

**EXTRACTS FROM MINUTES OF BOARD OF COMMISSIONERS OF THE COUNTY OF GASTON,
NORTH CAROLINA**

A regular meeting of the Board of Commissioners of the County of Gaston, North Carolina (the "Board") was held in the Harley B. Gaston, Jr. Public Forum of the Gaston County Courthouse located at 325 Dr. Martin Luther King, Jr. Way, Gastonia, North Carolina 28052 at 6:00 p.m. on April 23, 2024, after proper notice, and was called to order by the Chairman.

Present: Chairman Chad Brown; Commissioners Bob Hovis, Vice-Chairman; Cathy Cloninger,
Allen R. Fraley, Kim Johnson, Tom Keigher and Ronnie Worley

Absent: None

* * * * *

At 6:00 p.m., the Chairman announced that the Board would proceed to hold a public hearing and would hear anyone who wished to be heard regarding the use of up to \$60,000,000 of the proceeds of the Public Finance Authority's (the "Authority") revenue bonds, to be issued in one or more series (the "Bonds"), by Covenant Village, Inc., a North Carolina nonprofit corporation (the "Borrower"), to (1) finance and refinance, in part, certain capital improvements, consisting primarily of (i) the acquisition of approximately 22 acres of land located adjacent to the Borrower's existing facilities at 1351 Robinwood Road, Gastonia, North Carolina 28054, (ii) the construction, furnishing and equipping of 21 independent living apartments and 14 independent living cottages, (iii) the renovation of dining facilities, (iv) the construction a new pavilion and (v) the construction and renovation of road and parking improvements (collectively, the "New Money Project"), (2) refinance the outstanding principal amount and accrued interest on a loan used to finance the acquisition of real property and refinancing of existing debt issued to finance the construction, renovation, furnishing and equipping of the health care center (collectively, the "Refinanced Projects" and together with the New Money Project, the "Projects"), and (3) pay certain costs incurred in connection with the issuance of the Bonds.

The Board was informed that:

1. The Projects are or will be owned and operated by the Borrower.
2. The Bonds are special limited obligations of the Authority payable solely from the funds paid by the Borrower to the Authority and are secured by collateral furnished or caused to be furnished by the Borrower.
3. On April 16, 2024, a notice of public hearing was published in The Gaston Gazette, a copy of the affidavit of publication being attached as Exhibit A, setting forth a general, functional description of the Projects, the maximum principal amount of the Bonds to be used to finance and refinance the Projects, the owner and operator of the Projects and the location of the Projects, among other things.

The names, address and testimony of the persons who were present and who offered comments on the use of proceeds of the Bonds to finance and refinance the Projects or who responded in writing to the notice of public hearing are as follows:

The Chairman inquired elsewhere in and around the meeting room to determine whether there were any other persons who wished to speak at the public hearing. The Chairman determined that no other persons who wished to speak at the public hearing were found.

After the Board had heard all persons who had requested to be heard, the Chairman closed the public hearing.

The Chairman introduced the following resolution, a copy of which had been distributed to each Commissioner and the title of which appeared on the agenda.

A RESOLUTION

REGARDING THE ISSUANCE BY THE PUBLIC FINANCE AUTHORITY OF ITS REVENUE BONDS, IN ONE OR MORE SERIES, IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$60,000,000, FOR THE PURPOSE OF FINANCING AND REFINANCING CERTAIN PROJECTS FOR THE BENEFIT OF COVENANT VILLAGE, INC.

