authority proposes to issue the Multifamily Note in an aggregate principal amount not to exceed \$27,000,000, pursuant to the Housing Authorities Law, Article 1 of Chapter 157 of the North Carolina General Statutes, as amended (the “Act”); and

WHEREAS, the Multifamily Note has to be approved by the North Carolina Local Government Commission (the “Commission”), for which approval the Commission may consider the criteria set forth in North Carolina General Statutes Section 159-153, and the Authority has applied to the Commission for such approval; and

WHEREAS, based upon the information and evidence received in connection with such application, including resolutions adopted by the Board of Commissioners of the Authority on October 27, 2022, it is hereby determined and found by the Commission:

- (a) that such proposed note issue is necessary or expedient;
- (b) that the proposed amount of such note issue is adequate and not excessive for the proposed purposes thereof;
- (c) that the Borrower has demonstrated that it is financially responsible and capable of fulfilling its obligations with respect to the Multifamily Note and the Development;
- (d) that the Authority's debt management procedures and policies are good and that it is not in material default with respect to any of its debt service obligations; and
- (e) the proposed date and manner of sale of the Multifamily Note will not have an adverse effect upon any scheduled or anticipated sale of any obligations by the State of North Carolina or any political subdivision thereof or any agency of either of them; and

WHEREAS, the Authority has requested that the Commission approve its selection of the following financing team members for the upcoming issuance of the Multifamily Note:

Bond Counsel:	McGuireWoods LLP
Authority's Counsel:	The Francis Law Firm, PLLC
Borrower:	Milner Senior Housing Partners, LLC
Borrower's Counsel:	Blanco Tackabery & Matamoros, P.A.
Bank:	Pacific Western Bank
Bank's Counsel:	Kutak Rock, LLP
Tax Credit Investor:	Wincopin Circle, LLLP
Tax Credit Investor's Counsel:	Gallagher, Evelius & Jones LLP

WHEREAS, based upon the information and evidence received by the Commission, it is the opinion of the Commission that the request by the Authority be approved; and

WHEREAS, it is expected that the Multifamily Note will be privately placed with Pacific Western Bank (the "Bank"); and

WHEREAS, there have been presented to the Commission forms of the following documents (the "Documents") to be used in connection with the issuance of the Multifamily Note:

- (a) Loan Agreement, between the Authority and the Bank, providing for the issuance of the Multifamily Note, together with the form of the Multifamily Note;
- (b) Loan Agreement, between the Authority and the Borrower, providing for the financing of the Development by the Authority;
- (c) Promissory Note given by the Borrower to the Authority; and
- (c) Regulatory Agreement and Declaration of Restrictive Covenants, from the Borrower for the benefit of the Authority.

NOW, THEREFORE, BE IT RESOLVED by the North Carolina Local Government Commission:

Section 1. The sale of the Multifamily Note pursuant to the Documents in substantially the forms furnished to the Commission is hereby approved, such sale being subject to the satisfaction of the conditions set forth in the Documents and herein.

Section 2. It is hereby determined, with the approval of the Authority and the Borrower that the Multifamily Note shall be issued in an aggregate principal amount not to exceed \$27,000,000, shall initially bear interest at a fixed rate, such rate not to exceed 12.0% per annum, and shall have a final maturity not later than December 31, 2044.

Section 3. The Secretary of the Commission, or any Deputy Secretary, is hereby appointed the designated representative of the Commission for the purposes of this resolution and such designated representative is hereby authorized and directed, within the terms and conditions of this resolution, to approve such changes to the Documents, including details of the Multifamily Note, as shall be satisfactory to him or her, and to approve the forms of other documents relating to the Multifamily Note.

Section 4. The financing team set forth above is hereby approved.

Section 5. This resolution shall be effective immediately upon its passage.

Auditor Wood seconded the motion, and the foregoing resolution was adopted by unanimous vote of 7 – 0 (Absent: Harvey, Butler).

Miscellaneous Action Item

Mr. Burns made a motion to approve the following amendments for Greensboro Housing Authority- Proximity Printworks:

The financing was approved by the LGC on or about August 1, 2018. This deal was structured as a private placement with Citibank. Citibank is requesting to amend the Funding Loan Agreement (FLA) in order to facilitate a future securitization of this loan. Citibank is requesting that the LGC amend the FLA to allow for transfers to (i) a governmental entity or (ii) a trust or custodial arrangement established by a governmental entity, as long as any beneficial interest that are issued and secured by the loans are either (a) rated BBB or higher (investment grade) or (b) purchased by a qualified institutional buyer (QIB).

Auditor Wood seconded the motion, and the foregoing amendments were approved by unanimous vote of 7 – 0 (Absent: Harvey, Butler).

