

**NORTH CAROLINA CAPITAL FACILITIES FINANCE AGENCY**

**MEETING MINUTES**

**August 5, 2025**

The meeting was called to order by Chair Bradford B. Briner at 12:30 p.m. on the above date. The meeting was conducted in person and by use of simultaneous communication by GoToWebinar™. Members present in person: Chair Briner, State Auditor Dave Boliek, and Benny Bowers. Members present virtually: DeAlva Arnold, Marcus Bowen, and Joseph McLaughlin.

Members Absent: None. (One vacant seat)

Other participants present in person: Carolyn Heden, Laura Rowe, Jennifer Wimmer, and Cindy Aiken.

A quorum was present for the entire meeting.

Chair Briner asked those present if they had any actual or potential conflict of interest regarding the matters on the agenda. There were no conflicts to report.

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Mr. McLaughlin made a motion to adopt the following Resolution:

**See EXHIBIT 1:** *“Resolution Appointing the Secretary-Treasurer and Deputy Secretary-Treasurer of the Agency”.*

Auditor Boliek seconded the motion and the Resolution was adopted by unanimous vote of 6 – 0.

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Mr. Bowers made a motion that the minutes of the March 4, 2025 meeting be approved. Ms. Arnold seconded the motion, and the minutes were approved by unanimous vote of 6 – 0.

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**THE MONTESSORI SCHOOL OF RALEIGH, INC.**

Mr. Bowen made a motion to approve the agenda item attached hereto as EXHIBIT 3, including Agency staff analysis, concerning The Montessori School of Raleigh, Inc., which agenda item summarizes the transaction described below. The members discussed the hedging arrangements for the transaction. Approval of the agenda item constitutes approval by the Board of Directors of the transaction set forth below.

**RESOLUTION APPROVING THE FINANCING TEAM  
FOR THE NORTH CAROLINA CAPITAL FACILITIES  
FINANCE AGENCY'S REVENUE REFUNDING BOND  
(THE MONTESSORI SCHOOL OF RALEIGH, INC.),  
SERIES 2025**

WHEREAS, The Montessori School of Raleigh, Inc. (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 refunding bond issue:

Borrower:	The Montessori School of Raleigh, Inc.
Purchaser:	Pinnacle Bank
Bond Counsel:	Parker Poe Adams & Bernstein LLP
Purchaser's Counsel:	Smith, Anderson, Blount, Dorsett, Mitchell & Jernigan, LLP
Borrower's Counsel:	Parker Poe Adams & Bernstein LLP
Swap Advisor:	DerivGroup

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.

**RESOLUTION APPROVING AND AUTHORIZING THE  
ISSUANCE OF NOT TO EXCEED \$5,000,000 NORTH  
CAROLINA CAPITAL FACILITIES FINANCE AGENCY'S  
REVENUE REFUNDING BOND (THE MONTESSORI  
SCHOOL OF RALEIGH, INC.), SERIES 2025 AND  
TRANSACTION DETAILS RELATED THERETO**

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 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 Borrower is a North Carolina nonprofit corporation and a "participating institution" under the Act and owns and operates a private school in Raleigh, North Carolina and in Durham, North Carolina;

WHEREAS, the Borrower has applied to the Agency for approval of the issuance of the Agency's Revenue Refunding Bond (The Montessori School of Raleigh, Inc.), Series 2025 (the "Bond") in a principal amount not to exceed \$5,000,000, for the purpose of providing funds, together with other available funds, to:

(i) refund in advance of their maturity the outstanding principal amount of the Public Finance Authority's Educational Facilities Revenue Bonds (The Montessori School of

Raleigh, Inc.), Series 2015A and 2015B (the "2015 Bonds"), originally issued in the aggregate principal amount of \$4,000,000 and \$2,500,000, respectively, the proceeds of which were used to (1) refund in advance of their maturity all of the outstanding principal amount of the North Carolina Capital Facilities Agency's Tax-Exempt Adjustable Mode Educational Facilities Revenue Bonds (Montessori School of Raleigh Project), Series 2003, originally issued in the aggregate principal amount of \$3,000,000 (the "2003 Bonds"), the proceeds of which were loaned to the Borrower to provide funds to (a) refinance certain existing indebtedness, the proceeds of which were used to acquire, construct and equip certain capital improvements to the campuses of the Borrower at 7005 Lead Mine Road, Raleigh, North Carolina (the "Raleigh Campus") and 408 Andrews Chapel Road, Durham, North Carolina (the "Durham Campus" and, with the Raleigh Campus, the "Campuses") and (b) pay the costs of acquiring, constructing and equipping additional capital improvements to the Campuses (collectively, the "2003 Project"); and (2) finance the costs of the acquisition, construction, equipping and furnishing of various improvements to the Campuses, including, without limitation, (a) a new approximately 17,000 square foot gymnasium and administrative building at the Raleigh Campus; (b) renovation and repurposing of certain existing buildings on the Raleigh Campus; and (c) phase I of a new high school (such phase being an approximately 6,750 square foot building on the Durham Campus (the "2015 Project" together with the 2003 Project, the "Project"); and

