

EXTRACTS FROM MINUTES OF BOARD OF COMMISSIONERS

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A regular meeting of the Board of Commissioners of the County of Haywood, North Carolina, was duly held on December 7, 2015 at 9:00 a.m. in the Historic Courtroom in the Historic Courthouse at 215 N. Main Street, Waynesville, North Carolina. Chairman Mark S. Swanger, presiding.

The following members were present:

The following members were absent:

* * * * *

Commissioner _____ moved that the following resolution, copies of which having been made available to the Board of Commissioners, be adopted:

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF HAYWOOD,
NORTH CAROLINA, AUTHORIZING THE NEGOTIATION OF AN INSTALLMENT
FINANCING OBLIGATION, DIRECTING THE PUBLICATION OF NOTICE WITH RESPECT
THERETO AND PROVIDING FOR CERTAIN OTHER MATTERS RELATED THERETO**

WHEREAS, the County of Haywood, North Carolina (the “*County*”) is a validly existing political subdivision of the State of North Carolina, existing as such under and by virtue of the Constitution, statutes and laws of the State of North Carolina (the “*State*”);

WHEREAS, the County has the power, pursuant to the General Statutes of North Carolina to (1) purchase real and personal property, (2) enter into installment financing contracts in order to finance and refinance the construction of improvements upon real property owned by the County, used, or to be used, for public purposes, and (3) grant a security interest in some or all of property owned by the County to secure repayment of the purchase price;

WHEREAS, the Board of Commissioners of the County (the “*Board of Commissioners*”) determines that it is in the best interest of the County to enter into an installment financing contract (the “*Contract*”) with a financial institution to be determined (the “*Bank*”) to (a) provide for the construction of an Emergency Medical Services Base (the “*Project*”) on property located in the County and (b) create a security interest in all or a portion of the real property on which the Project is or will be located;

WHEREAS, the County hereby determines that the Project is essential to the County’s proper, efficient and economic operation and to the general health and welfare of its inhabitants; that the Project will provide an essential use and will permit the County to carry out public functions that it is authorized by law to perform; and that entering into the Contract and Deed of Trust is necessary and expedient for the County by virtue of the findings presented herein;

WHEREAS, the County hereby determines that the Contract allows the County to construct the Project and take title thereto at a favorable interest rate currently available in the financial marketplace and on terms advantageous to the County;

WHEREAS, the County hereby determines that the estimated cost of the Project is an amount not to exceed \$2,100,000 and that such cost of the construction of the Project exceeds the amount that can be prudently raised from currently available appropriations, unappropriated fund balances and non-voted bonds that could be issued by the County in the current fiscal year pursuant to Article V, Section 4 of the Constitution of the State;

WHEREAS, although the cost of the Project pursuant to the Contract is expected to exceed the cost of the Project pursuant to a bond financing for the same undertaking, the County hereby determines that the cost of the Project pursuant to the Contract and Deed of Trust and the obligations of the County thereunder are preferable to a general obligation bond financing or revenue bond financing for several reasons, including but not limited to the following: (1) the cost of a special election necessary to approve a general obligation bond financing, as required by the laws of the State, would result in the expenditure of significant funds; and (2) the time required for a general obligation bond election would cause an unnecessary delay which would thereby decrease the financial benefits of the Project and (3) no revenues produced by the Project so as to permit a revenue bond financing;

WHEREAS, the County has determined and hereby determines that the estimated cost of the Project pursuant to the Contract reasonably compares with an estimate of similar costs under a bond financing for the same undertaking as a result of the findings delineated in the above preambles;

WHEREAS, the County does not anticipate a property tax increase to pay installment payments falling due under the Contract;

WHEREAS, the sums to fall due under the Contract will be adequate but not excessive for its proposed purpose;

WHEREAS, Leon M. Killian III, County Attorney, as counsel (“Counsel”), will render an opinion to the effect that entering into the Contract and the transactions contemplated thereby are authorized by law;

WHEREAS, no deficiency judgment may be rendered against the County in any action for its breach of the Contract, and the taxing power of the County is not and may not be pledged in any way directly or indirectly or contingently to secure any money due under the Contract;

WHEREAS, the County is not in default under any of its debt service obligations;

WHEREAS, the County’s budget process and Annual Budget Ordinance are in compliance with the Local Government Budget and Fiscal Control Act, and external auditors have determined that the County has conformed with generally accepted accounting principles as applied to governmental units in preparing its Annual Budget ordinance;

WHEREAS, past audit reports of the County indicate that its debt management and contract obligation payment policies have been carried out in strict compliance with the law, and the County has not been censured by the North Carolina Local Government Commission (the “LGC”), external auditors or any other regulatory agencies in connection with such debt management and contract obligation payment policies;

WHEREAS, a public hearing on the Contract after publication of a notice with respect to such public hearing must be held and approval of the LGC with respect to entering the Contract must be received; and

WHEREAS, the County hereby determines that all findings, conclusions and determinations of the County in this Resolution are subject to modification or affirmation after all interested parties have been afforded the opportunity to present their comments at a public hearing regarding the execution and delivery of the Contract and the acquisition of the Project to be financed thereby.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF HAYWOOD, NORTH CAROLINA, AS FOLLOWS:

Section 1. ***Authorization to Negotiate the Contract.*** The County Manager and the Finance Officer, with advice from the County Attorney, are hereby authorized and directed to negotiate on behalf of the County for the financing of the Project for a principal amount not to exceed \$2,100,000 under the Contract entered into in accordance with the provisions of the Act.