WHEREAS, the Board of Commissioners (the "Board") is advised that the Public Finance Authority (the "Authority"), a State of Wisconsin commission, acting by and through its Board of Directors, is authorized and empowered under and pursuant to the provisions of Sections 66.0301, 66.0303, and 66.0304 of the Wisconsin Statutes, as amended (the "Act"), to issue bonds and enter into agreements with public or private entities for the purpose of financing capital improvements located within or without the State of Wisconsin and owned, sponsored, or controlled by a participant, as defined in the Act;

WHEREAS, the Board is advised that Covenant Village, Inc. (the "Borrower"), a North Carolina nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), applied to the Authority to issue its revenue bonds (the "Bonds") in one or more series in an aggregate principal amount not to exceed \$60,000,000, which will be loaned to the Borrower to (1) finance and refinance, in part, certain capital improvements, consisting primarily of (i) the acquisition of approximately 22 acres of land located adjacent to the Borrower's existing facilities at 1351 Robinwood Road, Gastonia, North Carolina 28054, (ii) the construction, furnishing and equipping of 21 independent living apartments and 14 independent living cottages, (iii) the renovation of dining facilities, (iv) the construction a new pavilion and (v) the construction and renovation of road and parking improvements (collectively, the "New Money Project"), (2) refinance the outstanding principal amount and accrued interest on a loan used to finance the acquisition of real property and refinancing of existing debt issued to finance the construction, renovation, furnishing and equipping of the health care center (collectively, the "Refinanced Projects" and together with the New Money Project, the "Projects"), and (3) pay certain costs incurred in connection with the issuance of the Bonds;

WHEREAS, the Projects are or will be located at 1351 Robinwood Road, Gastonia, North Carolina 28054;

WHEREAS, the Board is advised that the Projects will be owned and operated by the Borrower;

WHEREAS, the Borrower believes that the Projects will benefit the County of Gaston, North Carolina (the "County"), generally and, in particular, by providing continuing care retirement facilities and employment opportunities for people from the County and surrounding areas;

WHEREAS, the Board is advised that pursuant to Section 66.0304(11)(a) of the Wisconsin Statutes and Section 4 of the Amended and Restated Joint Exercise Power Agreement Relating to the Public Finance

Authority dated as of September 28, 2010 (collectively, the "Authority Requirements") and Section 147(f) of the Code and Treasury Regulations Section 5f.103-2(f), as amended (collectively, "Federal Tax Requirements"), prior to the issuance of the Bonds by the Authority, and after a public hearing held following reasonable public notice, the Borrower is requesting the Board as the highest elected representatives of the County and the governmental unit having jurisdiction over the area in which the Projects are located, to approve the Authority's issuance of the Bonds and the financing and refinancing of the Projects in the County;

WHEREAS, on this date, prior to any deliberations regarding this Resolution, the County held a public hearing at which all interested persons had a reasonable opportunity to express their views on the location of the Projects, the issuance of the Bonds, and other related matters. The public hearing was duly noticed by publication, attached as Exhibit A, in a newspaper having general circulation in the County, not less than 7 days prior to the date thereof;

WHEREAS, neither the Board nor the staff of the County (i) independently confirmed or verified the information provided to the Board by the Borrower or its representatives recited above or (ii) did any research regarding the financial feasibility of the Projects or the Bonds; and

WHEREAS, at the Borrower's request, the County now desires to approve the Authority's issuance of the Bonds and the financing and refinancing of the Projects in order to satisfy the Authority Requirements and the Federal Tax Requirements.

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

Section 1. It is hereby found, determined, and declared that the Projects and the Bonds will give rise to no pecuniary liability of the County, or a charge against its general credit or taxing power.

Section 2. The County shall have no responsibility for the payment of the principal of or interest on the Bonds or for any costs incurred by the Borrower with respect to the Bonds or the Projects. The County pledges neither its taxing power nor revenues for the Bonds. The County has no responsibility for the Borrower, the Projects or for the success of the Projects.

Section 3. As required by and in accordance with the Authority Requirements and the Federal Tax Requirements, the Board, as the applicable elected representatives of the governmental unit having jurisdiction over the area in which the Projects are located, approves the Authority's issuance of the Bonds and the financing and refinancing of the costs of the Projects in the County solely for the purpose of satisfying the Authority Requirements and the Federal Tax Requirements.

Section 4. This Resolution in no way implies that any zoning or permitting approvals will be granted by the County or the Board. Such approvals are outside the scope of this Resolution.