(ii) pay certain costs incurred in connection with the issuance of the Bond;

WHEREAS, the Bond will be issued pursuant to a Bond Purchase and Loan Agreement (the "Agreement"), among the Agency, the Borrower, the North Carolina Local Government Commission (the "LGC") and Pinnacle Bank, as purchaser (the "Purchaser");

WHEREAS, the Purchaser has proposed to purchase the Bond for its own account, with the Bond bearing interest at a variable rate of interest for the ten-year period beginning upon the date of issuance, subject to further adjustment under certain circumstances, all as more fully described in the Agreement, and thereafter bearing interest to maturity as provided in the Agreement;

WHEREAS, as a condition for the Purchaser's purchase of the Bond, the Borrower will execute and deliver a Credit Agreement (the "Credit Agreement"), between the Borrower and the Purchaser, and with respect to both the site of the Durham Campus and the Raleigh Campus, Deeds of Trust, Security Agreement and Assignment of Rents and Leases (the "Deeds of Trust"), from 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 refinancing (which draft copies could be requested for review by any member of the Agency) (all such documents being called the "Transaction Documents"):

- (a) the form of the Agreement with the form of the Bond and the promissory note of the Borrower attached thereto;
- (b) the form of the Credit Agreement;

(c) the forms of the Deeds of Trust, to be recorded in Durham and Wake counties, respectively; and

WHEREAS, the Agency has approved an agenda item relating to the transaction discussed herein (the "Agenda Item"); and

WHEREAS, as provided by the Act, and as set forth in the Agenda Item, the Agency has determined and does hereby determine that (a) the Borrower is financially responsible and capable of fulfilling its obligations to make loan repayments and other payments under the Agreement, to operate, repair and maintain the Project at its own expense and to discharge such other responsibilities as may be imposed under the Agreement; (b) adequate provision has been made for (1) the payment of the principal of and interest on the Bond, (2) the payment of the purchase price of the Bond required to be redeemed or tendered under the Agreement and (3) the operation, repair and maintenance of the Project at the expense of the Borrower; (c) the public facilities, including utilities, and public services necessary for the Project are already in place or will be made available; and (d) 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;

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 \$5,000,000, a maturity not later than 2040 and an interest rate not greater than 12%. Subject to the limitations set forth in this Section, the Bond shall bear interest at a variable rate for the ten-year period beginning upon the date of issuance, subject to further adjustment under certain circumstances, all as more fully described in the Agreement, and thereafter bear interest to maturity at a new interest rate. The Bond shall be issued as a fully registered bond in the authorized denomination and initially registered in the name of the Purchaser, as set forth in the Agreement. Payments of principal and interest on the Bond shall be payable at the times and in the manner set forth in the Agreement. The Bond shall be subject to optional and mandatory redemption at the times, upon the terms and conditions and at the prices set forth in the Agreement. The proceeds of the Bond shall be applied as set forth in the Transaction Documents.

3. The Agenda Item documents that the use of the proceeds of the Bond for a loan to refinance the costs of the Project and for the other purposes stated above will accomplish the public purposes set forth in the Act and hereby approves such use of proceeds.

4. The approval of the Agenda Item is evidence of consent by the Agency for the execution and delivery by the staff of (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 by the Agenda Item. The approval of the Agenda Item is also

evidence of approval by the Agency of 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 shown in the Agenda Item at a price equal to 100% of the principal amount of the Bond not to exceed \$5,000,000 and at a variable rate of interest and with a final maturity of not to exceed 2040, as set forth in the Agenda Item. The delivery of these minutes to the LGC shall serve as the application for approval thereof.

6. 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.

7. Derivative products (both fixed and variable) and related documentation as may be approved by the Secretary-Treasurer or any Deputy Secretary-Treasurer may be executed by the Agency in conjunction with the delivery of the Bond.

8. The Chairman, Vice Chairman, Secretary-Treasurer or any Deputy Secretary-Treasurer of the Agency or any other authorized person designated by the Agency is hereby authorized and directed to execute and deliver such closing documents, certifications and other proofs, and to take such other actions, as they, with the advice of counsel, may deem necessary and appropriate to carry out the issuance of the Bond by the Agency and purchase thereof by the Purchase to which the Bond is sold by the LGC.