Section 2. ***Application to LGC.*** That the Finance Officer or her designee is hereby directed to file with the LGC an application for its approval of the Contract and all relevant transactions contemplated thereby on a form prescribed by the LGC and to state in such application such facts and to attach thereto such exhibits regarding the County and its financial condition as may be required by the LGC.

Section 3. ***Counsel,*** That Leon M. Killian III, County Attorney, as Counsel, is approved.

Section 4. **Public Hearing.** That a public hearing (the “*Public Hearing*”) shall be conducted by the Board of Commissioners on December 21, 2015 at 5:30 p.m. in the Historic Courtroom in the Historic Courthouse at 215 N. Main Street, Waynesville, North Carolina, concerning the Contract, the proposed Project and any other transactions contemplated therein and associated therewith.

Section 5. **Notice of Public Hearing.** That the Clerk to the Board is hereby directed to cause a notice of the Public Hearing, in the form attached hereto as Exhibit A, to be published once in a qualified newspaper of general circulation within the County no fewer than 10 days before the Public Hearing.

Section 6. **Repealer.** That all motions, orders, resolutions and parts thereof in conflict herewith are hereby repealed.

Section 7. **Effective Date.** That this Resolution is effective on the date of its adoption.

On motion of Commissioner _____, seconded by Commissioner _____, the foregoing resolution entitled "**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF HAYWOOD, NORTH CAROLINA, AUTHORIZING THE NEGOTIATION OF AN INSTALLMENT FINANCING OBLIGATION, DIRECTING THE PUBLICATION OF NOTICE WITH RESPECT THERETO AND PROVIDING FOR CERTAIN OTHER MATTERS RELATED THERETO**" was duly adopted by the following vote:

AYES:

NAYS:

STATE OF NORTH CAROLINA)
)
COUNTY OF HAYWOOD) ss:

I, *Ira Dove*, Clerk to the Board of Commissioners of the County of Haywood, North Carolina, ***DO HEREBY CERTIFY*** that the foregoing is a true and exact copy of a resolution entitled **“RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF HAYWOOD, NORTH CAROLINA, AUTHORIZING THE NEGOTIATION OF AN INSTALLMENT FINANCING OBLIGATION, DIRECTING THE PUBLICATION OF NOTICE WITH RESPECT THERETO AND PROVIDING FOR CERTAIN OTHER MATTERS RELATED THERETO”** adopted by the Board of Commissioners of the County of Haywood, North Carolina, at a meeting held on the 7th day of December, 2015.

WITNESS my hand and the corporate seal of the County of Haywood, North Carolina, this the ___ day of December, 2015.

Ira Dove
Clerk to the Board
County of Haywood, North Carolina

EXHIBIT A
NOTICE OF PUBLIC HEARING

At its December 7, 2015 meeting, the Board of Commissioners (the "*Board of Commissioners*") of the County of Haywood, North Carolina (the "*County*") adopted a resolution which:

1. Authorized the County to proceed to pay the capital costs of the construction of an Emergency Services Base (the "*Project*"), pursuant to an installment financing contract (the "*Contract*"), in a principal amount not to exceed \$2,100,000 under which the County will make certain installment payments, in order to make the Project available to the County;
2. Authorized the County to proceed to provide, in connection with the Contract, as grantor, a deed of trust and security agreement (the "*Deed of Trust*") on all or a portion of the real property on which the Project is located (the "*Mortgaged Property*"), which Mortgaged Property will be mortgaged by the County to create a lien thereon for the benefit of the entity, or its assigns, providing the funds to the County under the Contract. The real property is located is at 141 Hemlock Street, Waynesville, NC 28785.

The Mortgaged Property will be subject to the mortgage provided in the Deed of Trust. On payment by the County of all installment payments due under the Contract, the Deed of Trust and any lien created thereunder will terminate and the County's title to the Mortgaged Property will be unencumbered.

NOTICE IS HEREBY GIVEN, pursuant to Sections 160A-20 of the General Statutes of North Carolina, that on December 21, 2015 at 5:30 p.m. in the Historic Courtroom of the Haywood County Historic Courthouse, Waynesville, North Carolina, a public hearing will be conducted concerning the approval of the execution and delivery of the Contract and the County's construction of the Project. All interested parties are invited to present comments at the public hearing regarding the execution and delivery of the Contract and the Project to be financed thereby.

/s/ IRA DOVE

Clerk to the Board of Commissioners
County of Haywood, North Carolina

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