

MINUTES OF A REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF
THE TOWN OF LAKE LURE, N.C. HELD IN THE TOWN OFFICE IN LAKE LURE
AT 7.30 P.M. TUESDAY JANUARY 10, 1956

At a regular meeting of the Board of Commissioners of the Town of Lake Lure, N.C. held in the Town office at 7.30 P.M. Tuesday January 10, 1956, the following were present-

L.M. Pearson, Jr., Mayor
Dornan Gresley, Commissioner
W.E. Franks, Commissioner

Fred D. Hamrick, Jr., Town Attorney.

The meeting was called to order by the mayor, L.M. Pearson, Jr.

Mr. Hamrick discussed the matter of the Town's possible purchase of the Carolina Mountain Power Corporation's holdings in the town of Lake Lure. He, also, submitted to the board a contract from Byrne and Phelps, Inc., 14 Wall St., New York 5, N.Y. and the First Securities Corporation, 111 Corcoran St., Durham, N.C. agreeing to handle details in connection with the issuance of bonds to cover the purchase of the Carolina Mountain Powers Corporation's holdings in Lake Lure. Motion was made and seconded that the Town adopt and accept the contract which motion was unanimously adopted and the mayor, L.M. Pearson, Jr. was authorized to execute the contract for the Town of Lake Lure, N.C. Copy of said contract is attached to these minutes on back of this page.

The Board approved the purchase of a ten thousand (10,000) gallon water tank at \$ 265.00 from the Carolina Well Drilling Co., this tank to come to us knocked down. Also, it was unanimously agreed to purchase a water pump for the new well(#3), prices quoted by Pump and Lighting Co., Charlotte, N.C. The mayor was authorized to purchase the tank and pump for the Town.

No further business appearing, the meeting adjourned.

L. Hamrick Jr.
Clerk

L.M. Pearson Jr.
Mayor

January 10 1956

Honorable Mayor and Board of Commissioners
Town of Lake Lure
Lake Lure, North Carolina

Gentlemen:

It is our understanding that the physical properties of the Carolina Mountain Power Company, which supply the Town of Lake Lure with electricity, are available for purchase by the Town. The undersigned have made certain preliminary investigations which indicate that the acquisition of such plant by the Town could be desirable and advantageous, and that the same might be financed by the issuance of revenue bonds pursuant to the North Carolina Revenue Bond Act of 1938. Detailed studies should show that such project would be self-liquidating and that any bonds of the Town issued to pay the cost of the acquisition could be paid from the net revenues of the plant when municipally owned.

In order to acquire such plant and to successfully issue revenue bonds to pay the cost of such acquisition substantial engineering, legal and financial services will be required. Because of our preliminary investigations of the project and our general experience in the field of revenue bond financing, we offer to act as your fiscal agent in connection with such acquisition and financing, performing generally the services hereinafter outlined and under the following terms and conditions. Subject to the Town's ability to obtain a satisfactory contract with the Duke Power Company for the sale of surplus power, such contract to cover the life of the bonds to be sold, or any such shorter period agreeable to us, we, as Fiscal Agents, will:

I. (a) Procure the necessary engineering services and data required to determine the feasibility and desirability of the acquisition of the plant by the Town and required to demonstrate the feasibility of the financing and to insure its successful conclusion;

(b) Retain bond counsel of national reputation to prepare and draft all legal proceedings required in connection with the issuance of the

(e) Assist the Town in negotiating for the acquisition of the plant;

(f) Assist the Town in negotiating the extension of existing contracts for the sale of surplus power;

(g) Subject to our being satisfied with the engineering reports, the marketability of the bonds, and subject to such bonds at the time of delivery being accompanied by the unqualified approving legal opinion of bond counsel in form satisfactory to us, to submit a firm bid for such bonds at public sale.

II. Any expenses incurred pursuant to the provisions of paragraph I above shall be paid in the first instance by us. The Town shall be under no liability to pay any sums for any of such services unless the proposed bonds are issued and sold. In the event the bonds are issued and sold, expenses incurred for engineering services, for the legal fees of bond counsel and local counsel, for bond printing and printing and distribution of bid circulars and notices of sale, shall be paid from the proceeds of sale of the bonds and, to the extent such expenses have been paid by us, we shall be reimbursed therefor from the proceeds of sale of the bonds.

III. For our services in acting as fiscal agent we shall be paid a fee equal to 5% of the par value of the bonds sold, payable from the bond proceeds immediately upon your receipt of same. Such fee is to be payable only if the bonds are sold and issued. In the event that we are the successful purchasers at the public sale, such fee may be applied against the purchase price and we shall then be entitled only to reimbursement for expenses paid by us for engineering services, fees of bond attorney and local attorney, bond printing and printing and distribution of bid circulars and notices of sale.

IV. We agree to make no commitments for engineering services or the fees of bond counsel or local counsel until the amounts to be expended therefor have been approved by the Town.

At a regular meeting of the Board of Commissioners of the Town of Lake Lure, held in the Town Office in Lake Lure, North Carolina, on the 10th day of January, 1956, at seven-thirty o'clock, P. M., the following were present:

L. M. Pearson, Jr., W. E. Franks
and Dorran Gressley.

WHEREAS, it appears to the Board of Commissioners of the Town of Lake Lure that the physical properties of Carolina Mountain Power Corporation which supply the Town of Lake Lure with electricity are available for purchase by the Town of Lake Lure; and

WHEREAS, said physical properties of Carolina Mountain Power Corporation except for some transmission lines, are located within the Town of Lake Lure; and

WHEREAS, said properties consist principally of Lake Lure itself, including the dam and power plant and transmission lines used in connection therewith; and

WHEREAS, it is to the best interest of the Town of Lake Lure to purchase the physical properties of Carolina Mountain Power Corporation ,
PROVIDED:

1. That said physical properties of Carolina Mountain Power Corporation can be purchased at a fair, reasonable and equitable price.

2. That the purchase price, including all expenses in connection therewith can be financed by the issuance by the Town of revenue bonds pursuant to the North Carolina Revenue Bond Act of 1938.

3. That such purchase shall be self-liquidating and that any bonds of the Town issued to pay the cost of acquisition can be paid from the net revenues of the plant when municipally owned.

AND, WHEREAS, in order for the Town Board to determine whether the physical properties of Carolina Mountain Power Corporation can be purchased

WHEREAS, it is to the best interest of the Town of Lake Lure that said contract be executed;

NOW, THEREFORE, upon motion made, seconded and duly adopted, it was

RESOLVED, That the Town of Lake Lure enter into and formally execute that certain contract dated January 10, 1956, between Byrne and Phelps, Inc., of 44 Wall Street, New York 5, N. Y., and First Securities Corporation, of 111 Corcoran Street, Durham, North Carolina, of the one part, and the Town of Lake Lure, of the other part, copy of which is hereto attached; and that L. M. Pearson, Jr., Mayor of the Town of Lake Lure, be and he hereby is authorized to execute said contract on behalf of said Town.