9. The Agency hereby recommends that the Governor of the State of North Carolina approve the issuance of the Bond pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended, and hereby requests such approval.

Mr. Bowers seconded the motion to approve the Agenda Item concerning The Montessori School of Raleigh, Inc., and the Agenda Item, which constitutes approval of the transaction described therein, was approved by unanimous vote. Bond Counsel Rebecca Joyner of Parker Poe attended in person and answered members' questions. Justin Pike, Chief Financial and Operations Officer of Montessori School, attended virtually.

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#### **PINE LAKE PREPARATORY, INC.**

Mr. McLaughlin made a motion to approve the agenda item attached hereto as EXHIBIT 4, including Agency staff analysis, concerning Pine Lake Preparatory, Inc., which agenda item summarizes the transaction described below. The members discussed the hedging arrangements for the transaction. Approval of the agenda item constitutes approval by the Board of Directors of the transaction set forth below.

**FINANCING TEAM FOR THE NORTH  
CAROLINA CAPITAL FACILITIES FINANCE  
AGENCY'S REFUNDING AND REVENUE BOND  
(PINE LAKE PREPARATORY, INC.), SERIES 2025**

WHEREAS, Pine Lake Preparatory, Inc. (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:	Pine Lake Preparatory, Inc.
Purchaser:	Pinnacle Bank, a Tennessee bank
Bond Counsel:	McGuireWoods LLP
Purchaser's Counsel:	Maynard Nexsen PC
Borrower's Counsel:	Chapman & Cutler LLP
Swap Advisor:	First Tryon Advisors

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.

**NORTH CAROLINA CAPITAL FACILITIES FINANCE  
AGENCY'S REFUNDING AND REVENUE BOND (PINE  
LAKE PREPARATORY, INC.), SERIES 2025 –  
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 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 Borrower is a North Carolina nonprofit corporation and a "participating institution" under the Act and owns and operates a public charter school in Mooresville, North Carolina;

WHEREAS, the Borrower has applied to the Agency for approval of the issuance of the Agency's Refunding and Revenue Bond (Pine Lake Preparatory, Inc.), Series 2025 (the "Bond") in a principal amount not to exceed \$37,000,000, for the purpose of providing funds, together with other available funds, to:

(a) refund the outstanding principal amount of the Public Finance Authority Education Revenue Bonds (Pine Lake Preparatory), Series 2015 (the "Series 2015 Bonds"), the proceeds of which were used to (1) finance or refinance the acquisition, construction, improvement and/or equipping of certain charter school educational facilities for the Borrower known as "Pine Lake Preparatory" located at 1639 Mecklenburg Hwy., Mooresville, North Carolina 28115 (the "Main Campus"), including four classroom buildings, one athletic and community center building and one administrative building, (2) finance the acquisition, construction, improvement and/or equipping of additional charter school educational facilities for the Borrower at the Main Campus, (3) finance the acquisition of land and the acquisition, construction, improvement and/or equipping of athletic and related facilities for the

Borrower on such land, consisting of 56.157 acres located at 203 Lions Den Trail, Mooresville, North Carolina 28117 (the "Athletic Facility") and (4) pay for costs incurred in connection with the authorization and issuance of the Series 2015 Bonds (items (1), (2) and (3) are referred to herein as the "Refinanced Projects");

(b) finance certain capital improvements at the Main Campus and the Athletic Facility, including, but not limited to, the acquisition, construction, improvement and equipping of (i) an approximately 16,000 square foot academic building with administrative offices and twelve classrooms and (ii) athletic facilities, including a new field house and track (the "New Money Project" and, together with the Refinanced Projects, the "Project"); and

(c) pay certain costs incurred in connection with the authorization and issuance of the Bond (collectively, the "Plan of Finance").

WHEREAS, the Bond will be issued pursuant to a Bond Purchase and Loan Agreement (the "Agreement"), among the Agency, the Borrower, the North Carolina Local Government Commission (the "LGC") and Pinnacle Bank, a Tennessee bank, as purchaser (the "Purchaser");

WHEREAS, as a condition for the Purchaser's purchase of the Bond, the Borrower will execute and deliver a Continuing Covenants Agreement (the "CCA"), between the Borrower and the Purchaser, together with the related form of the Reimbursement Note of the Borrower (the "Reimbursement Note"), and with respect to each parcel of real property, and the improvements thereon, making up the Main Campus and the Athletic Field, a Deed of Trust, Security Agreement and Assignment of Rents and Leases (the "Deed of Trust"), from 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 Plan of Finance (which draft copies could be requested for review by any member of the Agency) (all such documents being called the "Transaction Documents"):