Section 5. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and this Resolution shall take effect and be in full force and effect from and after its adoption.

* * * * *

The Chairman inquired whether any commissioners of the Board wished to comment on the foregoing resolution. After discussion by the Board, on motion of Commissioner Keigher, seconded by Commissioner Hovis, the foregoing resolution entitled "**A RESOLUTION REGARDING THE ISSUANCE BY THE PUBLIC FINANCE AUTHORITY OF ITS REVENUE BONDS, IN ONE OR MORE SERIES, IN THE PRINCIPAL AMOUNT NOT TO EXCEED**


\$60,000,000, FOR THE PURPOSE OF FINANCING AND REFINANCING CERTAIN PROJECTS FOR THE BENEFIT OF COVENANT VILLAGE, INC." was duly adopted by the following vote:

AYES: Brown, Cloninger, Fraley, Hovis, Johnson, Keigher and Worley

NAYS: None

Adopted this 23rd day of April 2024.

COUNTY OF GASTON, NORTH CAROLINA

By: 
Chad Brown
Chairman

[SEAL]

Attest:

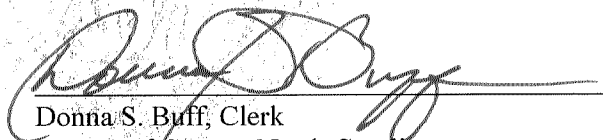

Donna S. Buff, Clerk
County of Gaston, North Carolina

Exhibit A

[Affidavit of Publication of Public Notice from The Gaston Gazette to be included]

**NOTICE OF PUBLIC HEARING
FOR THE BOARD OF COMMISSIONERS OF THE COUNTY OF GASTON, NORTH
CAROLINA
WITH RESPECT TO NOT TO EXCEED \$60,000,000 OF PUBLIC FINANCE AUTHORITY
REVENUE BONDS
(COVENANT VILLAGE), SERIES 2024**

Notice is hereby given that on April 23, 2024, a public hearing as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), will be held by the Board of Commissioners of the County of Gaston, North Carolina (the "Board") with respect to the proposed issuance by the Public Finance Authority (the "Authority") of its Revenue Bonds (Covenant Village), Series 2024, in one or more series (the "2024 Bonds"), in an amount not to exceed \$60,000,000. The hearing will commence at 6:00 p.m. or as soon thereafter as the matter can be heard, and will be held in the Harley B. Gaston, Jr. Public Forum of the Gaston County Courthouse located at 325 Dr. Martin Luther King, Jr. Way, Gastonia, North Carolina 28052.

The 2024 Bonds are expected to be issued pursuant to Section 66.0304 of the Wisconsin Statutes, as amended, by the Authority, a commission organized under and pursuant to the provisions of Sections 66.0301, 66.0303 and 66.0304 of the Wisconsin Statutes, as amended, and the proceeds from the sale of the 2024 Bonds will be loaned to Covenant Village, Inc., a North Carolina nonprofit corporation (the "Borrower"), and used to (1) finance and refinance, in part, certain capital improvements, consisting primarily of (i) the acquisition of approximately 22 acres of land located adjacent to the Borrower's existing facilities at 1351 Robinwood Road, Gastonia, North Carolina 28054, (ii) the construction, furnishing and equipping of 21 independent living apartments and 14 independent living cottages, (iii) the renovation of dining facilities, (iv) the construction of a new pavilion and (v) the construction and renovation of road and parking improvements (collectively, the "New Money Project"), (2) refinance the outstanding principal amount and accrued interest on a loan used to finance the acquisition of real property and refinancing of existing debt issued to finance the construction, renovation, furnishing and equipping of the health care center (collectively, the "Refinanced Projects" and together with the New Money Project, the "Projects"), and (3) pay certain costs incurred in connection with the issuance of the 2024 Bonds.

The Projects are or will be owned and operated by the Borrower. The Projects are or will be located at 1351 Robinwood Road, Gastonia, North Carolina 28054.

