



**Board of Directors Special Meeting
Town of Davidson
216 South Main Street
Davidson, NC 28036**

August 13, 2019

MEETING MINUTES

Board Members Present: Robert Guth, Jamie Justice, Ryan Rase, Brad Davis, Brett Ellis, Mark McDowell, Steven Miller and Larson Jaenicke (on the phone). Other attendees: Cameron Dawkins (RBC), Mike Talamantes (RBC) and a citizen of Davidson

1. Call to Order/Quorum

Mr. Guth (Board Member and Interim CEO) called the roll and determined that a quorum of the Board was present. Mr. Guth then called the meeting of the Board to order at 8:05 pm.

2. Consideration of whether the Asset Purchase Agreement (“Agreement”), the other Transaction Documents as that term is defined in the Agreement, the Asset Purchase Transaction as that term is defined in the Agreement and the other transactions contemplated by the Agreement and the other Transaction Documents should be approved and whether the terms of the Asset Purchase Transaction and the other transactions contemplated by the Agreement and the other Transaction Documents are advisable and fair to, and in the best interests of, Continuum and the Towns of Mooresville and Davidson.

Mr. Guth noted that a lot has happened since the Board Members first discussed the potential sale of Continuum in March of this year. He went on to highlight the Key Process Milestones as follows:

- March 2019 – Sale Process Initiated
- April 23 – First round bids received, with six offers above \$70 million selected to move forward
- June 13 – Six final bids received, ranging from \$60 million to \$80 million, with three bids at \$75 million or above chosen for further dialogue
- June 18 – Three top bidders, ranging from \$75 to \$80 million, given the chance to improve their offering price and/or their terms
- June 21-24 – Final revised bids received, and negotiations begun with lead bidder, TDS, with an offering price of \$80 million
- June 24-July 3 – Detailed negotiations with lead bidder, TDS
- July 3 – 30-day Exclusivity agreement executed with TDS
- July 3 – Second Highest bidder, Charter, submits an out-of-process letter raising their bid to \$81.5 million
- July 10 – Charter submits a second out-of-process letter raising their bid to \$83 million
- July 3 – August 3 – APA negotiations continue with TDS
- August 3 – Exclusivity period extended through August 9th
- August 9 – APA and Schedules substantially complete, exclusivity extended to August 14th
- August 13 – Towns and Continuum Board vote to approve sale of Continuum
- November – Town referendums to be held to approve sale of Continuum
- November/December – Projected Transaction close

Mr. Guth stated that each Broad member had previously received full documentation for the Asset Purchase Agreement (APA), Transaction and all supporting documents for their full review. He continued by summarizing the key APA Terms detailed below:

Category	Details
Purchase Price	\$80 Million, subject to Working Capital Adjustments, Escrow, and Indemnification provisions
Working Capital	Adjustment at expense of Seller if NWC is less than (\$1,100,000), and benefit of Seller if above
Use Of Proceeds	Used to satisfy balance of Installment Financings of approximately \$59 million and all other obligations
Employees	TDS will employ substantially all of Continuum's employees (subject to Purchaser's hiring criteria such as drug and background checks)
Indemnity and Escrow Provisions	TDS has obtained a R&W Policy at its expense, which will be the primary recourse for breaches by Seller Indemnification by seller for excluded liabilities including Pension, BVU, and Inter-local claims
RGU Penalties	All performance penalties removed from APA
Termination Fee	Fee of \$2,000,000 payable by seller parties if agreement is terminated and, within 2 years, Continuum enters into another transaction

Mr. Guth noted that both Towns had met and voted unanimously to approve the sale of Continuum. Mr. Guth concluded his review of the potential sale of Continuum by providing background on TDS and asking the Board members if they had any questions. Several were addressed and discussed. Having no further questions, Mr. Guth stated that each Board member had received a copy of the full Resolution as follows:

RESOLUTION APPROVING SALE OF THE CONTINUUM COMMUNICATIONS SYSTEM (THE "SYSTEM") SUBJECT TO VOTER APPROVAL OF THE TOWNS

Be it ordained by the Board of Directors of MI Connection Communications System (dba Continuum):