(a) the form of the Agreement with the form of the Bond and the promissory note of the Borrower attached thereto;

(b) the form of the CCA, with the form of the Reimbursement Note attached thereto; and

(c) the form of the Deed of Trust, to be recorded in the county where the Main Campus and the Athletic Field are located;

WHEREAS, the Agency has approved an agenda item relating to the transaction discussed herein (the "Agenda Item"); and

WHEREAS, as provided by the Act, and as set forth in the Agenda Item, the Agency has determined and does hereby determine that (a) the Borrower is financially responsible and capable of fulfilling its obligations to make loan repayments and other payments under the Agreement, to operate, repair and maintain the Project at its own expense and to

discharge such other responsibilities as may be imposed under the Agreement; (b) adequate provision has been made for (1) the payment of the principal of and interest on the Bond, (2) the payment of the purchase price of the Bond required to be redeemed or tendered under the Agreement and (3) the operation, repair and maintenance of the Project at the expense of the Borrower; (c) the public facilities, including utilities, and public services necessary for the Project are already in place or will be made available; and (d) 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;

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. The Bond, in an aggregate principal amount not to exceed \$37,000,000, shall mature in such amount and at such time and shall bear interest at such rates as shall be initially determined by the LGC and approved by the Secretary-Treasurer or the Deputy Secretary-Treasurer of the Agency in accordance with the provisions of the Transaction Documents. 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 the rate per annum calculated as set forth in the Bond. The Bond 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, and the proceeds of the Bond shall be applied as set forth in the Transaction Documents.
3. The Agenda Item documents that 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 hereby approves such use of proceeds.
4. The approval of the Agenda Item is evidence of consent by the Agency for the execution and delivery by the staff of (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 by the Agenda Item. The approval of the Agenda Item is also evidence of approval by the Agency of 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 shown in the Agenda Item at a price equal to 100% of the principal amount of the Bond and an interest rate not to exceed the interest rate parameters set forth in the Agenda Item. The delivery of these minutes to the LGC shall serve as the application for approval thereof.



6. 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.
7. Derivative products (both fixed and variable) and related documentation as may be approved by the Secretary-Treasurer or any Deputy Secretary-Treasurer may be executed by the Agency in conjunction with the delivery of the Bond.

Mr. Bowers seconded the motion to approve the Agenda Item concerning Pine Lake Preparatory, Inc., and the Agenda Item, which constitutes approval of the transaction described therein, was approved by unanimous vote. Andrew Mocerri, Executive Director, and Sherri Fletcher, Director of Finance, attended virtually for Pine Lake Preparatory and answered members' questions. Bond Counsel Connor Crews of McGuire Woods attended in person.

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Ms. Arnold left the meeting at 12:59 p.m.

Mr. McLaughlin made a motion to adopt the following Resolution:

**See EXHIBIT 2:** *“Resolution Accepting Staff Report on Initial Determination of Administrative Rules for Decennial Rules Review”*.

Auditor Boliek seconded the motion and the Resolution was adopted by unanimous vote of 5 – 0 (Absent: Arnold).

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Mr. Bowers made a motion to adjourn. Auditor Boliek seconded the motion which passed by unanimous vote. The meeting adjourned at 1:03 p.m.

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I, Jennifer Wimmer, Secretary-Treasurer, North Carolina Capital Facilities Finance Agency, CERTIFY that the foregoing is a true and correct account of actions taken at a meeting of the North Carolina Capital Facilities Finance Agency duly called and held on August 5, 2025.

WITNESS my hand at Raleigh, NC, this 2nd day of December, 2025.



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Jennifer Wimmer  
Secretary-Treasurer  
North Carolina Capital Facilities Finance Agency



**NORTH CAROLINA**  
DEPARTMENT OF STATE TREASURER

BRADFORD B. BRINER  
STATE TREASURER OF NORTH CAROLINA

STATE AND LOCAL GOVERNMENT FINANCE DIVISION  
AND THE LOCAL GOVERNMENT COMMISSION

DENISE CANADA  
DIVISION DIRECTOR

**NORTH CAROLINA CAPITAL FACILITIES FINANCE AGENCY**

**RESOLUTION APPOINTING THE SECRETARY-TREASURER AND  
DEPUTY SECRETARY-TREASURER OF THE AGENCY**

**WHEREAS**, the Board of Directors (the "Board") of the North Carolina Capital Facilities Finance Agency (the "Agency"), acting pursuant to North Carolina General Statutes ("N.C.G.S.") § 159D-38(a), desires to elect, appoint, and prescribe the duties of a secretary-treasurer; and

