

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA APPROVING FOR PURPOSES OF SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, THE ISSUANCE BY THE PUBLIC FINANCE AUTHORITY OF NOT TO EXCEED \$175,000,000 AGGREGATE PRINCIPAL AMOUNT OF ITS EDUCATIONAL FACILITIES REVENUE BONDS (LINDENWOOD EDUCATION SYSTEM), SERIES 2025A**

**WHEREAS**, the Public Finance Authority (the “Issuer”) proposes to issue its Educational Facilities Revenue Bonds (Lindenwood Education System), Series 2025A (the “Bonds”) in an aggregate principal amount not to exceed \$175,000,000, and to loan the proceeds from the sale of the Bonds to Lindenwood Education System, a Missouri non-profit corporation (the “Borrower”), to provide for a plan of financing of the costs of the Project (defined below), a portion of which relates to, benefits, or is otherwise to be located in the City of Fayetteville, North Carolina (the “City”), as further described in the hereinafter defined Notice of Public Hearing, a copy of which is attached hereto;

**WHEREAS**, the Bonds will be issued in a maximum principal amount of \$175,000,000, and the proceeds of the Bonds will be applied by the Borrower to finance the Project, which consists of the use of such proceeds (a) to finance, refinance or reimburse all or a portion of the costs of the acquisition of the Acquired Assets (defined in the Notice of Public Hearing) from STVT-AAI Education Inc. (the “Company”); (b) to acquire, construct, renovate and make improvements and purchase equipment and furnishings for the Borrower’s existing educational facilities; (c) to fund interest on the Bonds and pay certain start-up working capital costs of the Borrower; (d) to refinance all or a portion of the Borrower’s existing outstanding tax-exempt debt, and (e) to finance costs of issuance of the Bonds (collectively, the “Project”);

**WHEREAS**, prior to the issuance of the Bonds, the public hearing and approval requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), require that the City, being the governmental unit having jurisdiction over the area which a portion of the Project relates to, benefits, or is otherwise to be located, approve the issuance of the applicable portion of the Bonds, after public hearing following reasonable notice;

**WHEREAS**, upon request of the Borrower, a Notice of Public Hearing was published in *The Fayetteville Observer* on January 31, 2025 (the “Notice of Public Hearing”), a copy of which Notice of Public Hearing is attached hereto and made a part of this Resolution;

**WHEREAS**, following the publication of such Notice of Public Hearing, a public hearing with respect to the Bonds and the location and nature of the Project described in such Notice of Public Hearing (the “Public Hearing”) was held by the City, pursuant to Section 147(f) of the Code, on February 10, 2025, at 6:30 p.m. (or as soon thereafter as the matter could be heard), in the Council Chambers of City Hall located at 433 Hay Street, Fayetteville, North Carolina;

**WHEREAS**, the Notice of Public Hearing provides that in the City, the Acquired Assets (defined in the Notice of Public Hearing) relate to, benefit, or are otherwise used in the integrated operation for educational services, including educational assets and associated operations for training and educational programs for Miller-Motte College at the following location: 3725

Ramsey St. in Fayetteville, North Carolina (the “City Assets”), and that the maximum stated principal amount of the Bonds expected to be issued for the City Assets is \$4,000,000.

**WHEREAS**, the Notice of Public Hearing indicates that the Project will be owned and operated by the Borrower, Ancora Education Holdings, Inc. and/or one of the Borrower’s other affiliates;

**WHEREAS**, the Bonds are to be issued in one or more series or sub-series, from time to time, and the Issuer intends to issue one or more series or sub-series of Bonds not later than one year from the date of adoption and approval of this Resolution;

**WHEREAS**, the Bonds will not be a debt, obligation or liability of the City, Cumberland County or the State of North Carolina or any agency or political subdivision thereof;

**WHEREAS**, the Bonds will constitute a special, limited obligation of the Issuer, payable solely out of the revenues and other funds pledged and assigned for their payment in accordance with one or more loan agreements each between the Borrower and the Issuer and one or more indentures pursuant to which the Bonds are issued; and

**WHEREAS**, it is intended that this Resolution shall constitute approval by the City Council as required by, and solely for the purposes of, Section 147(f) of the Code, as to the issuance of the applicable portion of the Bonds to finance the portion of the Project located in the City, the City Assets, as described in the Notice of Public Hearing.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**, as follows:

1. Solely for the purpose of satisfying the requirements of Section 147(f) of the Code, the issuance of the applicable portion of the Bonds by the Issuer and the related plan of finance to provide funds to finance the portion of the Project located in the City, the City Assets, is hereby approved.

2. The Bonds shall not constitute a debt, obligation or liability of the City, Cumberland County, or of the State of North Carolina or any other political subdivision thereof, and none of the City, Cumberland County, or the State of North Carolina or any other political subdivision thereof shall be obligated for the payment of the Bonds, for the manner or extent to which the proceeds from the sale of the Bonds are expended or allocated or for any aspect whatsoever of the Project.

**ADOPTED AND APPROVED** this 10<sup>th</sup> day of February, 2025.

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Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

Approved as to Form: \_\_\_\_\_, City Attorney

ATTACHMENT: NOTICE OF PUBLIC HEARING