WHEREAS:

- A. In March 2019, the Boards of Commissioners of the Town of Mooresville and the Town of Davidson (collectively, the "Towns") authorized their respective Town Managers to explore the Towns' strategic options with regard to the System, including a possible sale;
- B. The Towns, as the "Operating Parties" in MI Connection Communications System, the "Joint Agency" formed pursuant to law to own and operate the System, are authorized to approve a sale of the entire System;
- C. The Towns have, through counsel and as approved by the respective Town Managers, reached final terms of agreement on the form of the asset purchase agreement (the "APA") to sell the System to TDS Broadband Services LLC ("TDS").
- D. Each of the Boards of Commissioners of the Towns (the "Town Boards") has found as follows:

1. the Towns have the power and authority, pursuant to Section 160A-321 of the General Statutes of North Carolina, and other authority under their charters, to enter into and perform their obligations under and, subject to approval of the voters, consummate the transactions contemplated by the APA, for themselves and through the Joint Agency;

2. the price and other terms of the APA with TDS constitute fair market value for the System, and the terms of the APA (and the transactions contemplated by the APA) are otherwise advisable and fair to and in the best interests of the Towns and their citizens; and

3. the execution, delivery, and performance by the Towns of the APA (and the transactions contemplated by the APA) upon the terms and conditions in the draft submitted to the Town Boards are for a public purpose and in the best interests of the Towns and their citizens.

E. The APA substantially in the form submitted to the Town Boards and included in the minutes of the meetings of the Town Boards in the Towns' records was approved and authorized by the Towns, with such changes thereto not inconsistent with these resolutions as the Mayors may approve.

NOW THEREFORE, BE IT RESOLVED BY THE JOINT AGENCY BOARD OF DIRECTORS AS FOLLOWS:

1. The APA (including the transactions contemplated by the APA) substantially in the form submitted to the Town Boards and to the Board of Directors prior to this and included in the minutes of this meeting in the Joint Agency records be and hereby is approved and authorized, with such changes thereto not inconsistent with these resolutions as the Town Mayors may approve;

2. The APA (including the transactions contemplated by the APA) is advisable and fair to, and in the best interests of, the Joint Agency and the Towns and their citizens;

3. The CEO, pursuant to the authority granted in these resolutions, be and hereby is authorized to execute and deliver, in the name and on behalf of the Joint Agency, the APA, substantially in the form submitted to the Board of Directors prior to this meeting, with such changes thereto not inconsistent with these resolutions as the Town Mayors may approve;

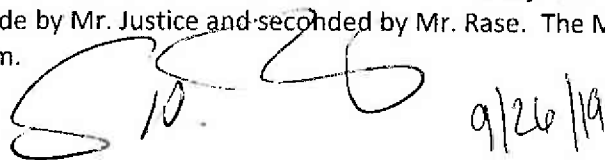
4. The CEO and other officers of the Joint Agency, be and hereby are authorized to perform and cause the Joint Agency to perform all actions contemplated by these resolutions and the APA; to execute and deliver such further agreements, documents, and instruments; and to take and perform such further actions as the Town Mayors, the Town Managers or other officers of the Towns, or any of them, deem necessary or appropriate to further the intent of these resolutions and effect the sale of the System upon the terms and conditions set forth in the APA.

These resolutions are effective this 13th day of August, 2019.

Mr. Guth asked if there were any questions with the APA or Resolutions. He responded to questions. Mr. Guth then requested a Motion to vote on the Resolution to approve the sale of the Continuum Communication System. A Motion was made by Mr. Ellis and seconded by Mr. Davis. The Motion passed unanimously.

3. Adjournment

Having no further business to discuss, Mr. Guth requested a Motion to adjourn the Meeting. A Motion to Adjourn the Meeting was made by Mr. Justice and seconded by Mr. Rase. The Motion passed unanimously. The meeting adjourned at 8:31 pm.



Handwritten signature and date: 9/26/19