**WHEREAS**, the Agency Board, acting pursuant to N.C.G.S. § 159D-38(a), considers it necessary or advisable to elect and appoint a deputy secretary-treasurer; and

**WHEREAS**, the Chairman of the Agency Board has nominated Department of State Treasurer ("DST") staff member Carolyn Heden as Secretary-Treasurer and; and DST staff member Jennifer Wimmer as Deputy Secretary-Treasurer;

**NOW, THEREFORE**, the Agency Board acting pursuant to N.C.G.S. § 159D-38(a) hereby

1. Elects and appoints Carolyn Heden as Secretary-Treasurer of the Agency to perform all duties assigned by law to the office of the Agency's secretary-treasurer, to administer the Agency Rules codified in 20 NCAC Chapter 09, and to perform other duties as may be assigned to the secretary-treasurer by the Agency Board.
2. Elects and appoints Jennifer Wimmer as Deputy Secretary-Treasurer of the Agency to assist the Secretary-Treasurer as needed, and to act in the stead of the Agency Secretary-Treasurer when the Secretary-Treasurer is unavailable.

This resolution shall be effective immediately upon its adoption.

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I, Bradford B. Briner, Chair of the North Carolina Capital Facilities Finance Agency, DO HEREBY CERTIFY that the foregoing is a true and correct copy of the *Resolution Appointing the Secretary-Treasurer and Deputy Secretary-Treasurer of the Agency* adopted by the Agency at its meeting held on August 5, 2025.

WITNESS my hand this 5th day of August, 2025.

A handwritten signature of Bradford B. Briner in black ink, written over a horizontal line.

Bradford B. Briner, State Treasurer  
Chair of the North Carolina Capital Facilities Finance Agency



NORTH CAROLINA  
DEPARTMENT OF STATE TREASURER

BRADFORD B. BRINER  
STATE TREASURER OF NORTH CAROLINA

STATE AND LOCAL GOVERNMENT FINANCE DIVISION  
AND THE LOCAL GOVERNMENT COMMISSION

DENISE CANADA  
DIVISION DIRECTOR

NORTH CAROLINA CAPITAL FACILITIES FINANCE AGENCY  
RESOLUTION ACCEPTING STAFF REPORT ON INITIAL DETERMINATION OF  
ADMINISTRATIVE RULES FOR DECENNIAL RULES REVIEW

WHEREAS, the North Carolina Capital Facilities Finance Agency ("Agency") is a governmental entity of the State of North Carolina housed within the Department of State Treasurer ("DST"); and

WHEREAS, the Agency and DST are vested with rulemaking authority as described in the North Carolina Administrative Procedure Act ("APA") codified in Chapter 150B of the North Carolina General Statutes ("NCGS") and are rulemaking agencies as defined therein; and

WHEREAS, as a rulemaking agency, DST has appointed a Rulemaking Coordinator, and as part of a DST division, the Agency participates in DST's rulemaking program, works with DST's Rulemaking Coordinator, and directs its staff to do the same; and

WHEREAS, as a rulemaking agency, the Agency has promulgated administrative rules, codified as part of the rules of DST in Title 20, Chapter 09 of the North Carolina Administrative Code ("NCAC"); and

WHEREAS, as rulemaking agencies, DST and the Agency are subject to the decennial rules review process set forth in NCGS 150B-21.3A; and

WHEREAS, Agency staff are working with DST's Rulemaking Coordinator to complete the decennial rules review process and have prepared the report on the initial determination of rules as being "necessary" or "unnecessary" as required by NCGS 150B-21.3A(c)(1), said report being attached hereto; and

WHEREAS, Agency staff have presented this report on the initial determination of rules to the Agency and requested it approve and accept the report so that it may be filed with the Office of Administrative Hearings ("OAH") as required by the decennial rules review process.

NOW THEREFORE, BE IT RESOLVED by the Agency as follows:

1. The Agency approves and accepts the report on the initial determination of rules being "necessary" or "unnecessary" attached hereto and authorizes its staff, working with the DST Rulemaking Coordinator, to file the report with the OAH in accordance with the decennial rules review process established by NCGS 150B-21.3A, and to take all additional necessary steps required to complete the decennial rules review process.
2. This resolution shall take effect immediately upon its passage.

WITNESS my hand this 5<sup>th</sup> day of August 2025.

A handwritten signature in cursive script, reading "Carolyn Heden", is written over a horizontal line.