The 2024 Bonds will be special limited obligations of the Authority payable solely from the funds paid by the Borrower to the Authority and are secured by collateral furnished or caused to be furnished by the Borrower.

The public hearing will provide an opportunity for all interested persons to express their views, both orally and in writing, on the proposed issuance of the 2024 Bonds and the financing and refinancing of the Projects. Any person interested in the issuance of the 2024 Bonds may appear and be heard or submit written comments. Any person wishing to submit written comments regarding the proposed issuance of the 2024 Bonds, the Projects or any matter related thereto should do so prior to April 19, 2024, by mailing such written comments to the Clerk to the Board, Donna Buff, at Donna.Buff@gastongov.com, or P.O. Box 1578, Gastonia, North Carolina 28053-1578. This notice is given pursuant to the provisions of Section 147(f) of the Code and Section 66.0304(11)(a) of the Wisconsin Statutes and Section 4 of the Amended and Restated Joint Exercise of Powers Agreement Relating to the Authority. Additional information

concerning the Projects may be obtained from the Borrower at its mailing address of Covenant Village, Inc., 1351 Robinwood Road, Gastonia, North Carolina 28054.

Dated: April 16, 2024

/s/ Donna S. Buff
Clerk to the Board of Commissioners of the
County of Gaston, North Carolina



Gaston County

Gaston County
Board of Commissioners
www.gastongov.com

County Manager

Board Action

File #: 24-159

Commissioner Keigher - County Manager - A Resolution Approving Issuance by the Public Finance Authority of its Revenue Bonds, in One or More Series, in the Principal Amount not to Exceed \$60,000,000, for the Purpose of Financing and Refinancing Certain Projects for the Benefit of Covenant Village, Inc.

STAFF CONTACT

Justin Amos

BACKGROUND

The bonds related to this item ARE NOT the debt of Gaston County and the County is in no way liable for the repayment of them. Federal law (26 CFR 1.147(f)-1) requires the private, non-profit entity seeking the issuance of these bonds to obtain the approval of the local government whose jurisdiction the project lies within.

Covenant Village, Inc. is a continuing care retirement community in Gaston County. Covenant Village has requested that the Public Finance Authority, a national conduit issuer, issue its revenue bonds (the "Bonds") for the benefit of Covenant Village to assist with the (1) financing and refinancing, in part, certain capital improvements, consisting primarily of (i) the acquisition of approximately 22 acres of land located adjacent to the Borrower's existing facilities at 1351 Robinwood Road, Gastonia, North Carolina 28054, (ii) the construction, furnishing and equipping of 21 independent living apartments and 14 independent living cottages, (iii) the renovation of dining facilities, (iv) the construction a new pavilion and (v) the construction and renovation of road and parking improvements (collectively, the "New Money Project"), (2) refinancing the outstanding principal amount and accrued interest on a loan used to finance the acquisition of real property and refinancing of existing debt issued to finance the construction, renovation, furnishing and equipping of the health care center (collectively, the "Refinanced Projects" and together with the New Money Project, the "Projects"), and (3) paying certain costs incurred in connection with the issuance of the Bonds.

In order for the interest on the Bonds to be exempt from federal income tax, federal tax rules require that an elected body with jurisdiction over the nonprofit organization's financed facilities approve the issuance "in principle" after holding a public hearing. Because Covenant Village is located in the County, the Board of Commissioners is eligible to serve as the elected body and provide the necessary approval after a public hearing. Covenant Village-not the County-would have the sole responsibility to repay the debt incurred through the bond issuance, and approval for federal tax purposes does not subject the County to any liability.

ATTACHMENTS

Resolution and Minutes Extract

DO NOT TYPE BELOW THIS LINE

I, Donna S. Buff, Clerk to the County Commission, do hereby certify that the above is a true and correct copy of action taken by the Board of Commissioners as follows:

NO.	DATE	M1	M2	CBrown	CCloninger	AFraley	BHovis	KJohnson	TKeigher	RWorley	Vote
2024-121	04/23/2024	TK	BH	A	A	A	A	A	A	A	U

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