END OF CONSENT AGENDA

* * * * *

Secretary Marshall made a motion to adopt the following two (2) items:

See **EXHIBIT 1:** Town of Pikeville Budget Amendment # 2 for FY ending June 30, 2023.

See **EXHIBIT 2:** Resolution To Appoint A Finance Officer For The Town Of Pikeville

Mr. Burns seconded the motion, and the foregoing were adopted by unanimous vote of 7 – 0 (Absent: Harvey, Butler).

* * * * *

Statement on Winnabow Community Application

The community of Winnabow in Brunswick County is seeking municipal incorporation and requested a statement from the LGC for inclusion in its petition as required pursuant to G.S. 120-163(c). The LGC Staff presented a summary of the information supplied by the Winnabow Community and a proposed statement. After discussion, Ms. Hoffmann made a motion to adopt the following statement:

Pursuant to N.C.G.S. 120-163(c) and based on the information provided by the community of Winnabow, the Commission finds that the community has not sufficiently proven that it will employ effective fiscal management practices, and based on the information presented, cannot find that the community’s prospects for financial viability are sound.

Mr. Burns seconded the motion, and the foregoing statement was adopted by unanimous vote of 7 – 0 (Absent: Harvey, Butler).

* * * * *

Safe Harbor Policy

Secretary Marshall made a motion to adopt the following resolution:

See EXHIBIT 3: Resolution Adopting Safe Harbor Policy Related To Reasonableness Of Estimated Interest Assumptions

Ms. Hoffmann seconded the motion, and the foregoing resolution was adopted by unanimous vote of 7 – 0 (Absent: Harvey, Butler).

* * * * *

Auditor Wood made a motion to adjourn. Mr. Burns seconded the motion which passed by unanimous vote. The meeting adjourned at 2:55 p.m.

The next regularly scheduled meeting of the North Carolina Local Government Commission will be held on December 6, 2022 at 1:30 p.m.

* * * * *

I, Sharon Edmundson, Secretary of the North Carolina Local Government Commission, CERTIFY that the foregoing is a true and correct account of actions taken at a meeting of the North Carolina Local Government Commission duly called and held on November 1, 2022.

WITNESS my hand at Cullowhee, NC, this 1st day of November 2022.

A handwritten signature in black ink that reads "Sharon Edmundson". The signature is written in a cursive style and is positioned above a horizontal line.

Sharon Edmundson, Secretary of the
Local Government Commission of North Carolina

NORTH CAROLINA
DEPARTMENT OF STATE TREASURER



Dale R. Folwell, CPA
STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA

LOCAL GOVERNMENT COMMISSION
STATE AND LOCAL GOVERNMENT FINANCE DIVISION
SHARON EDMUNDSON, DEPUTY TREASURER

**Town of Pikeville
BUDGET AMENDMENT #2
FISCAL YEAR ENDING June 30, 2023
PRESENTED FOR ADOPTION ON NOVEMBER 1, 2022**

BE IT ORDAINED BY THE by the North Carolina Local Government Commission acting in place of the Town Council of Pikeville, North Carolina pursuant to General Statute 159-181(c), that the following amendment to the budget ordinance for the fiscal year ending June 30, 2023, is hereby adopted as stated:

Section 1. To amend the General Fund, an increase in Grant Revenues to account for revenues from State Grant 12061, as follows:

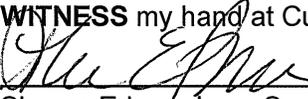
<u>Account</u>	<u>Increase</u>
Grant Revenues	<u>\$ 100,000</u>
Total	<u>\$ 100,000</u>

Section 2. To amend the General Fund to account for the equipment expenditures using State Grant 12061 as follows.:

<u>Account</u>	<u>Increase</u>
Police –	\$ 21,810
Maintenance/Equipment	
Police Vehicle Purchase	50,000
Streets –	
Maintenance/Equipment	<u>28,190</u>
Total	<u>\$ 100,000</u>

I, Sharon Edmundson, Secretary of the North Carolina Local Government Commission, **CERTIFY** that the foregoing is a true and correct copy of the budget ordinance amendment adopted at a meeting of the North Carolina Local Government Commission duly called and held November 1, 2022

WITNESS my hand at Cullowhee, this 1st day of November 2022,



Sharon Edmundson, Secretary
North Carolina Local Government Commission



NORTH CAROLINA
DEPARTMENT OF STATE TREASURER

STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA

Handwritten signature of Dale R. Folwell, CPA.