Carolyn Heden, Secretary-Treasurer  
North Carolina Capital Facilities Finance Agency

# EXHIBIT 2 Page 2 of 2

G.S. 150B-21.3A Report for 20 NCAC 09, CAPITAL FACILITIES FINANCE AGENCY							
Agency - Capital Facilities Finance Agency							
Comment Period -							
Date Submitted to APO - Filled in by RRC staff							
Subchapter	Rule Section	Rule Citation	Rule Name	Date and Last Agency Action on the Rule	Agency Determination [150B-21.3A(c)(1)a]	Required to Implement or Conform to Federal Regulation [150B-21.3A(d1)]	Federal Regulation Citation
	SECTION .0100 - GENERAL PROVISIONS	20 NCAC 09 .0101	ORGANIZATION AND FUNCTIONS	Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 9, 2018	Necessary	No	
		20 NCAC 09 .0102	DEFINITIONS	Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 9, 2018	Necessary	No	
	SECTION .0200 - RULE-MAKING	20 NCAC 09 .0201	RULE-MAKING PROCEDURES	Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 9, 2018	Necessary	No	
		20 NCAC 09 .0202	DECLARATORY RULES	Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 9, 2018	Necessary	No	
	SECTION .0300 - CONTESTED CASES	20 NCAC 09 .0301	CONTESTED CASE PROCEDURES	Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 9, 2018	Necessary	No	
	SECTION .0400 - APPROVAL OF APPLICATION	20 NCAC 09 .0401	REQUESTS FOR ACTION	Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 9, 2018	Necessary	No	
		20 NCAC 09 .0403	APPLICATION TO AMEND PRIOR APPROVALS	Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 9, 2018	Necessary	No	
	SECTION .0500 - REVIEW CRITERIA	20 NCAC 09 .0501	GENERAL	Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 9, 2018	Necessary	No	
		20 NCAC 09 .0502	JURISDICTIONAL FINDINGS	Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 9, 2018	Necessary	No	
	SECTION .0600 - FEES	20 NCAC 09 .0601	COLLECTING FEES	Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 9, 2018	Necessary	No	
		20 NCAC 09 .0602	FEES AND EXPENSES	Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 9, 2018	Necessary	No	



<b>LGC Staff Analysis For:</b>		<b>NCCFFA: The Montessori School of Raleigh</b>	
<b>Amount Not To Exceed</b>	\$ 5,000,000	<b>Financing Type</b> Conduit Revenue Bonds	
<b>Purpose and Type</b>	Education Refunding/Refinancing		
<b>Project Description</b>	The proposed refunding is to (1) issue an Educational Facilities Revenue Refunding Bond (The Montessori School of Raleigh, Inc.), Series 2025 (privately placed with Pinnacle Bank) to refund the Public Finance Authority's Educational Facilities Revenue Bonds (The Montessori School of Raleigh, Inc.), Series 2015A and 2015B, originally issued in the aggregate principal amount of \$4,000,000 and \$2,500,000, respectively and (2) pay costs of issuance.		
<b>Statutory Reference</b>	G.S. 159D-45	<b>Last Request to Borrow</b>	March 2003
<b>Debt Management</b>	<input checked="" type="checkbox"/> Good – no deficiencies and no defaults noted, or reasonable assurance of strict, lawfully compliant management proceeding forward.		
<b>Proposed Bond Issue or Contract is Necessary or Expedient</b>	The Agency finds the refunding necessary or expedient to further the Agency's objective to provide assistance to qualified institutions to be able to construct and renovate facilities for educational purposes.		
<b>Proposed Amount is Adequate and Not Excessive</b>	Refunding amount is par plus the cost of issuance.		
<b>Feasibility</b>	MSR reported (1) cash from operations of \$457k and \$1.15M in 2024 and 2023, respectively and (2) FYE 2024 Cash and Cash Equivalent of \$5.9M. In addition, Bank has conducted its own credit review.		
<b>TEFRA Hearing Date</b>	7/1/2025		
<b>Terms</b>	<b>Lender/Purchaser/Bank</b>	Pinnacle Bank	
	<b>Interest Rate</b>	Initial rate not to exceed 12.0%. Variable: 79% of Term SOFR plus 1.54% spread * 50% of loan amount is a swap fixed rate (as of 07/18/25: 4.86%) * 50% of loan amount is variable SOFR capped at 3.46% (as of 07/18/25).	
	<b>Term</b>	20 years	
	<b>Payment</b>	Monthly principal and interest payments	
	<b>Structure and Term</b>	level debt service	
	<b>Final Maturity</b>	NTE 12/31/2040; subject to tender in August 2035	
	<b>Other:</b>	Refunding relates to change in banking partners and restructuring of amortization. MSR tested the market for interest rates and will thus be in better economic position than if there were no refunding.	



LGC Staff Analysis For:		NCCFFA: The Montessori School of Raleigh
Marketability	Moody's N/A	
	S&P N/A	
	Fitch N/A	

Financing Team			
Financial Advisor			
Underwriter/Senior			
Underwriter's Counsel			
Bond Counsel	Parker Poe Adams & Bernstein, LLP		
Lender/Purchaser/Bank	Pinnacle Bank		
Trustee			
Trustee's Counsel			
Bank Counsel	Smith, Anderson, Blount, Dorsett, Mitchell & Jernigan, LLP		
Swap Advisor	DerivGroup		

Amount Not to Exceed: \$ 5,000,000		
Sources:		Amount:
1	Par Amount of Bond	\$ 4,900,000
2	Equity	\$ 75,000
3		
4		
5		
6		
7		
8		
9		
10		
Total		\$ 4,975,000
Uses:		Amount:
1	Redemption of Refunded Bonds	\$ 4,800,000
2	Costs of Issuance	\$ 175,000
3		
4		
5		
6		
7		
8		
9		
10		
Total		\$ 4,975,000

## MSR Supplement

**Background**

The Montessori School of Raleigh (MSR) is a not-for-profit, independent Montessori and International Baccalaureate (IB) World School serving children from six weeks through grade 12 on two Triangle-area campuses - the Lead Mine Campus in Raleigh and the Brier Creek Campus in Durham. Instruction pairs Montessori's hands-on, mixed-age approach with the inquiry-driven IB framework. Academic work is complemented by outdoor and experiential learning, arts, athletics, after-school offerings, and college-counseling support, all aimed at fostering curiosity and independence.

In March 2003, NCCFFA approved \$3.1M at 14-year amortization for a Wachovia Bank Letter of Credit provided for

- (1) the acquisition, construction, and equipping of additional instructional spaces at its Durham Campus and
- (2) costs of issuance

In July 2015, (WI) Public Finance Authority approved \$6.5M at 25-year amortization for

- (1) refinancing of MSR's Series 2003 debt (Series 2015B) for \$2.5M and
- (2) financing of MSR's Raleigh Campus project (2015A) for \$4.0M with a 07/01/25 interest rate swap agreement maturity

The current Lender (Truist) has executed a letter agreement extending the mandatory purchase date to October 16, 2025.

**Current refinancing proposal by Pinnacle Bank**

Total Amount: \$5.0M

- Refinance Series 2015A and Series 2015B via Series 2025: (Tax-Exempt) Educational Facilities Revenue Refunding Bond
  - 20-year amortization with a 10-year put-date;
  - 79% of TERM SOFR + 1.54%
    - 50% of loan amount is a swap fixed rate (approximately 4.86% (as of 07/18/25)
    - 50% of loan amount is variable SOFR capped at 3.46% (as of (07/18/25)
- Revolving Line of Credit Facility \$500k<sup>1</sup>
  - Variable rate of SOFR + 2.5% with 4% SOFR floor
  - Payment of interest only monthly

Financing is secured via (1) Deed of Trust of Raleigh and Durham campuses and (2) pledge of gross revenues.

Additional Bank requirements include:

- Submission of annual financial statements and projections
- Minimum debt service coverage at 1.10x, tested annually as of July 31
- Days' Cash on Hand Requirement: 90 days, tested annually as of July 31

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<sup>1</sup> For informational purposes only; not for Agency approval



<b>LGC Staff Analysis For:</b>		<b>NCCFFA: Pine Lake Preparatory, Inc. ("PLP")</b>	
<b>Amount Not To Exceed</b>	\$ 37,000,000	<b>Financing Type</b> Conduit Revenue Bonds	
<b>Purpose and Type</b>	Education		
<b>Project Description</b>	Proceeds used to (1) refinance outstanding fixed rate Public Finance Authority Education Revenue Bonds Series 2015, (2) finance an administrative building, a field house and other capital projects (collectively, the "Project") and (3) pay costs of issuance.		
<b>Statutory Reference</b>	G.S. 159D-45	<b>Last Request to Borrow</b>	December 2010
<b>Debt Management</b>	<input checked="" type="checkbox"/> Good – no deficiencies and no defaults noted, or reasonable assurance of strict, lawfully compliant management proceeding forward.		
<b>Proposed Bond Issue or Contract is Necessary or Expedient</b>	The Agency finds the refunding and financing are necessary or expedient to further the Agency's objective to provide assistance to qualified institutions to be able to construct and renovate facilities for educational purposes.		
<b>Proposed Amount is Adequate and Not Excessive</b>	Refunding amount is less than the par amount being refunded. Construction costs are being finalized but are within budget. School has adequate reserves if there are costs overruns. Bank will be monitoring construction.		
<b>Feasibility</b>	The School, with its Municipal Advisor, projects Debt Service Coverage Ratio ranges from 1.71x to 2.01x for FY 2026-FY 2030 and Days Cash on Hand ranges from 170 days to 221 days for FY 2026-2030. Bank has done its own credit review.		
<b>TEFRA Hearing Date</b>	6/24/2025		
<b>Terms</b>	<b>Lender/Purchaser/Bank</b>	Pinnacle Bank	
	<b>Interest Rate</b>	Initial rate not to exceed 12.0%. Variable: 79% of Term SOFR plus 1.05% spread. Synthetic (swap-based) fixed rate @ 4.34% (current)	
	<b>Term</b>	30 years	
	<b>Payment</b>	Monthly; construction portion is payable, interest only, for the first 12-months after closing.	
	<b>Structure and Term</b>	level debt service	
	<b>Final Maturity</b>	NTE 12/31/2055; subject to tender in August 2040	
<b>Other:</b>	No signed Guaranteed Maximum Price (GMP); however, (1) both Agency and Lender (Pinnacle Bank) will require a GMP prior to construction draws and (2) should GMP exceed the amount borrowed, PLP has adequate reserves to cover excess (after value engineering).		