STATE AND LOCAL GOVERNMENT FINANCE DIVISION
AND THE LOCAL GOVERNMENT COMMISSION

SHARON EDMUNDSON
DEPUTY TREASURER

**RESOLUTION TO APPOINT A FINANCE OFFICER
FOR THE TOWN OF PIKEVILLE**

WHEREAS, the Local Government Commission (the Commission) impounded the books and assumed full control of all financial affairs of the Town of Pikeville (the "Town") pursuant to Section 159-181(c) of the North Carolina General Statutes (N.C.G.S.) and, acting pursuant to N.C.G.S. 159-24, the Commission desires to appoint and/or designate a finance officer for the Town; and

WHEREAS, the Commission desires to discharge Eric Faust from his duties as Finance Officer and appoint him as Deputy Finance Officer, and appoint a Finance Officer and Deputy Finance Officer for the Town;

NOW THEREFORE, the Commission

- 1) appoints Wendy Holland as Finance Officer; and
- 2) appoints Eric Faust as Deputy Finance Officer; and
- 3) retains Eric Faust and Susan McCullen as Account Signatories with the authority to execute signature cards for the existing Town bank accounts and countersign disbursements; and
- 4) retains Michael Milam as Deputy Finance Officer and as Account Signatory with the authority to execute signature cards for the existing Town bank accounts and countersign disbursements; and
- 5) appoints Kathie Fields as Deputy Finance Officer and Account Signatory with the authority to execute signature cards for the existing Town bank accounts and countersign disbursements; and
- 6) retains the designation of Southern Bank as the Town's official depository.

Resolution Appointing Finance Officer
Town of Pikeville
November 1, 2022

I, Sharon G. Edmundson, Secretary of the North Carolina Local Government Commission, DO HEREBY CERTIFY that the foregoing is a true and correct copy of the resolution adopted by the North Carolina Local Government Commission at its meeting held on November 1, 2022.

WITNESS my hand this 1st day of November 2022.

A handwritten signature in cursive script, appearing to read "Sharon G. Edmundson", is written over a horizontal line.

Sharon G. Edmundson, Secretary
North Carolina Local Government Commission



A handwritten signature in blue ink that reads "Dale R. Folwell, CPA".

**RESOLUTION ADOPTING SAFE HARBOR POLICY RELATED TO
REASONABLENESS OF ESTIMATED INTEREST ASSUMPTIONS**

WHEREAS, the North Carolina General Assembly enacted Session Law [2022-53](#), entitled in part “AN ACT TO INCREASE THE TRANSPARENCY OF BOND REFERENDA...” (the “Act”); and

WHEREAS, Section 2.(c) of the Act amended Part 2 (Procedure for Issuing Bonds) of Article 4 (the Local Government Bond Act) of Chapter 159 of the General Statutes to add a new section §159-55.1 which requires a finance officer to file a statement of disclosures necessary for bond authorization; and

WHEREAS, pursuant to G.S. §159-55.1(a)(1), the statement of disclosure must include “an estimate of the total amount of interest that will be paid on the bonds over the expected term of the bonds, if issued, and a summary of the assumptions upon which the estimate is based...”; and

WHEREAS, Section 1 of the Act amended G.S. §159-52(b) by adding a finding for Commission approval of an application for general obligation bonds issuance: “That the assumptions used by the finance officer of the unit in preparing the statement of interest filed with the clerk pursuant to G.S. 159-55.1(a) are reasonable”; and

WHEREAS, the Commission wishes to adopt a safe harbor policy related to this finding to provide a definition of “reasonable assumptions”;

NOW THEREFORE, BE IT RESOLVED by the Commission, that:

1) The Commission will find the assumptions used in the estimate of total interest included in the statement of disclosures necessary for bond authorization required by G.S. §159-55.1(a)(1) to be reasonable if the estimate is based on the following assumptions:

(a) principal on the bonds to be authorized will be paid in 20 annual equal principal installments measured from the date of issue of each separate series of bonds; and

(b) the interest rate on the bonds will be equal to a Bond Buyer 20 Index (BB20) rate published within 25 days prior to the introduction of the bond order plus 200 basis points (2%) or higher.

EXHIBIT 3: PAGE 2 OF 2

RESOLUTION ADOPTING SAFE HARBOR RELATED TO ESTIMATED INTEREST ASSUMPTIONS

November 1, 2022

Page 2

2) A finance officer may use alternate assumptions to estimate the total amount of interest to be paid on the bonds over the expected term of the bonds; these alternate assumptions will be considered by the Commission at the same time it considers the application for approval of the bond issue and makes its findings required pursuant to N.C.G.S. 159-52 (b).

WITNESS my hand this 1st day of November 2022.



Sharon G. Edmundson, Secretary

North Carolina Local Government Commission