LGC Staff Analysis For:		NCCFFA: Pine Lake Preparatory, Inc. ("PLP")	
Marketability	Moody's N/A	Stable	
	S&P BBB-		
	Fitch N/A		

Financing Team			
Financial Advisor	First Tryon Advisors, LLC		
Underwriter/Senior			
Underwriter's Counsel			
Bond Counsel	McGuire Woods, LLP	Borrower's Counsel	Chapman & Cutler LLP
Lender/Purchaser/Bank	Pinnacle Bank		
Trustee			
Trustee's Counsel			
Bank Counsel	Maynard Nexsen PC		

Amount Not to Exceed: \$ 37,000,000	
Sources:	Amount:
1 2025 Bonds	\$ 36,187,000
2 Series 2015 Debt Service Reserve Fund	\$ 2,330,323
3	
4	
5	
6	
7	
8	
9	
10	
Total	\$ 38,517,323
Uses:	Amount:
1 Series 2015 Refunding	\$ 28,216,127
2 Construction	\$ 9,041,768
3 Soft Costs/ Architectural and Engineering	\$ 733,750
4 Transaction costs (costs of issuance)	\$ 525,405
5 Miscellaneous/ Rounding	\$ 273
6	
7	
8	
9	
10	
Total	\$ 38,517,323

## PLP Supplement

### **Background**

Pine Lake Preparatory (PLP) is a tuition-free, K-12 public charter school authorized by the North Carolina State Board of Education in August 2006 as a North Carolina Charter School. PLP is located in the southernmost portion of Iredell County within minutes of I-77 and convenient to Davidson, Mooresville, and the surrounding area.

PLP has approximately 1890 students from 9 counties with a current wait list of approximately 5,043. The School has a student retention greater than 97% and a graduation rate greater than 98%. PLP has a college prep curriculum, enhanced by fine art and STEM courses. It has 20+ athletic teams in addition to academic, service and social clubs. PLP employs approximately 185 employees.

See also: [www.pinelakeprep.org](http://www.pinelakeprep.org)

### **Financing history/purpose**

#### **Refunding**

Currently outstanding fixed-rate Public Finance Authority Education Revenue Bonds (Pine Lake Preparatory) Series 2015 (the “Series 2015 Bonds”) originally issued in an aggregate principal amount of \$33.0M with current principal outstanding at \$27.6M. Outstanding principal coupon range is 4.35%-5.5% for maturities in 2025 – 2045.

PLP is seeking to refund the Series 2015 issuance to realize interest rate savings (approximately 10.75% of refunded par or \$2.67M), resulting in an estimated \$690k decrease in annual debt service.

#### **New Project**

PLP is seeking to finance the construction of new facilities to enhance school property, including the construction of an administration building, a field house, and improvements to its turf and track facilities for approximately \$9.7M.

### **Current Financing**

Amortization period is 30-years (2055) with a 15-year (2040) tender option.

Synthetic fixed rate via a swap agreement provides PLP an estimated coupon of 4.34% and True Interest Cost (TIC) of 4.37%.

Repayment structure is level debt service, where the annual debt service is relatively equal from year to year, an average of approximately \$2.17M per year (low: \$1.7M, high: \$2.2M).

Financing is secured via Deed of Trust against PLP’s main campus. Additional Bank requirements include:

- Submission of quarterly/annual financial statements and projections
- Minimum debt service coverage ratio of not less than 1.10 to 1.00
- Days’ Cash on Hand Requirement: 70 days, tested annually at the end of each fiscal year